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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, May 18, 1995*

The House met at 9 a.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for all Your gifts to us and Your promises to all people. On this day we remember with gratitude those who have given of their talents and abilities in public service and who have sought to fulfill the biblical injunction to do justice, to love mercy, and to walk humbly with You. May the example of those who have served faithfully in this place remind others of their opportunity to be involved with public responsibility in working together for the common good. Bless all gathered here and be with all Your people, this day and every day, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DOGGETT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DOGGETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 1, rule I, further proceedings on this motion will be postponed until later this afternoon.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. DOGGETT] come forward and lead the House in the Pledge of Allegiance.

Mr. DOGGETT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 483. An act to amend title XVIII of the Social Security Act to permit medicare select policies to be offered in all States, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 395. An act to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil, and for other purposes; and

S. 534. An act to amend the Solid Waste Disposal Act to provide authority for States to limit the interstate transportation of municipal solid waste, and for other purposes.

APPOINTMENT AS MEMBERS OF THE UNITED STATES DELEGATION TO ATTEND MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of 22 U.S.C. 276d, the Chair appoints as members of the United States delegation to attend the meeting of the Canada-United States Interparliamentary Group the following Members of the House: Mr. MANZULLO of Illinois, Chairman; Mr. LATHAM of Iowa; Mr. CRAPO of Idaho; Ms. DUNN of Washington; Mr. ZIMMER of New Jersey; Mrs. JOHNSON of Connecticut; Mr. GOODLING of Pennsylvania; Mr. JOHNSTON of Florida; Mr. DE LA GARZA of Texas; Mr. GIBBONS of Florida; Ms. SLAUGHTER of New York; and Mr. MCNULTY of New York.

RECESS

The SPEAKER. Pursuant to clause 12 of rule I, the House will stand in recess, subject to the call of the Chair, to receive the former Members of Congress.

Accordingly (at 9 o'clock and 5 minutes a.m.), the House stood in recess subject to the call of the Chair.

☐ 0905

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER of the House presided.

The SPEAKER. On behalf of the Chair and this Chamber, I consider it a high honor and a distinct personal privilege to have the opportunity of welcoming so many of our former Members and colleagues as may be present here for this occasion. We are taking this recess for the purpose of welcoming them.

Let me say that I, in particular, want to take a moment to thank all of my former colleagues who are teaching, who are lecturing, and who are helping explain this complex and amazing process by which we try to do things. I think that all too often the country does not appreciate that the legitimate process of tension and debate and dialog are, in fact, how a free people makes decisions.

I would say to any of my former colleagues who are able and have the time and are willing to do so that you do the country a service and you continue your public service when you engage in that kind of opportunity.

Somebody who I have had several very enjoyable occasions of trying to explain why we, on television, do not always seem to be pulling in the same direction, I yield to the distinguished gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, it is my high honor to be here today and to welcome our former colleagues. As I look around the room, I see many Members that I had the honor and pleasure to serve with, and we welcome all of you to the Chamber today.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

If there has ever been a time in our history when we need to explain our form of Government to the American people, it probably is right now. We have a lot of reaction among the public, people saying, Why do you all go up there and argue and bicker so much?

I understand their frustration and concern, but all of you well know that that is what this place is about. It is about the resolution of conflict. People have to be a little more willing to have conflict resolved in our great society and, of course, that is what goes on in this room and in the room across the other way of the building.

I tried to stop, as I handed the Speaker the gavel a few months ago, and remind Americans that we should celebrate the passing of power, in this case after 40 years in the House of Representatives, from one party to another with peace and civility and respect. That is the hallmark of our society.

I simply wanted to rise today to congratulate all my former colleagues who have been such an important part of carrying on that tradition and, I am sure, are still carrying on that tradition as they continue to relate to the public and explain the meaning of what goes on here.

Mr. Speaker, it is good to be part of this ceremony today and to welcome our friends back. We look forward to talking to them today and greeting them.

The SPEAKER. Let me just say, my understanding is this is the 25th annual report to the Congress by the Association of Former Members. I want to encourage every Member to stay active and to stay involved.

I want to tell you that we, on our part, when I have a chance, for example, to talk with John Rhodes and pick his brain a little bit about where we are and what we are trying to do, it is very helpful to have the counsel of folks who have been here before and have done it before. It is good to be here with all of you. It is, frankly, a nice occasion to suspend all the other things we are doing that may not be quite this pleasant and have a chance to share with you.

The Chair recognizes the Honorable James W. Symington, immediate past president of the association, to take the chair.

Mr. SYMINGTON (presiding). The Clerk will now call the roll of former Members of Congress.

The Clerk called the roll of former Members of the Congress, and the following former Members answered to their name:

ROLLCALL OF FORMER MEMBERS OF CONGRESS ATTENDING MEETING, MAY 18, 1995

William H. Ayres of Ohio;
J. Glenn Beall, Jr. of Maryland;
Ed Bethune of Arkansas;
James H. Bilbray of Nevada;
Lindy Boggs of Louisiana;
Daniel B. Brewster of Maryland;
William S. Broomfield of Michigan;
James T. Broyhill of North Carolina;
John H. Buchanan, Jr. of Alabama;
M. Caldwell Butler of Virginia;
Elford A. Cederberg of Michigan;
Charles E. Chamberlain of Michigan;
R. Lawrence Coughlin of Pennsylvania;
James K. Coyne of Pennsylvania;
Hal Daub of Nebraska;
William D. Ford of Michigan;
Nick Galifianakis of North Carolina;
Robert Garcia of New York;
Robert A. Grant of Indiana;
Gilbert Gude of Maryland;
James M. Hanley of New York;
Robert P. Hanrahan of Illinois;
Ralph R. Harding of Idaho;
Jeffrey P. Hillelson of Missouri;
John W. Jenrette, Jr. of South Carolina;
Don Johnson of Georgia;
Hastings Keith of Massachusetts;
David S. King of Utah;
Ernest L. Konnyu of California;
Peter N. Kyros of Maine;
H. Martin Lancaster of North Carolina;
Norman F. Lent of New York;
John V. Lindsay of New York;
Manuel Lujan of New Mexico;
John Y. McCollister of Nebraska;
Romano L. Mazzoli of Kentucky;
Robert H. (Bob) Michel of Illinois;
James L. Nelligan of Pennsylvania;
Dick Nichols of Kansas;
Stanford E. Parris of Virginia;
Jerry M. Patterson of California;
Charles H. Percy of Illinois;
Shirley N. Pettis of California;
John J. Rhodes of Arizona;
John J. Rhodes III of Arizona;
John H. Rousselot of California;
Philip E. Ruppe of Michigan;
George E. Sangmeister of Illinois;
Ronald A. Sarasin of Connecticut;
Harold S. Sawyer of Michigan;
Richard S. Schweiker of Pennsylvania;
Carlton R. Sickles of Maryland;
Henry P. Smith III of New York;
Peter Smith of Vermont;
James W. Symington of Missouri;
Andrew Jackson Transue of Michigan;
Doug Walgren of Pennsylvania;
Charles W. Whalen, Jr. of Ohio;
Lyle Williams of Ohio;
Robert (Bob) Wilson of California; and
Larry Winn, Jr. of Kansas.

Mr. SYMINGTON (presiding). The Chair announces that 37 former Members of Congress have responded to their names. Any who may appear later will have their names added to the list.

The Chair now recognizes the gentleman from Michigan, Mr. Philip Ruppe.

Mr. RUPPE. First I would like to thank the Speaker and the majority leader for giving us the opportunity to be here today and to enable me to present to you the annual report of the former Members of Congress.

I must say we, we do have a very good turnout this morning. I recall how difficult it was to be down here at 9 in the morning when we were well paid for the effort. Considering that our remuneration is somewhat less at this particular time, I do want to thank everybody for showing up at 9, a very early hour, I suspect, for a number of us.

Mr. Speaker, my colleagues and I are very pleased and honored to have this opportunity, as I stated, to once again be on the floor of Congress to commemorate the 25th anniversary of the U.S. Association of Former Members of Congress. We want to thank you and we want to thank every Member, seated Member of Congress, for the warm welcome extended to our group today. The association, over 25 years since its inception, has grown to a membership of some 600 individuals, an annual budget in excess of $600,000.

The association, following the mandate of its charter, has developed a number of programs of which we are very proud, programs both domestic and international, to promote the improved public understanding of the Congress as an institution, and representative democracy as a system of Government.

One of our earliest initiatives was our highly successful Congressional-Campus Fellows Program. Launched in 1976, former Members of Congress visit colleges, universities, and high school campuses for 2, sometimes 5 days to have formal and informal meetings with the faculty and students. Also community representatives are invited to share with them firsthand knowledge about the operations of the U.S. Congress, the Executive branch, and the Judiciary.

Under this program, 72 former Members of Congress have reached more than 100,000 students through 231 programs on 164 campuses in 49 States. Interestingly enough, this is the association's program that our members feel most strongly about, and it is a program which is going to receive renewed attention in our next program year.

I want to emphasize that, because we have done a good deal of reorganization, but the Campus Fellowship Program is popular with our members. It does a service to the communities where we are involved, and I think it is a very good way to show how the Congress operates and in the very best manner in which it operates.

Mr. Speaker, we have without exception a warm attachment, as we obviously indicate by being here today, to this body, its traditions and its role in a democratic society, and we welcome, as we always did and will, the opportunity to speak out on behalf of all of its Members.

The association also provides opportunities for our members to share their congressional experiences overseas.

Fourteen study tours have been carried out for members of the association who, entirely at their own expense, have participated in educational and cultural visits to China, the former Soviet Union, Eastern and Western Europe, the Middle East, South America, New Zealand, and Australia.

□ 0920

At this time, in fact just yesterday morning, we held discussions with our former colleague, Congressman Jim Jones of Oklahoma, our current Ambassador to Mexico, to explore the possibility of a study tour in that country. I would like to see that Ambassador Jones is very anxious that we do develop something in the way of a study trip to Mexico, and while we are there, USIA, our information agency, may well use our Members or former Members to interact with their Mexican counterparts south of the border. It could be not only a lot of fun, but an opportunity, I think, to enable us to explain better the role of Congress in our society.

The association cooperates with a number of other nonprofit organizations which make available for educational projects the experiences and perspectives of persons who have served in the Congress. It has provided former Members of Congress for programs sponsored by USIA's AMPARTS [American Participants] Program in Africa, Asia, Latin America, Europe, and Australia. USIA staff hope to involve more former Members of Congress in these programs and have asked us to notify them when any of our Members are traveling abroad who might be interested in participating in these programs, so I can say to all of you today, if you are traveling abroad, let us know your plans. USIA representatives in the field are anxious to get a hold of you, your experience, and your expertise.

The association also provides opportunities for current Members of Congress to share their expertise with legislators of other countries and to learn first hand the operations of those governments. It has continued serving as the secretariat for the Congressional Study Group on Germany, which is the largest and most active exchange program between the United States Congress and the Parliament of another country. The study group is an unofficial, informal, and bipartisan organization open to all Members of Congress. Currently, I am proud to say, it involves more than 100 Representatives and Senators, and provides opportunities for Members of Congress to meet with their counterparts in the German Bundestag to facilitate better understanding and greater cooperation between these great countries.

In addition to hosting a number of members of the Bundestag and other German Government leaders at the Capitol this past year, the study group hosted a retreat in early February in Maryland for new Members of Congress and new members of the Bundestag. This was enormously successful, and it was followed up by the 12th Annual Congressional-Bundestag Seminar which was held in April in Dresden, Germany, in which 10 Members of the Congress and 11 members of the Bundestag participated, along with two of our members, Lou Frey and Martin Lancaster. Also, four members, former members, of the Bundestag were involved, as well as having indepth discussions about the many facets of United States-German relations on the national level, and the participants had the opportunity to observe the progress that has been made in Eastern Germany since the reunification a few years ago, and to discuss continuing developmental efforts being conducted by state legislators in the new states of Saxony and Brandenberg.

The Study Group Program is funded primarily by the German Marshall Fund of the United States, and we do want to thank them again in this forum for their support. It has included joint meetings of the Agriculture Committees and the Bundestag, and visits by members of the Bundestag to observe the Illinois presidential primary and the Iowa caucus, as well as congressional districts throughout the country with Members of Congress to learn about the U.S. political process at the grassroots level. I hope they did not go back too confused, but I think it was a great experience for all of them.

The association also serves as the secretariat for the Congressional Study Group on Japan, which seeks to develop a congressional forum for the sustained study and analysis of policy options on major issues in United States-Japanese relations, and to increase opportunities for Members of Congress to meet with their counterparts in the Japanese Diet for frank discussions on these key issues. This informal, bipartisan group, which, again, is open to all Members of the Congress, has 67 Member participants, and an additional 45 Members of Congress have asked us to keep them informed of our activities. An ongoing activity of the study group, one of them, is to host breakfasts, luncheons, and discussions with Americans and Japanese who are experts on various facets of the United States-Japanese relationship. For example, just last week Ambassador Mickey Kantor met with study group members for what I am sure was a very lively discussion of the auto and auto parts negotiations.

The association's program to assist the new democratic nations in Central and Eastern Europe and the former Soviet Union, which was begun in 1989, has continued to expand. Under funding from the United States Information Agency, the association has hosted delegations of Members of the Parliaments of Poland, Hungary, the Czech Republic, and the United States, sent bipartisan teams of former Members of Congress, accompanied by either congressional or country expert, to Hungary, Poland, and Czechoslovakia, and has placed a congressional fellow in Budapest, and highly successfully so, for 2 years to provide technical assistance to the Members and staff of the Hungarian Parliament. The final aspect of this grant from USIA will be the hosting of a delegation of four Members of the Slovak Parliament in the United States next month.

Under a grant from the Pew Charitable Trusts, the association has placed one congressional fellow in Slovakia, a gentleman by the name of John Holstine, who has done a tremendous job, and another Congressional Fellow in the Ukraine, Cliff Downen there, has done an outstanding service to this country and to our organization. They have been at their posts for a year, and will remain until April 1996. Former Members of Congress, Lou Frey of Florida and Lucien Nedzi of Michigan, have visited these fellows to assist them in their work, and they have conducted workshops and participated in seminars with members of the Parliament. We plan to have additional former Members, and we would like to have additional former Members of Congress visit Slovakia and the Ukraine in the next calendar year.

Back here in the United States, the association has continued its program of hospitality for distinguished international visitors, parliamentarians, cabinet ministers, judges, academicians, and journalists here at the Capitol. This program, originally funded by the Ford Foundation, has been continued under grants from the German Marshall Fund of the United States. It has enabled us to host 306 events: breakfasts, lunches, dinners, receptions, and so forth, for visitors from 82 countries and the European Parliament, and has proved to be an effective avenue for improving communication and understanding between Members of the Congress and leaders of other nations.

In addition to our work with current parliamentarians, we maintain close relationships with associations similar to ours; that is, former members of the Parliaments of other countries. In this connection, Mr. Speaker, I am pleased to recognize and welcome two representatives of these associations who are with us today, Aideen Nicholson of the Canadian Association of Former Parliamentarians, and Joachim Raffert, of the Association of Former Members of the German Bundestag.

I might say they were both here well before 9 o'clock, setting a good example for their American counterparts.

These relationships have been cordial, they have been a lot of fun. We have made within the group lasting friendships, and I think really have, through this process, developed a better understanding and appreciation of the common democratic institutions that we share.

Mr. Speaker, at this time it is my very sad and unhappy duty to inform the House of those persons within our membership who have served in the U.S. Congress and have now passed away since our report last year. Those deceased Members of the Congress are:

Glenn M. Anderson, California;
Irene B. Baker, Tennessee;
Joseph H. Ball, Minnesota;
Wallace F. Bennett; Utah;
Albert M. Cole; Kansas;
Emily Taft Douglas; Illinois;
John Dowdy, Texas;
Daniel Flood, Pennsylvania;
J.W. Fulbright; Arkansas;
Claude Harris, Alabama;
Patrick J. Hillings, California;
W. Pat Jennings, Virginia;
August E. Johnsen, Michigan;
Thomas H. Kuchel; California;
Thomas J. Lane, Maine;
Clarence D. Long, Maryland;
Gillis Long, Louisiana;
Richard Dean McCarthy; New York;
Thomas C. McGrath, Jr., New Jersey;
Hervey G. Machen, Maryland;
George Meader, Michigan;
D. Bailey Merrill, Indiana;
Jack R. Miller, Iowa;
Edward J. Patten, New Jersey;
Richard L. Roudebush, Indiana;
Hugh Scott, Pennsylvania;
Robert L.F. Sikes, Florida;
Jessie Summer, Illinois;
Roy A. Taylor, North Carolina;
Lera Thomas; Texas; and
Albert Watson, South Carolina.

Mr. Speaker, I would like to ask for a moment of silence in their memory.

Mr. Speaker, I suppose, since I have the platform, I can tell the story about one of the former Members who is deceased. I'm sure we all knew most of them. I can remember Dick Roudebush and others on the floor. I'm sure most of us have very great stories to tell about each of the individuals, but since I have the platform, I'm going to tell a little one on Roy Taylor.

One time when we were on the Interior Committee's Parks Committee we were out in Iowa and we were inspecting a site that may have been included or would have been included as a national park or wildlife refuge, but in any event, the Forest Service took us fishing. They helicoptered us up to this wonderful lake and gave us the opportunity to fish for cutthroat trout. There were about a dozen of us in the group, and Roy Taylor was the chairman.

We all got outfitted with fishing poles and we all went at it. Roy Taylor got the first six fish, and of course, we were a little nervous, but we knew the chairman of the committee deserved better service than the rest of us, so no one was too upset. Roy Taylor was a pretty good sport. He said, "Fine, no problem, maybe the pole is lucky," so he gave the pole to somebody else and took another pole, and he got five more fish, all for the chairman.

Finally we said "Roy, this is a little too much. We are going to move you off that site, because we know they have probably got some frogmen down below to put the fish on the hook," so we moved Roy about one-eighth of a mile to another site, and he got 4 more fish. Let me say, I think there were something like 14 or 15 fish, and Roy got them all, got every one of them, no matter where he was, what pole he used.

I grant you, he had talent, but it certainly shows, at least in those days, that chairmanship did indeed have rank and power. But he was a wonderful man, and I hope that his wife, Evelyn, realizes how much we think of him, and all of the other Members with whom we have served.

Mr. Speaker, it is now my happy duty to report that nominated to be our association's new president is our colleague, Lindy Boggs of Louisiana, and as vice president, Lou Frey of Florida.

Is Lindy Boggs here? I know some of them have had obligations this morning. Lou Frey was on his near deathbed in Florida with flu the other day. I should say that Lou and a couple other of our members are responsible for getting the very attractive pins that are now available or have been made available to all of our members. Lou Frey, over what I extended, which could be no more than lukewarm support, went on and got it, and the Speaker graciously consented to make it official, so we have a very lovely, handsome pin for the former Members of the Congress. Therefore, I believe the leadership of the association will be in capable and experienced hands.

I do want to say at this time that Linda Reed, who has been our acting director, has been a tremendous asset to this organization. She has worked countless hours, organized the exchanges with the Germans and the Japanese, gotten much of this program put together today, and has done a tremendous job. I would also like to say that Nola Golson, her executive and our executive assistant for the organization, again has done an outstanding job keeping the office going, keeping the mail moving, keeping those old Wang computers doing their job.

In Nola's case, she has two charming daughters that you may well have noted last evening helped us get our reception underway, and also have done the proverbial job of stuffing envelopes on a number of occasions, so we want to thank them both for an outstanding job.

Mr. Speaker, each year the association presents a Distinguished Service Award to an outstanding public servant. This award rotates between political parties, as do our officers. Last year's recipient on the Republican side was former Ohio Representative, Clarence J. "Bud" Brown.

This year, the Democratic recipient has been the distinguished former Representative and Senator from Tennessee and the current Vice President of the United States, ALBERT GORE, Jr. The award was presented to Vice President GORE during our congressional reception last evening in the Hart Building.

Mr. Speaker, I ask permission to insert in the RECORD at this point my remarks in presenting the award to the Vice President, and the Vice President's remarks in accepting the award:

PHILIP RUPPE'S INTRODUCTORY REMARKS

This is a very special occasion tonight, the 25th Anniversary of the founding of the U.S. Association of Former Members of Congress. In 1970, Walter Judd of Minnesota and Brooks Hays of Arkansas conceived this organization to promote the improved public understanding of the Congress as an institution, and representative democracy as a system of government.

Tonight, I speak for every member of FMC as well as our friends, families and our guests from abroad, when I state that we are honored indeed to have with us at this our anniversary celebration, Mr. Al Gore, the Vice President of the United States.

We are proud, Vice President Gore, that you began your political career in the United States Congress where, following graduation from Harvard University and a tour of wartime duty in Vietnam, you served eight years representing the 4th district of Tennessee. In 1984, you went on to be elected to the United States Senate.

Since most of us in this room can attest to the fact that campaigning is a pretty rugged business, I should point out that when Al Gore was re-elected in 1990, he was the first candidate in modern history—Republican or Democrat—to win all of Tennessee's 95 counties.

Vice President Gore has had a long and distinguished career of leadership in Congress and in the Executive Branch of government. These accomplishments are both national and international.

In 1992, he chaired the U.S. Senate Delegation to the Earth Summit in Reo de Janeiro, the world's largest gathering ever of heads of state whose focus was directly on the envionment.

Last year, Vice President Gore helped President Clinton unveil the Global Climate Change Action Plan, a public-private partnership to dramatically reduce greenhouse gas emissions in the atmosphere while promoting economic development.

As a Member of the Senate, Al Gore introduced and steered to passage the High Performance Computing Act to create a national, high speed computer network, and increase research and development of high performance technologies.

As Vice President, Al Gore chairs the Community Enterprise Board of the President's Empowerment Zone and Enterprise Community Program which will designate certain areas of the country as eligible to receive federal assistance and support for the development of strategic plans for revitalization.

Al, press accounts suggest that you are focusing much of your time on reinventing government. It seems to me that you have already been doing that for a full 20 years.

Also, Mr. Vice President, we cheered and applauded—as did millions of Americans—when you led the U.S. delegation to the inauguration of the first freely-elected President of South Africa, Nelson Mandela. What a victory for freedom and democracy.

Last, and most importantly, or, as has been said about most of us in this room, "lucky for him," he is married to Mary Elizabeth Aitcheson—Tipper Gore—mother of four lovely children, articulate campaigner and author—a truly gracious lady.

It is my pleasure, as President of the U.S. Association of Former Members of Congress, speaking on behalf of the members of our Association—your friends and admirers all—to present to you this plaque for exemplary service to the nation and these two books of letters from your friends.

REMARKS OF VICE PRESIDENT AL GORE

It's such an honor to get a Distinguished Service Award from a group that epitomizes Distinguished Service.

And, I'm pleased to be a part of the 25th Annual Spring Meeting. For the last 25 years, every spring, a group of individuals have come together to reflect on—and to add to—the role they played in the oldest democracy in the world—a government that more than any other can shape life.

In or out of office, you serve your country—by your leadership, by your dedication, and by your very example.

In Congress, we entered a world of traditions. There are those who will never understand why in the midst of a heated debate that we refer to opponents as "My distinguished colleague" or "My esteemed friend from the other side of the aisle."

Though, of course, there are limits. Thaddeus Stevens (R-PA) once said, "I will now yield to my honorable colleague * * * who will make a few feeble remarks."

Then there was Senator Homer Capehart of Indiana. He once got so carried away with the rhetorical courtesies that he referred to himself as "The Distinguished Senator from Indiana."

But those of us who have been lucky enough to serve in our Nation's Capitol, know that these traditions ensure civility when we need it most.

And we also know, that when we say "good friends on the other side of the aisle * * *" that it is not only civil * * * that it is not only just tradition of our Congress * * * but something which is absolutely true.

I know that your service and your contribution hasn't stopped with your retirement from Congress. Of course, sometimes retirement is involuntary. My father, who "retired" from the Senate in 1970, likes to say, it was due to a marginal error on the part of the people of Tennessee.

There is a line attributed to Jefferson that "When a man assumes a public trust, he should consider himself as public property."

That isn't always easy.

Two reasons come to my mind right away.

First, regardless of what side of the aisle you sit on—you came here with the intent to serve your constituents and your nation the best way you knew how. And not only was that your goal: it was your accomplishment.

And second, and on a more personal note, no one knows more than all of you how much you sacrificed during your time in office. You were on the road * * * working long hours * * * you were away from the family. You missed the kids' baseball games for a hearing on the budget. Instead of helping your daughter with her homework, you had to be in the Cloakroom—eating a hot dog for dinner—waiting for a vote.

Your spirit of self-sacrifice has always inspired me to remember what really matters. Serving the nation. And for me to be honored by a group of people with such noble intentions—that is the highest compliment I could be paid.

President Kennedy once said that: "Mothers all want their sons to grow up to the President. They don't want them to become politicians in the process."

You have all been politicians. None of us has been President. But on this week after Mother's Day, I hope you feel you've made not only your family, but your country very proud.

Mr. RUPPE. Mr. Speaker, I would like to say one thing, I thought the Vice President was very, very kind and gracious to give us his time last evening. I think I can say to everyone here that his remarks certainly reflected his empathy with Members, former and present Members of the U.S. Congress.

The Speaker was bipartisan, he was gracious, he was kind, and I think he really was, as he well should have been, indeed, the highlight of that evening. I hope his friends and his family realize how important his being there and accepting that award was for all of us as former Members of Congress.

Lindy Boggs, our new president coming up.

Lindy, I just want to say how pleased we are as an association that you will be the next president, and how happy we were that you did, I'm sure, a great deal of work in getting Vice President GORE to be with us last evening. It was a marvelous evening, an outstanding event, and he was very, very gracious to join us.

I would also like to put in a statement from the Ukrainian People's Deputies of the Former Verkhovna Rada, who, for their association, extended to us their greetings at the time of their 25th anniversary:

MAY 18, 1995.

Hon. PHILIP E. RUPPE,
President, U.S. Association of Former Members of Congress, Washington, DC.

DEAR MR. RUPPE: On behalf of the Association of Ukrainian People's Deputies of Former Verkhovna Rada we want to, first of all, congratulate you and AFMC on the occasion of your 25th Anniversary. We wish you enjoyable festivities and many, many more years of success.

Secondly, we want to take this opportunity to express our appreciation to you and, through you, to your entire membership, first of all—Kyiv Representative of FMC Mr. Cliff Downen, for the support, both advisory and financial, that the U.S. Association of Former Members of our Association.

Our organization's meeting was held on the floor of the Verkhovna Rada on the 31st of March with the participation of the Chairman of Verkhovna Rada and almost two hundred former members. We signed up 168 member's of our Association on the first day. We look forward to working with you and other former members associations of the World in the years ahead.

Thank you again for your assistance and support.

With warm regards and our best wishes for your continued success,

PAVLO KYSLYI,
President of Association.
OLEXANDR BARABASH,
LEONID BILYI,
JURYJ GNATKEVICH,
Vice Presidents of Association.

Mr. RUPPE. Mr. Speaker, this concludes the 25th Annual Report to the Congress by the U.S. Association of Former Members of Congress.

I want to say to the Speaker that we were very honored by his warm welcome and by his generous comments to all of us here today. We want to thank those seated Members of the Congress for their very personal greetings. It is always fun to come back on the floor and see some of the Members with whom we have served in the past, or others whom we have gotten to know via C-SPAN or other forms of media, and have the opportunity to greet them personally.

I think I can say for everyone in this group, and I certainly can say it for me, that being a Member of Congress was probably the most exciting and the most challenging moment of my life, so this, for me, and I think it is for all of us, is a rare and thoroughly enjoyable opportunity to greet old friends, to feel for a moment the majesty of this Chamber, and share with everyone here the activities of its former Members.

Finally, Mr. Speaker, we want you to know that this association will continue its efforts to promote greater public understanding of and appreciation for this very uniquely American legislative body, the U.S. Congress.

The SPEAKER pro tempore. The Chair thanks the very distinguished Member, and the statements will be conveyed to the Speaker wholeheartedly.

The Chair wishes to thank the former Members of Congress for their presence here today. I should say, before terminating these proceedings, the Chair would like to invite all those former Members who did not respond when the roll was called to give their names to the reading clerks for inclusion on the roll.

The Chair wishes to thank all the other former Members of the House for their presence here today. Good luck to you all.

The House will continue in recess until 10 a.m.

Accordingly (at 9 o'clock and 37 minutes a.m.), the House continued in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. WATTS of Oklahoma] at 10 o'clock a.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize each side for five 1-minutes.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the CONGRESSIONAL RECORD and that all Members and former Members who spoke during the recess have the privilege of revising and extending their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

REPUBLICANS COMMITTED TO BALANCING THE BUDGET

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, the changes going on here in Washington are truly historic. The new majority here in the House has said goodbye to the old Washington ways.

Congress is now run by those who see that the Federal Government is not a solution to everything. It has become much too big and it spends too much.

For the first time in a generation, Congress has stood up to the mess we call a budget. We are committed to balancing this budget, so that our children will have a future free of debt and full of opportunity.

The defenders of the status quo on the other side of the aisle though criticize us, they offer no alternative. They have no vision and they have no plan. The only thing they have left are worn-out class welfare slogans and programs that will continue our Nation's course to more spending, more taxes, higher interest rates, and greater debt for our children and grandchildren.

Mr. Speaker, Republicans are moving ahead to preserve the American Dream for our children and their children. We have a plan, we have a vision of a debt-free America, and we will balance the budget.

BUDGET DEBATE IS ABOUT REAL PEOPLE

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, this debate comes down to one simple question: Do you think we should be cutting Medicare, Medicaid, and Social Security in order to pay for tax breaks for the privileged few in our society?

I can tell you one thing—Margaret Leslie doesn't think so.

I have a picture here of Margaret. She is a senior citizen who lives in my district.

During World War II, she was known as "Margie the Riveter."

She helped build the B-29's that helped the Allies defeat Hitler in the Second World War. Today, she lives on Social Security.

After paying for her rent, her medicine, her Medicare and MediGap premiums, she is left with about $130 each month to pay for food, bill, and everything else.

Mr. Speaker, this budget before us today will take $240 out of Margaret's pocket because of cuts in Social Security.

And over the next 7 years—it will force her to pay an additional $3,500 for Medicare.

Not to cut the deficit. Not to balance the budget. But to pay for tax breaks for the wealthiest few in our society.

Mr. Speaker, we need to defeat this budget.

REPUBLICANS OFFER HISTORIC PLAN TO BALANCE OUT-OF-CONTROL FEDERAL BUDGET

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, our liberal friends are tragically on the wrong side of history. Their time has come and gone. Their ideas have been clearly refuted with evidence, their representatives defeated at the polls. For those that remain in this House, there cannot be much to motivate them as we move to smaller, less costly Government.

Clearly, the promise of big Government has crumbled and given way to a total reassessment of the Federal Government.

Something else is just as clear—the need to balance the budget.

Republicans have offered a historic plan to balance the out-of-control Federal budget. I can think of few things more important to our future and the future of our children than to balance the budget. We will return power to families and local governments as we shift the focus of governing away from Washington.

Republicans believe in the ability of the individual and of families to make the right choices, instead of big Government.

This philosophy places us against status quo liberalism here in Washington, but squarely on the side of the American people.

MILLIONS OF NEEDY AMERICANS DEPEND ON MEDICARE

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, this is Tom McDonough. Tom McDonough is not interested in liberal or conservative. Tom McDonough is interested in the problems he has as a family member. Tom McDonough is 66 years of age. Tom McDonough's heart is failing, Tom McDonough lives in Bowie, MD, in my district and he gets $800 on Social Security.

And the Republicans' budget wants to say to Tom McDonough, we are not going to help you pay for the medical care you need. We promised it as a Nation. We made a promise, and we talk about promises kept, but this is a promise broken.

Social Security is going to be cut in 5 years, in 4 years, and in 3 years for Tom McDonough. He does not think that is a promise made and a promise kept.

His Medicare is going to be cut back. Tom McDonough does not think that is a promise made or a promise kept.

REPUBLICAN PLAN WILL SAVE MEDICARE

(Mr. BASS asked and was given permission to address the House for 1 minute.)

Mr. BASS. Mr. Speaker, when we began this debate yesterday or since we have begun this debate yesterday the debt has risen by $846 million. That is $846 million more that you and I and our children and our grandchildren are going to have to pay.

We will see the other side all day long today produce props and photographs of individuals who will be affected by this so-called budget reduction, which is not a reduction unless you live inside the beltway.

But I am here today in Congress for these people. Here today are my two children, Lucy and Jonathan. That is what it is all about today, because today is historic. The Republican Budget Committee is going to turn this budget around, and I would like to see the American people judge this Congress not by the harsh rhetoric and the hard choices that we will be making over the next couple of days but by the country and the government that we give to our children and our children's children long after we are gone.

AMERICANS WILL PAY MORE FOR MEDICARE

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, Lewis and Ed Kierklewski are two hard-working Texans. They have worked hard all of their lives. One is retired, one is nearing retirement, and they deserve to have the security of Medicare and Social Security.

But today that security is threatened, because the Republicans say we need to have the largest corporations in this country pay less taxes and we need for Lewis and Ed to pay more for Medicare.

Interestingly enough, as peaceful as Ed and Lewis look, the Republicans are scared to death of them, and so in 6 hours of debate, they have provided us this plan. This is exactly what they have told Lewis and Ed they will do with their Medicare.

Now we know that on this sheet of blank paper there is nothing about doubling the deductible for Lewis and Ed. There is nothing about raising their premium every year. There is nothing about increasing their costs, because the Republicans are afraid to stand in this well and tell Lewis and Ed and millions of American seniors the truth that they are about to hike their out-of-pocket expenses for Medicare to pay for tax breaks for the wealthy.

CLINTON'S CHANGE OF HEART CONCERNING MEDICARE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, let me just say as one Member who speaks in this well to the Member who just spoke, the Democrats have bankrupted Medicare for 30 years. It is now the Republicans' responsibility and obligation to preserve, protect, and improve the Medicare system, which we intend to do.

Mr. Speaker, I want to give you a quote and ask who said this quote:

> Today Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. We are going to have to have increases in Medicare and Medicaid, but a reduction in the rate of growth.

Who said that? President Clinton said that last year.

Let me give you a quote from Mrs. Clinton:

> We feel confident * * * that we can reduce the rate of increase in Medicare without undermining quality for Medicare recipients.

That is Mrs. Clinton. That is what she said. So when the President or Mrs. Clinton proposed slowing down the rate of growth in Medicare and Medicaid, it was not a cut. But now that the Republicans offer our budget which contains a similar proposal, the Democrats are now saying it is a cut.

My friends, let us put aside our differences and work in a bipartisan manner to solve the problems of how to save the Medicare program.

HOW THE BUDGET WILL AFFECT ANTOINETTE "TONI" PODOJIL

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, these Republican Medicare cuts are not just number-crunching, they mean real medical service reductions affecting real people.

Let me introduce you to Toni Podojil from Cleveland. Toni is 83 years old. She worked in the textile industry before her first retirement, but with minimum pension benefits and Social Security benefits, which is true with many women she had to get a job with the united labor agency. She will have to retire again soon and they will then live on a combined pension of about $600 a month.

Toni is a survivor of uterine cancer, she has had a heart attack, and she suffers from a hearing loss. Uncovered medical expenses now equal almost half her retirement income. When she retires a second time at age 83, what can she expect under this unfair budget? A doubled Medicare part B premium; over $553 more a year? An increased part A deductible over $1,200 more a year?

Let us balance the budget, not give away tax breaks to the wealthiest in this country.

PRESIDENT'S PROMISED VETO OF RESCISSIONS BILL IRRESPONSIBLE

(Mr. CHRISTENSEN asked and was given permission to address the House for 1 minute.)

Mr. CHRISTENSEN. Mr. Speaker, President Clinton's promise to veto the rescissions bill is irresponsible and lacking of leadership: irresponsible because just 2 weeks ago the President pretended to negotiate in good faith with House Republicans, only to back out at the last minute for short-term political gain; lacking of leadership because this President who only 2 years ago was promising a balanced budget by 1996 is now incapable of cutting $16 billion, $16 billion, that is only 1 percent that he says he cannot cut.

What reasons does he give? Well, first he says he wants to eliminate more pork, but then turns around and says well, we cannot cut the AmeriCorps program, the biggest boondoggle there ever was.

Then he says, "You can't cut efforts to help people," and then turns around and says he is going to veto the relief package to Oklahoma City.

The fact the President would save his veto for this bill demonstrates that he is more interested in playing politics than acting as leader. Does anyone wonder why the American people consider the President irrelevant to the process?

MEDICARE CHECK

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute.)

Mr. GUTIERREZ. Mr. Speaker, this country once had a system of checks and balances. Now with the Republican budget scam we have checks without balances. Here is one check, Mr. Speaker, a big check, a whopping $228 billion check made out by the senior citizens of this country who face a massive cut in Medicare, and who is this check written out to, Mr. Speaker? To the wealthiest, who will rake in billions thanks to the Republican budget scam.

Yes, the oldest Americans in this country will face $3,500 in out-of-pocket medical bills, while the richest Americans will put $20,000 into their pockets. What a shame.

But big checks are nothing new to the GOP. Think about all of the big campaign checks they got in 1994.

So, Mr. Speaker, go ahead and protect the wealthy and the powerful, and we Democrats will protect the health of the powerless.

Go ahead and help those who helped finance your victory in the last election, while we Democrats will help those seniors who led us all to victory in World War II.

Seeing this huge check makes me realize that the Republicans must have checked their compassion and decency at the door, Mr. Speaker.

□ 1015

THE JOURNAL

The SPEAKER pro tempore (Mr. WATTS of Oklahoma). Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TATE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 37, answered "present" 1, not voting 36, as follows:

[Roll No. 341]

YEAS—360

Ackerman
Allard
Andrews
Archer
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth

Christensen
Chrysler
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fields (LA)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McInnis
McIntosh
McKeon
Meek
Metcalf
Meyers
Mfume
Mica
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff
Zimmer

NAYS—37

Brown (CA)
Clayton
Costello
Crane
DeFazio
Durbin
Engel
Fazio
Filner
Gephardt
Gibbons
Gillmor
Green
Hastings (FL)
Hefley
Hilliard
Jacobs
Kennedy (MA)
Levin
Lewis (GA)
McKinney
McNulty
Menendez
Miller (CA)
Peterson (FL)
Pickett
Pombo
Rush
Sabo
Schroeder
Shays
Stark
Taylor (MS)
Thompson
Vento
Volkmer
Waters

ANSWERED "PRESENT"—1

Harman

NOT VOTING—36

Abercrombie
Armey
Berman
Bono
Brownback
Chapman
Clay
Coburn
de la Garza
Dingell
Ensign
Fattah
Fields (TX)
Gunderson
Gutierrez
Hinchey
Istook
Kleczka
Largent
Laughlin
Livingston
McCrery
McHugh
Meehan
Moran
Pryce
Richardson
Riggs
Smith (WA)
Solomon
Spence
Stokes
Tucker
Weldon (FL)
Wise
Young (AK)

☐ 1035

So the Journal was approved.

The result of the vote was announced as above recorded.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

The SPEAKER pro tempore (Mr. WATTS of Oklahoma). Pursuant to House Resolution 149 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 67.

☐ 1035

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, with Mr. SENSENBRENNER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 17, 1995, all time for general debate had expired.

Pursuant to the rule, the amendment printed in House Report 104–125 is adopted and the concurrent resolution, as amended, is considered read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 67, as amended by House Resolution 149, is as follows:

H. CON. RES. 67

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,057,500,000,000.
Fiscal year 1997: $1,058,500,000,000.
Fiscal year 1998: $1,099,600,000,000.
Fiscal year 1999: $1,138,700,000,000.
Fiscal year 2000: $1,189,300,000,000.
Fiscal year 2001: $1,247,200,000,000.
Fiscal year 2002: $1,316,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1996: $14,987,000,000.
Fiscal year 1997: −$24,393,000,000.
Fiscal year 1998: −$34,772,000,000.
Fiscal year 1999: −$48,354,000,000.
Fiscal year 2000: −$58,836,000,000.
Fiscal year 2001: −$69,275,000,000.
Fiscal year 2002: −$71,859,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,815,000,000.
Fiscal year 1997: $108,986,000,000.
Fiscal year 1998: $114,877,000,000.
Fiscal year 1999: $120,698,000,000.
Fiscal year 2000: $126,893,000,000.
Fiscal year 2001: $133,590,000,000.
Fiscal year 2002: $140,425,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,285,900,000,000.
Fiscal year 1997: $1,321,900,000,000.
Fiscal year 1998: $1,355,800,000,000.
Fiscal year 1999: $1,388,800,000,000.
Fiscal year 2000: $1,421,800,000,000.
Fiscal year 2001: $1,436,000,000,000.
Fiscal year 2002: $1,459,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,287,000,000,000.
Fiscal year 1997: $1,313,900,000,000.
Fiscal year 1998: $1,326,800,000,000.
Fiscal year 1999: $1,363,500,000,000.
Fiscal year 2000: $1,400,800,000,000.
Fiscal year 2001: $1,414,200,000,000.
Fiscal year 2002: $1,437,300,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1996: −$229,500,000,000.
Fiscal year 1997: −$255,400,000,000.
Fiscal year 1998: −$227,200,000,000.
Fiscal year 1999: −$224,800,000,000.
Fiscal year 2000: −$211,500,000,000.
Fiscal year 2001: −$167,000,000,000.
Fiscal year 2002: −$120,700,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,195,000,000,000.
Fiscal year 1997: $5,516,100,000,000.
Fiscal year 1998: $5,809,800,000,000.
Fiscal year 1999: $6,099,700,000,000.
Fiscal year 2000: $6,374,300,000,000.
Fiscal year 2001: $6,614,400,000,000.
Fiscal year 2002: $6,806,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1,

1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001 are as follows:

Fiscal year 1996:

(A) New direct loan obligations, $37,600,000,000.

(B) New primary loan guarantee commitments, $193,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $40,200,000,000.

(B) New primary loan guarantee commitments, $187,900,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $42,300,000,000.

(B) New primary loan guarantee commitments, $185,300,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $45,700,000,000.

(B) New primary loan guarantee commitments, $183,300,000,000.

Fiscal year 2000:

(A) New direct loan obligations, $45,800,000,000.

(B) New primary loan guarantee commitments, $184,700,000,000.

Fiscal year 2001:

(A) New direct loan obligations, $45,800,000,000.

(B) New primary loan guarantee commitments, $186,100,000,000.

Fiscal year 2002:

(A) New direct loan obligations, $46,100,000,000.

(B) New primary loan guarantee commitments, $187,600,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, $267,300,000,000.

(B) Outlays, $265,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $269,300,000,000.

(B) Outlays, $265,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $277,300,000,000.

(B) Outlays, $265,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $281,300,000,000.

(B) Outlays, $271,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $287,300,000,000.

(B) Outlays, $279,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $287,300,000,000.

(B) Outlays, $279,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $287,200,000,000.

(B) Outlays, $279,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $10,000,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $10,700,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,300,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,300,000,000.

(B) Outlays, $15,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $14,900,000,000.

(B) Outlays, $14,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $14,900,000,000.

(B) Outlays, $14,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $14,900,000,000.

(B) Outlays, $14,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $4,300,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $3,900,000,000.

(B) Outlays, $3,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,600,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,900,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $3,600,000,000.

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $3,600,000,000.

(B) Outlays, $2,500,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $3,500,000,000.

(B) Outlays, $2,300,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $19,300,000,000.

(B) Outlays, $20,200,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $19,100,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $18,600,000,000.

(B) Outlays, $19,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $17,900,000,000.

(B) Outlays, $18,200,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $11,800,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,400,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,200,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $7,100,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $2,300,000,000.

(B) Outlays, −$6,900,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $4,100,000,000.

(B) Outlays, −$2,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $2,800,000,000.

(B) Outlays, −$4,700,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $2,200,000,000.

(B) Outlays, −$3,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $1,900,000,000.

(B) Outlays, −$2,200,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $1,300,000,000.

(B) Outlays, −$2,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $1,000,000,000.

(B) Outlays, −$2,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $40,500,000,000.

(B) Outlays, $38,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $42,700,000,000.

(B) Outlays, $37,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $43,500,000,000.

(B) Outlays, $36,600,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $43,700,000,000.

(B) Outlays, $35,600,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $44,300,000,000.

(B) Outlays, $34,900,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $43,800,000,000.

(B) Outlays, $34,200,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $43,300,000,000.

(B) Outlays, $33,700,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $9,900,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $7,800,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,600,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $45,700,000,000.

(B) Outlays, $52,300,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $45,000,000,000.

(B) Outlays, $46,400,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $44,900,000,000.

(B) Outlays, $44,600,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $45,400,000,000.

(B) Outlays, $44,700,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $45,900,000,000.

(B) Outlays, $45,200,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $45,000,000,000.

(B) Outlays, $44,200,000,000.

(C) New direct loan obligations, $22,000,000,000.

(D) New primary loan guarantee commitments, $15,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $44,600,000,000.

(B) Outlays, $43,700,000,000.

(C) New direct loan obligations, $22,200,000,000.

(D) New primary loan guarantee commitments, $16,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $121,900,000,000.

(B) Outlays, $122,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $127,700,000,000.

(B) Outlays, $127,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $132,100,000,000.

(B) Outlays, $132,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $136,700,000,000.

(B) Outlays, $136,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $141,500,000,000.

(B) Outlays, $141,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $146,300,000,000.

(B) Outlays, $146,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $149,100,000,000.

(B) Outlays, $148,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $177,600,000,000.

(B) Outlays, $175,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $186,600,000,000.

(B) Outlays, $185,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $195,900,000,000.

(B) Outlays, $194,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $206,300,000,000.

(B) Outlays, $203,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $214,800,000,000.

(B) Outlays, $212,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $224,400,000,000.

(B) Outlays, $222,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $234,600,000,000.

(B) Outlays, $232,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $222,700,000,000.

(B) Outlays, $225,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $231,800,000,000.

(B) Outlays, $235,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $248,400,000,000.

(B) Outlays, $243,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $255,400,000,000.

(B) Outlays, $254,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $265,900,000,000.

(B) Outlays, $267,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $267,600,000,000.

(B) Outlays, $269,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $277,600,000,000.

(B) Outlays, $279,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $10,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $11,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $36,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $38,100,000,000.

(B) Outlays, $38,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $39,100,000,000.

(B) Outlays, $39,000,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $39,200,000,000.

(B) Outlays, $40,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $39,700,000,000.

(B) Outlays, $41,200,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $40,100,000,000.

(B) Outlays, $41,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $20,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,600,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,900,000,000.

(B) Outlays, $16,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1996:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $12,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $295,800,000,000.

(B) Outlays, $295,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $304,100,000,000.

(B) Outlays, $304,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $308,400,000,000.

(B) Outlays, $308,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $314,300,000,000.

(B) Outlays, $314,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $319,400,000,000.

(B) Outlays, $319,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $320,000,000.

(B) Outlays, $320,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $322,600,000,000.

(B) Outlays, $322,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1996:

(A) New budget authority, -$2,300,000,000.

(B) Outlays, -$1,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, -$2,400,000,000.

(B) Outlays, -$2,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, -$2,400,000,000.

(B) Outlays, -$2,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, -$2,500,000,000.

(B) Outlays, -$2,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, -$2,600,000,000.

(B) Outlays, -$2,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, -$2,600,000,000.

(B) Outlays, -$2,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, -$2,600,000,000.

(B) Outlays, -$2,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, -$34,400,000,000.

(B) Outlays, -$34,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, -$34,200,000,000.

(B) Outlays, -$34,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, -$37,600,000,000.

(B) Outlays, -$37,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $36,400,000,000.

(B) Outlays, $36,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, -$38,100,000,000.

(B) Outlays, -$38,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, -$37,900,000,000.

(B) Outlays, -$37,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, -$39,000,000,000.

(B) Outlays, -$39,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. RECONCILIATION.

(a)(1) Not later than July 14, 1995, the House committees named in paragraphs (1) through (12) of subsection (b) of this section shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) Each committee named in paragraphs (1) through (11) of subsection (b) shall report changes in laws within its jurisdiction that

provide direct spending such that the total level of direct spending for that committee for—

(A) fiscal year 1996,

(B) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(C) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the total level of direct spending in that period in the paragraph applicable to that committee.

(3) Each committee named in paragraphs (2)(B), (4)(B), (5)(B), and (6)(B) of subsection (b) shall report changes in laws within its jurisdiction as set forth in the paragraph applicable to that committee.

(4) The Committee on Ways and Means shall carry out subsection (b)(12).

(b)(1) The House Committee on Agriculture: $35,824,000,000 in outlays in fiscal year 1996, $171,886,000,000 in outlays in fiscal years 1996 through 2000, and $263,102,000,000 in outlays in fiscal years 1996 through 2002.

(2)(A) The House Committee on Banking and Financial Services: −$12,897,000,000 in outlays in fiscal year 1996, −$43,065,000,000 in outlays in fiscal years 1996 through 2000, and −$57,184,000,000 in outlays in fiscal years 1996 through 2002.

(B) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1996, −$100,000,000 in fiscal years 1996 through 2000, and −$260,000,000 in fiscal years 1996 through 2002.

(3) The House Committee on Commerce: $293,665,000,000 in outlays in fiscal year 1996, $1,726,600,000,000 in outlays in fiscal years 1996 through 2000, and $2,625,094,000,000 in outlays in fiscal years 1996 through 2002.

(4)(A) The House Committee on Economic and Educational Opportunities: $13,727,000,000 in outlays in fiscal year 1996, $61,570,000,000 in outlays in fiscal years 1996 through 2000, and $95,520,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on Economic and Educational Opportunities shall report program changes in laws within its jurisdiction that would result in a reduction in outlays as follows: −$720,000,000 in fiscal year 1996, −$5,908,000,000 in fiscal years 1996 through 2000, and −$9,018,000,000 in fiscal years 1996 through 2002.

(5)(A) The House Committee on Government Reform and Oversight: $57,725,000,000 in outlays in fiscal year 1996, $313,647,000,000 in outlays in fiscal years 1996 through 2000, and $455,328,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: −$988,000,000 in fiscal year 1996, −$9,618,000,000 in fiscal years 1996 through 2000, and −$14,740,000,000 in fiscal years 1996 through 2002.

(6)(A) The House Committee on International Relations: $14,246,000,000 in outlays in fiscal year 1996, $62,076,000,000 in outlays in fiscal years 1996 through 2000, and $83,206,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on International Relations shall report changes in laws within its jurisdiction that would reduce the deficit by: −$19,000,000,000 in fiscal year 1996, −$95,000,000,000 in fiscal years 1996 through 2000, and −$123,000,000 in fiscal years 1996 through 2002.

(7) The House Committee on the Judiciary: $2,580,000,000 in outlays in fiscal year 1996, $14,043,000,000 in outlays in fiscal years 1996 through 2000, and $20,029,000,000 in outlays in fiscal years 1996 through 2002.

(8) The House Committee on National Security: $38,769,000,000 in outlays in fiscal year 1996, $224,682,000,000 in outlays in fiscal years 1996 through 2000, and $328,334,000,000 in outlays in fiscal years 1996 through 2002.

(9) The House Committee on Resources: $1,558,000,000 in outlays in fiscal year 1996, $6,532,000,000 in outlays in fiscal years 1996 through 2000, and $12,512,000,000 in outlays in fiscal years 1996 through 2002.

(10) The House Committee on Transportation and Infrastructure: $16,636,000,000 in outlays in fiscal year 1996, $83,227,000,000 in outlays in fiscal years 1996 through 2000, and $117,079,000,000 in outlays in fiscal years 1996 through 2002.

(11) The House Committee on Veterans' Affairs: $19,041,000,000 in outlays in fiscal year 1996, $105,965,000,000 in outlays in fiscal years 1996 through 2000, and $154,054,000,000 in outlays in fiscal years 1996 through 2002.

(12)(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(i) fiscal year 1996,

(ii) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(iii) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the following level in that period: $356,336,000,000 in outlays in fiscal year 1996, $2,152,905,000,000 in outlays in fiscal years 1996 through 2000, and $3,297,787,000,000 in outlays in fiscal years 1996 through 2002.

(B) In addition to changes in law reported pursuant to subparagraph (A), the House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee for—

(i) fiscal year 1996,

(ii) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(iii) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

is not less than the following amount in that period: $1,027,612,000,000 in fiscal year 1996, $5,371,087,000,000 in fiscal years 1996 through 2000, and $7,836,405,000,000 in fiscal years 1996 through 2002.

(c)(1) Not later than September 14, 1995, the House committees named in paragraphs (2) and (3) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Budget Committee shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revisions.

(2) In addition to changes in laws reported pursuant to subsection (b)(3), the House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(A) fiscal year 1996,

(B) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(C) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the following level in that period: $287,165,000,000 in outlays in fiscal year 1996, $1,592,200,000,000 in outlays in fiscal years 1996 through 2000, and $2,338,694,000,000 in outlays in fiscal years 1996 through 2002.

(3) In addition to changes in laws reported pursuant to subsection (b)(12), the House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee for—

(A) fiscal year 1996,

(B) the 5-year period beginning with fiscal year 1996 and ending with fiscal year 2000, and

(C) the 7-year period beginning with fiscal year 1996 and ending with fiscal year 2002,

does not exceed the following level in that period: $349,836,000,000 in outlays in fiscal year 1996, $2,018,505,000,000 in outlays in fiscal years 1996 through 2000, and $3,009,387,000,000 in outlays in fiscal years 1996 through 2002.

(d) For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 5. AGRICULTURAL SAVINGS.

Congress shall re-examine budget reductions for agricultural programs in the United States Department of Agriculture for fiscal years 1999 and 2000 unless the following conditions are met—

(1) land values on agricultural land on January 1, 1998, are at least 95 percent of the same values on the date of adoption of this resolution;

(2) there is enacted into law regulatory relief for the agricultural sector in the areas of wetlands regulation, the Endangered Species Act, private property rights and cost-benefit analyses of proposed regulations;

(3) there is tax relief for producers in the form of capital gains tax reduction, increased estate tax exemptions and mechanisms to average tax loads over strong and weak income years; and

(4) there is no government interference in the international market in the form of agricultural trade embargoes in effect and there is successful implementation and enforcement of trade agreements,

including the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) to lower export subsidies and reduce import barriers to trade imposed by foreign governments.

SEC. 6. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1996 budget included $8,000,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sale.

(b) BUDGETARY TREATMENT.—For purposes of the Congressional Budget Act of 1974, the amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(c) DEFINITION.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) TREATMENT OF LOAN ASSETS.—For purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 7. INTERNAL REVENUE SERVICE COMPLIANCE INITIATIVE.

(a) ADJUSTMENTS.—(1) For purposes of points of order under the Congressional Budget Act of 1974 and concurrent resolutions on the budget—

(A) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(B) the allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(C) the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

shall be adjusted to reflect the amounts of additional new budget authority or additional outlays (as defined in paragraph (2)) reported by the Committee on Appropriations in appropriation Acts (or by the committee of conference on such legislation) for the Internal Revenue Service compliance initiative activities in any fiscal year, but not to exceed in any fiscal year $405,000,000 in new budget authority and $405,000,000 in outlays.

(2) As used in this section, the terms "additional new budget authority" or "additional outlays" shall mean, for any fiscal year, budget authority or outlays (as the case may be) in excess of the amounts requested for that fiscal year for the Internal Revenue Service in the President's Budget for fiscal year 1996.

(b) REVISED LIMITS, ALLOCATIONS, AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the chairman of the Committee on the Budget of the Senate or the House of Representatives (as the case may be) shall submit to that chairman's respective House appropriately revised—

(1) discretionary spending limits under section 601(a)(2) of the Congressional Budget Act of 1974 (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(2) allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(3) appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

to carry out this subsection. These revised discretionary spending limits, allocations, and aggregates shall be considered for purposes of congressional enforcement under that Act as the discretionary spending limits, allocations, and aggregates.

(c) REPORTING REVISED SUBALLOCATIONS.—The Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 to carry out this section.

(d) CONTINGENCIES.—

(1) The Internal Revenue Service and the Department of the Treasury have certified that they are firmly committed to the principles of privacy, confidentiality, courtesy, and protection of taxpayer rights. To this end, the Internal Revenue Service and the Department of the Treasury have explicitly committed to initiate and implement educational programs for any new employees hired as a result of the compliance initiative made possible by this section.

(2) This section shall not apply to any additional new budget authority or additional outlays unless—

(A) the chairmen of the Budget Committees certify, based upon information from the Congressional Budget Office, the General Accounting Office, and the Internal Revenue Service (as well as from any other sources they deem relevant), that such budget authority or outlays will not increase the total of the Federal budget deficits over the next five years; and

(B) any funds made available pursuant to such budget authority or outlays are available only for the purpose of carrying out Internal Revenue Service compliance initiative activities.

SEC. 8. SENSE OF THE CONGRESS ON BASELINES.

(a) FINDINGS.—The Congress finds that:

(1) Baselines are projections of future spending if existing policies remain unchanged.

(2) Under baseline assumptions, spending automatically rises with inflation even if such increases are not provided under current law.

(3) Baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are scored as a reduction from a rising baseline.

(4) The baseline concept has encouraged Congress to abdicate its constitutional responsibility to control the public purse for programs which are automatically funded under existing law.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that baseline budgeting should be replaced with a form of budgeting that requires full justification and analysis of budget proposals and maximizes congressional accountability for public spending.

SEC. 9. SENSE OF CONGRESS ON EMERGENCIES.

(a) FINDINGS.—The Congress finds that:

(1) The Budget Enforcement Act of 1990 exempted from the discretionary spending limits and the Pay-As-You-Go requirements for entitlement and tax legislation funding requirements that are designated by Congress and the President as an emergency.

(2) Congress and the President have increasingly misused the emergency designation by—

(A) designating funding as an emergency that is neither unforeseen nor a genuine emergency, and

(B) circumventing spending limits or passing controversial items that would not pass scrutiny in a free-standing bill.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress should study alternative approaches to budgeting for emergencies, including codifying the definition of an emergency and establishing contingency funds to pay for emergencies.

SEC. 10. SENSE OF CONGRESS REGARDING PRIVATIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION (SALLIE MAE).

(a) FINDINGS.—The Congress finds that:

(1) The Student Loan Marketing Association was established in 1972 as a government-sponsored corporation dedicated to ensuring adequate private sector funding for federally guaranteed education loans.

(2) Since 1972, student loan volume has grown from $1,000,000,000 a year to $25,000,000,000 a year. The Student Loan Marketing Association was instrumental in fostering this expansion of the student loan program.

(3) With securitization and 42 secondary markets, there currently exist numerous alternatives for lenders wishing to sell or liquidate their portfolios of student loans.

(4) Maintaining Student Loan Marketing Association as a Government-sponsored enterprise exposes taxpayers to an unnecessary liability.

(b) SENSE OF CONGRESS.—It is the sense Congress that the Student Loan Marketing Association should be restructured as a private corporation.

SEC. 11. SENSE OF HOUSE OF REPRESENTATIVES REGARDING DEBT REPAYMENT.

It is the sense of the House of Representatives that—

(1) the Congress has a basic moral and ethical responsibility to future generations to repay the Federal debt;

(2) the Congress should enact a plan that balances the budget, and then also develops a regimen for paying off the Federal debt;

(3) after the budget is balanced, a surplus should be created, which can be used to begin paying off the debt; and

(4) such a plan should be formulated and implemented so that this generation can save future generations from the crushing burdens of the Federal debt.

SEC. 12. SENSE OF CONGRESS REGARDING REPEAL OF HOUSE RULE XLIX AND THE LEGAL LIMIT ON THE PUBLIC DEBT.

It is the sense of Congress that—

(1) rule XLIX of the Rules of House of Representatives (popularly known as the Gephardt rule) should be repealed;

(2) the fiscal year 1996 reconciliation bill should be enacted into law before passage of the debt limit extension; and

(3) the debt limit should only be set at levels, and for durations, that help assure a balanced budget by fiscal year 2002 or sooner.

SEC. 13. SENSE OF CONGRESS REGARDING THE BUDGETARY TREATMENT OF THE ADMINISTRATIVE COSTS FOR DIRECT LOANS.

(a) FINDINGS.—The Congress finds that the Federal Credit Reform Act of 1990 understates the cost to the Government of direct loans because administrative costs are not included in the net present value calculation of Federal direct loan subsidy costs.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the cost of a direct loan should be the net present value, at the time the direct loan is disbursed, of the following cash flows for the estimated life of the loan:

(1) Loan disbursement.

(2) Repayments of principal.

(3) Interest costs and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries.

(4) In the case of a direct loan made pursuant to a program for which the Congressional Budget Office estimates that for the coming fiscal year (or any prior fiscal year) loan commitments will equal or exceed $5,000,000,000, direct expenses, including expenses arising from—

(A) activities related to credit extension, loan origination, and loan servicing;

(B) payments to contractors, other Government entities, and program participants;

(C) management of contractors;

(D) collection of delinquents loans; and

(E) write-off and close-out of loans.

SEC. 14. SENSE OF THE CONGRESS REGARDING COMMISSION ON THE SOLVENCY OF THE FEDERAL MILITARY AND CIVIL SERVICE RETIREMENT FUNDS.

(a) FINDINGS.—The Congress finds that the Federal retirement system, for both military and civil service retirees, currently has liabilities of $1.1 trillion, while holding assets worth $340 billion and anticipating employee contributions of $220 billion, which leaves an unfunded liability of $540 billion.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that a high-level commission should be convened to study the problems associated with the Federal retirement system and make recommendations that will ensure the long-term solvency of the military and civil service retirement funds.

The CHAIRMAN. No further amendments are in order except the amendments printed in section 2 of House Resolution 149, which may be considered in the following order:

First, an amendment in the nature of a substitute by the gentleman from Missouri [Mr. GEPHARDT], printed in the CONGRESSIONAL RECORD of May 16, 1995;

Second, an amendment in the nature of a substitute by the gentleman from Wisconsin [Mr. NEUMANN] or the gentleman from New York [Mr. SOLOMON], consisting of the text of House Concurrent Resolution 66;

Third, an amendment in the nature of a substitute by the gentleman from New Jersey [Mr. PAYNE] or the gentleman from New York [Mr. OWENS], printed in the CONGRESSIONAL RECORD of May 16, 1995; and

Fourth, an amendment in the nature of a substitute by the minority leader or a designee based on a revised Presidential budget, is printed in the CONGRESSIONAL RECORD of May 17, 1995.

The amendments may be offered by a Member designated, shall be considered as read and shall not be subject to amendment. Each amendment will be debatable for 1 hour, equally divided and controlled by the proponent and an opponent of the amendment.

The adoption of any amendment in the nature of a substitute shall constitute conclusion of the amendment process.

At the conclusion of consideration of the concurrent resolution for amendment, there will be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the chairman and ranking minority member on the Committee on the Budget.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GEPHARDT:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriated for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,043,412,000,000.
Fiscal year 1997: $1,083,818,000,000.
Fiscal year 1998: $1,136,201,000,000.
Fiscal year 1999: $1,191,632,000,000.
Fiscal year 2000: $1,253,089,000,000.
Fiscal year 2001: $1,322,134,000,000.
Fiscal year 2002: $1,397,102,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.
Fiscal year 2000: $0.
Fiscal year 2001: $0.
Fiscal year 2002: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.
Fiscal year 2001: $133,600,000,000.
Fiscal year 2002: $140,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,278,100,000,000.
Fiscal year 1997: $1,308,900,000,000.
Fiscal year 1998: $1,356,100,000,000.
Fiscal year 1999: $1,395,400,000,000.
Fiscal year 2000: $1,452,800,000,000.
Fiscal year 2001: $1,474,400,000,000.
Fiscal year 2002: $1,523,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,279,800,000,000.
Fiscal year 1997: $1,305,800,000,000.
Fiscal year 1998: $1,334,700,000,000.
Fiscal year 1999: $1,377,200,000,000.
Fiscal year 2000: $1,430,300,000,000.
Fiscal year 2001: $1,459,800,000,000.
Fiscal year 2002: $1,506,100,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1996: $236,400,000,000.
Fiscal year 1997: $222,000,000,000.
Fiscal year 1998: $198,500,000,000.
Fiscal year 1999: $185,600,000,000.
Fiscal year 2000: $177,200,000,000.
Fiscal year 2001: $137,700,000,000.
Fiscal year 2002: $109,300,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,195,000,000,000.
Fiscal year 1997: $5,516,100,000,000.
Fiscal year 1998: $5,809,800,000,000.
Fiscal year 1999: $6,099,700,000,000.
Fiscal year 2000: $6,374,300,000,000.
Fiscal year 2001: $6,614,400,000,000.
Fiscal year 2002: $6,806,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001 are as follows:

Fiscal year 1996:
(A) New direct loan obligations, $37,600,000,000.
(B) New primary loan guarantee commitments, $193,400,000,000.

Fiscal year 1997:
(A) New direct loan obligations, $40,200,000,000.
(B) New primary loan guarantee commitments, $187,900,000,000.

Fiscal year 1998:
(A) New direct loan obligations, $42,300,000,000.
(B) New primary loan guarantee commitments, $185,300,000,000.

Fiscal year 1999:
(A) New direct loan obligations, $45,700,000,000.
(B) New primary loan guarantee commitments, $183,300,000,000.

Fiscal year 2000:
(A) New direct loan obligations, $45,600,000,000.
(B) New primary loan guarantee commitments, $184,700,000,000.

Fiscal year 2001:
(A) New direct loan obligations, $45,800,000,000.
(B) New primary loan guarantee commitments, $186,100,000,000.

Fiscal year 2002:
(A) New direct loan obligations, $46,100,000,000.
(B) New primary loan guarantee commitments, $187,600,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:
(A) New budget authority, $257,700,000,000.
(B) Outlays, $261,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $253,300,000,000.
(B) Outlays, $257,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $259,600,000,000.
(B) Outlays, $254,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $266,200,000,000.
(B) Outlays, $259,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $275,900,000,000.
(B) Outlays, $267,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $275,900,000,000.

(B) Outlays, $273,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $281,300,000,000.

(B) Outlays, $276,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,300,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $10,000,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $10,700,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $16,600,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,300,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $16,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,900,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $2,900,000,000.

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $2,100,000,000.

(B) Outlays, $1,400,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $4,00,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $19,500,000,000.

(B) Outlays, $20,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $18,400,000,000.

(B) Outlays, $20,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,600,000,000.

(B) Outlays, $17,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $18,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $15,000,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $13,600,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $11,800,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,900,000,000.

(B) Outlays, $11,800,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,700,000,000.

(B) Outlays, $11,600,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,400,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $2,500,000,000.

(B) Outlays, $−7,000,000,000.

(C) New direct loan obligations, $1,900,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $−5,400,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $600,000,000.

(B) Outlays, $−7,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $100,000,000.

(B) Outlays, $−5,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $1,500,000,000.

(B) Outlays, $−3,900,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $500,000,000.

(B) Outlays, $−3,200,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $300,000,000.

(B) Outlays, $−3,300,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $40,000,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $41,200,000,000.

(B) Outlays, $35,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $42,300,000,000.

(B) Outlays, $34,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $43,300,000,000.

(B) Outlays, $35,000,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $44,500,000,000.

(B) Outlays, $35,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $44,300,000,000.

(B) Outlays, $35,200,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $44,100,000,000.

(B) Outlays, $35,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $9,900,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $7,900,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,900,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,000,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $53,300,000,000.

(B) Outlays, $53,700,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $53,200,000,000.

(B) Outlays, $53,200,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $52,300,000,000.

(B) Outlays, $51,900,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $53,600,000,000.

(B) Outlays, $52,700,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $53,800,000,000.

(B) Outlays, $53,000,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $53,500,000,000.

(B) Outlays, $52,800,000,000.

(C) New direct loan obligations, $22,000,000,000.

(D) New primary loan guarantee commitments, $15,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $54,500,000,000.

(B) Outlays, $53,600,000,000.

(C) New direct loan obligations, $22,200,000,000.

(D) New primary loan guarantee commitments, $16,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $124,500,000,000.

(B) Outlays, $124,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $130,600,000,000.

(B) Outlays, $130,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $138,500,000,000.

(B) Outlays, $139,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $146,500,000,000.

(B) Outlays, $146,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $153,400,000,000.

(B) Outlays, $153,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $159,500,000,000.

(B) Outlays, $159,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $166,400,000,000.

(B) Outlays, $166,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $171,900,000,000.

(B) Outlays, $169,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $182,900,000,000.

(B) Outlays, $181,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $198,300,000,000.

(B) Outlays, $196,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $215,300,000,000.

(B) Outlays, $212,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $235,900,000,000.

(B) Outlays, $234,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $254,400,000,000.

(B) Outlays, $252,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $277,900,000,000.

(B) Outlays, $275,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $227,300,000,000.

(B) Outlays, $226,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $239,000,000,000.

(B) Outlays, $240,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $259,700,000,000.

(B) Outlays, $252,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $263,400,000,000.

(B) Outlays, $265,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $281,300,000,000.

(B) Outlays, $281,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $286,400,000,000.

(B) Outlays, $286,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $300,600,000,000.

(B) Outlays, $300,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $11,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $5,100,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $3,400,000,000.

(B) Outlays, $5,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $36,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $38,100,000,000.

(B) Outlays, $38,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $39,100,000,000.

(B) Outlays, $39,000,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $39,200,000,000.

(B) Outlays, $40,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $39,700,000,000.

(B) Outlays, $41,200,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $40,100,000,000.

(B) Outlays, $41,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $20,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $17,300,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,900,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $18,400,000,000.

(B) Outlays, $19,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $19,200,000,000.

(B) Outlays, $20,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $19,000,000,000.

(B) Outlays, $20,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $18,400,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $19,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1996:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,300,000,000.

(B) Outlays, $12,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,500,000,000.

(B) Outlays, $11,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $10,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $10,800,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $10,700,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $296,000,000,000.

(B) Outlays, $296,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $302,800,000,000.

(B) Outlays, $302,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $304,600,000,000.

(B) Outlays, $304,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $307,700,000,000.

(B) Outlays, $307,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $310,500,000,000.

(B) Outlays, $310,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $309,300,000,000.

(B) Outlays, $309,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $311,100,000,000.

(B) Outlays, $311,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1996:

(A) New budget authority, $−8,600,000,000.

(B) Outlays, $−6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $−8,400,000,000.

(B) Outlays, $−8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $−7,300,000,000.

(B) Outlays, $−7,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$6,800,000,000.

(B) Outlays, −$7,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$5,700,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$5,700,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$5,700,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, −$33,100,000,000.

(B) Outlays, −$32,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$33,800,000,000.

(B) Outlays, −$33,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$36,300,000,000.

(B) Outlays, −$35,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $−37,800,000,000.

(B) Outlays, $−38,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $−39,900,000,000.

(B) Outlays, $−41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $−41,600,000,000.

(B) Outlays, $−41,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $−42,900,000,000.

(B) Outlays, $−42,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. RECONCILIATION.

(a) Not later than September 14, 1995, the House committees named in subsections (b) through (o) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the House Budget Committee shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,120,000,000 in budget authority and $1,120,000,000 in outlays in fiscal year 1996, $2,530,000,000 in budget authority and $2,530,000,000 in outlays in fiscal year 1997, $2,650,000,000 in budget authority and $2,650,000,000 in outlays in fiscal year 1998, $2,810,000,000 in budget authority and $2,810,000,000 in outlays in fiscal year 1999, $2,650,000,000 in budget authority and $2,650,000,000 in outlays in fiscal year 2000, $2,700,000,000 in budget authority and $2,700,000,000 in outlays in fiscal year 2001, and $2,760,000,000 in budget authority and $2,760,000,000 in fiscal year 2002.

(c) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $910,000,000 in budget authority and $910,000,000 in outlays in fiscal year 1996, $930,000,000 in budget authority and $930,000,000 in outlays in fiscal year 1997, $950,000,000 in budget authority and $950,000,000 in outlays in fiscal year 1998, $1,030,000,000 in budget authority and $1,030,000,000 in outlays in fiscal year 1999, $1,050,000,000 in budget authority and $1,050,000,000 in outlays in fiscal year 2000, $1,070,000,000 in budget authority and $1,070,000,000 in outlays in fiscal year 2001, and $1,070,000,000 in budget authority and $1,070,000,000 in fiscal year 2002.

(d) The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $15,780,000,000 in budget authority and $15,650,000,000 in outlays in fiscal year 1996, $30,830,000,000 in budget authority and $30,830,000,000 in outlays in fiscal year 1997, $36,070,000,000 in budget authority and $36,080,000,000 in outlays in fiscal year 1998, $49,820,000,000 in budget authority and $50,010,000,000 in outlays in fiscal year 1999, $59,140,000,000 in budget authority and $59,140,000,000 in outlays in fiscal year 2000, $68,760,000,000 in budget authority and $68,760,000,000 in outlays in fiscal year 2001, and $82,480,000,000 in budget authority and $82,480,000,000 in fiscal year 2002.

(e) The House Committee on Economic and Educational Opportunities shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $460,000,000 in budget authority and $390,000,000 in outlays in fiscal year 1996, $770,000,000 in budget authority and $730,000,000 in outlays in fiscal year 1997, $800,000,000 in budget authority and $790,000,000 in outlays in fiscal year 1998, $830,000,000 in budget authority and $830,000,000 in outlays in fiscal year 1999, $880,000,000 in budget authority and $880,000,000 in outlays in fiscal year 2000, $1,210,000,000 in budget authority and $1,200,000,000 in outlays in fiscal year 2001, and $1,290,000,000 in budget authority and $1,280,000,000 in fiscal year 2002.

(f) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $280,000,000 in budget authority and $280,000,000 in outlays in fiscal year 1996, $570,000,000 in budget authority and $570,000,000 in outlays in fiscal year 1997, $890,000,000 in budget authority and $890,000,000 in outlays in fiscal year 1998, $1,220,000,000 in budget authority and $1,220,000,000 in outlays in fiscal year 1999, $1,810,000,000 in budget authority and $1,810,000,000 in outlays in fiscal year 2000,

$840,000,000 in budget authority and $840,000,000 in outlays in fiscal year 2001, and $1,160,000,000 in budget authority and $1,160,000,000 in fiscal year 2002.

(g) The House Committee on International Relations shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(h) The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $120,000,000 in budget authority and $120,000,000 in outlays in fiscal year 1996, $130,000,000 in budget authority and $130,000,000 in outlays in fiscal year 1997, $140,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1998, $270,000,000 in budget authority and $150,000,000 in outlays in fiscal year 1999, $270,000,000 in budget authority and $160,000,000 in outlays in fiscal year 2000, $280,000,000 in budget authority and $160,000,000 in outlays in fiscal year 2001, and $290,000,000 in budget authority and $170,000,000 in fiscal year 2002.

(i) The House Committee on National Security shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000.

(j) The House Committee on Resources shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $60,000,000 in budget authority and $60,000,000 in outlays in fiscal year 1996, $80,000,000 in budget authority and $80,000,000 in outlays in fiscal year 1997, $2,330,000,000 in budget authority and $2,330,000,000 in outlays in fiscal year 1998, $1,090,000,000 in budget authority and $1,090,000,000 in outlays in fiscal year 1999, $290,000,000 in budget authority and $290,000,000 in outlays in fiscal year 2000, $3,970,000,000 in budget authority and $3,970,000,000 in outlays in fiscal year 2001, and $3,380,000,000 in budget authority and $3,380,000,000 in fiscal year 2002.

(k) The House Committee on Science shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(l) The House Committee on Small Business shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(m) The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $550,000,000 in budget authority and $550,000,000 in outlays in fiscal year 1996, $550,000,000 in budget authority and $550,000,000 in outlays in fiscal year 1997, $550,000,000 in budget authority and $550,000,000 in outlays in fiscal year 1998, $610,000,000 in budget authority and $610,000,000 in outlays in fiscal year 1999, $620,000,000 in budget authority and $620,000,000 in outlays in fiscal year 2000, $620,000,000 in budget authority and $620,000,000 in outlays in fiscal year 2001, and $620,000,000 in budget authority and $620,000,000 in fiscal year 2002.

(n) The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $300,000,000 in budget authority and $300,000,000 in outlays in fiscal year 1996, $300,000,000 in budget authority and $300,000,000 in outlays in fiscal year 1997, $400,000,000 in budget authority and $400,000,000 in outlays in fiscal year 1998, $500,000,000 in budget authority and $500,000,000 in outlays in fiscal year 1999, $1,200,000,000 in budget authority and $1,200,000,000 in outlays in fiscal year 2000, $1,300,000,000 in budget authority and $1,300,000,000 in outlays in fiscal year 2001, and $1,500,000,000 in budget authority and $1,500,000,000 in fiscal year 2002.

(o) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit, as follows: $14,370,000,000 in fiscal year 1996, $27,550,000,000 in fiscal year 1997, $28,460,000,000 in fiscal year 1998, $35,960,000,000 in fiscal year 1999, $35,340,000,000 in fiscal year 2000, $42,320,000,000 in fiscal year 2001, and $50,220,000,000 in fiscal year 2002.

(p) For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 and the term "new budget authority" has the meaning given to such term in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974.

SEC. 5. SENSE OF CONGRESS REGARDING TAX CUTS.

It is the sense of the Congress that changes in tax laws which stimulate private investment of savings should be enacted if the deficit reduction targets in this resolution are met.

SEC. 6. SENSE OF CONGRESS REGARDING EMERGENCIES.

It is the sense of the Congress that Congress should study alternative approaches to budgeting for emergencies, establishing regular procedures and funds for paying for emergencies.

SEC. 7. SENSE OF CONGRESS REGARDING DEBT REDUCTION.

It is the sense of the Congress that eliminating the deficit by producing a balanced budget is only the first step toward the ultimate goal of reducing and eventually eliminating the public debt.

SEC. 8. SENSE OF CONGRESS REGARDING TRUST FUND SURPLUSES.

Congress finds that all recent year Federal budgets, as well as both fiscal year 1996 budget resolutions reported out by the Budget Committees of the House of Representatives and the Senate, have masked the magnitude of annual deficits by counting various trust fund surpluses. Therefore, it is the sense of the Congress that upon reaching a balance in the Federal budget, the Government should move toward balance without consideration of trust fund surpluses.

SEC. 9. SENSE OF CONGRESS REGARDING LOCK-BOX.

(a) It is the sense of the Congress that:

(1) The current practice of reallocating for other spending purposes spending cuts made during floor consideration of appropriations bills should be ended.

(2) A "Deficit Reduction Lock-Box" should be established to collect these spending reductions.

(3) These spending reductions should be used for deficit or debt reduction.

(b) To facilitate Deficit Reduction Lock-Box compliance by the Committees on Appropriations, the Congressional Budget Office shall score all general appropriation measures and have such score card published in the Congressional Record.

SEC. 10. SENSE OF CONGRESS REGARDING FIREWALLS.

It is the sense of the Congress that the discretionary spending totals for defense, international, and domestic spending should be enforced through spending limits for each category with firewalls to prevent funds from being shifted between categories.

SEC. 11. SENSE OF CONGRESS REGARDING BUDGET ENFORCEMENT.

It is the sense of the Congress that, in order to ensure that a balanced budget is achieved by 2002 and remain in balance thereafter, strict enforcement should be enacted. Such language should—

(1) require the Federal Government to reach a balanced Federal budget by fiscal year 2002 and remain in balance thereafter;

(2) establish procedures for developing honest, accurate, and accepted budget estimates;

(3) require that the President propose annual budgets that would achieve a balanced Federal budget by fiscal year 2002 and for each year thereafter, use accurate assumptions;

(4) require the Committees on the Budget of the House of Representatives and Senate to report budget resolutions that achieve a balanced Federal budget by fiscal year 2002 and for each year thereafter, using accurate assumptions; [and]

(5) establish a comprehensive system of budgetary enforcement to ensure that the levels of discretionary spending, mandatory spending, and revenues in this resolution are met.

SEC. 12. INTERNAL REVENUE SERVICE COMPLIANCE INITIATIVE.

(a) ADJUSTMENTS.—(1) For purposes of points of order under the Congressional Budget Act of 1974 and concurrent resolutions on the budget—

(A) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(B) the allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(C) the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget, shall be adjusted to reflect the amounts of additional new budget authority or additional outlays (as defined in paragraph (2)) reported by the Committee on Appropriations in appropriation Acts (or by the committee of conference on such legislation) for the Internal Revenue Service compliance initiative activities in any fiscal year, but not to exceed in any fiscal year $405,000,000 in new budget authority and $405,000,000 in outlays.

(2) As used in this section, the terms "additional new budget authority" or "additional outlays" shall mean, for any fiscal year, budget authority or outlays (as the case may be) in excess of the amounts requested for that fiscal year for the Internal Revenue Service in the President's Budget for fiscal year 1996.

(b) REVISED LIMITS, ALLOCATIONS, AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the chairman of the Committee on the Budget of the Senate or the House of Representatives (as the case may be) shall submit to that chairman's respective House appropriately revised—

(1) discretionary spending limits under section 601(a)(2) of the Congressional Budget Act of 1974 (and those limits as cumulatively adjusted) for the current fiscal year and each outyear;

(2) allocations to the Committee on Appropriations under sections 302(a) and 602(a) of that Act; and

(3) appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget,

to carry out this subsection. These revised discretionary spending limits, allocations, and aggregates shall be considered for purposes of congressional enforcement under that Act as the discretionary spending limits, allocations, and aggregates.

(c) REPORTING REVISED SUBALLOCATIONS.—The Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 to carry out this section.

(d) CONTINGENCIES.—

(1) The Internal Revenue Service and the Department of the Treasury have certified

(2) This section shall not apply to any additional new budget authority or additional outlays unless—

(A) the chairmen of the Budget Committees certify, based upon information from the Congressional Budget Office, the General Accounting Office, and the Internal Revenue Service (as well as from any other sources they deem relevant), that such budget authority or outlays will not increase the total of the Federal budget deficits over the next five years; and

(B) any funds made available pursuant to such budget authority or outlays are available only for the purpose of carrying out Internal Revenue Service compliance initiative activities.

SEC. 13. SENSE OF CONGRESS REGARDING MEDICAID BLOCK GRANTS.

It is the Sense of Congress that Medicaid block grants should be distributed based on a formula that takes into account the proportion of individuals with income below the poverty level in each State.

The CHAIRMAN. Under the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

Does the gentleman from Ohio [Mr. KASICH] rise in opposition to the amendment?

Mr. KASICH. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I ask unanimous consent that the time allotted to me under the rule be yielded to the gentleman from Utah [Mr. ORTON], a key author of the amendment, and that he may control the time.

The CHAIRMAN. Is their objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I thank the minority leader for submitting our budget resolution to the committee when the Committee on Rules refused to make it in order and allow us to bring it to the floor. So I thank the gentleman for doing that, Mr. Chairman.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CONDIT].

Mr. CONDIT. Mr. Chairman, first of all I would like to acknowledge and thank the gentleman from Missouri [Mr. GEPHARDT], the minority leader, for allowing us this opportunity to present this budget this morning. On behalf of the coalition I extend a warm appreciation to him for this time because we may not have had this opportunity had it not been for Mr. GEPHARDT allowing us to present this budget. I also want to recognize and commend the task force chairman from the Coalition, the gentleman from Utah [Mr. ORTON] and the gentleman from Texas [Mr. STENHOLM] the gentleman from Alabama [Mr. BROWDER], and the gentleman from Oklahoma [Mr. BREWSTER] for their work on this budget. Let me also say three members on that task force are members of the Committee on the Budget, and for the Members who may not be committed yet on this proposal, they should understand that those three Members are well informed about the budgetary process, about this proposal, and they intend to explain it today and hopefully persuade my colleagues to be supportive of it.

Mr. Chairman, let me also say that none of the proposals before this House today is perfect. I say to my colleagues, if you're looking for perfection, you will not find it because we have to make some serious choices about where we're headed in terms of the financing of this country, and some of the choices that we have to make are difficult and hard, and we don't want to make them, but let me tell you it's been 27 years since we've had a balanced budget in this country, 27 years, and if we move to 2002, that makes it 35 years until we've had a balanced budget in this country. That is way too long.

Mr. Chairman, it is time that we came to grips with this issue and that we restored integrity, financial integrity, to this Government, to this House. So I would urge my colleagues today:

You know, if you're looking for perfection, you won't find it, but if you're looking for a beginning, a beginning to balance the budget, to get us on a glide path, this is your opportunity. I encourage you to support this budget proposal today.

Mr. Chairman, for the past several months the coalition, a group of 23 Democrats committed to seeking bipartisan solutions to our Nation's problems, has played an active and constructive role in the issues considered by the House. As a cochair of the coalition, I have been extremely proud of our work on unfunded mandates, regulatory reform, tort reform, welfare, the Clean Water Act, and numerous other issues. Today, the coalition will play a central role in the passage of a balanced Federal budget.

I rise today in strong support of a balanced Federal budget. As all of us know, our current budgetary policies cannot continue. The budget deficit in 1994 was around $200 billion. The accumulated national debt is approaching $4.8 trillion. The human costs of the national debt are staggering. For every $200 billion we add to the debt, each American child will pay an additional $7,000 in taxes over their working lifetime just to meet debt service costs. A few years ago, the cost of the net national debt to every man, woman, and child was $10,000. If spending patterns are not changed, the national debt will be about $64,000 per American in the year 2030. Clearly, these levels are unsustainable.

Just a few months ago, this body debated a balanced budget amendment to the U.S. Constitution. Opponents of the amendment said it was unnecessary because Congress already had the ability to balance the budget. Those people were right, we do have the ability to balance the budget—all we need now is the will to do it.

Well, today is the day that my colleagues can demonstrate whether their actions match their words. If you support a balanced budget, then vote for a balanced budget. Before the House today are four alternatives that will get the budget in balance by the year 2002.

The budget resolution authored by my good friend, Congressman ORTON of Utah, which is offered on behalf of the coalition, is a good budget. It is a realistic proposal that makes the necessary cuts in a fair and reasonable manner. It actually produces a bigger budget surplus in the year 2002 than does the House Budget Committee budget. By not including the tax reductions that are included in the House Budget Committee proposal, the coalition budget allows the deficit to be eliminated with less cuts in Medicare, Medicaid, and student loans. For these reasons, I prefer the coalition budget to the other alternatives, and I will support it when it comes up for a vote.

Should the coalition budget fail, and I suspect that it might, I will also support the budget produced by the House Budget Committee under the leadership of Chairman JOHN KASICH.

When I came to this body in 1989, budget deficits were running around $300 billion a year. To think that the budget resolution that we pass today will bring about a balanced Federal budget is an enormous and historic accomplishment.

Many of my colleagues have criticized the House Budget Committee budget as being too harsh on various segments of our society. In 1990 and 1993, we avoided tough spending cuts and increased taxes in order to reduce the deficit. As we know, neither of these proposals gave us a balanced budget. In 1993, my constituents told me over and over that we should cut spending first. The House Budget Committee proposal does this. It eliminates numerous Federal programs, cuts other programs, and reduces the rate of growth in others.

We have heard a lot of talk about Medicare cuts during this debate. While no one is pretending that reducing the deficit will be easy or painless, the fact of the matter is that Medicare spending in the House Budget Committee document will increase over the next 7 years. Current projections have the Medicare Program increasing by 11 percent a year. The House Budget Committee budget increases Medicare by 5 percent a year over the next 7 years. Only in Washington is a 5-percent increase in a program considered a cut.

Another point about Medicare that needs to be made is that the trustees of the program have informed the Congress and the administration that the Medicare Program will become insolvent in the year 2002 if we do not change course. I think it is a shame that some would ignore the looming bankruptcy of our Nation's health program for senior citizens in order to score a few cheap political points. This is the type of behavior that the American people rejected last November and want changed.

Under the House Budget Committee budget, total Federal spending over the next 7 years will go from $9.4 to $11.9 trillion. Is an increase of $2.5 trillion over 7 years too cruel for America to withstand? I don't think so and I suspect that most Americans don't either.

Our last balanced Federal budget was in 1968—27 long years ago. Every year we keep saying that we'll do better—and we never do. Today some are saying that we cannot and should not try to balance the budget in 7 years. Wait until 2010, until 2020, they say. They justify these views by saying that cutting the spending necessary to balance the budget will hurt too much. Mr. Chairman, the pain will only get worse the longer we wait. We cannot afford to postpone this task any longer. Today, we should be bold and responsible and vote for a balanced budget.

Because of our debt and our spending patterns, over 70 percent of the budget is already determined for us. Mandatory entitlement programs and interest on the debt already consumes most of our revenues and leaves very little left over to spend on other Federal priorities. Our debt service is close to $300 billion each year. The money we spend on interest payments for the debt is money that is denied to health care, nutrition programs, national defense, student loans, farm programs, community development, crime, education, and aid to local governments. By being fiscally responsible and eliminating our budget deficit, we will free up billions of dollars which can be reinvested in these worthy public policy concerns.

Rarely do we have before us a truly historic vote. Today we set upon the path to a balanced Federal budget. No more excuses, no more evasions, no more misrepresentations. The partisan bickering and gamesmanship needs to be put aside. Instead of a partisan dispute, the national debt belongs to all of us—and the solution we adopt will determine our future as a nation. None of the proposals are perfect—and they never will be. There are few attractive options to balancing the budget, but we must do it. Let us begin now. I urge all of my colleagues to vote to balance the budget.

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all let me begin by saying that I commend the gentleman from Utah [Mr. ORTON] and the other members of his group for the effort that they have made, and I do think that they have certainly made something that would have to be considered a substantial improvement over what the President submitted in his budget. This, after all, the proposal before us, does reach a balanced budget, but I think it is seriously flawed. It is seriously flawed in several respects, and let me just highlight for the moment, as we begin this debate, what I would say are some of the errors or the flaws in this proposal.

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In the first case, it does spend considerably more than the committee's budget proposal does, $102 billion more in spending. That is actual spending. Now again, let us recognize that we get to the same balanced budget but it has more spending in it.

It contains total discretionary spending nearly identical with that of the committee budget, but it spends more than $50 billion more on welfare over 5 years than the committee would propose to do. It also cuts defense spending by $55 billion below that that is in the committee level.

I think all the Members of this body who have, certainly those that have been around here a few years or who have looked at budgets over the last several years can see the decline that we have had in defense spending. I think most of us recognize that there is a point below which you do not cut spending without significantly damaging the national security of this country.

Where that is exactly, I think, is open for debate. But I think most of us, most in this body would agree that the $55 billion additional cut coming on top of the one steady decreasing baseline that we have seen over the last 10 years in the budget, in defense spending, is precipitous, is probably not warranted and certainly is subject to a lot more debate before we could justify that kind of cut.

The alternative proposal that we are debating now also contains $8 billion in fees, including an airport slot fee and a Commodity Futures Trading Commission transaction fee. These fees, we would suggest, are really not much more than some kind of tax on certain groups.

There are $96 billion more on Medicare than in the committee budget, but it does nothing. It has no plan to really reform the program. Thus, it fails to ensure any kind of long-term solvency for the Medicare program.

The proposal that is offered by the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from Utah [Mr. ORTON] would spend $49 billion more over the next 7 years on Medicaid than the committee proposes in its mark. It provides most importantly, and this is where we get to the bottom line because we do both agree, we have a zero at the end for a balanced budget, most importantly with the discretionary cuts that it has, which are going to be painful. They are going to be difficult. This committee, this proposal has no tax relief for families or for seniors, no incentives for economic growth. In other words, it preserves entirely the $250 billion tax increase that this Congress enacted in 1993 as part of President Clinton's tax increase proposal.

I think when we are talking about this kind of cut in discretionary spending, and we acknowledge, we must acknowledge that there are going to be difficulties, there is going to be pain. And you cannot do this easily, that when we do this, that we should acknowledge, we should say to people, there is going to be some reward at the end. There is something for you in this. And the something for you should be for American families to have some kind of tax relief, for senior citizens some kind of tax relief, and for the economy, for the country to have some kind of tax incentives for economic growth.

None of that, none of that is going to be found in the alternative budget proposal that we are debating here today. So I would say, Mr. Chairman, that this proposal, while certainly it represents a step forward from what the president submitted to this Congress, is far, falls far short of what we should be doing in terms of balancing the budget, reforming Medicare, and giving tax relief to American taxpayers.

Mr. Chairman, I reserve the balance of my time.

Mr. ORTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, again I wish to thank our minority leader, Mr. GEPHARDT, for filing this substitute budget resolution on our behalf, when the Committee on Rules refused to make it in order, and allowing us to bring it to the floor. Without his action, we would not have had the opportunity to present a balanced budget proposal which does come to balance in the year 2002.

During the 1980's, Congress made a fundamental error in attempting to balance the budget. They cut taxes first and then never got around to cutting spending. Here we are again, $3½ trillion later. This time we believe we should cut spending first, balance the budget, and then cut taxes. If you are trying to climb out of a $5 trillion hole, you do not start by digging yourself $700 billion deeper.

The coalition budget actually reaches a budget surplus in the year 2002 and does it by cutting spending ratably over 7 years. Our cuts are not back loaded. We have a gradual glidepath to balance where the Kasich budget continues deficits well over $100 billion until the 6th year and then falls off the cliff.

Our reductions are more responsible and allow funding of high priority programs while balancing the budget and actually accumulating a $160 billion less in public debt over the next 7 years.

Specifically, our budget funds Medicare with $112 billion more than Kasich and $65 billion more than Domenici but $174 billion less than the current baseline. We reduce growth in Medicare costs sufficient to maintain solvency, but do not take an additional $100 billion to pay for a tax cut.

We fund Medicaid with $50 billion more than Kasich and $38 billion more than Domenici but $138 billion less than current baseline. This allows States a more reasonable transition to block granting of Medicaid.

We also assume the coalition welfare reform proposal, which saves $25 billion over the 7 years.

The coalition budget continues $19 billion of funding for student loans and in agriculture, which has already been cut by 60 percent, our budget cuts $13 billion less than the Kasich budget.

We spend $60 billion less on defense than Kasich, but $37 billion more than the current baseline. By the way, this is also $11 billion more than the Solomon-Neumann budget, which you will have an opportunity to vote on later today, and $11 billion more than the Domenici budget.

Nondefense discretionary programs receive $62 billion more than Kasich. By the way, $35 billion of this is in education. Our budget provides $56 billion more in domestic discretionary programs than Domenici. But this is still over $400 billion less than the current baseline.

Finally, our budget does not include the $353 billion in upfront taxes, which, by the way, will cost almost $700 billion over the next 10 years, nor does it include the unspecified $25 billion in corporate tax increases included in the Kasich budget.

In summary, the coalition budget provides sufficient funding to maintain solvency in the Medicare trust fund, provide a more reasonable transition to Medicaid block grants for States, preserve American agriculture, continue student loan assistance, reform welfare, continue funding for Head Start, President Bush's Goals 2000, drug-safe schools, public libraries, Public Broadcasting, children's health and immunization, women's health programs, rural health programs, basic health research, economic development programs such as CDBG, and many, many more high priorities while balancing the budget and saving $160 billion in debt accumulation by 2002.

We say, cut spending first, balance the budget, then cut taxes.

I urge a "yes" vote on the coalition budget substitute.

Mr. Chairman, I reserve the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank my colleague from Arizona for yielding time to me.

I thank my friends on the other side of the aisle who brought forth this amendment. I listened with interest to my good friend from Utah thanking the distinguished minority leader for the time to bring this to the floor. I am sorry the minority leader had to leave the floor so quickly because I believe inherent in any question of policy is the question of process. So I find it very curious that it is widely speculated upon in the press that the distinguished minority leader will not vote for the budget plan which bears his own name.

Perhaps there will be some late-breaking developments in this case, but I find it incredibly interesting that so bereft of ideas is the other side of the aisle that the minority leader, in final summation of the arguments, will not vote for this budget plan and indeed, despite the valiant efforts of our friends who are blue dogs, they are truly blue dogs today, in all respect I say that, because so many Members of their own party will abandon them.

Mr. ORTON. Mr. Chairman, it is so ludicrous to bring up process, I will not even respond.

Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, let me thank the gentleman from Utah for yielding time to me.

Mr. Chairman, under the arbitrary restrictions that Republicans have imposed on discussing the most important economic document that we are going to vote on, the coalition substitute is by far the best option that we have before us.

It provides more deficit reduction without the draconian cuts that are in the Republican budget. How is that accomplished? It is $188 billion actually less borrowing over the 7-year period. It is accomplished by providing earlier deficit reduction, by not giving defense a priority. The Republican budget exempts defense from any of the other cuts. That is not fair. Defense should be treated the same as any other program.

And the coalition budget does deficit reduction first and does not provide for the tax breaks for the wealthy.

Because of those changes, it allows us to restore $163 billion of the Republican cuts in Medicare and Medicaid, which is desperately needed in order not to reduce the quality of care that our seniors are receiving. It allows us to restore the student loan cuts that the Republicans are suggesting to make it more difficult for students to be able to attend college. This budget removes that cut and restores those funds.

It provides more realistic caps on domestic spending so that we can argue on the floor the restoration of the cuts proposed by the Republicans on environmental clean up or commuter rail. We had the opportunity to restore those cuts.

Mr. Chairman, there is a clear choice before us. You have a choice to do deficit reduction first before tax breaks for the wealthy. You can do that if you vote for the coalition budget. I urge my colleagues to do that.

Mr. Chairman, the annual debate we hold in this Chamber on the budget resolution is the most important statement we make on the role of the Federal Government in the kind of country we want to live in.

Given the importance of this debate, it is vital that we have a full range of options to consider. We should present to the American people a broad discussion of each aspect of the budget.

The overriding issue, of course, is the direction of fiscal policy we will take. We have strong agreement in this body that the most single important challenge we face remains the need to reduce the Federal budget deficit.

We have less agreement on the best set of policies to achieve that goal. We disagree on the mix of spending cuts that should be enacted to reduce the deficit. We disagree on the wisdom of cutting taxes before we have even brought the deficit under control.

The point of reducing the deficit is to strengthen the economy. The decision of whether to reduce the deficit by $500 billion, or $700 billion, or $1 trillion over the next 7 years should be driven by what's best for the economy. It should also be driven by consideration of the value of the Government programs that will be cut.

Unfortunately, the Republican leadership of the House has denied the American people the debate they deserve. The people who promised an open House have made sure that we would not have a full and open debate on this crucial issue.

Instead, they set up an arbitrary requirement. They said that it is not enough to propose a budget that dramatically reduces the deficit. They said the magic test is to balance the budget in 7 years or less, using their standards.

The Republicans have brought the budget resolution to the floor under a gag rule designed to prevent either substitutes or amendments that do not comply with their narrow notion of sound fiscal policy. By shutting off debate and preventing responsible alternatives, they have denied a debate on the priorities that would reflect the interests of my constituents.

The Republican leadership has set up artificial and short-sighted constraints to prevent a full and open debate on budget policy. But within those ideologically driven and extreme limits, one budget proposal has the promise of preserving America's priorities.

The coalition budget meets all the requirements. It balances the budget in 7 years. In fact, over the period, it has dramatically lower deficits than the Republican committee budget.

Let me emphasize that point. The coalition budget would borrow $188 billion less over the 7-year period than the Republican budget. To those of us who are concerned about excess borrowing and the soaring expense of interest of the debt, the coalition budget is far superior to the Kasich budget. It will save billions of dollars in interest costs.

In addition to lower deficits, the coalition budget also gets to a balanced budget without inflicting the harsh damage on important priorities the American people care about. The American people understand the need to make sharp spending reductions to reduce the deficit. But they do not understand making those cuts any deeper or more damaging than is absolutely necessary to achieve the goal.

The Republican committee budget cuts Medicare and Medicaid by $475 billion over 7 years. They have tried to justify this draconian plan by saying they are rescuing Medicare. I will work to rescue the Medicare trust fund. But we should do that work in the context of health care reform. This budget will force Medicare recipients to pay more for less. It does so not in the interest of improving or reforming health care for the elderly or anybody else, but to balance the budget and offset $360 billion in tax cuts.

The coalition budget substitute will restore $163 billion of the cuts that the committee budget would make in Medicare and Medicaid. The coalition budget refuses to balance the budget on the backs of the elderly and the sick, and it says no to tax breaks until we have brought the deficit under control.

When we set priorities to try to ensure our country's economic prosperity, nothing looms larger than the imperative of providing higher education to our young people. Yet the Republican committee budget will cut guaranteed student loans by nearly $19 billion. The coalition preserves full funding for guaranteed student loans, proving that we can balance the budget without turning back on young Americans trying to afford a college education.

Another area where the coalition budget is far preferable to the Republican committee plan is in the preservation of valuable domestic priorities. The Republican committee budget will force drastic reductions in high priority programs like mass transit assistance, water treatment, women and children's health care, and the National Institutes of Health research, just to mention a few. When the American people say they want us to get spending under control and eliminate wasteful spending, these are not the types of programs they have in mind. They know better, and the coalition budget will permit us to fund these priorities.

Finally, the chairman of the Budget Committee has said that he is especially proud that his budget leaves no aspect of the budget untouched. But under the committee budget, one area of Federal spending escapes the budget axe. Over 7 years, the plan will increase military spending by $76 billion. At a time when every other area of the budget is facing severe restraint, when children and the elderly and students are facing significant cuts in services, we cannot afford to increase spending on defense.

For all these reasons, in my judgment, the coalition budget is much the best of a poor set of choices. It is far superior to the Republican committee budget, for all the reasons I have mentioned and many more.

Under the arbitrary and unfair ground rules that have controlled this debate, the priorities of my constituents have not been given fair consideration. But the coalition budget comes closest to achieving the goals that are important to my district and to the country, and I will vote for it as a substitute to the badly flawed Republican budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank the chairman of the Committee on the Budget for yielding time to me.

Mr. Chairman, last night, as we debated the first Budget Committee plan to balance the budget in 25 years, our friends on the other side of the aisle were upset about our tax relief for the American family. We hear this same objection in the amendment we are debating. Many of the same people who 2 years ago supported the largest tax hike in history can't believe that we're trying to return some of this money to the American family.

They tried to divide American against American, employer against employee, worker against worker. But underlying their opposition to tax relief for American families is one undeniable, unbelievable fact: They actually think it's their money.

They've gotten so used to a big Federal Government that takes $1 out of every $4 the American family earns that they actually have forgotten who earns the money. They forget that it's the American family's money to spend. It's not Washington's money to take.

Mr. Chairman, the American family's hard earned dollars belong to the American family, not the Federal Government. It's the American people's money, Mr. Chairman, it's not ours. Support the balanced budget plan that reduces the Government's budget and restores the family budget. Support the Budget Committee proposal.

Mr. ORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, I rise in support of the Orton-Stenholm Democratic substitute, the fair balanced budget.

Mr. Chairman, today is an historic debate that could result in balancing the Federal budget. I strongly support the Orton-Stenholm balanced budget, because it is the only fair, responsible budget this House will consider.

The Orton-Stenholm budget is the best option for a difficult task. It balances the Federal budget in 7 years. It makes tough but reasonable cuts without dramatically hurting children and seniors as the Kasich budget would. It does not include tax cuts for the wealthiest which we cannot afford. This is right, because we should not cut taxes before our budget is balanced. We tried this in 1981 and quadrupled the national debt in the process.

In contrast, the Republican budget is ill-conceived legislation. The Medicare cuts in the Republican budget are devastating for both seniors and the institutions that serve them. I will not support a bill which cuts health services to senior citizens, especially after they have already paid into the system. It will result in higher copayments, deductibles, and out of pocket costs and less choice of doctors. No matter how you shape it, less services for more money is a cut. It cuts Medicaid which will result in higher out of pocket costs to senior citizens for long-term care in nursing homes. That is a cut. And the Republican budget cuts Medicare and Medicaid to pay for its tax breaks. This is imprudent.

In my district, these cuts will have a severe impact on the Texas Medical Center. I am particularly concerned about the cuts that will reduce funding for graduate medical education. For many teaching hospitals such as Baylor College of Medicine and University of Texas Medical Center, these reductions will reduce the number of trained physicians. Medicare is a major contributor toward the cost of this education. Yet this budget will cut this function dramatically.

The Orton-Stenholm budget is better for our Nation's children. Another institution in my area, Texas Children's Hospital, receives 48 percent of its funding from the Medicaid Program in the form of reimbursement and disproportionate care. The Republican budget will cut Medicaid by 30 percent. This is unfair and should be stopped. The Stenholm budget restores $50 billion for Medicaid. Medicaid serves children and we should not forget these children in our efforts to balance the budget.

Health research is also unfairly cut by the Republican budget. Their plan would cut over 10 percent in fiscal year 1996—that means many research projects for breast cancer, Alzheimer's, and HIV will go unfinished. I am pleased that the Orton-Stenholm budget will provide $11 billion more for health research programs like those conducted at University of Texas Health Science Center, M.D. Anderson, Methodist, St. Luke's, Baylor, and Hermann Hospitals.

The Orton-Stenholm budget also incorporates all of the provisions of democratic welfare reform bill that requires welfare recipients to work. Ultimately, with a good paying job, welfare will not be necessary.

The Orton-Stenholm budget restores funding of $18.7 billion for student loans. For many middle-class families, these student loans are critical to pay for the cost of a college education. The Republican budget would give a tax break to the very wealthiest in the name of economic growth and investment and yet it would cut student loans, education, and job training. This is an ironic folly.

The Orton-Stenholm budget helps veterans. The Republican budget hurts veterans by reducing benefits for those who have served. The Republican budget breaks the promise that we made when we asked these valiant Americans to serve our Nation. I will not support breaking that promise.

The Orton-Stenholm budget is better for Federal employees. The Republican budget will reduce pension benefits and health care benefits for Federal employees. The Stenholm budget will not require these cuts.

The Orton-Stenholm budget also includes more funding for housing and economic development. In my district, a place to live and a job are the keys to one's success. Many of these housing programs help families to purchase their first home. I believe it is good public policy to encourage home ownership, not reduce it.

It is a question of fairness. My constituents will accept cuts, if they are fair. Orton-Stenholm is fair. The Republican budget is not because it cuts benefits for senior citizens, children, students, and veterans while giving a tax break we cannot afford to the very wealthiest.

As a new Member of Congress, I was elected by my constituents to reduce the deficit. And although there are many tough choices to be made and many programs ultimately will be cut, the Orton-Stenholm plan is the best way to achieve a balanced budget and a healthier economy without sacrificing our investments in the American people.

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Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PETERSON], a member of our task force.

Mr. PETERSON of Minnesota. Mr. Chairman, I rise in strong support of the substitute, which is the coalition budget proposal. This budget, which was drafted by the coalition budget task force and has been endorsed by the coalition, is the most responsible and sensible budget before the House.

The coalition budget is based on the common-sense principle that we should not cut taxes until we have done the hard work to balance the budget. The coalition is not opposed to tax cuts. In fact, coalition members strongly support tax cuts to stimulate investment and savings. What the coalition budget says very clearly is that we should make certain that the budget is on a clear path toward balance before we consider tax cuts. If we do not bring the deficit under control first, any economic benefit from tax cuts will be undercut by the continued drag that our national debt places on the economy.

We recognize that if we are not careful when we make changes in Medicare and Medicaid there will be severe consequences for individuals who depend on these programs and the small hospitals that will not be able to survive if we are not careful. The coalition budget calls for significant reforms to achieve savings in the Medicare and Medicaid Programs, but is based on a careful review of how much we can reduce those programs with out having an adverse impact on our health care system.

The same is true in agriculture programs. Once again, agriculture is being asked to bear more than its fair share of cuts. Cuts of this magnitude will unilaterally disarm Americans farmers in the battle in the global economy. The coalition budget will require real cuts in agricultural programs that will require sacrifice on the part of many of my constituents. However, the coalition budget sets a reasonable level of cuts that can be made without dismantling agriculture policy.

The budget we pass should make our country stronger for future generations by stopping the practice of putting an increasing burden of debt on their back and by providing funds for programs such as education, research and other programs which invest in the future of our country. We do not include reductions in the Stafford loan program that the committee budget requires. We provide $35 billion more than the committee in education and training programs that will help us achieve a strong economy and high standard of living.

The coalition budget is a realistic budget that balances the budget by 2002 without jeopardizing valuable programs. I urge its adoption.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Chairman, as we enter into this budget debate, I think it is very important to consider the job and the task at hand. Let us not miss this opportunity to reduce the role of the Federal Government in our lives.

In the budget process, I think we need to concentrate on two things, and that is if government has a role in anything, let us push it to the most local level. Second, let us review and get out of the things that government should never have been doing. Let us being to privatize. That is what the Kasich budget does.

We must also never pass up the opportunity to make the point that if people are taxed and regulated less, that they will be more productive, and there needs to be room in a budget to assume that that more productivity returns revenue into the Treasury.

Third, let us not underestimate the ability of the American people to rise to the challenge of less bureaucratic control in Washington, DC. That is what the Kasich budget does.

Fourth, let us beware of any proposal by a party whose leadership does not believe in less Federal Government in Washington, DC, and the leadership of a party who thrives on your dependence on a bureaucracy.

Mr. ORTON. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I speak for seniors and working families, children and the most needy. Already the State of Texas is burdened under this very horrible rescissions bill that we are facing with all of these cuts. However, after an extensive late-night review of all of the proposed budgets, the Republicans will certainly force greater hardships on poor, working, and middle-class Americans, without asking for a comparable sacrifice from those Americans who are comfortable and well off.

Mr. Chairman, America's fiscal reality dictates that we begin to take effective action against our deficits and debt, because they represent the greatest danger to the futures of our children, so many of them in our community, and our grandchildren. The political reality is that the Republicans have the absolute wrong budget. It is important that we try to minimize the harm ultimately to the families of constituents that I represent, and throughout America's urban neighborhoods.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

Ms. JACKSON-LEE. We must be in on the process. This budget process is going on, and we must save Medicare, education, science, and research, legal services, student loans, and major job training.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

Ms. JACKSON-LEE. We must support a fair budget. Support the Stenholm-Orton budget to be as fair as we can to all Americans.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The gentlewoman from Texas [Ms. JACKSON-LEE] will confine her remarks to the time that has been yielded to her.

Ms. JACKSON-LEE. I am doing so, Mr. Chairman.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I really want to, first of all, say that a lot of the people that are involved in this project are people that I like and respect, and I am hoping that at the end of the day they will be constructive partners with us, but there are some things that I have to point out.

For those who are trying to understand why this is not a good proposal, first of all, I want to commend this group for using essentially the CBO economics that we have felt is the most conservative economics. They in fact have used it.

What is the problem with this bill? The problem with this bill is this spends $233 billion more than the Domenici proposal. We are trying to figure out precisely how much more that is than our proposal. What I will tell the Members, though, Domenici does not save as much as we do, and this is $233 billion more in spending than Domenici.

Of course they cannot afford tax cuts, because they take this money and they spend it on more programs. That is what they do in this proposal. They have $140 billion in interest savings, all of which they take and they spend. It is a hybrid of Clinton, essentially. This does not even get close to Domenici. This proposal takes all the interest savings, which is $140 billion. They spend $80 billion in spending more than Domenici, so that is $220 billion, plus $13 billion and more cuts in defense, it is $233 billion.

Rather than taking the $233 billion and giving it back to the American taxpayers in tax relief, which they say that we should not do, they take the $233 billion, and instead of saving it, they spend it. Of course they cannot afford both tax relief and this proposal, because they do not have any money left over for tax relief, because they spend it all. That is the problem with this proposal. It is $207 billion more in social spending than what we have in our bill. That does not even count all the interest.

The simple fact of the matter is that this does not do the job. This is warmed-over status quo. They made an effort to make some changes in some programs, and I compliment them.

Frankly, I think if the conservative Democrats had been able to put together this proposal on their own, without having to reach out and moderate the proposal, frankly, I expected something much different than this. I expected a proposal that was going to be pretty much like the Senate budget proposal in terms of fiscal discipline, but that is not what we have here.

Therefore, when Members are wondering about why there are no tax cuts, and the refrain is, "We should not do tax relief until we balance the budget," of course we cannot do tax relief when we are going to spend $233 more on every program sprinkled throughout the Federal Government in order to attract the maximum number of votes.

What I would suggest is, Mr. Chairman, we defeat this proposal, we come to the floor, we actually get to a balanced budget, we give people some of their money back in tax relief, and we will do precisely what we promised and precisely what the American people want. We do not need to keep pumping up the programs and refusing to pull any wasteful programs out by the roots. What we really need to do is to make some hard choices to get this budget on the path toward being balanced over the long haul by making necessary decisions. This simply falls short.

If Members want to cut spending first, downsize Government, and give people some of their money back, then vote "no." If they want to add $233 billion in additional spending over where the Senate plan is, then go ahead and vote for it. That is not where the American people are.

Mr. Chairman, I reserve the balance of my time.

Mr. ORTON. Mr. Chairman, I yield myself 10 seconds to point out that our budget balances and actually reduces the debt by $160 billion more than the Kasich budget over the same 7-year period.

Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. BROWDER], a member of the Committee on the Budget and of our task force.

Mr. BROWDER. Mr. Chairman, first let me congratulate my friend on the other side for changing the nature of the debate that we are having around here, but also let me thank him for allowing us to come forward in response to his budget with what is a better budget.

Mr. Chairman, I want to give the House today my top 10 reasons why the Coalition budget is better for America and my constituents than the other budgets being offered today.

Reason No. 1, why our plan is better is that the Coalition plan balances the budget by 2002 with a sensible glide path, a deficit decline in every year to 2002.

Reason No. 2, Medicare is not abused to balance the budget. Medicare savings are set at $174 billion, an amount sufficient to extend solvency of the Medicare Part A trust fund for 10 years.

Reason No. 3, Medicaid is turned over to the States as a block grant, but we restore $50 billion to help the States adjust to this new responsibility, without raising local taxes.

Reason No. 4, the coalition plan does not eliminate in-school interest subsidies on student loans, and has sufficient funding to continue the impact aid program.

Reason No. 5, it makes responsible cuts in farm programs, so we do not unilaterally disarm our farmers, who must compete against heavily subsidized foreign producers.

Reason No. 6, it does not eliminate the Appalachian Regional Commission and Economic Development Administration, which support planning and industry in rural areas, allowing these areas to compete for jobs, and restores community development block grants that help small cities upgrade and provide services for their citizens.

Reason No. 7, it does not require the sale of the power marketing administrations, an action which would require rural rate increases, and would make rural areas less attractive to new industries.

Reason No. 8, it does not break faith with American working people on trade adjustment assistance training, which is designed to help areas that lose jobs to foreign competition.

Reason No. 9, it does not make severe cuts in NASA funding, which would threaten the space industry and our high-technology economy.

Reason No. 10, finally, it does not raise the retirement contributions from those people who work for our Government, but does call for congressional pension plans to be scaled back, to be in line with other Federal pension plans.

That brings me back to No. 1, which is the most important reason: our budget balances the budget by 2002 with a sensible glide path.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, I want to commend the other side for helping us with an argument that we have been having with a number of people on their side of the aisle relating to the CPI. While we may disagree about what the number might be, apparently they have adopted and do not question the fact that the CPI is incorrect.

Mr. ORTON. Mr. Chairman, will the gentleman yield for 5 seconds?

Mr. HOBSON. I yield to the gentleman from Utah.

Mr. ORTON. Mr. Chairman, we assume a five-tenths of 1 percent reduction in CPI.

Mr. HOBSON. Reclaiming my time, Mr. Chairman, I understand we disagree about the number, but obviously those on the gentleman's side who have demagogued on this thing, not you and the other people who put this up, the gentleman is helping us, and I want to thank him for that argument, because we agree that there is a problem and it needs to be fixed.

I think this brings the legitimacy across the aisles to this argument that we need to get it done, even though we do not agree as to what you wind up with in your budget, but I want to thank the gentleman for doing it. I think it is going to be helpful to get us on the road.

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Mr. ORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I rise to express my support for this substitute offered by Congressmen STENHOLM and ORTON.

As my colleagues know, I believe it is essential for us to balance the Federal budget.

Today we have the opportunity to adopt a plan that moves us toward a balanced budget.

The Stenholm-Orton plan is not perfect. But it makes real choices—difficult choices to balance the budget and, without any doubt, is a better alternative than the plan prepared by Chairman KASICH and the Republicans of the Budget Committee.

The Kasich plan is an attack on working class Americans.

Education would be severely slashed. Under this resolution, when needy students from Waldorf or Lexington Park in my district go to apply for a Perkins loan they would be told, "Sorry—the Republicans have ended the low-interest loan program for needy college students."

Some 40 percent of Pell grant recipients come from families that earn less than $12,000. The Republicans have not left that program alone either.

Even grants to help illiterate Marylanders learn basic work skills to become employable, taxpaying citizens would be terminated by the Republicans' proposal.

The cuts in programs to educate, train, and prepare Americans for productive work are staggering. If I were in the majority party, I would be embarrassed to be associated with these extreme proposals.

Health programs have fared little better. Over the past 20 years, a bipartisan commitment to funding the National Institutes of Health has put the United States on the cutting edge of global biomedical research.

The economic returns—and the improvements in our Nation's health—as a result of this investment are immense. The Republican decision to cut NIH and preventive health resources are shortsighted and will cost us dearly down the line.

Veterans programs, a priority for many of my constituents, would also be severely cut by the Kasich resolution.

The Kasich proposal continues the assault on Federal employees by assuming that these civil servants will contribute an extra 2.5 percent annually to the Civil Service Retirement System and the newer Federal Employees Retirement System.

As I have said time and time again, this proposal is not fair. It violates the contract we made with these employees when they were hired.

Essentially, what this provision does is impose increased taxes on Federal workers to pay for a tax cut for the wealthy.

The House should not have included these provisions in the Archer tax bill and we shouldn't have them in the budget resolution either.

A lot has been said about the Republican cuts in Medicare—a total of $283 billion over the next 7 years.

Mr. Chairman, all of us know that changes must be made in Medicare to ensure that it remains a strong program well into the 21st century. But the arbitrary, unspecified cuts included in the Kasich resolution will clearly have a devastating impact on the seniors that depend upon this program for basic health care.

My question to every Member of this body is, Will you join me in opposing a budget that will force seniors to pay an extra $1,060 a year for Medicare by 2002 simply so that those with much will have more?

Let us not forget, Mr. Chairman, that more than 80 percent of Medicare recipients have incomes below $25,000 a year. I would suggest that some of my colleagues talk to their constituents, as I have in Maryland's Fifth District, about how tough it is to be retired and live on a fixed income.

I want to take the rest of my time to say what is right with the substitute that we are now debating.

There are changes I would make in the Stenholm-Orton substitute. I don't approve of the provisions included that would cap Government contributions to the Federal employee health benefit plans and base Federal retirement on employees' high-5 years.

I remain concerned by the cuts in health and education funding that is included in this alternative.

Mr. Chairman, the choices are hard. There is no easy way to balance our budget—a goal that must guide us as we consider this year's budget resolution.

But it is my view that the Stenholm/Orton substitute is the best way to achieve that goal. This resolution actually results in a surplus of about $1 billion in 2002.

Yet, in sharp contrast to the Republican plan, the Democratic substitute does so without the same draconian impact on the most vulnerable Americans.

The Stenholm substitute rejects the proposed cuts in guaranteed student loans and sets more reasonable levels for Head Start, job training, and other education programs.

Yes, it does not give a tax cut, but these programs are important for those in America who are going to rely on those young people being able to participate in the workplace.

As a Democrat who believes that national defense must remain one of our highest priorities, I am pleased that the Stenholm bill actually raises defense spending starting in the year 2000.

This Democratic alternative does not provide for tax cuts for the wealthy or for any other American until the budget is in balance. It remains my strongly held belief, as I have stated before on the floor, that deficit reduction must be our primary goal.

I support language in the Stenholm substitute that calls for tax cuts to stimulate savings and investment once our Federal budget is in balance.

That is the appropriate time to consider tax cuts. To do so now would be irresponsible, especially when you recall that the House-passed tax bill gives almost half of its benefits to the wealthiest 10 percent of Americans.

Mr. Chairman, I came to this House at the time of another Republican-prescribed revolution. The formula is much the same today as it was in the early 1980's.

Tax cuts and easy spending cuts right away. Postpone the tough decisions and deepest cuts until after the next election.

That is the strategy of the Kasich resolution. We do not know how Medicare and Medicaid savings will actually be achieved.

What we do know is that their plan pushes the most severe cuts in domestic spending off to the last 3 years. In contrast, the Stenholm plan is a true and realistic glidepath to a balanced budget. The Kasich plan has what I think has been correctly characterized as a cliff in 2000 and 2001.

Mr. Chairman, we all know the disastrous results of the easy road taken in the 1980's even though some still do not like to admit it.

I urge my colleagues to reject a repeat scenario. Vote for the Stenholm substitute—the best alternative for realistic yet fair achievement of a balanced Federal budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I can't believe that the other side of the aisle can, in good conscience, vote today against balancing our Nation's budget. I can't believe that they are able to look their families in the eye after so carelessly playing partisan politics with their futures.

The other side sees more importance in pitting Americans against Americans in class warfare than they do in securing the fiscal future of the Nation and its people.

And they can stand down here all day long and talk about what the Republican budget will do. But, I have said it before and I will say it again, don't try to fool the American people into believing that balancing the budget and cutting taxes will hurt them—they know better.

They know that the Government spends too much money. And they know that the only way to stop the Government from spending too much is to not give them too much money in the first place.

And I want to remind you that this is not our money. This money belongs to the taxpayers that get up every day and work hard for a living.

So I have to ask how you can justify voting today to take more of that person's money to support your out-of-control spending habits—which will drive the debt out of control and leave our children with nothing? I can't imagine what reasonable thinking person would vote that way.

We need to remember what this vote is about. It is about the American people—it is their future that is on the line here. I challenge everyone in this body to make the most important vote in history—vote to balance the budget and restore security and prosperity to America—vote against this substitute and for the Republican balanced budget plan.

Mr. ORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. BREWSTER], a member of our task force.

Mr. BREWSTER. Mr. Chairman, I rise in strong support of the coalition budget substitute.

The coalition budget is a responsible budget alternative that meets all the deficit reduction requirements for a balanced budget by 2002.

In order to balance the budget, we must all support some cuts in valuable programs. However, cutting programs and eliminating them are two totally different alternatives. The coalition budget is much kinder on many programs important to all Americans than the Republican bill.

We make no cuts in guaranteed student loans, while the Republicans cut student loans a drastic $18.7 billion. The coalition budget cuts $52 billion less in education, Head Start, rural health and economic development than the Republican bill. We cut agriculture $10 billion less than the Republican budget.

We have $109 billion less in Medicare cuts than the Republican budget. We have $50 billion less in Medicaid cuts than the Republican bill. And, in addition to that, we save $160 billion on the debt over the Republican substitute.

Mr. Chairman, this substitute reaches the same goal as the Republican budget—a balanced budget by 2002. And yet the coalition substitute provides more money for those in need.

Mr. Chairman, whether or not you support tax cuts is not the issue today. Many of us in the coalition support tax cuts, and our bill will provide for tax cuts after we are on a path to balance our budget.

I have long been an advocate for the capital gains tax. And, I strongly support the AMT tax relief which greatly helps our oil and gas industry. However, I firmly believe you ought to cut spending first before you give the money out for tax cuts.

The coalition budget substitute, however, treats tax cuts in a much more responsible manner. If deficit targets are met and we are on the glidepath to a balanced budget, the coalition bill will allow tax cuts to be targeted to encourage savings and investments and stimulate jobs and growth.

Mr. Chairman, I urge my colleagues to support the coalition substitute.

Mr. KASICH. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Texas [Mr. DELAY], the Republican whip.

Mr. DELAY. Mr. Chairman, I want to add all my congratulations to the chairman of the Budget Committee and all his members and particularly the staff for an incredible piece of work and being part of history.

Mr. Chairman, a great scientist once said, "All truth, in the long run, is only commonsense clarified."

The Republican budget, in the long run, is common sense clarified.

Everyone who has spoken today knows the truth.

Our country faces a crisis. Our budget deficit threatens the security and stability of America's future. Our Medicare system nears bankruptcy. Interest payments eat up more and more of our discretionary spending. Entitlements, if unchecked, will break our financial backs.

And if we do not change fundamentally our Government, our Nation may not remain prosperous and free into the next century.

This substitute amendment does not fundamentally change government. This continues government, just at a little less cost.

The substitute amendment we have before us is a flawed choice, but at least it is an alternative.

I look to the leaders of the opposition, and wonder where they have been. I hear Mr. GEPHARDT may not vote for his own alternative. That is a shame.

President Clinton worked to defeat the balanced budget amendment while refusing to submit a fiscally responsible budget alternative. That is a shame.

It is a shame, because to get our country out of this crisis, to successfully change government to meet the needs of all the American people, we need their help.

This debate should not be about politics. It should not be about class war. It should be about Democrats and Republicans coming together to make commonsense changes to save America's future.

But Mr. Chairman, when it comes to the battle to balance the budget, Democrat leaders have been conscientious objectors, sitting out this fight instead of finding ways to stop crippling deficits and runaway spending.

Republicans and many responsible Democrats reject that passive policy.

Republicans offer a plan that faces this budget crisis head-on.

It will balance the budget by 2002.

It changes programs, agencies, and bureaucracies to not only save money, but to also make government more efficient and more effective.

Some of my Democrat friends have come to the floor with photographs of people they say will be affected by our budget reforms.

I don't need photographs to remind me of the people who will be hurt by the inaction advocated by the Democrat leadership. I only need to look out into the gallery today, or walk down the street, or go home to my constituents.

Because if we refuse to act today to save our future, every single one of us will be adversely affected. Our seniors will be hurt by a bankrupt Medicare system. Our children will be hurt by impossibly high tax rates. And our grandchildren will be hurt by limited economic opportunity.

Inaction may be the choice of some of my colleagues. But that is not my choice.

Yes, we will provide tax relief to people who need it the most.

We have all heard the charges about our tax cuts. But who among us can say that families with children, taxed at rates approaching 50 percent, do not deserve a tax break?

Who can say that we should not have an adoption tax credit? Who will claim that our seniors deserve to be taxed at a rate twice that of millionaires if they choose to work? I dare my colleagues to make those claims.

Tax relief is not about giving people something they don't deserve. It is about letting our citizens keep more of their own money to spend as they see fit.

It is about freedom, not about giveaways. I hope someday, the Democrat leadership will finally get the message. But I'm not holding my breath.

Mr. Chairman, today we make a historic choice. We can take the path of least resistance. We can please the interest groups and the bureaucrats. We can continue to spend at the present destructive rate. We can protect the status quo.

Or we can take a courageous stand for America. We can make the Government work for people, while cutting out wasteful spending and cutting down painful taxes.

If we make the first choice, I fear that America will become fiscally frail, economically weak, a land of limited opportunity awash in a sea of tax troubles and Government waste.

But if we take the responsible course, I am confident that this great land of ours will awaken to limitless opportunity, abound in free market creativity, spurred on by low interest rates and low taxes.

And in the final analysis, when our budget is balanced, when our Government is stable, and when our people are free, we will see that this choice was in fact common sense clarified.

I urge my colleagues to vote against this flawed substitute and vote for the Kasich budget.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message from the President.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore [Mr. CASTLE] assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The committee will resume its sitting.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

The Committee resumed its sitting.

☐ 1130

The CHAIRMAN. When the committee rose, the gentleman from Utah [Mr. ORTON] had 8 minutes and 50 seconds remaining, and the gentleman from Ohio [Mr. KASICH] had 7½ minutes remaining.

Mr. ORTON. Mr. Chairman, I include for the RECORD two letters of support for the amendment, one from the American Council on Education, the other from the National Association of Student Financial Aid Administrators.

The letters referred to are as follows:

AMERICAN COUNCIL ON EDUCATION,
Washington, DC, May 16, 1995.

Hon. BILL ORTON,
House of Representatives, Cannon House Office Building, Washington, DC.

DEAR REPRESENTATIVE ORTON: The American Council on Education, on behalf of our 1700 college and university members, urges all members to support the Stenholm-Orton substitute to H. Con. Res. 67—the FY 1996 Concurrent Budget Resolution. The Stenholm-Orton substitute achieves the goal of deficit elimination, while maintaining the critical federal student loan, grant and work programs that ensure access to college for students from middle- and lower-income families.

In stark contrast, H. Con. Res. 67 would increase the cost of college by more than $24 billion over seven years, subjecting middle-class families to the largest tuition hike in the nation's history. This burden will be borne by students currently in college, as well as by children as young as thirteen years of age who will reach college age during the period of time governed by this resolution.

Earlier this month, the Census Bureau released the results of a detailed survey of American business commissioned by President Bush, documenting that increases in workers' education levels produce twice the gain in workplace efficiency as comparable increases in the value of tools and machinery. According to this study, for each additional year of schooling in their workforce, employers gain an 8 percent increase in productivity, rising to 11 percent in the non-manufacturing sector.

The Stenholm-Orton substitute recognizes the strong linkage between higher education and future national productivity and economic growth. We urge you to vote to defeat the seriously flawed H. Con. Res. 67, and to adopt the Stenholm-Orton substitute.

Sincerely,

TERRY W. HARTLE,
Vice President.

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS,
Washington, DC, May 17, 1995.

DEAR REPRESENTATIVE: On behalf of the National Association of Student Financial Aid Administrators (NASFAA) representing over 3,200 postsecondary institutions across the country, we urge passage of the Stenholm/Orton substitute amendment to the House Budget Resolution. We are supporting the Stenholm/Orton substitute because it restores $35 billion in Function 500 for education programs from levels contained in the committee-reported resolution. It also retains the in-school interest subsidy for student loan borrowers.

Our members are well aware of the need to constrain federal spending and are fully supportive of responsible efforts to reduce the deficit. However, we respectfully urge you to consider that the federal student aid programs have been essentially frozen since FY-93 and are not contributing to the deficit. To the contrary, research shows increased educational attainment, made possible for millions because of these programs, has accounted for 27 percent of the growth in the national economy during this century. Some will argue that eliminating the interest exemption on student loans will not prevent students from obtaining the loans and will be an additional expense which borrowers can easily repay because they will have higher future earnings. But the fact remains that such a policy will result in significantly higher yearly payments for these individuals and will reduce their ability to purchase other goods and services and save for their children's education. Federal student aid expenditures are an investment in the nation's future, and the monies spent on these programs today are returned by the program recipients many times over in the future.

Public opinion polls show that there is overwhelming support by Americans from all income categories and of all political persuasions for federal spending on programs to help students go to college. These polls clearly show that 75% of Americans do not want to see federal student aid programs and benefits sacrificed in the name of deficit reduction or tax cuts. We therefore strongly urge you and your fellow House members to consider all of the consequences before voting to reduce federal student aid programs below existing levels, or imposing mandatory reductions in spending which would result in a loss of benefits to current and future recipients.

It is for these reasons that we urge you to vote for the Stenholm/Orton substitute.

Sincerely,

DALLAS MARTIN,
President.

Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. TANNER], a member of the coalition.

Mr. TANNER. Mr. Chairman, I want to thank Chairman KASICH for bringing a bill to the floor that we think we have an opportunity to make better. I would like to thank our minority leader, Mr. GEPHARDT, for giving the coalition this opportunity to be on the floor.

All of us here in this House in the coalition that many of us belong to here came to Washington to try to get something done. People are tired of partisan political bickering. They are tired of the gamesmanship that is being played in this town while the country does not do very well.

Our group, the coalition, has tried to make a difference, a commonsense difference, and I would suggest that this is a defining moment for us in this budget document.

Let me say why I think that. Any business person in this country, man or woman, faced with a $4½ trillion debt and wondering how to right the wrongs that have been done in the past would say if only this would say this. It makes no sense to add another $160 billion on the debt as we go to ground zero. At 6 percent that is almost $10 billion more in interest payments alone that will have to be made if we adopt the Kasich approach.

I can go home to Tennessee through West Virginia or Kentucky or I go home to Tennessee through Virginia and Tennessee. We both get to ground zero. There is a businesslike, commonsense way to take our deficit down in a way that makes sense, that spends less money, that ties revenues to expenditures, as any business person would do, and that is exactly what this commonsense, businesslike proposal does. I would recommend it to my colleagues. I hope they will consider it and I hope they will give it their independent thought and judgment. It deserves that.

Mr. KASICH. Mr. Chairman, how much time remains on both sides?

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] has 7½ minutes remaining, and the gentleman from Utah [Mr. ORTON] has 6 minutes and 50 seconds remaining.

The gentleman from Ohio [Mr. KASICH] has the right to close.

Mr. ORTON. Mr. Chairman, I am happy to yield 1 minute to the gentleman from Minnesota [Mr. SABO], the ranking member of the Committee on the Budget.

Mr. SABO. Mr. Chairman, I thank the gentleman for yielding me this time.

Let me congratulate Messrs. ORTON, STENHOLM, BROWDER, and other Members who have presented this budget. I intend to vote for it. It represents a vary substantial improvement over the Republican base bill, both as it relates to basic fiscal policy and as it relates to dealing with fundamental problems of the American people. I congratulate the gentleman on this amendment and wish him well. I hope his amendment prevails.

Mr. ORTON. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, we have a tall order before us, $1.2 trillion in spending reductions to get to 2002 in a balanced budget.

The problem I have with the Kasich resolution to start with is it adds $400 billion to that problem. It makes tough choices even tougher, $70 billion more for defense and $350 billion more out of revenues.

Second, these spending increases in defense are going into effect right now. They will be fully implemented in 2 fiscal years. We are marking up the defense budget $9 billion now. Tax cuts will be implemented, but what do we do? We get spending out of Medicare and Medicaid.

If there is any lesson learned from the fiscal history of the last several years it is we have found these goals of reducing Federal health care entitlements very elusive, and if we do not reach those goals, this will make the deficit worse, not better. So Kasich is not a disciplined resolution. It is dangerous. The disciplined, doable resolution is the one before us, and we should all support it.

We have before us a tall order: according to CBO, we will need $1,210 trillion in spending reduction to get to a balanced budget by 2002. This calls for tough choices, tougher than we have ever attempted in our efforts to get rid of the deficit.

The first problem I have with the Republican budget resolution is that it makes these choices even tougher. Over 7 years, the Kasich resolution adds $70 billion to defense spending and takes $350 billion away from revenues. So, instead of having to dig $1,210 billion into spending, we have to dig deeper. We have to make $1,600 billion in spending cuts over the next 7 years.

That's my first problem with the Kasich resolution. Here is the next. The tax cuts the Kasich resolution supports go into the Tax Code this year. The capital gains tax cut dates back to January 1, 1995, for example. The revenue losses are backloaded; and grow exponentially over time, but they begin immediately, in fiscal year 1995.

The plus-up in defense spending also begins immediately. Indeed, it goes into the defense authorization bill we are marking up right now, increasing defense spending $9.5 billion beyond what the Pentagon sought for fiscal year 1996, and $15.9 billion beyond what is programmed for fiscal year 1997.

With the $70 billion plus-up in defense spending and the $350 billion in tax cuts in the Kasich resolution, the deficit becomes worse and the solution gets harder. Stenholm-Orton is more likely to reach the target, because it forgoes tax cuts and holds the line on defense spending.

Stenholm-Orton is the conservative choice because it follows the lessons of history. If there is any lesson to be learned from history of the budget, it's that our efforts to cut or contain entitlement spending always fall far short of the goal. And here the Kasich budget resolution is bolder—some would say rasher—than anything anyone has ever proposed: $288 billion in Medicare cuts, $187 billion in Medicaid cuts. Can cuts on this order be achieved? Who knows? All we have before us are the numbers, not the policies.

If these huge numerical goals are not reached, what happens? Well, first of all, it will take 2 to 3 years to realize that the entitlement numbers are not tracking; and by that time, the defense spending increases will be in place, and the tax cuts will be buried in the code. Both will be hard to root out and reverse. And the deficit—the deficit will be worse, not better.

That's the near-term risk, as I see it, with the Kasich resolution. Stenholm-Orton lowers that risk greatly by forgoing tax cuts, by holding the line on defense spending, and by targeting far more conservative savings on Medicare and Medicaid. So, Stenholm-Orton is better, because it's more likely to succeed.

There is a longer term problem with Kasich that has hardly been mentioned in this debate. Assuming the unlikely, assuming that in 2002, the budget is in balance, under the Kasich resolution, it does not stay in balance. It is not in equilibrium. That's because the tax cuts are back-loaded, and the wedge they take out of revenues keeps getting wider and wider in the out-years. In 2003, 2004, 2005, the revenue losses increase by over $300 billion. So, under Kasich, when we get to 2002, we are not home-free, even if the budget that year is in balance; we have got to keep on cutting Medicare and Medicaid and student loans, and so on, by another $300–400 billion to make up for the additional revenue losses.

That is why Kasich is not a disciplined resolution; it's a dangerous resolution. It could lead us down the path to deeper deficits. Stenholm-Orton is not perfect, but it is disciplined and doable, and should be supported by all of us.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. BROWNBACK], a member of the Committee on the Budget.

Mr. BROWNBACK. Mr. Chairman, I will make my comments brief. I applaud the coalition plan for coming forward. I appreciate that at least now there is something we can have discussion about. There has not been a Democrat alternative there, and I think that is a great failing on the part of the other side, so I am pleased we can now have at least a discussion about options.

One critical thing I would point out, and that is simply that if we are looking at growing this country and growing our way out of this debt, we have to have some growth built into it, and that is why we have to have the tax cuts, particularly the capital gains tax cuts, so we can grow the economy. The last two times this Nation has cut capital gains rates, under the Kennedy and Reagan administrations, revenues to the Federal Government actually grew. We need that in this plan. That is not in the alternative, the coalition plans, and it is one of the failings against it, and it is one of the reasons I will be voting against the coalition plan.

Mr. ORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Chairman, I rise in strong support of the Stenholm-Orton substitute.

Mr. Chairman, I rise in opposition to the leadership budget resolution and in favor of the approach offered by Congressman STENHOLM and other conservative Democrats.

I have been in Congress since 1989, and have tried my best during that time to learn about the budget process and help people in Illinois understand the choices we face. I have held hundreds of town meetings where we have gone over the difficult decisions about which programs to cut and which must be spared. I have learned that while the issues are complex and the process highly technical, we reached this point today, where we run $200 billion deficits and have a debt approaching $5 trillion, by operating on a prescription for economic disaster.

For far too long, we've had leadership in the executive branch which opposed tax increases or even supported tax cuts, leadership in the legislature which refused to eliminate programs we couldn't afford, and a public which came to expect the best of all worlds—no tax increases, no program cuts and a balanced budget.

The Nation can no longer withstand this approach to spending. I have long sponsored a balanced budget amendment, knowing full well that at some point in time, I would have to vote on how to get us there. I am prepared to do that.

In any budget proposal, you can select one line and make a case for or against it. One of the key questions in this debate will be Medicare, so let me spend just a moment discussing why I oppose the leadership plan and support the budget offered by Congressman STENHOLM and other conservative Democrats.

You will hear a lot about Medicare cuts, and whether a reduction in growth is a cut or whether it's an increase in previous year spending. Let me try to address this question in a fairly simple way, using round numbers which are meant purely as a way of explaining the issue.

Suppose this year a certain medical procedure costs $50. Medicare, using Federal tax dollars, pays the health care provider $40, leaving the patient with a $10 responsibility through a copayment, deductible or other expense. By the year 2002, suppose the same procedure costs $75, and Medicare pays $55, requiring the patient to make up the $20 difference, a difference between provider cost and Government payment which has grown since 1995.

Any responsible budget proposal will require us to slow the growth of Medicare and ask beneficiaries to help us keep pace with the costs of the program. But the difference is the leadership proposal asks the elderly American to make up more of the costs in Medicare in order to finance $350 billion in tax cuts for the wealthiest citizens of this country. In the Stenholm approach, we do ask folks to help us keep pace, but we don't ask them to subsidize tax breaks which this country can't afford.

There are items in every proposal we consider today which I strongly support and strongly oppose. But these proposals must be considered on balance and in their entirety.

The Stenholm proposal meets my broad standards for a good budget—tough spending cuts which occur early in the process and a recognition of priorities in health care, education and job creation. Most importantly, it does not cut programs for the average Americans to fund unwise and unnecessary tax cuts for the wealthiest of Americans. The best tax cut we can provide the American people is deficit reduction. And the best prescription for deficit reduction and economic growth is to cut Federal spending and balance the budget.

Mr. ORTON. Mr. Chairman, I yield 1 minute and 30 seconds to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, balancing the budget is like trying to take a sip out of a fire hydrant. Every time you try to do something like that, you get pushed back. It is very difficult to do. Mr. ORTON's bill that I strongly support does it. Mr. KASICH's bill that I will not support today does it as well, and I would explain why. I salute the gentleman from Ohio [Mr. KASICH] and have voted for most of his amendments to cut spending over the last 4 years.

First of all we have to make tough choices, but they have to result in fair cuts. The Kasich bill does not. It cuts Medicare by $283 billion because it provides a tax cut. The best tax cut we can provide for all Americans, whether they make $200,000 a year or $20,000 a year, is to balance the budge and reduce the deficit.

Second, the budget on the Republican side cuts student loans by $18 billion. Many students will not go to college, many of them will be forced to pick in a two-tiered process between some of the more expensive schools and a different set. We think all students should be able to provide open choices and not be limited by those choices by a $18 billion cut.

Finally, I would say we need to even go further. I will support amendments and offer amendments to cut the space station, to cut star wars, and to cut the Central Intelligence Agency, but I salute both Mr. KASICH and Mr. ORTON.

Mr. ORTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING of Kentucky. Mr. Chairman, I rise in opposition to the Democratic substitute.

Mr. Chairman, I rise in opposition to the Gephardt substitute and in support of the Republican budget resolution and urge my colleagues to support it as well.

For years, people in this body have talked about balancing the budget. But nothing happened. Deficits keep rolling along. The debt kept climbing.

But now, we can change that. We have a budget resolution before us that will actually put us on a path to a balanced budget. We cannot afford to pass this opportunity.

Because of the election results last November, we have a window of opportunity that may never happen again. We have to do it now.

The Republican budget resolution we consider today is not perfect. It is definitely not easy. But it puts us on a path to a balanced budget and we have done it in a way that makes spending reductions as fairly and as honestly as we could.

Make no mistake about it, Congress is going to be forced, under this budget, to make some very hard choices. That's what leadership is all about.

Unfortunately, the administration provided nothing in the way of leadership. The Clinton budget was nothing more than status quo—business as usual in large letters—and large numbers—$200 billion deficits as far as the eye can see. As a result, no one on the minority side even plans to offer the Clinton "deficits forever" budget as an alternative today.

On the other hand, we promised that we would produce a proposal that would lead to a balanced budget by the year 2002—we did it.

We promised the American people that we would produce a budget that provided them much needed tax relief—we did it.

And finally, we promised that we would produce a budget that protects the Social Security trust fund and protects Social Security benefits.

And as the chairman of the Social Security Subcommittee, I am proud to say, we did it.

So, we have a window of opportunity to provide the kind of leadership our Nation deserves—the kind of leadership the next generation deserves. Honest leadership—leadership that keeps its promises. our budget fully preserves and protects Social Security. Our budget assumes absolutely no changes—no changes of any kind—in the Social Security Program. No COLA cuts. No benefit cuts. No tax increases.

Unfortunately, there are those who prefer the status quo and who are willing to resort to all sorts of fear-mongering and false statements designed to frighten senior citizens.

They used these tactics to help kill—at least temporarily—the balanced budget amendment in the Senate. They suggested that a balanced budget amendment would result in cuts in Social Security benefits.

Our budget resolution today proves them wrong. We can—and we will—balance the budget without damaging Social Security.

In fact, the majority proposal today would actually strengthen Social Security.

As it stands right now, the greatest single threat to the long term solvency of Social Security is continued runaway Federal spending.

A balanced budget is the greatest guarantee possible that the promise of Social Security will be kept.

A balanced budget is the best long-term protection that we can offer for the Social Security trust fund. And our budget will put us on a realistic path to a balanced budget.

If you want to vote to preserve and strengthen Social Security—you can vote for the majority budget and feel confident that you are doing the right thing.

This is the right thing to do.

Unfortunately, some of our colleagues here in the House have chosen to demagogue the issue. They are distorting one of the economic assumptions in the Republican budget resolution to suggest that Republicans are trying to cut Social Security COLA's or to raise taxes because of anticipated adjustments in the Consumer Price Index.

This is pure hogwash. It is totally dishonest.

Our economic assumptions do assume that the Bureau of Labor Statistics will make a correction in the way the Consumer Price Index is computed. Every 10 years the Bureau of Labor Statistics does review the CPI and does make adjustments to make sure that it measures inflation correctly.

Economists generally agree that the CPI currently overinflates the rate of inflation by any where between .5 and 1.5 percent. It is generally assumed by honest Republicans and Democrats that the Bureau of Labor statistics will correct this problem in 1998 when they make their next round of CPI adjustments.

For this reason, we included, in our budget, an estimate of a .6 percent adjustment in the CPI to take effect in 1999. This is not something Republicans in Congress will do—it is something we assume that the BLS will do.

Some people are characterizing this as a Republican COLA cut for Social Security and a tax increase. This is totally dishonest and hypocritical.

I would like to point out that in 1987, when the Democrats controlled Congress, the Bureau of Labor statistics made a .4 percent downward adjustment in the CPI. No one called that a Democrat COLA cut. It was a technical correction.

And I would also like to point out that Mr. GEPHARDT'S substitute budget today includes economic assumptions that also include a .5 percent downward adjustment in the CPI in 1999—almost identical to the Republican estimate.

If you vote for Gephardt, you are voting for virtually the same CPI adjustment as the one included in the Republican budget.

So my friends, don't play fast and loose with the truth and try to scare senior citizens. We are not cutting COLA's—we are not cutting benefits.

The fact of the matter is that, no matter what the Bureau of Labor statistics does in 1988, the Republican budget does nothing to change Social Security law, Social Security benefits or Social Security COLA's.

Mr. KASICH. Mr. Chairman, I yield 2½ minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the distinguished chairman for yielding the time to me.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 67, the House budget resolution, and in opposition to the Gephardt substitute. Let me just say I think it is a tremendous effort by those who believe in the necessities to cut budgets that they have put this forward, but I happen to believe that the right vehicle is the Kasich budget which we are working on here today.

As one who has balanced budgets eight times, as one who has seen the States of the United States of America address this problem of deficits and realize that the only way to manage the economies of the States and the economies of the United States of America is to balance the budgets, I stand here pleading with each and every one of us to support the budget resolution, which we are ultimately going to go to today.

We all talk as politicians about tough choices and setting priorities, and then when it comes down to it and you really are starting to make tough choices and you really are starting to set priorities, people start to say well, we are cutting too much. It hurts the young people too much, it hurts the old people too much, it hurts the colleges too much, or whatever it may be. The bottom line is what has hurt the United States of America is the tremendous deficit each year and debt we have accumulated, and all of the payments on that debt and the impact which that has on the economy of the United States of America.

The gentleman from Ohio [Mr. KASICH] last year, to his everlasting credit, came forward when a lot of Republicans said do not do it and presented a budget that would eventually have us in balance by the year 2002. This year he is in the majority and he has done so again, and he has put some very tough choices in there, and I recognize that and I think that is vitally important.

There is discussion of taxes. And as some Members know, as the gentleman from Utah [Mr. ORTON] knows, three of us got together and worked with others to make absolutely sure that we would not have tax reductions until such time as we had the full budget reconciliation in place, and there has been some question raised about that. But I want to assure the gentleman from Utah [Mr. ORTON] in particular that I have talked with our leadership on a number of occasions about the importance of that, the enforcement of that, and that it should not happen and will not happen regardless of how we separate reconciliation. So I am convinced that there will be no tax cuts until we have the balanced budget in place.

I congratulate the gentleman. I do not stand in support of what the gentleman is doing today because I do support the gentleman from Ohio [Mr. KASICH]. I think it is the way to go. But I congratulate the gentleman's side for coming forward with this, but I think we need to move forward with the process that well could go for 4 or 5 more months, and hopefully at the end of this we will have done what we were sent here for, to start to balance the budget of the United States of America, and if we do that I hope we receive the credit we deserve for it.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 67, the House budget resolution and in opposition to the Gephardt substitute.

First, let me say that I have the highest respect for Mr. ORTON and Mr. STENHOLM, the authors of the Gephardt substitute. I believe they are truly committed to balancing the budget. Their work is a good faith effort to put forward an alternative budget resolution.

However, I find it very troubling that this is the first time that Mr. GEPHARDT and the Democratic leadership have endorsed a balanced budget plan. I cannot help believe that if the old leadership were still in control of this House that the Stenholm-Orton budget would not have had the support of the Democratic leadership and probably would not have been permitted to be offered.

The fact of the matter is that the Republican Party has listened to the American people and has put forward a real plan to balance the budget. The Democrats have been forced to scramble to say "me too" to the American people. I applaud Mr. STENHOLM and Mr. ORTON for their alternative, but does it have the honest support of the Democratic Party? Let's remember that the 1993 Democratic budget resolution relied overwhelmingly on tax increases to achieve deficit reduction and that the President's 1996 budget simply gives up on deficit reduction and would accept $200 billion deficits for the next 5 years and higher deficits after that.

Mr. Chairman, I do not agree with every aspect of the House budget resolution. There are some areas of the budget I would allocate more funding to and some I would cut more from. I may even agree with some of the proposals in the Stenholm-Orton budget. But, JOHN KASICH and the House Budget Committee have been true leaders in the effort to put forward an honest budget that gets us to balance in the year 2002. This is a historic and tremendously difficult task and they have done it.

Politicians love to talk about making the tough choices and setting priorities. Now we have finally arrived at a point when tough choices are being made and priorities are being set. Now what we hear from the other side is that the choices are too tough and the priorities are wrong. The House budget resolution is an honest plan to get this Government to a balanced budget by the year 2002. I do not agree with every part of the budget, but am willing to take up the task of making these decisions and finding alternatives to the choices I do not agree with. I support the Kasich budget resolution.

There is another issue I would like to address. I am one of the authors of the Castle-Upton-Martini amendment to the recent tax relief bill. This amendment commits the House to ensuring that no tax cuts will become law until Congress passes budget reconciliation legislation to put the directions of this budget resolution into effect. Our commitment to that process has not changed. Despite the assertions of some of my colleagues on the other side of the aisle, no tax cuts will become law until all parts of the budget reconciliation process is completed. While the reform of the Medicare Program will take some additional time this year, the other budget decisions and potential tax cuts will not become law without action on Medicare. I will work with all interested Members on this issue as the reconciliation process proceeds.

Mr. Chairman, the House budget resolution is the first step on the vital journey to a balanced budget. I urge its approval and rejection of the proposed substitutes.

Mr. ORTON. Mr. Chairman, I yield 30 seconds to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I rise in strong support of the Orton-Stenholm coalition budget and in opposition to the Republican budget. The coalition budget just proves everybody that if you do not cut taxes, you do not have to kill Medicare and our senior citizens. It is proof that you can have a balanced budget by 2002 without making the massive cuts in Medicare and our senior citizens.

Mr. ORTON. Mr. Chairman, I yield the balance of my time, 3 minutes and 30 seconds, to the gentleman from Texas [Mr. STENHOLM], a member of the Committee on the Budget.

Mr. STENHOLM. Mr. Chairman, I rise in extremely good conscience in support of the coalition balanced budget bill amendment before us today.

There has been a lot of good, in fact, excellent debate during the past few days and few weeks, and in those cases of elevated debate, my respect for the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] has grown considerably, and I consider them two of the most conscientious and philosophically honest leaders in this body.

There has also been some less-than-excellent or honorable debate during the past 2 days and some of which I have heard in the past 1 hour; much fuzzing the truth around the edges, much exaggeration, much failing to treat the opinion of others with respect.

That is why I want to reiterate a few simple facts about the amendment we are about to vote upon. These facts imply an undergirding philosophy as pertains to people, real people, from the philosophy of the committee resolution.

☐ 1145

These are honest differences of priority. And they should be dealt with honestly.

First, this budget not only reaches a surplus in the year 2002, but it does so on a glide path that means we will borrow $160 billion less over the next 7 years than the committee resolution, $160 billion less.

No one needs to convince this Member of the urgency of reducing our debt and deficit. To those Members on the other side who have focused their message on the gospel of debt reduction, I urge you to consider that this substitute is the one which provides the greatest debt reduction.

Second, I have heard many on the other side say we Democrats cannot ever bring ourselves to support spending cuts. Let me point out this substitute cuts $18.2 billion more in the first 2 years, coincidentally, 2 years before the next election.

Granted, the committee bill makes many more cuts from rates of increase, most notably $109 billion more in Medicare and $50 billion more in Medicaid over these 7 years. Those and other cuts are necessary to balance out the tax cut.

Make no mistake, our cuts are there, but they are there in a way, we believe, that avoids the possible destruction of critically important programs to many people of America.

The third and final fact is that our substitute will not encourage us to repeat the mistakes of the early 1980's.

We understand that making the Medicare reforms the right way will take some time, and I am not criticizing the motives of the chairman, the gentleman from Ohio [Mr. KASICH], for establishing two reconciliation bills.

Motives aside, however, I have tremendous fear the results will be yet one more example of enacting the easy things, the popular things, like cutting taxes, and never quite getting around to making the tough 218-vote decisions that are going to be required.

We have a great opportunity today to pass the first balanced budget this House has approved in decades. Let us do it the right way. Support the coalition balanced budget amendment.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first of all, I say that I do want to compliment the coalition for putting this together, because in 1993 you all know what I went through when I wanted to be specific. I bruised elbows and knees getting tackled in the hallway on the marble when people said, "Please, don't lay anything down. It is not good."

My biggest problem with the proposal is the fact, as I had said earlier, that $233 billion in additional spending beyond the Domenici budget, of course, cancels out any possibility of taking that money and giving it back to taxpayers in the form of tax relief. You see, in this proposal it is no longer an issue of whether we can afford it. It really gets to be an issue of whether we can afford to let people spend their money the way they see fit or whether we keep it in the hands of government and let bureaucrats spend it the way they see fit.

Our approach is we ought to take the savings, and we ought to use it to give people their money back and to shrink the size and the scope of the Federal Government and let people spend money on their children, on their nutrition, and on their clothing, and really, frankly, in any way they see fit, as opposed to taking the $233 billion and using it on additional Federal programs.

We have a chance here today to do something historic, and that is to not just get to zero and balance the budget but also to keep our word in terms of giving hard-working American families some of their money back and, in addition to that, to provide growth incentives, growth incentives in the economy so we can create more jobs and more opportunity.

I would compliment the gentlemen and gentlewomen for coming forward with the proposal. It is in the right direction, but in the right direction is not good enough when you are in the middle of a revolution.

I would urge rejection of this proposal and ultimately approval of the Republican Committee on the Budget blueprint.

Ms. HARMAN. Mr. Chairman, I supported the balanced budget amendment and, over two Congresses, I have a strong record of supporting budget cuts and budget process reforms.

In doing so, I have not been afraid to stand up to my own party, the President, important interest groups, and, in some cases, my own husband.

I have often sided with the chairman of the Budget Committee, Mr. KASICH, as he well knows. One example is my support last year of Penny-Kasich, which would cut another $90 billion from the budget. Another is his proposal on baseline budgeting, but I cannot join him today.

The budget resolution as reported from the Budget Committee lacks the fairness and bipartisanship of many prior proposals.

The resolution assaults with equal bluntness programs which nurture investment in technologies for our country and programs which help students and workers acquire skills and knowledge and the tools they will need to succeed in the 21st century. The resolution makes no distinction in targeting investments in infrastructure, science, and health-related research, environmental protection, veterans, or fighting crime. In fact, to some it is a badge of honor that all areas of the budget are targeted. To be sure, current budget constraints force us to make difficult choices, but they should not force us to make stupid choices—choices like cutting taxes when budget savings should go to deficit reduction or critical investments we have too-long delayed; choices that cut Medicare in the absence of reforms to mitigate the factors that drive up costs; choices that retreat from investments in technology and science and the educational resources which will make or break our Nation's ability to compete in the next century, and choices that hurt children.

I have demonstrated that I can take tough votes. But I do so when I feel the option is fair and far-sighted.

I cannot vote for the Budget Committee's proposal.

Ms. FURSE. Mr. Chairman, I rise today in support of the Stenholm-Orton proposal to balance the budget. It is time that we balance the budget to stop mortgaging our children's future, and we make serious choices about our priorities. I support the Stenholm proposal too because it balances the budget by the year 2002 by cutting spending, does not raise taxes, and does not include a $350 billion tax cut we cannot afford.

This proposal does not attack the Pacific Northwest's future like the Republican plan. I am pleased that the Stenholm proposal does not eliminate student loans for 90,000 Oregon students, like the Republican bill. In addition, the Stenholm plan does not change our labor laws which encourages family wages or include changes in Federal employee contributions. It does not jeopardize the small business and export programs which have helped Oregon increase trade by 40 percent since 1992. It is also far better than the committee bill in terms of Medicare and Medicaid, restoring over $100 billion in funding.

Let me note that no balanced budget proposal will be perfect; there is something to dislike in every balanced budget. While I believe the Stenholm proposal is wise to reject the Republican's overall $100 billion Pentagon spending increase, I believe it is wrong to increase any funding for the Defense Department. Study after study, and report after report confirms that billions of dollars are wasted in unnecessary spending in the Pentagon budget. I have authored amendments and bills to cut up to $8 billion in outdated programs. And my bill to use commercial aircraft to augment our military airlift saves $15 billion—the same amount that is increased in the Stenholm-Orton plan. The Stenholm-Orton plan does delay any increase until after the year 2000, and I pledge to fight any proposed increases in Pentagon spending.

With reservations in the area of Pentagon spending, I believe we all must put our individual objections aside and focus on doing what is right for our Nation's future. Balancing the budget without raising taxes is doing what is right. I urge all my colleagues to support the Stenholm-Orton plan to balance the budget by the year 2002 by cutting spending.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Missouri [Mr. GEPHARDT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ORTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, noes 325, answered "present" 1, not voting 9, as follows:

[Roll No. 342]

AYES—100

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Beilenson
Bentsen
Bevill
Brewster
Browder
Brown (CA)
Cardin
Chapman
Clayton
Clement
Clyburn
Condit
Conyers
Cramer
Danner
Davis
de la Garza
Dicks
Dingell
Dixon
Dooley
Doyle
Duncan
Eshoo
Fazio
Furse
Geren
Gibbons
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harman
Hayes
Hefner
Horn
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Kennedy (MA)
Kennelly
Klug
LaFalce
Laughlin
Lincoln
Lipinski
Luther
McCarthy
McHale
McNulty
Meehan
Meek
Minge
Montgomery
Moran
Morella
Murtha
Oberstar
Olver
Ortiz
Orton
Pallone
Payne (VA)
Peterson (FL)
Peterson (MN)
Pomeroy
Poshard
Quinn
Richardson
Roemer
Rose
Roukema
Sabo
Sawyer
Schroeder
Scott
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Tanner
Tauzin
Taylor (MS)
Thornton
Upton
Vento
Visclosky
Volkmer
Watt (NC)
Wynn

NOES—325

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr

Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clinger
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Cooley
Costello
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Doggett
Doolittle
Dornan
Dreier
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gutierrez
Gutknecht
Hancock
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kasich
Kelly
Kennedy (RI)
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCollum
McCrery
McDade
McDermott
McHugh
McInnis
McKeon
McKinney
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Mink
Moakley
Molinari
Mollohan
Moorhead
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (NJ)
Pelosi
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Rahall
Ramstad
Reed
Regula
Reynolds
Riggs
Rivers
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Towns
Traficant
Tucker
Velazquez
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Kaptur

NOT VOTING—9

Berman
Bono
Hoke
Kleczka
McIntosh
Rangel
Serrano
Smith (MI)
Torricelli

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Messrs. STOCKMAN, MARTINEZ, CHRISTENSEN, BUYER, and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from "aye" to "no."

Mr. KENNEDY of Massachusetts and Mr. VENTO changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule it is now in order to consider an amendment in the nature of a substitute to be offered by the gentleman from Wisconsin [Mr. NEUMANN] or the gentleman from New York [Mr. SOLOMON] consisting of the text of House Concurrent Resolution 66.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEUMANN

Mr. NEUMANN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. NEUMANN: Strike out all after the resolving clause and insert in lieu thereof the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,056,600,000,000.
Fiscal year 1997: $1,057,400,000,000.
Fiscal year 1998: $1,096,300,000,000.
Fiscal year 1999: $1,138,900,000,000.
Fiscal year 2000: $1,187,200,000,000.
Fiscal year 2001: $1,240,700,000,000.
Fiscal year 2002: $1,300,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $13,600,000,000.
Fiscal year 1997: −$26,600,000,000.
Fiscal year 1998: −$38,700,000,000.
Fiscal year 1999: −$48,100,000,000.
Fiscal year 2000: −$57,800,000,000.
Fiscal year 2001: −$70,300,000,000.
Fiscal year 2002: −$80,500,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $101,900,000,000.
Fiscal year 1997: $105,900,000,000.
Fiscal year 1998: $110,500,000,000.
Fiscal year 1999: $115,600,000,000.
Fiscal year 2000: $120,700,000,000.
Fiscal year 2001: $125,900,000,000.
Fiscal year 2002: $130,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,219,700,000,000.
Fiscal year 1997: $1,236,000,000,000.
Fiscal year 1998: $1,251,900,000,000.
Fiscal year 1999: $1,253,800,000,000.
Fiscal year 2000: $1,275,300,000,000.
Fiscal year 2001: $1,312,600,000,000.
Fiscal year 2002: $1,359,600,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,238,700,000,000.
Fiscal year 1997: $1,245,700,000,000.
Fiscal year 1998: $1,251,200,000,000.
Fiscal year 1999: $1,233,400,000,000.
Fiscal year 2000: $1,260,700,000,000.
Fiscal year 2001: $1,302,800,000,000.
Fiscal year 2002: $1,352,400,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1996: $182,100,000,000.
Fiscal year 1997: $188,300,000,000.
Fiscal year 1998: $154,900,000,000.
Fiscal year 1999: $94,500,000,000.
Fiscal year 2000: $73,500,000,000.
Fiscal year 2001: $62,100,000,000.
Fiscal year 2002: $51,900,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,214,000,000,000.
Fiscal year 1997: $5,470,000,000,000.
Fiscal year 1998: $5,697,000,000,000.
Fiscal year 1999: $5,896,000,000,000.
Fiscal year 2000: $6,081,000,000,000.
Fiscal year 2001: $6,157,000,000,000.
Fiscal year 2002: $6,216,000,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001 are as follows:

Fiscal year 1996:

(A) New direct loan obligations, $18,200,000,000.

(B) New primary loan guarantee commitments, $170,600,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $17,200,000,000.

(B) New primary loan guarantee commitments, $167,800,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $16,200,000,000.

(B) New primary loan guarantee commitments, $165,000,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $15,200,000,000.

(B) New primary loan guarantee commitments, $162,200,000,000.

Fiscal year 2000:

(A) New direct loan obligations, $14,200,000,000.

(B) New primary loan guarantee commitments, $159,400,000,000.

Fiscal year 2001:

(A) New direct loan obligations, $14,200,000,000.

(B) New primary loan guarantee commitments, $159,400,000,000.

Fiscal year 2002:

(A) New direct loan obligations, $14,200,000,000.

(B) New primary loan guarantee commitments, $159,400,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, $261,200,000,000.

(B) Outlays, $260,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $260,000,000,000.

(B) Outlays, $260,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $260,000,000,000.

(B) Outlays, $260,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $260,000,000,000.

(B) Outlays, $260,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $260,000,000,000.

(B) Outlays, $260,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $265,000,000,000.

(B) Outlays, $263,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $270,000,000,000.

(B) Outlays, $270,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $10,900,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $4,800,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $9,400,000,000.

(B) Outlays, $14,000,000,000.

(C) New direct loan obligations, $3,800,000,000.

(D) New primary loan guarantee commitments, $12,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $9,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $8,000,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $6,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $8,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $4,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $8,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $4,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $8,000,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $4,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $14,100,000,000.

(B) Outlays, $15,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $14,100,000,000.

(B) Outlays, $14,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $14,500,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $14,500,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $14,500,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $14,500,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $14,500,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $3,900,000,000.

(B) Outlays, $3,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $3,200,000,000.

(B) Outlays, $2,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $2,600,000,000.

(B) Outlays, $1,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $2,300,000,000.

(B) Outlays, $1,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $1,900,000,000.

(B) Outlays, $1,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $2,000,000,000.

(B) Outlays, $2,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $2,500,000,000.

(B) Outlays, $2,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $18,600,000,000.

(B) Outlays, $20,700,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,600,000,000.

(B) Outlays, $19,300,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,600,000,000.

(B) Outlays, $17,900,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,600,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $17,500,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $17,500,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $20,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,200,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $8,200,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $8,500,000,000.

(B) Outlays, $8,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $8,500,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $2,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $2,000,000,000.

(B) Outlays, −$7,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $900,000,000.

(B) Outlays, −$6,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $80,000,000,000.

Fiscal year 1998:

(A) New budget authority, −$1,400,000,000.

(B) Outlays, −$9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $50,000,000,000.

Fiscal year 1999:

(A) New budget authority, −$2,100,000,000.

(B) Outlays, −$9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $25,000,000,000.

Fiscal year 2000:

(A) New budget authority, −$3,700,000,000.

(B) Outlays, −$9,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$3,700,000,000.

(B) Outlays, −$9,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$3,700,000,000.

(B) Outlays, −$9,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $97,500,000,000.

(E) New secondary loan guarantee commitments, $0.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $29,600,000,000.

(B) Outlays, $36,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $32,000,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $31,500,000,000.

(B) Outlays, $32,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $31,500,000,000.

(B) Outlays, $27,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $30,000,000,000.

(B) Outlays, $29,000,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $31,000,000,000.

(B) Outlays, $31,000,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $32,000,000,000.

(B) Outlays, $32,000,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $10,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $7,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $7,500,000,000.

(B) Outlays, $7,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $43,300,000,000.

(B) Outlays, $51,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $40,600,000,000.

(B) Outlays, $42,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $40,800,000,000.

(B) Outlays, $40,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $41,500,000,000.

(B) Outlays, $39,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $41,500,000,000.

(B) Outlays, $40,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $42,100,000,000.

(B) Outlays, $42,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $44,000,000,000.

(B) Outlays, $44,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $118,000,000,000.

(B) Outlays, $116,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $120,000,000,000.

(B) Outlays, $119,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $123,000,000,000.

(B) Outlays, $122,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $127,000,000,000.

(B) Outlays, $124,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $131,000,000,000.

(B) Outlays, $130,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $133,000,000,000.

(B) Outlays, $133,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $136,000,000,000.

(B) Outlays, $136,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $171,700,000,000.

(B) Outlays, $170,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $181,400,000,000.

(B) Outlays, $179,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $191,500,000,000.

(B) Outlays, $189,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $202,200,000,000.

(B) Outlays, $200,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $213,600,000,000.

(B) Outlays, $210,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $223,000,000,000.

(B) Outlays, $223,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $236,000,000,000.

(B) Outlays, $236,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $205,000,000.

(B) Outlays, $214,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $208,000,000,000.

(B) Outlays, $216,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $214,000,000,000.

(B) Outlays, $218,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $220,000,000,000.

(B) Outlays, $220,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $229,000,000,000.

(B) Outlays, $229,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $233,000,000,000.

(B) Outlays, $233,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $237,000,000,000.

(B) Outlays, $237,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $20,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $5,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $4,700,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $36,300,000,000.

(B) Outlays, $35,800,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $37,200,000,000.

(B) Outlays, $37,000,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $37,500,000,000.

(B) Outlays, $37,400,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $38,000,000,000.

(B) Outlays, $38,000,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $40,000,000,000.

(B) Outlays, $40,000,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $41,000,000,000.

(B) Outlays, $41,000,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $43,000,000,000.

(B) Outlays, $43,000,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $16,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $15,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $15,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1996:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $297,100,000,000.

(B) Outlays, $297,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $305,600,000,000.

(B) Outlays, $305,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $309,800,000,000.

(B) Outlays, $309,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $315,800,000,000.

(B) Outlays, $315,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $321,200,000,000.

(B) Outlays, $321,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $326,000,000,000.

(B) Outlays, $326,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $332,000,000,000.

(B) Outlays, $332,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1996:

(A) New budget authority, -$14,500,000,000.

(B) Outlays, -$12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, -$15,100,000,000.

(B) Outlays, -$13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, -$15,400,000,000.

(B) Outlays, -$13,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, -$33,900,000,000.

(B) Outlays, -$32,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, -$38,500,000,000.

(B) Outlays, -$38,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, -$32,800,000,000.

(B) Outlays,

(C) New direct loan obligations, -$32,800,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, -$20,800,000,000.

(B) Outlays, -$20,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, -$31,300,000,000.

(B) Outlays, -$31,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, -$31,200,000,000.

(B) Outlays, -$31,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, -$31,900,000,000.

(B) Outlays, -$31,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, -$35,800,000,000.

(B) Outlays, -$35,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, -$36,800,000,000.

(B) Outlays, -$36,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, -$35,600,000,000.

(B) Outlays, -$35,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, -$37,700,000,000.

(B) Outlays, -$37,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. RECONCILIATION.

(a) Not later than July 14, 1995, the House committees named in subsections (b) through (o) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the House Budget Committee shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $6,200,000,000 in budget authority and $6,200,000,000 in outlays in fiscal year 1996, $11,500,000,000 in budget authority and $11,500,000,000 in outlays in fiscal year 1997, $14,400,000,000 in budget authority and $14,400,000,000 in outlays in fiscal year 1998, $17,100,000,000 in budget authority and $17,100,000,000 in outlays in fiscal year 1999, $19,400,000,000 in budget authority and $19,400,000,000 in outlays in fiscal year 2000, $21,100,000,000 in budget authority and $21,100,000,000 in outlays in fiscal year 2001, and $23,600,000,000 in budget authority and $23,600,000,000 in fiscal year 2002.

(c) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1996, $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1997, $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1998, $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1999, $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 2000, $800,000,000 in budget authority and $800,000,000 in outlays in fiscal year 2001, and $800,000,000 in budget authority and $800,000,000 in fiscal year 2002.

(d) The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $19,900,000,000 in budget authority and $19,300,000,000 in outlays in fiscal year 1996, $36,800,000,000 in budget authority and $37,200,000,000 in outlays in fiscal year 1997, $55,900,000,000 in budget authority and $56,100,000,000 in outlays in fiscal year 1998, $80,300,000,000 in budget authority and $79,700,000,000 in outlays in fiscal year 1999, $100,600,000,000 in budget authority and $100,800,000,000 in outlays in fiscal year 2000, $124,900,000,000 in budget authority and $124,900,000,000 in outlays in fiscal year 2001, and $148,400,000,000 in budget authority and $148,400,000,000 in fiscal year 2002.

(e) The House Committee on Economic and Educational Opportunities shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,600,000,000 in budget authority and $1,600,000,000 in outlays in fiscal year 1996, $2,500,000,000 in budget authority and $2,500,000,000 in outlays in fiscal year 1997, $2,600,000,000 in budget authority and $2,600,000,000 in outlays in fiscal year 1998,

$2,800,000,000 in budget authority and $2,800,000,000 in outlays in fiscal year 1999, $2,900,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 2000, $3,100,000,000 in budget authority and $3,100,000,000 in outlays in fiscal year 2001, and $3,300,000,000 in budget authority and $3,300,000,000 in fiscal year 2002.

(f) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,800,000,000 in budget authority and $1,800,000,000 in outlays in fiscal year 1996, $2,600,000,000 in budget authority and $2,600,000,000 in outlays in fiscal year 1997, $2,900,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 1998, $2,900,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 1999, $2,900,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 2000, $2,900,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 2001, and $2,900,000,000 in budget authority and $2,900,000,000 in fiscal year 2002.

(g) The House Committee on International Relations shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(h) The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,000,000,000 in budget authority and $750,000,000 in outlays in fiscal year 1996, $1,000,000,000 in budget authority and $800,000,000 in outlays in fiscal year 1997, $1,000,000,000 in budget authority and $900,000,000 in outlays in fiscal year 1998, $1,000,000,000 in budget authority and $1,000,000,000 in outlays in fiscal year 1999, $1,000,000,000 in budget authority and $1,000,000,000 in outlays in fiscal year 2000, $1,000,000,000 in budget authority and $1,000,000,000 in outlays in fiscal year 2001, and $1,000,000,000 in budget authority and $1,000,000,000 in fiscal year 2002.

(i) The House Committee on National Security shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(j) The House Committee on Resources shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $4,200,000,000 in budget authority and $4,100,000,000 in outlays in fiscal year 1996, $5,800,000,000 in budget authority and $5,800,000,000 in outlays in fiscal year 1997, $5,000,000,000 in budget authority and $5,000,000,000 in outlays in fiscal year 1998, $3,900,000,000 in budget authority and $3,900,000,000 in outlays in fiscal year 1999, $4,000,000,000 in budget authority and $4,000,000,000 in outlays in fiscal year 2000, $3,400,000,000 in budget authority and $3,400,000,000 in outlays in fiscal year 2001, and $3,400,000,000 in budget authority and $3,400,000,000 in fiscal year 2002.

(k) The House Committee on Science shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(l) The House Committee on Small Business shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $0 in outlays in fiscal year 1996, $0 in budget authority and $0 in outlays in fiscal year 1997, $0 in budget authority and $0 in outlays in fiscal year 1998, $0 in budget authority and $0 in outlays in fiscal year 1999, $0 in budget authority and $0 in outlays in fiscal year 2000, $0 in budget authority and $0 in outlays in fiscal year 2001, and $0 in budget authority and $0 in fiscal year 2002.

(m) The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $5,000,000,000 in budget authority and $0 in outlays in fiscal year 1996, $8,200,000,000 in budget authority and $0 in outlays in fiscal year 1997, $8,500,000,000 in budget authority and $0 in outlays in fiscal year 1998, $8,800,000,000 in budget authority and $0 in outlays in fiscal year 1999, $9,100,000,000 in budget authority and $0 in outlays in fiscal year 2000, $9,400,000,000 in budget authority and $0 in outlays in fiscal year 2001, and $9,800,000,000 in budget authority and $0 in fiscal year 2002.

(n) The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,100,000,000 in budget authority and $1,000,000,000 in outlays in fiscal year 1996, $1,200,000,000 in budget authority and $1,200,000,000 in outlays in fiscal year 1997, $1,300,000,000 in budget authority and $1,300,000,000 in outlays in fiscal year 1998, $1,900,000,000 in budget authority and $1,900,000,000 in outlays in fiscal year 1999, $2,100,000,000 in budget authority and $2,200,000,000 in outlays in fiscal year 2000, $2,100,000,000 in budget authority and $2,300,000,000 in outlays in fiscal year 2001, and $2,400,000,000 in budget authority and $2,600,000,000 in fiscal year 2002.

(o) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit, as follows: $45,300,000,000 in fiscal year 1996, $32,000,000,000 in fiscal year 1997, $39,300,000,000 in fiscal year 1998, $52,000,000,000 in fiscal year 1999, $66,700,000,000 in fiscal year 2000, $82,100,000,000 in fiscal year 2001, and $97,400,000,000 in fiscal year 2002.

(p) For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 and the term "new budget authority" has the meaning given to such term in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974.

SEC. 5. SENSE OF THE HOUSE REGARDING SOCIAL SECURITY.

It is the sense of the House of Representatives that legislation should be enacted that:

(1) Prohibits the use of the surplus funds collected as part of the social security payroll tax from being used to balance the budget or reduce the deficit.

(2) Starting in 1996, sets aside these surplus funds to preserve and protect the social security system.

(3) Establishes a bipartisan commission to oversee the protection of these surplus funds, the primary purpose of which is to establish a safe and secure mechanism to preserve these funds.

(4) Provides that as the Federal debt is repaid, the social security funds that are currently part of the $4,900,000,000,000 Federal debt as well as interest on these funds shall also be repaid and set aside under the mechanism established under paragraphs (2) and (3).

SEC. 6. SENSE OF THE HOUSE REGARDING DEBT REPAYMENT.

It is the sense of the House of Representatives that:

(1) The Congress has a basic moral and ethical responsibility to future generations to repay the Federal debt. The Congress should enact a plan that not only balances the budget but also institutes a regimen for paying off the Federal debt.

(2) After the budget is balanced, spending should be allowed to grow at a rate slower than expected revenues so that a surplus is created which can be used to begin paying off the debt.

(3) Such a plan should be enacted into law so that this generation can save our children and grandchildren from the crushing burdens of the Federal debt.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin [Mr. NEUMANN] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. KOLBE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. NEUMANN] and request to be recognized as such.

The CHAIRMAN. The gentleman from Arizona [Mr. KOLBE] will be recognized in opposition for 30 minutes.

Mr. KOLBE. Mr. Chairman, I ask unanimous consent that I be allowed to yield half of my time to the gentleman from Minnesota [Mr. SABO] and that he would be able to yield to other Members from that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. Consequently the gentleman from Wisconsin [Mr. NEUMANN] will be recognized for 30 minutes, the gentleman from Arizona [Mr. KOLBE] will be recognized for 15 minutes, and the gentleman from Minnesota [Mr. SABO] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I would like to begin this discussion by reiterating that this will be a yes or no vote on balancing the budget in 5 years, paying off the Federal debt in 30 years, and restoring the Social Security trust fund.

But it is much more than that, Mr. Chairman. It is a vote about the future of a nation.

Our Founding Fathers gave us a great country, and in doing so, in giving us this fine gift, they have also given us a responsibility. It is a responsibility that we have not handled very well in the last 15 years.

Mr. Chairman, the fact of the matter is in the last 15 years this Nation has accumulated a $4.9 trillion debt. If every single American were to pay just their share, every man, woman, and child in the country, they would have to pay $19,100 of debt. A family of five like mine would be responsible for $95,000. A typical American family of four would be responsible for $76,000 of debt. And here is the kicker:

The interest alone on that Federal debt amounts to over $5,000 a year. The average households in my district are only earning $32,000 a year. They cannot afford to continue spending $5,000 a year.

The growth in the debt over the last 20 years has been something we all need to be very concerned about. This chart shows that from 1960 to 1980 the Federal debt grew at almost a flat rate. Very little debt growth, but from 1980 forward the debt is on a very, very steep inclining roll.

We cannot let this continue. The budget plan we bring to the floor this morning solves that problem, and here is how we go about doing it:

First, we take Social Security completely out of the picture. We do not use Social Security revenues, nor expenditures, in our calculations of the rest of this presentation. If we do that, the Federal budget, the Federal Government, is literally writing out checks for $1,187 billion. They are making a checkbook deposit of $998 billion. Therefore their checkbook is overdrawn by $189 billion. Our first thing that is very significant in our plan then is that we set Social Security completely aside, completely off the table.

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Our plan recommends that we continue spending, writing out the same number of checks, if you like, $1,187 billion through the year 1999. In doing so, the growth in revenue will actually reach $1,187 billion because of both inflation and real growth in the economy. So by the year 1999, we will in fact have a balanced budget. With the tax cuts implemented, which we do in our budget presentation, it pushes it back by 1 year. So our plan balances the budget by the year 2000.

After the year 2000, and this is another very significant change from the discussion that typically goes on out here in Washington, after the year 2000, we allow spending to rise at a rate 1 percent slower than the rate of revenue growth. In doing so, we accumulate a surplus each year. That surplus, folks, goes to pay off that terrible Federal debt, so that we may pass this Nation on to our children debt free instead of the huge burden that we are currently accumulating, which will otherwise we passed on to our children.

I would point out that by doing a 5-year balanced budget plan, rather than a 7-year plan, we save our children $600 billion. That is the amount of money that will not be borrowed if we implement the 5-year plan versus the 7-year plan.

This also sends a very strong message to the Senate that we are interested in getting this job done, and done sooner rather than later.

My colleagues, this is a plan designed for our senior citizens. It protects and restores the Social Security trust fund. This is a plan for working families in America. It provides a $500 per child tax cut. This is a plan for the future for our children in this Nation. It pays off the Federal debt, so we do not pass on this huge burden to the next generation of Americans. To my colleagues, folks, this is a plan for the future of America, and that is why we are all here today.

Mr. Chairman, I reserve the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I rise reluctantly in opposition to the plan offered by the gentleman from New York and the gentleman from Wisconsin, reluctantly because their plan, like the other plans, lead to a balanced budget at some point in the near or farther future. That is good for the debate and good for the American people. That is good for us as a road map, among many, to try to reach that balanced budget.

Now, some of the plans are better for defense than others. Others are good for our highway system, a little better than some of the others presented. So how do we pick and choose? What is attractive about this current plan, against which I am going to vote, reluctantly, is the funding for the National Institutes of Health. What happens in the current proposition, the one that is before us, is that NIH remains stable in its ability to provide grants for the much needed research, which is, of course, a part of our health care problem.

The more we are able to bring moneys to the NIH for research, the less in the future we will require for health care. That is a logical conclusion to reach, which I reached a long time ago. That is why I am tempted, with all my heart, to vote for this bill, because it treats the NIH, this proposal, better than any of the others that are going to come before us.

Yet, in order to codify, if we will, the move toward the balanced budget by 2002 and because the Kasich approach, the committee approach, brings us there in a more cohesive way, I will vote against the Solomon proposal. But NIH, I am determined, will become a focal point for the appropriations process that is to follow.

Mr. NEUMANN. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank the gentleman for yielding. I want to congratulate him as a freshman Member to get out in front and to do the job that has to be done. I want you to know the people that are introducing this resolution are going to vote for this resolution.

I have heard so much about we have got to balance the budget. But you know something, my friends? Time is of the essence. If we are going to balance the budget, we have got to do it the quickest way possible or we are going to lose momentum. That is why I am asking the speaker who just spoke here, the gentleman from Pennsylvania [Mr. GEKAS], come and join us. You want to balance the budget? By golly, let us do it. Let us walk our talk. We have been giving this speech for a long time. Now is the time to vote for it.

I congratulate the gentleman from Wisconsin [Mr. NEUMANN] for the job he is doing. We have not had a balanced budget since 1969, 26 years. How much longer do you want to wait? It is costing us $1 billion almost, a day that we do not get this budget balanced.

This budget that we have got in front of us, this proposal, will balance the budget in 5 years, and it is going to do it with fairness. We act with dispatch, but we also take into consideration what is needed for this country. This budget resolution will save $600 billion in interest payments, $600 billion. This is a big savings for our country and for our children.

Now, the House budget resolution is a good budget resolution, too. I am going to vote for that, as I expect you will. But it is 7 years. It eliminates three Cabinet departments, 14 agencies, 68 Commissions, 283 Programs. Yes, it is a good resolution, but this is the best of all. Why? Because it is going to get the job done in the time required. We cannot stretch it out, or else we will never get the job done.

You know, in Wisconsin, we have a saying, talk if cheap. It costs money to buy whiskey. And the gentleman from Wisconsin [Mr. NEUMANN] is following that philosophy. He is getting the job done.

There are those who argue that this is an historic day. In 1989, we had historic days in Russia and in Germany.

But for 1995, it is going to be a historic day for America if we balance the budget, and we can do it today. I am asking you to vote this way.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Chairman, this debate is not about budgets and numbers and about graphs and charts. It is about human beings like Mrs. Dolly Johnston. She is a 67-year-old woman from Spokane, WA, who had a heart operation in 1993. For 4 months afterwards she had home health care from a nurse. Mrs. Johnston, who was a nurse for 32 years, said if I had not had here, I was too weak to pour my own medicine.

Now, this budget that is being laid out here today is making major cuts in this program that took care of Mrs. Johnston, the Medicare Program. How are they going to do it?

Let me just think about this woman for a second. The plan that makes these cuts will require each senior citizen like Mrs. Johnston to get a voucher. think for a minute. She is 67 years old. You give her an inadequate voucher that will have to be ratcheted down every year in order to make the savings that are proposed over here. She will go out into the street with that voucher in her hand. She has a preexisting condition. She is 67 years old.

You tell me where the loving insurance company is in your district that is going to give her an adequate insurance policy? Now, I have dealt with these people, and no insurance company is going to do that for her.

So, who will pick up the difference between that inadequate policy and what she really needs? Her children. For the first time in 30 years, the young people of this country are going to have to worry about their grandmother or their mother and how they are going to pay for that.

When I was young and my grandmother, back in the 1950's, had no insurance, we paid it around the table. It was figured out among the uncles and brothers. That is going to start happening in this country for the first time in 30 years. And it is not just insurance companies. Remember Mrs. Johnston when you vote "no."

Mr. NEUMANN. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I was hoping to see some pictures, because I brought one, too. This is my family.

The reason we are doing this, folks, is for the families and children all across America. We cannot allow this debt to continue to climb. This is for the future of America. We cannot lose the courage necessary to do our job.

Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. GRAHAM].

Mr. GRAHAM. Mr. Chairman, I would like to congratulate the gentleman from Wisconsin [Mr. NEUMANN].

This initiative is really supported in full measure by the freshman class. We are new to politics but we bring a lot of understanding to Congress with us. We understand if you pay the mortgage off sooner than later, you save money. That makes sense at home. It should make sense up here.

The real problem I have of waiting any longer is that if a family did what we did every day up here, spend beyond their means, they would wake up one day and they would lose who they are as people. That is what is at risk here. If we continue to be everything to everybody, we are going to lose the character of our people. I think you have seen a decline in character over the last 30 years directly proportional to spending.

Do not wait any longer. If you did to children what we did to this country, giving them everything they want and never say no, you would have a child different than what you would hope to have. We have a country different than what I would hope to have. Let us not wait 2 more years.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the previous speaker on the other side was talking about the Medicare cuts. But I think it is worth noting, and we have said it before, but it just needs to be repeated, that under our plan the average increase per beneficiary would go up from $4,700 to $6,300. In the State of Washington the total Medicare spending would go from $2.5 billion to $3.7 billion, and the per capita spending would be $3,700 to $4,800, an increase of $1,089.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, I rise in support of the Kasich budget resolution. The Budget Committee provides us with the itinerary for an historic journey towards a balanced budget. Anyone serving in this body during the last 26 years, will find themselves in uncharted waters. Over the last generation, liberal spenders—who used to control Congress—rushed this country down a roaring river of debt. Currently, we find ourselves submerged under a $5 trillion sea of red and the level continues to rise unabated. By 2010 our debt will reach $8 trillion. Frankly, we are drowning.

Some of you may know that I have a relatively large family—7 children and, as of a couple of weeks ago, 31 grandchildren. Since I began my service in Congress, I have always measured everything I do by one standard—what legacy am I leaving to them and to our Nation's children and grandchildren?

Under Democratic leadership for the last 40 years, this institution promoted the centralized bureaucratic model of government—the "Washington knows best" model. The American people have seen the results—fiscal and moral bankruptcy.

My new grandchild, born just a couple of weeks ago, will pay nearly $200,000 over her lifetime if we continue on this path. I cannot leave this legacy to her or to anyone else's kids. People outside Washington know this and have asked us to change course.

The American people want something different for their children. They sacrifice every day to ensure a better future for this country. They work too hard and care too much to see us continue down this destructive path. They know that our economic and social well-being depends on changing not only what we spend but how we spend it.

In November, the voters put Republicans at the helm and asked us to chart a new course that sets us on a glide path toward a smaller Government that spends less, taxes less, and regulates less. Chairman KASICH's budget resolution sets us on this new course.

It not only lifts us out of this sea of red, it also provides the framework to take the money and power out of Washington. This resolution forces this institution to do something no one thought was possible—set priorities and rein in big Government.

This budget eliminates three Cabinet departments, 14 agencies, 68 Commissions, and 283 programs. It gives us the opportunity to send our resources back home where people use it productively.

This debate really is about much more than balancing the books. It is about rethinking just what role our Government will play in our lives and choosing just what direction we see this country taking over the long term. Chairman KASICH and the Budget Committee charts a future which gives us less Government, less taxes, and more freedom.

This is a journey I have wanted to take since I began my service here in Congress. I ask my colleagues to join me on the trip and support the Kasich budget resolution.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I rise today in support of the Neumann budget proposal. While no proposal is perfect, this one does not play politics, and is a no-nonsense attempt to pay off our national debt. In many ways, it is like the district I represent.

As a member of the Agriculture Committee, I know the difficulties that lie ahead for our farm communities as funding levels decrease. We in the agriculture community saw this coming.

But I want to be able to go back to the farmers, ranchers, and farm-related small businesses in my district having supported a budget that shared the pain.

In fact, because this budget balances our books in 5 years, the savings are compressed. However, after the year

2000, the cuts to agriculture under the Kasich budget are greater.

For those who believe in a free market, the increased level of savings over the Kasich budget exceeds $600 billion which will translate to new growth in all sectors of the economy.

This amazing amount is better spent by farmers, ranchers, farm-related industries, and all other citizens than by their Government.

I thank my colleague from Wisconsin for offering this alternative, and urge my colleagues to vote for the Neumann budget.

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Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BORSKI].

(Mr. BORSKI asked and was given permission to revise and extend his remarks.)

Mr. BORSKI. Mr. Chairman, I rise in opposition to the Kasich amendment.

Mr. Chairman, I rise today in opposition to House Concurrent Resolution 67, the Republican budget resolution for fiscal year 1996. This resolution provides huge and expensive tax breaks for wealthy Americans, and asks America's working families and senior citizens to pay the bill. It calls on older Americans to pay the most for failed policies of the past, hinders the efforts of working Americans to earn higher wages today, and slams the door on our children's opportunities in the future.

Several weeks ago, the Republicans took the first step in their misguided budget proposal when the House approved their Contract With America tax package. Over half of the tax breaks in this package benefit only the top 12 percent of families with incomes over $100,000, and 20 percent of the breaks benefit only the top 1 percent of families with incomes over $350,000. Under this tax package, a lucky 1.1 million taxpayers—whose incomes exceed $230,000—will enjoy an annual $20,000 tax break bonus.

Does this sound familiar? It happened in the eighties, when the deficit soared because of huge tax breaks for the wealthy. These tax breaks for the rich were supposed to trickle down to the rest of America. Instead, incomes stagnated and taxes increased for most middle-income American families.

Like the tax breaks of the eighties, today's Republican tax plan does not come for free: over 7 years, it will cost the U.S. taxpayer more than $354 billion. And guess who pays once again: middle-income working and retired American families.

In order to pay for these handouts for the wealthy, the Republican budget cuts Medicare by $288 billion. These are the largest cuts ever proposed for the Medicare Program. They will escalate the cost of health care for our Nation's elderly, who on average already dedicate 21 percent of their income to pay for out-of-pocket health care costs.

Cuts of this magnitude in the Medicare Program will require seniors to pay more of their limited incomes on health care costs. Over the 7-year period of the budget, the average senior will pay $3,500 in total additional out-of-pocket health care expenses.

But even $288 billion in Medicare cuts is not enough to pay for $354 billion in new spending for the wealthy. In order to fully pay the bill, the Republicans need to raid another program essential to our Nation's seniors—Social Security.

Despite their promise not to touch Social Security, the Republican budget actually cuts cost-of-living adjustments [COLA's] between 1999 and 2002. These cuts take a deeper bite into Social Security checks with each passing year. By 2002, the average senior citizen will receive about $240 per month less than what he or she would receive under current law.

The Republicans deep cuts in Social Security and Medicare amount to huge reductions in every senior's Social Security checks. By 2002, these back-door cuts in Social Security will eat up more than 40 percent of the typical Social Security COLA. About 2 million seniors will have all or more than all of their COLAs consumed by these costs.

The Republican budget's assault on the elderly does not stop with Social Security and Medicare. By slashing $187 billion from the Medicare Program—which currently spends two-thirds of its funds on the elderly and disabled—the Republican budget threatens long-term care coverage for hundreds of thousands of older Americans. These cuts will force many families to use their hard-earned savings to pay for nursing homes costs, which currently average a staggering $38,000 a year.

Mr. Chairman, drastic cuts in Medicare and Medicaid will result in higher health care costs and reduced quality of care for all Americans—young and old. Hospitals in my home city of Philadelphia—which already rely on Medicare and Medicaid for more than 50 percent of their revenue—will be forced to shift their costs to the nonelderly, and could even be forced to shut down. This will raise insurance premiums, limit choice, and reduce the quality of care for every American family.

The Republican budget also makes deep cuts in programs designed to help Americans earn higher wages and a better standard of living for themselves, and provide their children with the education they need to succeed in the global economy. The budget proposal cuts $82 billion in education, training, and child care programs designed to encourage work and help people get off welfare. It cuts student loan programs, which will add about $5,000 to the cost of going to a 4-year higher education institution. It also cuts the Head Start Program, which helps young vulnerable children who might otherwise not grow into productive students and workers.

In addition, the Republican budget drastically reduces and eventually eliminates mass transit operating assistance that has been absolutely essential for SEPTA. Loss of these funds for SEPTA, which already has the second highest fare in the Nation, would result in severe cutbacks in investment in new equipment, station reconstruction and track improvements, service reductions or a fare hike to $1.85. The majority budget also proposes cuts in capital investment funds for transit systems that will further delay or eliminate SEPTA's planned system improvements.

SEPTA provides a vital service in Philadelphia and the system must not be allowed to deteriorate. Transit provides the means to reduce congestion and air pollution while improving worker productivity. Cuts in transit funds will make it more difficult for millions of Americans to reach their jobs and will server the elderly's lifeline to medical services.

Transit means productivity, jobs, and economic growth. Every dollar invested in SEPTA returns several dollars to the regional economy.

Mr. Chairman, I do not believe it is fair to slash vital programs like Social Security, Medicare, student loans, and mass transit, while at the same time giving big tax give-always to the highest-paid individuals. Working Americans and senior citizens did not cause the budgetary problems we now face. Our deficits resulted from the failed trickle-down policies of the eighties, which benefited the rich at the expense of the rest. Any serious and fair deficit reduction measure should seek to reverse those policies—not repeat them.

Mr. SABO. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, thus far this debate has been cast as the Democrats looking out for our senior citizens and the poor and the Republicans looking out for future generations. Make no mistake about it. This bill is a stake in the heart of the best medical health care delivery system in this country.

If you have heart disease, if you have diseases like diabetes, if you have Alzheimer's or cancer, this budget guts the very medical research that is required and necessary for us to go out and continue those advances that help sick people in this country today have the hope that they might get well in the future.

If we look at the medical education budget in this particular budget, over half of that money that goes to our teaching hospitals will be eliminated, wiping out the ability of America to go out and train the best doctors in the world. We heard the Clinton health care budget attacked time and time again last year for what it would do to the best medical system in this country. This bill guts that system.

If ordinary citizens are listening, recognize, we are not just talking about defending the poor and the seniors. That is part of what the Democratic Party stands for. But this bill goes well beyond any attacks on the most vulnerable people in this country. This bill eliminates and guts and puts a stake in the heart of a health care system that is second to none throughout the world.

My colleagues, make no mistake, this guts programs that affect our Nation's veterans.

Mr. SABO. Mr. Chairman, I yield one-half minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, rural America is prepared to do its share to balance the budget but the Republican budget asks rural America to do much more than is fair or even reasonable by cutting $9 billion out of 5 years, $17 billion over 7 years. It will cause, in my State alone, a 35-percent drop in net farm income, a 50-percent drop in farm values. It will drive thousands of family farmers off the land. We will lose international markets and ultimately pay higher grocery prices, all because rural America gets hit, in fact, killed under their budget.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, I am amazed at the rhetoric. As somebody who provides health care in this country and takes care of Medicare patients, to say that we cannot do considerably better is poppycock. The fact is, we do have a good health care system in this country. It can become a lot better when we get the 15 percent of fraud out of Medicare.

This bill increases spending for health care 25 percent over the next 4 years. To say that we cannot provide quality health care to our senior citizens for those kind of dollars is not true. It is untrue. We need to be about efficiency and caring and compassion with our senior citizens. And this budget is short on none of that.

Mr. KOLBE. Mr. Chairman, I yield 1½ minutes to the gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding time to me.

This debate is about the change that we need in America versus the status quo. What we hear from one side of the aisle is that the status quo is fine. Indeed, we have just heard criticism of what this budget does to Medicare.

My colleague from Massachusetts happens to not know what it does, because gross spending goes up from $5.5 to $6.7 billion under this budget in Massachusetts. The per capita spending, that is per beneficiary spending in Massachusetts, under our budget, goes up from roughly $5,900 to more than $7,800 under this budget.

That is not a cut by anybody's definition. That is an increase in spending. What we are doing is reforming a system.

Under the proposal that they put forward, under the President's budget, 6 years from now, no one in America will get Medicare benefits because the system will be broke.

This is a debate over sitting with the status quo and burying your head in the sand and doing nothing or moving forward. It is time to move forward in America.

This budget does that responsibly. It takes care of our children by saying to them, we will no longer continue to saddle you with an immoral debt burden because we are unwilling to control our spending. In area after area, while I commend the gentleman from Wisconsin [Mr. NEUMANN] for putting together an excellent budget, I must also commend the Kasich budget. It does a marvelous job of addressing the problem that confronts this Nation and about which its citizens are deeply concerned.

I urge support for the Kasich budget.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, I thank the gentleman from Wisconsin for yielding time to me.

Mr. Chairman, I rise in strong support of the Neumann budget because our national debt will exceed $7 trillion by the year 2002. What does this mean in human terms? I, too, have a picture, a picture of my year-and-a-half-old son John Micah. Over his lifetime, if nothing changes, John Micah will pay over $180,000 in interest alone on the national debt. This is wrong. This uncontrolled spending must stop.

Those who are addicted to deficit spending claim to be protecting groups such as children and senior citizens. Mr. Chairman, how can someone who is willing to suffocate our kids with our debts pretend to represent them? How will tomorrow's children be able to afford to go to college or buy a home if they are forced to pay for this excessive spending? How is someone who is willing to bankrupt programs for seniors pretend to be protecting them? How do the American people benefit if we reject this last, best chance to put our fiscal house in order?

Mr. Chairman, I say, support the Neumann budget.

Mr. SABO. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Chairman, why are the Republicans cutting Medicare to pay for tax cuts for the well-to-do.

I got a letter yesterday from California that says why. The gentleman wrote: You still do not get it; do you? Keep it up; we will win even more seats in 1996. We want tax cuts. Your 80 year old is not our responsibility.

This Republican is entitled to his point of view, but I do not see it that way, because I would like to look at it from Emily's point of view.

Her late husband helped protect our country when he was in the Air Force. Now Emily is elderly and she is sick. Her 40-year-old daughter has MS and cannot help. Today Emily has $17 a month after she has paid for room, board, and medical care. The Republican budget will raise Emily's out-of-pocket Medicare costs by $123 a month.

There has been a lot of talk on the floor that the budget for Medicare is going up, and that is true. But the more pertinent truth is that this will not keep up with the number of new elderly entering the system, and the cost for individuals will go up.

Only in Washington could someone tell Emily that her benefits will go up when it is going to cost her $123 a month more.

After all the charts and rhetoric and angry talk have faded, Emily will still be facing this question. How is she going to cover $123 when all she has got is $17?

The Republican businessman who wrote to me yesterday says Emily is not his responsibility. But when Emily's late husband went off to fight World War II, did he say it was not his responsibility?

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, this has been characterized as an argument between the young and the old. I do have my children here because this budget does address their needs. We must balance the budget in order to preserve their future. My daughter here is the oldest; she is 14, Jessica. I also have John and Luke, but Jessica is 14. By the time we get the budget balanced and pay off the Federal debt, she will be nearly 50 years old. We have literally passed this problem on to the next generation.

It is not just our kids that support the Neumann-Solomon budget. We also have other groups who support it. I have had in my hand here a letter from the United Seniors Association. They are writing the gentleman from Wisconsin [Mr. NEUMANN], and let me read the last part:

> We greatly appreciate your concern and efforts to deal with the fiscal catastrophe that our Nation faces. It is not just the United Seniors Association, it is also the Sixties-plus Organization, the Citizens for a Sound Economy, the National Taxpayers Union, the Citizens Against Government Waste and the U.S. Chamber of Commerce.

Mr. Chairman, this is a dramatic and historical time. I think we should stand in support of the Neumann budget.

Mr. KOLBE. Mr. Chairman, may I inquire about the time on all sides.

The CHAIRMAN. The gentleman from Wisconsin [Mr. NEUMANN] has 17½ minutes remaining, the gentleman from Arizona [Mr. KOLBE] has 9 minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 9½ minutes remaining.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I thank the gentleman from Arizona for yielding time to me.

I would point out to one of the previous speakers that Medicare spending in the State of California will increase from $21 to $31 billion in this budget, and the per person expenditure will increase from $5,821 to $7,688.

I want to commend the gentleman from Wisconsin [Mr. NEUMANN] for his courageous budget and visionary approach that he has taken. But I do rise in support of the Kasich budget.

Nine thousand four hundred dollars, nine thousand four hundred dollars. Mr. Chairman, faster than I can actually speak that amount, we are adding $9,400 to our debt every single second. In less than 15 seconds this country will be saddled with more debt than we as Members of Congress make in a year.

If Congress continues to overlook this problem, it will be left to our children to clean up the mess. My wife and son James, my child already owes more than $4,000 as part of his contribution to interest on the debt, and he has not even reached his second birthday yet.

It is wrong. It is immoral. And we must change this ominous future this year.

Many of my colleagues here today are claiming that this budget will somehow retard the quality of life of our children and our seniors. On the contrary, I can think of nothing more negligent than our current spending practices. If you vote against a balanced budget, you are voting to lower the standard of living of our senior citizens and our children.

The blueprint which has been courageously presented to us by the gentleman from Ohio [Mr. KASICH] and the Committee on the Budget is not perfect. There are many programs targeted for cuts which I strongly support. But if we fail to see the forest for the trees, we will once again fail to put this country on the right path, and the victims will be our children.

Vote for the Kasich budget, Mr. Chairman.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CHRYSLER].

Mr. CHRYSLER. Mr. Chairman, in 18 months we will spend more money on the interest on the debt than we spend for the Army, the Navy, the Air Force, the Marines, the FBI, the CIA, and the Pentagon combined.

Let me give you 10 good reasons to vote for the Neumann-Solomon budget. You can read it in detail in a book, or you can look at it in five pages, and you can understand it all. It gives a Member a choice. You can understand it, and you can explain it to others. It will balance the budget in 5 years.

It includes the House-passed tax cuts. It pays off the debt in 30 years. It does not spend Social Security surplus revenues. It saves $600 billion in additional national debt, and it saves $42 billion in interest payments in the year 2002.

I ask Members to support the Neumann-Solomon substitute, and if that amendment fails, vote "yes" on the House Committee on the Budget bill.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, is it fair? Mr. Chairman, that is the one question that Congress and America's citizens must ask about the Republican budget. Is it fair? That is a simple question but a crucial one.

It is a question I asked when I received a letter from Alpha Dunlap of Temple, TX, a constituent of mine. She wrote: "I do not have good health, and I do not have money. Most of my money goes for prescription medicine and bare necessities. I am widowed and live alone. Please do not let Congress make deep cuts to Medicare."

To those watching, I ask you this question: Is it fair to cut $1,000 from Alpha Dunlap's Medicare benefits to pay for tax breaks for millionaires such as Donald Trump?

□ 1245

Is it fair? Worse yet, is it fair for Republicans to cut seniors' Medicare benefits to protect tax loopholes for billionaires who would renounce their citizenship to get out of paying their rightful taxes?

That is right, House Republicans want to protect $3.5 billion in tax loopholes for billionaires who would renounce their citizenship to get out of paying their taxes. Members, that is welfare for the rich, paid for by the pain of senior citizens.

Under the Republican plan, 100,000 senior citizens, such as mine, Ms. Dunlap, will have to lose Medicare benefits to pay for tax breaks for just one billionaire under the Republican plan. That is not fair. That is dead wrong, and it is unconscionable. Why should Alpha Dunlap and 100,000 senior citizens like her have to lose Medicare benefits to help those billionaires who would leave this country and not pay their fair share?

The issue is not the future of our children. I point out, Members, the pictures that our Republican friends have not shown today are the millionaires and billionaires who are going to benefit from their budget plan and their tax plans. That is the issue the American people must look at.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Mr. Chairman, in spite of what we hear in this Chamber, we have been astounded at the lack of negative response to this budget from outside the Beltway. Americans all across the country are way ahead of us. They want the budget balanced sooner, rather than later. Confidence is very low in our country's future, particularly among our young people. Recent polls show that more of them believe in UFOs than believe that they will ever get any Social Security.

This budget is a promise to our young people that in the future we are going to do better than we have done in the past. Restore their confidence in this body and in their country. Vote this gift to our children. Vote for Solomon-Neumann.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio, [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, I wish to respond to the gentleman from Texas [Mr. EDWARDS] that something happened in the Committee on the Budget that has not happened in a long time since I have been there, but under Republican control we adopted an amendment of language in the bill concerning, "The committee is also greatly concerned about the growing phenomena of millionaire and billionaire Americans renouncing U.S. Citizenship in order to avoid paying their fair share of their tax burden. The committee strongly believes that Congress should take steps to stem the revenue loss of expatriation for tax avoidance."

That is in the bill and it was a Democrat amendment put up, and we adopted it.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield?

Mr. HOBSON. I yield to the gentleman from Texas.

Mr. EDWARDS. Mr. Chairman, the point I would make is that earlier this year we had a vote in this House to change and do away with that tax break and that loophole for billionaires, and only five Republicans voted for that change.

I know this is report language, this is not a change in the law itself. If Republicans who previously voted to protect the billionaires' tax break if they leave this country will change their vote, I look forward to working with them to make that change.

Mr. HOBSON. We are working on it.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to the authority of the Chair to preserve the decorum of the House, the Chair would request that posters and pictures not be displayed except at such time as a Member is actually speaking.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Indiana [Mr. HOSTETTLER].

Mr. HOSTETTLER. Mr. Chairman, I rise today in support of America's contract with our children. The gentleman from Wisconsin deserves a great deal of credit for bringing such an honest, aggressive, and thoughtful budget proposal to the floor. This resolution has it all and does it all. This is not an either/or situation regarding the Committee on the Budget's version, but it is a real alternative for those of us that are willing to take that extra step toward fiscal responsibility.

I admit, there are things in this budget with which I do not agree. While I support the concept of this resolution, I am concerned about the funding levels for national defense and what I believe is necessary to protect our country's borders, but this resolution is a tradeoff. The tradeoff is between committing an additional $600 billion to the national debt over the next 7 years, and no longer mortgaging the future of generations to come. The interest alone on this $600 billion amounts to over $40 billion in the year 2000. We could ignore the cries from those who claim this budget is unfair, and that we are mean spirited because we care about our children's future, and we should jump at the chance to balance the budget as soon as possible.

Mr. SABO. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, balance the budget? We agree, but not this budget, with its mean and misshapen priorities. Balance the budget and start with a tax cut for the largest, most profitable corporations and families earning over $200,000 a year? Tax cuts paid for with $304 billion of cuts in Medicare and gutting programs important to other working American families? No, that is not the way to balance the budget.

Mr. Chairman, let us talk about four generations of one Oregon family. We have here 74-year-old Doris Wilson. She visited my office last week and talked a little bit about Medicare. She had to leave her $100 prescription at the pharmacist because she is retired on Social Security benefits and she could not afford to take it home with her. We are going to make her pay another $1,000 a year for Medicare? That is what this budget proposes.

Gerri Graff, after she was divorced and her husband walked on the child support, she had a little trouble making ends meet with her secretarial job. She got food stamps for a year and a half, and now has been a productive and taxpaying citizen for many years, without any help from the Federal Government.

Tandi Graff, a teenager single mom, is working in my office today, thanks to the jobs program, with a healthy kid, Jordan, thanks to the WIC Program. She had a little problem with a potential underweight and complicated pregnancy.

These are the people who have benefited by the proper priorities in this country, the people we want to help, the people we want to extend the ladder of opportunity to, so they can climb up and live the American dream. We do not need to help the wealthy and the Pentagon anymore.

Mr. NEUMANN. Mr. Chairman, I yield 15 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I would just like to acknowledge that the last speaker who voted "yes" on the balanced budget amendment also voted for the Clinton tax bill, which added $431 million in taxes to the citizens of his district. We are trying to reduce those taxes.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my friend, the gentleman from Michigan, Mr. NICK SMITH.

Mr. SMITH of Michigan. Mr. Chairman, I am so proud to be a Member of this Congress. We have turned from a nation at risk to a nation with a hopeful future.

How can anybody criticize the Committee on the Budget's budget? It is so reasonable in terms of what this Nation faces.

Just briefly, on this chart we see the President's budget would take us to $7.4 trillion public debt by the year 2002. At the bottom line, we see the Neumann-Jerry Solomon budget that takes us to a public debt of $6 trillion 216 billion. In order to decide how serious the situation is, we need to consider where we are on Social Security, Medicare, unfunded liabilities for both the veterans trust fund and the civil servants Federal employees trust fund. That is another $5 trillion added onto the $5 trillion debt that we have today. We have serious problems ahead of us. We should look at this very seriously.

Mr. KOLBE. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I want Members to listen to the rhetoric. I would like to quote from President Clinton: "Today Medicare and Medicaid are going up at 3 times the rate of inflation." That is the President. "We propose to let it go up at 2 times the rate of inflation." That is 6 percent. "This is not a Medicare or Medicaid cut." That is President Clinton.

Now when we are proposing the same thing, it is a cut against the people. This is what the President himself has said: "So when you hear the business about cuts, let me caution you that we are not cutting, we are reducing the rate of growth." This is a direct quote from the President when he defended his 1993 budget cut.

If we take a look at what we are doing, the Senate is reducing the rate of growth to 6 percent. We are reducing it to 5 percent. The President himself wanted to reduce it to 6 percent, and states that it is not a cut.

Look at the fraud, waste and abuse. A lady called up and said "Hey, I have a Medicare problem with a doctor. He charged me twice for a mammogram. I did not have a mammogram." The doctor said "Yes, you did," and she said, "No, I did not, I had a mastectomy." The doctor's reply was "Who cares, Medicare will pay for it." There is $44 billion per year in just fraud, waste and abuse. We can manage the system better and reduce the rate.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, I rise to support the Neumann-Solomon budget proposal, which is an idea whose time has arrived. This budget proposal will in fact balance the budget in 5 years, it will pay off the debt in 30 years, it protects Social Security, and ensures its long-term stability. It preserves Medicare and the best health care system in the world. It in fact will save $600 billion in additional national debt.

It is endorsed by the National Taxpayers Union and the Citizens Against Government Waste. America is tired of tax and spend. They want a budget that is going to work. I rise to support Neumann-Solomon.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. WOOLSEY], a member of the Committee on the Budget.

Ms. WOOLSEY. Mr. Chairman, the Republicans who wrote this plan continue to talk about the tough choices they have had to make when crafting their budget. I agree. Choosing to take health care away from our seniors in order to pay for special interest tax breaks is certainly a tough choice, and I cannot understand why they made it.

But the choices that the authors of these Medicare cuts have made are nothing compared to the choices that Lucy Forest will be forced to make if Republicans are successful in their assault.

Mr. Chairman, I would ask the Members of this House to meet 75-year-old Lucy Forest from Santa Rosa, CA. Lucy has an income of $800 per month. She has to pay rent. She has to pay the heating bills. She needs to eat. Lucy also wants to visit her daughter in Tucson, AZ, this year, but Lucy says she may have to cancel this trip if Republican proposals are passed.

Lucy understands a lot of things about people and politics, and she understands Medicare. She knows that if these cuts are made, there will be lower payments to doctors and hospitals, higher premiums, higher deductibles, higher copayments, and fewer choices of doctors. She also understands that the families of Members of this House can afford health care while coverage for 7 million kids will be eliminated.

But, Lucy Forest does not understand how the Republican budget proposals can eliminate $300 billion of health care benefits for our Nation's seniors, without telling us how the savings will be achieved.

She also does not understand why pork barrel military spending on cold war weapons continues to go up, while Medicare for seniors is going down. She wants to know why the military budget is "off the table" in the Republican budget.

Finally, and most importantly, Lucy questions why the Republicans are proposing to slash Medicare in order to pay for tax loopholes for the wealthy special interests.

Quite frankly, Mr. Chairman, neither do I. Only in Washington would people call taking Medicare away from Lucy Forest "A reduction in the rate of increase."

I urge the House reject these efforts to slash health care for seniors.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, what a new day we have in this Congress. Mr. compliments to the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from New York [Mr. SOLOMON] who last year, for the first time in 8 years, even offered a balanced budget. The budget has not been balanced in 25 years, but no one had even tried for 8 years.

Now, here today, all we have are four different alternative balanced budgets to consider. This is what the American people want to see, and this budget, the Neumann-Solomon budget, is the fairest and best of them all. It is not a battle between seniors and young people. This is fair to everybody, because this is the only budget that restores the trust funds for the Social Security trust fund, and does it the quickest of any. It restores the most.

It also is fair from the standpoint of reducing, eliminating this deficit the quickest in 5 years. That helps people right now, not just our young people in the future, which is important, but it helps right now.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the previous speaker, the gentlewoman from California, spoke about Lucy Foster not being able to travel to my district, to Tucson. I just want to assure her that she is going to be able to make it, because Medicare spending is not going to be slashed. In fact, in California it is going from $21 billion to $31 billion in the year 2002. That is a 46-percent increase per beneficiary, from $5,800, to $7,688 under our plan. That is certainly no cut. Lucy, welcome to Tucson.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Indiana [Mr. MCINTOSH].

Mr. MCINTOSH. Mr. Chairman, I rise in support of the contract with our children, the Solomon-Neumann budget. I think it is a tremendous effort, because it moves forward in not only ending the deficit spending, but paying off the debt that we owe in this country. Right now, every family in America owes $50,000 of debt when you divide up the national debt for a family. That means that we pay in taxes $2,000 per family just to pay the interest on that debt.

The time to act is now, to start paying off the debt, so that we do not leave a terrible legacy for our children of a debt that they can never recover from. We need to do more work on this. We need to make sure that as we cut farm subsidies, we also provide regulatory relief so they can continue to make a good living. As we cut defense spending, we need to have procurement reform so we are not spending excess and wasteful amounts of money. I rise in support of this budget.

□ 1300

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I do not have a picture of the woman I want to talk about today. She came to see me yesterday. Her name is Ms. Betty Glass. She and my husband and I lived in the same neighborhood for many, many years, where my husband and I raised our children.

She is a woman who is bright; she understands things. She read the Republican budget. She looks at the figure $280 billion and change in Medicare money. She knows you cannot just get there by efficiency, new technology, by getting rid of fraud. She knows what is going to happen.

We talked yesterday about what is going to happen with fees. That neighborhood we live in, people used to be municipal workers, teachers. They are on small pensions. If the fees are increased, it is going to be very difficult.

We talked about getting a doctor to take care of somebody who is elderly. Geriatrics was never very popular in the medical profession, but if you squeeze down the fees doctors get, people are going to have a harder time getting that doctor.

Then we talked about our town hospital, St. Francis Hospital, that we both go to, and we talked about Mt. Sinai Hospital, and St. Francis and Mt. Sinai had such a hard time, they had to merge. If Medicare is cut back they are going to be squeezed and we don't know if that hospital will stay in business.

This woman is like President Clinton. She knows that we have to reduce the rate of the growth of Medicare and she will accept that. She came in because she was representing the AARP, the American Association of Retired People.

She is willing to take what they have to have to make sure we balance the budget, but she does not think it is fair that you take $280 billion out of Medicare and say you are not reducing anything. She knows better.

I wish I had her picture here because she represents a lot of people across the Nation. Medicare people over 65 want to do their fair share, but what they do not want to do is have the one universal system we have in this country—we did not do medical health care last year—we have a universal system in Medicare, and we should not hurt that system.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Chairman, I want to thank the gentleman from New York [Mr. SOLOMON] for his leadership in the last Congress and over the years.

I am particularly proud also of my freshman colleague, the gentleman from Wisconsin [Mr. NEUMANN]. He came here to Congress as a businessman and said this is not the way you run a government. You do not put the Social Security surplus in the budget. You do not try to talk just about how we are going to get to a balanced budget on an annual basis. We have to look at the long-term debt.

He worked at it, rounded up others and was persistent in all of our meetings, through the Committee on the Budget, the Committee on Appropriations, and in our class. I want to commend his leadership particularly because while I have my mother and father-in-law who are struggling in their health care and in Medicare, and I do not have any desire to hurt them, which is why we are not cutting it, we are increasing it at a slower rate, but I am also concerned for my three children. It is a balance that we have to achieve because if we do not achieve that balance, there will be no future Medicare for me when I get there or Social Security for my children.

Mr. NEUMANN. Mr. Chairman, I yield 1½ minutes to my good friend, the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I rise in support today of both the Neumann budget and the Kasich budget that are going to be coming in front of this body. These are both good bills, and they are both going to do a good job and something good for America that we have not seen for 25 years—balance the budget. These are important things, and this is an incredible and historic debate that the people are watching take place that we have not had in 25 years.

Let me tell you the specific reason why I am also voting for the Neumann budget. That is simply this: It pays the debt off in 30 years, something we can all identify with. Most of us have mortgages on our homes that are 30 years in length. It pays the mortgage on America off in 30 years.

It is tough medicine. this is a tough thing to do. This is difficult, but I would submit to you it is very analogous to going to the doctor's office, and going to that doctor and getting a shot that would protect you against a future disease.

If you went in to that doctor and you got a shot and you asked the popularity of that doctor that day, I would guess that the people that got the shot, they would say he is not a very popular doctor. But ask 6 months or 1 year later when somebody does not get that disease, and can live a healthy life and grow and prosper in this country, and they will say that is a good doctor.

This is tough medicine. It is good medicine. It is what we need to do for the country. Vote for Kasich. Vote for Neumann.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. Mr. Chairman, I want to commend the gentleman from New York [Mr. SOLOMON] and the gentleman from Wisconsin [Mr. NEUMANN] for giving me something I can be proud of.

We see charts up here we cannot really understand, most people cannot, but I want to show you a chart that is real. This is the generation that President Clinton talked about that would have an 82 percent tax rate. I was fighting for the women in the 1960's to have freedom. That little girl in the middle is going to have no freedom. She is going to have an 82 percent tax rate. Tell me how much freedom she has with 18 percent left.

What we are doing is taking the biggest, most expensive credit card, our voting card, and we are determining the future of those little people. I want to tell Members, I am going to be proud to vote for a balanced budget so I give people like my little Dallis or my little Heather back their freedom, and that all the women who fought for freedom all those years will know that we still have freedom.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, what we are talking about today is really restoring the American dream. Time Magazine had a great article in this week's issue about the importance of balancing the budget. We start talking about the specifics. We have to think about the future. This is the American dream, by going to the balanced budget by the year 2002.

I will probably not be voting for the substitute we are talking about now because I think it may be going a little bit too fast. But we have to think about the future of our children, of our grandparents today. It is so important.

To think that we have a debt of $19,000 for every man, woman and child in this country that we are paying interest on every year, that the interest on the national debt in 2 more years will be greater than the entire Defense Department debt, it is obscene the amount of money we are paying on the cost of this debt. We must balance this budget.

That is what we are talking about, increasing the standard of living of Americans, making it available, the American dream, for all Americans. I am excited about that opportunity, that today we are going to start that process of going to that balanced budget.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Mr. Chairman, I too will support the Kasich plan and the Neumann-Solomon budget. I call the Neumann budget the why-not budget because my constituents back at home say to me, "Why can not we just freeze spending at last year's levels?" People in Washington say it can not be done. My constituents say, "Why not?"

They ask me, "Why can't we just bite the bullet and pay off the debt while we're at it?" People in D.C. say it can not be done. My constituents say, "Why not?"

People back home say, "Why can't a guy go to Washington and immediately make a difference?" The gentleman from Wisconsin [Mr. NEUMANN] has proved you can. He is a freshman. This is the why-not budget.

I came here to defend the programs in my district but I came here most importantly to defend freedom in this country. In this world, in fact. We are the last best hope for freedom in this world, and this is the first step toward saving the United States of America from an economic train wreck.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, the budget that the Republicans are supporting and will probably pass today is the greatest raid on the wealth, the income and the assets of working people in this country.

It is going to mean that their day care is going to be more expensive when they have small children. It means that there are going to be fewer school books to teach their children when they enter school. It means that nutrition, as we have already seen, is going to go up dramatically for those working families that have their children in child nutrition programs.

Student loans are going to be more expensive. If they are trying to take care of their elderly parents in nursing homes, that is going to become more expensive because of the Medicaid cuts and quite certainly, as we have all heard here now, a $1,000 increase in the Medicare to the elderly.

Why? Because Republicans simply chose not to address the tax breaks for the wealthy that they insist on clinging to. They chose not to address, as we read in this morning's paper, the $25 billion in corporate welfare where huge corporations, wealthy corporations are taking the taxpayers' dollars from working families.

One of the previous speakers said they could pay off the debt in 30 years. Yes, working families in their country will shoulder the burden for paying off the debt, but the billionaires will not, the corporations will not, and the wealthy of this country will not share that burden, because you have chosen to put the burden on working families of this country.

Mr. NEUMANN. Mr. Chairman, I yield 30 seconds to my good friend, the gentleman from Tennessee [Mr. HILLEARY].

Mr. HILLEARY. Mr. Chairman, you can't say a whole lot in 30 seconds, but I just wanted to rise today in support of the substitute amendment of my good friend the gentleman from Wisconsin.

In the freshman class, ever since we have been elected we are the closest to the people by definition. We were only elected a few months ago.

The freshman class has tried time and time again to show that we are different, that we can push this Congress and this country in the right direction. this budget does it. I rise in support of it today.

I ask every one of my colleagues to rise and support this. We can save $600 billion off the debt if we balance the budget in 5 years.

Mr. NEUMANN. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from Wisconsin [Mr. NEUMANN] has 5 minutes 15 seconds remaining.

Mr. KOLBE. Mr. Chairman, I yield 1 minute of my remaining time to the gentleman from Wisconsin [Mr. NEUMANN].

The CHAIRMAN. The gentleman from Wisconsin has 6 minutes 15 seconds remaining.

Mr. NEUMANN. Mr. Chairman, I yield myself 1 minute 15 seconds.

Mr. Chairman, I have heard a lot of rhetoric out here on both sides of the aisle. It seems we spend a lot of time talking back and forth here as Democrats and Republicans. The Nation was formed by a group of people who passed on a country that was great to us. With that they gave us a very great responsibility.

We have got fiscal problems, folks. Let's get past the Democrats-and-Republicans part of this thing and let's join together today voting yes on a package that balances the budget in 5 years, pays off the debt in 30 years, restores the Social Security trust fund, and saves our children $600 billion. Let's do this not as Democrats, not as Republicans, but let's do this as Americans who care a lot about our country so that together we can pass this Nation on to our children in a form that we are very proud of.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Chairman, this is a wonderful mythological event today. The Republicans are trying to sell the idea to the American people that you can make massive cuts in programs and give big tax breaks to the wealthy in this country and nobody will feel it.

This budget takes health care away from 7 million children in the Medicaid Program. I do not know all about agriculture and defense and all the other things, but I do know about this budget with respect to health.

The idea that the Medicare is not a cut, the gentleman from Arizona [Mr. KOLBE] today, the gentleman from Connecticut [Mr. SHAYS] yesterday stood up over and over again and said it is not a cut. The Republican plan mandates growth of 5.4 percent and says that is all right because private insurance is only increasing at 4 percent.

The 4 percent growth rate from the private sector health insurance premiums claimed by Republicans is a made-up number. There is no study, no one can bring a study on the floor that shows that, because it does not exist.

□ 1315

It is made up, and everyone agrees that the private health insurance rates, at least CBO and Medicare actuaries say it is going to grow at 7.6 percent.

That means that for the Republican Medicare voucher plan put forward by the gentleman from Connecticut [Mr. SHAYS] and the Committee on the Budget, if that is adopted, senior citizens will be paying one-quarter of their benefits which Medicare now provides in its entirety, and the erosion will continue and continue.

If Members believe that the American people believe that they can have a free lunch and they can all be for free, and it will not hurt anybody, keep pushing this budget, because there will be another vote here, it will not be only on this floor, it will be in November 1996. You will find out the result then.

The CHAIRMAN. All time controlled by the gentleman from Minnesota [Mr. SABO] has expired.

Mr. NEUMANN. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. HANCOCK].

Mr. HANCOCK. Mr. Chairman, I would state I fully support and hope we can balance the budget and welcome in the next century.

Mr. NEUMANN. Mr. Chairman, I yield the balance of my time, 5 minutes, to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding time to me.

Look at this chart. Look at this newspaper ad. They describe free money from the Federal Government. Free guide reveals how people can get their hands on billions of Federal tax dollars. Free. Nobody has to pay it back. That is what this debate is all about.

Ladies and gentlemen, today is a truly historic day. It is one I have waited for for so long, because 1 hour from right now this House will pass a visionary blueprint that will finally lead to a balanced budget in this Government. It will put an end to the drunken spending spree that this Congress has been on for so many years, a tidal wave of debt that has turned this great country into the debtor nation. What a shame.

Ladies and gentlemen, we have almost reached the point of no return. But today we can and we will reverse the irresponsible spending habits of Congress by finally enacting a balanced budget blueprint. The question before us today is not whether we will balance the budget, it is how we will do it.

Mr. Chairman, I am the chairman of the Committee on Rules. I am privileged to chair that committee, and with our Members we have written a rule that says no budget alternative on this floor today will be unbalanced. Members are going to vote today for a balanced budget, and they have no choice. And the only remaining question in this debate is how do we do it, in 5 or 7 years.

Mr. Chairman, our balanced budget task force and a large number of freshman Republicans that I am so proud of, led by MARK NEUMANN, have before us today a 5-year budget plan. It is almost identical to the plan of the Committee on the Budget, including the House-passed tax cuts.

The big difference between these two excellent plans is the additional debt added to the accumulated national deficit of $5 trillion. Our plan accumulates $600 billion less to that astronomical debt than does the committee plan.

Why is that so? Because our plan begins to make the cuts in years 1 and 2 instead of years 6 and 7. Look at this chart. It explains it all. By making the same cuts early instead of late we save $600 billion in deficits, including $42 billion in interest that we pay out to foreign countries that hold our debt.

But most of all, we guarantee, ladies and gentlemen, that a balanced budget in 5 years is going to happen. Members of this House, I am sure you all know as I do, and many of you were here, that after passage of the landmark Gramm-Rudman legislation back in 1985, and which would have balanced the books in 1991, we began, just like we say we are going to do here today, we began to meet those deficit-reduction targets in the first 2 years.

But do Members know what happened? In 1987 there was a new Congress just elected, and that is liable to be what happens a couple of years from now. And back then we found it too difficult, even though we were in an economic recovery with billions of dollars rolling in in new revenues for the Federal Government, we found it impossible to meet the Gramm-Rudman target dates, and later on the balanced budget goals were extended and later they were abandoned entirely.

Members, we cannot let this happen today. The Neumann-Solomon substitute begins restraining the growth in spending right now. Next years we dramatically alter the infrastructure of the Federal Government so as to ensure that it will not grow back, and that is the difference between our budgets. If Members will look at this, our budget cuts in the first 2 years, not in the last 2 years.

Members, balancing the budget is more than a game of numbers or even an act of fiscal responsibility. It is a moral imperative given to us by the people who are here today in this audience, the people who are watching, the American families, my children, my grandchildren, and children to come. We have to balance this budget, and we have to do it now. Today we have a historic opportunity to choose between a 7-year plan that in fact will lead to a balanced budget, but it does so in the next century, 7 years from now. Or we can vote for our 5-year plan that balances the budget in this century. It does it right, Mr. Chairman. If Members vote for a 5-year plan and it fails to get 218 votes, they can do as I will do. They can put their heart and soul behind final passage of whatever is the standing amendment before this body at the end of debate.

Please do it. America wins. Our budget is a better one. But regardless, if we pass either mine or the one from the Budget Committee we will have done the right thing. I urge Members to please vote for this one, and if it fails, vote for the committee budget. We will do it for America and our children.

The CHAIRMAN. The gentleman from Arizona [Mr. KOLBE] is recognized for 2 minutes to conclude debate on this amendment.

Mr. KOLBE. Mr. Chairman, I want to thank the gentleman from Wisconsin and the gentleman from New York for their contribution to this debate. This has been a historic debate.

I also want to respond to the last speaker on the other side who talked about again, we have heard it over and over again, the cuts in Medicare and in Medicaid, and yet under our plan Medicaid spending would increase from $444 billion that we spent over the last 7 years to $668 billion over the next 7 years, and Medicare spending would, on a per beneficiary basis, go up from $4,700 per beneficiary to $6,300.

Mr. Chairman, only in Washington, only in Washington, not the State of Washington where the gentleman comes from, but only in Washington, DC, can we call that cuts. Only in Washington would we consider that kind of increase to be cuts.

The gentleman also talked about the assumptions, say it simply is not true. You can have a 4.4-percent private health insurance increase, but HCFA, the health care financing agency, says that is exactly what it is; that is their document, not ours.

We have a lot in common in this debate on this amendment versus the committee's amendment or the committee's budget. Both of us got to a balanced budget, and both of us call for debt reduction following that. And that, after all, Mr. Chairman, is what this is all about, not just getting to zero deficit, but to get that huge burden of debt off of our backs and off of the generation that will follow us, off of their backs. And both of us call for doing that.

Surely this debate is about our future. We say reduce spending, get to a balanced budget, do it by reducing spending, return some of the tax dollars, the hard-earned tax dollars that belong to the American citizens, return it to the people of America, return it to the people of America.

We can and we will achieve a balanced budget at the end of 7 years, Mr. Chairman.

The CHAIRMAN. All time for debate on the amendment in the nature of a substitute offered by the gentleman from Wisconsin [Mr. NEUMANN] has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Wisconsin [Mr. NEUMANN].

The question was taken; and the Chairman announced that the ayes appear to have it.

RECORDED VOTE

Mr. KOLBE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 89, noes 342, not voting 3, as follows:

[Roll No. 343]

AYES—89

Allard
Baker (CA)
Bartlett
Barton
Brownback
Bryant (TN)
Burr
Burton
Chabot
Chenoweth
Christensen
Chrysler
Coburn
Combest
Condit
Cooley
Cox
Crane
Crapo
Cubin
Diaz-Balart
Doolittle
Dreier
Duncan
Ehlers
Ensign
Fawell
Foley
Forbes
Ford
Fox
Frisa
Funderburk
Geren
Gilchrest
Goodlatte
Goss
Graham
Gutknecht
Hancock
Hansen
Hayworth
Hilleary
Hoekstra
Hostettler
Istook
Johnson, Sam
Jones
Kingston
Klug
Largent
Manzullo
McInnis
McIntosh
Metcalf
Mica
Moorhead
Myers
Neumann
Norwood
Petri
Pombo
Quillen
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Smith (MI)
Smith (WA)
Solomon
Souder
Stockman
Tauzin
Taylor (MS)
Thornberry
Tiahrt
Torkildsen
Upton
Waldholtz
Wamp
White
Zeliff
Zimmer

NOES—342

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Bunning
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chambliss
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cremeans
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Dunn
Durbin
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hefner
Heineman
Herger
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Porter
Portman
Poshard
Pryce
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—3

Berman
Bono
Kleczka

☐ 1344

Mr. DICKEY, Mr. TAYLOR of North Carolina, Mrs. KELLY, Mr. HORN, and Mr. RANGEL changed their vote from "aye" to "no."

Messrs. COMBEST, CRAPO, FOLEY, QUILLEN, and MOORHEAD changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FORD. Mr. Speaker, I would like the RECORD to reflect that on Thursday, May 18, 1995, I was incorrectly recorded as "aye" on rollcall No. 343, the Neumann substitute to the budget resolution, House Concurrent Resolution 67. I should have been recorded in opposition to this resolution.

The CHAIRMAN. It is now in order to consider an amendment in the nature of a substitute to be offered by the gentleman from New Jersey [Mr. PAYNE] or the gentleman from New York [Mr. OWENS], printed in the CONGRESSIONAL RECORD of May 16, 1995.

☐ 1345

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. PAYNE OF NEW JERSEY

Mr. PAYNE of New Jersey. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. PAYNE of New Jersey:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,060,800,000,000.
Fiscal year 1997: $1,113,500,000,000.
Fiscal year 1998: $1,199,600,000,000.
Fiscal year 1999: $1,290,530,000,000.

Fiscal year 2000: $1,361,430,000,000.

Fiscal year 2001: $1,495,274,000,000.

Fiscal year 2002: $1,576,520,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $17,800,000,000.

Fiscal year 1997: $30,000,000,000.

Fiscal year 1998: $64,600,000,000.

Fiscal year 1999: $103,130,000,000.

Fiscal year 2000: $115,930,000,000.

Fiscal year 2001: $183,774,000,000.

Fiscal year 2002: $195,520,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.

Fiscal year 1997: $109,000,000,000.

Fiscal year 1998: $114,900,000,000.

Fiscal year 1999: $120,700,000,000.

Fiscal year 2000: $126,900,000,000.

Fiscal year 2001: $133,600,000,000.

Fiscal year 2002: $140,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,305,645,000,000.

Fiscal year 1997: $1,351,766,000,000.

Fiscal year 1998: $1,418,293,000,000.

Fiscal year 1999: $1,477,601,000,000.

Fiscal year 2000: $1,554,772,000,000.

Fiscal year 2001: $1,635,012,000,000.

Fiscal year 2002: $1,705,270,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,310,531,000,000.

Fiscal year 1997: $1,360,603,000,000.

Fiscal year 1998: $1,406,588,000,000.

Fiscal year 1999: $1,473,786,000,000.

Fiscal year 2000: $1,532,385,000,000.

Fiscal year 2001: $1,586,550,000,000.

Fiscal year 2002: $1,657,024,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1996: $249,731,000,000.

Fiscal year 1997: $247,103,000,000.

Fiscal year 1998: $206,988,000,000.

Fiscal year 1999: $183,256,000,000.

Fiscal year 2000: $170,955,000,000.

Fiscal year 2001: $99,830,000,000.

Fiscal year 2002: $80,504,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,195,000,000,000.

Fiscal year 1997: $5,516,000,000,000.

Fiscal year 1998: $5,810,000,000,000.

Fiscal year 1999: $6,100,000,000,000.

Fiscal year 2000: $6,374,000,000,000.

Fiscal year 2001: $6,614,000,000,000.

Fiscal year 2002: $6,806,000,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1995, October 1, 1996, October 1, 1997, October 1, 1998, October 1, 1999, October 1, 2000, and October 1, 2001 are as follows:

Fiscal year 1996:

(A) New direct loan obligations, $37,600,000,000.

(B) New primary loan guarantee commitments, $193,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $40,200,000,000.

(B) New primary loan guarantee commitments, $187,900,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $42,300,000,000.

(B) New primary loan guarantee commitments, $185,300,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $45,700,000,000.

(B) New primary loan guarantee commitments, $183,300,000,000.

Fiscal year 2000:

(A) New direct loan obligations, $45,800,000,000.

(B) New primary loan guarantee commitments, $184,700,000,000.

Fiscal year 2001:

(A) New direct loan obligations, $45,800,000,000.

(B) New primary loan guarantee commitments, $186,100,000,000.

Fiscal year 2002:

(A) New direct loan obligations, $46,100,000,000.

(B) New primary loan guarantee commitments, $187,600,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, $226,800,000,000.

(B) Outlays, $252,900,000,000.

(C) New direct loan obligations, $0

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $215,200,000,000.

(B) Outlays, $242,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $220,500,000,000.

(B) Outlays, $236,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $223,600,000,000.

(B) Outlays, $239,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $230,100,000,000.

(B) Outlays, $244,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $250,867,000,000.

(B) Outlays, $244,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $250,947,000,000.

(B) Outlays, $244,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $18,462,000,000.

(B) Outlays, $17,689,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $18,629,000,000.

(B) Outlays, $17,540,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $19,106,000,000.

(B) Outlays, $18,248,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $19,420,000,000.

(B) Outlays, $18,752,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $22,140,000,000.

(B) Outlays, $19,596,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $21,951,000,000.

(B) Outlays, $19,596,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $21,955,000,000.

(B) Outlays, $19,596,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $16,447,000,000.

(B) Outlays, $15,840,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $15,829,000,000.

(B) Outlays, $15,427,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,203,000,000.

(B) Outlays, $15,349,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,355,000,000.

(B) Outlays, $15,194,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $14,940,000,000.

(B) Outlays, $14,942,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $14,943,000,000.

(B) Outlays, $14,940,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $14,947,000,000.

(B) Outlays, $14,942,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $4,654,000,000.

(B) Outlays, $3,941,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $3,314,000,000.

(B) Outlays, $3,645,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,131,000,000.

(B) Outlays, $2,424,000,000.

(C) New direct loan obligations, $1,200,000,000

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,744,000,000.

(B) Outlays, $3,099,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $3,559,000,000.

(B) Outlays, $2,475,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $3,672,000,000.

(B) Outlays, $2,540,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $3,750,000,000.

(B) Outlays, $2,585,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $22,570,000,000.

(B) Outlays, $21,212,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $22,476,000,000.

(B) Outlays, $21,498,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,874,000,000.

(B) Outlays, $21,206,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $21,368,000,000.

(B) Outlays, $20,775,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $20,753,000,000.

(B) Outlays, $20,134,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $20,836,000,000.

(B) Outlays, $20,134,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $20,815,000,000.

(B) Outlays, $20,134,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $13,713,000,000.

(B) Outlays, $12,309,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,598,000,000.

(B) Outlays, $11,247,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,144,000,000.

(B) Outlays, $9,993,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,936,000,000.

(B) Outlays, $8,718,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $9,207,000,000.

(B) Outlays, $8,060,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $8,953,000,000.

(B) Outlays, $8,066,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $8,960,000,000.

(B) Outlays, $8,072,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $4,191,000,000.

(B) Outlays, minus $6,339,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $4,104,000,000.

(B) Outlays, −$4,016,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,631,000,000.

(B) Outlays, −$5,151,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,419,000,000.

(B) Outlays, −$2,927,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $6,504,000,000.

(B) Outlays, −$2,320,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,739,000,000.

(B) Outlays, −$1,381,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $12,420,000,000.

(B) Outlays, −$345,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(E) New secondary loan guarantee commitments, $0.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $33,369,000,000.

(B) Outlays, $34,480,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $39,515,000,000.

(B) Outlays, $35,429,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $41,038,000,000.

(B) Outlays, $36,590,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $42,677,000,000.

(B) Outlays, $37,965,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $44,360,000,000.

(B) Outlays, $39,519,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $43,327,000,000.

(B) Outlays, $39,519,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $42,389,000,000.

(B) Outlays, $39,519,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $10,780,000,000.

(B) Outlays, $12,325,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $10,749,000,000.

(B) Outlays, $12,540,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,181,000,000.

(B) Outlays, $12,599,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,658,000,000.

(B) Outlays, $13,226,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,062,000,000.

(B) Outlays, $12,486,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $13,374,000,000.

(B) Outlays, $12,573,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $13,468,000,000.

(B) Outlays, $12,661,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $61,801,000,000.

(B) Outlays, $59,939,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $62,853,000,000.

(B) Outlays, $62,114,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $64,937,000,000.

(B) Outlays, $62,732,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $67,323,000,000.

(B) Outlays, $64,894,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $69,809,000,000.

(B) Outlays, $67,238,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $71,016,000,000.

(B) Outlays, $68,366,000,000.

(C) New direct loan obligations, $22,000,000,000.

(D) New primary loan guarantee commitments, $15,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $73,011,000,000.

(B) Outlays, $70,366,000,000.

(C) New direct loan obligations, $22,200,000,000.

(D) New primary loan guarantee commitments, $16,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $128,956,000,000.

(B) Outlays, $127,946,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $140,941,000,000.

(B) Outlays, $140,282,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $154,227,000,000.

(B) Outlays, $153,746,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $168,335,000,000.

(B) Outlays, $167,729,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $183,031,000,000.

(B) Outlays, $182,276,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $198,841,000,000.

(B) Outlays, $198,036,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $215,541,000,000.

(B) Outlays, $214,736,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $184,200,000,000.

(B) Outlays, $181,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $202,300,000,000.

(B) Outlays, $200,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $221,100,000,000.

(B) Outlays, $219,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $243,500,000,000.

(B) Outlays, $241,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $266,400,000,000.

(B) Outlays, $264,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $290,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $321,500,000,000.

(B) Outlays, $319,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $235,500,000,000.

(B) Outlays, $232,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $252,900,000,000.

(B) Outlays, $250,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $274,800,000,000.

(B) Outlays, $264,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $281,100,000,000.

(B) Outlays, $279,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $301,200,000,000.

(B) Outlays, $297,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $310,400,000,000.

(B) Outlays, $306,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $329,500,000,000.

(B) Outlays, $325,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,894,000,000.

(B) Outlays, $8,593,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,030,000,000.

(B) Outlays, $10,763,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,795,000,000.

(B) Outlays, $11,512,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,561,000,000.

(B) Outlays, $11,921,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,529,000,000.

(B) Outlays, $466,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,022,000,000.

(B) Outlays, $584,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,667,000,000.

(B) Outlays, $734,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $40,175,000,000.

(B) Outlays, $38,275,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $40,131,000,000.

(B) Outlays, $39,875,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $41,423,000,000.

(B) Outlays, $41,277,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $43,587,000,000.

(B) Outlays, $43,396,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $44,897,000,000.

(B) Outlays, $46,182,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $46,400,000,000.

(B) Outlays, $47,700,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $47,900,000,000.

(B) Outlays, $49,200,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $20,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $20,182,000,000.

(B) Outlays, $19,711,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $20,869,000,000.

(B) Outlays, $20,430,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,788,000,000.

(B) Outlays, $21,455,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,768,000,000.

(B) Outlays, $22,215,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $23,371,000,000.

(B) Outlays, $23,015,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $23,323,000,000.

(B) Outlays, $23,015,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $23,400,000,000.

(B) Outlays, $23,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1996:

(A) New budget authority, $14,674,000,000.

(B) Outlays, $14,170,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $14,258,000,000.

(B) Outlays, $13,796,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $14,125,000,000.

(B) Outlays, $13,855,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $13,980,000,000.

(B) Outlays, $13,796,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $13,582,000,000.

(B) Outlays, $13,625,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $13,974,000,000.

(B) Outlays, $13,625,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $13,964,000,000.

(B) Outlays, $13,625,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $295,828,000,000.

(B) Outlays, $295,828,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $304,289,000,000.

(B) Outlays, $304,289,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $308,696,000,000.

(B) Outlays, $308,696,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $314,655,000,000.

(B) Outlays, $314,655,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $319,862,000,000.

(B) Outlays, $319,862,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $320,646,000,000.

(B) Outlays, $320,646,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $323,331,000,000.

(B) Outlays, $323,331,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1996:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $-1,258,000,000.

(B) Outlays, $-1,195,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, $-31,293,000,000.

(B) Outlays, $-31,293,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $-35,961,000,000.

(B) Outlays, $-35,961,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $-37,148,000,000.

(B) Outlays, $-37,148,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $-38,127,000,000.

(B) Outlays, $-38,127,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $-40,276,000,000.

(B) Outlays, $-40,276,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $-41,614,000,000.

(B) Outlays, $-41,614,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $-42,937,000,000.

(B) Outlays, $-42,937,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. RECONCILIATION.

(a) Not later than September 1, 1995, the House committees named in subsections (b) through (o) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the House Budget Committee shall report to the House a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

(b) The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $2,250,000,000 in budget authority and $2,061,600,000 in outlays in fiscal year 1996, $2,250,000,000 in budget authority and $2,061,600,000 in outlays in fiscal year 1997, $2,250,000,000 in budget authority and $2,061,600,000 in outlays in fiscal year 1998, $2,250,000,000 in budget authority and $2,061,600,000 in outlays in fiscal year 1999, $2,250,000,000 in budget authority and $2,061,600,000 in outlays in fiscal year 2000, $2,250,000,000 in budget authority and $2,061,600,000 in outlays in fiscal year 2001, and $2,250,000,000 in budget authority and $2,061,600,000 in fiscal year 2002.

(d) The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $5,100,000,000 in budget authority and $5,100,000,000 in outlays in fiscal year 1996, $5,100,000,000 in budget authority and $5,100,000,000 in outlays in fiscal year 1997, $5,100,000,000 in budget authority and $5,100,000,000 in outlays in fiscal year 1998, $5,100,000,000 in budget authority and $5,100,000,000 in outlays in fiscal year 1999, $5,100,000,000 in budget authority and $5,100,000,000 in outlays in fiscal year 2000, $5,100,000,000 in budget authority and $5,100,000,000 in outlays in fiscal year 2001, and $5,100,000,000 in budget authority and $5,100,000,000 in fiscal year 2002.

(h) The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $43,000,000 in budget authority and $43,000,000 in outlays in fiscal year 1996, $43,000,000 in budget authority and $43,000,000 in outlays in fiscal year 1997, $43,000,000 in budget authority and $43,000,000 in outlays in fiscal year 1998, $43,000,000 in budget authority and $43,000,000 in outlays in fiscal year 1999, $43,000,000 in budget authority and $43,000,000 in outlays in fiscal year 2000, $43,000,000 in budget authority and $43,000,000 in outlays in fiscal year 2001, and $43,000,000 in budget authority and $43,000,000 in fiscal year 2002.

(j) The House Committee on Resources shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,250,000,000 in budget authority and $1,250,000,000 in outlays in fiscal year 1996, $1,250,000,000 in budget authority and $1,250,000,000 in outlays in fiscal year 1997, $1,250,000,000 in budget authority and $1,250,000,000 in outlays in fiscal year 1998, $1,250,000,000 in budget authority and $1,250,000,000 in outlays in fiscal year 1999, $1,250,000,000 in budget authority and $1,250,000,000 in outlays in fiscal year 2000, $1,250,000,000 in budget authority and $1,250,000,000 in outlays in fiscal year 2001, and $1,250,000,000 in budget authority and $1,250,000,000 in fiscal year 2002.

(l) The House Committee on Small Business shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $14,285,000 in budget authority and $14,285,000 in outlays in fiscal year 1996, $14,285,000 in budget authority and $14,285,000 in outlays in fiscal year 1997, $14,285,000 in budget authority and $14,285,000 in outlays in fiscal year 1998, $14,285,000 in budget authority and $14,285,000 in outlays in fiscal year 1999, $14,285,000 in budget authority and $14,285,000 in outlays in fiscal year 2000, $14,285,000 in budget authority and $14,285,000 in outlays in fiscal year 2001, and $14,285,000 in budget authority and $14,285,000 in fiscal year 2002.

(m) The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending sufficient to reduce budget authority and outlays as follows: $1,340,000,000 in budget authority and $1,340,000,000 in outlays in fiscal year 1996, $1,336,000,000 in budget authority and $1,336,000,000 in outlays in fiscal year 1997, $1,336,000,000 in budget authority and $1,336,000,000 in outlays in fiscal year 1998, $1,336,000,000 in budget authority and $1,336,000,000 in outlays in fiscal year 1999, $1,336,000,000 in budget authority and $1,336,000,000 in outlays in fiscal year 2000, $1,336,000,000 in budget authority and $1,336,000,000 in outlays in fiscal year 2001, and $1,336,000,000 in budget authority and $1,336,000,000 in fiscal year 2002.

(o) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues, as follows: $17,800,000,000 in fiscal year 1996, $30,000,000,000 in fiscal year 1997, $64,600,000,000 in fiscal year 1998, $103,130,000,000 in fiscal year 1999, $115,930,000,000 in fiscal year 2000, $183,774,000,000 in fiscal year 2001, and $195,520,000,000 in fiscal year 2002.

(p) For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 and the term "new budget authority" has the meaning given to such term in section 3(2) of the Congressional Budget and Impoundment Control Act of 1974.

The CHAIRMAN. Under the rule, the gentleman from New Jersey [Mr. PAYNE] and a Member opposed will each be recognized for 30 minutes.

Who seeks time in opposition?

Mr. KASICH. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes in opposition.

The Chair recognizes the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as chairman of the Congressional Black Caucus, I am proud to join my colleague MAJOR OWENS in bringing before the House of Representatives a sound, responsible budget plan.

While members of the Caucus are committed to fiscal responsibility, we do question the strict, inflexible 7-year deadline for producing a balanced budget which we were forced to abide by in order to bring this resolution to the floor. Most families in America could not balance their budgets if they were banned from getting mortgages and had to pay cash up front for their house, or their car, or their children's braces.

Ours is a blueprint which reflects our belief in the United States of America as a land of opportunity, not just for the affluent, but for all of us.

We call our plan the Caring Majority Alternative Budget, because we believe in this country as a place where the majority of people care about their neighbors, care about our older people who have sacrificed so much for the freedoms we enjoy today, care about the children and young people who want and deserve a chance to succeed. Our budget recognizes the crucial link between education and success. We recognize that no nation can build a strong economy when we have 40 million illiterate Americans, when children are going to schools with leaking roofs and outdated books, when college costs increased and student aid decreases. To reinvest in America, our budget increases funding for education and job training by 25 percent. We continue highly successful programs like Head Start, which has given valuable early learning experiences to youngsters from low-income families.

Our budget reflects our concern for the quality of education our children are able to enjoy and the job skills they are able to develop. We continue President Clinton's successful National Service program, which has given young people a renewed sense of community spirit as well as an opportunity to succeed. We support school-to-work programs and one-stop career centers to help prepare young people for the work force. We include innovative ideas such as providing access to computers and the information superhighway at local libraries to ensure that no one is left behind as we race toward the 21st century.

Our budget protects Medicare and Medicaid, two crucial programs to safeguard the health of older Americans and low-income families. Efforts to reform the health care system of our Nation were met with vigorous opposition by special interests fearful of losing profits, yet we have seen no workable alternative plan. Health care should not be a luxury. Too many Americans are only one paycheck or retirement check away from losing everything in the event of a major illness or accident.

Our plan also responds to the new global realties and the end of the cold war. We recognize that we can provide for a sound national defense without pouring huge amounts of money into weapons we don't need and for which there is no justification or rationale. Funneling valuable resources away from our most pressing needs threatens to make our Nation weaker, not stronger.

As a superpower, the United States must also exert moral leadership. Our budget provides humanitarian, education, and development assistance for struggling nations, some of which have been plagued with starvation and other life-threatening crises.

As we celebrate the 50th anniversary of the great Allied victory in World War II, our budget keeps our promise to our Nation's veterans by maintaining their benefits. Our budget keeps our promise with Federal workers and retirees.

In the wake of the tragedy at Oklahoma City, we recognize the contributions of our public servants.

We refuse to go along with the Republican plan to single out Federal workers for a tax increase and a pension cut. Instead of punishing our own workers, we have sought to raise revenue by requiring corporations to pay their fair share of the tax burden.

We protect small farmers, who work so hard to supply our Nation with an abundance of food. We protect the rural areas of our Nation, which were neglected for too long.

Whether everyone wants to admit it or not, we all know what happened to the Federal budget deficit the last time we tried trickle down economics. In the 1980's, when the Republican Party controlled the White House, the Senate, and was able to put together a working budget coalition in the House, the deficit began growing at an alarming rate. It grew in leaps and bounds.

It has finally begun to fall and our economy has gotten back on track under President Clinton's leadership.

The Congressional Black Caucus plan produces a balanced budget in a fair and responsible manner. I urge my colleagues to support the Congressional Black Caucus Caring Majority Budget.

Mr. KASICH. Mr. Chairman, I yield myself 1 minute for the purpose of a colloquy with the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Ohio.

Mr. HOKE. Mr. Chairman, I want to clarify a provision in the Budget Committee report accompanying House Concurrent Resolution 67 with the gentleman from Ohio. As you know, language in the report concerning NASA's core missions is located in two sections of the report and was intended to be identical in both. Am I correct in my understanding that the language on page 63 of the report is the correct text and should replace the text on page 26?

Mr. KASICH. Yes, the gentleman is correct.

Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to, first of all, congratulate the Black Caucus on coming forward with a specific proposal in pointing their vision. To a large degree I may be a little biased in this, but I give my friend, the gentleman from California [Mr. DELLUMS], an awful lot of credit because he started this process years ago, not just with the budget process, but with the defense process as well.

At the end of the day, Mr. Chairman, America has got to be one, and we have got to reach across the aisle, and reach across philosophies, and make sure this thing works for our country. We will talk about that as we get to the close, but I want to really praise the group for putting a vision forward, and frankly I am going to spend time over the next couple of weeks looking closely at that vision because there is no question that there are parts of this plan that ought to be listened to, respected and adopted as we go down the road, and I want to congratulate the chairman of the Black Caucus, the gentleman from New Jersey [Mr. PAYNE].

Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise in strong support of the Kasich balanced budget resolution and in opposition to the Owens budget. My reason for doing so is simple: our children. Balancing the budget is no longer just fiscally responsible, it is a moral imperative.

My two daughters will each pay $115,000 in interest payments on the national debt in their lifetimes. When they enter the job market, they will negotiate a salary knowing that half of what they earn will be taken away in taxes. Whether or not they can realize the American dream of home ownership may well be affected by the 2 percent higher interest rates caused by the deficit.

The Kasich balanced budget is the most responsible and equitable plan before us today. It recognizes our constitutional duty to provide for the national defense and it lays the groundwork for a plan to preserve, protect, and improve Medicare. It will reduce the size, scope, and cost of the Federal Government, and ensure that our children have the future they deserve.

I urge my colleagues to support the Kasich plan.

Mr. PAYNE of New Jersey. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. OWENS], in support of the Congressional Black Caucus' alternative budget.

Mr. OWENS. Mr. Chairman, I want to thank the chairman of the Congressional Black Caucus [CBC], Mr. PAYNE, for his steadfast support of the development of this caring majority budget. I also want to thank the chairman of the House Progressive Caucus, Mr. SANDERS, for the steady stream of ideas and positions that have flowed from the Progressive Caucus since January. I also would like to thank all of the members of the CBC and their staff for their help in completing this very worthwhile project. Particularly, I would like to thank members of my staff: Paul Seltman, Braden Goetz, and Jacqui Ellis, for the herculean effort they put forth to produce this budget.

This caring majority budget of the Congressional Black Caucus and the House Progressive Caucus meets the mandate that we produce a balanced budget. But this budget does not oppress the poor and the elderly in order to favor the rich and the privileged. This budget is balanced by eliminating corporate welfare and closing corporate tax loopholes. This caring majority budget is a budget for the benefit of all Americans.

Why is the Republican majority cutting Medicaid and Medicare to give a tax break to the rich and the privileged? Why are American taxpayers angry about the gross mismanagement of their Government? Why are American individual and family taxpayers being forced to shoulder 44 percent of the current tax burden while corporations are asked to cover no more than 11 percent of the tax burden? Since 1943, why has the corporate share of the tax burden dropped from a high of almost 40 percent to the present 11 percent? Why is the national deficit careening out of control?

The deficit is not out of control because we are spending too much on vital safety net programs. The deficit is out of control because the tax policies of the past few decades have dumped more and more of the tax burden on families through the personal income tax while those same tax policies have succumbed to massive pandering to the corporate sector. There is no fairness, no justice, and no balance in our present tax scheme.

The unique feature of this caring majority budget of the Congressional Black Caucus and the House Progressive Caucus is that it is a budget balanced by closing abusive tax loopholes and cutting corporate welfare. We offer a tax cut for all personal income taxpayers in order to begin the progress of restoring tax justice. We propose to end the personal income tax as we know it.

At the same time, we move to systematically begin decreasing the taxes on individuals and families, we must insist that the irresponsible corporate sector pay its fair share of the Nation's budget. This mandate for greater balance in the revenue area is the policy key to a balanced budget without reckless budget slashing. More balanced revenue collection policies can produce more balanced budgets.

And balanced is exactly what our plan is, in every sense of the word. Our plan has nearly a 1 to 1 ratio of spending cuts to revenue increases, while the Republican plan relies solely on spending cuts that hit the working poor and middle class the hardest. Our plan includes $500 billion in corporate welfare cuts, while the Republican plan includes a mere $18 billion.

I must also point out that the Republicans eliminate extended unemployment benefits. While that would save $1.2 billion in 1996, so much more could be saved by instead doing what we have done in the caring majority budget: invest in the creation of jobs and thereby save the Federal Government money in the form of transfer payments, such as unemployment insurance and AFDC. In fact, by putting 13,000 more people to work, the Republicans could save that same $1.2 billion. Our budget puts nearly 1 million more people to work by the year 2002, saving the Government $110 billion.

In conclusion, I think it is pretty clear where the priorities of the caring majority are, as opposed to the priorities of the Republican Party. We do not protect the rich at the expense of the poor, or the powerful at the expense of the vulnerable. Our balanced budget is truly balanced in that it: provides a tax cut for hard-working Americans; invests more than 27 billion new dollars in education and job training, increasing that portion of the budget by 25 percent; creates at least 1 million jobs; completely protects Medicaid and Medicare at their current levels; completely protects Social Security, with no extensions of the age for eligibility or COLA cuts; and provides a more sane defense budget which offers a peace dividend to the taxpayers who have so diligently shouldered the burden of massive modern military costs.

The Republican budget is a budget for the rich and the privileged. It is a budget that is mean and extreme. It is a budget that abandons large segments of America. This caring majority budget of the CBC and the Progressive Caucus is a budget for all Americans.

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Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I intend to support the budget for which the gentleman is arguing. It is important to balance the budget, but there are more important things than even balancing the budget. It is important to keep in effect some of the programs for which we have fought over the years. For example, I noticed two items in the paper this morning. One indicated that $60 billion is going to be spent for a new class of submarines. I do not know who our enemy is that would justify the expenditure of another $60 billion.

The CHAIRMAN. The gentleman from New York [Mr. OWENS] has used 5 minutes, the gentleman from Illinois [Mr. YATES] has used 30 seconds.

Ms. MOLINARI. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, today is a time for truth. Today is a time for courage. Not too long ago on this floor a huge majority of this House voted in favor of a balanced budget amendment to the U.S. Constitution, and most of those who voted against the balanced budget amendment said that they too were in favor of a balanced budget, merely against a constitutional amendment to reach that objective.

Well, today we have the opportunity to show that we have the courage of our convictions by moving beyond the easy rhetoric of balancing the budget to the difficult reality of actually achieving a balanced budget. We have talked the talk. Now it is time to walk the walk.

As for those who say that this cannot be done without a massive tax increase, those who advocate the status quo, those who offer no constructive alternative, I suggest that we not waste our time in condemning them, because they have condemned themselves by their timidity, just as they condemn future generations to a nation that is less prosperous, less secure, and less competitive, with less opportunity.

Instead, America should recognize that the new majority in this Congress has the courage, has the leadership, and has the commitment to live within our means, to stop spending money that does not belong to us, so that we can allow future generations to live in America with more opportunity, with more prosperity, and with more hope.

Mr. PAYNE of New Jersey. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. OWENS] and ask unanimous consent that the gentleman be allowed to yield said time.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. OWENS. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois [Mr. YATES] to finish his thoughts.

Mr. YATES. Mr. Chairman, the other item I saw in the paper was that the National Institutes of Health, in which we have spent so many billions of dollars over the years in making it into one of the great research institutions of the country, is going to suffer tremendously in its research function because its budgets are being cut. I think there are more important things, that it is much more important to protect the health and welfare of the people of our country than cutting an agency like the National Institutes of Health.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan [Miss COLLINS].

Miss COLLINS of Michigan. Mr. Chairman, I rise today in support of the Congressional Black Caucus alternative budget. This budget demonstrates a commitment to the American people. We will not sit idly by and cringe at the possibility that money will be taken out of the homes and food off the tables of millions of Americans. The CBC budget calls for spending much less on defense than the Republican proposal. Believe it or not, we are at peace. Those who can least afford cuts, the poor, children, and the elderly, should not be required to bear the brunt of the Republican agenda. I ask, Mr. Chairman, is human life not more important than big business?

The CBC alternative budget will invest in programs people really need. Funding for Medicare and Medicaid will be maintained. In addition, education and job training will take high priority.

I stand before you today on behalf of the tens of millions of Americans who cannot stand for themselves. I ask my colleagues to balance this country's need with compassion for those who are unable to care for themselves.

Mr. SHAYS. Mr. Chairman, I yield two minutes to the distinguished chairman of the Committee on Government Reform and Oversight, the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I rise in opposition to the substitute amendment and in favor of the committee resolution. I want to commend, first of all, the chairman of the Committee on the Budget, Mr. KASICH, and his committee, for crafting a very bold and courageous and, most importantly, an honest budget resolution. They have tackled a very difficult and certainly I not need add a politically dangerous task of balancing the budget in a responsible and professional manner, and I would applaud them for what I think are Herculean efforts.

Second, I wanted to remind my colleagues on the other side of the aisle and supporters of this substitute who seem somewhat squeamish about the Republican budget proposal in that it is making some significant cuts, that it is only the first step in a very long process. Of course, the budget figures laid out by function are binding, but the menu of the specific program cuts and eliminations are nonbinding. There is plenty of room for adjustment I think in all of the authorizing committees and improvement.

So I too am concerned about some of the suggested cuts, but I plan to work to reform the programs that I believe are most critical to my constituents and the country and develop alternative means of delivering some of these critical services and benefits.

Third, as chairman of the Committee on Government Reform, I am excited about this budget proposal because it is the first major step in fundamentally transforming the Federal Government and redefining the roles of Federal, State, and local governments. I am one Republican who is not afraid to say I think the Federal Government does have important roles to play and some important responsibilities. In some circumstances the Federal Government can and has improved the lives of Americans.

However, I fear we have come to the point where out of control Federal spending and unyielding monolithic bureaucracies have become a threat to American prosperity. The budget we have before us proposed here continues what I think has been a counterproductive movement over the past years.

It is time to redefine the Federal Government's role in society and establish a true partnership. We must recognize the different States and different regions have varying needs, concerns and priorities, and we in Washington do not understand and cannot possibly address. So I would urge defeat of the substitute and support of the Kasich amendment.

Mr. OWENS. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS], the chairman of the Progressive Caucus.

Mr. SANDERS. Mr. Chairman, I congratulate the gentleman from New York [Mr. OWENS] and other members of the Black Caucus for the excellent work they have done.

Mr. Chairman, at a time in which the rich are getting much richer, the middle class is shrinking, and poverty is increasing, the Congressional Black Caucus has come up with a budget that moves us toward a balanced budget, but does not do it on the backs of working people, the middle class, or the poor. At a time in which the rich have enjoyed, over the last decade, huge decreases in their tax burden, the Congressional Black Caucus does not give more tax breaks to the wealthy or the large corporations, but, in fact, provides tax breaks for the middle class and says to the wealthy that it is about time you start paying your fair share of taxes.

Mr. Speaker, the cold war is over. Our standard of living is declining. We have the highest rate of childhood poverty in the industrialized world. It is absurd that the Republican budget proposes to be talking about significant increases in military spending. Now is the time to lower military spending so we can reinvest in this country and provide for the needs of our people.

Mr. Chairman, instead of giving huge tax breaks to corporations and the wealthy, the Black Caucus budget has the guts, uniquely, to demand an end to corporate welfare. When we talk about welfare, most people say that is poor folks. What the Black Caucus budget understands is that large corporations and the wealthy end up with much more in welfare and subsidies. Let us support the Black Caucus budget.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MICA], a distinguished member of the Committee on Government Reform and Oversight.

Mr. MICA. Mr. Chairman, this week I celebrate my son Clark's 16th birthday. I remember the joy and excitement years ago when he was born on May 16, and I felt the same excitement when our daughter D'Anne was born 20 years ago.

I tell you about my two children, my colleagues, because for my wife Pat and I they are the most important things in our lives. When we made the decision to bring them into the world two decades ago, we were optimistic about their future. We had special dreams and hopes for our children. But those hopes for a better life and for a more promising future began to fade several years ago.

That is why 3 years ago I decided to run for Congress. I believed then, and I believe now, that we must change the way this Congress is spending away their future. This week we have an opportunity to change the future direction of our Nation. During my 28 months in Congress I have learned firsthand of the dire straits that I only suspected were the condition of our national finances.

Today, my colleagues, I can confirm that the very financial stability of our Nation is at stake. Every fund has been depleted. We have borrowed against every reserve. Even our Nation's Capital City is in receivership. Every cookie jar has been robbed; every dollar tucked under the mattress has been spent.

For our senior citizens, I believe there is no greater threat to their Social Security or Medicare than to further ignore our responsibility to balance the budget. So now, my colleagues, I urge you to cast a courageous vote, to vote for the Republican alternative, and defeat this amendment, if we are to restore hope for our children and hope for our future.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. FOGLIETTA], chairman of the Urban Caucus.

Mr. FOGLIETTA. Mr. Chairman, we have heard so much from the speakers over the last couple of days, talking about future generations and what we must do to protect the future generations and their lives.

Well, I am concerned about the future generations, but I am also concerned about the young people living today, especially people living in our cities, the poor and middle class, people yearning for a good education, a good home, and for food to eat.

I believe we should be trying to balance the budget. No question about that. But I also believe that we have an obligation, yes, a moral obligation, while we are trying to balance the budget, to provide an education for young people, to provide health care for young people and our senior citizens, to provide mass transportation, food, housing. Yes, we need these things. We need a balanced budget, but we have to, at the same time, provide for the people and fulfill our obligation, our moral obligations, to the people in this Nation, especially the poor, especially the senior citizens and the middle class of our country.

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Mr. OWENS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I rise today in strong support of the Congressional Black Caucus substitute budget for fiscal year 1996. The CBC substitute is a caring budget, it shows compassion for the American people, and is one that the American people can be proud of. It not only balances the budget, the measure is responsive to the housing, health, education, and employment training needs of the American people.

Unlike the Republicans' budget proposal, House Concurrent Resolution 67, which holds our elderly hostage to their compromised health care condition and economic status, the Congressional Black Caucus substitute treats our elderly with the dignity and respect that they not only deserve—but have earned. Adequate funding is provided for the older Americans' programs including essential nutrition programs, low-income home-energy assistance, and assisted housing. Medicare is preserved.

Unlike the Republicans' budget proposal which forces our elderly to choose between food and heat, under the CBC alternative their quality of life is enhanced.

The CBC substitute is also kind to our Nation's children including those yet to be born. It provides adequate funding for Healthy Start, Child Care, and Head Start. Mr. Chairman, our children are our future. They have placed their future in our hands, we cannot sacrifice that trust.

In addition, the CBC substitute budget strengthens support for higher education, student aid, trio, education for the disadvantaged, school reform, biomedical research, and community infrastructure. The CBC has heard the voice of the American people, and responded with a sound budget that is fair, responsible, and overturns the Republicans' assault on our Nation's most vulnerable citizens—the children, the elderly, the veterans, and hard-working families.

Mr. Chairman, the Congressional Black Caucus substitute budget stands on its own merits. I strongly urge my colleagues to join me in supporting this budget which establishes our fiscal policy and priorities in a responsible and compassionate manner.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BAKER].

Mr. BAKER of California. Mr. Chairman, this is the first time in 26 years that we are actually taking the first step toward balancing the budget. That means your grandchildren will not be paying $187,000 in interest payments to the national debt during her lifetime, if she is born today, if we start today. This budget is more of the same. More spending, more taxes, more power in Washington.

We need a capital gains tax, not as a tax for the rich but for those who will create jobs and bring revenue to Washington.

We need the tax relief for the young families, both parents working, so that they can spend not someone else's money but their own. That is what a $500 tax credit does for families with children. We have got to stop the growth of power in Washington. We have got to stop the centralization of regulation in Washington. That is what returning power to local governments is all about. That is what the unfunded mandates bill was all about. We have to stop the overtaxation.

In 1960, we only paid about 10 percent of our income to the government. We are now paying 30 percent. Vote no on this relief. Vote "yes" on the Republican budget.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SHUSTER], the distinguished chairman of the Committee on Transportation and Infrastructure.

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise to announce that I oppose the substitute we have before us now and that I will vote in favor of the Kasich budget, even though I have great concern about the transportation parts of that budget.

Most importantly, to announce that the Speaker today has authorized me to announce that he is forming a task force to address the issue of taking the transportation trust funds out of the general fund budget, that the Speaker himself will chair that task force. And as the Speaker says in the letter making this announcement, "As you know, I have consistently stood with you in support of moving the transportation trust funds off budget."

So this is not the end but, rather, the beginning. I salute the Speaker for his dedication to our finding a way to remove these transportation trust funds from the general fund budget. It is really an issue of honesty in budgeting. We have 206 cosponsors now, I might say a majority of Republicans in the House cosponsoring the legislation. It is time we get on with doing it. I certainly want to compliment the Speaker for deciding that he will chair the task force to find a way to make this happen.

Mr. OWENS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, Mr. and Mrs. Taxpayer, get ready, because after 4 months of blue smoke and mirrors, the Republican budget proposal is getting ready to pick your pockets. It gives a new meaning to the term "out of luck."

If your are on Medicaid or Medicare, you are now out of luck. If you receive unemployment benefits, you are out of luck. If you happen to be a college student or the parent of a college student, you, too, are out of luck. If you believe in the importance of the National Endowment for the Humanities or the National Endowment for the Arts or the Corporation for Public Broadcasting, under the Republican budget proposal, you are out of luck. It gives tax breaks to the wealthy and gets away from the whole notion of trying to do anything about corporate welfare. Spends more money on weapons during a time of peace and plays games under the guise of balancing the budget.

We were given the task to balance the budget also and we have one we believe that is more humane, more dedicated to principle, more honest, more equitably distributed and more, quite frankly, American in many respects because it does not do unto people things that we would not have done to us.

And so I would ask Members of this body, as you watch this debate and as you come to the floor to cast this vote, recognize that we are talking about years of fiscal policy and ask yourself, when you juxtapose these two balanced budget amendments, which one comes the closest to where the American people do?

We believe that the proposal offered by the gentleman from New Jersey and the gentleman from New York that has the support of the Congressional Black Caucus and the Progressive Caucus, meets that challenge. And we are prepared to debate that issue with anybody from the other side on any day and in this debate at any time.

I urge support of this and rejection of the so-called balanced budget amendment by the Republicans.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New York [Ms. MOLINARI].

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Let me remind our guests in the gallery that they are there as guests of the House. The rules of the House specifically prohibit any expressions of support or opposition to any of the speakers on the floor. The compliance of our guests in the gallery would be appreciated.

Ms. MOLINARI. Mr. Chairman, I want to join here today in congratulating the Black Caucus for their exercise. They bring not pretty photographs but ideas, ideas that challenge the majority of Members on the Democratic side and, in fact, ideas that challenge the status quo.

We on the Republican side stand here today to challenge the status quo also because the status quo is a killer. It murders any chance that our young people have of grabbing that brass ring, of dreaming of hope and opportunity, and it cheats everyone of their potentials right in the heart.

Take a look at this chart. This is the chart that we have been talking about, and look at this bottom line. A child born today will pay in taxes on the interest rate close to $200,000 over the course of their lifetime.

The Republicans believe in Robert and Mary and Sally. We believe that, given a fair chance, they can realize their American dream. Congress stands ready to challenge the status quo. Today the Republican Party will do what is right because this chart, this reality is not good enough for any one of your children.

Shame on anyone who fails today to seize this historic moment. Challenge the status quo and balance our budget for all of our children's future.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Chairman, I thank the gentleman for yielding time to me. I thank my colleagues in the Congressional Black Caucus for producing this budget. It is a budget for all Americans and we all thank you for it.

This budget puts people first. It has been said that the moral test of a government is what it does for those who are in the dawn of life, that is its children, those in the sunset of life, its elderly, and those who are in the shadows of life, its sick and its disabled. The Republican budget fails this moral test. The Payne-Owens budget passes this test with flying colors.

My colleagues, let us support a budget that does, in fact, put people first. Let us support a budget for the caring majority. Let us vote yes on the Payne-Owens substitute.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Utah [Mrs. WALDHOLTZ].

Mrs. WALDHOLTZ. Mr. Chairman, for reasons that are becoming ever more apparent for the last several months, I find even more than usual about family and about what kind of legacy this Congress is creating for families.

I thought about my parents, about their 75 years of sacrifice for their family, their children and their country. They have worked hard and saved and they have paid their taxes. They have paid their Social Security. They have paid their Medicare. And I wonder what kind of retirement this Congress envisions for our parents and grandparents with a mountain of debt that threatens Social Security and a Medicare system that if we stand back and do nothing goes bankrupt in 7 years.

I have thought about my child and all of our children, and I wonder what kind of future this Congress wants to leave these children. How will they educate their children and pave their roads and feed their needy and clean their water when they have to pay off the debt we ran up for programs and services we use now but we do not pay for?

Today we have the chance to protect families, to do what we have to do to protect Social Security, to improve and preserve Medicare so our parents and grandparents are secure and safe. We have the chance to ensure our children's future, to end decades of piling debt on our children's head.

My baby and every baby born this year will pay $187,000 in their lifetime for interest on the debt alone. Is that not enough?

It is time to balance this budget for our parents. It is time to balance this budget for our children.

Mr. Chairman, I hope the Members of this House join me in voting for the Kasich budget for our families.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK], a member of the Committee on the Budget.

Mrs. MEEK of Florida. Mr. Chairman, the Congressional Black Caucus adds some truth in packaging for each of you. Each of you has been here all week talking about balancing the budget, but you have not thought about balancing the budget with compassion and with truth to the people of this country. You have not told, as the Congressional Black Caucus has done in their budget, to the senior citizens of this country that they are going to have to pay more than you are telling them.

You have not told them the truth. You have not shown them truth in packaging. The Black Caucus has. It did not cut the Medicaid and the Medicare funds. It did not cut the student loan funds. It did not cut all of these things you cut that you did not have to cut to give tax cuts to the rich.

What they did, they faced reality and showed that this budget could be balanced with compassion, and many of you have said forget about compassion. The CBC did what it should have done. It is highlighting education as its top priority, when we have people in this country who cannot read and write and who are poor because we have kept them there.

Face your conscience. The Black Caucus, I congratulate you.

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Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this substitute, and urge every Member of this House to vote for this historic opportunity to vote for a real balanced budget, and that is the Kasich balanced budget amendment. That is what is going to solve the problems of this country. It is going to return more money to the hard-working taxpayers of this country. That is what is going to be fair to all people all across this country. It does so in such a way that it does not create the kind of division that the Democrats on the other side would like to create in this debate.

Mr. Chairman, this is not about class warfare, this is about protecting the future of our children, our grandchildren, and about what is happening right now in this Congress, and what is happening right now in this country.

The fact of the matter is that with interest rates rising, the fact that the Federal Government borrows $200 million a year means that interest rates continue to rise, and we can save a substantial amount of money if we can balance the budget and go about the business of this country.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois [Mr. HASTERT], the distinguished deputy whip.

Mr. HASTERT. Mr. Chairman, I rise in strong opposition to the pending substitute and in strong support of the Kasich budget.

I have the greatest respect for the Members who bring this alternative to the House, and I appreciate the work they have done to make this substitute in order under the rule.

It is not easy to balance the budget.

If it were, the Congress would have done it years ago.

This budget alternative underscores the differences between Republicans and the more liberal members of the Democrat caucus.

The Payne substitute raises taxes by $700 billion, while cutting defense by $108 billion.

Clearly, this is not the path Republicans or most Americans are willing to take to a balanced budget.

My constituents believe they are taxed too much, and they also understand the necessary role the Government plays in promoting national security.

The Kasich budget provides tax relief, not tax increases.

I am especially pleased about its tax relief to senior citizens, who are now taxed at rates that discourage their active participation in job markets.

The Kasich budget also guards our national defense by keeping our defense spending at levels necessary to keep our people safe.

Mr. Chairman, cutting defense and raising taxes is not the best way to a balanced budget.

The Kasich budget is not painless. It is not perfect. But it is the best way to reach a balanced budget while maintaining a strong defense and providing tax relief to middle-class families.

I urge all Members to vote for the Kasich budget and vote against the Payne substitute.

Mr. SHAYS. Mr. Chairman, I yield 2-½ minutes to the distinguished gentleman from California [Mr. HERGER], a member of the Committee on the Budget.

Mr. HERGER. Mr. Chairman, I rise in strong support of the Kasich budget.

Mr. Chairman, we hear over and over again that the Republican Kasich budget cuts spending to pay for tax cuts for the rich and the privileged, even though the other side of the aisle knows that we are increasing spending by $1.2 trillion under our budget, and even though they know that we are increasing spending on both Medicare and education.

Mr. Chairman, this class warfare argument pits Americans against Americans. In 1993, even though the President campaigned on a middle-class tax cut, he gave us the largest tax increase in history, $240 billion. All we are trying to do in our Kasich budget is give Americans back some of the hard-earned dollars that the Clinton tax increase took away 2 years ago.

Let us look at the facts. In our Contract With America, we provide much needed tax relief to 42 million middle-class Americans. Mr. Chairman, 75 percent of tax cuts go to families. Seventy-four percent of these families eligible for the $500 per child tax credit earn less than $75,000 a year.

Mr. Chairman, the second biggest falsehood levied by the other side is that the wealthy do not pay enough in taxes. Make no mistake, the better off in this country do carry a heavy share of the tax burden. I ask Members to judge for themselves.

According to the latest data available, the top 1 percent of income earners paid 27.4 percent of all Federal individual income taxes. The top 10 percent of wage earners paid 57.5 percent of total taxes, and the top 50 percent paid almost 95 percent, the top 50 percent paid almost 95 percent of total income tax.

Mr. Chairman, the question can be asked "Whose money is this? Are these Washington dollars?" No, this money belongs to the American families, the small business owners, and the family farmers that make up this great Nation of ours.

All we are trying to do in the Republican Kasich budget is give back to the American people a portion of what the Clinton tax increase took away 2 years ago. Vote "yes" on the Kasich budget.

Mr. OWENS. Mr. Chairman, do I understand correctly that this side has the right to close?

The CHAIRMAN. No. The Committee has the right to close.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Mr. Chairman, I am proud to rise in strong support of a truly alternative budget. This proposal offered by the CBC balances the budget by making those responsible for the deficit pay for a change.

Working families have been paying more than their fair share of taxes all along. While the Republicans scapegoat Medicare and student loans as the culprit, the fact of the matter is that corporate welfare stars have been sponging off the American taxpayer family for decades.

The CBC budget closes the tax loopholes and giveaways, from which the Rupert Murdoch's of this country have benefited since the trickle-down years of the 1980's. Moreover, the CBC budget strengthens the programs which educate our children and heal our elderly.

Mr. Chairman, the CBC alternative budget does not cut Medicare to give the biggest tax grab in history to the privileged few. It is time to go after corporate welfare, not Medicare. Vote for the CBC budget alternative.

Mr. SHAYS. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP], chairman of the Committee on Veterans' Affairs.

Mr. STUMP. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in opposition to the substitute.

Mr. Chairman, on what I consider to be the most important vote of my entire political career, I rise in the strongest possible support of this budget resolution. I have waited for the day when Congress would pass a truly balanced Federal budget through 40 years of public service at the State and Federal level, including leadership roles in both the Democratic and now Republican parties. The rising national debt and interest on that debt have created a crisis which Congress must face now. It is truly a matter of saving our country from financial ruin. Our children and grandchildren will either inherit a declining standard of living or gain freedom from the financial excesses of our generation.

Everyone in America will benefit from the long-term effects of balancing the Federal budget. Many Members have already highlighted much of the rationale for supporting this resolution so I will not repeat those arguments. As chairman of the House Committee on Veterans' Affairs, however, I do want to address the concerns of Members worried about potential impacts on veterans and the VA. Dire predictions of numerous hospital closings and other consequences have been circulated in an effort to generate opposition to this resolution. Let there be no doubt, balancing the budget will be extremely difficult and the VA will share in those difficulties. But this is the beginning of the budget and spending process, not the end. I can assure all Members that the Veterans' Affairs Committee will remain committed to achieving adequate funding for the VA health care system. I am proud of my record of support for veterans during the time I have been privileged to serve in the House of Representatives. I thoroughly intend to continue that record of support for those who have worn our Nation's uniform. When I leave political life and retire from public service, I believe I will be able to look veterans straight in the eye and honestly say I fulfilled my responsibilities to them. Every election campaign, I have promised veterans in my district that I was on their side, and in my heart I know I have been true to that promise. Voting for this resolution will not break that promise.

But, every election campaign I also promise that I am absolutely committed to balancing the federal budget and reducing the national debt. When I consider all the ramifications of whether we balance the budget by the year 2002, the most important people that come to mind are my own grandchildren and all the children of America.

For years, I have been very apprehensive about the legacy my tenure in Congress would leave to the children growing up in America today. The runaway national debt and the mounting interest payments needed to service that debt are stealing their future economic opportunity and prospects for a better standard of living than we are enjoying.

If I vote against this resolution, for any one parochial or political reason, how can I ever look my own grandchildren in the eye and honestly say I fulfilled my responsibilities to them?

The votes we cast today begin the budget process not end it. The House will work all summer on authorizations, appropriations, and reconciliation. I would say to all Members that I will work with them to identify the best possible way to help the VA health care system continue providing access to quality health care for eligible veterans over the next 7 years and beyond. I believe the dire predictions we are hearing about VA health care are premature. Administration officials know this is only the beginning of the budget process. As a matter of fact the President's budget proposal projected about the same spending level for VA health care over the next 5 years as is proposed in the House budget recommendations. It is totally inconsistent for the administration to argue that the House budget forces hospital closures and theirs does not.

Mr. Chairman, I would conclude by saying to my colleagues, we can either pass a balanced budget and work to protect high priority veterans' programs. Or we can continue business as usual, ignore our national financial crisis, and add to the debt our children will have to repay. Vote for a balanced budget and leave a legacy to America's children that we can all be proud of.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. BOEHNER], the chairman of the Republican Conference.

Mr. BOEHNER. Mr. Chairman, today is the proudest day of my career here in Congress. When I came here 4½ years ago, I came here to try to change the direction of this Government to ensure that my children and the Members' children have a better opportunity in the future than what we have today. Fourteen years ago when I first got myself involved in Government service, it was not for me that I got involved. It was because a Government that was out of control and out of touch with the American people needed to be reined in.

Today truly is a historic day in not only my career, but the career of every Member that is here, and a historic day for the American people, because today we are taking the first step in our effort to balance the budget and to restore the American dream for my children and every child in America.

I am also very proud of my colleagues, who today will cast their vote in favor of going down this path to not just balance the budget, but to renew the American dream; that the actions that we take today will decide the future for our children and theirs.

The question today that we have to ask ourselves is do we have the courage to change; do we have the courage to do the right thing for our children and yours; or are we going to shrink from the battle, shrink from the pressures of today, and sell our children and yours down the road as we have done for the last 25 years?

Mr. Chairman, I know that I am proud of my colleagues who today will cast their vote to do the right thing for their children, the right thing for their grandchildren, the right thing for senior citizens in this country who are threatened from a Government that is near fiscal bankruptcy and a country that is near moral bankruptcy. Therefore, the votes we cast today are important. Again, they are not about us, they are about our children and yours.

Mr. OWENS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise in strong support of Owens-Payne substitute.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, the Black Caucus budget has been an indispensable part of this process, because it demonstrates that we can balance the budget without robbing grandmothers and parents and kids and the pensions of Federal employees.

However, I want to challenge the assumption of this entire 2-day debate. Mr. Chairman, I balance my budget, but that is because I did not pay cash up front for my house. I balance, as businesses do their budgets, because they do not pay up front for equipment the way we pay up front for bombers and submarines.

We have been on an insane path to balance the budget with cash money, in a way that must make States and localities and businesses laugh at the top of their voices, because they do not have a unified budget the way we do; they have a capital budget, and an operating budget. We can never balance the budget fairly this way.

We are trying to balance the budget in a radically destructive, uniquely damaging way. The people who sent us here did not expect us to go stupid on them.

Mr. SHAYS. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. LATHAM].

Mr. LATHAM. Mr. Chairman, I rise in opposition to the Owens budget, and in support of the Budget Committee's budget.

Mr. Chairman, I rise in strong opposition to the budget alternative offered by Mr. OWENS and in support of the Budget Committee's balanced budget resolution.

While I disagree with almost all of the specifics of this budget, I commend the author for having the courage to put on paper what the President and leadership on the other side of the aisle only dream about.

Massive tax increases, massive spending increases on virtually every part of the Federal budget, dismantling cuts in national security.

However, at least you have had the courage to participate in the debate. It is a sad commentary that the leadership of your party has chosen to stand on the sidelines.

I would like to say a few words to my colleagues who have produced this budget and the earlier coalition budget as you consider whether to support final passage of a balanced budget.

After 25 years the time has come to stop pouring ever-increasing debt obligations on our children and grandchildren.

During the recent district work period, at every one of my 16 town meetings, the voice of the people of Iowa's fifth district was clear—the time has come for us all to stop worrying about our parochial interests and put this country's future first.

Why should we work to balance the budget? A recent article in Time Magazine noted these likely benefits from balancing the budget.

Through lower interest rates, more than $28,000 saved on the purchase of the average home.

Boosts the average family's take-home income by $1,000 per year.

Creates 2.4 million additional jobs by 2005.

Reduces our projected national debt by more than half a trillion dollars.

Brings our national savings rate in line with economic competitors, and

Provides a $500 per child tax credit for virtually every American family and tax relief for older Americans.

What do the opponents of the balanced budget offer?

We have yet to see a balanced budget proposed by the White House or the leadership other party.

Some are even now saying we should never balance the budget—that our children's future is less important than preserving the status quo.

They have offered only fear, class warfare, empty slogans, and criticisms that ring hollow in view of their failure to offer an alternative.

There is no easy way to balance the budget, and not one Member of this House supports every single item in this bill.

But, for 25 years, Congress has failed to own up to its obligation to be fiscally responsible. Today, we can make history and restore to this institution.

Vote "yes" on final passage of the Republican balanced budget. Vote "yes" to control spending, cut taxes and, once and for all, end deficit spending.

Mr. OWENS. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I rise in support of the Payne-Owens amendment.

Mr. Chairman, I rise in opposition to House Concurrent Resolution 67 and in support of the Payne-Owens substitute, offered on behalf of the Congressional Black Caucus. The CBC alternative stands in stark contrast to the proposal presented by the Republican majority.

The Republicans offer tax breaks to higher income Americans in exchange for reductions in medical care to older Americans; dramatically cut Federal spending under the guise of saving the next generation, while reducing education programs critical for the success of millions of that generation; and assume block granting and funding reductions in safety net programs, while reducing opportunities for training and self-sufficiency. In contrast, the Payne-Owens substitute recognizes the need to protect America's most vulnerable and invest in its people.

While I have reservations about aspects of the Payne-Owens substitute, the CBC has been forced to draft its budget under the Republican-imposed constraint of balancing the budget by the year 2002. I understand the virtue of a specific timetable to accomplish a goal. However, when faced with the magnitude of cuts necessary to achieve that goal, it is unconscionable that the majority will neither consider compromising on that time table nor scaling back on their fiscally irresponsible and unfair tax cut proposal.

The crisis facing this Nation is not the one envisioned by the Republicans if we fail to agree to the arbitrary goal of balancing the budget by 2002. The true crisis resides in our educational system; in our inability to train Americans and move them off welfare; in our decaying urban centers; and in our inability to ensure affordable health care to all Americans. The Republican budget exacerbates these crises by assuming drastic reductions in programs which seek to address them.

Republicans insist they are not cutting Medicare to finance their tax cut proposal. Yet the Congressional Budget Office projects that the level of Medicare spending allowable under the GOP budget is significantly less than the amount necessary to maintain benefits under current law.

Rather than address Medicare and Medicaid in the context of comprehensive health care reform, the GOP budget reduces Medicare spending by $288 billion over the 7 years between 1996 and 2002. It is estimated that this cut will produce an increase in out-of-pocket expenses for recipients of $3,500 over the next 7 years.

Funding for Medicaid is reduced by $187 billion over 7 years—a cut of about one-third. Medicaid serves a diverse population of about 33 million people—60 percent are children, four million are elderly. Nearly 60 percent of health costs for the 2.9 million long-term care patients in America are paid for by Medicaid. Under Republican budget plans, nearly seven million children and one million elderly and disabled persons could lose coverage.

The Republican budget assumes reductions in welfare spending, while cutting job training funds by $1.4 billion between 1996 and 2002—undermining their rhetoric about the need to transform welfare recipients into productive citizens.

Reductions in Federal education programs include some of the most short-sighted provisions in the Republican budget resolution. The cycle of dependence decried by the majority must first be addressed in our schools. Yet the Republican proposal reduces Head Start by $209 million. The budget assumes elimination of title 1 concentration grants—providing supplemental funding to assist low-achieving students, drug abuse and violence prevention programs, and the five TRIO programs. The latter programs have successfully encouraged young people from disadvantaged backgrounds to enter and complete college.

For the average college student receiving loans, the elimination of the in-school interest exemption will add over $3,000 to the cost of a college education. These middle- and lower-income students and their families already face a rising financial burden in the quest for higher education. The budget cuts funding for libraries and numerous higher education grants, fellowships, and scholarships.

While the Republican budget reduces funding for education and training programs, the Congressional Black Caucus substitute calls for a 25-percent increase in education and training over the current funding level. This is an investment of $154 billion more than the GOP budget over 7 years. The substitute provides full funding for the Head Start program by fiscal year 2002, increased funding for the Summer Youth Employment program, and more funds for Job Training Partnership Act programs.

If these programs need reform, then let's reform them. Elimination of these investments is a poor and cynical alternative to reform.

I have strong reservations about specific proposals included in the CBC alternative. While defense spending must continue to be scrutinized in the post-cold-war era, we must also take care to ensure our military readiness in the face of continued uncertainty around the world. I am also concerned that revenue proposals included in the alternative may be too harsh in their treatment of the business sector. Notwithstanding these reservations, I support the CBC budget as a symbol of the Caucus' continued commitment to inject into budget debates the importance of investing in the human capital of this Nation.

Republicans contend that unless we balance the Federal budget by 2002, we risk the well-being of the next generation of Americans. I do not dispute the need for fiscal responsibility. But I do strongly dispute the notion that an expanding American economy will benefit millions in that next generation if they are denied the tools to share in prosperity. It has not happened in the past, and it will not happen in the future. Overcoming poverty, dependency, and illiteracy requires compassion, investment, and creativity. The majority's budget is absent these ingredients.

I urge my colleagues to support the Payne-Owens substitute, and oppose House Congressional Resolution 67.

Mr. OWENS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I rise to support the Congressional Black Caucus and the Owens and Payne amendment budget resolution.

Mr. OWENS. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I am delighted to once again support the Congressional Black Caucus alternative budget, along with the Progressive Caucus.

Mr. Chairman, I rise today to support the Congressional Black Caucus and Progressive Caucus budget and to urge my colleagues to vote in support of this balanced, caring approach to Federal spending.

Unlike the Republican budget, which fufills their "Contract with Corporate America", this budget fufills our contract with the American people. This budget is a caring budget that does not unfairly balance the budget on the backs of our Nation's children, elderly, poor, or working class. Our budget is evenhanded, it meets the economic and social needs of everyday Americans, and it promotes fiscal responsibility by balancing the budget by 2002.

The most important distinction between our budget and the majority's budget is our investment in our future. The majority wishes to balance the budget by 2002 so that our children will not have to pay for our excesses—but then the GOP goes on to deny children the very thing that will allow them to be competitive in the global market: A complete education.

We completely reject the notion that eliminating the Department of Education and reducing funds for libraries, Head Start, and the TRIO Program for first-generation college students will improve America—and the American public is on our side.

In addition, unlike the GOP budget, our budget does not give tax breaks to the wealthiest Americans. In fact, our budget cuts taxes for working people and closes corporate tax loopholes. Now is the time to end corporate welfare, and our budget does this.

We have also protected important job training and job creation programs, and have proposed targeted increases. It is foolhardy to believe that eliminating job training and creation programs will make our economy stronger. We must continue to dedicate resources toward expanding our economic foundation.

Finally, the CBC budget continues the tradition of advocating a saner defense budget. It is immoral to propose cutting education, workers' assistance, and other social programs without making substantive cuts in military spending.

Mr. OWENS. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. FORD].

Mr. FORD. Mr. Chairman, I rise in support of the Payne-Owens Congressional Black Caucus substitute, for their leadership and courage to say that the Members of this House ought to look at corporate welfare and how we ought to balance this budget, and not on the backs of everyday people in America, and let us get on about the business.

Mr. OWENS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON].

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise in support of the Congressional Black Caucus budget

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Ms. BROWN].

Mr. FORD. Mr. Chairman, would the gentlewoman yield?

Ms. BROWN of Florida. I yield to the gentleman from Tennessee.

Mr. FORD. Mr. Chairman, I would ask the gentleman from Connecticut [Mr. SHAYS], if he would have any time he could yield to this side of the aisle.

Mr. SHAYS. Mr. Chairman, I would say to the gentleman, we are not quite sure. If the gentleman wants to come over here, I am happy to talk to him.

Ms. BROWN of Florida. Mr. Chairman, I hope Members can see this picture. This is a picture of Claude Pepper from Florida, a true champion of the elderly. He would be outraged over the attempt to reduce Medicare and Medicaid to a second-rate health care system so Republicans can pay for a $355 billion tax cut for the wealthy. Veterans fare no better in this cruel Republican budget, which destroys the heart of the VA program, especially in Florida, where almost 100 new veterans arrive daily.

□ 1445

The Congressional Black Caucus budget is good for America's majority, for the elderly and veterans. It includes increases for Medicare and homeless programs. This caring majority budget remembers veterans and not just on Memorial Day. It also remembers the elderly and would be a tribute to Claude Pepper.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New York [Mr. LAZIO], a member of the Committee on the Budget.

Mr. LAZIO of New York. Mr. Chairman, I want to congratulate Members on the other side for taking the time and being dedicated enough in our single objective of moving to a new America, and drawing up this budget and offering it on the floor.

But, Mr. Chairman, this is the kind of budget we are trying to move away from. We are moving away from the concept of increased taxes, of job-destroying taxes. We are moving toward a world in which there is job growth and opportunity.

Our budget, the Republican budget, seeks to cut spending. It seeks to do that by restraining the growth of spending. In doing that, we are trying to provide opportunity for the next generation.

The answer to this is not to defend the status quo. The people of American are ready for the tough choices. The Republican budget in fact does not punt when it is asked to deal with the tough choices. It takes them head-on.

The Congressional Black Caucus budget is projected to cost about $12.75 trillion over 7 years. That is almost $850 billion above the House Budget Committee proposed level. It is spending that will be a sure recipe for disaster.

I congratulate my friends on the other side of the aisle, but I tell you that our children cannot afford this budget. It is a recipe to diminish hope and opportunity. It is not a budget that will restore growth. It will not put us on a path toward growth.

Mr. OWENS. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I rise in support of this CBC budget alternatives. This budget is about jobs. It is about job training, job security, and job creation.

There is a lot of discussion about homelessness. If you want to get the homeless off the street and the dole, we need to provide them with jobs and job training. This budget funds job training for the homeless.

We can get rid of crime and youth violence with jobs and job training. This budget funds a variety of programs to train young people. The young people of this Nation truly need these jobs this summer. We fund the Youth Fair Chance Program, a program that will get troubled young people back into the mainstream with education and jobs.

We have the best welfare reform in this budget for welfare recipients. Welfare recipients need jobs and job training. This budget does that. It also funds rent reform so that public housing recipients can go to work and get off welfare.

Many formerly middle-class workers now work in entry-level jobs because they have not learned new skills. This budget would invest in retraining and economic conversion so laid-off workers can learn a skill and return to jobs which provide a decent standard of living.

If you believe the private sector must lead the way in economic development, this budget would restore and expand funds for community development banks. Community development banks create small businesses. Small businesses create jobs. The best social program in the world is a job.

Finally, the Republican budget is the budget that protects the big corporate welfare interests, the Wall Street robber barons and the big corporate tax manipulators. The CBC budget is a budget of working people, the middle class, of children and the poor. Let's bring hope, not despair, to America. Support the CBC budget.

Mr. OWENS. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, we are down to two plans for balancing the budget, and one fundamental choice—Medicare, or CorporateCare. Do we fund tax breaks for the corporate America and the wealthy, or preserve health benefits for the elderly? The Kasich budget chooses the wealthy; the caring majority budget chooses the seniors and working families.

The Republican budget rolls back Medicare benefits, ends college aid programs, and slashes spending for child nutrition.

Who gains—the rich. They get almost $300 billion in tax breaks.

The caring majority budget stands on the side of the American people. It fully funds Medicare and Medicaid, stops backdoor attempts to cut Social Security, and invests billions more in education, job training, and job creation.

How do we do this—by closing tax loopholes for the rich, ending corporate welfare programs, and drafting the first sane, post-cold-war defense budget.

Republicans and Democrats both have plans for balancing the budget. The only difference is who benefits—the wealthy, or the working people of this country.

Mr. OWENS. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I rise to support the budget proposal of the Congressional Black Caucus.

I am voting for this budget, not because I favor every detail, in fact there are choices that the authors of this budget have made to which I strongly object. However, the general trust of this budget is on target.

This is a balanced budget. It gets to balance through reasonable cuts in corporate welfare and reductions in waste at the Pentagon.

This budget protects Social Security and Medicare. And it provides for an increase in the most important investment we as a nation can make—education.

The Republican budget, on the other hand, gives a huge tax cut for profitable corporations an the wealthy. It actually increases military spending, while making deep cuts in Medicare. What's worse, it cuts Social Security cost of living adjustments, violating the promise made by Republican leaders.

The Republican budget is a prescription for the continued decline in living standards for working American families.

Mr. OWENS. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I rise in support of the CBC alternative budget.

Mr. OWENS. Mr. Chairman, to close debate, I yield the balance of the time to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. The gentleman from California is yielded 4 minutes by the gentleman from New York [Mr. OWENS].

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] is recognized for 5 minutes.

Mr. DELLUMS. Mr. Chairman, I thank the gentlemen for their generosity on both sides of the aisle.

Mr. Chairman, we come to the closing moments of this debate. Let me say, as I have said on more than one occasion, that today we engage in perhaps the most important function that a public servant can engage in, and, that is, the adoption of our national budget. Because I believe that our national budget is the best reflection of our national values. For one can determine the nature of our commitment to our future, to our populace, to our children, to our unfortunate, to our disadvantaged, to the less fortunate people in our society by a simple examination of our budgetary priorities.

The second point I would make, Mr. Chairman, is this: Every single budget that has come to the floor today, including the one before us now, balances the budget by the year 2002 that was the prerequisite that allowed any budget alternative to come to the floor.

Thus the debate, Mr. Chairman, is not whether one budget or the other balances but what road, what route, which direction, what values, what priorities are embraced by that national budget.

I am pleased to rise in support of the Congressional Black Caucus/Progressive Caucus budget because it is the only budget before this body that simultaneously does three things:

First, it provides for a comprehensive approach for the effective maintenance of our national security. Second, it provides for a civil investment program that allows all of us here to carry out our significant and important constitutional responsibilities to provide for the common good and to promote domestic tranquility. Third, it places us on the path of tax equity and tax fairness for all of our people.

In the moments I have remaining, let me focus on the issue of an effective national security strategy.

Mr. Chairman, it goes beyond simply placing billions of dollars in a huge military budget. I would submit that there are three elements of an effective national security strategy:

First, a healthy vibrant and vital economy and an able citizenry that is well-educated, well-trained and highly motivated to participate in the political process, allowing us to continue to struggle over the health of our economy, the quality of our lives and the vibrance of our institutions.

Mr. Chairman, with respect to how we address that, we must then fund, more than adequately, education, health, and job training. There must be a commitment to technological and infrastructure development. We must continue to remind ourselves of the significant contribution that comes to us by virtue of our investment in physical and social research, just to name a few.

The second element of an important national security strategy is a comprehensive, thoughtful, well-thought-out, well-funded foreign policy that does several things: promotes regional and international stability by working with our allies and other nations in the world. Second, to promote democracy and human rights, precluding internal conflicts that danger and threaten the security; and, third, to deter war, not by violence and militarism but by the use of diplomacy and other significant nonviolent tools that are at our disposal in the international arena as we carry out our international discourse.

Mr. Chairman, the third element is a sufficient military force to carry out our responsibilities in a rapidly changing world, to address the threats and the challenges that are out there.

I believe that the Congressional Black Caucus budget has done all of that.

Let me place this latter point in proper perspective: We are now, Mr. Chairman, in this country spending as much on our military budget, almost as much as every other Nation in the world combined spends on its national military budgets.

If you add our European allies and our Asian allies into that equation, our friends and the United States spend in excess of 80 percent of the world's military budget. Thus less than 20 percent can be designed to finance any of our potential adversaries.

Question: Why do we need so much money when the cold war is over?

To conclude quickly, Mr. Chairman, I urge my colleagues to support the Congressional Black Caucus effort. It is magnificent as we move to enhance the quality of life for our children and our children's children.

Mr. SHAYS. Mr. Chairman, it is my distinct honor to yield the balance of our time to the gentleman from Texas [Mr. ARMEY], our majority leader.

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] is recognized for 6½ minutes.

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, let me begin by paying my respects to my friends in the Congressional Black Caucus. Once again as they do every year, they have brought together a budget; they have risen to the occasion and they have put good work into their effort.

Let me assure my friends, it is with a certain amount of regret that I must encourage Members not to vote for your budget, but my statements are made nevertheless in total respect for your good effort.

Mr. Chairman, this debate, this great debate over how and whether we balance the budget, should conclusively prove to America that real and fundamental change has come to the people's House.

For the first time in more than a quarter century, we are actually going to balance the budget of the United States.

Some here today have suggested that we should not; others have argued that we cannot, that the task is too difficult, the choices too tough.

I say to my colleagues, now is the time to stop robbing our children and grandchildren; now is the time, at last, for us to give up the false promise of big Government and deficit spending.

Now is the time to do what is right, to restore the American Dream.

This Republican Congress will neither gamble with the future of our children, nor break our bond with our seniors.

Today is an historic day, but we must keep it in historical perspective.

We just finished celebrating the 50th Anniversary of V–E Day. We honored the courage, the heroism, and the sacrifice of a generation that guaranteed our freedom, and restored liberty to Europe.

They faced far, far tougher foes than simple red ink.

Compared to their sacrifices on the beaches of Sicily, the cliffs of Normandy, and in the forests of the Bulge, our task pales by comparison.

Those brave Americans risked life and limb so that their children would live free. Today, that freedom is at risk again—not because of the military muscle of a foreign power, but because politicians didn't have the courage to do what we will do today.

This debate is about much more than dollars and cents or dueling charts and graphs.

It is about morality; about whether or not one generation will continue cheating the next.

If our children are to live as freely, as proudly, and as happily as we live, then it is time to quit the political posturing and balance the budget.

Will our task be difficult? Things worth doing usually are.

Will it cause discomfort? Freedom sometimes does.

Will it require courage? That is what being American is all about.

Let us suffer no illusions. Those who fear change, those who profit from the status quo, those who have ruled Washington for decades, will fight us at every turn.

Today, the party that once rallied the Nation with "we have nothing to fear but fear itself," has nothing to offer but fear itself.

But the politics of fear never works in America, because America is a Nation of optimists.

Americans want a smaller Government. They demand tax relief. And they reject business as usual.

Now it is up to us. For, today we must decide what kind of a nation we will be.

We can, as some in this body and in the White House have suggested, do nothing. We can keep on spending, and spending, and spending, giving no thought to what it will do to our future, our families, and our Nation.

Or we can pass the Kasich budget, restore the American Dream, and head into the 21st century with our heads high, our fiscal house in order, optimistic, and full of hope.

Mr. Chairman, I ask my colleagues to vote for freedom, hope, and vote for responsibility. Vote for the Kasich budget.

Miss COLLINS of Michigan. Mr. Chairman, I rise today in support of the Congressional Black Caucus alternative budget. This budget demonstrates a commitment to the American people. We will not sit idly by and merely cringe at the possibility that money will be taken out of the homes, and food off the tables, of millions of Americans.

The CBC budget calls for spending much less on defense than the Republican proposal. The disproportionate ratio of defense spending to domestic investment is outdated. Believe it or not, we are at peace. We must have the courage to go further in investing in our human capital.

Those who can least afford cuts—the poor, American children, and the elderly—should not be required to bear the brunt of the Republican agenda. I ask, Mr. Chairman, is human life not more important than big business? The CBC alternative budget calls on corporations to bear their fair share of the burden.

The CBC alternative budget will invest in the programs people really need. Funding for Medicare and Medicaid will be maintained. In addition, education and job training will take high priority.

We must again invest in our people and their institutions. This investment will stimulate economic growth and promote the democratic ideal of human dignity. Our conscience mandates that we do no less.

I stand before you today on behalf of the tens of millions of Americans who cannot stand for themselves. For them, I ask my colleagues to balance this country's need for fiscal responsibility with compassion for those Americans who work hard every day but who are still unable to provide for their families; elderly Americans who have worked hard their entire lives only to be told by members of the majority party that Medicare is being abolished to provide tax breaks for the wealthy; and the millions of American youth who rely on summer jobs to help care for their families and keep them off the streets.

I stand today to plead with my colleagues to consider the severe consequences of failing to provide for important programs like Headstart and Summer Youth Employment. Headstart helps ensure that millions of poor children in this country will receive the opportunity for a basic education. And Mr. Chairman, I don't have to remind this body of the critical state of education in America. Headstart is the best start we can give to our youth, who alone will determine the future course of this great Nation. By providing our youth with summer jobs, we provide them with an alternative to the tragic influences of crime that so terribly plague our Nation's cities. I would remind my colleagues that it costs millions less to offer summer jobs than to build and maintain prisons. This is a program that just plain makes sense.

I further plead with my colleagues to remember that this Nation's greatest asset is compassion. As we vote on the most important piece of legislation in this Congress, I ask my colleagues to not only show compassion but vision, for without this vision, Mr. Chairman, our Nation shall surely perish.

I urge my colleagues to support the Payne-Owens/Black Caucus substitute.

Mr. SERRANO. Mr. Chairman, I rise in support of the budget for the caring majority offered by Mr. PAYNE and Mr. OWENS.

As I mentioned yesterday, this entire process is flawed because every alternative presented to the House must balance the budget by fiscal year 2002, which some economists fear would pull resources out of the economy too abruptly. The Payne-Owens substitute was developed within this artificial restraint.

But the Payne-Owens substitute is by far the best of the proposals before us today. Its assumptions are far fairer than those behind the other proposals, increasing revenues as well as cutting spending and putting defense on the table along with domestic programs. It protects essential Federal functions from the budget axe and makes needed investments in our Nation's future.

On the revenue side, the substitute would give individuals an income tax credit to offset 20 percent of Social Security payroll taxes—a major, if necessary, burden on working families.

Revenues would come from increasing certain corporate and business taxes, eliminating certain tax subsidies for businesses, and raising the tax rate on capital gains.

On the spending side, the Payne-Owens substitute would cut defense spending to a level more in line with the world we're living in today, while providing the resources to continue our role in international affairs.

It would protect Social Security, Medicare, and Medicaid and increase our investments in education and training programs.

It would continue the crucial Federal role in public health and biomedical research and further our commitment to a cleaner environment and to biological diversity.

It would address the failings of our welfare system by maintaining Medicaid, AFDC, and school lunch as entitlements, creating jobs, and increasing support for child care.

It would balance violent crime enforcement programs by strengthening prevention and increase funding for juvenile justice, weed and seed, drug courts, and ounce of prevention.

Mr. Chairman, this is the best alternative before the House today. It would bring our Federal budget into balance in fiscal year 2002 without making the Federal Government unable to protect the Nation's health, safety, and environment, or provide a safety net for the most vulnerable of our people.

I urge my colleagues to support the Payne-Owens substitute and, if it does not pass, to oppose the Republican budget.

Ms. BROWN of Florida. Mr. Chairman, I rise in support of veterans and the elderly and in support of the Congressional Black Caucus budget.

Our seniors who rely so heavily on Medicare and Medicaid will be especially hard hit by Republican budgets. Hurting seniors and destroying veterans health care is the Republican plan for America. Claude Pepper, a true champion of the elderly, would be outraged with the attempt to reduce Medicare and Medicaid to second-rate health care systems so Republicans can pay for a $355 billion tax cut for the wealthy.

Veterans fare no better than seniors in the cruel Republican budget. Republican budget cuts destroy the heart of VA programs. VA's health care system suffers from years of underfunding; many of its facilities are old and in need of repair. Gutting construction funds to update VA's infrastructure will destroy veterans' health care—especially in Florida where almost 100 new veterans arrive daily.

The Congressional Black Caucus budget is good for America's majority, for the elderly, and veterans. It increases the President's fiscal year 1996 budget for veterans by $175.3 million. It includes increases for medical care and homeless programs, and recommends new construction funding for VA medical centers to meet increasing needs. This caring majority budget remembers veterans—and not just on Memorial Day. It also remembers the elderly.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise today in strong support of the Congressional Black Caucus substitute budget for fiscal year 1996. The CBC substitute is a caring budget, it shows compassion for the American people and is one that the American people can be proud of. It not only balances the budget, the measure is responsive to the housing, health, education, and employment training needs of the American people.

Unlike the Republicans' budget proposals, House Concurrent Resolution 67, which holds our elderly hostage to their compromised health care condition and economic status, the Congressional Black Caucus substitute treats our elderly with the dignity and respect that they not only deserve—but have earned. Adequate funding is provided for the older Americans' programs, including essential nutrition programs, low-income home-energy assistance, and assisted housing. Medicare is preserved.

The lives of more 2,000,000 Medicare seniors in Texas would be dramatically impacted, and by the year 2002 each Medicare senior in Texas would be asked to pay an additional $1,112 out-of-pocket expenses. Each would be forced to pay $4,000 more for fiscal years 1996 through 2002 to make up for the cuts. We want the future to be free but not on the backs of seniors and those most vulnerable. Unlike the Republicans' budget proposal which forces our elderly to choose between food and heat, under the CBC alternative their quality of life is enhanced.

The CBC substitute is also kind to our Nation's children, including those yet to be born. It provides adequate funding for Healthy Start, Child Care, and Head Start. Our children are our future. They have placed their future in our hands, we cannot sacrifice the trust.

In addition, the CBC substitute budget strengthens support for higher education, student aid, TRIO, education for the disadvantaged, school reform, biomedical research, and community infrastructure. The CBC has heard the voice of the American people, and responded with a sound budget that is fair, responsible, and overturns the Republicans' assault on our Nation's most vulnerable citizens—the children, the elderly, the Veterans, and hard-working families.

The Congressional Black Caucus substitute budget stands on its own merits. We know we must maintain a strong national defense—but we also know we must establish our fiscal policy and priorities in a responsible and compassionate manner.

□ 1500

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from New Jersey [Mr. PAYNE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OWENS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 56, noes 367, answered "present" 1, not voting 10, as follows:

[Roll No. 344]

AYES—56

Becerra
Bonior
Brown (FL)
Clay
Clayton
Clyburn
Collins (IL)
Collins (MI)
Conyers
Coyne
DeFazio
Dellums
Dixon
Engel
Fattah
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Gonzalez
Green
Hastings (FL)
Hilliard
Hinchey
Jackson-Lee
Johnson, E. B.
Lewis (GA)
Martinez
McDermott
McKinney
Meek
Mfume
Miller (CA)
Mink
Nadler
Oberstar
Owens
Payne (NJ)
Rangel
Reynolds
Sabo
Sanders
Scott
Serrano
Stark
Stokes
Thompson
Torres
Tucker
Velazquez
Waters
Watt (NC)
Woolsey
Wynn
Yates

NOES—367

Abercrombie
Ackerman
Allard
Andrews
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Coleman
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra

Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meehan
Menendez
Metcalf
Meyers
Mica
Miller (FL)
Mineta
Minge
Moakley
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Bishop

NOT VOTING—10

Archer
Berman
Flake
Kleczka
Livingston
McNulty
Mollohan
Rush
Towns
Waxman

□ 1522

The Clerk announced the following pair:

On this vote:

Mr. Rush for, with Mr. McNulty against.

Ms. PELOSI changed her vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BONO. Mr. Chairman, on today I missed the following votes: On rollcall No. 342, Gephardt, substitute, I would have voted "no," on rollcall No. 343, Neumann substitute, I would have voted "no," and on rollcall No. 344, Payne substitute, I would have voted "no."

The CHAIRMAN. The only further amendment in order under House Resolution 149 is an amendment in the nature of a substitute by the minority leader or his designee, based upon a revised budget submission by the President, if printed in the RECORD by the minority leader not later than May 17, 1995. Such an amendment was not so printed. Consequently, no further amendment is in order.

Pursuant to the rule, a final period of general debate is now in order.

The gentleman from Ohio [Mr. KASICH] will be recognized for 5 minutes, and the gentleman from Minnesota [Mr. SABO] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I am pleased to rise in support of the measure.

Mr. GILMAN. Mr. Chairman, I rise in support of the budget resolution offered by the gentleman from Ohio [Mr. KASICH], and in opposition to the alternative budget resolutions to be offered on the floor today.

I congratulate the chairman of the Budget Committee for his outstanding, groundbreaking leadership in putting together this budget resolution, helping all of us carry out our promises to bring our budget into balance. None of us want to leave our children and grandchildren an inheritance of debt; we want to leave them a better way of life and we will.

As Chairman KASICH knows better than any of us, this is not easy work and in many ways it is painful. Despite my support for the international affairs function programs, I also support this resolution, even though international affairs spending will go down, sharply, over the next few years.

The leadership has come together in this agreement resolution to support the same funding levels for international affairs.

Those levels are realistic: we are supporting programs that are necessary to the national security and the overall national interest of the United States. We will all stand together against further cuts in spending on those programs in the course of voting on this resolution. We've been facing these same issues in our Committee on International Relations, where appropriations for most of these programs are authorized.

Last Monday night, our committee ordered reported legislation that reduces—I repeat reduces—fiscal year 1996 spending on programs within our jurisdiction by $1 billion compared to fiscal year 1995 appropriations, that is, from $18.4 billion to $17.4 billion.

In 1997, it authorizes spending of $15.2 billion, for a cut of $1.6 billion compared to 1995. And it does even more—it steps off the process of cutting back on Government agencies by ending the independent existence of the Agency for International Development, the U.S. Information Agency, and the Arms Control and Disarmament Agency. When this resolution is adopted, and our American Overseas Interests Act comes to the floor next week, it will be brought into full conformity with the discretionary budget authority targets applicable to our committee.

At that time, we will again stand together with our leadership in support of sharply reduced, prudent, but necessary funding that supports our national interests.

To elaborate further with regard to my reasons for supporting this resolution, it should be underscored that it will provide for a balanced Federal budget within 7 years—by fiscal year 2002—by cutting the deficit by a total of $1.1 trillion. This will be achieved through cuts in both discretionary and mandatory spending programs.

Additionally, H. Con. Res. 67 would allow for an increase in funding to strengthen important defense programs. The cold war may be over, but the world is still a dangerous place.

Although I am voting in favor of the budget resolution, I am concerned about its impact on our Nation's seniors. Though it is important that the Medicare system be reformed due to its impending bankruptcy in the year 2002, the Budget Committee's proposal will cut an estimated $22.5 billion from Medicare in New York State. Accordingly, we must make certain that those reforms do not place undue hardships on our Nation's senior citizens. Therefore, I believe that cuts in the program should not affect current recipients of Medicare. Instead, the changes should be in place for future recipients.

Additionally, I recommend means testing the Medicare Program. Those seniors who can afford to pay more for their health care should do so.

I am hopeful that we can work out a Medicare reform proposal throughout this budget process which can accomplish both saving Medicare from bankruptcy while at the same time protecting our Nation's seniors. I look forward to working with my colleagues in that regard.

Accordingly, I urge my colleagues to vote in support of a budget resolution which will provide for a balanced budget for the first time since 1969.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I also rise in support of the Kasich amendment.

Mr. Chairman, on the issue of Medicare and Medicaid, which my colleagues on the other side of the aisle claim we are going to cut, I want to read a quote:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. We are going to have increases in Medicare and Medicaid, but a reduction in the rate of growth.

I venture to say you might be surprised to learn that these words were spoken not by

Republicans, but by the President last year when he was trying to sell his health care package to the American people.

Thus far the debate on making changes to insure the solvency of Medicare has been less than statesmanlike. In fact, at times it has been just plain nasty and mean-spirited. We live in a high-technology country where words spoken by a major political figure can reach a wide audience. I think we should all pause and think before we make statements that are simply untrue and at times even outrageous.

Those who are quick to criticize and condemn what we are trying to do to save Medicare and Medicaid should exercise a little caution. There is no need to let loose with inflammatory statements that could alarm the most vulnerable segments of the population in our country, namely the elderly, the infirmed, and women and children. It is wrong and think frankly ignoble to do so.

I think it is a disgrace that some of my colleagues have likened what we are attempting to do to the actions of Hitler during the Holocaust. I find it repugnant that they would point an accusatory finger and insinuate that through the Contract With America we are waging a war on our children. Nothing could be further from the truth.

I don't remember hearing this type of rhetoric last year when the First Lady said "We feel confident—that we can reduce the rate of increase in Medicare without undermining quality for Medicare recipients." What a difference a year makes. Now, administration officials are singing a different tune. Recently, Secretary Shalala said: "Our argument is that if you're slowing down growth here, and that's below what's happening in terms of costs out there, it's a real cut." So, when the president proposed slowing down the rate of growth in Medicare and Medicaid it wasn't a cut, but now that our budget contains a similar proposal, it is a cut.

It is ironic that the administration is now saying that Republicans don't care about the poor and needy because we want to reform Medicare and Medicaid. When the administration was proposing similar changes would they have accepted the label mean-spirited?

Regardless of whether there is a balanced budget, there is an undeniable, urgent need to make certain reforms to avert the Medicare trust fund's looming bankruptcy. Let's put our differences aside and work in a bipartisan manner to solve the problems of how to save the Medicare Program and how to reform Medicaid so that it delivers the necessary care in a more cost-effective manner. I believe we are up to the task and I plan to work with my colleagues in Committee and here in Congress to achieve this goal.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I rise in support of the Kasich budget amendment.

Mr. Chairman, today the Republican Party is following through on its promise to propose a budget that complies with the balanced budget amendment sponsored by my good friend CHARLIE STENHOLM and I, this House passed at the beginning of the year.

This is a serious budget resolution with no gimmicks that calls the bluff of those who said we could not or would not propose a balanced budget.

Now, I doubt there is a single Member of Congress that supports absolutely every provision of this resolution. Personally, I am concerned by the proposal to eliminate the Department of Energy.

The notion that eliminating this Department will result in huge savings is simply not correct. Most of the functions of the Department will have to continue—the nuclear weapons complex, for example, will still have to operate. The Environmental Management Program will still exist. Congress cannot eliminate these functions.

The Reagan administration ran into these same difficulties in the early 1980's. The final analysis of dismantling DOE indicated that there would be little, if any, cost savings in the long run, and that in the short run, it would actually cost more money to shut down the Department than leaving it alone.

Significant savings do exist in the Department's programs. There is no doubt of that. The DOE, by its own estimation, will be able to save over $14 billion over the next 5 years—a significant reduction. It also will have eliminated 27 percent of its work force. These are real cuts, and real savings for American taxpayers. The overall savings, in my opinion, will be greater by keeping DOE whole and accountable than by parceling out its responsibilities to a range of other Government agencies.

Of course, every issue addressed in the budget resolution will ultimately be decided by the appropriate authorizing committees. I look forward to the debate over this matter.

I urge my colleagues to support the Kasich budget resolution.

PERSONAL EXPLANATION

Mr. RUSH. Mr. Chairman, on this last vote, I was in the Chamber. I had my card in the machine. I pushed the button twice, but it did not do anything. I ran down here in order to vote, and you closed the vote off. Before I got in, the clerks on the outside yelled, "One more, one more." I came in and yelled again, "One more, one more," and I was not allowed to vote.

The CHAIRMAN. The gentleman's statement will appear in the RECORD.

Mr. KASICH. Mr. Chairman, I wonder if it would be in order for the gentleman to be given an opportunity to vote "yes" on the next vote in order to make up for the "yes" he did not get to cast on the last vote?

The CHAIRMAN. The Chair declines to rule on that.

Mr. RUSH. Mr. Chairman, on this last vote, I would have voted "yes" resoundingly.

PERSONAL EXPLANATION

Mr. JEFFERSON. Mr. Chairman, I would like to make a statement for the record. On the last recorded vote on the amendment, rollcall 344, I believe it is, I inadvertently voted "no"; my intention was to vote "yes" on that amendment.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. GEPHARDT], the distinguished minority leader.

Mr. GEPHARDT. Mr. Chairman and Members of the House, this vote that we are about to take is perhaps the most important vote of the 2-year period that we will serve in the House of Representatives, and for a moment I would like you to take out of your mind all of the charts and all of the graphs and all of the numbers and all of the statistics that we have flooded the floor with and the airwaves with over the last 2 days and to remember that when we pass a budget, unlike anything else we do here, we affect the lives of millions of our people, all of our people.

I would like you to focus on a picture, 70-year-old Cecil Whitner and his wife Ethel, from Affton, MO. All of his life, Cecil has served his country and his community. He fought five major battles in World War II, and he was rewarded with the Bronze Star for his bravery in action.

For more than three decades, he worked as a meatcutter in a grocery store in St. Louis. He always paid his taxes, he paid his Medicare taxes, he paid his Social Security taxes, he did what this society asked him to do, as did his wife.

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Now that he is retired on disability and over 70, he depends every month on Social Security and Medicare, on the money that he paid into these programs for more than 35 years.

I say to my colleagues, this budget that you are about to vote on would take approximately $1,300 by the year 2002 between Medicare costs and this pension from Social Security from their annual income, $1,300. It would be one thing if what we are asking them to do was to simply balance the budget, but it is not. In addition to allegedly balancing the budget, we are taking in $1,300 from these folks so that we can give a $20,000 a year tax break to families earning $350,000 a year or more.

I would like to show my colleagues another picture, a younger family. In this picture we see Gina Stacer, whose husband, Roy, works as a car salesman in St. Louis. They are trying to save desperately for their twins' education as well as for their own retirement, but I say to my colleagues, when you live paycheck to paycheck, as most of our people do, that's pretty hard to do. Gina's parents are both retired, and they pay astronomical medical bills with Medicare and Social Security. But this budget would cut those benefits, and Gina and Roy would have to use their savings, not to build their children's future—they would like to go to college—but to have to protect their parents' lives.

I say to my colleagues, these issues that you vote on today are not just the issues of the elderly. They are issues that affect every American and every American family. Young people who are working have a responsibility to take care of their parents, and they take that responsibility very seriously, and, if their parents are in trouble with medical bills, or they cannot support themselves on Social Security, and if they are living on Social Security, then they have got to step into the breach, and, as all of you know, these middle-income families and families trying to get in the middle income are already pressed without having to do what this budget would ask them to do.

Now in the final analysis this budget is about our values. It is about what we believe is right and wrong, just and decent, and I urge my colleagues to understand that as they vote that they are not voting for just charts, and graphs, and numbers. They are voting for flesh-and-blood people who depend on us to represent them in this most important of all transactions that we do as a people. The value of my party, and I hope of a lot in the other party, is that we must invest in people for the things that they cannot do for themselves.

All of us believe our budget must be brought into balance. All of us believe we have go to get our fiscal accounts in order. It is the question of how to do it, and what I argue to my colleagues is, if we're going to balance the budget, let's figure out how to balance the budget, but in that toughest of all transactions let us not represent a value that says we're going to take money from middle-income people who are already struggling, $1,300 a year, to give a $20,000 a year tax cut to families who are earning $350,000 a year.

I realize the value that says we must invest in people who already have it made, and that investment will make its way down to the middle class eventually, but I believe as public servants we have a duty, a responsibility, in justice and decency and for what is right, to continue to make the needed investment in the people of this country, which is the greatest resource of this country, and let the people who have it made continue to make their contributions to this great society as well.

Defeat this resolution. We can do better.

The CHAIRMAN. All time of the gentleman from Minnesota [Mr. SABO] has expired.

Mr. KOLBE. Mr. Chairman, to close this historic debate I consider it my great privilege and honor to yield my time to the distinguished gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget, a person who has done yeoman work on this.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. KASICH] for 5 minutes.

Mr. KASICH. Mr. Chairman, we have seen a lot of pictures. I say, "I want to show you, America—I want to show you the future. I want to show you who we're doing this for."

We have seen a lot of pictures. Katie Nunner—a little baby—and her mother who is here says she wants her baby to be able to fly someday like all of us can, spread our wings, and dream and become what we want to become. That is what this is all about today.

The first thing I want to do is I want to talk about the gentleman from Minnesota [Mr. SABO]. MARTIN SABO is as class an act as we can find in public life. He is a wonderful human being.

I love MARTIN because he has fought the good fight, and he is a man of conviction, and a man of courage, and a man of principle. He will be a friend of mine forever.

I also want to take a minute to salute the pioneers. Remember when they went over the mountains, and they broke the wheel, and they struggled to make it work in the rain, and against attacks and disease? That pioneer is PETE DOMENICI. He is a Senator from New Mexico.

I want to thank somebody who is not here today. I am sure he is probably watching, and he does not agree with all the details, but he is a guy that proved that two sides can come together, they can reach agreement. It is my dream someday we will all be able to have a bipartisan effort. His name is Tim Penny. Tim Penny is a man of conscience.

I want to thank the Budget staff who worked day and night, 28 of them. I mean 28 of them going through $12 trillion worth of spending. They are phenomenal, and they dream, and they are being rewarded today.

And I want to thank, most importantly, my colleagues on the Committee on the Budget, the tip of the spear for the revolution, and I want to talk a little bit about the revolution, and this is what I said to MARTIN the other night:

"My dad was a Roosevelt Democrat. No matter how long his son was in politics, no matter how long I talked to him, my dad remained a Roosevelt Democrat because he believed that the Democrat Party stood up for folks, and I want to tell you that over the last 40 years, whether it was civil rights and the need for this country to begin to heal itself, and it is still not healed, or whether it was education or Medicare for our senior citizens, frankly the Federal Government giving opportunity for people to fly, the Democrat Party did it."

I say to my colleagues that life is about balance. Talk about Neil Armstrong going to the Moon; it was about balance. The pendulum has swung so far to Washington solving problems that people in America have been saying, "I've given too much money, I've given too much control, I've given too much influence to Washington, and frankly I can do it better in my neighborhood. I want to do it better in my neighborhood. I want to educate my children the way I want to educate them. I want to feed them. I want to show compassion to people who are in need."

Mr. Chairman, where I came from, in McKees Rocks, it was a simple little thing. It was a sin not to help somebody in need. It was equally a sin to help people who should help themselves.

And what our vision is for the 21st century is a vision of taking power, and money, and control and influence from this city and giving it back to the men and women all across this country in every city, in every town, in every village in this country, and saying, "We believe in you, and we trust you."

Mr. Chairman, I say to my colleagues, "As we go into the 21st century, and you think that an individual can sit in their home with a magical instrument, a magical invention called a computer, and move the financial markets of the world, doesn't it make sense, as we go into the 21st century, that the 21st century is about the power of the individual, not the power of bureaucracy, not the power of redtape, because frankly the power of bureaucracy, and redtape, and misplaced compassion does not reward individual achievement and, in some respects, takes away the incentives for the individual to fly."

Look at the gentleman from Maryland [Mr. MFUME]. The man came from very tough surroundings, was the chairman of the Congressional Black Caucus. Do my colleagues know why? Because America is a place of opportunity, and that is what this is all about. It is about balancing a budget and stopping the flow of red ink because, just like a family, if Government will spend day in and day out more than what it takes in, it will bankrupt itself, it will create no growth, and do my colleagues know what the worst thing about no growth is? The rich get richer and the poor get poorer, and it is my dream for everybody to be able to fly in America.

Alan Greenspan said to us, and I have listened to many hours of testimony, but when Alan Greenspan came before the Committee on the Budget and said, "If we can balance the budget, we will unleash a prosperity that we cannot even chart with this precious American system, and that gnawing fear in the guts of mothers and fathers and that their children will not be better off than them can finally be destroyed." That is what this is about today.

I say to my colleagues, "It's about facing hard issues, it's about having to stare somebody square in the eye and say, 'I'd love to help you, but I got to put the kids first, and if there is a political risk, I'm prepared to absorb it,' because in the long run we're going to lift this country."

I mean what is a better quote than John Kennedy saying, "A rising tide lifts all boats?" That is what this is.

And about tax cuts let me just say, "If there is any institution that ought to be reinforced into the 21st century, it's the American family." We all know that.

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What we are doing is we are saying that as we cut Government, as we end duplication, we are going to reward the family into the 21st century, and all the things that the family represents, value, stability, hope, capital gains, we did not hate rich people where I came from. I have said it before. Only guilty rich people do not like the rich. What capital gains is about is a funnel. Prosperity. You have got a jug of prosperity in one hand and a funnel in another. And when the stem is too narrow, you try to pour prosperity in, and it overflows, and the Fed says raise interest rates and slow everything down.

Capital gains is about widening the stem. It is about taking that jug of prosperity that is jobs and progress and it is pouring it through that funnel as fast as we possibly can, so everyone can share in the bounty of this country. That is what it is about.

I want to say to my friends who may vote against this, we are going to do this now. We are going to bring the pendulum back, and we have our vision for emphasizing the individual. That does not mean the Government does not have a role. It does. And I know how many of you have worked and bled and fought for the things that you believe in. And as we as Republicans begin to put this plan together, as we march down this road to saving America, I am going to urge everybody to keep their minds and their ears and their eyes open about how we can do it right.

But, ladies and gentlemen, it has to be done. We have to preserve this great country of ours. And it is a historic moment, when all of us can stand up for the future, we can all stand up for America.

Pass the resolution.

The CHAIRMAN. The Chair would request the gentleman to remove references to persons in the gallery and on the floor.

Mr. FAWELL. Mr. Chairman, in the early 1950's, Adlai Stevenson quipped that Republicans, in general, had to be dragged screaming into the 20th century. It appears to me, that the President and the Democrat leadership in the House, will have to be dragged screaming into the 21st century if ever a balanced Federal Budget is to be achieved.

It is amazing how the President—in the face of almost $5 trillion of debt and over $300 billion of annual interest accruing on that debt—can still refuse to even offer a balanced budget for either this century or the next.

And the minority leadership in the House also resists endorsing any such balanced budget plan. For each of the last 25 years, that leadership—representing the majority control of this body, steadfastly piled up nothing but unbalanced budgets. And now—when the only issue being debated is not whether there should be a balanced budget over the next 5 or 7 years—still the President and his party's leadership in the House—fiddle while others present balanced budgets—including a coalition of Democrat House Members who recognize that—like it or not—the hard choices have to be made and a balanced budget must be achieved.

It is ironic that if the Democratic leadership in the 104th Congress had given recognition to Members like Tim Penney and others within their ranks—who tried to change the calamitous fiscal policies of the big spenders of his party—probably the Democrats would still control this Chamber. It is utterly mystifying, however, that the Democratic leadership can still resist constructing a balanced budget as we prepare to enter the 21st century. Alas, all they can do is to criticize those who are responsibly creating balanced budget plans.

If they will not lead, they must follow; or, more accurately, in the words of Adlai Stevenson, they must be dragged screaming into the 21st century.

Mr. FAZIO of California. Mr. Chairman, I intend to vote against this bill.

I have important objections to a bill that ties disaster relief—which I support—to slash-and-burn spending cuts.

The Republican strategy is transparent. It's political gamesmanship.

Saving money, cutting the deficit: these are principles I can support.

But we shouldn't tie the wholesale destruction of programs that help students and working Americans to disaster relief for quake-ravaged Los Angeles, bomb-damaged Oklahoma City, and the flood-impacted people of my district.

Let's address these issues separately. Let's reject this callous Republican strategy.

Let's vote on disaster aid, then let's get down to business, and see where we can cut spending.

I hope the American people pay close attention to this debate, and this process. The Republicans have developed a bad habit. They say one thing, but they do another.

They promised to address the budget deficit. In fact, the Republican conferees who crafted this bill dropped a Democratic amendment that would have required that the net savings from this bill—$9 billion—be used to pay down the deficit.

Instead, the Republicans intend to use these savings as their private slush fund to finance a tax break for the privileged few.

Instead of cracking down on corporate tax giveaways, and special interest loopholes, the Republicans cracked down on seniors, students, and everybody who didn't have access to high-priced lobbyists.

Let me highlight just one glaring example. The Senate version of this bill included a provision to eliminate a tax loophole that allowed billionaire expatriates to avoid paying taxes. But the Republican leadership rejected this provision and stripped this language from the conference report.

In fact, this bill typifies the callousness with which the Republicans have addressed our Nation's fundamental problems.

The Republican rescissions bill would devastate—if not eliminate—programs that help at-risk, disadvantaged kids.

Republican targets include:

The Safe and Drug Free Schools Program. Because of Republican cuts, our schools and communities will have $200 million less to combat drugs and violence on campus and in the classroom.

The Goals 2000 Program. Higher academic standards help everyone: students, parents, and employers. But this national program takes a $90 million hit in the Republican bill. This was worked out with our Nation's Governors.

The School-to-Work Program. By matching classroom learning to on-the-job training, we can make sure that students get the help they need to enter today's workforce. But wait. The Republicans cut funding from this program—crippling a program that has drawn positive reviews from corporate participants and schoolkids alike.

America can be a strong, productive Nation if we have the courage and commitment to educate our citizens. Without access to education and training, our workforce cannot compete in an economy that demands new skills and sets new rules.

The evidence is compelling. We can't afford to give up this fight.

Since 1979, most working Americans have lost ground. For everybody but the very wealthy, incomes have barely kept up with inflation. Overall household income increased by nearly $800 billion between 1979 and 1993, yet, almost 97 percent of this increase went to the top 20 percent of American households.

We can't raise wages if we don't give students and working Americans the tools they need to succeed.

A recent study prepared by the Census Bureau documents the direct and positive link between education and productivity. The report found that a better educated workforce can significantly increase productivity.

Let's attack the education deficit with the same intensity we attack the budget deficit. Providing educational opportunity and maintaining fiscal responsibility—these aren't mutually exclusive goals.

I urge my Republican colleagues to open a dialog with the administration. Let's work out a compromise that we can be proud of and the American people can be proud of.

Mr. NADLER. Mr. Chairman, I rise to express my strongest opposition to this budget resolution. This budget proposes to eliminate the Federal deficit by 2002, yet gives a tax cut to the wealthiest Americans. While we must work toward a balanced budget, we must do so responsibly. We must not force those most in need to bear the burden of balancing the budget alone.

In this budget, the House Republicans have chosen to take away health and financial security to seniors in order to achieve tremendous tax breaks to the wealthiest 1 percent of Americans. While the Republican budget proposes to make millions of seniors pay an additional $1,060 in out-of-pocket Medicare expenses each year, it provides a tax windfall of $20,000 per year for Americans with incomes over $350,000.

This bill is a direct assault on our Nation's seniors. In addition to the Medicare cuts, the

Republicans are also planning to cut Social Security benefits to seniors, which would result in an average reduction of $240 in benefits for individual seniors in 2002.

The Republicans said their budget would make tough choices and they were right—their choices will be tough on millions of seniors who rely on Medicare and Social Security.

But seniors are not the only victims of this misguided budget scheme. The Republican budget would make educational opportunity a thing of the past for many middle class students and their families.

It is appalling that the Republican budget cuts student loans by $18.7 billion by charging students interest on their loans while they are still in school. This will increase the cost of a higher education by approximately $5,000 for every student receiving a loan to finance a college education. Is this the Republican opportunity society?

The Republican plan to terminate many very crucial programs that provide the most basic assistance to those most in need is similarly appalling. Some of the many programs devastated by this budget include: Housing Opportunities for People with AIDS; the Low Income Home Energy Assistance Program [LIHEAP], which ensures low-income Americans, including seniors, access to heat during the cold winter months; unemployment insurance extension benefits; and job training and education programs. The list goes on and on. This resolution also dramatically undermines America's access to the arts and humanities by cutting the Corporation for Public Broadcasting, and the National Endowment for the Arts, and the Endowment for the Humanities.

The inequities in this Republican budget are blatant and outrageous. This budget requires those most in need to shoulder the burden of balancing the budget, while granting the wealthiest of Americans a windfall.

Mr. Chairman, this bill is unfair, it is unjust, and must be voted down. I ask my colleagues to reject the budget resolution.

Ms. ESHOO. Mr. Chairman, I rise in strong opposition to the budget resolution we are voting on today.

I am particularly appalled that this measure would rob our senior citizens of their Medicare coverage and Social Security benefits in order to pay for tax breaks—something we cannot afford.

Mr. Chairman, I supported a balanced budget amendment and I am prepared to make the tough choices necessary to stop the flow of red ink. Indeed I'm voting for the Stenholm alternative budget which would actually cut more than the Republican proposal and direct these cuts to deficit reduction.

We all have to make sacrifices to achieve a balanced budget, but the Republican plan is clearly out of balance when it comes to fairness and protecting the most vulnerable members of our society.

What does this Republican proposal really mean? It means that out-of-pocket Medicare costs for seniors will increase by $1,060 in 2002 and $3,500 over the next 7 years while Social Security payments will be up to $240 less. It means that students will have to pay on average $5,000 more for their college loans. It means less money for our veterans, public hospitals, public broadcasting, and NIH research.

And guess what it also means? It means that the very richest will have $20,000 more to spend each year thanks to the Republicans' tax breaks.

Like the Republican budget, the Stenholm budget resolution I support achieves a balanced budget in 2002. The difference is that the Stenholm resolution takes the $281 billion in tax breaks and puts them back into Medicare, student loans, veterans hospitals, and other worthy expenditures which benefit the middle class and needy Americans.

I can't say that the cuts in the Stenholm budget are painless—they aren't. That's why I urge my colleagues to make responsible choices during the reconciliation process because that's where the rubber really meets the road.

In particular, I strongly believe that deep cuts in Medicare and Medicaid should not take place outside the context of systemic health care reform.

The Medicare program will not become insolvent because of mismanagement—in fact, administrative costs in Medicare represent about 3 percent of the overall program, lower than any private payor.

Rather, Medicare costs have increased because the overall costs of health care have skyrocketed and more people are enrolling in the system.

My constituents are concerned about health care costs and the deficit because they know that these issues will only continue to place larger burdens on their children. They support student loans because they know that these are investments in our future. They support nutrition programs, and public television because they provide nourishment for the body and the mind. And they support NIH Research because they see the connection between basic science and cures and treatments for the diseases which plague our society.

We can not blindly slash these programs without giving thought to what these programs really mean for the people we represent.

So in closing, Mr. Chairman, I would ask my colleagues to think beyond balancing numbers when they vote this afternoon: They should think about balancing austerity and fairness. By this measure, the Stenholm budget proposal is balanced while the Republican plan is not.

Mrs. MORELLA. Mr. Chairman, today we are being presented with four alternative budget resolutions—two offered by the Majority and two by the Minority. For the first time in a quarter century, each of the resolutions before us would result in a balanced Federal budget. Each resolution recognizes that our current pattern of runaway spending is both economically unsustainable and morally indefensible. Each resolution presents us with very difficult, even painful choices; they are not ones that we relish making today or that we will relish making in the future. But the bottom line, Mr. Speaker, is that we will have to make them—and postponing them won't make them any easier.

Let us consider a few facts. Our national debt stands at $4.8 trillion—that is $18,460 owed by every man, woman, and child in our Nation. Interest on our debt is the fastest-growing part of the Federal budget; in fact, each year, the Federal Government spends 15 cents of every dollar—or more than $200 billion—just on interest on the debt. That is almost as much as we spend on all non-defense discretionary programs combined—on education, job training, medical research, and much more. If current trends are not abated, interest and entitlement obligations will continue to grow exponentially until there is little left for anything else. Our choice today, then, is not about whether to balance the budget; it is about how we balance it.

This morning, I voted on the budget resolution offered by Democratic Representatives CHARLES STENHOLM and BILL ORTON. The Stenholm-Orton budget would have cut defense expenditures by $60 billion more than the committee resolution, and it would have cut domestic expenditures by $60 billion less. In addition, the Stenholm-Orton budget would not have funded a tax cut, would not have increased contributions to civil service retirement, would not have cut the student loan program, and it would have curbed the growth in Medicare more modestly than the committee resolution. Unfortunately the Stenholm-Orton resolution was defeated by a wide margin.

Given the defeat of this resolution, and due to the paramount importance of putting our Nation on a glidepath to a balanced budget, I will support the Budget Committee's resolution. While I have concerns about some aspects of the Committee budget, I believe that these concerns can be addressed in a House-Senate conference, and that the budget process must move forward. In fact, given the prevailing sentiment in the Senate, it is my expectation that the final document produced by House and Senate conferees will be very similar to the Stenholm-Orton budget for which I voted today: It will contain deeper defense cuts, more domestic cuts, and few, if any, tax cuts.

Mr. Chairman, a budget on a path to balance—however imperfect that path may be—is preferable to one that saddles future generations with hundreds of billions of dollars of debt each year. In addition, we must remember that a budget resolution is a blueprint, not a fully binding document, and that the authorizing and appropriating committees will have final discretion in determining how funds are spent in each budget category. That is why I will continue to work with these committees to protect our national priorities—education, health care, equity for our civil service, and much more, as I have done throughout my service in Congress.

Mr. POMBO. Mr. Chairman, I rise today on this historic occasion to express my strong support for the Republican Budget. This budget represents a contract with our children. For too long Congress has thoughtlessly spent away the prosperity of our children to satisfy its appetite to spend.

I see Members get up who are opposed to this balanced budget plan claiming that passage of this plan will result in the end of civilization as we know it. They say that the elimination of this program and that program will cause undue harm to this Nation. Well I stand here today and say that if we do nothing then we will be responsible for undue harm to our children and our grandchildren. How compassionate will we have been to our children when in 30 years there is no money left for student loans, no money left for Head Start, and no money left for anything else. Why? Because every dollar that the Federal Government brings in will be eaten up by interest on the debt.

It pains me to see the Federal Government spend over $250 billion per year in interest payments on the Federal debt. That money funds nothing—no education, no military, no Medicare, and no Social Security. Enough is enough.

We are balancing the budget to ensure that we build a future for our children that is free of debt and full of opportunity. My son and daughter deserve nothing less. I can think of no greater responsibility as a father than to do this for my children. I ask that everyone look inside themselves, think of America's children, and support the Republican budget.

Mr. CRANE. Mr. Chairman, today is a day that I almost thought would never come in my time here in Congress. Today I will be voting for a budget resolution, House Concurrent Resolution 67, which will put this Congress on a path toward balancing the federal budget. I have voted for such resolutions in the past only to see them trounced on the floor of the House. What makes today so special for me is that a majority of my colleagues in the House of Representatives will be joining me in voting for this resolution.

Mr. Speaker, for the first time since I came to this House in 1969, a majority of Members of this House agree that we must substantially shrink the size of government in the effort to balance the budget. We are not going to raise taxes, we are not going to use budget gimmicks, we are actually going to cut spending in an effort to slow the rate of growth of the Federal Government. Congress is finally acting in a fiscally responsible manner. The manner in which Congress has acted in the past can be described as selfish at best and criminal at worst. In my view, the debt that past Congresses have heaped upon future generations has been a criminal act. It can be characterized as criminal because that approach was mortgaging the future of our children and grandchildren. In short, Congress has spent money we did not have and sent the bill to our kids. This new Congress is saying enough is enough, and I could not be prouder than I am to be a part of this historic day in the House of Representatives.

Finally, I would like to commend my friend, the chairman of the Budget Committee, JOHN KASICH, for all his hard work and dedication in making this day possible. I remember campaigning for JOHN when he first ran for office and it was clear to me then that he was committed to principle and committed to the concept of fiscal responsibility. The House of Representatives and the people of this country are very fortunate to have JOHN KASICH as chairman of the Budget Committee, and we all owe him a debt of gratitude for his efforts.

Mr. Chairman, I strongly support House Concurrent Resolution 67 and look forward to the day when the end purpose of this resolution—achieving a balanced budget by restraining spending—becomes a reality.

Mr. RAMSTAD. Mr. Chairman, the balanced budget resolution before us today is the single most important vote we will cast since I entered Congress.

The American people have waited a generation for a balanced Federal budget. We House Republicans have delivered.

Passage of this historic balanced budget will show the American people and the world markets that we will balance the Federal budget as promised.

Eliminating the deficit will mean more jobs, lower interest rates, and higher real incomes.

It's high time the Federal Government quits mortgaging our children's and grandchildren's futures. Every child born this year will face a lifetime bill of $187,000 for their share of interest on the national debt.

Our budget redesigns the Federal Government to make it smaller, more cost-effective, and less bureaucratic. We cut Government red tape and return power from Washington to State and local governments and the private sector.

Although I might not agree with each and every spending priority in the budget, we will now have the appropriations and reconciliation processes to modify certain specifics.

The bottom line is that we zero out the deficit by the year 2002 without touching Social Security or raising taxes.

I urge a "Yes" vote on the Republican budget resolution.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in strong support of the Republican plan to balance the Federal budget. This is the first time in over 25 years that the Congress has committed to balancing the budget. And, quite frankly, it's long overdue.

Americans across this great country need to know why it is so important to get our federal spending under control and balance the federal budget.

Here are just the numbers. The Federal Government has amassed a debt of over $4.9 trillion. Even though the Federal Government collected over $1.3 trillion from taxpayers last year, Congress spent in excess of $1.5 trillion every year.

So, today, we offer this broad plan for balancing the Federal budget over the next 7 years. Simply put, it ends business as usual and this spend-more-than-you-can-afford attitude that has existed for far too long in Washington.

What does this debt mean to each and every taxpayer? It means that the share of that debt for every American is $17,000. If we do nothing, our children will have to pay $200,000 in taxes over their lifetime to cover this debt.

And, because of this debt, we are wasting over $260 billion a year—a full 16 percent of the total Federal budget—just paying interest. That's money we could be using for more health care, more education, and many other worthy purposes if only we had balanced the budget.

Most important, this debt means that we are playing a high-risk game with our children's future. Saddled with this debt, we threaten their future opportunities.

So today, we lay out a broad plan to balance the budget—while protecting Social Security, as we promised, and while preserving, protecting, and improving Medicare.

As expected, there are those who claim the sky will fall and that we cannot survive without each and every Federal program, without each and every dollar that is spent here in Washington.

Even under this plan to balance the budget, the Federal budget will still increase every year. Let me repeat that. The budget increases every year. In fact Federal spending will increase $1.2 trillion over the next 7 years. Only in Washington can reasonable increases be called cuts.

What is the alternative? The President has failed to provide a plan to balance the budget. While we are taking the lead and making the tough choices, the President has remained on the sidelines during this critical national debate. It is quite clear that the President does not want to balance the budget.

Despite this, we move forward. To honor our commitment to America, the Congress and the President need to work together. We also must work as a nation to discuss openly the choices we face.

Over the past 4 months, I have heard from thousands of constituents with their ideas, suggestions, and concerns. New Jerseyans know how to make the tough choices for their families and their businesses. In New Jersey, our State balances its budget. In New Jersey, we have made government smaller and more efficient. In New Jersey, we have made sure that taxpayers come first, not last.

Over the next few months, the House will debate and make final decisions on each item proposed in the budget. As we debate our spending priorities, everyone needs to participate. There must be national dialog on where we are today and what we must do for our future.

Today's vote marks a historic beginning. We have set our Nation on the path toward fiscal sanity and a solid future for all Americans.

Mr. BILBRAY. Mr. Chairman, I rise today in strong support of the budget resolution. Now, I want to be clear in that I do not support every single cut that is presented in the resolution. But that is not the issue before us today.

The issue before us is to outline a blueprint from which each authorizing and appropriations committee will be able to work from. It sets guidelines in which we will be able to work from in our own committees where programs can be thoughtfully analyzed and deliberated. I supported a balanced budget amendment and, therefore, support this proposal which would balance the budget by the year 2002. I find it hypocritical that some of those that say they support the balanced budget amendment now oppose any specific plan to do so.

The naysayers complain that the time is not now to save America. But if not now, when? When our debt reaches $5 trillion or $6 trillion? The point is that it is never an easy task to make tough choices. We have well past the time to bite the bullet and pass this blueprint that will put us back onto the road of fiscal accountability.

Thank you, Mr. Chairman, and I yield back the balance of my time.

Mrs. COLLINS of Illinois. Mr. Chairman, I oppose House concurrent resolution 67, the Republican budget resolution for fiscal year 1996, and am in strong support of the Congressional Black Caucus alternative proposal. Unfortunately, the second 100-day rush to judgment is well underway with the GOP plan before us, best described as the "balance the budget on the backs of senior citizens, poor children, and working families act." This is an absolutely wrongheaded and unconscionable approach and one that the overwhelming majority of American people, including my constituents, find fault with.

Let's not mince words here Mr. Chairman. The Republican budget resolution steals $288 billion from the pockets of elderly Medicare patients, rips $24 billion out of the hands of Social Security recipients, and grabs $18.7 billion in financial aid to college students for the sole purpose of providing $355 billion in tax breaks for the wealthiest in this country. In my State of Illinois, this translates to a loss of over $2,700 in Medicare services per enrollee by the year 2002 and about a $5,000 increase in college costs per child for the average family.

But wait that's not all! The American people also receive as a bonus gift the complete elimination of the Department of Education, which will result in a $141 million reduction in major education State grant programs for my constituents that go to support safe and drug-free schools, vocational and adult training, and our public libraries. Tack on to that drastic reductions of $187 billion in Medicaid funds for the poor and disabled—expected to strip three million citizens of their long-term health care coverage—as well as a whopping 35 percent in overall nondefense discretionary spending by 2002, and we've got a true case of Robin Hood in reverse! Where is the Sheriff of Nottingham when you really need him, Mr. Chairman?

At a time when the threat of a major world conflict is at its lowest point in the last few decades, where is the sense in increasing the defense budget by $122 billion while gouging school lunches, child nutrition programs, Head Start, and job training? Does the leadership of this body mean to say that they value B-2 bombers more than they value A-plus grades? Are shiny new planes of more importance than our children's futures?

How can the majority party expect that the variety of problems such as drug abuse, teenage pregnancy, crime, racism, lack of jobs, and poor health care services which face too many residents of our major urban centers, as in my home city of Chicago, are going to be solved if we simply cut, slash, and burn and absolve ourselves of the responsibility to lead? We always hear complaints about how much it will cost to try and attack all of these matters through government action. Well, my friends, ask yourselves what it will cost if we don't? If we adopt the GOP budget, we will be well on our way to finding out.

On the other hand, the CBC budget alternative will achieve the same goal of a balanced budget by 2002 without unfairly singling out middle- and lower-income individuals, families, and seniors to pick up the tab. Medicare, Medicaid, and Social Security, through which we do have a contract with America's seniors, are protected from any cuts or alterations.

Additionally, the CBC's reasoned approach recognizes that education and job creation are the keys to increased American competitiveness and a better quality of life across the Nation. In so doing, $27 billion, or a 25-percent increase over the current budget figures, is invested in vital initiatives such as title I and TRIO programs for underserved pupils as well as summer youth employment and mentoring partnerships which have proved of such great benefit to or communities.

To help offset these investment priorities the CBC budget closes several corporate tax loopholes, effectively ending "corporate welfare as we now know it," and raises the corporate share of the tax burden from 11 to 15 percent in order to correct a long-standing Tax Code imbalance which makes working families shoulder the burden of taxes in this country.

Mr. Chairman I urge my colleagues who, as the CBC alternative budget title states, are in the "caring majority" to reject the Republican leadership's backwards fiscal priorities and support the CBC alternative that truly accounts for the needs of all the American people and thoughtfully attempts to strengthen opportunities for average families and their children.

Mr. COSTELLO. Mr. Chairman, I rise today in opposition to the House Republican budget plan.

This proposal, put forth by House Speaker GINGRICH and Budget Committee Chairman KASICH, would give the very wealthy an enormous tax break while at the same time devastating Medicare and other vital programs.

The goal of this budget proposal is one I share: balancing the Federal budget by the year 2002. In January, I voted for a constitutional amendment to balance our Federal budget. I believe we must end the continued policy of running billion-dollar deficits every year which add to the national debt that must be paid by our children and grandchildren.

But we should not balance the budget by cutting student loans, Medicare, Social Security, funding for veterans and infrastructure while offering a $353 billion tax cut. This outrageous cut will give the wealthiest families a cut of $20,000 while giving middle-income families only $555 in tax relief.

We must also balance our budget in a way which does not put such a tremendous burden on our Nation's elderly. Last fall, during town meetings with my constituents, I talked about the "Contract With America," and its potential impact on Social Security and Medicare. I suggested that if the Republican plan were enacted, our seniors would see huge Medicare cuts, higher Medicare premiums and out-of-pocket costs, and an effort to cut Social Security. If you examine the Republican budget closely, it does all three.

It cuts $283 billion from Medicare over 7 years, meaning that the service currently provided by Medicare will be significantly less in 2002. By cutting the Medicare program by 25 percent in 2002, out-of-pocket costs for seniors will increase by $1060 in 2002. And, this budget begins the dangerous concept of reducing Social Security cost-of-living-adjustments, beginning in 1999, by altering the Consumer Price Index. This will reduce the average benefit by $240 per person.

The Republicans have also suggested this plan will actually balance the budget in 2002. Unfortunately, their proposal relies on unsound economics and budget gimmicks to reach a balanced budget. This budget assumes a $170 billion "economic bonus" between 1996 and 2002 for attempting to balance the budget. This is based on a rosy scenario that our financial markets would react to lower interest rates by an optimistic 2 percent in 2002. Without this bonus, the budget is not balanced, and the promises behind this budget remain unfulfilled.

Mr. Chairman, I support a balanced budget. I believe if we got rid of the $340 billion tax cut for the wealthy and used those funds to help keep Medicare solvent; if we asked the very wealthy instead to pay their fair share; restored some funding for some of our most needed initiatives, such as student loans; and did not tamper with Social Security, we would reach this goal. Unfortunately, a majority of my colleagues did not agree with our efforts to make these changes in the Budget Committee.

Therefore, I intend to vote against the Kasich budget plan on the floor of the House.

Mr. WELDON of Pennsylvania. Mr. Chairman, support this historic budget resolution which puts us on the path to a balanced budget for the first time in a generation. It is vitally important for the sake of our future economic health that we keep our commitment to a balanced budget by 2002.

I must object, however, to including repeal of the Davis-Bacon Act in our budget assumptions. As a number of my colleagues and I stated in our recent letter to Speaker Gingrich, Davis-Bacon is an important and historic worker protection deserving thorough consideration in the legislative process before any attempt at repeal is made.

The Budget Committee projects $2.7 billion in savings over 5 years from repeal. I don't think all of those savings would materialize because those figures do not take into account the reduced quality of workmanship on Federal projects that could result if the prevailing wage is not paid.

Mr. Chairman, I believe we can produce the needed savings without repeal of Davis-Bacon and I look forward to working with my colleagues who signed the letter and with the leadership to devise a reasonable alternative to repealing the Davis-Bacon Act.

Mr. OXLEY. Mr. Chairman, I rise today in strong support of the House Republican fiscal year 1996 budget resolution. Our budget, as promised, outlines a clear path to the elimination of our national deficit by the year 2002. For too many years the Democrat leadership in the House has irresponsibly increased spending while putting the fiscal future of our children in jeopardy. This budget will ensure that the legacy we leave our children in debt free and full of opportunity, rather an ever increasing Federal deficit and a bloated, more intrusive Federal Government. On another level, our plan marks a shift in power away from Federal bureaucrats to families, States, and communities, who know what works best for them.

Over the coming weeks we will hear many say that our budget calls for dramatic cuts in Medicare. This could not be further from the truth. Under our proposal Medicare spending will increase from an average of $4,700 per recipient to $6,300 per recipient by the year 2002. As a matter of fact, overall Federal spending grows by about 3 percent annually under the GOP budget plan. The simple truth is that the Medicare trust fund will go bankrupt in just 6 years. The Medicare board of trustees has verified this conclusion. In response to this announcement Republicans have designed a plan to save Medicare. By controlling the amount of growth of all Federal spending, including Medicare, we will put ourselves on track to a balanced budget, and at the same time save Medicare from certain insolvency. Let us pass this budget and bring fiscal sanity to this House for the first time in a generation.

On another matter, note that this budget calls for the elimination of the Department of Commerce. While I recognize the significant savings that would result from this and other efforts to streamline and reduce Government bureaucracy, I would just like to state that the elimination of this Department will not be as easy as simply eliminating funding. The elimination of this agency will require the repealing of a number of underlying statutes and the spinning off of several vital responsibilities. As chairman of the Commerce, Trade, and Hazardous Materials Subcommittee, I will work closely with my Republican colleagues to address these concerns and put ourselves on track for a balanced budget in 2002.

Ms. PELOSI. Mr. Chairman, the Republican budget declares war on biomedical research. The Budget Committee recommends that NIH be cut by $566 million and frozen there for the next 5 years to produce a savings of $2.5 billion. Because biomedical research inflation rate is 4.2 percent, the freeze would require drastic reductions of 30 percent in medical research over 7 years.

NIH Director Harold Varmus has testified that this proposal would be a devastating blow to biomedical research. The success rate of research grants would plummet from 24 percent this year to 15 percent or lower in future years. These ill-advised cuts would have a ripple effect on the Nation's science infrastructure. We will lose laboratories, and long-term investments in biomedical research. We stand the risk of losing a generation of new biomedical researchers. What young person would go into a field with such a low probability of success?

America's health and economic competitiveness depend on an adequate level of funding for biomedical research at the NIH. The Republican devastation of NIH will cost us money in the long run. NIH has played a critical role in innovations that have saved 2–3 dollars for each dollar invested in research. Why would we want to reduce our investment by 30 percent?

Mr. Chairman, it is not only the future of NIH that is a stake in this budget, it is the future of most American families. What family in this country has not been touched by heart disease, cancer, Alzheimer's disease, diabetes, mental illness, or substance abuse? What family feels totally safe from AIDS, breast cancer, or genetic diseases?

Why would the Republicans propose to take away hope from so many American families? Apparently to fund huge tax breaks for large corporations and the wealthiest of Americans. This is a bad budget. I urge a "no" vote.

Mr. BONILLA. Mr. Chairman, I would like to thank Chairman KASICH and the House Budget Committee for recognizing that we should not balance the budget at the expense of economic opportunity. In fact, the whole point of even having a balanced budget is to promote opportunities for the good and the future of the Nation. I am proud to be a Member of the 104th Congress which recognizes this factor. I appreciate having had the chance to testify before the House Budget Committee on this critical issue and for their action.

I strongly oppose the Clinton's administration's Immigration and Naturalization Service [INS] budget for including a border crossing fee. The INS fee is an excessive burden to American businesses along the United States border with Canada and Mexico.

Illegal immigration is a national problem and measures to enforce our laws should be financed by all Americans, not only those living on the border, who face the burden of illegal immigration. The American border communities already have the undue hardship of illegal aliens depleting valuable medical and social services.

The Clinton border crossing fee is yet another blow to the economic viability of American border communities already devastated by the devaluations of the Mexican peso and the Canadian dollar. The hardworking, taxpaying Americans in the border towns of Presidio, Del Rio, Eagle Pass, and Laredo are facing ruin.

Already scores of American businesses have closed and thousands of hardworking Americans have joined the rolls of the unemployed because of current economic situations.

To impose an additional levy would reduce commerce and violate the spirit of free trade and economic opportunities and hundreds of thousands of American working men and women.

Taxes assessed by the INS on Canadian and Mexican shoppers will reduce purchases of American goods and services. It is imperative that the administration abandon this proposal and that the House Budget Committee work toward this goal.

The impact of a crossing fee on the average foreign-based shopper is considerable. We must think and take into consideration how this affects the Americans who live and work in our border communities and stop treating them like second-class citizens. It is important that these Americans are not singled out by the administration.

Mr. PORTMAN. Mr. Chairman, I rise today to express my strong support for House Concurrent Resolution 67, the Republican budget plan that moves us to a balanced budget for the first time since 1969. This budget is about America's future—it is a plan that will allow us to enter the next century with America's fiscal house in order. Our country has continued to sink deeper and deeper into debt, and the time has come to restore our Government's economic strength and integrity.

The current budget crisis is taking its toll. Today's $4.8 trillion debt requires annual interest payments of $235 billion. If Government spending is not curtailed, the debt will reach $7.5 trillion by 2005, requiring interest payments of $412 billion. As early as 1997, Americans could pay as much interest on the debt—$270 billion—as we pay for national defense. These wasteful debt payments occupy increasingly large portions of our Federal budget, crowding out money that could remain with the taxpayer or be reinvested in America's neighborhoods, infrastructure, schools, and farms.

In addition to decreasing the amount of money that the Government has to pay for its programs, Americans are adversely affected by the debt each time they borrow money to pay for a home, car, or an education. It is estimated that interest rates are about two points higher than they should be under a balanced budget. The Budget Committee tells me that this adds as much as $37,000 over 30 years to a mortgage on a $75,000 home.

We must meet our budget crisis head-on for our Nation to be strong and prosperous. We cannot continue to mortgage the future of our children and grandchildren. House Concurrent Resolution 67 moves us toward a balanced budget by the year 2002 by eliminating wasteful spending and reducing the growth rate of many programs. In all, this budget reduces the deficit by about $1.1 trillion over the next 7 years.

This budget plan not only balances the budget—it also takes action to protect and preserve Medicare. To save it from bankruptcy, House Concurrent Resolution 67 would reduce the unacceptably high rate of growth of Medicare. I have a special interest in this issue given my position on the Ways and Means Committee, which has jurisdiction over Medicare. As you may know, the Social Security and Medicare trustees have predicted that the Medicare Part A—hospital Insurance—trust fund will be bankrupt in 7 years. That means that by 2002, the funds simply won't be there unless Congress takes some corrective action. In order for Congress to keep its commitment to provide health insurance for the elderly, we must act now to safeguard the system.

The budget resolution recommends three approaches to reforming Medicare, all of which deserve further investigation by the Ways and Means Committee. None of these options would reduce Medicare spending below current levels. In fact, the program would be allowed to continue to grow at a healthy rate, one which is closer to the rate of increase for health care expenditures generally. Under the budget proposal, average spending on a Medicare beneficiary would increase from about $4,800 today to about $6,400 in 2002.

I do not agree with every detail of the budget plan's suggested reforms. But when taken as a whole, it is a well-crafted, responsible and balanced measure. It restores fiscal responsibility to our Government for the first time in more than a generation. It's way overdue. Let's act now to safeguard the future of our children and grandchildren.

Mr. SPENCE. Mr. Chairman, I rise in support for the Budget Committee's budget resolution. This resolution halts the slide in defense spending for the first time in more than a decade. And it represents the first time the Congress has added money for defense to a President's budget since 1981. On average, this proposal will provide the same amount of defense spending as this year—$270 billion. These additional resources, coupled with a significant reduction in non-defense spending, and an aggressive series of reforms within the Department, are the key components in our

Republican plan to begin revitalizing our national security.

After adjusting for inflation, this plan does not increase the defense budget. It does, however, provide $50 billion more than the Clinton administration had planned to spend. And, perhaps most importantly, it is a plan that keeps the promise we made to the American people: we can both reinvigorate our national security posture and work toward balancing the Federal budget.

Mr. Chairman, some of our colleagues may be asking: Why, as we struggle to balance the budget, should defense appear to be exempt from the pain of cuts? I do not minimize the importance of deficit reduction and the goal of a balanced budget. Indeed, putting the Government's financial house in order is an important element of our Nation's overall security. I believe that strong measures are appropriate and necessary if we are to finally force the Government to balance its books. However, the armed forces have already paid their fair share.

But before I describe to you how steep the defense cuts of the past decade have been, let me remind you of one simple fact.

Defense is different.

As my colleague, Representative SAM BROWNBACK of Kansas, explained in presenting our budget plan, "We've got a whole new mentality: what's the proper role of the Federal Government?" Perhaps the Congress' most solemn charge under the Constitution is to "provide for the common defense." If a Government cannot protect its citizens and interests abroad as well as at home, all its other good works are futile.

And, in my view, we need to restore a more appropriate balance to our priorities. Even as the Federal Government has expanded into areas of our lives never dreamt of by the Founding Fathers, it has come to shortchange those jobs which they considered it alone could do. When national security counts for just one-sixth of the total Federal budget, that's a sign to me that things are out of whack.

The fact is, while other parts of the Federal budget have grown dramatically, the Defense Department has been paying a peace dividend for more than a decade: defense budgets have declined in real terms in each of the last 10 years. Almost alone among Federal departments and agencies, the Pentagon has paid the price of deficit reduction. This year alone, the Defense Department will spend nearly 35 percent less—$140 billion less—than in 1985. Certainly no other department can come close to those figures. Defense spending now accounts for less than 4 percent of GDP, the lowest percentage in over 45 years.

We are the world's only superpower. And the utility of the Defense Department to the Nation has, if anything, increased. All one has to do is look at the extraordinary deployment rates we demand from our soldiers, sailors, airmen and Marines: they're simply going more places and doing more things than at any time in recent history, even during the height of the cold war.

In an uncertain and chaotic world—perhaps especially in such a world—we find that military forces retain their currency. The Soviet Union may no longer exist, but there are plenty of people in this world who wish Americans ill. And who will resort to violence to express that ill-will. And, lest we forget the tragedy in Oklahoma City so soon, who have unprecedented access to powerful technology.

So far, I've talked about numbers: budget cuts, budget shares, budget priorities. Let me tell you what these numbers mean in the real world, where the men and women who wear the uniform live.

First of all, it means fewer troops. Today's military is the smallest force since the end of the Korean War. By the end of fiscal year 1995, the military will be down to about 1.5 million active-duty members, from about 2.2 million in the late 1980's. Since 1990, active Army divisions have been reduced by one third. The active-duty Air Force has cut its inventory of tactical aircraft almost in half. The number of Navy aircraft carriers has been cut by 25 percent, but the total number of combatant ships is down by 32 percent. And make no mistake about it, numbers of troops still matter: in fact, our ability to carry out our national military strategy is in jeopardy, simply for lack of certain highly specialized troops.

Second, it means that these fewer troops are having a tough time keeping ready for all the missions they're being given. Every day new signs of diminished readiness are cropping up. In 1993, the Pentagon's own readiness task force discovered pockets of unreadiness in all the services. Most recently—and shortly after the administration assured the Congress and the Nation that readiness was as high as it had ever been—three of the Army's divisions were reported as C–3, meaning that they had suffered, in the Army's official definition, a "significant decrease in flexibility and [an] increase in vulnerability"—should they be sent to war? These divisions "would require significant compensation for deficiencies" to be made ready for combat. Air Force air crews in Europe are increasingly requiring waivers for missed training. Navy and Marine Corps aviation squadrons have been grounded due to a lack of maintenance funds.

Third, these troops are being asked to accept a lower standard of living. We should not forget that this administration's initial defense budget proposed freezing servicemembers' pay and benefits—at the same time that they proposed dramatic increases in domestic spending. Last year, the Congress began to correct that wrong, but the quality of service life continues to erode. As deployments—and family separations—lengthen, family housing, troop barracks and mess halls are not getting routine maintenance. There are too many substandard living quarters, too many leaky roofs, too much lead paint.

Fourth, these troops are working with tools that soon will show significant signs of old age. Designing and building weapons is a long-term process; the procurement holiday declared after the victories in the cold war and the gulf war is turning into an extended leave of absence. As one retired officer told our committee in hearings this spring: "Our legacy to the next generation is likely to be 45-year-old training aircraft, 35-year-old bombers and airlifters, 25-year-old fighters, 35-year-old trucks, and 40-year-old medium-lift helicopters." By this year, the overall Pentagon procurement account has fallen from the 1985 high of $132 to $43 billion, a reduction of more than 70 percent.

Finally, the administration's desire to overextend and overuse our shrinking military forces on an unending stream of peace operations—has dangerously diffused the Defense Department's focus. The Pentagon simply is not keeping its eye on the ball. The administration persists in stretching the reduced force and its reduced budget by sending it on a succession of missions of ambiguous focus, and it compounds the problem by refusing to budget properly for these so-called contingencies. Why long running operations like the no-fly zones over Iraq and Bosnia should be unforeseen and not budgeted is more than a puzzle; it is a scandal. At this point, the administration's reluctance to budget for its own peacekeeping proclivities must be seen as a sin of commission, not one of omission.

But these missions cause more than budgetary mischief; they have strategic consequences. Sustaining large-scale peace operations for an extended period of time places a heavy burden on certain key military capabilities. The responsibility for these operations has fallen disproportionately on a small number of units: Army military police, port handlers, water purifiers, and quartermasters; and Air Force air cargo carriers—the kind of people who provide food, water, sanitation, and showers in inhospitable places, not only to our own troops but to coalition allies, humanitarian relief organizations, even the local populations.

As essential as these units are for peacekeeping operations, they are equally vital in wartime. And the more they participate in peace operations, the less prepared they are to meet the major regional contingencies that are the backbone of our national security strategy.

Should Iraq threaten Kuwait and Saudi Arabia again, our response time would be lengthened while we withdrew essential units and equipment from the many peacekeeping activities they're now engaged in.

These, and other problems can only be addressed within the context of stable defense budgets: There must be renewed investment, reordered investment priorities, and reformed defense processes. This budget resolution not only allows us to halt the decline in spending, it allows us to spend on the right things, and to spend smarter.

Our first priority is to restore the quality of service life. The service chiefs who helped to craft the early phases of the post-cold-war drawdown worried first and foremost about not breaking the force; in other words, not breaking the basic contract between the Nation and the men and women who wear its uniforms.

We also must take a comprehensive approach to the complex issue of force readiness: not only do we wish to ensure that current problems be solved, but that tomorrow's readiness is not compromised to meet today's shortfalls.

And we must end the procurement holiday. The President's budget request included no new bombers, no scout or attack helicopters, no tanks or fighting vehicles, just a handful of fighter aircraft and insufficient ammunition to replenish stocks. Relatively small investments will provide the necessary link between the force of today and the force of tomorrow.

Some part of this investment must go to revitalize the administration's anemic ballistic missile defense efforts. As rogue states like Iran dedicate themselves to acquiring weapons of mass destruction and the missiles to deliver them, the United States has a moral obligation to pursue a robust effort to defend against these weapons of terror. We must not forget how a crude, conventionally armed Scud missile accounted for the greatest single loss of American lives during the Gulf war. A massive SDI program to develop and deploy exotic technologies is no longer envisioned, but we have an absolute obligation to develop and deploy theater and national missile defenses. It would be unconscionable to protect our troops and friends abroad while insisting that Americans here at home remain vulnerable to ballistic missile attack. Theater and national missile defense must once again become a primary goal, and we must work prudently to make that goal a reality.

We must allow small force structure increases to alleviate the burdens of constant deployments and high operating tempos. We simply cannot ask a small portion of our force to bear a disproportionate burden for noncombat operations.

Finally, we must reform the defense bureaucracy. It must be made to do its proper job, and to do a better job. For example, each year the Government spends about $200 billion on a wide range of goods and services, from sophisticated Stealth bombers to pencils. Regulations and redtape account for almost one-fifth of that amount. Some are necessary—we should not take risks with the American people's money. But too many mandates leave little room for sound business judgment, initiative and creatively.

The Pentagon, particularly, must learn to do its business more effectively. This is not merely a matter of efficiency, it is part and parcel of national security in a rapidly changing strategic and technological world. Unless the Pentagon can be as agile as America's adversaries, we will be at risk; our bureaucrats must be as nimble as our fighter aircraft. This year's National Defense Authorization Act will tackle this problem head-on, recommending a host of good-Government and streamlining initiatives that will make sure the Pentagon becomes a better steward of the taxpayers' dollars. Similarly, Representative BILL CLINGER, chairman of the Government Reform and Oversight Committee, and I are today introducing a comprehensive Federal Acquisition Reform Act that will lighten the bureaucrats' burden and let managers manage; they'll be given power and responsibility.

A second goal of our reform effort must be to ensure that the Defense Department sticks to defense. For too long, the defense budget has been the largest cash cow in Washington. Sadly, items in the defense budget are questionable projects that have little to do with national security. Others may be worthwhile, but are not the Defense Department's job.

Mr. Chairman, in conclusion, I strongly urge my colleagues to support the Budget Committee's budget resolution. Just as we set the rest of the Government on the proper path forward, so it must be with the Pentagon. The decisions we reach about defense spending today will create effects felt not only next year but many years from now. Lieutenants and privates recruited today will become tomorrow's generals and sergeants major. They will not fly the aircraft we order today for a decade. The research we undertake now will produce the new weapons that they will rely on in 20 years. In sum, we must ensure that our future military forces will be assured of being the smartest, best-trained, and best-equipped, and that there will be no doubt in America or around the world that, in Colin Powell's words, a "superpower lives here."

Mr. GOSS. Mr. Chairman, "What a difference a year makes." Who could predict a year ago that we would be standing here today debating not one, but four separate, specific proposals to bring our budget into balance. While I do not support each different vision, it is truly gratifying to see the debate shift toward fiscal responsibility and real accountability to the American taxpayer.

I would first like to congratulate Chairman KASICH and his colleagues on the Budget Committee for their tremendous work in crafting the committee's first balanced budget resolution in nearly three decades. We can measure their success by the type of demagogic opposition from those on the other side of the aisle and down the street. Remember, they have no serious proposal. It seems opponents of fiscal responsibility have been reduced to inflammatory rhetoric and misleading assertions of draconian budget cuts. "The sky is falling," they shriek. Nonsense. As you can see from this chart, total outlays under the committee budget will in fact continue to grow at a healthy but responsible rate.

And in fact, we show in the Solomon-Neumann proposal that it's possible to go further and balance the budget in an even more expeditious manner—5 years, rather than 7. This proposal underscores what I have claimed for several years, that there are literally hundreds of billions of dollars of low priority, excessive and wasteful discretionary spending programs in our current budget. We can cut those programs without touching Social Security and while preserving Medicare benefits. In addition, by balancing the budget in 5 years rather than 7 the national debt will be $600 billion less, and so we could save an extra $42 billion in interest payments. The result: interest rates could drop an additional 1 percent. That's good news for families. The Solomon-Neumann budget is, as advertised, truly a contract with our children.

Mr. Chairman, this is an historic occasion for this body. This Congress is on the verge of reasserting our fundamental duty to live within our means. This Congress will rein in runaway spending and bring our budget into balance. But most importantly, Mr. Chairman, as we enter the 21st century, it is this Congress that will preserve a bright future for our children and grandchildren.

Mr. TAYLOR of North Carolina. Mr. Chairman, I rise in support of the Republican budget not because I agree with every detail, but because this Nation must balance it's budget. If we don't we may go the way of Mexico, and if we go bankrupt, there won't be anyone to bail us out.

The American people should know that the Appropriations Committee will make the final decisions on what programs will be eliminated, what programs will be cut, and what programs may be increased. Today, we spend about $1.12 for every dollar we take in—it's a 12-percent problem and we can fix it.

This budget begins the process of making priorities, we've simply got to determine how much money we have, prioritize our needs and when the money runs out, so do the programs. Every spending program has a rationale, a constituency and a lobby.

There's been a lot of loose talk in this Chamber about so-called cuts in some programs like Medicare. Only in Washington is an increase in spending a cut. The fact is that Medicare will be broke in 7 years. That means in 2002 there will be no money for Medicare. Those who oppose this budget are willing to scare our seniors and are willing to lie to them, in the pursuit of politics. To vote against this budget is to tell our seniors that we don't care about their healthcare—that we are willing to cast them out—just for politics.

The fact is, under this budget, Medicare spending will increase from $4,700 to $6,300 in the next 7 years—that's a 40-percent increase per recipient. That's hardly a cut anywhere in America, except on the other side of the aisle.

This budget lays out a roadmap to follow to a balanced budget and a healthy Medicare system in 7 years. We may not agree with every dot and tittle in this budget—they'll be worked out in the Appropriations Committee—but we must agree with a balanced budget, with a healthy Medicare system, and Social Security off the table.

Mr. MINETA. Mr. Chairman, America in ruins. That's right. Even if you put aside for a moment the harm that the Kasich budget does to Medicare, student loans, and everyday Americans, you are left, in terms of our Nation's infrastructure, with a blueprint for disaster.

Forget what we have learned over the past 20 years: That our infrastructure investment has a direct bearing on our ability to compete in the global economy; that an enhanced infrastructure can greatly further productivity, lower the cost of production and increase employment; and that our infrastructure is critical to upgrading the standard of living and quality of life for all Americans.

Forget what we know about the current needs of our transportation systems, wastewater treatment, and water supply facilities: That more than one-half—56 percent—of the Nation's major roadways are in poor to fair condition and are in need of immediate repair, with the cost to eliminate backlogged highway deficiencies estimated at $212 billion; that more than 70 percent of peak-hour travel on urban interstates occurs under congested or severely congested conditions, generating costs from wasted fuel and lost productivity to the economy of $39 billion per year; that one out of three bridges in America is rated structurally deficient or functionally obsolete; that almost one-fourth of the Nation's rail transit facilities are in poor condition, and one-fifth of our transit buses must be replaced as soon as possible; that we now have 23 airports experiencing more than 20,000 hours of aircraft delay annually, costing our economy as much as $6 billion every year; and that more than 10,000 of our 75,000 dams are classified as high hazard, meaning they would cause loss of life and extreme property damage should they fail; 13,549 are classified as being of significant hazard, meaning significant property damage would be sustained if they fail; and about 2,000 are considered unsafe or in need of repair.

Forget—we should not—but that is what the Kasich budget plan does. As a result, spending for infrastructure would decline dramatically.

For transportation, in 1996, the Kasich budget calls for a 1.3-percent cut below 1995 spending. By the year 2002 this would increase to a 14.6-percent cut below last year's spending, representing, because the Kasich budget fails to take account of inflation, a 30.3-percent decline in real transportation purchasing power.

Specific transportation cuts would include the following:

Freeze user-fee supported highway program. The Republican budget freezes the highway program at last year's level notwithstanding the fact that it is supported exclusively by user fees and does not contribute one penny toward the deficit.

Phase out Mass Transit Operating Assistance. The budget phases out operating assistance for local transit agencies between 1996 and 1999, cutting an additional 25 percent each year. This proposal cuts $193 million in 1996, $385 million in 1997, $578 million in 1998, and $770 million in 1999 through 2002.

No new starts for fixed guideway capital grants. The budget terminates funding for new section 3 mass transit systems, cutting $12 million in outlays in 1996, increasing to $645 million in 2002.

Terminate rail programs. The budget eliminates high-speed rail development and the local rail freight assistance program, terminates the Pennsylvania Station Redevelopment Project, and ends funding for the Northeast Corridor Improvement Program in 1999.

Eliminate air transportation programs. The budget eliminates the essential air services program, grants to reliever airports, the Civil Aeromedical Institute, the FAA Management Training Institute, and Air Traffic Control Revitalization Act premium pay.

Cut Coast Guard operating expenses. The Republican budget cuts funding for Coast Guard operations by $65 million, or 3 percent, in 1996 and freezes funding at this reduced level for the following 6 years. By 2002, this would mean a 24-percent loss in real purchasing power.

For environmental programs, in 1996, the Republican plan calls for a 14.2-percent cut below 1995. In 2002, the plan proposes a 15.2-percent cut below 1995, representing a 32.8-percent decline in real purchasing power.

Major changes proposed by the Republicans would include the following:

Cut funds for sewage treatment and safe drinking water facilities. The Republican budget proposes to cut funding for construction and upgrading of sewage treatment and drinking water facilities by $650 million, or 22 percent, in 1996 and then to freeze funding at this reduced level for the following 6 years. By 2002, this would mean a 38 percent loss in real purchasing power.

Cut Corps of Engineers construction. The Republican budget calls for cutting funds for Corps of Engineers water resources construction projects by $172 million, or 19 percent, in 1996. Although the cut is reduced beginning in 1998, in 2002 funding would still be 7 percent below 1995—representing a 26 percent real cut in purchasing power.

Reduce Superfund spending. The budget calls for reducing appropriations from the Superfund for hazardous waste cleanup by 10 percent in 1996 and then freezing appropriations at that reduced level for the following 6 years. By 2002, purchasing power would be down 30 percent.

For regional development programs, in 1996, the Republican plan calls for a 25.3 percent cut below 1995. In 2002, the plan proposes a 25.5 percent cut below 1995, representing a 40.6 percent decline in real purchasing power.

Major changes proposed by the Republicans would include the following—

Eliminate the Economic Development Administration.

Eliminate the Appalachian Regional Commission.

Eliminate the nonpower programs of the Tennessee Valley Authority.

Mr. Chairman, these are but a few examples of the many real infrastructure hardships this budget advocates.

American in ruins. Sound familiar? That is the title of a 1983 bestseller which, for the first time, brought to the forefront of American politics the important role that infrastructure plays in the world economy.

Let me read from the conclusion of that work:

> Economic renewal must be the premier focus of domestic policy in this decade. Our public infrastructure is strategically bound-up in that renewal. Without attention to deterioration of that infrastructure, economic renewal will be thwarted if not impossible.
>
> We have no recourse but to face the complex task at hand of rebuilding our public facilities as an essential prerequisite to economic renewal and maintenance of our quality-of-life.

How quickly we forget—how much the Kasich Republican plan forgets.

Mr. Chairman, I urge a "no" vote on the Republican budget.

Ms. PELOSI. Mr. Chairman, I rise today to note that a number of our colleagues on the other side of the aisle have shown pictures of their children during the course of the debate on budget priorities. These children are beautiful; they have bright futures; and, I am sure they are the pride and joy of their lucky parents. I know; I am the lucky mother of five wonderful children.

With all due respect to my colleagues however, I would note that we are here in Congress to represent all of the children of our districts and, in fact, our Nation, not just our own children. Our children are the lucky ones—they are covered by their parents' congressional health benefits; and, with the benefit of their parents' congressional salaries, they have decent housing and will be able to afford higher education.

It is not enough to gauge the brilliance of the future of this great Nation by its impact on our own children. We, as Federal legislators, have an obligation to all of this Nation's children. Our children are not only the ones in our families. They are also the children down the street, in low income housing, and tragically, sometimes not in housing at all but out on the street. Unless we meet their needs too, the future of our children is not as bright.

The Republican budget before us today is not for America's children, it is only for the children of the privileged few.

Mr. DAVIS. Mr. Chairman, I rise today in support of House Concurrent Resolution 67 which sets out the annual budget limits that will enable our Federal Government to achieve a balanced budget over the next 7 years. Our country faces a deficit crisis that can only be resolved through an honest commitment to the basic idea that our Federal Government can no longer afford to live beyond its means. With this resolution, Congress has an historic opportunity to put an end to the business-as-usual partisan bickering that has resulted in a $4.8 trillion debt that threatens to overwhelm our Nation's economy. It is time to stand together and do the heavy lifting that is needed to put our country's balance sheet in order.

This year's interest obligation on the debt is $235 billion, and over the next 15 years—if current patterns are allowed to continue—accumulated interest payments will total several trillion dollars. You don't need to be a finance expert to understand that this year's $235 billion interest payment on the Government's debt means that we have that much less money to fund critical government functions like crime control, education, and transportation initiatives. On a personal level, these growing interest payments will mean that my 13-year-old son Carlton will be saddled with approximately $125,000 in additional taxes during his expected lifetime to pay for his share of the interest obligation.

Even now, Americans are paying for this debt in the form of interest rates that are about 2 percentage points higher than they would be if the budget were balanced. This adds as much as $37,000 over 30 years to the mortgage on a $75,000 home. A 2-percent reduction in interest rates will result in the following economic benefits:

It will lead to the creation of 4.25 million more jobs over the next 10 years.

It will increase per capita incomes 16.1 percent.

It will generate $235 billion more revenue for the Federal Government without a tax increase.

It will generate $232 billion more revenue for State and local governments without a tax increase.

As the former chairman of the Fairfax County Board of Supervisors, I can report from first-hand experience that a spendthrift Federal Government with unrestrained deficits will inevitably attempt to pass the buck on to State and local governments in the form of unfunded mandates. While we addressed part of this problem with the Unfunded Mandates Reform Act, we will never fully cure the Federal Government's habit of passing the buck until we adopt a firm balanced budget policy that forces the Government to live within its means. When I was elected county board chairman in Fairfax County, VA—a county of 900,000 residents with the second largest county budget in the Nation—we were faced with more than a $200 million deficit that threatened the financial security and well-being of the county. Well, we rolled up our sleeves and went to work. We made the county government leaner and more efficient. We set priorities and stayed on focus to achieve a balanced budget, without tax hikes, that featured added funding for education. Two years later, Fairfax County was voted best financially managed county in the country by City and State magazine and I learned that fiscal responsibility creates economic opportunity and has the power to restore the average taxpayer's faith in government.

It is now time to restore faith in the Federal Government. This resolution sets tough budget limits that will require difficult choices and painful spending cuts. I oppose several of the individual, non-binding proposals that are contained in the committee report that accompanies this resolution. I will continue to fight to see that the more than two million hard working Federal employees are not unfairly targeted for pay and benefit cuts. While we all must share in the sacrifices that are necessary to achieve a balanced budget, I believe that Federal workers were unfairly singled out for a 2.5 percent pay cut and a sizeable reduction in promised retirement pay contained in H.R. 1215—the tax bill.

I voted against the rule that limited amendments and against final passage of H.R. 1215. The other body has not embraced these pay cuts, and I am confident that the end result of this budget process will be much more acceptable to the Federal worker than the provisions contained in the misguided tax bill. I am pleased that this resolution recommends the formation of a high-level commission to study the security of our military and civil service retirement funds. The Congressional Research Service and General Accounting Office are on record as certifying that these retirement systems have no unfunded liability problem and face no threat of insolvency. I applaud this resolution for embracing a long-range, analytical approach to the questions raised during the tax bill debate about the solvency of these retirement funds. This resolution appears to recognize that any increase in employee contribution rates based on the argument that these funds are unstable should be postponed until the commission makes findings and recommendations.

There is some good news for northern Virginians in this balanced budget plan: our METRO system is fully funded until its planned completion; retired civil servants and military personnel do not face reduced or delayed cost-of-living allowances; and, the U.S. Geological Survey remains intact and viable in its Reston headquarters.

Let's put partisanship aside for the sake of our children's economic security. To those critics who focus solely on the sacrifices required to balance our budget, I say: Where is your plan? This resolution represents a solid plan to balance the budget over 7 years. A balanced budget will directly result in lower interest rates, a stable dollar in the international market, and long-term economic security. I urge my colleagues to join me in support of House Concurrent Resolution 67.

The CHAIRMAN. No further debate is in order. Accordingly, pursuant to House Resolution 149, the Committee rises.

Accordingly, the Committee rose; and the Speaker having assumed the chair, Mr. SENSENBRENNER, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, as amended, he reported the concurrent resolution, as amended, back to the House.

The SPEAKER. Under the rule, the amendment printed in H. Rept. 104–125 is adopted.

Under the rule, the previous question is ordered.

PARLIAMENTARY INQUIRIES

Mr. WYDEN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WYDEN. Mr. Speaker, does House rule XXI(c) requiring a three-fifths vote to increase Federal taxes apply to the $17.4 billion tax increase contained in the Republican budget resolution due to the consumer price index cut?

The SPEAKER. The Chair appreciates the gentleman's parliamentary inquiry, and the Chair interprets clause 5(c) of rule XXI to apply only to the passage or adoption of a bill, a joint resolution, an amendment thereto, or a conference report thereon. The rule does not apply to the adoption of a concurrent resolution.

Mr. WARD. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WARD. Mr. Speaker, I am a freshman. On my first day here I voted that a three-fifth vote of this body be required to pass a tax increase.

The SPEAKER. The gentleman is not in order.

Mr. WARD. Is this not a bill, Mr. Speaker?

The SPEAKER. This is not a bill. The gentleman is a freshman. He should study this. It is not a bill.

Mr. WARD. It is not a question of studying, Mr. Speaker. What is the voter to think if we do not call a bill a bill?

The SPEAKER. The question is on the concurrent resolution, as amended.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 238, nays 193, not voting 4, as follows:

[Roll No 345]

YEAS—238

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—193

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson

Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—4

Berman
Collins (IL)
Kleczka
McNulty

□ 1609

So the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Mr. Speaker, during rollcall vote No. 345 on House Concurrent Resolution 67 I was unavoidably detained. Had I been present I would have voted "no."

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO HAVE UNTIL MIDNIGHT FRIDAY, MAY 19, 1995, TO FILE REPORT ON H.R. 1561, AMERICAN OVERSEAS INTERESTS ACT OF 1995

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until midnight, Friday, May 19, 1995, to file a report on the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 1158, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DISASTER ASSISTANCE AND RESCISSIONS, FISCAL YEAR 1995

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 151 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 151

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. WALKER). The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Boston, MA [Mr. MOAKLEY], the former chairman of the Committee on Rules.

Pending that, Mr. Speaker, I yield myself such time as I may consume. All time yielded is for debate purposes only.

Mr. Speaker, this rule provides for consideration of the conference report to accompany the bill, H.R. 1158, a measure providing emergency supplemental appropriations for disaster assistance and rescissions for fiscal year 1995. The rule waives all points of order against the conference report and against its consideration.

In particular, I would note that the conference report violates clause 3, rule XXVIII, relating to scope, because appropriations related to the terrorist bombing in Oklahoma City were added to the bill in conference, and I know everyone is very supportive of that effort.

□ 1615

The debates on this floor are getting somewhat predictable. Fortunately, the American people are getting one message that is coming through loudly and clearly.

Mr. Speaker, the Democratic leadership, including President Clinton right at the top, are unquestionably, unwaveringly, and unalterably addicted to big government. We just heard the gentleman from Ohio [Mr. KASICH] talk about the fact that we are for the first time in years turning the corner on that.

There are a number of important emergency supplemental appropriations in this bill. However, I would especially call attention to the $6.7 billion in supplemental funding for disaster relief in 40 States; not just California, 40 States are involved.

I can assure the Members, Mr. Speaker, that in Los Angeles, in Los Angeles, where the impact of the Northridge earthquake is still felt, these funds are more critical than the rescissions included in the funding package.

The budget debate in this House boils down to whether politicians can muster the courage and conviction to stop passing trillions of dollars of economy-choking debt to our Nation's children. This is one of the most important political debates in our history. It will impact the future of every working family in this country. This emergency supplemental is a miniature version of the budget debate that we just went through.

The new majority in Congress has changed the way Washington does business. Rather than simply tossing new spending onto the mountainous Federal debt, as has been done in the past, we propose to pay for it. Is that so incredibly radical, Mr. Speaker?

The Committee on Appropriations went back and re-evaluated nearly every item in the fiscal year 1995 spending program. They tried to find what I call smart cuts. They used the following criteria: No. 1, spending that was not authorized; No. 2, duplicative Federal programs; No. 3, programs that receive large funding increases in fiscal year 1995; No. 4, programs with unspent funds piling up from year to year; No. 5, programs that exceeded the level in the Clinton budget; finally, programs that are wasteful and do not work.

Those are the criteria that they used in looking at these items. Only among big-government liberals in Washington are these considered radical criteria. The Committee on Appropriations took another radical step. They proposed to cut as much unnecessary spending as possible, not just enough to balance out the new spending. Only inside the Beltway here in Washington would people advocate only looking for enough wasteful spending to balance the amount of new spending, but the Committee on Appropriations very responsibly went further. We proposed to get this Government on the path to a balanced budget, the one that was just called for in the resolution passed.

That, of course, gets us back to the balanced budget question. We are starting to see a clear trail here, Mr. Speaker, on the balanced budget amendment, despite strong bipartisan support, the President opposed it, and it came up short. However, he sure had the rhetoric down extraordinarily well, as many of our colleagues on the other side of the aisle have in this House. He and his friends supported a balanced budget, not just that they supported the amendment. They said they wanted specifics.

Then the Republicans came up with specific budget plans to balance the budget. Again, the big-government liberals, led by the President, ran for cover. Again there were excuses. We heard a lot of that here today when the House made history and passed this budget resolution that will put us on this glide path toward a balanced budget by the year 2002.

Now, Mr. Speaker, the President's staff indicates, and the President himself has indicated, that this emergency supplemental appropriations and rescission bill will be vetoed. We are the ones who responded to his request, and he was not at the table, and yet the call is that he is going to be vetoing it. Should we be surprised?

On the one hand it is hard to believe that the President is going to veto the bill that provides relief to American families that have already suffered at the hands of earthquakes, fires, flood, and terrorism. However, look at it from the perspective of big-government's great protector. Every special interest that lives off the bloated Federal Government is frightened. They all think that they are next. The President and his very liberal allies in Congress are their great protectors. The great protectors' advisers have probably told him that if he does not oppose these cuts, special interests all over the country are likely to think that maybe the President will agree with Congress tomorrow or next week or later this year, that their special program is not absolutely critical to this Nation's future. Better to make it clear to those who live off the Federal Government that he is here for them.

Mr. Speaker, this is a very good conference report. It makes history. Two months ago when a bill came to the floor providing funding for these priorities, and reducing spending to pay for it, people said the spending cuts would die in the other body. Apparently they misread things. They passed by a 99 to 0 vote. Now we have these veto threats. They could be wrong, too. If not, let the President make the case that in a $1.5 trillion budget, a 1-percent spending cut is too much.

By the way, explain why those cuts are more important than this extraordinarily important disaster relief. Mr. Speaker, I urge my colleagues to support this very fair rule, this extraordinarily balanced conference report, which the American people are behind.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this bill really cuts things we should keep, and keeps things that we should cut. Even though, and I want the Members to listen closely, even though it is not as bad as the House bill, and in that we are all thankful, we are still left holding a big pile of favors for the well off at the expense of everyone else. The worst part is that $50 billion of these cuts are not even going to deficit reduction. They are going to provide a tax break for some 1 million people, 1 million of the richest Americans in the land. Those are figures from the Department of the Treasury.

Mr. Speaker, I feel like yesterday I was standing here complaining about tax cuts for the rich at the expense of Medicare recipients. Now I am standing here complaining about tax cuts for the rich at the expense of education and housing. My Republican friends say they have to cut these programs to balance the budget, but President Clinton has shown us that it is possible to cut spending, and not cut the legs from under working families. President Clinton's bill cuts $110 million more than the Republican bill, but it does it without socking it to the middle class.

The President's rescissions bill proves if you give up the idea of tax breaks for the very rich, then we can afford a lot of very good programs that benefit the rest of the people, programs for education and training, programs for crime prevention, programs for housing, programs for veterans, and the list just goes on and on.

Mr. Speaker, this Republican rescissions package is a big, fat boon for expatriated billionaires, and a serious cut for working American families. Republicans have broken their promise not to cut Medicare, and they are breaking their promise to help working families. While we are on the subject of broken promises, Mr. Speaker, my Republican friends had promised not to waive the 3-day layover, and they have gone ahead and done that, too.

Therefor, Mr. Speaker, we are getting used to this. I urge my colleagues to oppose the rule. This bill, like the Republican budget, hurts the people who need help and helps the people who really do not need help. We do not have to gut education and crime programs to pay for tax breaks for the very, very rich.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Speaker, I just want to say in response to the last gentleman's statements, there are no tax breaks in here, no money is going to people for tax breaks, because the conference agreement includes the amendment of the gentleman from West Virginia in the Senate. The President never got his list of rescissions to us until after the conference was closed, so there was no possible way for us to act on any of his ideas, even though we have been pleading with him for 4 months to give us his ideas on rescissions.

I do not know where the gentleman got this business about a billionaires' tax cut. This is an appropriation bill, not a Committee on Ways and Means bill. It has nothing to do with tax breaks.

Mr. DREIER. Mr. Speaker, still basking in the glow of passing the first balanced budget in 26 years, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Claremont, CA, for yielding time to me. It is nice to have him down out of the gallery and here on the floor. He is doing such a great job.

Mr. Speaker, I rise in strong support of this rule and the conference report it makes in order. This is the conference report that contains funds to try to repair just some of the damage that was done by the Oklahoma City blast, and yet the President has said he will veto it? This is the conference report that contains disaster assistance for the victims of the California earthquake, and yet the President of the United States has said he will veto it? This is the conference report which contains debt relief for Jordan, which the President says he wants, and yet the President has said he will veto it?

This is the conference report, Mr. Speaker, which takes the first concrete steps toward reducing the deficit by actually cutting excessive spending out of this year's funds, and yet the President has said that he will veto it? What is going on here, Mr. Speaker? Is this the only way the President can try to prove that he is relevant to the setting of budget priorities, since he has failed to propose a budget plan which would lead to a balanced budget by the year 2002?

As chairman of the Committee on Rules, I personally invited him to put that budget before us, and we would make it in order and have a legitimate, relevant debate. There was no proposal. It is unlikely, Mr. Speaker, that all 435 of us will ever agree on every detail of any set of budget priorities, because we represent different constituencies. I come from New York. We did not have the earthquake disasters in California, but yet, we have to support legitimate legislation, and this is just that.

However, this conference report does agree to reflect the will of the House reached after, I think, 10 hours of the amendment process back when the bill was first considered in this House. There is a little sore spot involved, because at that time the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Arizona [Mr. STUMP], and myself, along with the help of the gentleman from Florida [Mr. YOUNG], successfully passed on this floor by a vote of 382 to 23 an amendment and that is overwhelming, 382 to 23 restoring funding for veterans medical care and veterans health care facilities, with the cost offset by reductions in AmeriCorps, and leaving the veterans' programs with zero cuts.

Mr. Speaker, I am sorry to report that in a compromise the conferees have restored AmeriCorps, the President's pet project, to where it was before this House acted, and put back in the cuts in veterans' programs totaling $81 million. I know conferees fought very hard against that, and I appreciate that, but as far as I am concerned, this conference agreement has already gone too far to protect the President's pet project, that thing called AmeriCorps.

I am going to vote for this conference report, but if the President does veto the compromise agreement, I strongly hope and urge that our conferees or that this House will stick to the overwhelming position that this House took when the bill first left the floor.

Mr. Speaker, the chairman of the committee, the gentleman from Louisiana [Mr. LIVINGSTON], and the gentleman from Florida [Mr. YOUNG] have very difficult jobs, and they have done them so well. I just hope that this body, after the vote on the balanced budget resolution today, is now going to have the guts that the gentleman from Louisiana has and that the other members of the Committee on Appropriations are going to have in putting specific cuts out here on the floor for debate. I am going to support every one of them. That is a promise. They deserve our support, and they deserve our commendations.

If the President is smart, he will sign this legislation, Mr. Speaker. There is one other point I would like to make. That has to do with the rhetoric that has been used with regard to the conference agreement on the budget debate. Repeatedly we Republicans have been accused of making cuts that are mean-spirited as we attempt to balance the budget, the most important issue facing this entire Nation over the next 5 years. What is really mean-spirited and what is greedy is to keep borrowing money and doubling the bills on future generations so liberal Democrats can make themselves feel self-righteous today.

□ 1630

Mr. Speaker, if they want to feel self-righteous, they should have the courage to step up here and offer balanced budget solutions of their own rather than just criticize those that we have offered.

I urge support for this very vital piece of legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. PETERSON].

Mr. PETERSON of Minnesota. Mr. Speaker, I rise in opposition to this rule and this conference report. I do so not because I oppose cutting spending, but because the conference report does not include the Brewster-Minge lockbox amendment which applied all of the savings from the bill to deficit reduction.

The Brewster-Minge amendment would have reduced the discretionary spending caps to reflect the savings in each of the next 5 years from the spending cuts in the package, thereby applying the savings to deficit reduction. The Brewster-Minge amendment would have reduced the spending limits by $66.2 billion over 5 years. Incidentally, I would point out that the Brewster-Minge amendment uses the same approach to reducing the discretionary caps that was in the Penny—Kasich amendment offered by our former colleague Tim Penny and the current chairman of the Budget Committee JOHN KASICH in the 103d Congress.

The House overwhelmingly passed the Brewster-Minge amendment when the rescission bill was considered by the House, but the House leadership almost immediately began to back away from its support of the amendment. The other body passed a significantly weaker version of the lockbox that only applied the savings from the first year to deficit reduction instead of reducing the caps to lock in the savings for all 5 years to deficit reduction. Unfortunately, the conference chose to accept the weaker version of lockbox that only applies $15.5 billion in savings to deficit reduction.

The House conferees would have us believe that they had to drop the Brewster amendment because the other body would not accept it. However, I would point out that PETE DOMENICI, the chairman of the Budget Committee and a very influential member of the other body on budget issues in the other body endorsed the approach in the Brewster-Minge amendment during the debate on this bill on March 29. He said, and I quote, "We could take this little $6 billion savings and make it recur each year, and we would be over $30 billion * * * We will have to do more than that."

I have heard some members argue that the savings from the lockbox amendment are irrelevant because we will reduce the spending limits much more in the reconciliation bill later in the year. If that is true, then I do not understand the objection to making those reductions now by accepting the Brewster-Minge amendment. Should we not lock in the savings now just in case we do not enact lower spending limits later in the year for whatever reason?

Mr. Speaker, we should defeat this bill and send it back to conference so that we can keep the strongest possible lockbox in the bill. I urge a "no" vote.

Mr. DREIER. Mr. Speaker, I yield 4 minutes to the gentleman from Everett, PA [Mr. SHUSTER], the chairman of the Committee on Transportation and infrastructure.

Mr. SHUSTER. Mr. Speaker, I rise in support of this rule. To set the record straight, yesterday the Director of the Office of Management and Budget, Leon Panetta, stated that the President was disappointed that the conferees failed to rescind and included $130 million for nine separate highway projects in one congressional district, in my congressional district.

The facts are that they had their facts all wrong. The truth is, and I know it is difficult sometimes for them in this administration to stick to the truth, but the truth is that the Senate attempted to rescind $141 million in 72 projects. This gentleman had only 2 projects in the 72 with a total value of less than $6 million.

I regret deeply that this administration has decided to attempt to politicize what historically has been a bipartisan issue, transportation, and just this afternoon compounded their distortion with the double talk of saying what they really were talking about were 10 projects in Pennsylvania that go all the way back to the 1980's.

These projects that they talked about this afternoon have absolutely nothing to do with the rescission bill. This is classic double talk. I deeply regret that the administration is deciding apparently to politicize transportation.

In fact, it is ironic the projects which they seem to attack this afternoon are projects which were passed into law by a Democratically controlled House, and projects which Leon Panetta voted in favor of when he was in this House. But their crocodile tears are simply that.

The fact of the matter is the proof of their political activity is that the original House rescission bill had $131 million in old transit funds in it. Despite the fact that the Federal Transit Administration promised us they would not act on any of these rescissions to put the money out, they violated that trust. Between the time of the original rescission bill and when it came to the floor, the Federal Transit Administration pumped out $100 million in transit projects that were to be rescinded. Of course, these transit projects go to the big cities, largely to Democratic districts.

Mr. Speaker, they have chosen to politicize transportation. I regret that deeply, but if that is the game they want to play, we know how to play that game.

I would simply say to the Clinton administration downtown, if this is the way you want to treat transportation, we understand what you are doing. We regret it. We hope that you will rethink this partisan approach to transportation. But if you do not, then I can assure you as we move transportation legislation this year through the

House, the national highway system, for example, and other transportation bills, we will have to respond in kind to the very sad approach which you seem to be taking to what historically has been a bipartisan issue, and, that is, transportation for the good of our country.

Wonderful Jim Howard, Democratic chairman of the Committee on Transportation and Infrastructure when he was here, used to say there are no Republican or Democratic bridges or highways; there are American bridges and highways. That is the way we Republicans still feel.

I know many of my Democratic friends in the House here feel that way as well, but obviously the Clinton administration does not. They have chosen to politicize this issue. They have chosen to break trust with the House by pushing through $100 million in transit projects that were to be rescinded. I guess we are going to have to recognize it is a new and sad day.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY], the ranking minority member.

Mr. OBEY. Mr. Speaker, I would just like to correct the impression left by the last speaker. The fact is, the last speaker arrives at his number by carefully excluding certain activities that were undertaken by the administration. The fact is, the administration's proposal would have allowed cancellation of projects in ISTEA, which is the authorizing highway legislation, as well as allowing the cancellation of appropriated items.

If we look at all of the projects that the administration was talking about being allowed to cancel, including those in the authorizing legislation, there are 9 projects in the gentleman's district and there are 30 in the gentleman's State. The gentleman is correct that if we look only at what the Senate rescinded, or tried to rescind, that he only has 2 projects, but if we look at the totality of the projects the administration wanted to cancel in both the authorization and appropriation bill, then the administration's numbers are correct.

Mr. DREIER. Mr. Speaker, I am happy to yield such time as he may consume to the gentleman from Sanibel, Florida [Mr. GOSS], the chairman of the Subcommittee on Legislative and Budget Process of the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from greater downtown San Dimas, CA [Mr. DREIER], the chairman of another important subcommittee of the Committee on Rules, for allowing me such time as I may consume.

Mr. Speaker, we have just had a very strong historic vote in this Chamber. It really was remarkable to be here and feel the sense of what is happening here. We sent a signal.

Sadly enough, it is a little too late in fiscal year 1995 to balance our budget this year. But it is certainly not too late to cut our unnecessary spending in fiscal year 1995, and we have a chance to do that right now.

Any day is a good day to save taxpayers' dollars. If you doubt it, just ask the taxpayer. Every day that we spend taxpayers' dollars is a good day to spend them wisely. If you doubt it, ask a taxpayer.

This legislation starts us toward balancing the budget, which we just had a strong, convincing vote on. It does it in a big way. We are talking about billions of dollars.

Why would we delay that? The answer is we would not. Why is the President talking of delaying that by vetoing our effort to stop bad spending now?

Let's agree that there may be some disagreement with the President about what actually constitutes bad spending, but then let's look at the next thing. There could be no disagreement about providing prompt and needed relief to Americans, American citizens, victims of tragedies, and this conference report provides relief to such Americans.

This conference report also saves money. This conference report is a responsible first step toward getting our spending under control. Why do we not pass it now? Why would we think that the President would even veto such a good piece of legislation?

Why, in fact, did we hear from the gentleman from Massachusetts [Mr. MOAKLEY], the distinguished ranking member of the Committee on Rules, that there is concern about the 3-day layover waiver so that we could get to this legislation now and pass it and provide this relief?

The waivers that we have provided for in the rule, and this is a very good rule for this type of legislation, show that the only things that are in this resolution are basically a provision to take care of the victims of Oklahoma, which I think everybody would agree is important, and recognition for Korean War veterans, which I think also everybody would agree is important. There is nothing else new from the original report. Consequently, there is no reason.

Members are aware of what is going on here. I do not think there is any justification at all for not getting on immediately with this and passing this legislation and getting it down to the White House. I sincerely hope the President of the United States will agree there is no reason for delay.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Speaker, I think you will notice that I have a pretty worn and torn and tattered example of what will happen to not just the State of Texas but to many States around the Nation. I carry this because these are not the numbers of the 18th Congressional District in Texas. These are the numbers of $1.1 billion that will impact the citizens of the State of Texas.

Even as we begin to deliberate on the rescissions bill, I thought there was hope, as the process proceeded and we went forward to the Senate and then the conference committee, in order to be able to emphasize what all of us are concerned about, and that is helping to reduce the deficit.

Unfortunately, when the bill returns we find that if you take it, you will lose it. What we will lost in Texas is $1.1 billion, only an example of what the rest of the country will lose as well.

□ 1645

Let me respond to the concern for those citizens who tragically have experienced a very serious loss. I have spoken to the administration and there is a response to those in Oklahoma City and California, the dollars are there for that kind of need. But what we do not have the dollars for, and what we are spending the dollars for, is a tax cut for those making over $200,000, and taking away money in this rescissions package from assisted housing that is needed all over the Nation for those who would need to have section 8 rental assistance. Those are working families that need those dollars, and I thought we were beginning to be able to strike a very good compromise on summer youth employment. That is what the young people have asked for in my district. They need to work. Oh, yes, they can work this summer, but folks, they will not be able to work next summer. And some of these people work to survive, to be able to go to school and in order to pay for clothes in order to get an education.

Education, the school-to-work program that the Houston Community College came to me and said was one of the best programs in this Nation, is now being cut drastically, $12.5 million. Education in the Goals 200 Program, and those communities, rural, towns, and cities that are just beginning to rebuild their infrastructure and transportation system, well, folks, they are gone.

Those who are just getting up the stairsteps, trying to make a system that is more mobile, trying to comply with the Clean Air Act, transportation dollars for those communities have now been cut $2.2 billion.

And the veterans, somebody said stop giving to the deadbeats, are veterans deadbeats? Are they the ones who have, in fact, given both their lives, some, but as well their support to this Nation? Well, Mr. Speaker, the veterans are being cut as well, $50 million.

I thought I could support this rescission package in the spirit of cooperation, but not at the tune of $1.1 billion for the State of Texas.

Mr. DREIER. Mr. Speaker, may I inquire of the Chair how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from California [Mr. DREIER] has 10½ minutes remaining and the gentleman from Massachusetts [Mr. MOAKLEY] has 20 minutes remaining.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to the distinguished former mayor of Santa Clarita, CA, an area heavily impacted by the Northridge earthquake, the gentleman from California [Mr. McKEON].

Mr. McKEON. Mr. Speaker, I always love to be introduced by the gentleman from California [Mr. DREIER]. He always makes you feel so good and has some flowery use of words.

Mr. Speaker, I rise in strong support for this rule, and to decry the veto threats of the President's political advisors. There is no excuse for playing politics with working families in California who have suffered immense hardship from natural disasters.

There are times when elected officials must rise above politics and respond to a crisis. When the Northridge earthquake devastated the San Fernando Valley, Santa Clarita, and surrounding areas last year, I believed one of those times was at hand.

I applauded the President for going to Los Angeles and seeing the destruction first hand. He met hard-working people who bravely faced the brunt of the disaster. It was not a question of Democrat or Republican, liberal or conservative, it was the President responding to an emergency that rose above politics.

When the President asked Congress for $6.7 billion in supplemental appropriations to begin to rebuild in the face of massive destruction, my Republican colleagues in the House were determined to cut other spending to pay for the cost. Now, I accept second place to nobody in the desire to reduce Federal spending and balance the budget. However, I opposed my colleagues and supported the President's request without offsets.

I argued last year that there are a few instances when providing relief rises above political fights. When a leader must make the difficult decisions, even stand against those who are usually his allies, in order to meet the needs of those who have been struck by a disaster.

Mr. Speaker, by threatening to veto the conference report that continues to provide relief to communities decimated by last year's earthquake, the President is failing that test. He is letting down the families and communities who need this assistance. Has he forgotten his visit of last year? Maybe the political advisers urging a veto weren't with the President when he walked through the communities he now threatens to ignore?

I recognize that it is difficult for this big-government President to support spending cuts. It was very difficult for me last year to vote to add emergency relief funds to deficit. But, I made a tough choice in order to help those disaster victims who needed it most. Ultimately, the political fights over balanced budgets were played out in more appropriate places.

Mr. Speaker, the President's advisers have lost touch with disaster victims in California. Go ahead, oppose the balance budget amendment. Oppose the budget resolution. Oppose the appropriations bills later this year that will cut spending. But have the courage to accept a few cuts to enact disaster relief.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. YATES], the ranking minority member of the Subcommittee of the Committee on Appropriations.

Mr. YATES. Mr. Speaker, I must vote against the rule and this bill. It is an accumulation of unwise reductions in important programs. Just about every program in the Government was cut, housing, health research, transportation, clean fuel, nutrition for women and children, the elderly, every program benefiting the average person has been reduced by the Republican majority. But the amazing fact, Mr. Speaker, is that this bill does not cut the Department of Defense by one penny; a budget of $272 billion for the Department of Defense last year, and there are no reductions at all.

I noticed in the paper this morning, Mr. Speaker, that the Department of Defense is getting ready to obtain procurement for a program of $60 billion in new submarines. When I asked the staff who our enemy was that justifies the expenditure of $60 billion, I was told that the Navy came in and testified well, it could be Iran, it could be North Korea, it could be India.

What kind of program is this? What kind of fairness is this when the programs that are so vital to the average person are being reduced substantially and the Department of Defense, which a great majority of the people of this country look to for having reductions, has not been cut at all? I shall vote against this program, Mr. Speaker. I think that the House should kill this bill. The President is exactly right in threatening to veto it.

Particularly destructive is the so-called Taylor amendment.

One point seven million miles of timber. Nine billion board feet. That is what the timber salvage sales amendment mandates. And this long line of timber is to be taken out of our national forests without the normal environmental protections, with no administrative review, and only limited judicial review.

If you voted for my amendment to strike the timber salvage sales provision when the rescissions bill was before the House in March, there is no reason to change your mind now about this subsidy for the timber industry. In fact, there is every reason for more of you to join me in rejecting this ill-conceived evasion of current law and invasion of our national forests.

First, you will recall that the House version was limited to 2 years of salvage sales. The Senate version was to last only through fiscal year 1996, less than 2 years. But guess what, the timber lobbyists got their wish and the conference agreement extends all the way through fiscal year 1997. This giveaway now lasts 3 years. So, now you have an amendment that suspends all laws, yes, all laws, not just environmental laws, for a period longer than either the House or Senate version.

Proponents of the amendment will say they have removed the mandates to sell 6 billion board feet in 2 years as contained in the House version. Yes, that is accurate. But read the statement of the managers. That is where the targets are and they are more than the Forest Service says it can reasonably and responsibly do. Now, nearly 9 billion board feet is demanded, 3 billion more than the original plan. And if the Forest Service is not able to match the targets of the managers, then there are veiled threats about what will happen to the Forest Service. The report says: "The managers will carefully review the Administration's implementation of the salvage program, and, if found to be inadequate, will employ such actions as deemed necessary. Such action might include, but are not limited to, reallocation or other prioritizations to be determined by the Congress." A threat if I have ever heard one. Do not be fooled, there is still a mandate to get a specified amount of timber cut.

All administrative appeals processes are eliminated. Judicial review is severely curtailed. All balance is thrown out the window. Just get the timber out the door. Do not worry about silting streams, do not worry about environmental protection; do not worry about Forest plans; do not worry about below cost sales; do not worry about contracting procedures. Just do it, or else.

And the conference agreement goes beyond the House version by exempting the President's plan for the Pacific Northwest from all administrative review and as with salvage sales, also limits judicial review. There is no reason to do this. The President's plan has just recently received the approval of the courts. It takes time to refill the pipeline to reach the timber sales approved by the courts.

Those who were allowed to participate in the discussions leading to this final version, and I was not invited, have exceeded their scope. They have gone beyond what either House agreed to in terms of length of the program and have added more exemptions to the Senate provision on the President's Northwest Forest Plan, exemptions that were in neither bill. This timber salvage sale provision now has more exemptions than a CPA's tax return.

Yes, I care about forest health and acknowledge there must be timber salvage sales. That is not the question. The question is: Do we allow the Forest Service to harvest the salvageable timber in a responsible way or do we arbitrarily impose these capricious limits on agencies that think it is a mistake. The Forest Service, the Bureau of Land Management, and the administration have moved to expedite salvage sales without abandoning appropriate checks and balances. We must let the professional foresters do their job.

In the name of fiscal prudence, forest health and common sense, we should reject this fatally flawed conference agreement.

Mr. DREIER. Mr. Speaker, may I inquire of my dear friend from South Boston how many speakers he has remaining?

Mr. MOAKLEY. Mr. Speaker, at the present time we have four speakers waiting with bated breath.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Speaker, we have had a great deal of rhetoric this afternoon about the task of balancing the budget. There is probably not a Member of this Chamber that does not in one way or the other have a commitment to balancing the budget. It is a question of how do we do it and do it fairly.

The term shared sacrifice has been used a great deal. To me shared sacrifice means that we do not balance the budget on the backs of low-income Americans, children, veterans, and the elderly. It means that we look to the broader community and ask who can contribute a fair share to this effort.

I am struck because this year I had a visit from a person who has been very active in the Republican Party in my community. He came as a businessman. And he talked to me about the summer job program for youth, not because he in any way is connected with the program; his business does not benefit one way or the other. He is a former educator. He came to me because he believes in the program and he thinks it ought to be continued. And he paid his own way, he bought his own ticket to come to Washington, DC, to talk to me about this.

To me, this speaks volumes about what this type of program does for our young people. The question is then, if we truly have shared sacrifice, how does this fit into the equation? What does it mean when we are trying to balance the budget and at the same time we strip out of the rescissions bill the provisions that would otherwise commit the savings to deficit reduction and allow them to go to tax cuts?

This speaks volumes to me about the motives of those that have brought this bill to us for final action.

Mr. Speaker, I submit that what is happening here bears no resemblance to shared sacrifice. Instead we are asking youth, elderly, low-income, and veterans, with the budget that we have debated today in this rescissions bill, to tighten their belts by two notches while many other Americans are bellying up to the table for an extra dessert.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the ranking member for yielding me the time. As a member of the Committee on Appropriations, I recall very vividly that when we started the markup in our appropriations subcommittees on this rescission bill the first question that was asked of the chairman of the committee was why are we making these cuts, why do we have to make billions of dollars of cuts in nutrition, education, housing, mass transit, clean air enforcement, and the list goes on and on.

The response we received was that we needed the funds to provide a tax cut. There was some embarrassment with that answer after a while and it shifted to well, we need the funds for deficit reduction.

Why then, if these funds are supposed to go to deficit reduction, did not the Republican majority accept the Brewster Minge language for the lockbox to save the money that is in this bill for deficit reduction? It is very clear, and that is that the funds that are cut from education, nutrition, transportation, housing, et cetera, are once again to fund a tax cut for the wealthiest Americans.

Earlier today we saw Members on the other side of the aisle show us beautiful pictures of their children, and they are lovely. Indeed, we are all so very proud of our children, and it is hard to understand how we can treasure our own children while at the same time we come to this floor to cut education for the children of America and they are our children, too. How can we value our children and make all of the cuts that this legislation does in funding for safe and drug-free schools, for Goals 2000, and then down the line to vocational and adult education and student financial aid. This on the same day as the budget bill cut so much funding from the student aid programs for college education. In addition to that, in addition to that, there are millions of dollars cut in funding for displaced workers' programs to assist those who have lost their jobs due to imports, plant closings, and other economic reasons.

There are many, many reasons to oppose this legislation, Mr. Speaker, but the education part of the bill and adult education and job training part of the bill and the summer youth programs part of the bill are enough reason for the President to veto the bill, and I am so pleased that he is.

As a California member of the Committee on Appropriations I want to make another point, and it is that no person in any disaster in any part of this country will be deprived of their assistance if the President vetoes this bill.

Indeed, I voted against this bill in committee and on this floor because I object to a bill that would say to the children of California you had a disaster, now in order to get assistance you are going to have to pay for it with your education and your nutrition and your housing.

□ 1700

So I think that the Clinton administration response to this legislation is appropriate.

I also want to say one more thing about the Clinton administration. They deserve a great deal of credit for the excellent response they have given to disasters that have occurred in this country. Jamie Lee Whitten deserves our gratitude and the President our commendation.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. I thank the gentleman because in the last day and a half we have learned a great deal about rescissions. We have seen one giant rescission on the floor of this House as our Republican colleagues rescinded their commitment to the millions of American seniors that are counting on Medicare.

And now we get three more lessons:

No. 1, when it comes to making a choice, a choice between locking in savings from these cuts to deficit reduction and using it for a tax cut for the privileged few, the choice was easy; this House voted overwhelmingly to lock in those savings. But it was not 24 hours later than across the street the chairman of the Committee on the Budget said, "Oh, it is all just a big game." And it was just a big game because all along they needed every dollar of those cuts to give out tax breaks for their friends.

Lesson No. 2: When it comes time to chop, who gets chopped first? Well, it is the middle-class families that are struggling to get up that economic ladder, to get their children educated, because the place that this rescission begins rescinding is in education and the Federal commitment to back up our local schools with education.

Lesson No. 3: Loopholes last. The Senate approved language that would be part of this rescissions bill to condemn the atrocious practice where some Americans can actually go out and burn their citizenship card and at the same time burn the taxpayer. Is that loophole provision in here? No, sir, it is nowhere to be found in this conference report.

We have heard a lot about disasters today. Well, let me tell you, as long as the priorities are to cut education first and to cut tax loopholes for the privileged last, that is a disaster.

I am glad to have an opportunity to vote against that kind of a disaster by voting against this conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM.]

Mr. STENHOLM. Mr. Speaker, I rise in opposition to this conference report.

Like many of my colleagues in the coalition and some beyond in my party, I believe in many of the rescissions included in this conference report.

I am absolutely dead set, however, against taking these spending cuts and using them for a tax cut or for other spending.

We had a way to guarantee that the cuts would go to deficit reduction. The Brewster-Minge lock box sealed up $66.2 billion over the next 5 years.

I am not only willing to make that sort of cut, I am eager to do so. But I am not going to give up Rural Health grants, AHEC money, Safe & Drug Free School money, funds for Vocational Education—and much more, just so that money can be used for tax cuts.

There has been a weakening of trust over the way the lock box in this bill was handled. An early understanding of $66 billion in savings disintegrated into something much smaller, $15.5 billion in this conference report.

I would love to vote for a rescission bill—but not for the sake of tax cuts. If the President vetoes this bill, I intend to support him in that veto for purposes of restoring the lock box.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

CONFERENCE REPORT ON H.R. 1158, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DISASTER ASSISTANCE AND RESCISSIONS, FISCAL YEAR 1995

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. LIVINGSTON] the chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding.

I just wanted to respond to the previous speaker.

All this discussion about a lock box and an agreement, the agreement was oral. There was no mention in the discussions with respect to future savings.

The past savings and current savings are in there in the Byrd amendment, which was passed in the Senate and agreed to in the conference. So that entire issue is by the boards. There is no savings going to tax cuts.

The Byrd amendment in the conference agreement makes sure that that is the case.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. I wanted to make sure I heard the chairman of the Committee on Appropriations correctly. He said that was not an agreement; it was an oral agreement. Are we to conclude from that that an agreement, an oral agreement with the Republicans is not worth the paper it is written on?

Mr. LIVINGSTON. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. There was no paper. When I engaged in negotiations with the gentleman from Oklahoma [Mr. BREWSTER], there was no mention of paper. We talked about saving of past efforts and current efforts. There was never any mention of future projected savings or future offsets.

Ms. PELOSI. The gentleman is saying the savings in the bill will not go for deficit reduction?

Mr. LIVINGSTON. I am saying the Byrd amendment covers exactly word for word the agreement that was made. The gentlewoman fully knows that.

Ms. PELOSI. No, I do not.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking minority member of the committee.

Mr. OBEY. Mr. Speaker, I simply want to say that CBO has no trouble figuring out what the Brewster language meant. Because the Congressional Budget Office estimates that the Brewster lockbox would result in $66.5 billion in deficit reduction over 5 years.

The deficit reduction in this conference report is $15.48 billion. So it seems to me that the CBO, which is the neutral umpire which is supposed to keep all of us honest around here, understood what the Brewster amendment did. The Brewster amendment tried to dedicate all savings in the immediate year and out years for deficit reduction.

The conference report comes back and only dedicates $15 billion.

Now the chairman of the committee says, "Oh, but that was the Byrd language." Let me make clear, Senator BYRD and I are in full agreement. Neither one of us wants to see these savings used to provide tax cuts for rich people. The difference is that Senator BYRD is in the other body, and the other body has a budget resolution that does not even contemplate using any of these savings for tax reduction. They contemplate using them all for deficit reduction, and so they never even dreamed that these funds would be used for a tax cut rather than for deficit reduction.

So do not try to say that the language in the conference report meets the test of the Brewster amendment. It does not.

CBO indicates the Brewster amendment would save $66 billion. This conference report only provides $15.48 billion for deficit reduction and makes available the rest for tax cuts.

Four hundred and four people in this institution voted not to do that.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in opposition to the rule. We would not need this rule if we followed the rules of the House.

The fact of the matter is, besides being a bad bill in cutting youth employment and education programs and housing, this bill also puts our national forests up for sale. This bill, which left the House as a bad bill with the forest provision, mandates these cuts. It puts a fire sale, of course, on our national forests. It goes into wilderness study areas. In fact, 40 Members of the House signed letters to the President asking for a veto because this bill destroys not only our national legacy but our children's national legacy.

This particular provision adds to the deficit, not cuts it.

There is a place, obviously, for deficit timber sales, but it is not in a bill that is a rescission bill, not a bill that destroys our national forests, that disregards forest health. In fact, our forests are more healthy than they have ever been. That is because we have been investing in watersheds and a variety of other projects. This flies in the face of science, flies in the face of good sound practices, overrides it all, simply to award special interests to the timber interests.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to our leader, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, we have heard a lot of talk about sacrifice the past few days.

But I do not think the American people need any lectures about sacrifice.

The senior citizens who stood by this country during World War II, the working families who are struggling to make ends meet, the middle class parents who are working hard to put their kids through school, they know about sacrifice.

They do not need any lectures from Washington.

Every day in every way, the American people prove that they are willing to take responsibility and do their part.

The Republicans have come to this floor and talk about sacrifice. About how everybody must do their fair share.

But is it fair to cut Medicare and Social Security in order to give tax breaks to the privileged few?

Is it fair to cut student loans and school lunches, in order to give tax breaks to the wealthiest corporations in our society?

Is it fair to target the middle class—when we are not even willing to close a loophole that lets billionaires renounce their citizenship to avoid paying taxes?

This debate today is not just about numbers and charts. It is not just about line items and budget marks.

It is about the real lives of flesh and blood people.

And that is really the difference between Democrats and Republicans.

Republicans look at this bill and see a $319 million cut to LIHEAP. Democrats see senior citizens who will be freezing in the winter.

You look at this bill and see a $20 million cut to WIC. We see children who will be born at low birthweight if they don't get the proper nutrition.

You see a $25 million cut in the school-to-work program. We see kids who will not get jobs because they do not have the skills to compete.

You see an $81 million cut to veterans benefits.

We see people who defended this country who won't get the medical care they need and deserve.

This debate is about the real lives of real people.

You want to talk about spending cuts?

What about the $200 billion we give away every year in corporate tax breaks?

What about the $1.2 billion we give to rich corporate miners?

What about the $4.3 billion we give to rich corporate agribusiness?

What about the $50 billion you want to spent on Star Wars? What about the bloated CIA budget?

Can we not cut those programs first? Do we have to target women and children? Do we have to target seniors and working families?

And what about that billionaires loophole?

In this bill, you propose cutting $875 million from education programs.

Closing the loophole for billionaires will save us $3.6 billion, that's billion with a "b," over the next 10 years.

Yet when Democrats offered a bill to close it, every Republican but five voted against it.

So do not come here today and lecture us about sacrifice, about everybody doing their fair share, about everybody doing their part.

Do not tell us that you are doing this for our kids.

Only Republicans in Washington would believe that we could cut programs that help teach our kids, train our kids, and provide jobs for our kids, and then say they are doing it for our kids.

And do not pretend that these cuts are being made to cut the deficit, or balance the budget.

The Brewster lockbox—which had overwhelming support in this House—which would have guaranteed that the cuts went to deficit reduction—was rejected by the Republicans in conference.

These cuts are being made for one reason and one reason only: to pay for tax breaks for the privileged few.

This is a defining issue for our Nation.

The president is determined to veto this bill.

And I am confident that we will have enough votes to sustain that veto.

In the end, this vote comes down to one simple question: do you really think it is fair to target senior citizens, to cut education, to cut school-to-work, to cut veterans benefits, to cut nutrition programs, and to cut senior housing and heating assistance, in order to pay for tax cuts for the wealthy?

That is the question.

Is that what we mean by fair?

Is that what we mean by everyone doing their part?

I say no.

Mr. Speaker, I urge my colleagues to vote "no" on final passage of this conference report, and when the President vetoes it and sends it back, to overwhelmingly endorse and sustain his veto.

□ 1715

The SPEAKER pro tempore (Mr. WALKER). All time has expired on the minority side.

The Chair recognizes the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman has 6½ minutes remaining.

Mr. DREIER. Mr. Speaker, I was contemplating yielding back the balance of my time so we can move ahead, but the speech that was just delivered compels me to yield myself the balance of the time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California [Mr. DREIER] for 6½ minutes.

Mr. DREIER. Mr. Speaker, to me it is very sad that we have had to continue this same kind of rhetoric that has been going on for the past several days and weeks around here. I listened to my very dear friend say that Republicans see $319 million of savings by cutting the low-income heating energy assistance program and the Democrats seeing senior citizens freeze to death in the winter.

Now, the fact of the matter is:

Let's us look at the low-income heating energy assistance program; LIHEAP, it's called. It was put into place in 1979, when this country was in the midst of an energy crisis. It was a foreign policy issue, and the Federal Government stepped forward because of the escalating energy costs that existed and decided that people who were in those areas that would get very cold in the winter should get some kind of assistance.

Now, where do we stand in 1995 when it comes to those dramatically increasing energy costs juxtaposed to where we were in 1979?

The cost of heating oil today is lower than it was when we put this program into place, and so to determine that there are going to be people who will freeze because of our desire to try and bring about some kind of sanity in the area of Federal spending is tragic, and it is really demagoguery.

This program, this package that has come from the Committee on Appropriations, in no way deals with taxes. There are no tax implications to this whatsoever.

This package that the gentleman from Louisiana [Mr. LIVINGSTON] has brought forward from his committee, having labored for days and days along with members of his staff and other members of the committee, does two very simple and basic things. It is designed to meet the very important disaster needs that exist, not only in my State of California, but in 40 States across this country. It is designed to rebuild, to rebuild that Federal building that the entire world saw devastated in Oklahoma City, and this bill is designed to cut Federal spending.

The very moving speeches that were just given over the past several hours here in looking at this balanced budget issue have underscored the need to address this. So, disaster assistance and cutting spending; that is what this bill does. It is very important for us to move ahead with this.

Mr. Speaker, as I listened to the rhetoric about all of these tax cuts for the rich, 75 percent of the benefits go to families earning less than $60,000, and I should not say benefits. All we are saying is that they should be able to keep some of their hard-earned dollars. Where do the rest go? They go to the very important job-creating mechanisms that this country desperately needs.

We have serious economic problems. My State of California has yet to recover from the defense and aerospace cuts. We need to have the kinds of tax incentives that are built into the budget that we just passed.

This is a very fair and balanced rule that will lead us toward passage of an important historic appropriations bill. As the chairman of the committee said to our Committee on Rules last night, this is the first time ever that we have been able to have this kind of rescission package built in to meet a very important need.

Vote "yes" for this rule, and "yes" for this important appropriation and rescission bill.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. LIVINGSTON. Mr. Speaker, pursuant to the provisions of House Resolution 151, I call up the conference report on the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Tuesday, May 16, 1995 at page 13093.)

The SPEAKER pro tempore. The gentleman from Louisiana [Mr. LIVINGSTON] will be recognized for 30 minutes, and the gentleman from Wisconsin [Mr. OBEY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. LIVINGSTON].

GENERAL LEAVE

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report to accompany H.R. 1158, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just a little while ago we voted to balance the budget over the next 7 years. Mr. Speaker, what we are about to do in this bill is to take the first step, the first step toward that 7-year goal when we ultimately balance the budget.

I am very, very pleased and proud to bring to the House the conference agreement on H.R. 1158, the emergency supplemental appropriations and rescissions bill. The scope and size of this agreement is unprecedented. It will rescind over $16.4 billion. Let me stress that. It will rescind over $16.4 billion.

Mr. Speaker, this is the largest single rescissions bill in history, and I say to my colleagues, that if you add in the $3.9 billion that was already rescinded in the emergency defense supplemental that is now law, the rescissions brought forward by the Committee on Appropriations total, in this year of 1995, are over $20.3 billion for the 104th Congress. I do not believe you will find any comparable performance in any previous Congress.

Mr. Speaker, for those who are thinking about voting "no" on this bill, let me simply say you would effectively be voting not to save the American taxpayers some $9.1 billion in net savings.

Mr. Speaker, we started developing this bill in our subcommittees the first week in February. Today, over 3 months later, we have got a conference agreement.

It has been tough. Many people said we would not get this far, but we are here. The conference was intense, the issues were hard fought on all sides, and I want to thank all the conferees and all the staff on both sides of the aisle for their very long and hard work.

I want to thank our Senate counterparts, especially the chairman on that side, the Senator from Oregon, Mr. HATFIELD, for his collegial participation in this very difficult conference.

This conference agreement is critically needed so that we can begin to get our Government's fiscal house in order. In order to be in a position to achieve the savings anticipated in the budget resolution that we have just passed, Mr. Speaker, we have to start the downsizing of Government this year. This agreement does that.

The conference agreement also includes important supplemental appropriations for disaster assistance in the sum of $6.7 billion; for Oklahoma City recovery, $105.4 million; for antiterrorism initiatives and enhanced security, $145.1 million; and for debt relief requested by the President for the country of Jordan the full sum of $275 million.

These supplemental appropriations are more than offset by the amount of the rescissions or cuts in this bill.

We have achieved the goals that, frankly, I as chairman, set out for the bill. We defunded unauthorized programs. We consolidated programs where duplication was so obvious that a meaningful service could not be developed or provided. We cut back on programs that received large increases in fiscal year 1995 appropriation bills; where we found programs that just do not work or are wasteful or inefficient, we stood up and said so; in other programs we flushed the pipeline, especially in the Department of Housing and Urban Development, where we eliminated those funds that are justifying around being unused.

This bill yields over $9 billion in savings, and none of these savings go for any tax cuts, contrary to what many of the arguers contended during debate on the rule just a little while ago. All of the savings in this bill, under the Byrd amendment, are required to go for deficit reduction.

Yesterday I regret to say, after 4 months of silence, after many, many pleas to come forward and share his thoughts with us, the President of the United States stated his intention to veto this bill when it reaches his desk. I believe that that would be a tragic mistake, Mr. Speaker. His expressed concerns are totally without merit. Over the last 5 months we have been begging the President for his input. His response was the sound of silence, which, unfortunately or fortunately, was broken yesterday with a suggestion of a patchwork of more social spending, and only then, after the conference on this bill was concluded did the President state his concerns and provide a general list of alternative offsets, all of which consist of token increases in programs in which he showed little or no interest as we went through the conference.

In fact, the only indication of a veto threat throughout this entire process was on the subject of striker-replacements, which has not been included in this bill. Apparently, the President needs to reach a little better understanding on conference procedures. If he wants his views considered, he should interject them at that time when they can be considered by the conferees, and I want to assure him that they would be considered as we did with his Oklahoma City request. Coming up with alternatives after the legislative process has already concluded frankly does not reflect a very good grasp of the job. Either that or his staff does not have a good grasp of theirs.

I might add the President still has not given us the courtesy of submitting a formal document to implement his own recommendations. He says he wants more money for Goals 2000. But even with our rescissions, Mr. Speaker, we will spend 300 percent more in fiscal year 1995 than we spent the previous year, three times the amount, even after including the rescissions in the bill. He wants more money for safe drinking water, but he has not gotten that program authorized. The money can't be spent because the program has not been authorized, Mr. Speaker.

In the last 24 hours, he objects to the emergency salvage timber sales, but his Agriculture Department had actually signed off on the language and cooperated in the perfecting of that language.

He wants more money for Women, Infants, and Children, but his own bureaucrats admit they cannot spend what they have got in the pipeline now. And, finally, he complains about the pork. This is the same President who traveled halfway across America last month to support construction of an unbudgeted swine research facility, which the House was rescinded in the House passed bill.

Remember, Mr. Speaker, every ounce of pork in the Federal checkbook that was not rescinded in this bill has President Clinton's personal stamp on it because it was passed by his Congress, his majority in this House and in the other body, and he signed every bill.

So, Mr. Speaker, the President should indeed get off the sidelines. He should get in the game. We need to get on with our fiscal year 1996 bills. We have already taken too long with this bill.

This is the last shot, the last train leaving the station for fiscal year 1995. Every day that goes by, additional funds that are proposed for rescissions, for cuts, become obligated by the administration. So I hope that we will pass this conference report and begin the process of balancing the budget the old-fashioned way, by making real, specific cuts that appear in this bill, and let us send it to the President, and let us ask him not to veto it.

Now is the time to start balancing the budget. It will not get any better. The decisions will only get harder if we postpone them until fiscal year 1996. All of those causes will only be harder hit if we are going to truly work our way toward a balanced budget.

So, Mr. Speaker, I urge my friends on both sides of the aisle to vote for this conference report if they want to work toward a balanced budget.

☐ 1730

But if you vote "no," in the final analysis, you will be voting not to take the first step towards a balanced budget.

Mr. Speaker, for the RECORD I will insert a table reflecting the conference agreement.

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158)

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	TITLE I - SUPPLEMENTALS AND RESCISSIONS						
	CHAPTER I						
	DEPARTMENT OF AGRICULTURE						
....	Agricultural Research Service (by transfer)	....	....	(2,218,000)	(2,218,000)	(+2,218,000)	....
	Food Safety and Inspection Service						
104-4	Salaries and expenses	9,082,000	9,048,000	9,082,000	9,082,000	+34,000	....
	Agricultural Stabilization and Conservation Service						
....	Salaries and expenses	....	10,000,000	....	5,000,000	-5,000,000	+5,000,000
	Commodity Credit Corporation						
104-4	Commodity Credit Corporation Fund: Food for progress	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	....	....
	General Provisions						
104-4	Section 715 (increase in limitation)	(24,500,000)	....	(24,500,000)	(24,500,000)	(+24,500,000)	....
	Total, Department of Agriculture	9,082,000	19,048,000	9,082,000	14,082,000	-4,966,000	+5,000,000
	DEPARTMENT OF AGRICULTURE						
....	Office of the Secretary	....	-31,000	-31,000	-31,000	....	....
....	Alternative Agricultural Research and Commercialization	....	-3,000,000	....	-1,500,000	+1,500,000	-1,500,000
	Agricultural Research Service:						
....	Buildings and facilities	....	-12,678,000	-1,500,000	-1,400,000	+11,278,000	+100,000
....	Cooperative State Research Service	....	-1,051,000	-958,000	-1,051,000	....	-93,000
....	Buildings and facilities	....	-20,994,000	....	-2,184,000	+18,810,000	-2,184,000
	Animal and Plant Health Inspection Service:						
....	Buildings and facilities	....	....	-6,000,000	-2,000,000	-2,000,000	+4,000,000
	Farmers Home Administration						
	Rural Housing Insurance Fund Program Account:						
....	Rental housing (sec. 515) (loan subsidy)	....	-115,500,000	....	-15,500,000	+100,000,000	-15,500,000
....	Local technical assistance and planning grants	....	-1,750,000	-1,750,000	-1,750,000	....	....
....	Alcohol Fuels Credit Guarantee Program Account (FY93)	....	-9,000,000	-9,000,000	-9,000,000	....	....
	Total, Farmers Home Administration	....	-126,250,000	-10,750,000	-26,250,000	+100,000,000	-15,500,000
	Rural Electrification Administration						
	Rural Electrification and Telephone Loans Program Account:						
....	Loan subsidies: Telephone 5%	....	-3,000,000	-1,500,000	-1,500,000	+1,500,000	....
	Food and Nutrition Service:						
....	Special supplemental food program for women, infants, and children (WIC)	....	-25,000,000	....	-20,000,000	+5,000,000	-20,000,000
	Food stamp program:						
	Nutrition assistance for Puerto Rico:						
104-28	Cattle tick eradication	-2,900,000	....	....	....	....	....
	Public Law 480 Program Account:						
	Title I - Credit sales:						
104-28	Program level	(-80,200,000)	....	(-80,200,000)	....	....	(+80,200,000)
104-28	Ocean freight differential	-6,135,000	....	-6,135,000	....	....	+6,135,000
	Title III - Commodity grants:						
104-28	Program level	(-92,500,000)	(-20,000,000)	(-92,500,000)	(-40,000,000)	(-20,000,000)	(+52,500,000)
104-28	Appropriation	-92,500,000	-20,000,000	-92,500,000	-40,000,000	-20,000,000	+52,500,000
104-28	Loan subsidies	-43,865,000	....	-43,865,000	....	....	+43,865,000
	Total, Public Law 480 program account	-142,500,000	-20,000,000	-142,500,000	-40,000,000	-20,000,000	+102,500,000
	Total, Chapter I:						
	New budget (obligational) authority	-136,318,000	-192,956,000	-154,157,000	-81,834,000	+111,122,000	+72,323,000
	Appropriations	(9,082,000)	(19,048,000)	(9,082,000)	(14,082,000)	(-4,966,000)	(+5,000,000)
	Rescissions	(-145,400,000)	(-212,004,000)	(-163,239,000)	(-95,916,000)	(+116,088,000)	(+67,323,000)
	(By transfer)	....	....	(2,218,000)	(2,218,000)	(+2,218,000)	....
	CHAPTER II						
	DEPARTMENT OF JUSTICE						
	RELATED AGENCY						
104-4	National Bankruptcy Review Commission (by transfer)	(1,500,000)	....	(1,500,000)	(1,000,000)	(+1,000,000)	(-500,000)
	DEPARTMENT OF STATE						
	International Organizations and Conferences						
104-4	Contributions for International Peacekeeping Activities (emergency)	672,000,000	....	....	....	....	....

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	RELATED AGENCY						
	United States Information Agency						
104-4	International broadcasting operations	7,290,000	7,290,000		7,290,000		+7,290,000
	DEPARTMENT OF JUSTICE						
	Office of Justice Programs						
	Drug courts (crime trust fund)		-27,750,000	-17,100,000	-22,100,000	+5,650,000	-5,000,000
	Ounce of Prevention Council (crime trust fund)			-1,000,000			+1,000,000
	General Administration						
	Working capital fund 1/		-1,500,000	-5,000,000	-5,500,000	-4,000,000	-500,000
	Legal Activities						
	Assets forfeiture fund			-5,000,000	-5,000,000	-5,000,000	
	Immigration and Naturalization Service						
	Salaries and expenses: General fund appropriation		-1,000,000	-1,000,000	-1,000,000		
	Federal Prison System						
104-69	Salaries and expenses	-28,037,000			-28,037,000	-28,037,000	-28,037,000
	Total, Department of Justice	-28,037,000	-30,250,000	-29,100,000	-61,637,000	-31,387,000	-32,537,000
	DEPARTMENT OF COMMERCE						
	National Institute of Standards and Technology						
	Scientific and technical research and services		-16,500,000	-19,500,000	-17,000,000	-500,000	+2,500,000
	Industrial technology services		-27,100,000	-3,100,000	-16,300,000	+10,800,000	-13,200,000
	Construction of research facilities			-30,000,000	-30,000,000	-30,000,000	
	Total, National Institute of Standards and Technology		-43,600,000	-52,600,000	-63,300,000	-19,700,000	-10,700,000
	National Oceanic and Atmospheric Administration						
	Operations, research, and facilities		-37,000,000	-23,100,000	-24,200,000	+12,800,000	-1,100,000
	Construction			-15,000,000	-15,000,000	-15,000,000	
	GOES satellite contingency fund			-2,500,000	-2,500,000	-2,500,000	
	Total, National Oceanic and Atmospheric Administration		-37,000,000	-40,600,000	-41,700,000	-4,700,000	-1,100,000
	Technology Administration						
	Salaries and expenses		-3,300,000		-1,750,000	+1,550,000	-1,750,000
	National Technical Information Service						
	NTIS revolving fund		-4,000,000	-7,600,000	-1,000,000	+3,000,000	+6,600,000
	National Telecommunications and Information Administration						
	Information infrastructure grants		-30,000,000		-4,000,000	+26,000,000	-4,000,000
	Economic Development Administration						
	Economic development assistance programs		-7,500,000	-40,000,000	-25,000,000	-17,500,000	+15,000,000
	Emergency appropriations		-37,584,000	-7,384,000	-5,250,000	+32,334,000	+2,134,000
	Total, Department of Commerce		-162,984,000	-148,184,000	-142,000,000	+20,984,000	+6,184,000
	THE JUDICIARY						
	United States Court of International Trade						
	Salaries and expenses			-1,000,000	-1,000,000	-1,000,000	
	Courts of Appeals, District Courts, and Other Judicial Services						
104-62	Defender services	-5,400,000	-1,100,000	-4,100,000	-9,500,000	-8,400,000	-5,400,000
104-62	Fees of jurors and commissioners	-5,000,000			-5,000,000	-5,000,000	-5,000,000
	Total, The Judiciary	-10,400,000	-1,100,000	-5,100,000	-15,500,000	-14,400,000	-10,400,000
	RELATED AGENCIES						
	Small Business Administration						
104-26	Salaries and expenses	-15,000,000	-15,000,000	-15,000,000		+15,000,000	+15,000,000
	Business loans program account			-15,000,000	-6,000,000	-6,000,000	+9,000,000
	Total, Small Business Administration	-15,000,000	-15,000,000	-30,000,000	-6,000,000	+9,000,000	+24,000,000

1/ $1,500,000 requested to be transferred to National Bankruptcy Review Commission. House Subcommittee denied request and rescinded the amount.

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	Legal Services Corporation						
	Payment to the Legal Services Corporation		-5,849,000			+5,849,000	
	DEPARTMENT OF STATE						
	Administration of Foreign Affairs						
	Diplomatic and consular programs		-2,000,000	-2,500,000	-2,250,000	-250,000	+250,000
	Acquisition and maintenance of buildings abroad		-23,000,000	-30,000,000	-30,000,000	-7,000,000	
	Total, Administration of Foreign Affairs		-25,000,000	-32,500,000	-32,250,000	-7,250,000	+250,000
	International Organizations and Conferences						
	Contributions for international peacekeeping activities		-14,617,000	-14,617,000	-14,617,000		
	Total, Department of State		-39,617,000	-47,117,000	-46,867,000	-7,250,000	+250,000
	RELATED AGENCIES						
	Arms Control and Disarmament Agency						
	Arms control and disarmament activities		-3,000,000	-4,000,000	-4,000,000	-1,000,000	
	Board for International Broadcasting						
	Israel relay station		-2,000,000	-2,000,000	-2,000,000		
	United States Information Agency						
	Educational and cultural exchange programs		-5,000,000	-5,000,000	-5,000,000		
	International broadcasting operations			-27,710,000			+27,710,000
	Radio construction		-6,000,000	-6,000,000	-16,000,000	-10,000,000	-10,000,000
	Radio Free Asia			-6,000,000	-5,000,000	-5,000,000	+1,000,000
	Total, United States Information Agency		-11,000,000	-44,710,000	-26,000,000	-15,000,000	+18,710,000
	Total, Chapter II:						
	New budget (obligational) authority	625,853,000	-263,510,000	-310,211,000	-296,714,000	-33,204,000	+13,497,000
	Emergency appropriations	(672,000,000)					
	Emergency rescissions		(-37,584,000)	(-7,384,000)	(-5,250,000)	(+32,334,000)	(+2,134,000)
	Appropriations	(7,290,000)	(7,290,000)		(7,290,000)		(+7,290,000)
	Rescissions	(-53,437,000)	(-233,216,000)	(-302,827,000)	(-298,754,000)	(-65,538,000)	(+4,073,000)
	(By transfer)	(1,500,000)		(1,500,000)	(1,000,000)	(+1,000,000)	(-500,000)
	CHAPTER III						
	DEPARTMENT OF DEFENSE - CIVIL						
	DEPARTMENT OF THE ARMY						
	Corps of Engineers - Civil						
	General investigations		-10,000,000	-10,000,000	-10,000,000		
	Construction, general		-40,000,000	-60,000,000	-60,000,000	-20,000,000	
	Total, Department of Defense - Civil		-50,000,000	-70,000,000	-70,000,000	-20,000,000	
	DEPARTMENT OF THE INTERIOR						
	Bureau of Reclamation						
	Operation and maintenance		-10,000,000	-10,000,000	-10,000,000		
	DEPARTMENT OF ENERGY						
	Energy Supply, Research and Development Activities.		-116,500,000	-71,500,000	-74,000,000	+42,500,000	-2,500,000
	Atomic Energy Defense Activities:						
	Defense Environmental Restoration and Waste Management		-28,000,000	-13,000,000		+28,000,000	+13,000,000
	Materials Support and other Defense programs			-15,000,000	-15,000,000	-15,000,000	
	Departmental Administration		-20,000,000	-20,000,000	-20,000,000		
	Power Marketing Administrations						
	Construction, rehabilitation, operation and maintenance, Western Area Power Administration			-30,000,000	-30,000,000	-30,000,000	
	Total, Department of Energy		-164,500,000	-149,500,000	-139,000,000	+25,500,000	+10,500,000
	INDEPENDENT AGENCIES						
	Appalachian Regional Commission		-10,000,000	-10,000,000	-10,000,000		
	Tennessee Valley Authority: Tennessee Valley Authority Fund		-5,000,000	-5,000,000	-5,000,000		
	Total, Chapter III:						
	Rescissions		-239,500,000	-244,500,000	-234,000,000	+5,500,000	+10,500,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	CHAPTER IV						
	FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS						
	BILATERAL ECONOMIC ASSISTANCE						
104-4	Development assistance fund	18,000,000					
104-4	Economic support fund	82,300,000					
104-4	Debt restructuring: Debt relief for Jordan	275,000,000	50,000,000	275,000,000	275,000,000	+225,000,000	
	Total, Bilateral Economic Assistance	375,300,000	50,000,000	275,000,000	275,000,000	+225,000,000	
	MILITARY ASSISTANCE						
104-4	Peacekeeping operations	27,200,000					
	Total, Foreign Operations	402,500,000	50,000,000	275,000,000	275,000,000	+225,000,000	
	FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS						
	Foreign Operations, Export Financing, and Related Programs			-125,000,000			+125,000,000
	MULTILATERAL ECONOMIC ASSISTANCE						
	International organizations and programs		-25,000,000		-15,000,000	+10,000,000	-15,000,000
	BILATERAL ECONOMIC ASSISTANCE						
	Agency for International Development						
	Development assistance fund		-45,500,000		-41,300,000	+4,200,000	-41,300,000
	Population, development assistance		-9,000,000		-19,000,000	-10,000,000	-19,000,000
	Development fund for Africa				-21,000,000	-21,000,000	-21,000,000
	Debt restructuring under the Enterprise for the Americas Initiative		-2,400,000		-2,400,000		-2,400,000
	Economic Support Fund		-42,975,000		-25,000,000	+17,975,000	-25,000,000
	Operating expenses of the Agency for International Development		-5,000,000		-2,000,000	+3,000,000	-2,000,000
	Assistance for the New Independent States of the former Soviet Union		-47,700,000		-25,000,000	+22,700,000	-25,000,000
	Total, Bilateral Economic Assistance		-152,575,000		-135,700,000	+16,875,000	-135,700,000
	MILITARY ASSISTANCE						
	Peacekeeping operations		-4,500,000		-3,000,000	+1,500,000	-3,000,000
	EXPORT ASSISTANCE						
	Export-Import Bank of the United States						
	Subsidy appropriation		-5,000,000			+5,000,000	
	Trade and Development Agency						
	Trade and development		-4,500,000		-4,000,000	+500,000	-4,000,000
	Total, Export Assistance		-9,500,000		-4,000,000	+5,500,000	-4,000,000
	Total, Chapter IV:						
	New budget (obligational) authority	402,500,000	-141,575,000	150,000,000	117,300,000	+258,875,000	-32,700,000
	Appropriations	(402,500,000)	(50,000,000)	(275,000,000)	(275,000,000)	(+225,000,000)	
	Rescissions		(-191,575,000)	(-125,000,000)	(-157,700,000)	(+33,875,000)	(-32,700,000)
	CHAPTER V						
	DEPARTMENT OF THE INTERIOR						
	National Park Service						
104-4	Construction	5,500,000					
104-4	Land acquisition and State assistance	1,300,000					
	Total, National Park Service	6,800,000					
	Bureau of Land Management						
	Management of lands and resources		-70,000	-70,000	-70,000		
	Construction and access		-4,500,000	-2,100,000	-900,000	+3,600,000	+1,200,000
	Payments in lieu of taxes		-5,000,000		-2,500,000	+2,500,000	-2,500,000
	Land acquisition		-1,997,000	-1,497,000	-1,497,000	+500,000	
	Total, Bureau of Land Management		-11,567,000	-3,667,000	-4,967,000	+6,600,000	-1,300,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	United States Fish and Wildlife Service						
	Resource management		-2,000,000			+2,000,000	
	Construction		-14,390,000	-13,215,000	-12,415,000	+1,975,000	+800,000
	Land acquisition		-7,345,000	-3,893,000	-1,076,000	+6,269,000	+2,817,000
	Total, United States Fish and Wildlife Service		-23,735,000	-17,108,000	-13,491,000	+10,244,000	+3,617,000
	National Biological Survey						
	Research, inventories, and surveys		-16,680,000	-12,544,000	-14,549,000	+2,131,000	-2,005,000
	National Park Service						
	Construction		-22,831,000	-25,970,000	-20,890,000	+1,941,000	+5,080,000
	Urban park and recreation fund		-7,480,000	-7,480,000	-7,480,000		
	Land acquisition and State assistance		-16,509,000	-9,983,000	-13,634,000	+2,875,000	-3,651,000
	Total, National Park Service		-46,820,000	-43,433,000	-42,004,000	+4,816,000	+1,429,000
	Minerals Management Service						
	Royalty and offshore minerals management			-814,000	-514,000	-514,000	+300,000
	Bureau of Indian Affairs						
	Operation of Indian programs		-4,046,000	-11,350,000	-4,850,000	-804,000	+6,500,000
	Construction		-10,309,000	-9,571,000	-9,571,000	+738,000	
	Indian direct loan program account			-1,900,000	-1,700,000	-1,700,000	+200,000
	Total, Bureau of Indian Affairs		-14,355,000	-22,821,000	-16,121,000	-1,766,000	+6,700,000
	Territorial and International Affairs						
	Administration of territories		-2,438,000	-1,900,000	-1,938,000	+500,000	-38,000
	Trust Territory of the Pacific Islands		-32,139,000	-32,139,000	-32,139,000		
	Compact of Free Association			-1,000,000	-1,000,000	-1,000,000	
	Total, Territorial and International Affairs		-34,577,000	-35,039,000	-35,077,000	-500,000	-38,000
	Departmental Offices						
	Office of the Secretary			-150,000			+150,000
	Total, Department of the Interior	6,800,000	-147,734,000	-136,576,000	-126,723,000	+21,011,000	+9,853,000
	RELATED AGENCIES						
	DEPARTMENT OF AGRICULTURE						
	Forest Service						
	Forest research		-6,000,000	-6,000,000	-6,000,000		
	State and private forestry		-12,500,000	-6,250,000	-7,800,000	+4,700,000	-1,550,000
	International forestry		-1,000,000	-3,000,000	-2,000,000	-1,000,000	+1,000,000
	National forest system		-3,327,000		-1,650,000	+1,677,000	-1,650,000
	Construction		-4,919,000	-7,824,000	-6,072,000	-1,153,000	+1,752,000
	Land acquisition		-3,974,000	-3,720,000	-1,429,000	+2,545,000	+2,291,000
	Total, Forest Service		-31,720,000	-26,794,000	-24,951,000	+6,769,000	+1,843,000
	DEPARTMENT OF ENERGY						
	Fossil energy research and development		-18,650,000	-20,750,000	-18,100,000	+550,000	+2,650,000
	Naval petroleum and oil shale reserves		-21,000,000	-11,000,000		+21,000,000	+11,000,000
	Energy conservation		-59,928,000	-48,628,000	-49,628,000	+10,300,000	-1,000,000
	Total, Department of Energy		-99,578,000	-80,378,000	-67,728,000	+31,850,000	+12,650,000
	DEPARTMENT OF EDUCATION						
	Indian education		-2,000,000	-2,000,000	-2,000,000		
	OTHER RELATED AGENCIES						
	Smithsonian Institution						
	Construction and improvements, National Zoological Park		-1,000,000	-1,000,000	-1,000,000		
	Construction		-31,012,000	-11,237,000	-11,512,000	+19,500,000	-275,000
	Total, Smithsonian Institution		-32,012,000	-12,237,000	-12,512,000	+19,500,000	-275,000
	National Gallery of Art						
	Repair, restoration and renovation of buildings		-407,000	-407,000	-407,000		
	John F. Kennedy Center for the Performing Arts						
	Construction		-3,000,000	-3,000,000	-3,000,000		

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	Woodrow Wilson International Center for Scholars						
	Salaries and expenses		-2,300,000	-1,000,000	-1,000,000	+1,300,000	
	National Foundation on the Arts and the Humanities						
	National Endowment for the Arts						
	Grants and administration		-5,000,000	-5,000,000	-5,000,000		
	National Endowment for the Humanities						
	Grants and administration		-5,000,000	-5,000,000	-5,000,000		
	Total, Chapter V:						
	New budget (obligational) authority	6,800,000	-328,751,000	-271,392,000	-248,321,000	+80,430,000	+23,071,000
	Appropriations	(6,800,000)					
	Rescissions		(-328,751,000)	(-271,392,000)	(-248,321,000)	(+80,430,000)	(+23,071,000)
	CHAPTER VI						
	DEPARTMENT OF LABOR						
	Employment and Training Administration						
	Training and employment services		-2,284,132,000	-1,308,720,000	-1,399,115,000	+885,017,000	-90,395,000
	Community service employment for older Americans		-14,440,000	-14,440,000	-14,440,000		
	State unemployment insurance and employment service operations		-12,000,000	-20,000,000	-20,000,000	-8,000,000	
104-4 104-39	Limitation on trust fund transfer	-40,700,000	-47,700,000	-67,700,000	-67,700,000	-20,000,000	
	Total, Employment and Training Administration	-40,700,000	-2,358,272,000	-1,410,860,000	-1,501,255,000	+857,017,000	-90,395,000
	Employment Standards Administration						
	Salaries and expenses		-2,487,000			+2,487,000	
	Occupational Safety and Health Administration						
	Salaries and expenses		-19,572,000			+19,572,000	
	Bureau of Labor Statistics						
104-28	Salaries and expenses	-1,100,000		-1,100,000	-700,000	-700,000	+400,000
	Compliance Assistance Activities						
	Compliance assistance activities (sec. 602)			-8,975,000			+8,975,000
	Total, Department of Labor	-41,800,000	-2,380,331,000	-1,420,935,000	-1,501,955,000	+878,376,000	-81,020,000
	DEPARTMENT OF HEALTH AND HUMAN SERVICES						
	Health Resources and Services Administration						
104-28	Program operations	-29,147,000	-53,925,000	-42,071,000	-41,350,000	+12,575,000	+721,000
	Centers for Disease Control and Prevention						
104-28	Disease control, research, and training	-1,300,000	-8,863,000	-1,300,000	-2,300,000	+6,563,000	-1,000,000
	National Institutes of Health						
104-28	National Center for Research Resources	-1,000,000	-20,000,000		-10,000,000	+10,000,000	-10,000,000
	Buildings and facilities		-50,000,000	-79,269,000	-60,000,000	-10,000,000	+19,269,000
	Total, National Institutes of Health	-1,000,000	-70,000,000	-79,269,000	-70,000,000		+9,269,000
	Assistant Secretary for Health						
	Office of the Assistant Secretary for Health		-1,400,000	-2,320,000	-1,400,000		+920,000
	Agency for Health Care Policy and Research						
	Health care policy and research		-3,132,000	-3,132,000	-3,132,000		
	Health Care Financing Administration						
104-4	Program management	-20,000,000	-28,200,000	-15,700,000	-19,700,000	+8,500,000	-4,000,000
	Social Security Administration						
	Supplemental security income program			(-67,000,000)			(+67,000,000)
	Limitation on administrative expenses			(-86,263,000)			(+86,263,000)
	Administration for Children and Families						
	Job opportunities and basic skills			-330,000,000	-330,000,000	-330,000,000	
	Low income home energy assistance (advance appropriation, 1996)		-1,319,204,000		-319,204,000	+1,000,000,000	-319,204,000
	State legalization impact assistance grants			-6,000,000	-2,000,000	-2,000,000	+4,000,000
	Child care and development block grant				-8,400,000	-8,400,000	-8,400,000
	Community services block grant		-26,988,000	-12,888,000	-15,287,000	+11,701,000	-2,399,000
	Children and families services programs		-25,900,000		-25,900,000		-25,900,000
	Payments to States for foster care and adoption assistance (indefinite)		-150,000,000			+150,000,000	
	Total, Administration for Children and Families		-1,522,092,000	-348,888,000	-700,791,000	+821,301,000	-351,903,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
....	Administration on aging	....	-899,000	-899,000	-899,000	....	....
	Office of the Secretary						
....	Policy research	....	....	-4,018,000	-4,018,000	-4,018,000	....
	Total, Department of Health and Human Services	-61,447,000	-1,688,531,000	-497,617,000	-843,590,000	+844,941,000	-345,973,000
	DEPARTMENT OF EDUCATION						
....	Education reform	....	-186,030,000	-10,100,000	-104,030,000	+82,000,000	-93,930,000
....	Education for the disadvantaged	....	-148,570,000	-7,900,000	-4,606,000	+143,964,000	+3,294,000
....	Impact aid	....	-16,293,000	....	....	+16,293,000	....
....	School improvement programs	....	-735,921,000	-111,317,000	-391,840,000	+344,081,000	-280,523,000
....	Crime trust fund	....	-11,100,000	-11,100,000	-11,100,000	....	....
....	Bilingual and immigrant education	....	-38,500,000	-34,580,000	-38,500,000	....	-3,920,000
	Special Institutions for Persons With Disabilities:						
....	National Technical Institute for the Deaf	....	-799,000	....	....	+799,000	....
....	Gallaudet University	....	-1,298,000	....	....	+1,298,000	....
	Total	....	-2,097,000	....	....	+2,097,000	....
104-28	Vocational and adult education	-43,888,000	-119,544,000	-54,566,000	-90,607,000	+28,937,000	-36,041,000
....	Student financial assistance	....	-187,475,000	-10,000,000	-85,000,000	+102,475,000	-75,000,000
....	Howard University	....	-4,300,000	-3,300,000	-1,800,000	+2,500,000	+1,500,000
104-28	Higher education	-26,903,000	-102,246,000	-42,159,000	-54,672,000	+47,574,000	-12,513,000
104-28	College housing and academic facilities loans program	-168,000	-490,000	-490,000	-432,000	+58,000	+58,000
104-28	Education research, statistics, and improvement	-750,000	-55,250,000	-15,200,000	-30,925,000	+24,325,000	-15,725,000
104-28	Libraries	-12,942,000	-26,716,000	-2,916,000	....	+26,716,000	+2,916,000
....	Program administration	....	....	-4,424,000	....	....	+4,424,000
	Total, Department of Education	-84,651,000	-1,634,532,000	-308,052,000	-813,512,000	+821,020,000	-505,460,000
	RELATED AGENCIES						
	Corporation for Public Broadcasting:						
....	Advance appropriation, 1996	....	-47,000,000	-26,360,000	-37,000,000	+10,000,000	-10,640,000
....	Advance appropriation, 1997	....	-94,000,000	-29,360,000	-55,000,000	+39,000,000	-25,640,000
	Railroad Retirement Board:						
....	Dual benefits payments account	....	-5,000,000	-7,000,000	-7,000,000	-2,000,000	....
	GENERAL PROVISIONS						
	DEPARTMENT OF EDUCATION						
....	Federal direct student loans	....	-47,000,000	-95,000,000	-61,000,000	-14,000,000	+34,000,000
	Total, Chapter VI: Rescissions	-177,898,000	-5,896,394,000	-2,384,324,000	-3,319,057,000	+2,577,337,000	-934,733,000
	CHAPTER VII						
	LEGISLATIVE BRANCH						
	HOUSE OF REPRESENTATIVES						
	Payments to Widows and Heirs of Deceased Members of Congress						
....	Gratuities, deceased Members	....	133,600	133,600	133,600	....	....
	JOINT ITEMS						
....	Joint Economic Committee	....	-460,000	-460,000	-460,000	....	....
....	Joint Committee on Printing	....	-418,000	-238,137	-238,137	+179,863	....
	Total, Joint items	....	-878,000	-698,137	-698,137	+179,863	....
	OFFICE OF TECHNOLOGY ASSESSMENT						
....	Salaries and expenses	....	-650,000	-650,000	-650,000	....	....
	CONGRESSIONAL BUDGET OFFICE						
....	Salaries and expenses	....	-187,000	-187,000	-187,000	....	....
	ARCHITECT OF THE CAPITOL						
	Capitol Buildings and Grounds						
....	Capitol buildings	....	-2,500,000	....	....	+2,500,000	....
....	Senate office buildings	....	....	-850,000	-850,000	-850,000	....
....	Capitol Power Plant	....	....	-1,650,000	-1,650,000	-1,650,000	....
....	Capitol complex security enhancements (transfer from Botanic Garden)	....	(3,000,000)	....	(3,000,000)	....	(+3,000,000)
	Total, Capitol Buildings and Grounds	....	-2,500,000	-2,500,000	-2,500,000	....	....

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	GOVERNMENT PRINTING OFFICE						
....	Congressional printing and binding	....	-3,000,000	-5,000,000	-5,000,000	-2,000,000	....
	Office of Superintendent of Documents						
....	Salaries and expenses	....	-600,000	-600,000	-600,000	....	....
	Total, Government Printing Office	....	-3,600,000	-5,600,000	-5,600,000	-2,000,000	....
	BOTANIC GARDEN						
....	Salaries and expenses	....	-4,000,000	-7,000,000	-4,000,000	....	+3,000,000
	LIBRARY OF CONGRESS						
....	Salaries and expenses	....	-150,000	-150,000	-150,000	....	....
....	Books for the blind and physically handicapped, salaries and expenses	....	-100,000	-100,000	-100,000	....	....
	Total, Library of Congress	....	-250,000	-250,000	-250,000	....	....
	GENERAL ACCOUNTING OFFICE						
....	Salaries and expenses	....	-8,867,000	-8,867,000	-2,617,000	+6,250,000	+6,250,000
	Total, Chapter VII:						
	New budget (obligational) authority	....	-20,798,400	-25,618,537	-16,368,537	+4,429,863	+9,250,000
	Appropriations	....	(133,600)	(133,600)	(133,600)	....	....
	Rescissions	....	(-20,932,000)	(-25,752,137)	(-16,502,137)	(+4,429,863)	(+9,250,000)
	(By transfer)	....	(3,000,000)	....	(3,000,000)	....	(+3,000,000)
	MILITARY CONSTRUCTION						
....	Military construction, Army	....	....	-10,000,000	....	....	+10,000,000
....	Military construction, Navy	....	....	-13,050,000	....	....	+13,050,000
104-4	Emergency appropriation	18,000,000	....	....	....	....	....
....	Military construction, Air Force	....	....	-33,250,000	....	....	+33,250,000
....	Military construction, Air National Guard	....	....	-1,340,000	....	....	+1,340,000
	Total, Military Construction	....	....	-57,640,000	....	....	+57,640,000
....	North Atlantic Treaty Organization Infrastructure	....	....	-69,000,000	....	....	+69,000,000
	Base realignment and closure accounts:						
....	Part II	....	....	-10,628,000	....	....	+10,628,000
....	Part III	....	....	-93,566,000	....	....	+93,566,000
	Total, Base realignment and closure accounts	....	....	-104,194,000	....	....	+104,194,000
	Total, Military Construction:						
	New budget (obligational) authority	18,000,000	....	-230,834,000	....	....	+230,834,000
	Emergency appropriations	(18,000,000)	....	....	....	....	....
	Rescissions	....	....	(-230,834,000)	....	....	(+230,834,000)
	CHAPTER VIII						
	DEPARTMENT OF TRANSPORTATION						
	Coast Guard						
104-4	Operating expenses (emergency)	28,297,000	26,197,000	....	....	-26,197,000	....
	Federal Railroad Administration						
104-4	Office of the administrator (by transfer)	(611,950)	(611,950)	(611,950)	(611,950)	....	....
	Federal Transit Administration						
....	Mass transit capital fund (Highway Trust Fund) (liquidation of contract authorization)	....	....	....	(350,000,000)	(+350,000,000)	(+350,000,000)
	Office of the Secretary						
....	Transportation, planning, research, and development	....	-1,293,000	....	....	+1,293,000	....
....	Working capital fund	....	-8,000,000	-4,000,000	-6,000,000	+2,000,000	-2,000,000
104-26	Payments to air carriers (Airport and Airway Trust Fund)	-7,680,000	....	-5,300,000	-5,300,000	-5,300,000	....
	Total, Office of the Secretary	-7,680,000	-9,293,000	-9,300,000	-11,300,000	-2,007,000	-2,000,000
	Coast Guard						
....	Operating expenses	....	-6,440,000	-3,700,000	-4,300,000	+2,140,000	-600,000
	Acquisition, construction, and improvements:						
....	Hurricane Andrew/Iniki supplemental (emergency)	....	-4,400,000	-4,400,000	-4,400,000	....	....
....	Vessels	....	-12,333,000	-12,133,000	-12,133,000	+200,000	....
....	Aircraft	....	-3,400,000	....	....	+3,400,000	....
....	Other equipment	....	-6,155,000	-2,000,000	-2,500,000	+3,655,000	-500,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
....	Shore facilities and aids to navigation	....	-16,281,000	-15,765,000	-16,281,000	....	-516,000
	Subtotal	....	-42,569,000	-34,296,000	-35,314,000	+7,255,000	-1,018,000
....	Environmental compliance and restoration	....	-3,500,000	-400,000	-2,500,000	+1,000,000	-2,100,000
	Total, Coast Guard	....	-52,509,000	-38,398,000	-42,114,000	+10,395,000	-3,716,000
	Federal Aviation Administration						
....	Operations	....	....	-1,000,000	-1,000,000	-1,000,000	....
....	Facilities and equipment (Airport and Airway Trust Fund)	....	-69,825,000	-31,850,000	-24,850,000	+44,975,000	+7,000,000
....	Research, engineering, and development (Airport and Airway Trust Fund)	....	-7,500,000	-7,500,000	-7,500,000	....	....
104-59	Grants-in-aid for airports (Airport and Airway Trust Fund)	-94,000,000	....	-2,000,000,000	-2,094,000,000	-2,094,000,000	-94,000,000
	Total, Federal Aviation Administration	-94,000,000	-77,325,000	-2,040,350,000	-2,127,350,000	-2,050,025,000	-87,000,000
	Federal Highway Administration						
....	Limitation on general operating expenses	....	(-42,500,000)	(-45,950,000)	(-54,550,000)	(-12,050,000)	(-8,600,000)
	Federal-aid highways (Highway Trust Fund):						
....	(Limitation on obligations)	....	(-70,140,000)	(-123,590,000)	(-132,190,000)	(-62,050,000)	(-8,600,000)
....	Rescission	....	....	....	-132,190,000	-132,190,000	-132,190,000
104-4	(Bonus obligations)	(-208,000,000)	....	....	....	....	....
....	Emergency relief program	....	-351,000,000	-50,000,000	-100,000,000	+251,000,000	-50,000,000
104-4	Federal-aid highways	-358,154,000	....	....	....	....	....
104-4	Miscellaneous highway trust funds	-4,890,000	....	-140,638,074	....	....	+140,638,074
104-4	Miscellaneous appropriations	-36,956,000	....	....	....	....	....
	Total, Federal Highway Administration	-400,000,000	-351,000,000	-190,638,074	-232,190,000	+118,810,000	-41,551,926
	National Highway Traffic Safety Administration						
....	Highway traffic safety grants (Highway Trust Fund)	....	....	-20,000,000	....	....	+20,000,000
	Federal Railroad Administration						
....	Northeast corridor improvement program	....	-7,768,000	-7,768,000	-9,707,000	-1,939,000	-1,939,000
....	National MAGLEV prototype development (Highway Trust Fund)	....	....	-250,000,000	-250,000,000	-250,000,000	....
	Total, Federal Railroad Administration	....	-7,768,000	-257,768,000	-259,707,000	-251,939,000	-1,939,000
	Federal Transit Administration						
....	Transit planning and research	....	-8,800,000	....	-7,000,000	+1,800,000	-7,000,000
	Discretionary grants:						
....	(Limitation on obligations) (Highway Trust Fund)	....	(-131,651,000)	(-67,293,000)	(-33,911,500)	(+97,739,500)	(+33,381,500)
....	Rescission	....	....	....	-33,911,500	-33,911,500	-33,911,500
	Total, Federal Transit Administration	....	-8,800,000	....	-40,911,500	-32,111,500	-40,911,500
	GENERAL PROVISIONS						
....	Salaries and expenses	....	-20,000,000	-10,000,000	-15,000,000	+5,000,000	-5,000,000
	Total, Chapter VIII:						
	New budget (obligational) authority	-473,383,000	-498,498,000	-2,566,454,074	-2,728,572,500	-2,230,074,500	-162,118,426
	Emergency appropriations	(28,297,000)	(28,197,000)	....	....	(-28,197,000)	....
	Emergency rescissions	....	(-355,400,000)	(-54,400,000)	(-104,400,000)	(+251,000,000)	(-50,000,000)
	Rescissions	(-501,680,000)	(-171,295,000)	(-2,512,054,074)	(-2,624,172,500)	(-2,452,877,500)	(-112,118,426)
	(Limitations on obligations)	(-208,000,000)	(-201,791,000)	(-190,883,000)	(-166,101,500)	(+35,689,500)	(+24,781,500)
	(By transfer)	(611,950)	(611,950)	(611,950)	(611,950)	....	....
	CHAPTER IX						
	DEPARTMENT OF THE TREASURY						
	United States Customs Service:						
....	Salaries and expenses (by transfer)	....	....	(13,200,000)	(13,200,000)	(+13,200,000)	....
	INDEPENDENT AGENCIES						
....	Advisory Commission on Intergovernmental Relations	....	....	500,000	....	....	-500,000
	Office of Personnel Management:						
104-4	Government payment for annuitants, employee life insurance benefits	9,000,000	9,000,000	9,000,000	9,000,000	....	....
	DEPARTMENT OF THE TREASURY						
....	Departmental offices	....	-100,000	-100,000	-100,000	....	....
	Federal Law Enforcement Training Center:						
....	Salaries and expenses	....	....	....	11,000,000	+11,000,000	+11,000,000
....	Acquisition, construction, improvements, and related expenses	....	-11,000,000	....	-11,000,000	....	-11,000,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
....	Financial Management Service	....	-180,000	-180,000	-180,000	....	....
....	Bureau of the Public Debt	....	-1,500,000	-1,500,000	-1,500,000	....	....
....	Internal Revenue Service: Information systems	....	-1,490,000	-1,490,000	-1,490,000	....	....
	Total, Department of the Treasury	....	-14,250,000	-3,250,000	-3,250,000	+11,000,000	....
	EXECUTIVE OFFICE OF THE PRESIDENT						
....	The White House Office	....	-171,000	-171,000	-171,000	....	....
	Federal Drug Control Programs:						
....	Special Forfeiture Fund	....	....	13,200,000	13,200,000	+13,200,000	....
....	Rescission	....	-13,200,000	-13,200,000	-13,200,000	....	....
	Total, Executive Office of the President	....	-13,371,000	-171,000	-171,000	+13,200,000	....
	INDEPENDENT AGENCIES						
	General Services Administration:						
....	Federal Buildings Fund: Rescissions	....	-136,593,000	-1,894,840,000	-580,412,000	-443,819,000	+1,314,428,000
....	Operating expenses	....	-2,065,000	....	....	+2,065,000	....
	Total, General Services Administration	....	-138,658,000	-1,894,840,000	-580,412,000	-441,754,000	+1,314,428,000
....	Federal Election Commission	....	-2,792,000	....	-1,396,000	+1,396,000	-1,396,000
	Office of Personnel Management:						
....	Salaries and expenses	....	-3,140,000	-3,140,000	-3,140,000	....	....
	Total, Chapter IX:						
	New budget (obligational) authority	9,000,000	-163,211,000	-1,891,901,000	-579,369,000	-416,158,000	+1,312,532,000
	Appropriations	(9,000,000)	(9,000,000)	(22,700,000)	(33,200,000)	(+24,200,000)	(+10,500,000)
	Rescissions	....	(-172,211,000)	(-1,914,601,000)	(-612,569,000)	(-440,358,000)	(+1,302,032,000)
	(By transfer)	....	....	(13,200,000)	(13,200,000)	(+13,200,000)	....
	CHAPTER X						
	INDEPENDENT AGENCIES						
	FEDERAL EMERGENCY MANAGEMENT AGENCY						
104-4	Disaster relief (emergency)	6,700,000,000	5,360,000,000	1,900,000,000	3,350,000,000	-2,010,000,000	+1,450,000,000
....	Advance appropriation, FY 1996 (emergency)	....	....	4,800,000,000	3,350,000,000	+3,350,000,000	-1,450,000,000
104-4	National flood insurance fund (by transfer)	(5,331,000)	....	(5,331,000)	(5,331,000)	(+5,331,000)	....
	Total, Federal Emergency Management Agency	6,700,000,000	5,360,000,000	6,700,000,000	6,700,000,000	+1,340,000,000	....
	CORPORATIONS						
	Federal Deposit Insurance Corporation:						
....	Bank Enterprise Act	....	....	....	36,000,000	+36,000,000	+36,000,000
	DEPARTMENT OF VETERANS AFFAIRS						
	Veterans Health Administration						
....	Medical care	....	....	-50,000,000	-50,000,000	-50,000,000	....
	Departmental Administration						
....	Construction, major projects	....	....	-50,000,000	-31,000,000	-31,000,000	+19,000,000
	Total, Department of Veterans Affairs	....	....	-100,000,000	-81,000,000	-81,000,000	+19,000,000
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
	Housing Programs						
....	National homeownership trust demonstration program	....	-50,000,000	-50,000,000	-50,000,000	....	....
104-28	Annual contributions for assisted housing	-439,200,000	-5,733,400,000	-3,721,289,000	-5,031,400,000	+702,000,000	-1,310,111,000
....	(Deferral)	....	....	(465,000,000)	(406,900,000)	(+406,900,000)	(-58,100,000)
....	Assistance for the renewal of expiring section 8 subsidy contracts	....	....	-1,050,000,000	-1,177,000,000	-1,177,000,000	-127,000,000
104-28	Congregate services	-37,000,000	....	....	....	....	....
....	Payments for operation of low-income housing projects	....	-404,000,000	....	....	+404,000,000	....
....	Severely distressed public housing	....	-523,000,000	....	....	+523,000,000	....
....	Drug elimination grants for low-income housing	....	-32,000,000	....	....	+32,000,000	....
....	Youthbuild program	....	-38,000,000	....	-10,000,000	+28,000,000	-10,000,000
....	Housing counseling assistance	....	-38,000,000	-38,000,000	-38,000,000	....	....
....	Flexible subsidy fund	....	-8,000,000	....	-8,000,000	....	-8,000,000
....	Nehemiah housing opportunities fund	....	-19,000,000	-17,700,000	-10,500,000	+8,500,000	+7,200,000
....	Total, Housing Programs	-476,200,000	-6,845,400,000	-4,876,989,000	-6,324,900,000	+520,500,000	-1,447,911,000
	Homeless Assistance						
....	Homeless Assistance grants (deferral)	....	(297,000,000)	....	(297,000,000)	....	(+297,000,000)

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	Community Planning and Development						
....	Community development grants	....	-349,200,000	....	....	+349,200,000	....
	Total, Department of Housing and Urban Development	-476,200,000	-7,194,600,000	-4,876,989,000	-6,324,900,000	+869,700,000	-1,447,911,000
	INDEPENDENT AGENCIES						
	Chemical Safety and Hazard Investigation Board						
104-28	Salaries and expenses	-500,000	-500,000	-500,000	-500,000	....	....
	Community Development Financial Institutions						
....	Community development financial institutions fund program account	....	-124,000,000	-88,000,000	-124,000,000	....	-36,000,000
	Corporation for National and Community Service						
....	National and community service programs	....	-416,110,000	-105,000,000	-210,000,000	+206,110,000	-105,000,000
	Environmental Protection Agency						
104-28	Research and development	-3,635,000	-14,635,000	-9,635,000	-14,635,000	....	-5,000,000
104-28	Abatement, control, and compliance	-4,806,805	-4,806,805	-9,806,805	-9,806,805	-5,000,000	....
....	Buildings and facilities	....	-25,000,000	-83,000,000	-83,000,000	-58,000,000	....
....	Hazardous substance superfund	....	....	-100,000,000	-100,000,000	-100,000,000	....
104-28	Water infrastructure / State revolving fund	-3,200,000	-1,303,200,000	-1,242,095,000	-1,302,200,000	+1,000,000	-60,105,000
	Total, Environmental Protection Agency	-11,641,805	-1,347,641,805	-1,444,536,805	-1,509,641,805	-162,000,000	-65,105,000
	National Aeronautics and Space Administration						
....	Science, aeronautics and technology	....	-75,000,000	-68,000,000	-52,000,000	+23,000,000	+16,000,000
104-28	Construction of facilities	-27,000,000	-27,000,000	-76,000,000	-34,000,000	-7,000,000	+42,000,000
104-28	Mission support	-1,000,000	-1,000,000	-6,000,000	-32,000,000	-31,000,000	-26,000,000
104-59	Space flight, control and data communications	-10,000,000	....	....	-20,000,000	-20,000,000	-20,000,000
	Total, National Aeronautics and Space Administration	-38,000,000	-103,000,000	-150,000,000	-138,000,000	-35,000,000	+12,000,000
	National Science Foundation						
104-28	Academic research infrastructure	-131,867,000	-131,867,000	-131,867,000	-131,867,000	....	....
	CORPORATIONS						
	Federal Deposit Insurance Corporation:						
....	FDIC affordable housing program	....	-11,281,034	-11,281,034	-11,281,034	....	....
	Total, Chapter X:						
	New budget (obligational) authority	6,041,791,195	-3,968,999,839	-208,173,839	-1,795,189,839	+2,173,810,000	-1,587,016,000
	Emergency appropriations	(6,700,000,000)	(5,360,000,000)	(6,700,000,000)	(6,700,000,000)	(+1,340,000,000)	....
	Appropriations	....	....	....	(36,000,000)	(+36,000,000)	(+36,000,000)
	Rescissions	(-658,208,805)	(-9,328,999,839)	(-6,908,173,839)	(-8,531,189,839)	(+797,810,000)	(-1,623,016,000)
	(By transfer)	(5,331,000)	....	(5,331,000)	(5,331,000)	(+5,331,000)	....
	(Deferrals)	....	(297,000,000)	(465,000,000)	(702,900,000)	(+405,900,000)	(+237,900,000)
	Total, Title I:						
	New budget (obligational) authority	6,316,345,195	-11,714,193,239	-8,137,565,450	-9,182,125,876	+2,532,067,363	-1,044,560,426
	Emergency appropriations	(7,418,297,000)	(5,388,197,000)	(6,700,000,000)	(6,700,000,000)	(+1,311,803,000)	....
	Emergency rescissions	....	(-392,984,000)	(-61,784,000)	(-109,650,000)	(+283,334,000)	(-47,866,000)
	Appropriations	(434,672,000)	(85,471,600)	(306,915,600)	(365,705,600)	(+280,234,000)	(+58,790,000)
	Rescissions	(-1,536,623,805)	(-16,794,877,839)	(-15,082,697,050)	(-16,138,181,476)	(+656,696,363)	(-1,055,484,426)
	(Increases in limitations on obligations)	(24,500,000)	....	(24,500,000)	(24,500,000)	(+24,500,000)	....
	(Reductions in limitations on obligations)	(-208,000,000)	(-201,791,000)	(-279,186,000)	(-166,101,500)	(+35,689,500)	(+113,084,500)
	(By transfer)	(7,442,950)	(3,611,950)	(22,860,950)	(25,360,950)	(+21,749,000)	(+2,500,000)
	(Deferrals)	....	(297,000,000)	(465,000,000)	(702,900,000)	(+405,900,000)	(+237,900,000)
	TITLE II - GENERAL PROVISIONS						
	Emergency two-year salvage timber sale program (Forest Service and Bureau of Land Management):						
....	Salvage costs/payments	....	3,831,000	3,831,000	3,831,000	....	....
....	Receipts	....	-35,000,000	-35,000,000	-35,000,000	....	....
....	Federal administration and travel expenses	....	....	-342,500,000	....	....	+342,500,000
	Total, Title II:						
	New budget (obligational) authority	....	-31,169,000	-373,669,000	-31,169,000	....	+342,500,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	TITLE III						
	EMERGENCY SUPPLEMENTAL APPROPRIATIONS ANTI-TERRORISM INITIATIVES OKLAHOMA CITY RECOVERY						
	CHAPTER I						
	DEPARTMENT OF JUSTICE						
	Office of Justice Programs						
104-82	Justice assistance	4,000,000	....	....	....	....	....
	General Administration						
104-82	Salaries and expenses	8,700,000	....	....	34,220,000	+34,220,000	+34,220,000
	Legal Activities						
104-82	Salaries and expenses, United States Attorneys	4,034,000	....	....	2,000,000	+2,000,000	+2,000,000
104-82	Salaries and expenses, United States Marshals Service	2,521,000	....	....	....	....	....
	Total, Legal activities	6,555,000	....	....	2,000,000	+2,000,000	+2,000,000
	Federal Bureau of Investigation						
104-82	Salaries and expenses	49,200,000	....	....	77,140,000	+77,140,000	+77,140,000
	Drug Enforcement Administration						
104-82	Salaries and expenses	3,000,000	....	....	....	....	....
	Total, Department of Justice	71,456,000	....	....	113,360,000	+113,360,000	+113,360,000
	THE JUDICIARY						
	Courts of Appeals, District Courts, and Other Judicial Services						
104-82	Court security	10,400,000	....	....	16,840,000	+16,840,000	+16,840,000
	Total, Chapter I:						
	New budget (obligational) authority	81,856,000	....	....	130,000,000	+130,000,000	+130,000,000
	CHAPTER II						
	DEPARTMENT OF THE TREASURY						
104-82	Departmental offices	300,000	....	....	....	....	....
104-82	Financial Crimes Enforcement Network	300,000	....	....	....	....	....
104-82	Federal Law Enforcement Training Center	1,100,000	....	....	1,100,000	+1,100,000	+1,100,000
104-82	Bureau of Alcohol, Tobacco and Firearms	16,207,000	....	....	34,823,000	+34,823,000	+34,823,000
	United States Customs Service:						
104-82	Salaries and expenses	1,200,000	....	....	1,000,000	+1,000,000	+1,000,000
	Internal Revenue Service:						
104-82	Administration and management	1,000,000	....	....	....	....	....
104-82	United States Secret Service	3,875,000	....	....	6,675,000	+6,675,000	+6,675,000
	Total, Department of the Treasury	23,982,000	....	....	43,598,000	+43,598,000	+43,598,000
	INDEPENDENT AGENCY						
	General Services Administration:						
	Federal Buildings Fund:						
	Limitations on availability of revenue:						
104-82	Construction and acquisition of facilities	(2,300,000)	....	....	(2,300,000)	(+2,300,000)	(+2,300,000)
....	Alfred P. Murrah Federal Office Building	....	....	....	(40,400,000)	(+40,400,000)	(+40,400,000)
104-82	Repairs and alterations	(3,300,000)	....	....	(3,300,000)	(+3,300,000)	(+3,300,000)
104-82	Rental of space	(8,300,000)	....	....	(8,300,000)	(+8,300,000)	(+8,300,000)
104-82	Real property operations	(12,500,000)	....	....	(12,500,000)	(+12,500,000)	(+12,500,000)
	Total, limitations	(26,400,000)	....	....	(66,800,000)	(+66,800,000)	(+66,800,000)
	Total, Chapter II:						
	Budgetary resources available	50,382,000	....	....	110,398,000	+110,398,000	+110,398,000
	Emergency appropriations	(23,982,000)	....	....	(43,598,000)	(+43,598,000)	(+43,598,000)
	(Limitations on availability of revenue)	(26,400,000)	....	....	(66,800,000)	(+66,800,000)	(+66,800,000)
	CHAPTER III						
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
	Management and Administration						
104-82	Salaries and expenses	3,200,000	....	....	3,200,000	+3,200,000	+3,200,000

FY 1995 EMERGENCY SUPPLEMENTAL AND RESCISSION BILL (H.R. 1158) — continued

Doc No.		Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
	INDEPENDENT AGENCIES						
	FEDERAL EMERGENCY MANAGEMENT AGENCY						
104-62	Salaries and expenses	3,523,000			3,523,000	+3,523,000	+3,523,000
104-62	Emergency management planning and assistance	3,477,000			3,477,000	+3,477,000	+3,477,000
	Total, Federal Emergency Management Agency	7,000,000			7,000,000	+7,000,000	+7,000,000
	Total, Chapter III:						
	New budget (obligational) authority	10,200,000			10,200,000	+10,200,000	+10,200,000
	Total, Title III:						
	Budgetary resources available	142,437,000			250,598,000	+250,598,000	+250,598,000
	Emergency appropriations	(116,037,000)			(183,798,000)	(+183,798,000)	(+183,798,000)
	(Limitations on availability of revenue)	(26,400,000)			(66,800,000)	(+66,800,000)	(+66,800,000)
	Grand Total:						
	New budget (obligational) authority	6,432,382,195	-11,745,362,239	-8,511,234,450	-9,029,496,876	+2,715,865,363	-518,262,426
	Emergency appropriations	(7,534,334,000)	(5,388,197,000)	(6,700,000,000)	(6,883,798,000)	(+1,495,601,000)	(+183,798,000)
	Emergency rescissions		(-392,984,000)	(-61,784,000)	(-109,650,000)	(+283,334,000)	(-47,866,000)
	Appropriations	(434,672,000)	(54,302,800)	(275,746,800)	(334,536,800)	(+280,234,000)	(+58,790,000)
	Rescissions	(-1,536,623,805)	(-16,794,877,839)	(-15,425,197,050)	(-16,138,181,476)	(+656,696,363)	(-712,984,426)
	(FY 1995)	(-1,536,623,805)	(-15,334,673,839)	(-15,369,477,050)	(-15,726,977,476)	(-392,303,637)	(-357,500,426)
	(FY 1996)		(-1,366,204,000)	(-26,360,000)	(-356,204,000)	(+1,010,000,000)	(-329,844,000)
	(FY 1997)		(-94,000,000)	(-29,360,000)	(-55,000,000)	(+39,000,000)	(-25,640,000)
	(Increases in limitations on obligations)	(50,900,000)		(24,500,000)	(91,300,000)	(+91,300,000)	(+66,800,000)
	(Reductions in limitations on obligations)	(-208,000,000)	(-201,791,000)	(-279,166,000)	(-166,101,500)	(+35,689,500)	(+113,064,500)
	(Total, appropriations and increases in limitations on obligations)	(8,019,906,000)	(5,442,499,800)	(7,000,246,800)	(7,309,634,800)	(+1,867,135,000)	(+309,388,000)
	(Total, rescissions and reductions in limitations on obligations)	(-1,744,623,805)	(-17,389,652,839)	(-15,766,147,050)	(-16,413,932,976)	(+975,719,863)	(-647,785,926)
	(By transfer)	(7,442,950)	(3,611,950)	(22,860,950)	(25,360,950)	(+21,749,000)	(+2,500,000)
	(Deferrals)		(297,000,000)	(465,000,000)	(702,900,000)	(+405,900,000)	(+237,900,000)

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, first of all, this debate is not about spending levels. The President in his message yesterday indicated he wants to spend $50 million less than the amount provided in the conference report. There are some other very good reasons to vote against this bill.

First of all, this bill cuts programs for kids and old folks, and despite the denials on the Republican side of the aisle, it does so to pay for tax gifts for the wealthy and the well-connected. We just passed a budget resolution which slashed Medicare to pay for tax cuts for the wealthy. Under that proposal, we are going to go back to the "good old days," such as we had between 1982 and 1985, when 47 Fortune 500 corporations, even though they made hundreds of millions of dollars in profits, paid not one dime in Federal taxes.

Even President Reagan recognized that was wrong, closed the loophole in 1985. Under the tax proposals passed by this House and endorsed by the budget resolution passed today, we are going to go back to those "good old days." And this bill is going to help pay for that new loophole. We should not be doing that.

Let me trace for you the history of what has happened on so-called deficit reduction in this bill. When this bill was first in the committee, as the gentlewoman from California pointed out, the committee chairman said that the cuts in this bill were going to be used at least in part to pay for those tax cuts. Then that rhetoric was softened.

During the debate in the committee, we said we thought it was wrong to cut Healthy Start for preborn kids; we said we thought it was wrong to cut school nutrition; we said we thought it was wrong to cut public broadcasting for preschool kids; we said we thought it was wrong to cut education and training funds; we said we thought it was wrong to cut fuel assistance and housing for the elderly all in order to give somebody who was making $200,000 a year a tax cut.

The Republicans in committee voted down the amendment offered by the gentleman from Pennsylvania [Mr. MURTHA], which tried to dedicate all cuts to deficit reduction. On the floor, after pressure on that subject, the Republican majority said: "OK, we changed our mind." They voted for the Brewster amendment, and so did we, which said that all of the funds that were saved in the bill would be used for deficit reduction.

One day after that amendment passed the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget, said that well, they could not afford to live with that language because they wanted to have the out-year savings used in order to finance that tax package. Now the chairman of the committee claims that because of the adoption of the Senate amendment in conference, that somehow the Brewster amendment is protected.

I want to ask one question: If the Brewster amendment was protected, why did the Republican conferees vote against my motion in conference to keep it? You voted against it, you killed my amendment that would have saved the Brewster amendment, 8 to 6. If the Brewster amendment had been protected in conference, $50 billion more of savings in this bill would be dedicated for deficit reduction. They would not be available to finance that turkey of a rich man's tax cut that you supported on the other side of the aisle.

The CBO, as I said earlier, fully understands that if all of the dollars that were saved in this bill were dedicated to deficit reduction, as the Brewster amendment provided, there would be $50 billion more in deficit reduction provided under this proposal. So I think that is reason enough to vote for this proposition.

And there is a second reason. It is simply because this bill represents warped priorities. It cuts education and training funds by $875 million. Is it really smart to cut our effort to preserve drug-free schools by 50 percent? Is it really smart to cut school-to-work programs? Do you really want to take deep cuts in elderly and housing projects in order to move funds down the line to use for tax cuts for wealthy people?

Someone on the other side have just suggested that the LIHEAP program, low income heating assistance program, was not all that important to old folks anymore. I want to tell you, 80 percent of the people who use that program make less than $10,000 a year. One-third of them are disabled. Two million senior citizens nationally use that program.

I will never forget a woman in my own district, in Stevens Point, I met when I walked into her house to talk to her about the program. She lived in a house that was built for her by her husband as a wedding present. She was 82 years old. She had very little money. She had every room in that house closed up except the living room, the kitchen, and the bathroom, in order to save heat. She slept on an old beat up couch in the living room.

That house meant as much to her as life itself. It was her last link with her husband. She desperately wanted to hang onto it, and it was low income heating assistance program that helped her to do so.

Do you really think you ought to cut a woman like that so you can give one of your wealthy $200,000 a year income friends an additional tax break? Pardon me, I do not agree with those kind of priorities.

I think we also ought to take a look at what you have not cut. The gentleman from Pennsylvania, Mr. SHUSTER, got up here and defended highway demonstration projects. I like to see highway projects built just like anyone else, but not at the expense of senior citizens, not at the expense of drug-free schools, not at the expense of decent education and training opportunities for our young people.

Of all things, I do not see why this Republican-controlled Congress should have retained the Benedict Arnold tax loophole provision which allows people to renounce their American citizenship in order to avoid paying taxes to the country that made them rich in the first place.

The gentleman from Ohio [Mr. KASICH] said that we hate rich people on this side of the aisle. Absolute nonsense. I would like everybody in this society to be rich. Profits are good for this country. High incomes are good for this country. But what is also good for this country is that when people make it, and they make it very well in this society, they should not be pulling the ladder up after them. They should be willing to pay their fair share to support the public services in this country that the entire society needs. That is all we are suggesting.

The gentleman from Ohio [Mr. KASICH], said the vote today was about balance. There is nothing very balanced about proposals that cut back on aid to seniors, that cut back on educational opportunities, that cut back on veterans who have fought and risked their lives for this country, in order to give somebody who makes $200,000 bucks a year a tax cut. That is not balance at all. That is extreme. It is wrong economically, it is wrong morally.

Mr. Speaker, I congratulate the President for drawing the line in the right place. We ought to turn this bill down. We ought to reshape it, we can easily do that in a week, and we can come out here with something that we can be proud of.

Mr. LIVINGSTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. LEWIS], the chairman of the Subcommittee on VA, HUD, and Independent Agencies.

Mr. LEWIS of California. Mr. Speaker, I very much appreciate my chairman yielding. I did not intend to speak on this measure, but the fact is that over half of the funds we are talking about here, the rescissions, came out of my subcommittee. In view of the President's decision—at least it appears to be a decision—to veto this measure, I thought there were at least a couple of points I should try to make.

My colleagues, the President has proposed a list of 14 items that if restored would cause him to sign this legislation. Five of these items fall under the jurisdiction of my subcommittee. While all of them deserve mention, there are two points that I would like to make.

As you know, the AmeriCorps Program budget of 1995 has been reduced by $210 million to the 1994 funding level of $365 million. This reduction was made not out of partisanship, but out of a true desire to review how well the AmeriCorps Program has worked, a program the President holds at the highest priority.

Many of my colleagues made it no secret that they wanted to eliminate this program. Until now, I personally had not come to a final consideration on the matter. Today I stand before you convinced that the President has already given up on the National Service Program, AmeriCorps. His veto promise has raised the stakes, and regardless of the outcome, I now believe the President will lose on that one.

Like it or not, the National Service Program has become an even larger target than ever before. Maybe not today or this week or this month, but you can rest assured the AmeriCorps Program will be the victim of this debate and this veto. The writing is now on the wall.

Mr. Speaker, there is another item that I would raise that would hopefully cause the President to reconsider his position, and that is my second point. A few months ago, before my committee, James Lee Witt, the Administrator, the Director of FEMA, the Federal Emergency Management Agency, told us that without replenishment, that as of the end of May, FEMA would run out of money. They would be out of money. No more in the pipeline.

Think of the disasters. Not just earthquakes and floods in California, but disasters across the country. Of most important recent notice, the horrible disaster of Oklahoma City. FEMA running out of money, not being able to respond to those disasters. The President is now actually thinking about turning his back on those people who had to deal with those disasters.

Mr. Speaker, it is time for the President to rethink this position. He should not take the advice of his political advisers. He should look to the people of the country who at this moment need our assistance.

Mr. Speaker, upon completion of the conference on HR 1158 this past Tuesday morning, I had anticipated taking just a little time to briefly discuss the role my subcommittee—VA, HUD, and independent agencies—had in achieving over half of the budget savings realized in this emergency supplemental and rescissions bill.

While we certainly had difficult choices, the conferees on this chapter worked diligently to retain or restructure certain high priority items while at the same time making meaningful reductions where we thought appropriate. Our final decisions were, in my mind, legislative compromise in the truest and best sense of the word.

Perhaps more important than the specific choices we made though was the fact that our actions have gotten us headed on a track that recognizes the even more difficult budget decisions awaiting us in fiscal year 1996 and beyond. Simply put, balancing this Nation's budget will require hard choices and sacrifice on the part of each and every lawmaker and each and every citizen.

It is in this vein that I am absolutely dismayed at the announcement by the President that he will veto this legislation. The very first real opportunity this President has had to show he truly wants to get spending under control is instead squandered for what can't be described as anything other than cheap demigodary. As I mentioned the President has proposed a list of 14 items that, if restored, would cause him to sign this legislation. Again five of these items fall under the jurisdiction of my subcommittee, and a quick review of each of the other four items points out just how ridiculous is the President's announced action:

Environmental Programs: Safe Drinking Water—The President has proposed restoring $500 million for State revolving grant funds for this program which does not now and has never existed. This proposal will do nothing more than put funds aside for a program that likely will not be authorized until next year and, once it is authorized, will likely see at least another half-year of rule writing before a single dime is sent to the States. How can the President possibly justify giving money to a program that does not exist while agreeing to take funds away from others that do?

VA Medical Care—The President has suggested giving $50 million back to VA medical care, even though these funds are salary savings that the Department itself says it will not use. This rescission will not impact a single VA employee or patient, yet it clearly appears on the President's list merely for its press value.

HUD: Assisted Housing—The President has asked to restore $150 million to HUD assisted housing for residents displaced by demolition of old housing units, but apparently never checked with HUD to see what their needs are in this regard. In fact, the conferees restored half-a-billion dollars for this purpose and there is enough money now in the account to fund 20,000 families with 5-year vouchers or 50,000 families with 2-year vouchers. According to the Department, this is more than adequate to meet their needs.

HUD: Housing Opportunities for People With Aids (HOPWA)—The President's suggestion to restore $30 million in this account is truly the height of hypocrisy. The 1995 funding level of $156 million for HOPWA is exactly what the President requested for the program for 1995. Moreover, this funding level agreed to by the conferees now leaves over $400 million available for HOPWA, meaning this administration has yet to even distribute all of the funds we appropriated for HOPWA in fiscal year 1993, let alone use the funds we provided for fiscal years 1994 and 1995. Shouldn't the President be more concerned with helping the people we meant to be helped rather than raise phony issues meant to obscure the real facts?

Mr. Speaker, although I can't speak to the details of each of the 14 items, I am quite certain the story for each is similar. The President's scenario in this sorry episode is, indeed, all too clear: he decides for the first time to fully engage himself in this rescission process that for this Member started in January. He realizes he is late to the table so threatens to use his veto to get his way. For cover, he demands that 14 sexy-looking programs be restored, yet utterly fails to realize there is no substance behind restoring most if not all of the 14 items. He hopes to claim a public relations victory, caring not that the real losers are the American public who must go on paying for programs that should, indeed must, be phased out.

Mr. Speaker, the President's actions so far in this regard is politics at its absolute worst and nothing short of despicable. I can only hope he somehow get a dose of honest conscience before his pen makes the wrong marks.

Mr. Speaker, in the hope that the President will in fact sign this bill, I would like to take an additional moment to clarify our intent with respect to language included in the bill dealing with EPA's Automobile Inspection and Maintenance Program provided for in the Clean Air Act.

Under the regulatory framework first developed by EPA, a premium was placed on State adoption of a centralized testing facility, while an automatic discount was applied to noncentralized facilities proposed by the States. EPA itself has recently indicated they intend to be more flexible in the granting of credits for noncentralized programs, and our bill and report language should be interpreted to support EPA in this movement toward flexibility and reasonableness.

Rather than automatically discount programs, EPA should attempt to assign credits to each State's program based on the worthiness of each program. Higher credits, even up to 100 percent, need not be granted just for programs that have expensive equipment. On the contrary, if a State presents a plan that outlines how and why a certain level of credit can be achieved, EPA should be reasonable and thoughtful in its review process toward making a decision allowing such appropriate credits. If EPA believes additional data is required to make the State's case, they should be flexible in permitting such data collection for up to 2 years or two full cycles.

Mr. Speaker, I firmly believe that what we are doing in their regard is a step in the direction of truly permitting sound science to prevail. Sometimes laws and regulations become too prescriptive in our zeal to achieve an end result. I am absolutely committed to our national goal of clean air, but I am equally persuaded we must be flexible and allow new methods and new technologies and new ideas to lead the way toward this goal. If the agency will not or cannot provide that flexibility I am quite certain the Congress will once again address this issue in a manner that is perhaps less appealing to those who support our clean air goals.

The SPEAKER pro tempore. (Mr. WALKER). Members are reminded that all remarks are to be addressed to the Chair.

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. STOKES], the ranking member of the Subcommittee on VA, HUD, and Independent Agencies.

Mr. STOKES. Mr. Speaker, I thank my ranking minority member for yielding to me.

Mr. Speaker I rise in strong opposition to H.R. 1158, a bill rescinding appropriations for fiscal year 1995.

From the very beginning of deliberations on this legislation, it has been clear that Draconian and callous cuts to funds already approved for Federal programs were for the purpose of fulfilling the Republican Contract With America to cut taxes. This is abundantly clear when you consider that the conference agreement rejects the House adopted amendment which required all budgetary savings from the rescissions bill be used for deficit reduction. Under the Republican proposal, these savings can be used to finance tax cuts to benefit the wealthiest persons in this Nation.

Take for example, the $6.3 billion cut from critical housing programs serving the elderly, low income, and homeless families with children, and the disabled. The $1.9 billion cut from incremental assistance programs means a loss of 52,000 section 8 rental certificates. An additional $815 million reduction in public housing modernization will prevent public housing agencies from rehabilitating some 40,000 substandard pubic housing units. Further cuts of $620 million to public housing development will prevent the tearing down and replacement of 7,000 of the most distressed public housing units in the Nation.

On top of these reductions, there is the $1.5 billion cut to the Labor and Employment Training Program, the $844 million cut to Health and Human Services programs, and the $875 million cut to education programs. I find these reductions in quality of life programs appalling. Further, how can the Members of this House support a bill that cuts $65 million from student aid, cuts $11.2 million from TRIO, cuts $236 million from safe and drug-free schools, eliminates summer youth jobs in fiscal year 1996, and cuts by 68 percent funding for youth employment training? In an ever-increasing technological society, instead of ensuring that we provide adequate training to new and returning workers, this bill makes drastic cuts in vocational and adult education, displaced worker initiatives, and school-to-work programs.

This bill sends a signal to the rest of the world that the United States of America, a world leader, places a very low priority on the education of its youth.

While the uproar over initial rescissions figures forced restoration of some of the funds taken from VA programs, this bill still cuts $81 million from veterans programs. Therefore, Republicans are sending a message to our veterans that their needs are not as important as tax cuts for the wealthy.

I can understand and support a balanced approach to addressing our Nation's fiscal difficulties. But I cannot, and will not, support balancing the needs of the wealthy on the backs of the poor, the elderly, our children, veterans, and the disabled. I urge my colleagues to defeat this conference report.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, I understand the gentleman's position regarding the housing cuts of roughly $6 billion, but does he realize the President only asked to restore $150 million of the housing cuts? Obviously the balance of over $5 billion is okay with him.

Mr. STOKES. Mr. Speaker, I will accept the gentleman's comment.

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Mr. LIVINGSTON. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER], the distinguished chairman of the Subcommittee on Labor, Health and Human Services, and Education.

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, Members on both sides of the aisle have worked on this rescission package for over 2½ months. We worked through the House and the Senate and for the past 2 weeks we have been meeting often, often late into the evening in order to resolve our differences.

Nowhere, nowhere in this process was the President or his representatives seen. There was no hint to any of us as to his feelings regarding sections of this bill, and I think all of us were dismayed on opening the newspaper a day or two ago to find that he has vowed to veto it.

He has not been a part of the process. He has not said to any of us he would veto it, if certain conditions were not met. And what is most dismaying, Mr. Speaker, is that he is talking about $1.5 billion or about 9 percent of a $16.5 billion bill, which is itself only 1 percent of the entire Federal budget for fiscal 1995.

He is talking about half of that in the area of education and job training or one-twentieth of 1 percent of Federal spending, a minuscule amount. He objects, even though in our area of labor, health and human services and education, the House figure was $5.9 billion in rescissions, the Senate figure was about $3 billion in rescissions, and the House went very far in accommodating the view of the Senate, which the Senate was very insistent on, and we ended up at $3.3 billion. So we were not making the heavy cuts that the House had recommended in our area. We, rather, deferred to the Senate on most of these matters. And the cuts involved are cuts that are very, very minor, although obviously in programs that we consider to be very important as well.

I find the President's lack of attention and unwillingness to be at the table irresponsible in the extreme. I find his threat to veto this legislation incomprehensible. If we are to approach our entire fiscal 1996 budget with a President who will not be at the table, who will simply say, I am going to veto it when all the work is done, I think we are going to have a very, very difficult time indeed.

No one wants to ascribe certain motivations to the President. I will not do so. But I will say that it is irresponsible for the President to threaten such a veto.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Oklahoma [Mr. BREWSTER].

Mr. BREWSTER. Mr. Speaker, this floor has been full of debate on the budget the last few days. Many Members from both sides of the aisle have spoken on the importance of deficit reduction and debt reduction.

And, yet, this conference report is classic double-speak. This conference report does not contain the Brewster-Minge lockbox, but rather contains a Pandora's Box. The Brewster-Minge lockbox, which passed the House overwhelmingly by a vote of 418 to 5, has been scored by CBO as containing $66.2 billion in savings.

Instead, this afternoon we are considering a conference report with a watered-down version of the lockbox—a true Pandora's Box. This conference report has been scored by CBO to only save $15.4 billion—over $50 billion less than the Brewster lockbox.

That's $50 billion that should be deposited in the lockbox but will instead go for additional spending.

Mr. Speaker, I will be candid about my feelings on this conference report. There are many difficult cuts in this bill that will effect education, housing, economic development and agriculture. There are programs eliminated that are very valuable to my State of Oklahoma.

I have discussed with my constituents over the last few years about the seriousness of the Federal deficit. They do not like many of these cuts either. But, these citizens are willing to once again sacrifice in order to reduce our deficit.

But, Mr. Speaker, I can tell you, they will not support these cuts if the savings goes for anything other than deficit reduction.

Mr. Speaker, I urge my colleagues to send this Pandora's Box back to the conferees, and let us come back with the lockbox that will make these cuts count.

Mr. LIVINGSTON. Mr. Speaker, I yield 2 minutes and 20 seconds to the gentleman from Georgia [Mr. BARR].

Mr. BARR. Mr. Speaker, I would like to engage in a colloquy with the chairman.

Mr. Speaker, I noticed in the fiscal year 1995 supplemental appropriations or rescissions bill conference report there is $100.5 million provided for so-called enhanced counterterrorism. Included in this figure is over $20 million for the Bureau of Alcohol, Tobacco and Firearms and $77 million for the Federal Bureau of Investigation. These have caused me some concern.

As the chairman knows, just two weeks ago the administration presented to the Subcommittee on Crime of the Committee on the Judiciary incomplete draft counterterrorism legislation that contained proposals for new federal authority, redefinitions of current authority and new jurisdiction, in addition to a request for consideration of a new counterterrorism center within the FBI.

Needless to say, the Committee on the Judiciary is conducting a careful examination of the testimony presented and is studying that which has thus far been proposed. Unfortunately, the administration has yet to finalize its proposals to the Congress and necessarily its arguments in behalf of its position are still unfinished.

Therefore, I was surprised to see that the administration has somehow organized itself to make appropriations requests of the conference. It would be most disturbing were the administration presenting differing sets of proposals to the House, one incomplete and unfinished, and still another to the conferees if an effort to sidestep its responsibility to argue for its views before the authorizing committee of jurisdiction, in this case the House Committee on the Judiciary.

Mr. Speaker, in view of these concerns and understanding our mutual desire to see important emergency funding to help the people of Oklahoma City, I want to ask, is it the gentleman's understanding that none of the funds in this rescissions package provide for new or expanded authority for any federal law enforcement and including but not limited to ATF and the FBI.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, the gentleman should be pleased to know that except for one provision that permits the Attorney General to offer up to a $2 million reward to capture the people responsible for the Oklahoma City tragedy, there are no new or expanded authorities contained in this conference report. What we do in this bill is to provide the immediate resources necessary to respond to the tragedy in Oklahoma City.

Mr. BARR. I thank the gentleman.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, let me first congratulate the chairman of the committee, the new chairman of the committee, the gentleman from Louisiana [Mr. LIVINGSTON], as well as the minority spokesman on the committee, the gentleman from Wisconsin [Mr. OBEY], for their hard work on this. But let me say at the outset, I sincerely hope that this rescission bill is defeated today on the House floor and, if it is not, I hope the President keeps his word and vetoes it. I want to tell you why.

For the past several months we have heard like Banquo's ghost rattling through the halls. The Republican tax break program rears its ugly head every time Congress tries to tackle a serious issue. We want to sit down and talk about a balanced budget, which our nation wants and both parties profess to want, and yet the Republicans insist on a tax break package which gives tax breaks to the wealthiest Americans and absolves the most profitable corporations from paying their fair share of Federal taxes.

We want to talk about a bill like this, a rescission bill to cut spending so we can come up with money to pay for disasters in California and Oklahoma City and other places. The Republicans, again, want to make sure that some of the money that we are going to save will be around to fund the tax break package for the wealthiest privileged few in America.

It just boggles my mind, and I have been around politics so long. What is in this tax break package that is so important to them that they will literally taint every debate on this floor by making certain there is money in there for their tax break? I tell you what it is, my friends. It is because for some big businesses and for some special interests, that tax break means more than every other issue on this floor.

They are sticking with it, even if it means cutting 80,000 people off of the WIC program. Women and children who would get prenatal care will not because of this spending cut bill. They are sticking with it even if it means eliminating the Food and Drug Administration reorganization plan, to make that agency more efficient so it can safeguard our families.

No, they will make these cuts, and they will have to answer, and their answers are not any good because the Republican tax break program is not what we are here to talk about. We are here to get this public's House in order, to get our budget in order, and that tax break package is not the way to do it.

Mr. LIVINGSTON. Mr. Speaker, I yield 2½ minutes to the gentleman from Iowa [Mr. LIGHTFOOT], the distinguished chairman of the Subcommittee on Treasury, Postal Service, and General Government.

Mr. LIGHTFOOT. Mr. Speaker, I thank the gentleman for yielding time to me.

In response to the previous speaker and all the rhetoric we have heard around here today about tax breaks and tax cuts, if BS was a dollar a pound, we would have paid off the deficit at about noon. This thing has nothing to do with tax breaks or tax cuts. What part of zero do we not understand here?

What I really came down here to talk about was the president's veto on the rescission package. It is like he is trying to Monday morning quarterback a ball game that he did not even watch. The chairman of our committee, the gentleman from Louisiana [Mr. LIVINGSTON], not only invited him to watch the game, he invited him to participate, clear back in the month of February.

They declined to do so at the White House. Yesterday we got the message they are going to veto the rescission package.

We asked the GSA to give us a list of the so-called pork that is in our portion of the bill. That was yesterday. Today we finally get a response. OMB has ordered GSA not to give us a list of any kind. Mr. President, where is the pork? If you say it is there, identify it so we can work on it, because we think that we took every bit of pork out of this package that was there. The unauthorized programs are gone.

So I would only say in closing that, as we look at this rescission package, we also should be cognizant that the president's approval ratings went up for the way that he handled Oklahoma

City. And he is to be commended for that. But now the rubber meets the road. The money for Oklahoma City is in this bill. The investigative agencies who hopefully will put together a successful investigation that will convict and send to prison the people who perpetrated the crime in Oklahoma City are running out of money. The money for that investigation is in this bill. The President says he wants to veto it. I think when we learn someday that you can go to hell for lying the same as stealing, this will be a lot better town to live in.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Speaker, I want to also commend the chairman of the committee on his first conference report and the ranking member on our side, the gentleman from Wisconsin [Mr. OBEY], for working together. But regrettably, I fail to understand why we are here today. I wish we could have gone back to conference, worked out the finetuning that would have been required to bring this bill to the floor and pass it with little, if any, opposition.

The President does have a role to play and he has played it. I believe that the President's priorities are important and we need to talk about them. We look at those programs that have been cut, the safe and drug-free schools program which will have $200 million less to fight these problems on campuses across the country.

We look at the Goals 200 program, which will increase academic standards for students throughout our country, something we have worked closely on with employers and school administrators and teachers and parents and students, something that has been advocated by the Governors of our States.

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We have cut $90 million out of their program this year. The school-to-work program, which was designed to help move children from the school system that is not always succeeding in educating them to jobs, something that has been essential to try to make our young people more effective in the job market, and to make our country more competitive in the international market we are part of, that program is reduced in this bill.

The President has good reason, therefore, to ask us to go back and take up the task again. The reason that we, I think, find it difficult to do that, the reason we seem to be so dug in that we need to be here today, is for one very good reason. That is that after we pay for the much needed disaster relief, from California to Oklahoma City and around this country, once we have paid that bill, that $7 billion bill, we wanted to take $9 billion more out of this current fiscal year, not to balance the budget, but to provide tax cuts for the wealthiest in our society. That is terrible and it is regrettable. I am hoping we can fix it.

Mr. LIVINGSTON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. REGULA], the distinguished chairman of the Subcommittee on Interior of the Committee on Appropriations.

Mr. REGULA. Mr. Speaker, President Kennedy said that a journey of a thousand miles begins with the first step. Today we took, earlier, a giant step toward a balanced budget for the year 2002. That is the passage of the budget resolution.

Now we have an opportunity to take another step. That is to support this rescission bill. I say that because many of the programs, many of the construction projects that were rescinded, would have great outyear costs. By stopping these programs, slowing them down, rescinding buildings, rescinding other expensive projects, it will save money as we go down the road. Therefore, this bill becomes very important if we are to reach the goal of a legacy of a balanced budget and a strong economy for future generations in the next century.

Mr. Speaker, I would also just add that we do deal with a forest problem that enables us, in the Forest Service, to take diseased, dead trees, trees that have been scarred by fire, and use that lumber for the benefit of the young people of this Nation that want to build homes at a reasonable cost.

I was out in California and spent 2 days looking at the program. I think it will work very well. It will not in any way harm the forests, and it will provide for their health by removing trees that could be a potential fire hazard for the future. Therefore, I think this bill has a lot of good features.

Mr. Speaker, I would strongly urge my colleagues to support this second, very important step towards a balanced budget.

Mr. OBEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I rise in opposition to this rescission bill. This rescission bill, to some degree, came out of the air. If it did not come out of the tax cut that we keep talking about, I am not sure where it came from.

The gentleman who now chairs the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations did not come to me at the end of last year and say "We ought to get this out of bill. This is wrong. It should not be in the bill." I did not hear any other ranking member say that in committee, as I recall, and certainly not the $16.4 or $17 billion. If that did not come simply because we needed to get money for a tax cut, I do not know where it came from. Nobody has told me where that magic figure came from.

The fact of the matter is we passed a bill which balances the budget by 2002. That is fine. I voted for one of the amendments that did exactly that; not for the one that had the tax cut in it, but for the other one, because I thought the priorities were better, and the priorities in this rescission bill stink. That is what the President said, and he was telling the truth. He was not lying.

The fact of the matter is the priorities in this bill are not for the children pictured in the last debate. Summer jobs go down the drain in this bill, for young people that need that experience and need that future. That is not a policy that is looking to have people fly, I suggest.

This rescission bill is ill-considered, in that it does not address what are really the priorities of this country. There is no priority to cut the taxes for the wealthiest 10 percent in America. I would like to cut their taxes. Very frankly, most of us fall within that category, and we will personally benefit from that tax reduction. However, the fact of the matter is there are a lot of people in this country who need the opportunity to succeed, and this bill takes it away from them.

Mr. LIVINGSTON. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Speaker, we continue to hear over and over again how we are taking the food out of the mouths of babes. Well, as chairman of the subcommittee that funds the WIC program, let me clear the air once and for all.

Since fiscal year 1990, annual increases to the program have ranged between $200 million and $350 million. During this same time period, the unspent recovery balance has increased from $28 million to $125 million. The program couldn't absorb the large increases we were giving it every year.

The bill we have before us rescinds $20 million from the $125 million unspent fiscal year 1994 carryover balance. We have heard the Democrats say that this $20 million rescission would result in 480,000 fewer food packages. I'm not sure what this means. In the history of program, no one has ever measured the program by the number of food packages. The measurement has always been the number of women, infants, and children served.

The truth of the matter is, even with this $20 million rescission, the Department does not expect to change its estimates on how many additional women, infants, and children will be served this year. Why? Because the President is projecting an unspent recovery balance of $100 million at the end of this fiscal year, fiscal year 1995. What does this mean? It means that the average monthly participation will still increase by 500,000 this fiscal year. This rescission will have absolutely no effect on the 1995 level of participation.

Mr. LIVINGSTON. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. WOLF], the chairman of the Subcommittee on Transportation of the Committee on Appropriations.

Mr. WOLF. Mr. Speaker, I rise in strong support of the bill, and want to commend the gentleman from Louisiana [Mr. LIVINGSTON] and members of the committee on both sides of the aisle, and the staff, for the work they have done. I want to change what I was going to say. I keep hearing about a tax cut. If this is for the tax cut, I say good. The American family is under more pressure today than any other time in the history of the country. Every indicator that you look at for the well-being of the family is going the wrong way. Child abuse is at an all time high, spouse abuse is at an all time high, teen suicide is at an all time high, teen pregnancy an all time high, teen violence an all time high.

I say if this is to give a mom and a dad the opportunity to keep a little more money so they can take care of the family, I want to vote twice for it, not once, but twice, if I could. That would not be bad.

However, what we have done, I think, has been good. Additionally, I will put my statement in the RECORD on the demo projects. We are not going to have any demo projects in the transportation bill that comes out. They are all gone. I do not support them. I will never support a bill on this floor that has demos coming out of my committee, so we do not have to worry about them.

Number two, the administration has never even called us. Our staff and Jim Tarnall asked the administration on the administrative costs. We cut $20 million out, the Senate cut $10, and we asked them over and over, "Should it be 15? Should it be 12? What should it be?" They would not even give it to us.

I know why this bill is going to be vetoed, if it is. It is because of the reason I heard on public radio, yesterday, when they said "It is a political reason. It is an opportunity to make a statement." Demos are gone. They did not talk to us, but if this money is used to help the American family, I say God bless, and we ought to be proud of it.

Mr. Speaker, I rise in support of this conference report, which provides supplemental appropriations for emergency disaster assistance for the Northridge earthquake, west- and Gulf-coasts floods, and recovery assistance for Oklahoma City, by rescinding $16.4 billion in budget and obligational authority in fiscal year 1995.

Within the $16.4 billion, the conference report rescinds $2.728 billion from transportation programs. Rescissions in transportation programs are appropriate and necessary, particularly when the Congress is considering reductions in programs such as Headstart, hunger programs, immunizations, and breast cancer screening. Transportation programs should not be exempt. Furthermore, the transportation rescissions contained in this conference report are justified, reasonable and fair.

The conference report contains rescissions in unavailable contract authority including:

$2.1 billion for the airport improvement program; and

$250 million for the magnetic levitation [MAGLEV] prototype train development.

These balances of contract authority are moneys that cannot be spent in fiscal year 1995 due to other provisions of law, and therefore, these rescissions, when enacted, will have a negligible, if any, impact on transportation in this country.

In addition, the conference report rescinds:

$132 million in highway research and development programs, including $40 million in intelligent transportation systems;

$42 million in the coast guard; and

$40 million in transit research and discretionary grants, by reducing 50 percent of their obligated transit balances made available prior to fiscal year 1993.

The conference report does not include a reduction in highway demonstration projects, as proposed by the Senate—a proposal which I believe has a great deal of merit and for which I am sympathetic.

I am opposed to earmarking Federal moneys for highways demonstration projects, scarce transportation dollars must be carefully directed to programs addressing essential public safety needs rather than special projects. I have announced this to my colleagues, State transportation officials, industry representatives, and other interested parties.

I have written letters and outlined my position in statements and meetings, and am underscoring my position here today. Simply put, it has become a choice between paying for the truly essential public safety needs or continuing to spend for these highway demonstration projects. To me, the choice is clear. Without regard to partisan politics, and without reference to the merits of any particular projects, the fiscal year 1996 transportation appropriations bill will contain no highway demonstration projects.

With respect again to the conference report. It should be noted that since the Congress began to consider rescissions in January, and subsequent to the Senate's action in March, unobligated balance in the highway demonstration program accounts dating back to 1982 and 1987 have been reduced by nearly half. Unobligated balances have fallen from $252 million to $149 million today. And it is still dropping.

The mere threat of this Congress rescinding these balances over the past 90 days has accomplished what the Federal Highway Administration and 52 State Departments of Transportation could not do over the past 13 years—that is to get these funds out on the streets for which they were appropriated. To that end, we have been successful.

None of the transportation rescissions have been raised by the administration as egregious or needing to be restored.

I urge my colleagues to support this conference report.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. Mr. Speaker, I would, at the outset, only say to my colleagues on this side of the aisle in the majority that if they are worried about the disaster assistance for Oklahoma City, efforts that we have made, that we put into the supplemental bill, and it is not just the rescission bill, it is a supplemental, they were able to do some things within 100 days. I am proud of them. I think they could do the same things with those matters. Just pass the legislation, we will put it on the President's desk. We can deal with this issue. We can find some places to cut.

My chairman of the Committee on Transportation and Infrastructure has been very forthright and very candid and very honest about his position with respect to highway demonstration projects. I only question whether or not the same thing will be true for aviation projects, as well as transit projects. I think we need some clarification on that, so there is no confusion.

Let me say that, really and truly, the way this thing works, I know my colleague, the gentleman from California [Mr. DREIER] was concerned about the fact that we were having a veto. I was looking at the Constitution the other day. Article 1, section 7, is still in here. Read it.

Mr. LIVINGSTON. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. TAYLOR], a member of the committee.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have had contacts from people all over the Southwest, the Southeast, and the eastern United States asking that the rescission bill be passed, primarily for the timber consideration. We have labor unions in that area that are without jobs. We have tens of thousands of people that are waiting for the President to fulfill his commitment on option 9, which would put timber in the pipeline that would allow those people to go back to work. We have forest health being damaged because of insects, because of fire, because of the damage to the forest that could be obliterated if we could get the salvage wood out of the forest, and this bill provides a mechanism for that. It also gives the taxpayer $135 million for doing it, which would go toward the deficit. It gives us an opportunity to keep our commitment.

Reading some of the opposition, one of the folks who urged the President to veto this bill stated that it would stop clearcutting in the West. The depth of dumb cannot be fathomed in this area. These are dead and dying trees, not live trees to be clearcut.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio, [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I rise in opposition to this conference report. For the last 2 days we engaged in debate over balancing the budget. That fight to cut spending, reduce the deficit, and balance our budget must be won. A budget balanced fairly, with no tax giveaways to the privileged few, is not beyond our abilities, though that is not the budget that passed here earlier today.

Now before us is another bill that cuts spending, but again, does not dedicate its savings to deficit reduction. In the original bill, we all supported the Brewster amendment, which overwhelmingly passed this Chamber by over 400 votes. However, what we have here is a bill that imposes draconian cuts: no summer jobs after this year, a cut this year in thousands of jobs across this country, no heating assistance for our seniors, and then it directs those precious dollars to give tax benefits to the most privileged among us. This bill deserves to be vetoed. We will have another bill here that is just and fair.

Mr. LIVINGSTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding time to me.

What a difference 2 years makes, Mr. Speaker. We are paying our bills even during an emergency. I commend the gentleman.

Mr. LIVINGSTON. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Speaker, I support this bill. I am insulted by the way the President of the United States is handling it. He came to Oklahoma, we wanted him to come, we were glad to have him to mourn with us. However, the money in here in response to Oklahoma is not for Oklahoma, it is for the whole country, for heightened security around the country, to defend against the possibility of something happening to the rest of you as happened to us.

The President pretending that he is wanting to veto it because of pork, it is a lie. What he is complaining about is what was put in bills last year by the Democrat leadership that he signed and put into law, and he is trying to say "It is your fault because you are not taking out what I did."

What a lie, Mr. President. We are sick of the rhetoric that you are using on this. Do not do it. Look at it on the merits. If you have some things you want to take out, you should have sent a list up when there is time to do it, but I am insulted by the way the President is behaving.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WALKER). Members are reminded that the President of the United States is to be treated in debate in the same manner as Members of the House.

PARLIAMENTARY INQUIRIES

Mr. OBEY. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman is recognized for a parliamentary inquiry.

Mr. OBEY. Mr. Speaker, do the rules of the House allow a Member to impugn the motives or activities of the President of the United States without being subjected to having the words taken down, as they would if he made that charge about another Member of the House?

The SPEAKER pro tempore. The rules require that no Member may be personally abusive to the President of the United States, and the words may be taken down, as with Members, if such conduct takes place.

The words to be taken down, though, would be requested from the floor.

Mr. OBEY. I think the Chair is absolutely right on his ruling. I want to say that out of courtesy, I did not make that motion, even though he was obviously out of order.

The SPEAKER pro tempore. The Chair noted for all Members the situation with regard to the President of the United States.

Mr. HOYER. Mr. Speaker, I rise to make a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman is recognized for a parliamentary inquiry.

Mr. HOYER. The Speaker indicated that the words could have been taken down if a Member had risen.

Does the Speaker have the authority to raise that point?

The SPEAKER pro tempore. The Chair or any Members can raise the point.

Mr. HOYER. I thank the Chair for his response.

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Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. EDWARDS], the ranking member of the Subcommittee on Hospitals and Health Care of the Committee on Veterans' Affairs.

Mr. EDWARDS. Mr. Speaker, today is a sad day for America's veterans. Before there was a Contract With America, America had a solemn contract with its veterans. Today House Republicans have broken that contract with our veterans.

One week before Memorial Day, on the eve of our celebration of the end of World War II, Republicans have cut $24 billion in veterans' health care. According to the VA, that means by 2002 the closure perhaps of 41 VA hospitals. It means a cut of 60,000 VA employees. It means 4 million veterans may not get health care, veterans who fulfilled their contract with America in World War II, in Korea, and Vietnam.

Now Republicans are saying $24 billion in veterans' cuts is not enough in one day. They are asking for another $50 million in cuts in critical veterans' health care and hospital equipment, equipment that our veterans desperately need and deserve. That is not fair, Mr. Speaker. It is not right. It is a breach of contract with America's veterans.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I would like to respond to my friend, the gentleman from Virginia, who indicated that if these cuts were used to fund the tax cut, then God bless.

Unfortunately, that is not what that Member or 417 other Members of this body voted to do 2 months ago when the Brewster amendment was passed. That amendment would ensure that spending cuts in this bill reduced the deficit over the next 5 years.

However, that was stripped out of the conference report as Chairman KASICH and Majority Leader ARMEY indicated it would be immediately after the bill. The only conceivable reason for stripping this provision is to maintain flexibility to use these spending cuts to fund the tax cut.

If leadership planned on keeping their promise to cut spending, balance the budget and fund the tax cuts, the lock box provision would be irrelevant. So why strip it out?

I support spending cuts to balance the budget. However, this bill amounts to spending cuts for the sole purpose of paying for tax cuts. That is not the way to balance the budget.

Mr. Speaker, I include my statement in opposition to the conference report for the RECORD as follows:

I rise in opposition to the conference report on H.R. 1158, the omnibus rescissions and supplemental appropriations for fiscal year 1995.

Mr. Speaker, actions speak louder than words. House leadership has claimed that it intends to balance the budget at the same time or before cutting taxes.

Yet, twice today, we have voted on leadership proposals which amount to a clear statement that they plan on passing massive tax cuts before making the tough spending decisions. Earlier today, the House budget resolution irresponsibly set up a two-step reconciliation process. Under this process, massive tax cuts will be enacted 2 months prior to enacting over 40 percent of the spending cuts needed to balance the budget.

By stripping the lockbox provision, the rescissions conference bill that leadership is bringing up for a vote now is a second clear and unambiguous sign that leadership makes spending cuts a secondary priority.

Two months ago the House voted 418-to-5 for the Brewster lockbox amendment. The lockbox amendment would ensure that the spending cuts in this bill over the next 5 years are completely dedicated to deficit reduction.

However, in conference, this provision was stripped, as Chairman KASICH and Majority Leader ARMEY said it would be immediately after the overwhelming vote in the House. They never intended to allow these spending cuts to reduce the deficit. I cannot support this irresponsible fiscal behavior. The only conceivable reason for stripping this provision is to maintain flexibility to use these spending reductions to finance tax cuts, without making the spending cuts necessary to balance the budget. The simple fact is that if leadership follows through on their promise to pass spending cuts sufficient to balance the budget and pay for the tax cuts, the lockbox provision would not matter. So why strip it out?

I support sensible spending cuts to balance the budget. However, this bill amounts to spending cuts for the sole purpose of paying for tax cuts. This is not the way to balance the budget.

I urge a "no" vote. Let's send this back to the conferees to reinstate the Brewster lockbox provision.

Mr. LIVINGSTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Washington [Mr. NETHERCUTT], a member of the committee.

Mr. NETHERCUTT. Mr. Speaker, I thank the chairman of the committee for yielding me the time.

Mr. Speaker, I rise today in support of H.R. 1158, the emergency supplemental appropriations bill. This conference report provides important emergency funds for Federal disasters, and for the second time this session, Republicans have fully paid for emergency appropriations through corresponding offsets.

As has already been mentioned today, included in H.R. 1158 is a provision that will prevent future national disasters. The emergency timber salvage amendment directs the Forest Service to remove dead, dying and diseased timber from our national forests to the maximum extent feasible.

We, in the West, know that the health of our forests has declined drastically because of prohibitions against salvage logging, thinning and controlled burns. In the summer of 1994, more than 67,000 wildfires burned almost 4 million acres of forest and rangeland. 26 firefighters lost their lives fighting these fires. In the month of August alone, a partial list of Federal expenses came to $7.8 million per day. The emergency salvage amendment is a provision that will go a long way toward preventing future forest fires by improving the health of our forests today, and being sensitive to environmental concerns. Most importantly, it will help small timber companies and rural communities.

I urge all Members to support this supplemental appropriations bill.

Mr. OBEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I take this time simply to respond to comments made by 3 gentleman on the other side of the aisle.

First of all, with respect to the comments made by my good friend, the gentleman from California [Mr. LEWIS], he threatened retaliation against the President and his favorite program in this bill, AmericCorps, if the President vetoes this bill. I think that is an example of what is wrong with the mindset on that side of the aisle these days.

I recognize the Republican Party is new to power in this House, but it seems to me that if the country is to be well-served in the Republican Party's exercise of that power, that in divided government persons with responsibility on that side of the aisle need to learn how to share power, not to threaten its abuse.

Second, with respect to the gentleman from Illinois [Mr. PORTER] who complained that the President was not involved and that he did not know that the President was going to veto the bill, I would simply say he should not be surprised.

I pointed out in the conference that when meetings were held between the Senate and the House conferees on the labor-health-education programs in this conference, that the Republican subcommittee staff made it quite clear to Democrats on that subcommittee that we were not welcome to even attend the meetings. So if the gentleman from Illinois is surprised that the President vetoed the bill, he should not be surprised because he put himself in the isolation room.

I have a stack of letters from the President to the committee at various times during the process laying out exactly what they wanted done. We have a letter on April 28 spelling out that if the President were presented with a bill containing objectionable provisions contained in the House version of the bill as outlined below, he would veto the bill, and he proceeded to list 29 specific problems. I do not know why the sudden surprise.

With respect to the suggestion by the gentleman from Iowa that implied that the investigation of the Oklahoma bombing would somehow be delayed by the President's veto, I will simply say that is outrageously false. The Department of Justice has indicated to the committee that the Oklahoma investigation is the top priority of the department and that the extraordinary expenses related to the bombing for the FBI, U.S. Attorneys, U.S. Marshal's Service and the DEA are already being incurred and funded using available 1995 funds.

With respect to the outrageous words just directed by the gentleman from Oklahoma [Mr. ISTOOK] against the President of the United States, I would simply say that those words have damaged the gentleman from Oklahoma far more than they have damaged the President of the United States. I think I will simply let them go at that.

I urge a vote against this bill in the interest of fairness and deficit reduction.

The letters referred to follow:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, April 28, 1995.

Hon. BOB LIVINGSTON,
Chairman, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this letter is to provide the Administration's views on H.R. 1158, the Emergency Supplemental Appropriations for Additional Disaster Assistance and Rescissions Bill, FY 1995, as passed by the House and by the Senate.

The Administration is strongly opposed to the House version of the bill and believes that it would unnecessarily cut valuable, proven programs that educate our children, aid the disadvantaged, and protect our health and safety. If the President were presented a bill containing the objectionable provisions contained in the House version of the bill, as outlined below, he would veto the bill.

While the Senate version of the bill is acceptable, there are a number of provisions that could be improved. We urge the conferees to consider the concerns discussed below.

As the President stated at the April 26th Bipartisan Leadership meeting, he will shortly be sending to Congress a supplemental request for the costs of the Federal response to the Oklahoma City bombing. We urge the conferees to include such funding in H.R. 1158 and to present the President with a bill that he can sign so as not to delay providing these urgently needed funds.

DEFICIT REDUCTION

This Administration remains firmly committed to deficit reduction. In 1993, we worked with the Congress to enact the largest deficit reduction package in history. The Administration's economic plan helped bring the deficit down from $290 billion in FY 1992—to $203 billion in FY 1994, to a projected $193 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low-priority programs. The Administration does not believe that sound programs, especially those aimed at helping the disadvantaged, should be cut, particularly if such cuts were made to finance a tax cut for higher-income taxpayers.

CUTTING PROGRAMS FOR CHILDREN, EDUCATION, AND THE DISADVANTAGED

The House-passed bill would impose severe reductions on a number of high-priority programs. These reductions would have a particularly harmful effect our Nation's children and disadvantaged by cutting funding for National Service; the Summer Jobs program; Goals 2000; the Education for the Disadvantaged program; the Safe and Drug Free School Program; the Community Development Financial Institutions (CDFI) Fund; and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

While the Senate version of the bill represents a significant improvement over the House-passed bill with respect to funding for these programs, the Administration has concerns over any reductions to programs that assist our Nation's children and the disadvantaged. The conferees are urged to restore full funding for these programs, or, at a minimum, accept the Senate levels.

JORDANIAN DEBT RELIEF

The President has made clear that the provision of debt relief to Jordan can contribute to further progress toward a Middle East peace settlement. We strongly support the Senate language of H.R. 1158, which would appropriate the full $275 million requested for forgiveness of Jordan's debt to the United States. Every Administration since the creation of the State of Israel has determined that the promotion of peace in the Middle East is a vital U.S. National interest. Jordan has taken important steps for peace at great risk. Jordan and other countries in the region need concrete evidence that the United States supports those steps and that we stand by our commitments. For this reason, full debt relief is of paramount importance. We support providing as much of the $275 million of obligational authority in FY 1995 as possible.

SCIENCE AND TECHNOLOGY

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investments will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed by the House and the Senate for many science and technology programs would severely threaten the United States' standing with respect to technology advancements and competitiveness. These include programs in the Department of Commerce, such as the Manufacturing Extension Partnership, the National Information Infrastructure Grants Program, and the laboratories of the National Institute of Standards and Technology; and in the Department of Education, such as grants for the development and adoption of education technology. The Senate is to be commended for restoring funding for several of these programs. The conferees are urged to restore full funding for these programs or to accept the lower of the House or Senate rescission level so as not to imperil our Nation's standing on the technology frontier.

STRIKER REPLACEMENT

The Administration strongly opposes a provision in the House version of the bill that would prohibit the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacements for striking employees. This provision would impinge upon the Executive Branch's ability to ensure a stable supply of quality goods and services for the government's programs. The use of, or the threat to use, permanent replacement workers destroys opportunities for cooperative and stable labor-management relations.

Additional Administration concerns with the House and Senate versions of the bill are contained in the enclosure.

Sincerely,

ALICE M. RIVLIN,
Director.

ADDITIONAL CONCERNS—H.R. 1158—EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR ADDITIONAL DISASTER ASSISTANCE AND RESCISSIONS BILL, FY 1995 (AS PASSED BY THE HOUSE AND THE SENATE)

NATIONAL SERVICE PROGRAM

The $416 million rescission proposed by the House for the Corporation for National and Community Service would virtually terminate the program. Remaining funds would provide only 4,000 of the proposed 33,000 opportunities for young adults to serve their communities as AmeriCorps members and earn an education award. The proposed rescission would eliminate funding for the Learn and Serve America program, which provides support for thousands of school children to learn responsibility to their community.

The Administration strongly believes that national service is a key to solving problems inside America's communities. This program has a proven track record. For example, AmeriCorps members have already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health. AmeriCorps members also have helped raise the spelling scores and reading levels of rural disadvantaged children, built homes for "working-poor" families, and provided disaster relief assistance to victims throughout the western part of the country.

The conferees are urged to restore full funding for this important program, or, at a minimum, to provide for a rescission of not more than $105 million, the amount recommended by the Senate.

SUMMER JOBS

The Summer Jobs program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth. These young people might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The Administration is pleased that the Senate version of the bill would not reduce funding for this program for the summer of 1995, as proposed by the House. However, the Senate, like the House, would eliminate funding for the Summer Youth Employment program in the summer of 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth. The Administration strongly believes that improving the job prospects of at-risk youth is an important element of a broader strategy to ensure employment opportunities for all American and a vibrant, productive workforce for U.S. business. At a minimum, the conferees are urged to accept the Senate's position on this program. If funding for the summer of 1996 is not restored in this bill, then the Administration will press for restoration in the FY 1996 budget process.

EDUCATION PROGRAMS

The House version of the bill would reduce funding for Goals 2000 by over one-third ($174 million), thereby greatly diminishing support to States and communities for raising academic standards and improving their local schools. The House also proposes to cut the Education for the Disadvantaged program by $148 million, which would reduce services to educationally disadvantaged children. The House version of the bill contains a sharp reduction—$65 million—in funding for education technology programs, which would enable fewer local communities to put state-of-the-art tools of learning in classrooms where they are most needed to prepare our students for the future.

The Senate version of the bill would reduce Goals 2000 by $8 million, cut the Education for the Disadvantaged program by $8 million, and cut the Federal direct student loan program by $95 million. The conferees are urged to restore full finding for Goals 2000, Education for the Disadvantaged, and education technology programs, or, at a minimum, approve the Senate levels.

SAFE AND DRUG FREE SCHOOLS

The Administration opposes the House action that would rescind nearly $472 million in funding for the Safe and Drug Free School Program at the same time that every pool shows that crime and school safety are major concerns of Americans. This program is an important element of the Administration's fight against the use of drugs and stimulates by an alarmingly increasing number of our youth. The Administration is pleased that the Senate has restored funding for this important program and urges the conferees to adopt the Senate position.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) FUND

The proposed rescission of $124 million contained in the House version of the bill would terminate the CDFI program. The Senate restored $36 million of this amount. The conferees are urged to restore full funding for the CDFI program. The conferees are urged to ensure that the program remains balanced between existing and new community development financial institutions, as provided in the current authorization law.

Without full funding, in FYs 1995 and 1996 the CDFI Fund would be unable to provide: $10 million in direct loan subsidies to support over $23 million of direct loans to CDFIs; $70.5 million in grants, technical assistance, and other financial assistance to CDFIs; and $39 million in community development incentives for depository institutions. The Fund's investments in CDFIs, banks, and thrifts would leverage an estimated $500 million in investments, loans, and financial services in the country's most distressed communities.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The House version of the bill would reduce funds available for the WIC program by $25 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The House's action would result in 600,000 fewer food packages for women, infants, and children. Jeopardizing the heath and welfare of these mothers and children cannot be justified. The Administration commends the Senate for restoring funding for this important program and strongly urges the conferees to accept the Senate proposal.

SCHOOL-TO-WORK

This innovative partnership, financed equally in the Departments of Education and Labor, provides seed money to States to create state-wide School-to-Work Opportunities systems. These systems will help youth acquire the knowledge, skills, abilities, and labor market information they need to make a smooth and effective transition from school to career-oriented work or further education or training. The House proposes a $12.5 million rescission for each department—a 10-percent reduction to the FY 1995 appropriation in each agency. The Senate rescission is $2.5 million for each department. The Administration prefers the Senate level and urges the conferees to support this important program, which will help youth obtain jobs and employers gain a responsible and skilled workforce.

CUTTING PROGRAMS FOR THE ENVIRONMENT

While an improvement over the House version of the bill, the proposed Senate rescission of $0.8 billion in funds to help municipalities comply with Safe Drinking Water Act requirements would still seriously exacerbate local financing problems. Municipalities need significant resources to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the cryptosporidium outbreak in Milwaukee in 1993 that killed 100 people and caused illness in another 400,000

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress were to fail to authorize the drinking water state revolving fund program, these funds could be used without further Congressional action to address the $137 billion in wastewater construction needs.

Reductions are also proposed by the House and the Senate for the Department of Energy's (DOE's) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to implement fully, the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. The additional reductions to the Environmental Management program would impede progress at several of the Department's cleanup sites.

FEMA DISASTER RELIEF

The Administration continues to estimate a supplemental requirement of $6.7 billion for FEMA disaster relief. Absent approval of this supplemental, FEMA estimates that under current operations, it will need to redirect funds already allocated to other disasters to meet more immediate requirements beginning in early summer.

JOBS CORPS

The House version of the bill would rescind $10 million from the Job Corps program; the Senate version, $46 million. The Senate's action would halt expansion of a youth training program with a track record of improving the employment and earnings of poor youth. It would also eliminate funds to continue work on eight new Job Corps centers that were launched with previous years' appropriations. Work is underway on these eight centers, which would create 3,200 new training slots for about 4,700 severely disadvantaged youth each year. In addition, the Senate would eliminate funds to initiate four new Job Corps centers in FY 1995, which would boost capacity by another 1,600 slots. The Administration prefers the House level.

JOB TRAINING PARTNERSHIP ACT (JTPA) YOUTH TRAINING GRANTS

The JTPA Title II-C program provides grants to States for training, education, and employment services designed to provide low-income youth with marketable skills leading to productive, unsubsidized employment. The Congress already has rescinded $200 million from this program in P.L. 104–6—approximately one-third of the resources available for the 1995 program year, which begins in July. This would mean about 105,000 youth would not perceive services. Both the House and Senate have proposed rescinding more than is contained in P.L. 104–6. Adequate funding for this program is essential to provide the Department of Labor the flexibility to work with States to re-examine the program's design and test new strategies to help youth succeed in the labor market. The Administration prefers the House level, which would reduce this program by an additional $110 million, as opposed to the $272 million reduction proposed by the Senate.

ONE-STOP CAREER SHOPPING

This initiative provides competitive grants to States to improve employment and training services by providing a common point of access to career and labor market information, occupational skill requirements, and other information about jobs and training. The House proposes rescinding $12 million, or 10 percent of the 1995 appropriation; the Senate, $20 million. These career centers are key to successful implementation of a new consolidated and integrated workforce development system serving the needs of job seekers and employers. The Administration prefers the house level.

HOUSING ASSISTANCE

Both the House and the Senate versions of the bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would threaten the stability of our Nation's most distressed communities. In particular, the draconian cuts targeted by the House towards programs of the Department of Housing and Urban Development would deny help to 63,000 needy, low-income households, including many homeless families. The House version of the bill could also prevent another 24,000 homeless families from moving to transitional or permanent housing during this fiscal year. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation and social services for the elderly. In addition, the House's rescission of all FY 1995 funding for the Federal Government's primary rural multi-family rental housing direct loan program (section 515) would put thousands of rural residents living in existing Federal multi-family projects at risk and jeopardize the Government's investment in these projects. Many of the Department of Agriculture's projects need to be rehabilitated and, without the FY 1995 funding, would be in danger of being closed.

HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS (HOPWA)

The HOPWA program provides housing and other services for people with AIDS. Without such assistance, some of the most vulnerable people in our society would become homeless. The Administration is opposed to the House action that would rescind $186 million from the HOPWA program, thus eliminating the entire amount appropriated for this program in FY 1995. We commend the Senate for restoring funding for this important program and urge the conferees to adopt the Senate position.

VIOLENT CRIME AND DRUG ABUSE CONTROL

The Administration opposes both the House and the Senate's recommendation to rescind $65 and $29 million, respectively, for violent crime prevention and drug control initiatives. Within this overall reduction, the House would reduce by $28 million and the Senate by $17 million funding for Drug courts, which will provide drug treatment and real opportunities for rehabilitation for non-violent, first-time drug offenders. The Administration also opposes the House action that would cut $32 million from the Drug Elimination grants at the Department of Housing and Urban Development. The Administration prefers the overall Senate level of funding for these programs.

The Administration objects to a provision in the Senate version of the bill that would delete all grant funding for the Ounce of Prevention program. This program is vital to the Administration's efforts to coordinate crime prevention programs nation-wide. The Administration prefers the House level of funding for this program.

VETERANS MEDICAL CARE AND CONSTRUCTION

The Senate version of the bill would rescind $100 million from the Department of Veterans Affairs for veterans medical care and construction. These cuts would eliminate $20 million in new medical equipment for veterans health care, $30 million for veterans health services, and $50 million for expanding or improving veterans medical facilities. The Administration believes these cuts are unwise and unnecessary, and would harm the veterans who need their nation's help the most. The Administration prefers the House position.

TIMBER SALES

The Administration is opposed to a provision contained in both the House and Senate versions of the bill that would too broadly define "salvage timber sales" to include sales of primarily healthy trees, supersede the otherwise applicable environmental and land management statutes, and restrict citizens' access to the courts. The Departments of the Interior, Agriculture, and Commerce last month announced a comprehensive plan to accelerate timber salvage sales. In addition to the measures already underway at these agencies to accelerate timber salvage sales, the Administration stands ready to work with the Congress to find appropriate, productive solutions to this pressing national problem that would not result in a return to gridlock, as may well result from the bill's provisions.

In addition, the Administration is opposed to a provision contained in the Senate version of the bill that would overturn the existing environment and land management framework of the President's Forest Plan for the Pacific Northwest ("Option 9"). The carefully crafted balance in the Forest Plan allows for a sustainable timber harvest as well as environmental protection. This Plan was key to the release of a court injunction on logging in the territory of the Northern Spotted Owl and represents a finely crafted compromise that took two years to achieve. The Administration believes that it can expedite Option 9 sales without setting aside the existing land management framework.

CORPORATION FOR PUBLIC BROADCASTING

The Administration believes that the House's action to reduce funding for the Corporation for Public Broadcasting (CPB) by a total of 23 percent from FY 1995 to FY 1997 is excessive and shortsighted. The Administration is committed to providing equal access to educational opportunities, particularly for young children, regardless of income or geographic location. While the Administration does not support the Senate rescission, which freezes the program at the FY 1995 level, the Administration prefers it to the House action.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

The House version of the bill would rescind $19.6 million from the Occupational Safety and Health Administration. This is a 6.3 percent reduction in OSHA funding although, effectively, a 12.6 percent reduction since it comes so late in the fiscal year. The rescission would have a dramatic impact on OSHA's ability to fulfill its mission to protect workers and on the Administration's efforts to make the agency more effective. This rescission would hinder OSHA's compliance assistance programs and education and training initiatives, as well as enforcement, resulting in an estimated 6,300 additional preventable injuries. The Administration is pleased that the Senate version of the bill does not include this cut and prefers the Senate funding level.

SCIENCE AND TECHNOLOGY

Our Nation's future economic health depends on strong public and private support for science and technology. The proposed rescission to many of the Administration's investments would jeopardize our ability to achieve sustained economic growth and competitiveness.

The Administration prefers the Senate version of the bill with respect to the funding level for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) over the House version, which would reduce the number of new centers established from 36 to 10. This would result in reduced access to state-of-the-art manufacturing technology and techniques by U.S. manufacturers—a key component of the U.S. economy.

The Administration objects to the House's proposed rescission of $30 million for the Commerce Department's National Information Infrastructure Grants program. The Administration believes that this program provides substantial benefits by facilitating access to information products and services by all Americans. P.L. 104-6 rescinded $15 million from this program. If the rescissions contained in the House version of the bill were adopted, the program would be cut by a total of 70 percent.

The Administration also opposes the $16.5 million and $19.5 million rescission of funds proposed by the House and Senate, respectively, for laboratory research at NIST. These rescissions would have a real impact on industry's ability to compete in both emerging and mature markets and would result in the diminished competitive posture of U.S. industry. NIST laboratories develop and deliver measurement techniques and services that provide a common language needed by industry in all stages of commerce.

The House's proposed rescission of $16.7 million and the Senate's proposed rescission of $12.5 million for the National Biological Service in the Department of the Interior would severely hamper the Service's ability to provide basic scientific information to the land managing bureaus within the Department, including programs in the Pacific Northwest. This rescission would force the Service to consider closing one or more of four major laboratory centers, and joint State projects underway in more than 30 States would be reduced.

The Senate has proposed rescinding $42 million in funding for upgrades to the national transonic wind tunnel. These upgrades have been planned for many years and are critical to maintaining the performance of these tunnels. The wind tunnel complex has contributed to the development of almost every U.S.-developed military and civil aircraft. Failure to modernize this facility will increase the delay in critical test data. These upgrades are needed now and are unrelated to the development of a new wind tunnel facility.

SOCIAL SECURITY ADMINISTRATION (SSA) AUTOMATION INVESTMENT

The Senate version of the bill would reduce funding for SSA computer systems by $88 million, thus elimination all second-year funding for SSA's multi-year automation investment. This reduction would lead to deterioration in service by not allowing for the purchase of new computer equipment as existing equipment wears out and customer demands increase. The funds proposed for rescission are already programmed to support contract awards for quantities of computers supported by the Senate and the General Accounting Office.

The Administration notes the Senate's concern about the total number of computers SSA plans to acquire over a five-year period. Under the current SSA plan, the level of funding provided in FYs 1994 and 1995 would fund the installation of less than one-third of the total number of workstations planned. The Administration believes that the Senate's concern with out-year plans would be more appropriately addressed in relation to out-year funding.

FEDERAL BUILDINGS FUND

The Administration does not support the rescission of the full $1.9 billion proposed by the Senate. Most of the projects proposed for rescission by the Senate were proposed in previous budgets. The Administration continues to support the requested funding levels for these construction and repairs and alterations projects. Rescission of funding for new construction projects may result in higher costs, if long-term needs must be met in leased space. In other cases, where leasing is not an option (i.e., courthouses and border stations), it may not be possible to meet Federal agency needs in the near term. Rescission of funds for modernization projects and other repairs and alterations could lead to the gradual deterioration of government-owned assets.

DEPARTMENT OF TRANSPORTATION

The Administration believes that the House proposal to eliminate all emergency relief funds is irresponsible, given the recent flooding in California and other requirements likely to arise this year. The Senate proposes to rescind only $50 million of emergency funds. The Administration also objects to the Senate proposal to eliminate $50 million in contract authority for the congestion pricing pilot program. This may restrict the Department's ability to pursue important projects in FY 1996 and FY 1997 currently being developed. While opposing the rescission of Coast Guard Operating Expenses because it undermines the recent supplemental, the Administration notes that the Senate bill cuts a smaller amount. Finally, both the House and Senate versions of the bill include across-the-board reductions in operating costs for transportation programs. These reductions are in addition to the government-wide reductions in the Senate bill. It is unfair for the Department to be hit twice by such reductions. The transportation-specific provisions should be dropped.

BASE REALIGNMENT AND CLOSURE

The Senate version of the bill would rescind $104 million from the Base Realignment and Closure accounts. This action would slow local communities' productive reuse of base closure property by limiting funding for environmental restoration. It would also slow funding for construction of facilities at receiving bases, which could delay the move of some military units from closing bases to their new locations. Making property available for economic redevelopment is a key part of the Administration's Five Point Plan for assisting base closure communities. The Administration prefers the House level of funding.

NATO INFRASTRUCTURE

The Senate version of the bill would rescind $69 million from the NATO Infrastructure account. This action could undermine existing NATO Infrastructure agreements and treaty commitments and frustrate U.S. efforts to increase the burdensharing contributions of our allies. All of the FY 1995 appropriations for NATO Infrastructure have been obligated or committed for specific NATO construction projects, which would have to be terminated—with potential termination penalties—if the rescissions were enacted. Furthermore, such a rescission would set a precedent for other NATO nations to withdraw their support from the NATO Infrastructure budget. The Administration prefers the House level of funding.

INTERNATIONAL PROGRAMS

With regard to P.L. 480 food programs, the Administration strongly supports the Senate action rescinding the $142.5 million that the Administration proposed for rescission. This rescission is preferable to other rescissions in international affairs programs in the bill.

The Administration prefers the Senate position regarding the funding level for foreign operations programs. The Senate's unallocated reduction of $125 million would give the Administration greater flexibility, and would do less damage to foreign policy priorities than the House's targeted rescission totaling $192 million. For international programs under the jurisdiction of the Commerce, Justice, State, and the Judiciary Subcommittee, the Administration prefers the overall House position.

The Administration opposes the Senate proposal to rescind $27.7 million for international broadcasting activities. In accordance with the Administration's international broadcasting consolidation plan and the International Broadcasting Act of 1994, Radio Free Europe/Radio Liberty (RFE/RL) and USIA's Voice of America are in the process of significant downsizing. To accomplish the reductions and relocation of RFE/RL to Prague from Munich, over $100 million was provided in FY 1995 specifically for the one-time costs of downsizing and the move. The proposed rescission, along with the Senate's failure to provide $7.3 million that is needed to offset exchange rate losses, would seriously hamper implementation of the consolidation plan passed by Congress, which is estimated to save over $400 million by the end of FY 1997. The Administration prefers the House's position.

Both the House and the Senate propose to rescind $14.6 million from the State Department's Contributions to International Peacekeeping Activities, which support peacekeeping activities around the world. This action runs counter to U.S. national security and foreign policy interests. The U.S. strives to lead the international community in promoting peaceful resolution of regional conflicts. This rescission would undermine these efforts, weaken U.S. leadership, and exacerbate the arrearage problem. In FY 1995, the U.S. is in arrears (expected to total over $650 million) on its UN treaty obligations to pay its share of peacekeeping activities. The conferees are urged to restore these funds.

S 617—SECOND SUPPLEMENTAL AND RESCISSION BILL, FISCAL YEAR 1995

This Statement of Administration Policy provides the Administration's views on S. 617, the Second Supplemental and Rescissions Bill, FY 1995, as reported by the Senate Appropriations Committee.

While the Senate Committee bill would delete or reduce several of the most objectionable rescissions contained in the House-passed bill, the Administration must strongly oppose many provisions of the Committee bill, and, therefore, finds the bill unacceptable. We believe that it unnecessarily cuts valuable, proven programs that educate our children and aid the disadvantaged, including the National Service program. The Administration also opposes reductions in programs that were established to ensure our Nation's role in the advancement of technology.

DEFICIT REDUCTION

The Administration remains firmly committed to deficit reduction. In 1993, the Administration worked with the Congress to enact the largest deficit reduction package in history. We cut Federal spending by $255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small businesses eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. As we placed a tight "freeze" on overall discretionary spending at the FY 1993 levels, we shifted spending toward investments in human and physical capital that will help secure our future.

This Administration's economic plan helped bring the deficit down from $290 billion in FY 1992—to $203 billion in FY 1994, to a projected $193 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. The Administration does not believe that sound programs, particularly those aimed at the disadvantaged and those that will ensure our Nation's preeminent standing in science and technology, should be cut. The Administration would be particularly troubled if such cuts were made to finance a tax cut for higher-income taxpayers. It is noted that the Senate Committee bill does not include language that would direct that savings generated by the bill be set aside for deficit reduction.

In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low-priority programs. In contrast, the Senate-reported bill would impose severe reductions on a number of high-priority programs. These cuts would have a particularly harmful effect on our Nation's children by cutting funding for National Service, Summer Jobs, WIC, Goals 2000, Head Start, Job Corps, Education for the Disadvantaged, direct student loans, and housing for families. Many of the cuts are shortsighted—reducing funding for education, for advanced technology programs that are critical to our Nation's future, and eliminating funding for the Community Development Financial Institutions (CDFI) Fund, which would be instrumental in leveraging investments in our country's most distressed communities. Other cuts would adversely affect the health of Americans by cutting funding for safe drinking water and violent crime prevention and anti-drug programs. In its consideration of the bill, we urge the Senate to restore these cuts.

FEMA EMERGENCY SUPPLEMENTAL

The Administration is disappointed that the Committee was chosen to include in this controversial bill the urgently needed FEMA supplemental, which is appropriately designed as an emergency for which offsets are not required under the Budget Enforcement Act of 1990. This could cause an unnecessary delay in assistance to victims of natural disasters in 40 states, including victims of the Northridge earthquake. If action on the Administration's request is delayed, FEMA will, beginning in May, be unable to allocate funds to meet any new disaster requirements, unless money reserved for the 40 states currently receiving disaster assistance is cut.

Additional Administration concerns with the Committee-reported bill are contained in the attachment.

ADDITIONAL CONCERNS AS REPORTED BY THE SENATE APPROPRIATIONS COMMITTEE

NATIONAL SERVICE PROGRAM

The proposed $210 million rescission for the Corporation for National And Community Service would reduce significantly the President's National Service program, depriving more than 15,000 young adults of the opportunity to serve their communities as an AmeriCorps member and earn an education benefit. The proposed rescission would eliminate funding for the opportunity for thousands of school children to learn about responsibility to their community for the first time.

This program has a proven track record. For example, AmeriCorps members have already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health. AmeriCorps members also have helped raise the spelling scores and reading levels of rural disadvantaged children, built homes for "working-poor" families, and provided disaster relief assistance to victims throughout the western part of the country. The Administration strongly believes that national service is a key to solving problems inside America's communities. The Senate is urged to restore full funding for this important program.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) FUND

The proposed rescission of $124 million contained in the Committee-reported bill would terminate this program. Without this funding, in FYs 1995 and 1996 the CDFI Fund would not be able to provide: $10 million in direct loan subsidies to support over $23 million of direct loans to CDFIs; $70.5 million in grants, technical, assistance, and other financial assistance to CDFIs; and $39 million in community development incentives for depository institutions. The Fund's investments in CDFIs, banks, and thrifts would leverage an estimated $500 million in investments, loans, and financial services in the country's most distressed communities. The Senate is urged to restore this funding.

WOMEN, INFANTS, AND CHILDREN (WIC)

The Committee-reported bill would reduce funds available for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by $35 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The Committee's action would result in 840,000 fewer food packages for women, infants, and children. Jeopardizing the health and welfare of these mothers and children cannot be justified.

HEAD START

The Administration objects to the Senate action that would reduce funding for Head Start by $42 million. At the FY 1995 estimated per-child cost of $4,530, $42 million would be sufficient to provide Head Start services to approximately 9,300 children. HHS would make every effort to minimize the number of children and families who could potentially be affected by a mid-year funding reduction. However, at a minimum, the statutorily-mandated effort to serve children under age three would be sharply reduced, with more than 3,000 children not receiving Head Start services. The rescission could also eliminate all new funding for the statutorily-mandated initiative to enhance the transition of Head Start children into the public schools.

EDUCATION PROGRAMS

The Committee-reported bill would reduce the funding for Goals 2000 by $68 million, which would greatly diminish support to States and communities for raising academic standards and improving their local schools. The Committee-reported bill also proposes to cut the Education for the Disadvantaged program by $80 million, which would reduce services to educationally disadvantaged children. The Administration is also opposed to the $95 million reduction proposed for the direct student loan program.

SUMMER JOBS

The Summer Jobs Program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth who might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The Administration is pleased that the Committee has not reduced funding for this program for the summer of 1995. However, the Administration remains concerned that the rescission contained in the Committee-reported bill would eliminate funding for the Summer Youth Employment program in the summer of 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth. The Administration strongly believes that improving the job prospects of at-risk youth is an important element in a broader strategy to ensure employment opportunities for all Americans and a vibrant, productive workforce for U.S. business.

JOB CORPS

The Administration objects to the Senate Committee action that would rescind $46 million for Job Corps. This action would halt expansion of a youth training program with a track record of improving the employment and earnings of poor youth. The Committee action would eliminate funds to continue work on the eight new Job Corps centers that were launched with previous years' appropriations. Work is underway on these eight centers, which would create 3,200 new training slots for about 4,700 severely disadvantaged youth each year. In addition, the Senate Committee action would eliminate funds to initiate four new Job Corps centers in 1995, which would boost capacity by another 1,600 slots.

VIOLENT CRIME AND DRUG ABUSE CONTROL

The Administration is concerned that the Committee has chosen to rescind nearly $100 million in funding for the Safe and Drug Free School Program at the same time that every poll shows that crime and school safety are a major concern of Americans. This program is the centerpiece of the Administration's fight against the use of drugs and stimulants by an alarming increasing number of our youth.

The Administration opposes the Committee's recommendation to rescind $53 million for violent crime prevention and drug control initiatives—$39 million of which is funded through the Violent Crime Reduction Trust Fund (VCRTF). Of the total amount rescinded, nearly $27 million would come from the Drug Courts program, which will provide drug treatment and real first-time drug offenders. Another $11 million would come from the Family and Community Endeavor Schools (FACES) program, which seeks to provide healthy alternatives to the streets for youth. All grant funding for the Ounce of Prevention Council would be rescinded. Another $13 million (non-VCRTF funding) would come from Substance Abuse and Mental Health Services Administration (SAMHSA) block grants, which would reduce States' abilities to offer drug abuse treatment.

FEMA DISASTER RELIEF

P.L. 102–229, the Dire Emergency Supplemental Appropriations Act of 1992, contained a special provision on emergency designations under the Budget Enforcement Act (BEA) for FEMA Stafford Act activities. That provision specifies that all appropriations for disaster assistance in excess of the then historical annual average obligation of $320 million (or the amount of the President's budget request, whichever is lower) "shall be considered as 'emergency requirements' pursuant to" the BEA, and "such amounts shall hereafter be so designated." This provision is permanent law applying in FY 1993 and "thereafter," and expressly applies "notwithstanding any other provision of law." In FY 1995, the President requested and the Congress did in fact appropriate $320 million for FEMA disaster activities.

The Administration is disappointed that the Committee has decided to disregard this provision of law and to include this emergency funding in a controversial rescission bill, which will inevitably lead to delay.

HOUSING ASSISTANCE

The Committee-reported bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would wreak havoc upon the stability of our Nation's most distressed communities. The draconian cuts targeted towards programs of the Department of Housing and Urban Development would deny help to thousands of needy, low-income households, including many homeless families. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation.

TIMBER SALES

The Administration is opposed to a provision of the Committee-reported bill that would too broadly define "salvage timber sales" to include sales of primarily healthy trees, supersede the otherwise applicable environmental and land management statutes, and restrict citizens' access to the courts. The Administration remains steadfastly committed to the Northwest Forest Plan, which establishes a careful balance between sustainable timber harvest and sound ecosystem management.

The Departments of the Interior, Agriculture, and Commerce last month announced a comprehensive plan to accelerate timber salvage sales. Nevertheless, the Administration is concerned that the current timber salvage program does not meet expectations. In addition to the measures already underway at these agencies to accelerate timber salvage sales, we stand ready to work with the Congress to find appropriate, productive solutions to this pressing national problem that would not result in a return to gridlock.

DAVIS-BACON PROVISION

The Administration opposes a provision in the bill that would exempt any contract associated with the construction of facilities for the National Museum of the American Indian from the Davis-Bacon Act. The Act requires that all Federally-funded or Federally-assisted construction be covered by the Davis-Bacon Act. An exception in this case would be counter the goals of the Act.

SCIENCE AND TECHNOLOGY

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investment will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed by the Committee for many of the programs in the Department of Commerce would severely threaten the United States' standing with respect to technology advancements and competitiveness.

The proposed rescission of funds for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) contained in the Committee-reported bill would reduce the number of new centers established from 36 to 10. This would result in reduced access top state-of-the-art manufacturing technology and techniques by U.S. manufacturers—a key component of the U.S. economy.

The proposed $19.5 million rescission of funds for laboratory research at NIST would have a real impact on industry's ability to compete in both emerging and mature markets. NIST laboratories develop and deliver measurement techniques and services that provide a common language needed by industry in all stages of commerce. The rescissions would result in the elimination of new starts in the areas of Advanced Manufacturing, Biotechnology, Semiconductor Metrology, and Information Infrastructure standards development resulting in the diminished competitive posture of U.S. industry.

Reductions are also proposed by the Committee for the Department of Energy's (DOE's) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to implement fully the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. The additional reductions to the Environmental Management program would impede progress at several of the Department's cleanup sites.

The Committee's proposed rescission of $12.5 million for the National Biological Service in the Department of the Interior would severely hamper the Service's ability to provide basic scientific information to the land managing bureaus within the Department, including programs in the Pacific Northwest. This rescission would force the Service to consider closing the Great Lakes Science Center in Ann Arbor, Michigan. Also, certain laboratory facilities would be considered for closure, and joint State projects underway in more than 30 States would be reduced.

The Committee has proposed rescinding $42 million of upgrades to the national transonic wind tunnel. These upgrades have been planned for many years and are critical to maintaining the performance of these tunnels. The wind tunnel complex has contributed to the development of almost every U.S-developed military and civil aircraft. Failure to modernize this facility will increase the delay in critical test data. These upgrades are needed now and are unrelated to the development of a new wind tunnel facility.

The Senate is urged not to imperil our Nation's standing on the technology frontier.

INTERNATIONAL PROGRAMS

The Committee-reported bill does not appropriate the requested $672 million emergency supplemental for assessed U.N. peacekeeping costs that will accrue during FY 1995. The United States is bound by treaty to pay these costs. Failure to pay them by the end of the fiscal year will imperil the continuity of U.N. missions in regions of great importance to the U.S. national security and foreign policy interests. Rather than approve the requested supplemental, the Committee has proposed to rescind peacekeeping funds.

DRINKING WATER STATE REVOLVING FUNDS

While an improvement over the House-passed bill, the rescission of $0.8 billion in funds to help municipalities comply with Safe Drinking Water Act requirements contained in the Committee-reported bill would still seriously exacerbate local financing problems. Municipalities need almost $9 billion in capital costs to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the cryptosporidium outbreak in Milwaukee in 1993 that killed 100 people and caused illness in another 400,000.

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress fails to authorize the drinking water state revolving fund program, these funds can be used without further Congressional action to address the $137 billion in wastewater construction needs.

SOCIAL SECURITY ADMINISTRATION (SSA) AUTOMATION INVESTMENT

The Committee bill reduces funding for SSA computer systems by $88 million, thus eliminating all second-year funding for SSA's multi-year automation investment. This reduction would lead to deterioration in service by not allowing for the purchase of new computer equipment as existing equipment wears out and customer demands increase. The funds proposed for rescission are already programmed to support contract awards for quantities of computers supported by the Committee and the General Accounting Office.

The Administration notes the Committee's concern about the total number of computers SSA plans to acquire over a five-year period. Under the current SSA plan, the level of funding provided in FYs 1994 and 1995 funds the installation of less than one-third of the total number of workstations planned. The Administration believes that the Committee's concern with out-year plans would be more appropriately addressed in relation to out-year funding.

COAST GUARD

The Administration opposes the Committee's action to reduce Coast Guard operating expenses while supplementing funding for expenses related to operations in Haiti and Cuba. Offsets to pay for those activities deemed an emergency by the Administration are counterproductive. Additional cuts would negate the effects of the supplemental, thereby rendering the Coast Guard less able to provide the level of service the public expects.

BASE REALIGNMENT AND CLOSURE

The Committee bill would rescind $140 million from the Base Realignment and Closure accounts. This action would slow local communities' productive reuse of base closure property by delaying the departure of military units and by limiting funding for environmental restoration. Making property available for economic redevelopment is a key part of the Administration's Five Point Plan for assisting base closure communities.

NATO INFRASTRUCTURE

The Committee bill would rescind $69 million from the NATO Infrastructure account. This action could undermine existing NATO Infrastructure agreements and treaty commitments and frustrate our efforts to increase the burdensharing contributions of our allies. All of the FY 1995 appropriations for NATO Infrastructure have been obligated or committed for specific NATO construction projects, which would have to be terminated—with potential termination penalties—if the rescission were enacted. Furthermore, such a rescission would set a precedent for other NATO nations to withdraw their support form the NATO Infrastructure budget.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, March 21, 1995.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations, Washington, DC

DEAR MR. CHAIRMAN: The purpose of this letter is to provide the Administration's views on H.R. 1158, the supplemental appropriations and rescissions bill, as passed by the House. As the Senate develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Administration strongly opposes the House-passed bill. We believe that it unnecessarily cuts valuable, proven programs that educate our children and aid the disadvantaged, including the National Service program. The Administration also opposes reductions in programs that were established to ensure our Nation's role in the advancement of technology. Further, we strongly oppose a provision in the bill that would prohibit implementation of the Executive Order on striker replacements. Based on all of these considerations, if the President were presented a bill containing these provisions, he would veto the bill.

BUDGET ENFORCEMENT ACT EMERGENCY DESIGNATION

As the President stated in his February 14, 1995, letter to the Speaker, the Administration is proud of its record for reducing the deficit while providing prompt assistance to the victims of natural disasters. The Budget Enforcement Act, signed by President Bush, established the authority for the President and Congress to exempt certain spending from the statutory caps, specifically for the purpose of meeting unanticipated emergency requirements. This joint designation by the President and the Congress has been used over the last four years to provide critical assistance in response to earthquakes, hurricanes, floods, extreme cold and agricultural disasters, and for other purposes.

DEFICIT REDUCTION

The Administration remains firmly committed to deficit reduction. In 1993, the Administration worked with the Congress to enact the largest deficit reduction package in history. We cut Federal spending by $255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small businesses eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. As we placed a tight "freeze" on overall discretionary spending at the FY 1993 levels, we shifted spending toward investments in human and physical capital that will help secure our future.

This Administration's economic plan helped bring the deficit down from $290 billion in FY 1992—to $203 billion in FY 1994, to a projected $191 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. The Administration does not believe that sound programs, particularly those aimed at the disadvantaged and those that will ensure our Nation's preeminent standing in science and technology, should be cut. The Administration would be particularly troubled if such cuts were made to finance a tax cut for higher-income taxpayers. In light of the House Budget Committee action last week, it is clear that savings generated by the House version of H.R. 1158 are intended to be used for a tax cut for higher-income taxpayers.

In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low-priority programs. In contrast, the House-passed bill would impose severe reductions on a number of high-priority programs. These cuts would have a particularly harmful effect on our Nation's children by cutting funding for National Service, Summer Jobs, WIC, and housing for families. Many of the cuts are shortsighted—reducing funding for education, for advanced technology programs that are critical to our Nation's future, and eliminating funding for the Community Development Financial Institutions (CDFI) Fund, which would be instrumental in leveraging investments in our country's most distressed communities. Other cuts would adversely affect the health of Americans by cutting funding for safe drinking water and violent crime prevention and anti-drug programs. In its consideration of the bill, we urge the Senate to restore these cuts.

NATIONAL SERVICE PROGRAM

The proposed $416 million rescission for the Corporation for National and Community Service would virtually terminate the President's National Service program. Remaining funds would provide only 4,000 of the proposed 33,000 opportunities for young adults to serve their communities as AmeriCorps members and earn an education award. The proposed rescission would eliminate funding for thousands of school children to learn responsibility to their community for the first time. In addition, over 1,000 young persons currently serving in communities hard hit by defense downsizing would be sent home immediately, and their camps—established on downsized military bases—would be closed.

This program has a proven track record. For example, AmeriCorps members have already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health. AmeriCorps members also have helped raise the spelling scores and reading levels of rural disadvantaged children, built homes for "working-poor" families, and provide disaster relief assistance to victims throughout the western part of the country. The Administration strongly believes that national service is a key to solving problems inside America's communities. The Senate is urged to restore full funding for this important program.

STRIKER REPLACEMENT

The Administration opposes a provision in the House-passed bill that would prohibit the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacements for striking employees. This provision would impinge upon the Executive Branch's ability to ensure a stable supply of quality goods and services for the government's programs. The use or the threat to use permanent replacement workers destroys opportunities for cooperative and stable labor-management relations.

TIMBER SALVAGE SALES

The Administration objects to a provision that would mandate a minimum level of timber salvage sales from Forest Service and Bureau of Land Management lands. The Department of Justice has advised that enactment of this amendment would likely result in renewed judicial review of the President's Forest Plan and could reduce timber, grazing, and mining activities in the West. The Administration is already taking steps to restore and sustain significant levels of timber harvest in the immediate future. In addition, the Administration will shortly announce changes in the consultation process designed to expedite review of timber salvage sales as well as other actions to increase timber harvest, in full compliance with environmental laws.

FEMA EMERGENCY SUPPLEMENTAL

The Administration is disappointed that the House has chosen to include urgently needed FEMA emergency supplemental funds in this controversial bill. This could cause an unnecessary delay in assistance to victims of natural disasters. If action on the Administration's request is delayed, FEMA will, beginning in May, be unable to allocate funds to meet any new disaster requirements, unless money reserved for the 40 states currently receiving disaster assistance is cut.

Additional Administration concerns with the House-passed bill are contained in the enclosure. We look forward to working with the Senate to address our mutual concerns.

Sincerely,

ALICE M. RIVLIN,
Director.

ADDITIONAL CONCERNS—H.R. 1158—MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR ADDITIONAL DISASTER ASSISTANCE AND MAKING RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995, AND FOR OTHER PURPOSES (AS PASSED BY THE HOUSE)

FEMA DISASTER RELIEF

P.L. 102-229, the Dire Emergency Supplemental Appropriations Act of 1992, contained a special provision on emergency designations under the Budget Enforcement Act (BEA) for FEMA Stafford Act activities. That provision specifies that all appropriations for disaster assistance in excess of the then historical annual average obligation of $320 million (or the amount of the President's budget request, whichever is lower) "shall be considered as 'emergency requirements' pursuant to" the BEA, and "such amounts shall hereafter be so designated." This provision is permanent law applying in FY 1993 and "thereafter," and expressly applies "notwithstanding any other provision of law." In FY 1995, the President requested and the Congress did in fact appropriate $320 million for FEMA disaster activities.

The Administration is disappointed that the House has decided to disregard this provision of law and to include this emergency funding in a controversial rescission bill, which will inevitably lead to delay.

SUMMER JOBS

The Summer Jobs Program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth who might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The rescission contained in the House-passed bill would eliminate funding for the Summer Youth Employment program in each of the summers of 1995 and 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth in each of these summers. The Administration strongly believes that improving the job prospects of at-risk youth is an important element in a broader strategy to ensure employment opportunities for all Americans and a vibrant, productive workforce for U.S. business.

WOMEN, INFANTS, AND CHILDREN (WIC)

The House-passed bill would reduce funds available for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by $25 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The House's action would result in 600,000 fewer food packages for women, infants, and children. Jeopardizing the health and welfare of these mothers and children cannot be justified.

EDUCATION PROGRAMS

The House-passed bill would reduce by over one-third ($174 million) the funding for Goals 2000, which would greatly diminish support to States and communities for raising academic standards and improving their local schools. The House-passed bill also proposes to cut the Education for the Disadvantaged program by $140 million, which would reduce services to educationally disadvantaged children. The House-passed bill's sharp reduction in funding for education technology programs ($65 million) would enable fewer local communities to put state-of-the-art tools of learning in classrooms where they are most needed to prepare our students for the future.

VIOLENT CRIME AND DRUG ABUSE CONTROL

The Administration is concerned that the House has chosen to rescind nearly $472 million in funding for the Safe and Drug Free School Program at the same time that every poll shows that crime and school safety are a major concern of Americans. This program is the centerpiece of the Administration's fight against the use of drugs and stimulants by an alarmingly increasing number of our youth.

The Administration opposes the House's recommendation to rescind $65 million for violent crime prevention and drug control initiatives funded through the Violent Crime Reduction Trust Fund. Of this amount, nearly $28 million would come from the Drug Courts program, which will provide drug treatment and real opportunities for rehabilitation for non-violent, first-time drug offenders. Another $37 million would come from the Family and Community Endeavor Schools (FACES) program, which seeks to provide healthy alternatives to the streets for youth.

SCIENCE AND TECHNOLOGY

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investments will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed by the House for many of the programs in the Department of Commerce would severely threaten the United States' standing with respect to technology advancements and competitiveness.

The proposed rescission of funds for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) contained in the House-passed bill would reduce the number of new centers established from 36 to 10. This would result in reduced access to state-of-the-art manufacturing technology and techniques by U.S. manufacturers—a key component of the U.S. economy.

The $30 million rescission included in the House-passed bill for the National Information Infrastructure Grants program would eliminate grants to about 70–90 schools, hospitals, non-profits, and State and local governments. An additional rescission of $34 million is contained in the Senate version of H.R. 889. These two rescissions would eliminate all funding for this program. This action would decrease the credibility of the program as a funding source and thus discourage private sector matching grants to program applicants. The Senate is urged to rescind funds from lower-priority projects as set forth in the President's budget.

Reductions are also proposed by the House for the Department of Energy's (DOE's) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to implement fully the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. In addition, the $45 million reduction to the Environmental Management program would impede progress at several of the Department's cleanup sites.

Coming this late in the fiscal year, the House's proposed rescission of $16.8 million for the National Biological Service in the Department of the Interior (10 percent of the operating budget) will force the Service to consider closing one or more of the four major Centers located in Lafayette, Louisiana; Seattle, Washington; Ann Arbor, Michigan; and Anchorage, Alaska; as well as several other laboratories. This would severely hamper the Service's ability to provide basic scientific information to the land managing bureaus within the Department, including programs in the Pacific Northwest, and would eliminate joint State projects underway in more than 30 States.

The Senate is urged not to imperil our Nation's standing on the technology frontier.

HOUSING ASSISTANCE

The House-passed bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would wreak havoc upon the stability of our Nation's most distressed communities. The draconian cuts targeted towards programs of the Department of Housing and Urban Development would deny help to 63,000 needy, low-income households, including many homeless families. The bill could also prevent another 24,000 homeless families from moving to transitional or permanent housing during this fiscal year. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation and social services for the elderly.

In addition, the House's rescission of all FY 1995 funding for the Federal Government's primary rural multi-family rental housing direct loan program (section 515) would put thousands of rural residents living in existing Federal multi-family projects at risk and jeopardize the Government's investment in these projects. Many of the Department of Agriculture's projects need to be rehabilitated and, without the FY 1995 funding, would be in danger of being closed.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) FUND

The proposed rescission of $124 million contained in the House-passed bill would terminate this program. Without this funding, in FYs 1995 and 1996 the CDFI Fund would not be able to provide: $10 million in direct loan subsidies to support over $23 million of direct loans to CDFIs; $70.5 million in grants, technical assistance, and other financial assistance to CDFIs; and $39 million in community development incentives for depository institutions. The Fund's investments in CDFIs, banks, and thrifts would leverage an estimated $500 million in investments, loans, and financial services in the country's most distressed communities. The Senate is urged to restore this funding.

INTERNATIONAL PROGRAMS

The House-passed bill does not appropriate the requested $672 million emergency supplemental for assessed U.N. peacekeeping costs that will accrue during FY 1995. The United States is bound by treaty to pay these costs. Failure to pay them by the end of the fiscal year will imperil the continuity of U.N. missions in regions of great importance to the U.S. national security and foreign policy interests. Rather than approve the requested supplemental, the House has proposed to rescind peacekeeping funds.

The House-passed bill provides only $50 million of the $275 million requested for Jordan debt forgiveness. This debt forgiveness is linked to the historic steps taken by King Hussein to conclude a peace agreement with Israel, an act that markedly improved prospects for overall peace in the region and that involved considerable risk for King Hussein. We urge the Congress to provide for Jordan debt forgiveness in H.R. 889 as it passed the Senate in support of the hopeful developments in this region.

HIGHWAYS—EMERGENCY RELIEF

The House-passed bill would eliminate $351 million in funding previously appropriated in response to the Northridge earthquake and other disasters. Over $50 million of this amount is expected to be needed just to meet claims for flood damage in California and Washington. In addition to leaving the Department of Transportation unable to meet the funding needs of existing disasters, this rescission would eliminate the Department's ability to respond promptly to future disasters. Instead of recommending rescission of these needed funds, the Administration urges the Senate to cancel unobligated balances of highway demonstration projects, as proposed in the President's FY 1996 Budget.

DRINKING WATER STATE REVOLVING FUNDS

The rescission of $1.3 billion in funds to help municipalities comply with Safe Drinking Water Act requirements contained in the House-passed bill would seriously exacerbate local financing problems. Municipalities need almost $9 billion in capital costs to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the cryptosporidium outbreak in Milwaukee in 1993 that killed 100 people and caused illness in another 400,000.

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress fails to authorize the drinking water state revolving fund program, these funds can be used without further Congressional action to address the $137 billion in wastewater construction needs.

COAST GUARD

The Administration opposes the House action to reduce Coast Guard operating expenses while supplementing funding for expenses related to operations in Haiti and Cuba. Offsets to pay for those activities deemed an emergency by the Administration are counterproductive. Additional cuts would negate the effects of the supplemental, thereby rendering the Coast Guard less able to provide the level of service the public expects.

CORPORATION FOR PUBLIC BROADCASTING

The Administration believes that the House's action to reduce funding for the Corporation for Public Broadcasting (CPB) by a total of 23 percent from FY 1995 to FY 1997 is excessive and shortsighted. The Administration is committed to providing equal access to educational opportunities, particularly for young children, regardless of income or geographic location.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

The House-passed bill would rescind $19.6 million from the Occupational Safety and Health Administration. This is a 6.3 percent reduction in OSHA funding and effectively a 12.6 percent reduction since it comes so late in the fiscal year. The rescission would have a dramatic impact on OSHA's ability to fulfill its mission to protect workers and on the Administration's efforts to make the agency more effective. This rescission would hinder OSHA's compliance assistance programs and education and training initiatives, as well as enforcement, resulting in an estimated 6,300 additional preventable injuries.

H.R. 1158 MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR ADDITIONAL DISASTER ASSISTANCE AND MAKING RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995, AND FOR OTHER PURPOSES

This Statement of Administration Policy provides the Administration's views on the supplemental appropriations and rescissions bill as reported by the House Appropriations Committee.

The Administration strongly opposes this bill in its present form. We believe that it unnecessarily cuts valuable, proven programs that educate our children and aid the disadvantaged. The Administration also opposes cuts for programs that were established to ensure our Nation's role in the advancement of technology. We also strongly oppose a provision in the bill that would upset the balance contained in current law concerning Federal funding of abortions for the victims of rape and incest and a provision that would prohibit implementation of the Executive Order on striker replacements. Based on all of these considerations, if the President were presented a bill containing these provisions, the Director of the Office of Management and Budget would recommend that he veto the bill.

As the President said in his February 14, 1995, letter, the Administration is proud of its record for reducing the deficit while providing prompt assistance to the victims of natural disasters. The Budget Enforcement Act, signed by President Bush, established the authority for the President and Congress to exempt certain spending from statutory caps, specifically for the purpose of meeting emergency, unanticipated requirements. This joint designation by the President and the Congress has been used over the last four years to provide critical assistance in response to earthquakes, hurricanes, floods, extreme cold and agricultural disasters, and for other purposes.

The Administration remains firmly committed to deficit reduction. In 1993, the Administration worked with the Congress to enact the largest deficit reduction package in history. We cut Federal spending $255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small businesses eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. As we placed a tight "freeze' on overall discretionary spending at the FY 1993 levels, we shifted spending toward investment in human and physical capital that will help secure our future.

This Administration's economic plan helped bring the deficit down from $290 billion in FY 1992, to $203 billion in FY 1994, to a projected $193 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. The Administration does not believe that sound programs, particularly those aimed at the disadvantaged and those that will ensure our Nation's standing in areas of science and technology, should be cut. It would be particularly unwise to make such cuts to finance a tax cut for higher-income taxpayers.

In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low-priority programs. In contrast, this bill would impose severe reductions on a number of high-priority programs. These cuts would have a particularly harmful effect on our Nation's children by cutting funding for National Service, Summer Jobs, and WIC. Many of the cuts are shortsighted, reducing funding for education, for advanced technology programs that are critical to our Nation's future, and eliminating funding for the Community Development Financial Institutions (CDFI) Fund, which would be instrumental in leveraging investments in our country's most distressed communities. Other cuts would adversely affect the health of Americans by cutting safe drinking water funding and violent crime prevention programs.

The Administration is opposed to an amendment that was added by the Committee that would allow states to decide to stop using public funds to pay for abortions in cases of rape and incest. The President believes that abortion should be safe, legal, and rare. The Administration is committed to ensuring that women who are victims of rape and incest have the right to choose abortion as an option. A woman should not be precluded from choosing this option if she is poor.

The Administration opposes a provision in the bill that would prohibit the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacements for striking employees. This provision would impinge upon the Executive Branch's ability to ensure a stable supply of quality goods and services for the government's programs.

The Administration objects to an amendment that was added by the Committee that would mandate a minimum level of timber salvage sales from Forest Service and Bureau of Land Management lands. The Department of Justice has advised that enactment of this amendment would likely result in renewed judicial review of the President's Forest Plan and could reduce timber, grazing, and mining activities in the West. The Administration is already taking steps to restore and sustain significant levels of timber harvest in the immediate future. In addition, the Administration will shortly announce changes in the consultation process designed to expedite review of timber salvage sales as well as other actions to increase timber harvest, in full compliance with environmental laws.

The Administration is disappointed that the Committee has chosen to include urgently needed FEMA emergency supplemental funds in this controversial bill. This could cause an unnecessary delay in assistance to victims of natural disasters. If action on the Administration's request is delayed, FEMA will, beginning in May, be unable to allocate funds to meet any new disaster requirements, unless money reserved for the 40 states currently receiving disaster assistance is cut.

Additional Administration concerns with the Committee-reported bill are contained in the attachment.

ADDITIONAL CONCERNS AS REPORTED BY THE HOUSE FULL COMMITTEE

FEMA DISASTER RELIEF

P.L. 102-229, the Dire Emergency Supplemental Appropriations Act of 1992, contained a special provision on emergency designations under the Budget Enforcement Act (BEA) for FEMA Stafford Act activities. That provision specifies that all appropriations for disaster assistance in excess of the then historical annual average obligation of $320 million (or the amount of the President's budget request, whichever is lower) "shall be considered as 'emergency requirements' pursuant to" the BEA, and "such amounts shall hereafter be so designated." This provision is permanent law applying in FY 1993 and "thereafter," and expressly applies "notwithstanding any other provision of law." In FY 1995, the President requested and the Congress did in fact appropriate $320 million for FEMA disaster activities.

The Administration is disappointed that the Committee has decided to disregard this provision of law and to include this emergency funding in a controversial rescission bill, which will inevitably lead to delay.

SUMMER JOBS

The Summer Jobs Program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth who might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The proposed rescission would eliminate funding for the Summer Youth Employment program in each of the summers of 1995 and 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth in each of these summers. The Administration strongly believes that improving the job prospects of at-risk youth is an important element in a broader strategy to ensure employment opportunities for all Americans and a vibrant, productive workforce for U.S. business. The House is urged to restore funding for this important initiative.

NATIONAL SERVICE

The proposed $210 million rescission for the Corporation for National and Community Service would reduce significantly the President's National Service program, depriving more than 15,000 young adults of the opportunity to serve their communities as an AmeriCorps member and earn an education benefit. The proposed rescission would eliminate funding for the opportunity for thousands of school children to learn about responsibility to their community for the first time.

This program has a proven track record. For example, AmeriCorps members have already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health.

The Administration strongly believes that national service is a key to solving problems inside America's communities. The House is urged to restore funding for this important program.

WOMEN, INFANTS, AND CHILDREN (WIC)

The bill would reduce funds available for the Special Supplemental nutrition Program for Women, Infants, and Children (WIC) by $25 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The Committee's action would result in 600,000 fewer food packages for women, infants, and children. Jeopardizing the health and welfare of these mothers and children cannot be justified.

EDUCATION PROGRAMS

The bill would reduce by over one-third ($174 million) the funding for Goals 2000, which would greatly diminish support to States and communities for raising academic standards and improving their local schools. The bill also proposes to cut the Education for the Disadvantaged program by $105 million, which would reduce services to educationally disadvantaged children. The bill's sharp reduction in funding for education technology program ($65 million) would enable fewer local communities to put state-of-the-art tools of learning in classrooms where they are most needed to prepare our students for the future.

SCIENCE AND TECHNOLOGY

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investments will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed in this bill for many of the programs in the Department of Commerce would severely threaten the United States' standing with respect to technology advancements and competitiveness.

The proposed rescission of funds for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) would reduce the number of new centers established from 36 to 10. This would result in reduced access to state-of-the-art manufacturing technology and techniques by U.S. manufacturers—a key component of the U.S. economy.

The $30 million rescission proposed for the National Information Infrastructure Grants program would eliminate grants to about 70–90 schools, hospitals, non-profits, and state and local governments. This action would decrease the credibility of the program as a funding source and thus discourage private sector matching grants to program applicants.

Reductions are also proposed for the Department of Energy's (DOE) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to implement fully the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. In addition, the $45 million reduction to the Environmental Management program would impede progress at several of the Department's cleanup sites.

The proposed rescission of $16.8 million, or 10 percent of the operating budget of the National Biological Service in the Department of the Interior, this late in the fiscal year, will force the Service to consider closing one or more of the four major Centers located in Lafayette, Louisiana; Seattle, Washington; Ann Arbor, Michigan; and Anchorage, Alaska; as well as several other laboratories. This would severely hamper the Service's ability to provide basic scientific information the land managing bureaus within the Department, including programs in the Pacific Northwest, and would eliminate joint State projects underway in more than 30 States.

The House is urged not to imperil our Nation's standing on the technology frontier.

VIOLENT CRIME AND DRUG ABUSE CONTROL

The Administration is concerned that the Committee has chosen to rescind nearly $482 million in funding for the Safe and Drug Free School Program at the same time that every poll shows that crime and school safety are a major concern of Americans. This program is the centerpiece of the Administration's fight against the use of drugs and stimulants by an alarmingly increasing number of our youth.

The Administration opposes the Committee's recommendation to rescind $65 million for violent crime prevention and drug control initiatives funded through the Violent Crime Reduction Trust Fund. Of this amount, nearly $28 million would come from the Drug Courts program, which will provide drug treatment and real opportunities for rehabilitation for non-violent, first-time drug offenders. Another $37 million would come from the Family and Community Endeavor Schools (FACES) program, which seeks to provide healthy alternatives to the streets for youth.

HOUSING ASSISTANCE

As currently drafted, this bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would wreak havoc upon the stability of our Nation's most distressed communities. The draconian cuts targeted towards programs of the Department of Housing and Urban Development would deny help to 63,000 needy, low-income households, including many homeless families. The bill would also prevent another 24,000 homeless families from moving to transitional or permanent housing during this fiscal year. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation and social services for the elderly. The House is urged to restore funding to these vital areas.

In addition, the rescission of all FY 1995 funding for the Federal Government's primary rural multi-family rental housing direct loan program (section 515) would put thousands of rural residents living in existing Federal multi-family projects at risk and jeopardize the Government's investment in these projects. Many of the Department of Agriculture's projects need to be rehabilitated and, without the FY 1995 funding, would be in danger of being closed.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) FUND

The proposed rescission of $124 million would terminate this program. Without this funding, the CDFI Fund would not be able to provide: $10 million in direct loan subsidies to support over $23 million of direct loans to CDFIs; $50 million in grants, technical assistance, and other financial assistance to CDFIs; and $20 million in community development incentives for depository institutions. The Fund's investments in CDFIs, banks, and thrifts would leverage an estimated $500 million in investments, loans, and financial services in the country's most distressed communities. The House is urged to restore this funding.

INTERNATIONAL PROGRAMS

The bill does not appropriate the requested $672 million emergency supplemental for assessed U.N. peacekeeping costs that will accrue during FY 1995. The United States is bound by treaty to pay these costs. Failure to pay them by the end of the fiscal year will imperil the continuity of U.N. missions in regions of great importance to the U.S. national security and foreign policy interests. Rather than approve the requested supplemental, the Committee has rescinded peacekeeping funds.

This bill provides only $50 million of the $275 million requested for Jordan debt forgiveness. This debt forgiveness is linked to the historic steps taken by King Hussein to conclude a peace agreement with Israel, an act that markedly improved prospects for overall peace in the region and that involved considerable risk for King Hussein. We urge the House to provide the requested funds for Jordan debt forgiveness in support of the hopeful developments in this region.

HIGHWAYS—EMERGENCY RELIEF

This bill would eliminate $351 million in funding previously appropriated in response to the Northridge earthquake and other disasters. Over $50 million of this amount is expected to be needed just to meet claims for flood damage in California and Washington. In addition to leaving the Department of Transportation unable to meet the funding needs of existing disasters, this rescission would eliminate the Department's ability to respond promptly to future disasters.

Instead of recommending rescission of these needed funds, the Administration urges the House to cancel unobligated balances of highway demonstration projects, as proposed in the President's FY 1996 Budget.

DRINKING WATER STATE REVOLVING FUNDS

The rescission of $1.3 billion in funds to help municipalities comply with Safe Drinking Water Act requirements would seriously exacerbate local financing problems. Municipalities need almost $9 billion in capital costs to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the cryptosporidium outbreak in Milwaukee in 1993 that killed 100 people and caused illness in another 400,000.

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress fails to authorize the drinking water state revolving fund program, these funds can be used without further Congressional action to address the $137 billion in wastewater construction needs.

COAST GUARD

The Administration opposes action to reduce Coast Guard operating expenses while supplementing funding for expenses related to operations in Haiti and Cuba. Offsets to pay for those activities deemed an emergency by the Administration are counterproductive. Additional cuts would negate the effects of the supplemental, thereby rendering the Coast Guard less able to provide the level of service the public expects.

CORPORATION FOR PUBLIC BROADCASTING

The Administration believes that the Committee's action to reduce funding for the Corporation for Public Broadcasting (CPB) by a total of 23 percent from FY 1995 to FY 1997 is excessive and shortsighted. The Administration is committed to providing equal access to educational opportunities, particularly for young children, regardless of income or geographic location.

H.R. 1158—MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR ADDITIONAL DISASTER ASSISTANCE AND MAKING RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995, AND FOR OTHER PURPOSES

H.R. 1159—MAKING SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995 AND FOR OTHER PURPOSES

This Statement of Administration Policy provides the Administration's views on the two supplemental appropriations and rescissions bills, H.R. 1158 and H.R. 1159, as reported by the House Appropriations Committee.

The Administration strongly opposes both of these bills in their present form. We believe that they unnecessarily cut valuable, proven programs that educate our children and aid the disadvantaged. The Administration also opposes cuts for programs that were established to ensure our Nation's role in the advancement of technology. We also strongly oppose a provision in the bill which would upset the balance contained in current law concerning Federal funding of abortions for the victims of rape and incest and a provision that would prohibit implementation of the Executive Order on striker replacements. Based on all of these considerations, if the President were presented a bill containing the provisions of these two bills, the Director of the Office of Management and Budget would recommend that he veto the bill.

As the President said in his February 14, 1995, letter, the Administration is proud of its record for reducing the deficit while providing prompt assistance to the victims of natural disasters. The Budget Enforcement Act, signed by President Bush, established the authority for the President and Congress to exempt certain spending from the statutory caps, specifically for the purpose of meeting emergency, unanticipated requirements. This joint designation by the President and the Congress has been used over the last four years to provide critical assistance in response to earthquakes, hurricanes, floods, extreme cold and agricultural disasters, and for other purposes.

The Administration remains firmly committed to deficit reduction. In 1993, the Administration worked with the Congress to enact the largest deficit reduction package in history. We cut Federal spending by $255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small businesses eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. As we placed a tight "freeze" on overall discretionary spending at the FY 1993 levels, we shifted spending toward investments in human and physical capital that will help secure our future.

This Administration's economic plan helped bring the deficit down from $290 billion in FY 1992, to $203 billion in FY 1994, to a projected $193 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. The Administration does not believe that sound programs, particularly those aimed at the disadvantaged and those that will ensure our Nation's standing in areas of science and technology, should be cut. It would be particularly unwise to make such cuts to finance a tax cut for higher-income taxpayers.

In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low priority programs. In contrast, the two House bills, H.R. 1158 and H.R. 1159, would impose severe reductions on a number of high-priority programs. These cuts would have a particularly harmful effect on our Nation's children by cutting funding for National Service, Summer Jobs, and WIC. Many of the cuts are shortsighted, reducing funding for education, for advanced technology programs that are critical to our Nation's future, and eliminating funding for the Community Development Financial Institutions (CDFI) Fund, which would be instrumental in leveraging investments in our country's most distressed communities. Other cuts would adversely affect the health of Americans by cutting safe drinking water funding and violent crime prevention programs.

The Administration is opposed to an amendment that was added by the Committee to H.R. 1159 that would allow states to decide to stop using public funds to pay for abortions in cases of rape and incest. The President believes that abortion should be safe, legal, and rare. The Administration is committed to ensuring that women who are victims of rape and incest have the right to choose abortion as an option. A woman should not be precluded from choosing this option if she is poor.

The Administration opposes a provision in the bill that would prohibit the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacements for striking employees. This provision would impinge upon the Executive Branch's ability to ensure a stable supply of quality goods and services for the government's programs.

The Administration objects to an amendment that was added by the Committee that would mandate a minimum level of timber salvage sales from Forest Service and Bureau of Land Management lands. The Department of Justice has advised that enactment of this amendment would likely result in renewed judicial review of the President's Forest Plan and could reduce timber, grazing, and mining activities in the West. The Administration is already taking steps to restore and sustain significant levels of timber harvest in the immediate future. In addition, the Administration will shortly announce changes in the consultation process in order to expedite review of timber salvage sales as well as other actions to increase timber harvest, in full compliance with environmental laws.

The Administration is disappointed that the Committee has chosen to include urgently needed FEMA emergency supplemental funds in a controversial bill such as H.R. 1158. This could cause an unnecessary delay in assistance to victims of natural disasters. If action on the Administration's request is delayed, FEMA will, beginning in May, be unable to allocate funds to meet any new disaster requirements, unless money reserved for the 40 states currently receiving disaster assistance is cut.

Additional Administration concerns with the Committee-reported bill are contained in the attachment.

ADDITIONAL CONCERNS H.R. 1158—EMERGENCY SUPPLEMENTAL/RESCISSION BILL

FEMA DISASTER RELIEF

P.L. 102–229, the Dire Emergency Supplemental Appropriations Act of 1992, contained a special provision on emergency designations under the Budget Enforcement Act (BEA) for FEMA Stafford Act activities. That provision specifies that all appropriations for disaster assistance in excess of the then historical annual average obligation of $320 million (or the amount of the President's budget request, whichever is lower) "shall be considered as 'emergency requirements' pursuant to" the BEA, and "such amounts shall hereafter be so designated." This provision is permanent law applying in FY 1993 and "thereafter," and expressly applies "notwithstanding any other provision of law." In FY 1995, the President requested and the Congress did in fact appropriate $320 million for FEMA disaster activities.

The Administration is disappointed that the Committee has decided to disregard this provision of law and to include this emergency funding in a controversial rescission bill, which will inevitably lead to delay.

SUMMER JOBS

The Summer Jobs Program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth who might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The proposed rescission would eliminate funding for the Summer Youth Employment program in each of the summers of 1995 and 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth in each of these summers.

The Administration strongly believes that improving the job prospects of at-risk youth is an important element in a broader strategy to ensure employment opportunities for all Americans and a vibrant, productive workforce for U.S. business. The House is urged to restore funding for this important initiative.

NATIONAL SERVICE

The proposed $210 million rescission for the Corporation for National and Community Service would reduce significantly the President's National Service program, depriving more than 15,000 young adults of the opportunity to serve their communities as an AmeriCorps member and earn an education benefit. The proposed rescission would eliminate funding for the opportunity for thousands of school children to learn about responsibility to their community for the first time.

This program has a proven track record. For example, AmeriCorps members have already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health.

The Administration strongly believes that national service is a key to solving problems inside America's communities. The House is urged to restore funding for this important program.

WOMEN, INFANTS, AND CHILDREN (WIC)

The bill would reduce funds available for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by $25 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The Committee's action would result in 600,000 fewer food packages for women, infants, and children. Jeopardizing the health and welfare of these mothers and children cannot be justified.

EDUCATION PROGRAMS

The bill would reduce by over one-third ($174 million) the funding for Goals 2000, which would greatly diminish support to States and communities for raising academic standards and improving their local schools. The bill also proposes to cut the Education for the Disadvantaged program by $105 million, which would reduce services to educationally disadvantaged children. The bill's sharp reduction in funding for education technology programs ($65 million) would enable fewer local communities to put state-of-the-art tools of learning in classrooms where they are most needed to prepare our students for the future.

SCIENCE AND TECHNOLOGY

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investments will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed in this bill for many of the programs in the Department of Commerce would severely threaten the United States' standing with respect to technology advancements and competitiveness.

The proposed rescission of funds for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) would reduce the number of new centers established from 36 to 10. This would result in reduced access to state-of-the-art manufacturing technology and techniques by U.S. manufacturers—a key component of the U.S. economy.

The $30 million rescission proposed for the National Information Infrastructure Grants program would eliminate grants to about 70–90 schools, hospitals, non-profits, and state and local governments. This action would decrease the credibility of the program as a funding source and thus discourage private sector matching grants to program applicants.

Reductions are also proposed for the Department of Energy's (DOE) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to implement fully the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. In addition, the $45 million reduction to the Environmental Management program would impede progress at several of the Department's cleanup sites.

The proposed rescission of $16.8 million, or 10 percent of the operating budget of the National Biological Service in the Department of the Interior, this late in the fiscal year, will force the Service to consider closing one or more of the four major Centers located in Lafayette, Louisiana; Seattle, Washington; Ann Arbor, Michigan; and Anchorage, Alaska; as well as several other laboratories. This would severely hamper the Service's ability to provide basic scientific information to the land managing bureaus within the Department, including programs in the Pacific Northwest, and would eliminate joint State projects underway in more than 30 States.

The House is urged not to imperil our Nation's standing on the technology frontier.

VIOLENT CRIME AND DRUG ABUSE CONTROL

The Administration is concerned that the Committee has chosen to rescind nearly $482 million in funding for the Safe and Drug Free School Program at the same time that every poll shows that crime and school safety are a major concern of Americans. This program is the centerpiece of the Administration's fight against the use of drugs and stimulants by an alarmingly increasing number of our youth.

The Administration opposes the Committee's recommendation to rescind $65 million for violent crime prevention and drug control initiatives funded through the Violent Crime Reduction Trust Fund. Of this amount, nearly $28 million would come from the Drug Courts program, which will provide drug treatment and real opportunities for rehabilitation for non-violent, first-time drug offenders. Another $37 million would come from the Family and Community Endeavor Schools (FACES) program, which seeks to provide healthy alternatives to the streets for youth.

HOUSING ASSISTANCE

As currently drafted, this bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would wreak havoc upon the stability of our Nation's most distressed communities. The draconian cuts targeted towards programs of the Department of Housing and Urban Development would deny help to 63,000 needy, low-income households, including many homeless families. The bill would also prevent another 24,000 homeless families from moving to transitional or permanent housing during this fiscal year. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation and social services for the elderly. The House is urged to restore funding to these vital areas.

In addition, the rescission of all FY 1995 funding for the Federal Government's primary rural multi-family rental housing direct loan program (section 515) would put thousands of rural residents living in existing Federal multi-family projects at risk and jeopardize the Government's investment in these projects. Many of the Department of Agriculture's projects need to be rehabilitated and, without the FY 1995 funding, would be in danger of being closed.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) FUND

The proposed rescission of $124 million would terminate this program. Without this funding, the CDFI Fund would not be able to provide: $10 million in direct loan subsidies to support over $23 million of direct loans to CDFIs; $50 million in grants, technical assistance, and other financial assistance to CDFIs; and $20 million in community development incentives for depository institutions. The Fund's investments in CDFIs, banks, and thrifts would leverage an estimated $500 million in investments, loans, and financial services in the country's most distressed communities. The House is urged to restore this funding.

INTERNATIONAL PROGRAMS

The bill does not appropriate the requested $672 million emergency supplemental for assessed U.N. peacekeeping costs that will accrue during FY 1995. The United States is bound by treaty to pay these costs. Failure to pay them by the end of the fiscal year will imperil the continuity of U.N. missions in regions of great importance to the U.S. national security and foreign policy interests. Rather than approve the requested supplemental, the Committee has in H.R. 1159 rescinded peacekeeping funds.

HIGHWAYS—EMERGENCY RELIEF

This bill would eliminate $351 million in funding previously appropriated in response to the Northridge earthquake and other disasters. Over $50 million of this amount is expected to be needed just to meet claims for flood damage in California and Washington. In addition to leaving the Department of Transportation unable to meet the funding needs of existing disasters, this rescission would eliminate the Department's ability to respond promptly to future disasters. Instead of recommending rescission of these needed funds, the Administration urges the House to cancel unobligated balances of highway demonstration projects, as proposed in the President's FY 1996 Budget.

DRINKING WATER STATE REVOLVING FUNDS

The rescission of $1.3 billion in funds to help municipalities comply with Safe Drinking Water Act requirements would seriously exacerbate local financing problems. Municipalities need almost $9 billion in capital costs to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the cryptosporidium outbreak in Milwaukee in 1993 that killed 100 people and caused illness in another 400,000.

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress fails to authorize the drinking water state revolving fund program, these funds can be used without further Congressional action to address the $137 billion in wastewater construction needs.

COAST GUARD

The Administration opposes action to reduce Coast Guard operating expenses while supplementing funding for expenses related to operations in Haiti and Cuba. Offsets to pay for those activities deemed an emergency by the Administration are counterproductive. Additional cuts would negate the effects of the supplemental, thereby rendering the Coast Guard less able to provide the level of service the public expects.

CORPORATION FOR PUBLIC BROADCASTING

The Administration believes that the Committee's action to reduce funding for the Corporation for Public Broadcasting (CPB) by a total of 23 percent from FY 1995 to FY 1997 is excessive and shortsighted. The Administration is committed to providing equal access to educational opportunities, particularly for young children, regardless of income or geographic location.

H.R. 1159—NON-EMERGENCY SUPPLEMENTAL/RESCISSION BILL

INTERNATIONAL PROGRAMS

This bill provides only $50 million of the $275 million requested for Jordan debt forgiveness. This debt forgiveness is linked to the historic steps taken by King Hussein to conclude a peace agreement with Israel, an act that markedly improved prospects for overall peace in the region and that involved considerable risk for King Hussein. We urge the House to provide the requested funds for Jordan debt forgiveness in support of the hopeful developments in this region.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, Mar. 1, 1995.
Hon. BOB LIVINGSTON,
Chairman, Committee on Appropriations, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this letter is to provide the Administration's views on the two supplemental appropriations and rescission bills that are being considered by the House Appropriations Committee. The Administration strongly opposes these bills in their present form. We believe that they unnecessarily cut valuable, proven programs that aid the disadvantaged in our society and programs that were established to ensure our Nation's role in the advancement of technology.

The Administration remains firmly committed to deficit reduction. In 1993, the Administration worked with the Congress to enact the largest deficit reduction package in history. We cut Federal spending by $255 billion over five years, cut taxes for 40 million low- and moderate-income Americans, and made 90 percent of small businesses eligible for tax relief, while increasing income tax rates only on the wealthiest 1.2 percent of Americans. While placing a tight "freeze" on overall discretionary spending at the FY 1993 levels, we shifted spending toward investments in human and physical capital that will help secure our future.

This Administration's economic plan helped bring the deficit down from $290 billion in FY 1992, to $203 billion in FY 1994, to a projected $193 billion this year—providing three straight years of deficit reduction for the first time since Harry Truman was President.

We believe that we can address the issue of deficit reduction and provide for the Middle Class Bill of Rights without putting low-income families at risk. The Administration does not believe that sound programs, particularly those aimed at the disadvantaged and those that will ensure our Nation's standing in areas of science and technology should be cut. It would be particularly unwise to make such cuts to finance a tax cut for higher income taxpayers.

In the FY 1996 Budget, the President has proposed significant rescissions for FY 1995 and additional program terminations in FY 1996 for numerous low-priority programs. In contrast, the draft House bills would impose severe reductions on a number of high-priority programs. These cuts would have a particularly harmful effect on our Nation's children by cutting funding for National Service, Summer Jobs, and WIC. Many of the cuts are shortsighted, reducing funding for education and for advanced technology programs which are critical to our Nation's future. Other cuts would adversely affect the health of Americans by cutting Ryan White and safe drinking water funding. Examples of the Administration's concerns on specific items are discussed in more detail in the enclosure.

The Administration is disappointed that the Committee has chosen to include urgently needed FEMA emergency supplemental funds in this controversial bill. This could cause an unnecessary delay in assistance to victims of natural disasters. If action on the Administration's request is delayed, FEMA will, beginning in May, be unable to allocate funds to meet any new disaster requirements, unless money reserved for the 40 states currently receiving disaster assistance is cut. We strongly urge the Committee to consider funding for this emergency program in a separate bill.

The Administration believes that the emergency spending provided by the pending legislation is not required to be offset. The Budget Enforcement Act emergency authority was established specifically to provide for the funding of such unanticipated requirements.

As the President said in his February 14, 1995, letter, the Administration is proud of its record for reducing the deficit while providing prompt assistance to the victims of natural disasters. The Budget Enforcement Act, signed by President Bush, established the authority for the President and Congress to exempt certain spending from the statutory caps, specifically for the purpose of meeting emergency, unanticipated requirements. This joint designation by the President and the Congress has been used over the last four years to provide critical assistance in response to earthquakes, hurricanes, floods, extreme cold and agricultural disasters, and for other purposes.

We would encourage the Committee to review its recommendations and adopt a rescission package that is more consistent with the one submitted by the President in his FY 1996 Budget. We look forward to working with the Committee to address our mutual concerns.

Sincerely,

ALICE M. RIVLIN,
Director.

Enclosure.

EXAMPLES OF CONCERNS

MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR ADDITIONAL DISASTER ASSISTANCE AND MAKING RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995, AND FOR OTHER PURPOSES

MAKING SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1995, AND FOR OTHER PURPOSES

EMERGENCY SUPPLEMENTAL/RESCISSION BILL

FEMA Disaster Relief

P.L. 102–229, the Dire Emergency Supplemental Appropriations Act of 1992, contained a special provision on emergency designations under the Budget Enforcement Act (BEA) for FEMA Stafford Act activities. That provision specifies that all appropriations for disaster assistance in excess of the historical average obligation of $320 million (or the amount of the President's budget request, whichever is lower) "shall be considered as 'emergency requirements' pursuant to" the BEA, and "such amounts shall hereafter be so designated." This provision is permanent law applying in 1993 and "thereafter," and expressly applies "notwithstanding any other provision of law." In FY 1995, Congress did in fact appropriate $320 million for FEMA disaster activities.

The Administration is disappointed that the Committee has decided to disregard this provision of law and include this emergency funding in a controversial rescission bill, which will inevitably lead to delay.

Housing Assistance

As currently drafted, this bill would threaten the well-being of our Nation's most needy and vulnerable citizens and would wreak havoc upon the stability of our Nation's most distressed communities. The draconian cuts targeted towards programs of the Department of Housing and Urban Development would eliminate subsidized housing assistance to 63,000 needy, low-income households, and would prevent 24,000 homeless families from moving to transitional or permanent housing this fiscal year. Hundreds of communities would lose money that they have counted on for critical community needs such as housing rehabilitation and social services for the elderly. The Committee is urged to restore funding to these vital areas.

In addition, the rescission of all FY 1995 funding for the Federal Government's primary rural multi-family rental housing direct loan program (section 515) would put thousands of rural residents living in existing Federal multi-family projects at risk and jeopardizes the Government's investment in these projects. Many of the Department of Agriculture's projects need to be rehabilitated and without the FY 1995 funding are in danger of being closed.

Summer Jobs

The Summer Jobs Program provides meaningful work experience for hundreds of thousands of economically disadvantaged youth who might otherwise not have any opportunity to learn necessary job skills and workplace behaviors during crucial formative years. The proposed rescission would eliminate funding for the Summer Youth Employment program in each of the summers of 1995 and 1996, thereby eliminating job opportunities for about 615,000 disadvantaged youth in each of these summers. The Administration strongly believes that improving the job prospects of at-risk youth is an important element in a broader strategy to ensure employment opportunities for all Americans and a vibrant productive workforce for U.S. business. The Committee is urged to restore funding for this important initiative.

National Service

The proposed $210 million rescission for the Corporation for National and Community Service would reduce significantly the President's national service program, depriving more than 15,000 young adults of the opportunity to serve their communities through AmeriCorps and earn an education benefit. The proposed rescission would eliminate funding for thousands of school children learning about responsibility to their community for the first time.

This program has a proven track record. For example, AmeriCorps has already reclaimed recreation areas in inner cities from gangs, and thousands of low-income and migrant children have received proper immunizations to protect their health.

The Administration strongly believes that national and community service is a key to solving problems inside America's communities. The Committee is urged to restore funding for this important program.

Women, Infants, and Children (WIC)

The bill would reduce funds available for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) by $25 million. The WIC program provides nutritious supplemental foods to low-income pregnant, post-partum, and breastfeeding women, and to infants and children up to their fifth birthday. The Subcommittee's action would result in 600,000 fewer food packages for women, infants, and children. Jeopardizing the health and welfare of these mothers and children cannot be justified.

Education Programs

The bill would reduce by over one-third ($174 million) the funding for Goals 2000, which would greatly reduce support to States and communities to raise academic standards and improve their local schools. The bill also proposes to cut the Education for the Disadvantaged program by $105 million, which would reduce services to educationally disadvantaged children. The bill's sharp reduction in funding for education technology programs ($65 million) would enable fewer local communities to put state-of-the-art tools of learning in classrooms where they are most needed to prepare our students for the future.

Science and Technology

This Administration remains firmly committed to increasing the Nation's productivity and raising living standards by investing in science and technology. These investments will lead to a healthy, educated public; job creation and economic growth; world leadership in science, mathematics, and engineering; and harnessed information technology. The rescissions proposed in this bill for many of the programs in the Department of Commerce would severely threaten the United States' standing with respect to technology advancements and competitiveness.

The proposed rescission of funds for the Manufacturing Extension Partnership Program at the National Institute of Standards and Technology (NIST) would reduce the number of new centers established from 36 to 10. This would result in reduced access to state-of-the-art manufacturing technology and techniques by U.S. manufacturers—a key component of the U.S. economy.

The $30 million rescission proposed for the National Information Infrastructure Grants program would eliminate grants to about 70–90 schools, hospitals, non-profits, and state and local governments. This action would decrease the credibility of the program as a funding source and thus discourage private sector matching grants to program applicants.

Reductions are also proposed for the Department of Energy's (DOE) solar, renewable energy, and conservation research programs. Such reductions would threaten our national effort to fully implement the Energy Policy Act of 1992 and the Climate Change Action Plan. Reduction to the DOE science budget also would adversely impact climate change, human genome, and neutron research. In addition, the $45 million reduction to the Environmental Management program would impede progress at several of the Department's cleanup sites.

The Committee is urged not to imperil our Nation's standing on the technology frontier.

Violent Crime and Drug Abuse Control

The Administration opposes the decision to rescind $67 million for violent crime prevention and drug control initiatives funded through the Violent Crime Reduction Trust Fund. Of this amount, nearly $28 million would come from the Drug Courts program, which will provide drug treatment and real opportunities for rehabilitation for non-violent, first-time drug offenders. All funding for the Ounce of Prevention Council would be rescinded. Over $36 million would come from the Family and Community Endeavor Schools (FACES) program, which seeks to provide healthy alternatives to the streets for youth.

The Administration is concerned that the Subcommittees have chosen to rescind nearly $482 million in funding for the Safe and Drug Free School Program at the same time that every poll shows that crime and school safety are a major concern of Americans. This program is the centerpiece of the Administration's fight against the use of drugs and stimulate by an alarmingly increasing number of our youth.

Highways

This bill would eliminate $351 million in funding previously appropriated in response to the Northridge earthquake and other disasters. Over $50 million of this amount is expected to be needed just to meet claims for flood damage in California and Washington. In addition to leaving the Department Transportation unable to meet the funding needs of existing disasters, this rescission would eliminate the Department's ability to respond promptly to future disasters. Instead of recommending rescission of these needed funds, the Administration urges the Committee to cancel unobligated balances of highway demonstration to projects, as proposed in the President's FY 1996 Budget.

Drinking Water State Revolving Funds

The rescission of $1.3 billion in funds to help municipalities comply with Safe Drinking Water Act requirements would seriously exacerbate local financing problems. Municipalities need most $9 billion in capital costs to comply with existing regulations and additional billions to comply with future rules needed to prevent problems such as the crytosporidium outbreak in Milwaukee that killed 100 people and caused illness and another 400,000.

Most affected by this rescission would be the 27 million people who get their water from a system that has violated drinking water standards. If Congress fails to authorize this program, these funds can be used without further Congressional action to address the $137 billion in wastewater construction needs.

Coast Guard

The Administration opposes action to reduce Coast Guard operating expenses while supplementing funding for expenses related to operations in Haiti and Cuba. Offsets to pay for those activities deemed an emergency by the Administration are counterproductive. Additional cuts would negate the effects of the supplemental, thereby rendering the Coast Guard less able to provide the level of service the public expects.

Non-Emergency Supplemental/Rescission Bill

Striker Replacements

The Administration opposes a provision in the bill that would prohibit the Executive Branch from using FY 1995 funds to issue, implement, administer, or enforce any Executive Order or other rule or order that prohibits Federal contracts with companies that hire permanent replacement for striking employees. This provision would impinge upon the Executive Branch's ability to ensure a stable supply for quality goods and services for the government's programs. We urge the Committee to strike this provision.

International Programs

Neither of the bills under consideration appropriates the requested $672 million emergency supplemental for assessed U.N. peacekeeping costs that will accrue during FY 1995. The United States is bound by treaty to pay these costs. Failure to pay them by the end of the year will imperil the continuity of U.N. missions in regions of great importance to the U.S. national security and foreign policy interests.

The non-emergency supplemental/rescission bill provides only $50 million of the $275 million requested for Jordan debt forgiveness. This debt forgiveness is linked to the historic steps taken by King Hussein to conclude a peace agreement with Israel, and act that markedly improved prospects for overall peace in the region and that involved considerable risk for King Hussein. We urge the Committee to provide the requested funds for Jordan debt forgiveness in support of the hopeful developments in this region.

Agricultural Stabilization and Conservation Service (ASCS)

The Administration objects to the $10 million in unrequested supplemental appropriations for salaries and expenses for the former Agricultural Stabilization and Conservation Service (ASCS), now part of the Department of Agricultural's Consolidated Farm Service Agency (AFSA). The additional funds are not needed, particularly since FY 1995 appropriations for the ASCS were already $13 million greater than requested by the Administration. At a time when Federal employees are being reduced government-wide, it is inappropriate to provide additional funds to more county office personnel managed by a Federal agency. The presence of surplus funds in CFSA would not facilitate a timely transition to the streamlined CFSA organization of the future.

Mr. LIVINGSTON. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Nevada [Mrs. VUCANOVICH], the chairman of the Subcommittee on Military Construction.

Mrs. VUCANOVICH. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, today is a historic day, finally a balanced budget. I rise in support of the conference report.

Mr. LIVINGSTON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Speaker, I rise today on behalf of the Americans who are concerned about the proposed veto threat by their President.

Mr. Speaker, last summer fire storms roared through Northern California, threatening to destroy entire communities. Last spring this same area was ravaged by devastating floods which left thousands homeless. During these calamities families and communities cried out to the President for help.

Today we will give the President the means to help these people, but he is turning his back on them. We offer relief to thousands of flood victims, but the President is turning his back. We offer a timber salvage plan to protect forest communities from incinerating fires, but the President is again turning his back.

Mr. Speaker, the President is turning his back, but we are not. Today we will show these Americans who has the real compassion. I urge my colleagues to vote "yes" on the conference report.

Mr. LIVINGSTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY].

Mr. Speaker, I would like to take this time to bring Members' attention to language in this bill that I believe represents the opening salvo in the fight to win freedom for our States and our constituents from entrenched EPA bureaucrats and the regulatory tyranny imposed by the Clean Air Act.

There are Members of both bodies that better wake up and recognize that there's rebellion in the streets over the heavy handed, misguided, EPA directed inspection and maintenance program.

I fought hard to get strong language in this bill that would force EPA to correct their flawed program and bring immediate relief to States. The best we could get was language sending an explicit warning to EPA that if they fail to demonstrate clear flexibility in allowing States to design programs that fit their particular air situations, that we would come back and put that strong language on the next available vehicle.

Those of us who understand the arrogance and intransigence EPA has exhibited in dealing with the concerns of States will be watching EPA's actions very closely looking for the first misstep. I submit to my colleagues that EPA cannot be trusted to make the reasonable changes necessary.

Because the EPA has refused to be flexible to date, 15 States will be subject to sanctions in the next 3 months. Their I&M programs have either been delayed or suspended or the State has refused to comply with the requirement altogether. Some States have grass roots efforts pushing for total repeal.

Mr. Speaker, make no mistake, this is just round one. If EPA has any sense at all, they will take a good look at the language in this bill and think long and hard before they reject a State plan, like the one Texas has proposed, that addresses the unique air problems of that State.

Mr. DELAY. Mr. Speaker, I rise in support of this rescission bill.

Mr. LIVINGSTON. Mr. Speaker, I reserve the right to close.

The SPEAKER pro tempore (Mr. WALKER). The gentleman from Louisiana [Mr. LIVINGTON] has 3 minutes remaining, and the gentleman from Wisconsin [Mr. OBEY] has 5 minutes remaining.

Mr. OBEY. Mr. Speaker, I yield the remainder of our time to the gentleman from Missouri [Mr. GEPHARDT], the distinguished minority leader.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mr. GEPHARDT. Mr. Speaker, I rise to first answer the charge that has been made that this President is not concerned about victims of natural disasters.

In my view this President and this Federal Emergency Administration has done more faster to help people who are in need in natural disasters than any administration I can remember. We will get a piece of legislation to his desk that will handle those problems.

But I rise today to make one fundamental point. Shame on those who vote for tax cuts for the wealthy and budget cuts for children from struggling families. Make no mistake about it, that is what this bill does. It cuts food and nutrition for pregnant women and babies, a program that saves nearly 4 times what it costs.

It eliminates the summer jobs program, which has enabled so many young people to lift themselves out of poverty and off of welfare.

It even cuts medical equipment that is desperately needed to care for our veterans. And heat for the low-income elderly, a program that literally saves people from freezing to death.

These cuts would be reckless and unfair no matter what purpose they served. But to make these deep and dangerous cuts to pay for a tax cut for the wealthiest people in the country, to give a $20,000-a-year windfall to the people who do not need it, those earning more than $350,000 a year, is simply unconscionable.

Mr. Speaker, when this bill was originally passed in the House, we at least had a guarantee because we had voted for the guarantee that not a dime of these cuts would be used for tax breaks for the privileged few. Now that guarantee has been stripped out of this bill. The money saved by these cuts goes right from the hardworking middle class to the wealthiest people in the country, the most outrageous redistribution of income since the days of the robber barons. That is why we have to vote against this bill in the name of the deficit but also in the name of common decency.

I urge Members of defeat this wrongheaded rescission bill. We do not need more tax perks for the privileged at a devastating cost to the people of this country.

Mr. LIVINGSTON. Mr. Speaker, I yield myself such time as I may consume.

The SPEAKER pro tempore. The gentleman from Louisiana has 3 minutes remaining.

Mr. Speaker, a few housekeeping matters. There is no rescission in this conference agreement for any VA construction projects or equipment purchases. There are no tax cuts in this bill. And for the benefit of anyone in the White House, this committee has no jurisdiction over tax cuts.

This bill does not pay for tax cuts. What it does do is provide billions of dollars for many deserving Americans who need help to rebuild their lives after the Oklahoma City tragedy, after the California earthquake and floods, after the Texas and Louisiana floods and all those other disasters across the land.

□ 1830

This bill, Mr. Speaker, provides $250 million for Oklahoma City, just as the President asked. It provides $275 million for the Jordan debt relief that he asked for. It provides $6.7 billion for FEMA emergency assistance that he asked for.

Unfortunately, it struck the striker-replacement language that I favored, but he asked us to strike it; and in order to get a compromise with the other body it was struck.

It includes emergency salvage timber sales language that will allow tens of thousands of people in the Northwest to go back to work, and the bill also cuts the deficit by $16.4 billion, the largest single rescission of existing appropriations in the history of the Nation. It gives us a net savings to the American taxpayer in fiscal year 1995 of $9.1 billion, the largest savings to the American taxpayer in the history of the country.

What this bill says to the American people is that we can meet our emergencies, that we can pay for them, and that we can move toward a balanced budget for the first time since 1969. We can protect the future of our children and our grandchildren.

Mr. Speaker, this bill is a good deal. A good deal for present and current Americans and their children and their grandchildren, and a no vote against this bill would be irresponsible and a veto by the President of the United States would be irresponsible.

I urge the Members of this body to adopt this conference report.

Mrs. COLLINS of Illinois. Mr. Speaker, earlier the majority in this body passed their budget resolution to effectively restructure future Federal tax and spending policies to benefit the most well-to-do individuals and largest corporations in the United States at the expense of hardworking Americans and their families. We now have before us a piece of legislation which reaches back into last year's appropriations and cruelly snatches away already allocated Federal funding for numerous initiatives vital to our local communities and constituents. Like the Energizer Bunny, the "Contract on America" just keeps going and going and going.

The GOP leadership likes to give lip service to the issue of empowerment, to helping people help themselves. However, this rescissions package flies in the face of such a philosophy. What the Republicans are really saying with this conference report, with the budget resolution which just passed, is "We just don't care."

However, residents of the Seventh Congressional District in Illinois, my constituents, care deeply about the reckless nature of the GOP budget axe and its disastrous impact on them, their families, and their communities.

Of great concern is the status of the Low-Income Home Energy Assistance Program [LIHEAP], which helps 2 million struggling senior citizens meet the high costs of their winter heating bills without having to make a choice between those bills and their daily meals and medicine. Yet the GOP indiscriminately guts LIHEAP by 25 percent. As a result, tens of thousands of Chicago households that were served in fiscal year 1995 will be threatened, not to mention those who have been on waiting lists.

Mr. Chairman, in a city such as mine, where on an average winter day the temperature hovers around 10 degrees, with the wind chill in the negative double digits, you tell me this is a sound policy decision. Tell the family of 60-year-old Earline Hooker, who froze to death in January in Chicago because she wasn't able to get LIHEAP assistance, that this program is wasteful or unnecessary. I challenge you.

In keeping with the GOP assault on our children and our future as a nation, this bill steals all hope and opportunity away from 600,000 of our disadvantaged youngsters through the eradication of the summer jobs program in 1996—a proven program that provides basic skills, income, and work experience. Across the Chicago metropolitan area next summer, kids who had looked forward to being entrusted with responsibility and leadership will now be faced with hanging on the streetcorner with nothing to do but get into trouble. So much for promoting positive alternatives for our youth. But again, the Republican leadership just doesn't care.

The GOP also doesn't care that this legislation punishes low-income babies and their moms with a $20 million cut from the Women, Infants, and Children Nutrition Program, an $85 million cut in the lead-based paint abatement program. They're poor, who cares?

Yet one of the most disturbing portions of this bill is its complete lack of regard for the plight of public housing residents in this Nation and the neighborhoods in which they live and work. Although the Department of Housing and Urban Development has already begun a serious effort to restructure and make Federal housing and development programs more efficient and responsive to local needs, the Republicans don't want to hear it. They just want to slash, cut, and burn without regard to the necessity or productivity of the program or who gets hurt.

HUD has estimated that the $6.3 billion in housing cuts in this bill will result in the elimination of thousands of low-income housing units in my city of Chicago. Assistance will be lost for public housing modernization and operating subsidies, seriously disrupting already weakened maintenance and security for residents. In addition, needed funds to help the homeless and individuals with AIDS find suitable shelter is out the window. Explain to me how in the world this helps meet the goal of "a kinder, gentler nation," for which former President Bush and his Republican friends reportedly advocated. I don't think so.

With respect to the issue of disaster relief for the California earthquakes and the tragedy in Oklahoma, no one in Congress wishes to hold up that aid and charges that opposition to this conference report will do that are unfounded. The Republican majority knows full well that they could craft a bill today for these important purposes, pass it, and send it to the President's desk for signature without delay.

Mr. Chairman, I urge my colleagues to vote no on the Republican rescissions conference report and put a quick halt to the GOP's careless, reckless beginning to this second 100 days. Take a stand—the President has.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of the conference report to H.R. 1158.

Mr. Speaker, as a new Member of the House, I voted for a balanced budget amendment knowing full well that such a measure would require tough choices. While some contend that we don't need such an amendment, personally I felt that our Nation's future depended on it.

Our national debt is staggering, our annual deficit continues to grow, and our actions today on this conference report mark the first real step to protect future generations. We are here for our children and grandchildren, pure and simple. If we act today we give them a greater measure of security. Most important, this first tough vote may give them a chance to have the opportunities we enjoy: a great education, the prospect of a real job and an opportunity for a better future. Our vote today is a downpayment on a balanced budget.

Let's be clear this package is a $16.4 billion reduction out of a total of a $1.5 trillion budget. It is less than a 1 percent reduction.

The bottom line is that we need to start the process. What better steps than to consolidate a horde of programs, some highly duplicative, some unauthorized by Congress itself, some with unjustified increases, and others paralyzed in the money pipeline with little likelihood of being spent.

I am astonished that President Clinton is considering using his first veto on this bill that would reduce Federal spending by $16.4 billion and provide emergency funding for the California floods and the Oklahoma City bombing recovery effort.

The President and the Democrats have made their position clear—which is that they intend to sit on the sidelines while the Republicans balance the Federal budget. As I said early, this reduction represents less than 1 percent of the Federal budget, and yet the President thinks that is too much. It is ironic and saddening that the very day the House will vote on the first real balanced budget plan in 25 years, the President would rather keep spending money we don't have and stick our children and grandchildren with the tab. This is living proof that Washington will not stop spending without a balanced budget amendment.

With this bill we are making it clear that we will set priorities, we will limit the size of government, and we will do what we said we would—reduce the deficit, balance the budget, and restore the future to our children.

I urge the passage of this important conference report.

Mr. LIVINGSTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALKER). All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7 of rule XV the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 235, nays 189, not voting 11, as follows:

[Roll No 346]

YEAS—235

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—189

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink

LaFalce
Lantos
LaTourette
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Scarborough
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Souder
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Berman
Jacobs
King
Kleczka
McNulty
Payne (NJ)
Peterson (FL)
Quillen
Stenholm
Tucker
Weldon (FL)

□ 1852

The Clerk announced the following pair:

On this vote:

Mr. Weldon of Florida for, with Mr. McNulty against.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO PROLIFERATION OF NUCLEAR, BIOLOGICAL AND CHEMICAL WEAPONS AND THEIR MEANS OF DELIVERY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—(H. DOC. NO. 104-76)

The SPEAKER pro tempore [Mr. WALKER] laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons and their means of delivery ("weapons of mass destruction"), I issued Executive Order No. 12938 and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*).

As I described in the report transmitting Executive Order No. 12938, the new Executive order consolidated the functions of and revoked Executive Order No. 12735 of November 16, 1990, which declared a national emergency with respect to the proliferation of chemical and biological weapons, and Executive Order No. 12930 of September 29, 1994, which declared a national emergency with respect to nuclear, biological, and chemical weapons, and their means of delivery. The new Executive order also expanded certain existing authorities in order to strengthen the U.S. ability to respond to proliferation problems.

The following report is made pursuant to section 204 of the International Emergency Economic Powers Act and section 401(c) of the National Emergencies Act regarding activities taken and money spent pursuant to the emergency declaration. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the annual report on the proliferation of missiles and essential components of nuclear, biological, and chemical weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190), also known as the "Nonproliferation Report," and the annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102-182).

The three export control regulations issued under the Enhanced Proliferation Control Initiative (EPCI) are fully in force and continue to be used to control the export of items with potential use in chemical or biological weapons or unmanned delivery systems for weapons of mass destruction.

In the 6 months since I issued Executive Order No. 12938, the number of countries that have ratified the Chemical Weapons Convention (CWC) has reached 27 (out of 159 signatory countries). I am urging the Senate to give its advice and consent to ratification as soon as possible. The CWC is a critical element of U.S. nonproliferation policy that will significantly enhance our security and that of our friends and allies. I believe that U.S. ratification will help to encourage the ratification process in other countries and, ultimately, the CWC's entry into force.

The United States actively participates in the CWC Preparatory Commission in The Hague, the deliberative body drafting administrative and implementing procedures for the CWC. Last month, this body accepted the U.S. offer of an information management system for the future Organization for the Prohibition of Chemical Weapons that will implement the CWC. The United States also is playing a leading role in developing a training program for international inspectors.

The United States strongly supports international efforts to strengthen the 1972 Biological and Toxin Weapons Convention (BWC). In January 1995, the Ad Hoc Group mandated by the September 1994 BWC Special Conference to draft a legally binding instrument to strengthen the effectiveness and improve the implementation of the BWC held its first meeting. The Group agreed on a program of work and schedule of substantive meetings, the first of which will occur in July 1995. The United States is pressing for completion of the Ad Hoc Group's work and consideration of the legally binding instrument by the next BWC Review Conference in 1996.

The United States maintained its active participation in the 29-member Australia Group (AG), which now includes the Czech Republic, Poland, Slovakia, and Romania. The AG reaffirmed in December the members' collective belief that full adherence to the CWC and the BWC provides the only means to achieve a permanent global ban on CBW, and that all states adhering to these Conventions have an obligation to ensure that their national activities support these goals.

The AG also reiterated its conviction that harmonized AG export licensing measures are consistent with, and indeed actively support, the requirement under Article I of the CWC that States Parties never assist, in any way, the manufacture of chemical weapons. These measures also are consistent with the undertaking in Article XI of the CWC to facilitate the fullest possible exchange of chemical materials and related information for purposes not prohibited by the Convention, as they focus solely on preventing assistance to activities banned under the CWC. Similarly, such efforts also support existing nonproliferation obligations under the BWC.

The United States Government determined that three foreign nationals (Luciano Moscatelli, Manfred Felber, and Gerhard Merz) had engaged in chemical weapons proliferation activities that required the imposition of sanctions against them, effective on November 19, 1994. Similar determinations were made against three foreign companies (Asian Ways Limited, Mainway International, and Worldco) effective on February 18, 1995, and imposed sanctions against them. Additional information on these determinations is contained in a classified report to the Congress, provided pursuant to the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991. The United States Government continues to monitor closely activities that may be subject to CBW sanctions provisions.

The United States continued to control vigilantly U.S. exports that could make a contribution to unmanned delivery systems for weapons of mass destruction, exercising restraint in considering all such transfers consistent with the Guidelines of the Missile Technology Control Regime (MTCR).

The MTCR Partners shared information not only with each other but with other possible supplier, consumer, and transshipment states about proliferation problems and also stressed the importance of implementing effective export control systems.

The United States initiated unilateral efforts and coordinated with MTCR Partners in multilateral efforts, aimed at combatting missile proliferation by nonmembers and at encouraging nonmembers to adopt responsible export behavior and to adhere to the MTCR Guidelines. On October 4, 1994, the United States and China signed a Joint Statement on Missile Nonproliferation in which China reiterated its 1992 commitment to the MTCR Guidelines and agreed to ban the export of ground-to-ground MTCR-class missiles. In 1995, the United States met bilaterally with Ukraine in January, and with Russia in April, to discuss missile nonproliferation and the implementation of the MTCR Guidelines. In May 1995, the United States will participate with other MTCR Partners in a regime approach to Ukraine to discuss missile nonproliferation and to share information about the MTCR.

The United States actively encouraged its MTCR Partners and fellow AG participants to adopt "catch-all" provisions, similar to that of the United States and EPCI, for items not subject to specific export controls. Austria, Germany, Norway, and the United Kingdom actually have such provisions in place. The European Union (EU) issued a directive in 1994 calling on member countries to adopt "catch-all" controls. These controls will be implemented July 1, 1995. In line with this harmonization move, several countries, including European States that are not actually members of the EU, have adopted or are considering putting similar provisions in place.

The United States has continued to pursue this Administration's nuclear nonproliferation goals. More than 170 nations joined in the indefinite, unconditional extension of the Nuclear Non-Proliferation Treaty (NPT) on May 11, 1995. This historic decision strengthens the security of all countries, nuclear weapons states and nonweapons states alike.

South Africa joined the Nuclear Suppliers Group (NSG), increasing NSG membership to 31 countries. The NSG held a plenary in Helsinki, April 5–7, 1995, which focused on membership issues and the NSG's relationship to the NPT Conference. A separate, dual-use consultation meeting agreed upon 32 changes to the dual-use list.

Pursuant to section 401(c) of the National Emergencies Act, I report that there were no expenses directly attributable to the exercise of authorities conferred by the declaration of the national emergency in Executive Order No. 12938 during the period from November 14, 1994, through May 14, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 18, 1995.*

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Mr. Speaker, I was unavoidably absent for votes on May 10, 12, 16, and 17, and regretfully was not present for rollcall numbers 311, the rule under which H.R. 961, the Clean Water Amendments of 1995 was considered; 312, the Saxton amendment in the nature of a substitute to H.R. 961; 313, the Mineta amendment striking various provisions in the bill which allow waivers, exemptions, or modifications of current Clean Water Act requirements; 314, the Boehlert amendment regarding the Coastal Zone Management Program; 327, the Bateman substitute to the Lipinski amendment to change the formula for allocating sewage treatment plant construction funds; 328, the Lipinski amendment changing the formula for allocating Federal funds for sewage treatment plant construction among States; 330, to suspend the rules and pass the bill H.R. 1590 to require the Trustees of the Medicare trust funds to report recommendations on resolving projected financial imbalance in Medicare trust funds; 331, the Armey motion to permit standing committees and subcommittees to sit during proceeding of the House under the 5-minute rule; 332, the Boehlert amendment to define "wetland" more broadly under the Clean Water Act; 333, the Gilchrest amendment to strike language establishing a new definition of what constitutes a wetland as well as its detailed wetlands classification system; the Frelinghuysen amendment to allow States that are administering their own federally approved wetlands permit programs as of the date of enactment to continue administering their own programs rather than the new program established in the bill; 335, the Wyden amendment to provide that the Federal Government would not have to pay compensation for losses in property value caused by wetlands regulation in certain cases; 336, the Bonior motion to recommit the bill H.R. 961 to the Committee on Transportation and Infrastructure with instructions; 337, final passage of the bill H.R. 961, the Clean Water Act Amendments of 1995; and 338 to approve the Journal of Tuesday, May 16, 1995.

Had I been present I would have voted "aye" on rollcall votes 311, 312, 313, and 314; "no" on 327; "aye" on 328; "no" on 330 and 331; "aye" on 332, 333, 334, 335, and 336; "no" on 337; and "yea" on 338.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, I ask for this time for the purpose of inquiring of the distinguished majority leader the schedule for next week.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the distinguished majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the House will meet in pro forma session on Monday, May 22. There will be no recorded votes.

On Tuesday, the House will meet at 10:30 a.m. for morning hour and 12 o'clock noon for legislative business to consider three bills under open rules previously adopted by the House. The bills are: H.R. 614, the New London Fish Hatchery Conveyance; H.R. 584, the Fairport National Fish Hatchery Conveyance; and H.R., 535, the Corning National Fish Hatchery Conveyance.

We then plan to take up the rule and begin consideration of H.R. 1561, the American Overseas Interest Act.

On Wednesday and Thursday, the House will meet at 10 a.m. to continue consideration of H.R. 1561. We intend to finish H.R. 1561 on Thursday afternoon, and it is our hope to have Members on their way home to their families and their districts for the Memorial Day district work period by 3 p.m., Thursday.

The House will not be in session on Friday.

Mr. GEPHARDT. I would say to the gentleman I know of his interest in fish hatcheries and trying to improve fishing conditions all over the country. So I know of the importance of this legislation to the gentleman and to other people who are so interested around the country.

I would like to ask when the first vote would be expected on Tuesday, approximately what time?

Mr. ARMEY. I thank the gentleman. We are instructing people to be prepared for a vote as early as 12 o'clock on Tuesday next.

Mr. GEPHARDT. I would like to ask the gentleman if he could advise us when the last vote might be expected on Tuesday.

Mr. ARMEY. Tuesday evening we expect the last vote to be between 6 and 6:30.

Mr. GEPHARDT. I thank the gentleman. Could you also advise us what rule he would expect on the American Overseas Interest Act?

Mr. ARMEY. The Committee on Rules will meet on Monday. We anticipate a time-structured rule, but one that is as open as possible for the benefit of our Members.

Mr. GEPHARDT. And, finally, I would ask the majority leader, when we return from the Memorial Day recess, will we return for votes on Monday, June 5, or do you think it will be on Tuesday, June 6?

Mr. ARMEY. I appreciate the gentleman's interest. We have not yet resolved that, and the gentleman is correct to make the inquiry. We will try to get that resolved and announce it next week.

Mr. GEPHARDT. I thank the gentleman.

ADJOURNMENT OF THE HOUSE UNTIL MONDAY, MAY 22, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 23, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 22, 1995, it adjourn to meet at 10:30 a.m. on Tuesday, May 23, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–77)

The SPEAKER pro tempore (Mr. WALKER) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I hereby report to the Congress on developments since the last Presidential report on November 18, 1994, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979, and matters relating to Executive Order No. 12613 of October 29, 1987. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c). This report covers events through April 18, 1995. It discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 and matters relating to Executive Order No. 12613. Matters relating to the March 15, 1995, Executive Order regarding a ban on investment in the petroleum sector, and the May 6, 1995, Executive Order regarding new trade sanctions, will be covered in separate reports. My last report, dated November 18, 1994, covered events through October 18, 1994.

1. There have been no amendments to the Iranian Transactions Regulations, 31 CFR Part 560, or to the Iranian Assets Control Regulations, 31 CFR Part 535, since the last report.

2. The Office of Foreign Assets Control ("OFAC") of the Department of the Treasury continues to process applications for import licenses under the Iranian Transactions Regulations. However, a substantial majority of such applications are determined to be ineligible for licensing and, consequently, are denied.

During the reporting period, the U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the Iranian Transactions Regulations. OFAC and Customs Service investigations of these violations have resulted in forfeiture actions and the imposition of civil monetary penalties. Additional forfeiture and civil penalty actions are under review.

3. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. However, since my last report, the Tribunal has not rendered any awards although payments were received by claimants in late November for awards rendered during the prior reporting period. Thus, the total number of awards remains at 557. Of this total, 373 have been awards in favor of American claimants. Two hundred twenty-five (225) of these were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties, and 150 were decisions adjudicated on the merits. The Tribunal has issued 38 decisions dismissing claims on the merits and 85 decisions dismissing claims for jurisdictional reasons. Of the 59 remaining awards, three approved the withdrawal of cases and 56 were in favor of Iranian claimants. As of April 18, 1995, the Federal Reserve Bank of New York reported that the value of awards to successful American claimants for the Security Account held by the NV Settlement Bank stood at $2,365,160,410.39.

Iran has not replenished the Security Account since October 8, 1992, and the Account has remained continuously below the balance of $500 million required by the Algiers Accords since November 5, 1992. As of April 10, 1995, the total amount in the Security Account was $191,219,759.23, and the total amount in the Interest Account was $24,959,218.79.

The United States continues to pursue Case A/28, filed in September 1993, to require Iran to meet its obligations under the Algiers Accords to replenish the Security Account. Iran has yet to file its Statement of Defense in that case.

4. The Department of State continues to present United States Government claims against Iran, in coordination with concerned government agencies, and to respond to claims brought against the United States by Iran.

On April 18, 1995, the United States filed the first of two parts of its consolidated submission on the merits in Case B/61. Case B/61 involves a claim by Iran for compensation with respect to primarily military equipment that Iran alleges it did not receive. The equipment was purchased pursuant to commercial contracts with more than 50 private American companies. Iran alleges that it suffered direct losses and consequential damages in excess of $2 billion in total because of the U.S. Government's refusal to allow the export of the equipment after January 19, 1981, in alleged contravention of the Algiers Accords. As directed by the Tribunal, the United States' submission addresses Iran's claims regarding both liability and compensation and damages.

5. The Foreign Claims Settlement Commission ("FSCS") on February 24, 1995, successfully completed its case-by-case review of the more than 3,000 so-called "small claims" against Iran arising out of the 1979 Islamic revolution. These "small claims" (of $250,000 or less each) were originally filed before the Iran-United States Claims Tribunal, but were transferred to the FCSC pursuant to the May 13, 1990 Settlement Agreement between Iran and the United States.

The FCSC issued decisions on 3,066 claims for total awards of $86,555,795. Of that amount, $41,570,936 represented awards of principal and $44,984,859 represented awards of interest. Although originally only $50 million were available to pay these awards, the funds earned approximately $9 million in interest over time, for a total settlement fund of more than $59 million. Thus, all awardees will receive full payment on the principal amounts of their awards, with interest awards paid on a pro rata basis.

The FCSC's awards to individuals and corporations covered claims for both real and personal property seized by Iran. In addition, many claims arose out of commercial transactions, including contracts for the sale of goods and contracts for the supply of services such as teaching, medical treatment, data processing, and shipping. The FCSC is now working with the Department of the Treasury to facilitate final payment on all FCSC awards.

6. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. Similarly, the Iranian Transactions Regulations issued pursuant to Executive Order No. 12613 continue to advance important objectives in combating international terrorism. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 18, 1995.*

SPECIAL ORDERS

The SPEAKER pro tempore. (Mr. WALKER). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HOW BUDGET AND RESCISSION BILLS AFFECT PROGRAMS FOR OUR STUDENTS AT UNIVERSITIES AND COLLEGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, much of the debate today and yesterday about the budget and also the rescissions bill focused on programs for seniors, particularly Medicare and also Medicaid to the extent that it also impacts senior citizens, and I had previously spoken on the floor and stated emphatically how part of my opposition to the budget was based on the fact that it does have significant cuts in Medicare and how that will negatively impact our senior citizens. What I wanted to speak about today very briefly though are the parts of the budget, as well as the rescissions bill that we voted on today, that affect programs for students at our universities and our colleges.

Mr. Speaker, I happened to have a forum during the April break at Rutgers University, which is in my district, and at the forum a number of students expressed concern with the cost of higher education, how tuition continues to rise, how difficult it is not only at private schools, but also at public schools such as Rutgers University, to continue to meet educational expenses and how many students increasingly have to simply drop out of school because they cannot afford to pay the cost of higher education.

I say to my colleagues, "If you look at the two resolutions or bills that we passed today, in one case the budget and in the other case the rescissions bill, both of them in my opinion rely too heavily on cuts in programs for higher education, particularly as it affects students who are looking for scholarships, grants or student loans. The budget itself actually assumes a change in the current law to require college students to pay interest on student loans while they are still in school. Many students rely on Stafford loans or guaranteed student loans to pay for their college education or to pay for a significant portion of it."

Mr. Speaker, part of the problem is that under this budget measure the assumption is that while the students are at school they will have to pay back the interest on the loans. It is variously estimated, depending on how long you stay in school, for example, for undergraduate education, if you were to take the maximum student loan over the course of the four years, that you would end up paying as much as 20 percent more for your student loan after you graduate. If you defer your higher education and go to graduate school or professional school, the cost of that interest could even be higher as a percentage of what you have to pay back.

The rescission bill today also makes some significant rescissions or cuts, if you will, in Pell grants, which are grants that students receive to go to college who tend to be lower income, and also rescinds other additional money that is available for Federal direct student loans.

Now some people have said to me, "Well, what does it matter, Congressman PALLONE, that you know students have to pay more for their student loans or they don't get as much money for grants or scholarships? After all, they can always go out and work for a few years and then come back to college later." But I think that is ignoring two realities. One is that increasingly the cost of higher education is such that it is not that easy to take time off, and make up the money, and then go back to school; and, secondly, that we are in a world where we are competing with other countries, and, if we have to set up the higher education system where many of our students have to defer going to college for a number of years before they can go because they have to work on the private sphere in order to pay for it, well, we are losing people, a lot of people, who would otherwise receive a higher education and be a productive member of the work force in the career that they have chosen and perhaps that they will be best at.

I also think it ignores the fact that in the last 29 or 30 years many of us were able to take advantage, including myself, of these student loan programs and grants programs, and now we are seeing those of future generations will not be able to take advantage of them. I think it is a mistake on our part to cut back on funding for higher education. You have to think about educating our students and educating our fellow Americans. If we do not provide that commitment that has been traditionally provided for the last generation or two to pay and provide Federal help for higher education the way we have, then it really says a lot about the value of education in our society. It says we do not value it very much.

So, even though both measures, both the budget and the rescission bill passed today; I did vote against both of them in part because of the impact on Medicare and Medicaid on senior citizens, but also in a major part because of the effect on higher education, and the student loans, and the student grants that so many of our students increasingly depend upon.

THE REINCARNATION OF TV MARTI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Madam Speaker, I am certainly not a fan of the Republican budget resolution. But there was one item in it that made a whole lot of sense—the idea of terminating TV Marti. It is long past time we stopped spending $12 million a year to beam to Cuba in the middle of the night TV programs that nobody sees.

I was pleased when Chairman KASICH took on the powerful Cuban-American lobby and proposed eliminating their pet project. And on this point, it sure looked like the committee intended to go along with that proposal.

At the markup on May 10th, the Budget Committee had before it both budget figures and a document with policy assumptions on how to meet those budget goals. The policy document listed a decision to "terminate broadcasting to Cuba" as one of the cuts needed to achieve the budget-cutting goals for the international assistance portion of the budget.

The draft committee report circulated on May 12, after the committee passed the budget resolution, stated:

> Overseas broadcasting played an important role during the cold war, but has become and expensive anachronism with the advent of global satellite television broadcasting. Likewise, the technology used by Voice of America and WorldNet limits their potential audiences and makes those systems inefficient and expensive. TV Marti has achieved little success broadcasting to Cuba.

Any reasonable person would interpret all this to mean that the Committee supported termination. Many observers of the budget process reached this conclusion. The Federal Page of the Washington Post on May 11 listed "Terminate Voice of America and Radio Marti broadcasts to Cuba" as one of the items in its "'House Republicans' Blueprint to Balance the Budget." (p.A21) The Miami Herald in a May 14 page one story called "Cuban exiles losing clout in D.C." reported, "To help balance the U.S. budget by 2002, the House budget committee called for eliminating funding for (Radio and TV Marti) next fiscal year." (p.1.)

Then a most amazing thing happened. The final version of the committee report that was filed on May 15 reversed the Committee's apparent policy decision to terminate TV Marti. The sentence "TV Marti has achieved little success broadcasting to Cuba" was deleted. All the rest of the paragraph declaring overseas broadcasting "an expensive anachronism" remained intact. But where first appeared the admission that TV Marti was a flop, there now magically appeared the wholly contradictory statement that "Funding, however, is available for Radio and TV Marti."

This is an interesting situation. The report now recommends getting rid of all USIA broadcasting programs—VOA, Radio Liberty, Radio Free Europe—but makes a specific exception for TV and Radio Marti.

What happened over the weekend that resulted in this complete reversal? Who pressured Chairman KASICH to turn around on this and rewrite the report language? And what else in this budget has been changed after the committee vote? This is yet another demonstration of how difficult it is to kill a program, even when the program does not work.

I want to give credit to Chairman KASICH for his effort to go beyond generalities, to details, in his budget resolution. This experience with TV Marti gives new meaning to that old saw, that the devil is in the details. It also, I am afraid, undermines the credibility of the entire exercise.

THE INTRODUCTION OF THE NATIONAL WILDLIFE REFUGE IMPROVEMENT ACT OF 1995

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska [Mr. YOUNG] is recognized for 5 minutes.

Mr. YOUNG of Alaska. Madam Speaker, I am very pleased to introduce today, along with a number of our colleagues, the National Wildlife Refuge Improvement Act of 1995.

This legislation, which is the product of many months of careful deliberation, would be the first comprehensive refuge reform bill since the enactment of the National Wildlife Refuge System Administration Act of 1966.

While that landmark statute, which was authored by the distinguished gentleman from Michigan, JOHN DINGELL, nearly 30 years ago has served our Nation well, it is time that we update that law and, by so doing, improve the management of our Nation's wildlife refuge system.

At present, the system is comprised of 504 refuges, which are located in all 50 States and the 5 U.S. Territories, totaling about 91.7 million acres. These units range in size from the smallest, the 1-acre Mille Lacs National Wildlife Refuge in Minnesota, to the largest, the 19.3-million-acre Arctic National Wildlife Refuge. In the last decade, 81 refuges and approximately 3.6 million acres have been added to the system.

While millions of Americans engage in various recreational activities each year on public lands within the system, there have been several recent developments that have caused great concern.

For instance, in October of 1993, the U.S. Fish and Wildlife Service settled a lawsuit filed by the National Audubon Society by agreeing to undertake a comprehensive system-wide "compatibility" study, to expeditiously terminate certain secondary uses, and to redirect their funds away from recreational and wildlife-dependent activities.

In addition, the Clinton administration has recommended that refuge funding be sharply reduced by deferring maintenance projects and upkeep of public use facilities, including trails, observation towers, and information kiosks. This recommendation is worrisome because without proper maintenance, the service may prohibit certain uses on our refuge lands.

While it is appropriate to periodically review the compatibility of certain activities, there is no statutory list of purposes for the national wildlife refuge system and no statutory definition of what constitutes a compatible use of a refuge. Without this guidance, individual wildlife managers have broad discretion to prevent or disallow recreational activities which do not materially affect the purposes of the refuge or the refuge system.

In fact, earlier this week my committee held a hearing on a bill to transfer the management of the Tishomingo National Wildlife Refuge to the State of Oklahoma. The overriding reason for H.R. 1112 was a decision by the local refuge manager to prohibit boating, camping, fishing, and picnicking in portions of the Tishomingo Refuge. These restrictions will prevent many people from enjoying activities that have occurred since the refuge was created nearly 50 years ago. It is time to manage the refuge system on a nationwide basis and to make compatibility determinations based on clear statutory language and not emotion or individual bias.

Another issue that has caused great concern for many Americans involves the Fish and Wildlife Service's refuge land acquisition policy. When a new refuge is created or additional acreage is added to an existing unit, all traditional activities, including fishing and hunting, are prohibited until a management plan is completed. This can take several years and, in the meantime, millions of Americans are denied the opportunity to enjoy the natural resources that exist on these lands.

Finally, while the number of refuges continues to increase, there is no requirement to complete a conservation plan for each refuge. In my judgment, these plans are essential because they would identify the purposes of the refuge; the fish, wildlife, and plant populations; their habitats; any archaeological values; opportunities for fish- and wildlife-dependent recreation; potential sites for administrative or visitors facilities; and ways to correct or mitigate any problems. The general public would be strongly encouraged to participate in the writing of these plans.

Our Nation's wildlife refuge system must be managed more effectively in the future. This system, which was first envisioned by President Theodore Roosevelt in 1903, needs to have a statutory list of purposes, uniform guidelines to determine what activities are permissible, comprehensive conservation plans, and the enthusiastic support of the American people who finance this system not only with the payment of their tax dollars, but also by purchasing duck stamps and paying excise taxes on fishing and hunting equipment.

These are the goals of the National Wildlife Refuge Improvement Act of 1995. This legislation will build upon and improve current law by: making wildlife-dependent recreation, including fishing and hunting, a purpose of the refuge system; defining the term "compatible use"; allowing historical uses to continue on newly acquired lands unless those uses are determined to be incompatible; requiring conservation plans for each refuge within 15 years; providing that fishing and hunting are permitted unless a finding is made that these activities are inconsistent with either the purpose of the refuge or public safety; and emphasizing a cooperative relationship with the States who have primacy on the management of fish and wildlife.

Mr. Speaker, this legislation will restore the wildlife refuge system to the goals and intent of the National Wildlife Refuge System Administration Act of 1966. It will ensure that this system is alive and well for all our constituents in the 21st century.

This measure has been endorsed by the California Waterfowl Association, the Congressional Sportsmen's Foundation, the National Rifle Association, Safari Club International, and the Wildlife Legislative Fund of America. Furthermore, the views of the International Association of Fish and Wildlife Agencies and the Wildlife Management Institute have been sought and incorporated into this process.

I would urge my colleagues to join with me, JOHN DINGELL, JIM HANSEN, BILL BREWSTER, JOHN DOOLITTLE, BILLY TAUZIN, PETE GEREN, SOLOMON ORTIZ, ELTON GALLEGLY, JIMMY HAYES, KEN CALVERT, BLANCHE LAMBERT LINCOLN, J.D. HAYWORTH, FRANK CREMEANS, BARBARA CUBIN, WES COOLEY, JOHN SHADEGG, and J.C. WATTS in this important effort by cosponsoring the National Wildlife Refuge Improvement Act of 1995.

CONTINUATION OF REMARKS ON 50TH ANNIVERSARY OF WORLD WAR II

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. DORNAN. Madam Speaker, a pretty exciting and historical day today. What I wanted to do was to add to this history by keeping a promise I made last month that I would finish my remarks on what was happening 50 years ago this week. The war in Europe had ended, but the struggle for the small series of islands comprising Okinawa and a smaller group of subsidiary islands was one of the bloodiest fights of the Pacific campaign.

Before I move forward to 1945, let me point out the stories of two friends of mine. Today, 30, years ago, in 1965, my best friend in the Air Force, David Hrdlicka, was shot down over Laos. He was only TDY, down from the wing on that island of Okinawa that so many young men had died on just 20 years before, and during the 20th anniversary of that 1945 struggle there we were taking the first small steps back into combat in Asia. David was in what I thought at the time was the world's greatest aircraft. I was desperately asking the Air Force to recall me to active duty so that I could fly Mach II, the world's only Mach II, twice the speed of sound, aircraft, the F–105 Thunderchief, which was eventually nicknamed after Robert Strange, evil, McNamara's no-win war. It was the thud, semi-affectionately given that name because of the number shot down coming into the Red River Valley, into the target area over Hanoi and Haiphong, the sound of the big F–105 hitting the ground, the thuds. More Republic F–105 aircraft were lost in combat, prorated to the number of planes that flew in Southeast Asia, than any other plane in the war. It carried the major burden of bombing up north along with magnificent efforts on the part of the Navy's A–4's, F–8's, and F–4's, and then eventually A–6 Intruders.

□ 1915

But the 105 was a special airplane. I remember sitting with Dave Hrdlicka in the base theater at George Air Force base when some test pilots came over from Edwards Air Force Base, our Air Force test center, and threw up on the screen big pictures of the F–105. We had only seen pictures of the Mach-2 F–104 Starfighter a few months ago, but unlike the Starfighter, a tiny airplane, with small, 7-foot wings, the F–105 was the biggest fighter aircraft ever made, longer from the pitot boom and its nose to the tip of its vertical stabilizer than was the World War II four-engine B–17 Flying Fortress.

So there was Dave, having completed with his lovely wife Carol and their little babies, a great tour in England, flying another outstanding aircraft, the F–101 Voodoo. David flew at Bentwaters, which had the only fighter version of the F–101, all the rest were interceptors or reconnaissance versions. A unique situation to have only one Air Force wing of three squadrons in the whole world where they, a two-engine fighter, the predecessor to the four-generation, four-decade Phantom, David, I thought, was leading a charmed life from George Air Force Base in the beautiful Mojave Desert to England with all of its culture, defending Europe from the evil empire, and then home for a while and then to this great assignment at Okinawa. And suddenly here he is, flying over a country that only a few years ago became famous because of a young President's accent talking about chaos in Laos. And Dave gets hit from the ground.

Not a damaging hit to him personally, but hit the rear of the airplane, made a radio call calmly that he was going to have to eject. His wing man saw him come down into a clearing. As he was disengaging from his parachute, trying to come up on his radio, they saw men surround him, probably Communist Pathet Lao soldiers. And he was taken off into the woods at the edge of a clearing.

Years later, a photograph appears in Moscow, reprinted in the Long Beach, CA newspaper and sent to Carol where she had gone home to her family to be near a ranch which was her upbringing with young children. And somebody who knew the Hrdlickas from the Air Force said, I think this is David's picture in this Long Beach newspaper. And they sent it to Carol.

She looked. Sure enough. Dave was very distinctive, stocky, typical fighter pilot, handsome face. And Carol called the Air Force at the closest base, which was probably Lowry and said, "Where is the briefing on my husband? Here is his picture."

They were so embarrassed. I remember Carol telling me that they got the highest ranking officer in the entire area, a brigadier general, a man who knew absolutely nothing about the missing in action cause, and they sent him out to Carol Hrdlicka's house to say something, anything. It was embarrassing for her and for him.

Thirty years later to this very day, Carol is still finding out things from records that are being released that were never told to her, including a rescue operation to free David who at one point in the late 1960's, he was a known prisoner for 5 or 6 years, was held in a cave with Charlie Shelton.

Charlie had been shot down in a reconnaissance aircraft, David being the first fighter aircraft downing in Laos. Charlie had gone down on his 33d birthday, on April 29, 1965.

I meant to come to the well and remember Charlie, too, although I did not know him. He was my vintage, a pilot training graduate. David was a year behind me. I got to know his wife Marian as well as I knew Carol over the years. Marian committed suicide during the 25th year of Charlie's imprisonment. He was kept on record as a POW, the last one, the one and only POW until a few months ago.

I went to his remembrance ceremony at Arlington with his five grown children, children that would have been Charlie's grandchildren. His oldest son is a Franciscan priest. The Hrdlicka family is also Catholic.

These two men were known to be held together in a cave, Charlie and Dave. For years reports coming out through intelligence sources of several escape attempts, a report once that Charlie had been wounded twice, recovered from his wounds, same kind of rumors about David. Then, as I said on Jefferson's birthday last month when I declared for the Presidency, they just sort of disappeared into the mist of Asian history. I will not accept that.

That is why next month, as chairman of the Military Personnel Subcommittee, I am going to have hearings with a focus just on Laos, what happened to Col. Charlie Shelton and what happened to then a young major, now a colonel, when he was declared presumptive finding of death, what happened to David Hrdlicka?

What happened to the other 300 men that all went down somewhere around Laos?

It is interesting that the current Assistant Secretary for Asian Affairs, Winston Lord, a former Ambassador, wrote the memo to Kissinger that Henry Kissinger fed to Nixon that had Nixon go on national television when the fourth and final big C–141 Starlifter brought our men back on those freedom flights from Hanoi in the spring of 1973. The first flight landed appropriately on Lincoln's birthday, February 12.

Six weeks later the fourth and final freedom flight came out, and they all flew nonstop from Hanoi's main Mig base airfield, still shot up from Linebacker II operations. They flew nonstop to Manilla. For men like our own SAM JOHNSON, who served so brilliantly and loyally on this side of the aisle, who was part of this historic vote today of 238 to 193, SAM had not had a warm shower in 7 years until he hit Clark Air Force Base in the Philippines, let alone a decent, warm meal. Several of the men told me they consumed five hamburgers and then would go to waffles and bacon and eggs. And the flight surgeons were sitting right there and said, "Go ahead, gorge yourselves." But it was amazing to see so much passage of time, twice as long as World War II at 3½ years, twice as long as World War II was SAM JOHNSON imprisoned. And there was one Green Beret, Floyd Thompson, who was in exactly a week shy of 9 years.

It brings back memories of mine, made me want to run for Congress, to see if I could change this Government. It was so insufferable that an evil man like McNamara could allow the best and the brightest of our military academies, the best and brightest of our aviation cadets and ROTC graduates to rot in prison for 9 years, 8 years for Ed Alvarez and 7 for men like SAM JOHNSON, in Laos. Nothing.

Then Winston Lord feeds this memo to Henry Kissinger, by then Secretary of State, and he feeds it to Nixon. And Nixon goes on television and says, all the men who were prisoners in Laos have been accounted for. Well, that absolutely was not true.

The North Vietnamese Communists, in an ugly little effort at the very end on that bright morning in Hanoi, end of March 1973, took 10 men who had been captured in Laos by North Vietnamese troops and all taken into the Hanoi prison system, except for one, a CIA Air America man named Ernie Brace, who had been in a small prison at Dien Bien Phu, where the French had lost their final battle in the spring of 1954. Ernie Brace was held at Dien Bien Phu for 3 weeks. And then he, like the other nine, was immediately moved into the Hanoi prison system. So these were North Vietnamese, Hanoi-held prisoners.

Nixon either deliberately or knowingly announced to the world, all the Laotian-held prisoners are home. And not a one was home. Not Charlie Shelton, not David Hrdlicka, not any of the other roughly 298.

I remember saying at the time, I have been saying it for the last two decades, where was the warning to our men that if your plane is shot up over the target areas over North Vietnam and you are smoking or you are losing power, or your pieces are coming off your airplane, do not try to get across Laos, back to your Thailand bases? Do not try to rendezvous with a helicopter, that rescue, Jolly Green Giant chopper in sight, bend it around, punch out, and parachute into North Vietnam, because there your odds are about 75, 80 percent that you will be coming home someday. But if you bail out over Laos and that chopper does not jerk you out, the penetrator cable does not come down and pull you out of a triple canopy jungle, you will never be heard from again by your fellow citizens. What an ugly shame.

So at the hearings next month, maybe I will have one of the grown Shelton sons or daughters come and tell us what these 30 years and 20 days have been like for them. I know Carol, Carol Hrdlicka has said she will come to tell us what her struggle has been like, trying to get justice out of her Government for 30 years.

And because Carol is watching on television, I wanted to tell another story involving another hero who passed away a few days ago on May 7. He was a family friend. I only met him once as a young boy. My mother had met him when he was assigned to Palm Springs Army Air Force Base. Basically a P–38 base, and a B–26 wing was coming through, the B–26 Martin Marauder, the 22d bomb wing was on its way to the South Pacific, the first medium bomb wing to go over, the first B–26 Marauders to go into combat.

Walter Krell was a young captain. My mother had on the dresser in her room a picture of herself, my aunt, who is still alive and vigorous, I hope she is watching, Flo Haley, the wife of the tin man in the Wizard of Oz, and some other friends. They were trying to buck up the spirits of these young P–38 and B–26 pilots on their way to the South Pacific.

They would sometimes pool their money and see if they could not get a plane ticket or very rare DC–3 flight to have the wives come and join them in Palm Springs. And my mother used to tell me about this picture. He was handsome, Walter Krell, looking a little bit older than the other young fighter pilots. There was one very young handsome pilot named Pepino. My mom would point to him and say, Pepe, as the men called him, said:

> Why are they making us get all of the various shots, going into a jungle area, inoculations, because none of us P–38 pilots are coming back; we are all going to get killed in combat; we are working out how to use this big heavy P–38 against these light superior Japanese zeros, and the young men that come after us, they will whip the Japanese zeros, but we are the guinea pigs.

And she said he pointed over to Walter Krell and said:

> Walt over here, he will probably come back because he has got bomber duty.

Well, for the bomber pilots, it is every bit, if not even more hazardous. But Walter Krell, in this photograph with four or five fighter pilots and himself, he was the only one who came back.

I remember meeting him on Waldron Drive in Beverly Hills when he came to see us. He was so old looking and mature. I was 12 years of age. He could not have been more than 26 or 27. And I remember him having dinner with my parents and spending the day with us and telling a few stories about the South Pacific. After I came to this Congress, on my second tour here in the mid-1980's, I got a letter from a Walter Krell, a veterinarian in Yreka, Northern California.

□ 1930

He said "Are you BOB DORNAN, the son of Mickey Dornan," my mother, "who gave me a small St. Christopher to wear around my neck, which I wore through 120 combat missions in the South Pacific? Is that you? Because your mother wrote me in 1953 and asked for that small St. Christopher back, so that her son could wear it through pilot training."

Madam Speaker, here is that St. Christopher medal, on the back of a larger medal with the face of Christ. This little St. Christopher took Walt Krell, who died Sunday, May 7, took him through 120 combat missions, including flying lead when President-to-be Lyndon Baynes Johnson was getting his one combat ride, for which Sam Rayburn engineered a Silver Star, amazingly. When Lyndon Johnson was in the back of another B–26 it was off Walt Krell's wing, then first lieutenant, soon to be Captain Krell, was leading—he was a captain by then—he was leading this flight when Japan's leading ace, who is still alive, I believe, Saboro Sakai, was rolling in trying to shoot down one of these B–26's, the one with Johnson on it, or the one that was leading the flight with Walter Krell.

When I got in touch with Walter and found out there was a painting out there of his beautiful B–26 in combat, from the point of view of Saboro Sakai rolling in on him, I sent it to Saboro Sakai. He autographed it and last year Walter sent it back to me with his autograph on it.

Here is an article that Walt sent me that I put in the CONGRESSIONAL RECORD last year. I would like to read part of it to America here, to the million or so people that watch this, to give a little bit of the flavor of a young Walt Krell in the South Pacific in 1942, the darkest year in American history since the Civil War, and maybe after the hearings next month with Carol Hrdlicka, I will do something from the Shelton children and something from the Hrdlicka children. I have gotten to know Dave, Jr., who flew F–18 Hornets in the Navy and is now an American Airlines 727 pilot, I think, domiciled out of Houston.

By the way, today, Madam Speaker, I chaired my first subcommittee ever, the Military Personnel Subcommittee. It was a good chairman's mark in that we have 39 pages of the best legislation I have ever seen, section 563, "Determination of the Whereabouts and Status of Missing Persons."

The gentleman from New York, BEN GILMAN, originated this legislation in the Committee on International Relations, and Senate majority leader BOB DOLE, a World War II veteran over on the Senate side. I am very proud of this. I hope that anybody that is interested in this and wants to see it will write to the Committee on Armed Services and get this legislation. Anything we have missed here we will perfect with this focus on Laos next month.

By the way, when Walter Krell, about 24 or 25 years old, was flying B–26's in 1942 out of New Guinea, BOB DOLE would have been 18 years of age, thinking about becoming an Army officer and going either to the Pacific or to Europe.

Here is Walter Krell's article entitled "Incendiary Bombs to Rabaul."

"In early 1942, Army Air Force Ordnance developed an aerial incendiary bomb, a device 4 feet long and 16 inches or so in diameter. It consisted of 36 individual incendiary units, tiny bomblets with fins and detonators all wired together. The entire bundle, or contained unit, was attached to the shackles on our Martin B-26 Marauder bomb bay racks like an ordinary bomb, to be released in the standard way. Each B-26 would carry 30 or more of these incendiary clusters.

There was one simple difference between high explosive bombs and incendiary bombs. When the arming wire was pulled away upon release of these new incendiaries, a shotgun shell would fire a slug that would cut the wires holding together the bundle of bomblets. Then the 36 individual bomblets would break up, releasing each separate incendiary unit to fall on the target. The arming wire was supposed to be of sufficient length to allow the incendiary mother-bomb to clear the aircraft before the arming wire pulled loose and fired the shotgun shell thereby dispersing the cluster. Of course, nobody bothered to tell that to the B-26 aircrew/gunners who helped with bomb loading, so they routinely clipped the wire short as was done with ordinary iron bombs. The result was that upon 'bombs away', the clusters came apart while still within our bomb bays, clattering around and bouncing off the structural members of the aircraft. These incendiary bomblets were magnesium, and had any of them lodged in the many angular recesses of the fuselage, it would have been very exciting indeed.

"When I experienced the first release of incendiaries my B-26 was flying only 15 feet above those powerful little bomblets tumbling away, when many of them began igniting and burning. After that the bomb loading of incendiaries had the undivided attention of our entire crew of 6." In those days they did use two side door gunners.

"Now that we, in the 22d Bomb Group, had interesting new bombs, it was decided they should be delivered all over the docking facilities at Rabaul. The first mission to try to do just that would be a flight of three Marauders. Lt. Chris Herron would lead and Lt. George Kersting would be flying his right wing with me on his left."

For all I know, the family members of one of these two men are hearing their name now on the House floor.

"After an early morning take-off from 7-Mile Airfield near Fort Moresby, New Guinea, our Marauders flew northeast, climbed over the Owen-Stanley Mountains, descended over the north coast of New Britain, and then turned east to Rabaul Harbor. Unhappily, for an undetermined cause, gasoline siphoned from my right wing tanks for a full 45 minutes after takeoff. Because we never returned home from those long Rabaul missions with much fuel to spare, my crew was obviously worried. To turn back, however, would have aborted the raid for the other two crews. We flew on.

Chris Herron was clever the way he took us in to the target. Still heading east, we kept descending and skirted the north side of the Rabaul Harbor at low level, then banked right and pulled into a hard 180-degree turn up and over the rim of the volcanic hills that circled the harbor on the north side."

I might remind people that this was the major Japanese forward staging air base and harbor for capital ships in all of the South Pacific.

"I remember clearly from my left wing position in our very tight turn, looking to my right across Herron's B-26 and seeing George Kersting's propwash mash down the tops of coconut trees. Chris then rolled us right down on the deck and along the wharfs, and headed west.

"There was a Japanese cargo vessel tied up broadside along the first dock with dozens of loading personnel moving about on the freighter's deck, and at dockside. All of them were totally surprised. I vividly remember their reaction of panic. Two Japanese loaders were carrying something up a gangplank that resembled a litter. Suddenly they dropped the litter and while the guy in the back was still looking up, the guy in front wheeled around and charged back right over the top of the litter thing, and slammed into the guy staring up at us."

Madam Speaker, I flew the B-2, the flying wing, the "Spirit," B-2 "Spirit," on the first of this month, 6 days before Walt died. I was going to call him and see if I could come and see him, traveling around the country in this quest. That is a two-engine airplane. He would have gotten a big thrill, and I'm sure he is listening now—if he is not, he was busy in his first—he is in his 12th day up there in that big hangar in the sky.

This is a story that is hard for pilots to realize how things are burned into your brain, little quick shots. Imagine coming across the water at full speed, a full load of bombs, a surprise attack on the biggest Japanese harbor in the South Pacific, and your eye is picking up this scene on the dock of a guy turning around and running into the guy at the back of the litter, staring up at Walt Krell's B-26.

"I could see that Lt. Herron intended to try to take out this ship, which was positioned parallel to our line of flight. This would have forced me to waste my bombs out in the open harbor to my left, so I dropped down and moved ahead of Chris and took the lead, forcing our formation to the right over the docking area with its stacked supplies and many warehouses: "Bombs away." I immediately banked left and headed south towards the Rabaul channel and away from the exploding docks, thinking Herron and Kersting would hang onto my right wing until we were clear and I could slide back into position.

"Chris apparently went his own way, but in my left turn I could not see where he was. Not wanting to roll back into him, I continued my hard turn, yelling to my co-pilot to try and pick up the formation. I was now heading back around toward the east rim of the harbor with anti-aircraft flak popping all around us, and some of it starting to explode much too close.

"I twisted my Marauder back and forth to foil the anti-aircraft gunners until I was back across the harbor east rim and above an active smoking volcano. In spite of this fast-moving action, I was fascinated by the volcano's shimmering, silvery walls as I pushed over and dipped down inside the crater itself. I banked again changing course back to the right, and then flew up and over the volcano's western lip.

"There below, streaking out through the Rabaul Channel," right on the deck, "were Herron and Kersting, so I winged over and swooped down to join up. We were back in a three ship 'V' formation just as the Japanese Navy Zero fighters jumped us. It was touch and go for about 20 minutes, when straight ahead loomed a sheer wall of thick clouds, black, with torrential rain. We spread out and plunged into the weather, very happy to wipe off the swarming enemy fighters. Tropical fronts were not new to the pilots of our bomb group, but never before had we encountered anything to equal the intensity of this storm.

"Within minutes our 2,000 horsepower radial engines started to run roughly because of the excessive cooling of the heavy rain. The rainwater was also driving into the magnetos, which are mounted up forward on the Pratt and Whitney engines. We closed our oil shutters and cowl flaps, but that did not seem to help much. In most South Pacific rainstorms, we found there was usually a clear gap for your aircraft to fly between the ocean and the bottom layer of the weather front. But not this time. In order to see, so I could stay above the waves, I was aided in flying by opening my side window."

I can hardly imagine this.

"After about 25 intense minutes, I flew out of the extremely turbulent storm clouds and made a climbing turn to see if we could pick up the other two B-26's. The skies were empty, and with no radio response to our many calls, we headed for home.

"My co-pilot was I.B. Against my sense of justice, I withhold his full name."

Actually, Walt Krell had his name in. It was my sense of justice when I helped rewrite this that took out his name.

My co-pilot "had not been overjoyed with my maneuvers in dodging the flak back at Rabaul. He was particularly unhappy when I had to whack him across the mouth with the back of my hand to get him off the controls during my in-and-out-of-the-volcano caper."

I guess you would not find this in a Hollywood script, Madam Speaker.

"He was sulking as we gained altitude to clear the Owen Stanley Mountains once more. The weather was now clear, with some broken clouds. I told I.B. to take it, and to make sure to clear the mountains by at least 1,000 feet. Then within minutes I fell dead asleep."

It is kind of a thrill to know that the St. Christopher that I have been wearing for 42 years was around his neck at this moment.

"I woke a short time later. We had cleared the mountains and were in a gradual descent, but my co-pilot was definitely not relaxed at the controls. Instead, he was staring straight ahead with a strange look on his face. My cockpit was in shambles, with scattered papers, maps, and manuals strewn everywhere. I turned around to check the guys in the navigator's compartment, and they were ashen-faced. 'What the hell happened?' I asked, quickly figuring out that my co-pilot had skimmed the mountain too low and had gotten into an awful thump of a turbulent downdraft. Suddenly at that moment the right engine quit, starved for that 45 minutes of fuel that had siphoned overboard on our climbout. I quickly feathered the right prop. We were very light by now and had good altitude, so we easily made our 7-Mile Airfield home base. While still on the landing roll, our left engine quit, also out of gas. I was able to coast off far enough to one side to clear the runway and wait for a tow. George Kersting's Marauder made it home shortly after us, but no sign of our lead B–26.

"Within hours we learned that Chris Herron had lost an engine because of the heavy downpour in that tropical storm. Chris' co-pilot, an Australian officer who was a former airline pilot, advised that they fly due south. The Aussie co-pilot knew of a small island with a landing strip. Herron opted to land with their gear down. Tragically, the B–26's nosewheel folded and the aircraft flipped over on them, crushing the cockpit. Chris and his Australian co-pilot were killed. The bombardier and navigator, Lieutenant Barnhill and Lieutenant Wright, survived the crash, as did the two crewchief gunners."

If you are alive out there, Lieutenant Barnhill or Lieutenant Wright, please write Congressman BOB DORNAN.

"Chris Herron was truly one of the great ones, a natural leader who earned the praise and affection of his crew and all of his colleagues in the 22d Bomb Group. A day or two later I flew my B–26 "Kansas Komet," that's right, Walter Krell grew up, just like BOB DOLE, in Kansas, "I flew the 'Kansas Komet' back to Australia. As I chopped our engines on the ramp at Townsville Airfield, my co-pilot, the same I.B., was the first one out and on the ground. When I hit the ground, he snarled at me 'I will never fly with you again, and I will never fly in that airplane again.'

□ 1945

I told him he was breaking my heart.

And what did our outstanding group leadership do with this disgruntled lieutenant? Why, they let him hang around group operations for several weeks, assisting in the combat briefings for the rest of us who were flying missions while the colonels found somewhere else to transfer him. A General Jimmy Doolittle would have ripped off his wings, stripped him down to his jock strap and had him tethered to a mule harness to start supplies over the Owen Stanleys.

Several weeks after that first incendiary mission, Capt. Al Fletcher, our 22d Group intelligence officer, told me that a Japanese diary had been recovered from a crashed enemy aircraft. In the diary the writer told of an incendiary raid on Rabaul by three Martin B–24 Marauders that had caused many fires, all of which had been contained except for the fires caused by the incendiaries that had fallen into the open hatch of a moored freighter.

Those fires on board the ship could not be controlled. They reignited the dock and then the warehouse area, burned fiercely for hours, and came within a fraction of torching off a large ammo dump.

I am sorry I never saw that captured diary that described the impact of Lt. Chris Herron's final mission for his country. Yes, sir, he was one of the very best.

That is all I know about Chris Herron. And another of America's World War II heroes, Walter Krell, goes to his eternal reward on Sunday, May 7. A few years later on that island of Okinawa, here is what a small press report sounds like for yesterday:

"The 6th Marine Division makes its 11th attack on May 17, 1945," 50 years ago yesterday, "up Sugar Loaf Hill after a pulverizing bombardment by Navy and Marine artillery, fighter bombers and naval gunfire. Once again the Marines take the hill crest but suffer heavy casualties and must withdraw."

Madam Speaker, I want to read that again. What was happening 50 years ago as we began to clear out the German concentration camps on the other side of the world, and try and save people dying by the hundreds if not thousands because they only knew a few days of freedom, they were so malnourished, before God took them.

But here on the other side of the world, on Okinawa, far worse than what I had talked about on the House floor, the casualties at Iwo Jima, but here in this 86-day battle, still not over, that started at the beginning of last month, here on the 11th assault on Sugar Loaf, I walked this terrible ground on Okinawa once, could hardly conceive of the change of real estate, ugly real estate, back and forth. They must withdraw after winning the ground on the 11th attack.

Nearby the First Marine Division takes Wana Draw and knocks out some of the Japanese big guns that were zeroed in on Sugar Loaf. Then the Army comes in, a surprise dawn attack by the 77th "Statue of Liberty Division." They take a ridge on the Shuri line, eastern end. The 77th also reaches the top of Flat Hill Drive, takes it.

And then the 77th Division is driven off by a counterattack. What would make young American Marines and GI's give up ground that they had just taken? Only one thing: horrible casualties. Wounded and dying men all around you. Seeing in that clear Pacific air hundreds of Japanese infantry forces who were fighting with an incredible spirit, that if we had ever had to invade Japan would have killed a million of them and 300,000 of our men.

Hence the stupidity and arrogance of this argument over at the Smithsonian over how to display the fuselage of the Enola Gay, coming up on the 50th anniversary of the first two atomic bombs on August 6 and 9. It was merciful to the Japanese in this frenzy of combat.

And all this killing is still going on down in the Philippine Islands 50 years ago today. Although the Japanese down there were falling back, here they are fighting with a courageous ferocity. Offshore a kamikaze sends the destroyer Douglas H. Fox back to the States for extensive repairs.

As I recall, the day before this 50 years ago the Enterprise had been hit; the Enterprise, which had not been at Coral Sea but had survived the battle of Midway, all the serious combat around Guadalcanal and all the Solomon Islands. It had been in the battle of the Philippine Sea, in the battle of Leyte Gulf. It had more battle stars than any other carrier, had counted for shooting down, I think, 991 Japanese airplanes. It gets hit by a Japanese kamikaze, loses its forward loading elevator and is on its way back to Puget Sound on this very day 50 years ago.

Then planes from the carrier Ticonderoga further south attacked the Japanese garrisons on Taroa Island and Maloelap Atoll in the central Pacific Marshall Islands.

So we have got combat going on Okinawa, still looking for a last few snipers down in the caves in Iwo Jima, fighting in the Philippines and attacking some of the other Japanese naval bases.

Madam Speaker, here to personalize this, which I would like to do, down to one man. In my Medal of Honor book here is a story about the young Marine major and how tough people would fight to inspire their men. An incredible story.

This one more story about day before yesterday. A battalion of the 6th Marine Division led by Maj. Harry Courtney makes an American banzai charge on Okinawa's Sugar Loaf Hill. This was 2 days before this 11th attack today and yesterday.

The Marines take the hill and then are driven off. Courtney is awarded a posthumous Medal of Honor.

B-29's destroy, meanwhile, up in Japan the Mitsubishi aircraft engine plant and 3.6 square miles of Nagoya. The Japanese sowed the wind and now they were reaping the whirlwind.

Meanwhile U.S. scientists and bomb experts at Los Alamos, NM select Hiroshima, and now comes the lucky names, for target, Kokura spared by God's call, I guess, Kyoto, one of the 5 biggest cities, and Yokohama, second biggest city, all likely targets for atomic bombs.

Hiroshima, which ironically was the most Christian city in Japan, and Nagasaki, where Portuguese Christian missionaries, Jesuits, had landed years before—they were selected. Hiroshima seems especially a good target because the surrounding hills will focus the blast.

Now to Major Courtney. His name is Henry, same as my dad. Same nickname, "Harry." Harry Courtney, 29 years of age, was awarded the Medal of Honor for 2 days of action, the 14th and 15th of this week, 50 years ago, May 1945.

"U.S. Marine Corps Reserve, born 6 January 1916 in Duluth, MN. Appointed from Minnesota. For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty, as the exec. officer of the 2nd Battalion, 22nd Marines, the 6th Marine Division." None of those units exist anymore. "In action against Japanese forces on Okinawa Shime in the Ryukyu Islands. Ordered to hold for the night in static defense behind Sugar Loaf Hill after leading the forward elements of his command in a prolonged fire fight, Major Courtney weighed the effect of a hostile night counterattack against the tactical value of an immediate Marine assault, resolved to initiate the assault, and promptly obtained permission to advance and seize the forward slope of the hill. Quickly explaining the situation to his small, tattered remaining force, he declared his personal intention of leading and moving forward and then proceeded on his way, boldly blasting nearby cave positions and neutralizing enemy guns as he went. Inspired by his courage, every man followed without hesitation, and together the intrepid Marines braved a terrific concentration of Japanese guns to skirt the hill on the right and reach the reverse slope. Harry Courtney sent guides to the rear for more ammunition and possible replacements. Subsequently reinforced by 26 men and an LDT load of grenades"—I guess that is land vehicle tank—"he determined to storm the crest of the hill and crush any planned counterattack before it could gain sufficient momentum by effecting a breakthrough. Leading his men by example rather than by command, he pushed ahead with unrelenting aggressiveness hurling grenades into cave openings on the slope with devastating effect. Upon reaching the crest and observing large numbers of Japanese forming for action to attack less than 100 yards away, he instantly attacked, waged a furious battle and succeeded in killing many of the enemy himself and forcing the remainder to take cover in the caves. Determined to hold, he told his men to dig in, and coolly disregarding the continuous hail of flying enemy shrapnel, he moved to rally his weary troops, tirelessly aiding casualties, and assigned his men to more advantageous positions. He was then instantly killed by a hostile mortar blast while moving among his men. Maj. Harry Courtney by his astute military acumen, indomitable leadership and decisive action in the face of overwhelming odds had contributed essentially to the success of the Okinawa campaign. His great personal valor throughout sustained his men and enhanced the highest traditions of the U.S. Navy. He gallantly gave his life for his country."

Walter Krell, Chris Herron and the fledgling Army Air Force, Maj. Harry Courtney with the Marine Corps, Charley Shelton, and Dave Hrdlicka over Laos. Again the last lines of Mitchner's great story of flying in Korea comes to mind, his fictitious admiral based on a Mark Mitchner or Bull Halsey type, played so beautifully by Fredric March says, "Where do we get such men? Why is America lucky enough to have such men?"

Madam Speaker, when I was on the floor last month about Okinawa, I mentioned that we do have one Member, BOB STUMP, who served on the ships watching the young wounded come aboard. He was barely 18. He had fudged his age to join a couple of years before, trained at Pearl Harbor and was off the coast of Okinawa.

Madam Speaker, I include the following article for the RECORD:

[From the Hill, Apr. 5, 1995]

MEMORIES OF OKINAWA—REPRESENTATIVE BOBBY STUMP RECALLS HIS ROLE IN THE HISTORIC BATTLE ON ITS 50TH ANNIVERSARY

(By David Grann)

Bobby Stump wanted to become a doctor, but when the Japanese bombed Pearl Harbor in December 1941, he did what all his friends did: He enlisted.

There was only one catch. He was only 16.

"I had to boost my age up," the 68-year-old Arizona Republican congressman recalls. "All my friends were seniors in high school, and, technically, I wasn't old enough."

Training as a medical technician for the Navy on Pearl Harbor, he later helped operate at sea on dozens of U.S. servicemen wounded in the bloody battles of Luzon and Iwo Jima. On April 1, 1945, he was on board a "flat top" aircraft carrier steaming toward the 60-mile-long, banana-shaped island of Okinawa.

Fifty-years later, the silver-haired chairman of the House Veterans' Affairs Committee, who believes he is the only member of Congress who fought at Okinawa, recalled in an interview the beautiful clear day that launched the most devastating naval battle of World War II. Over 1,200 ships carrying more than 180,000 marines, sailors and soldiers converged on the rocky Pacific island.

"It was Easter Sunday," he says. "We didn't know exactly what to expect, but we knew it was going to be bad. We were getting ready to attack the mainland of Japan, and this was a final step."

His aircraft carrier was part of an arsenal of 40 large and small carriers, 18 battleships and nearly 200 destroyers. As they moved through the East China Sea, sailors searched the skies for the dreaded Kamikaze suicide planes.

"They would come straight in, or drop bombs from under their bellies." Stump recalls. "It didn't matter if you were on a big or little ship. They'd try to hit everything."

Although his ship was never hit directly, he watched other ships sinking in flames. His ship rescued sailors from the stormy seas. As the battle dragged into May, there were endless alerts, as planes roared across the night sky.

Stump witnessed first hand what one war correspondent described in Ronald Spector's account of the battle, Eagle Against the Sun: "The strain of waiting, the anticipated terror made vivid from past experience, sent some men into hysteria, insanity, breakdown."

Stump, who turned 68 on Tuesday, downplays his personal experience. Instead, he speaks solemnly of his friends who lost more than him, those who never came home after the invasion.

"It was worse than Luzon and Iwo Jima," he says. "Nothing compared."

On June 21, when the guns finally quieted, 7,000 U.S. marines and soldiers were dead. In the protracted sea-air battle offshore, where Stump was, over 5,000 sailors were killed and 5,000 more wounded.

The toll on the Japanese was equally devastating. Over 70,000 Japanese died, along with more than 80,000, mostly civilian Okinawans. "It was the last ditch effort for the Japanese to stop us, and they fought and fought," says Stump.

After the bitter struggle, Stump finally set sail for home. He had been at sea for over two years. As ships with American recruits passed him heading for Japan, President Truman ordered the first atomic bomb dropped on Hiroshima, followed by a second nuclear weapon on Nagasaki.

It was the only way to stave off an even costlier invasion of the Japanese mainland, Stump says, and a death toll even larger than Okinawa. He was incensed when the Smithsonian Museum recently planned an exhibit of the Enola Gay, suggesting America did not have to bomb Hiroshima in order to end the war.

"Anyone who was at Okinawa," he says, "anyone who saw that kind of fighting, knew what an invasion of Japan would really mean and what was at stake."

And he adds: "They would not try to rewrite history."

Mr. DORNAN. This battle that started on Easter Sunday, April 1, had now been raging for 48 days, barely halfway through the battle. It was the last invasion before the assault on Japan's home islands. Okinawa was needed, of course, as a harbor for our U.S. fleet and to build more air bases for the fighters and heavy bombers to get them up closer. The Iwo Jima invasion was necessary as a halfway point. We lost over 6,000 men and saved, 3 to 1, 18,000 air crewmen to come back to Iwo Jima. Now we are moving in closer to finish off the war. The big island would be used as a staging area for the invasion of the southern island of Kyushu and the planned assault later on Honshu, the middle Japanese island where Tokyo is. What a campaign we avoided by all of this brave action.

These Japanese kamikaze or suicide attacks were called "kikusui," floating chrysanthemums. There were flown against the invasion fleet all around the island. Most aircraft were flown by young men with hardly any hours at all as pilots. Almost half of the attacking force were kamikaze. I wonder how you got to not fly a kamikaze and get to have a parachute and enough fuel to get you home?

The attacks also included more traditional methods of attack by fighters and bombers. Most were shot down by ships of the invading forces and U.S. and British naval aircraft. The Americans and the British lost 763 aircraft. That is almost as many as we have in all of our stateside fighter squadrons now—763. But the Japanese lost 10 times that, 7,700 aircraft. Thirty-four U.S. ships were sunk. Naval forces lost 4,900 sailors, killed or missing, and in naval combat when somebody is missing, they are gone, beneath the waves, no remains to go home, no grave to visit.

□ 2000

From March 17 to May 27, the U.S. Navy suffered its worst losses in the war; at least 90 ships sank or were out of action for 30 to 90 days, all of that during last month, this month and next month 50 years ago.

Because of Clinton's appearance in Moscow, flying over England, which was a grievous insult to the British and the French, all of our allies along the coast, the Dutch, the Belgians, the Danes, because he went to the European ceremonies in Moscow, in a strange way not honoring the fact that we fought together in an allied cause, but unfortunately recalling that Stalin, in his evil, he reigned for 29 years, Hitler for 12.

So Stalin killed millions and millions of more people than even the horrible Adolf Hitler. Stalin caused this conflict in Europe by signing a Hitler-Stalin pact in 1940. Both of them invaded Poland, cutting it in half. Then Stalin began to trade and gave war materials to Hitler so he could further crush and suppress the rest of Europe, and then as with all deals made with the approval of the devil, Hitler, on June 22, 1941, shortly before our being dragged into this by Pearl Harbor at the end of the year, he attacks the other ugly evil force of this century, the Communists in Russia; unbelievable, cataclysmic events.

Madam Speaker, I had intended to come to this floor, but I did not want to distract from our great vote, when McNamara's book first came out last month.

I got to host a radio show for 3 hours that is hosted by Ronald Reagan's son, Michael, and on the show, because McNamara's book was prominent in the news at that time, I had two important guests. One was the best military writer in America today. He has got a great article in today's Washington Times, Col. Harry Summers, the senior editor of Vietnam magazine.

Summers came on the radio with me, and I read his article from that day, last month, from that day's commentary section of the Washington Times, and he said that there were many men culpable for the terrible loss in Vietnam during those early years when we could have achieved a victory by mining Haiphong Harbor, concentrating our energies in I Corps, sealing the Ho Chi Minh trail, giving the Vietnamese the same type of aircraft we were giving the British, the Turks, and the Greeks. We were giving F–4 "Phantoms" to everybody, but in a racist way, we treated our South Vietnamese allies as though they were not worthy of top-line equipment. They might take the war north as Lee took it north to Antietam and Gettysburg. No, bottle them up in the South, teach them to be subservient, and we will handle all the artillery and all the air cover, so we wean them away from fighting the way they should have as a counter-guerrilla conflict.

In those early years he said there were many people culpable. He even takes a shot at honorable General Westmoreland. He said McNamara was different. NcNamara was evil. Nobody has used that word on this House floor. I bet it has never been used in the Senate. I said on the air that night on 100 stations, I said, "Colonel Summers, you are correct, Robert Strange McNamara is an evil man. Never in my lifetime, maybe not in this century, maybe not throughout the Civil War, have we had a man personally responsible along with President Johnson for killing so many Vietnamese on both sides, 2 million or more North Vietnamese." All the young soldiers and peasants did not understand dialectical materialism or communism, just sent south against B–52 strikes, all sorts of punishment before they got into combat where they were used on suicide raids like these Kamakazes or Bonzai charges.

After Harry Summers, I had an unusual guest, an excellent American patriot, Tom Moorer, 4-star Navy admiral, who had been commander of the 7th Fleet in the Pacific, and he had been CINCPAC commander for all our Pacific forces, the biggest geographical military command on the planet Earth. He then became chief of naval operations, then chairman of Joint Chiefs of Staff, sending memo after memo to Robert McNamara, begging him to mine Haiphong Harbor.

At this time, McNamara had already made up his mind. He made up his mind before he put the first Marine on the beach March 8, 1965; we could not win, so he was feeding young kids like cannon fodder into this death machine while he is skiing at Snow Mass, and his son is avoiding the draft. I have seen him lie on Larry King and lie on the Tom Snyder Show. I have seen him lying all over, pushing his book, driving it up to No. 1 on the New York Times bestseller list.

A caller called in from Montana. I believe his name was Bob. I hope he is watching. Bob says, "Admiral Moorer, Bob Dornan, I think Robert McNamara was a war criminal." There was a pause, and I said "Admiral, those words crossed my mind yesterday at the Vietnam Memorial."

I thought, well, liberals love to come at me for overstating the case, and I rejected ever using those words. "But what do you think, Admiral? Is he a war criminal?" Admiral Tom Moorer, without a blemish on his career, in 1942, he was flying PBY Catalinas, and they were painted black, and they called them "Black Cats." They were actually using it as a patrol bomber, bombing in the Solomon Islands: Distinguished Flying Cross, with Silver Stars, great combat veteran, Admiral Tom Moorer says, "Congressman, yes, I believe Robert McNamara is a war criminal."

Now, ladies and gentlemen, I lost my speaking privileges on this floor the day after the State of the Union for using a term that I will not complete tonight. I do not want to get into problems with our parliamentarian. I talked about aid and comfort to hostile powers with whom we were engaged in combat.

Suffice it to say, when Wolf Blitzer asked Bill Clinton at the White House if he felt McNamara's book vindicated him, Clinton said, "Yes. Yes, I do." And because he is bright, he said, "I know it sounds self-serving, but, yes I do."

Imagine getting vindication from an evil person, a person that honorable men think of as a war criminal. You cannot get vindication there, Mr. Clinton. You just cannot.

And I have found out since then why Mr. Clinton went to Moscow alone on New Year's Eve 1969, why he woke up in Leningrad and headed to Moscow January 1, 1970, why he was there only 3 days, 27 degrees below zero, 10 inches of snow cover. It was to go to a banquet, a banquet that a former U.S. Senator was at in the National Hotel, the best hotel in town, and he was broke, freezing, and he was only there 3 days, and then off to Prague, the banquet, the peace banquet, and then I found out yesterday from a new book called "Clinton Confidential," by George

Carpozzi, I hope George is listening, I would like to help his book to attain a counterbalance to McNamara's book, that Clinton had also another trip to Moscow I never knew about, June 1991, 4 months, less than 4 months before he declared for the Presidency on October 3, 1991. He was in Moscow. The Paula Jones incident was March 8, which, by the way, is V-E Day, and 1 month later, June 8, he has a personal 1½-hour meeting with the head of the KGB. What the heck was that all about, less than 4 months before he declared to be commander in chief?

So, Madam Speaker, I will say what some press people know, that I will be back trying to follow parliamentary rules, but if I get overruled. I will appeal the ruling of the Chair and I will win by a party-line vote. I polled my party members. I am going to discuss next month what the historical expression in our Constitution means about aid and comfort, what constitutes a hostile power, what constitutes an enemy force, what 58,000 deaths mean, and I will do a full hour on McNamara and why it is an absolute disgrace that he would rip open this unhealed wound of Vietnam and bring the type of agony that I have gone down to the wall and talked to some of these vets that they feel McNamara telling them it was wrong, terribly wrong, that we would try to free South Vietnam, help them stay free, with 44 newspapers in Saigon.

I went over there eight times during that conflict. I knew what the mistakes were, what the corruption was. But none of it was as evil as the human rights violations in Hanoi or what goes on to this day in North Korea, in China, in conquered Vietnam, in Cuba, for that matter.

We have a terrible century of history, and it is going out with a lot of bloodshed and hurt and pain, but we have still got these heroes from our darkest year of 1942. We have got our Walt Krells and David Hrdlickas.

Something has been bothering me lately. I have been thinking about traveling around the country, reaching maybe way beyond my reach, to offer some leadership to this country, and it has to do with something that atheists love. They call it the natural selection. I wonder if it has ever occurred to anybody the worst thing that wars do to any nation, large or small, the best, the very best die off, while the worst hide out and escape and cut corners and they get rewarded during peace, sometimes, while the best are gone, the opposite of natural selection, as atheists see it by the law of the jungle.

How many men would be running for the presidency today who had shown their strength of character in Korea or Vietnam if they had not been put into this Medal of Honor book as posthumous recipients of their Nation's greatest honor? There is only one word on that Medal of Honor: Valor. And sometimes I think it stands for "veterans against lying or revisionism."

Mr. McNamara's book is a sacrilege and an offense from a war criminal, and I will not stop trying to bring out the truth until my last breath, and I might tell my liberal critics that all warriors hate war. Those who were not killed to kill another mother's son in combat, like myself, but were trained to be combat ready and have a small piece of the action of melting down the evil empire, we understand why a nation should honor those that died, or those that had their young bodies ripped apart or those that managed to escape unscathed by the grace only of a merciful God, a Creator.

This Nation must come back to virtue, and our great Nation has to do something for the veterans, starting with the Korean veterans on July 27, in about 2 months and a week, when a beautiful, uplifting memorial is dedicated.

There are a thousand veterans that are going to turn out to confront Mr. Clinton if he shows up that day because in the letter to Colonel Holmes he also questioned our effort in Korea. I know what people who avoid service think. They think people are fools who go off and lose their lives. Well, they are not fools. They are the very essence of the countries' strength, and they are the salt of the Earth.

And with that, Madam Speaker, I conclude this evenings' remarks with what Douglas MacArthur said, "I shall return."

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 534. An act to amend the Solid Waste Disposal Act to provide authority for States to limit the interstate transportation of municipal solid waste, and for other purposes; to the Committee on Commerce.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCNULTY (at the request of Mr. GEPHARDT), for today after 2 p.m., on account of family business.

Mr. BONO (at the request of Mr. ARMEY), until 2:30 p.m. today, on account of recovery from surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SKAGGS) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.
Mr. OWENS, for 5 minutes, today.
Mr. DEFAZIO, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.
Mr. SKAGGS, for 5 minutes, today.
Mr. POSHARD, for 5 minutes, today.

The following Members (at the request of Mr. DICKEY) to revise and extend their remarks and include extraneous material:

Mr. KIM, for 5 minutes, today.
Mr. NORWOOD, for 5 minutes, today.
Mr. YOUNG of Alaska, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. OBEY, to include extraneous matter on the conference report on H.R. 1158 in the House today.)

(The following Members (at the request of Mr. SKAGGS) and to include extraneous matter:)

Mr. POSHARD.
Mr. ANDREWS.
Ms. LOFGREN.
Mr. LIPINSKI.
Mr. BONIOR in two instances.
Mr. NADLER.
Mr. MFUME.
Mr. BARCIA.
Mrs. MEEK of Florida.
Mr. LANTOS.
Mr. TORRES in two instances.
Mr. WILLIAMS.
Mr. FILNER.
Mr. PALLONE.
Mr. JACOBS.
Mr. MENENDEZ.
Mrs. MALONEY in two instances.
Mr. ACKERMAN.
Mr. OLVER.
Mr. COLEMAN.
Mr. BARRETT of Wisconsin.
Mrs. COLLINS of Illinois.
Mr. DIXON.
Mr. HOYER.
Mr. MANTON.
Mr. WARD.
Mr. RICHARDSON in two instances.

(The following Members (at the request of Mr. DICKEY) and to include extraneous matter:)

Mr. PORTMAN.
Mrs. JOHNSON of Connecticut.
Mr. OXLEY.
Mr. BURTON of Indiana.
Mr. YOUNG of Alaska.
Mr. ZIMMER.
Mr. GUNDERSON.
Mr. FRELINGHUYSEN.
Mr. GOODLING.
Mr. CAMP.
Mr. CLINGER.
Mr. FAWELL.
Mr. WOLF.
Mr. TATE.
Mrs. MORELLA.
Mr. POMBO.
Mr. BONO.
Mr. GILMAN.
Mr. RIGGS.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. PETERSON of Florida.

Ms. DANNER.

Ms. VELÁZQUEZ.

ADJOURNMENT

Mr. DORNAN. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until Monday, May 22, 1995, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows.

886. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting a draft of proposed legislation to adjust the tenure of the Judge Advocate General of the Air Force, and for other purposes; to the Committee on National Security.

887. A letter from the Secretary of Education, transmitting a draft of proposed legislation to provide for the termination of the status of the College Construction Loan Insurance Association (the Corporation) as a Government sponsored enterprise, to require the Secretary of Education to divest himself of the corporation's stock, and for other purposes; to the Committee on Economic and Educational Opportunities.

888. A communication from the President of the United States, transmitting a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council, pursuant to Public Law 102-1, section 3 (105 Stat. 4) (H.Doc. No. 104-75); to the Committee on International Relations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEACH: Committee on Banking and Financial Services. H.R. 1062. A bill to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers; with an amendment (Rept. 104-127, Pt. 1). Ordered to be printed.

TIME LIMITATION ON REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1062. Referral to the Committee on Commerce extended for a period ending not later than June 16, 1995.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASTLE (by request):

H.R. 1667. A bill to authorize U.S. contributions to the International Development Association, the Asian Development Bank, and the interest subsidy account of the enhanced structural adjustment facility of the International Monetary Fund; to the Committee on Banking and Financial Services.

By Ms. DANNER:

H.R. 1668. A bill to establish a program to control fraud and abuse in the Medicare Program, to increase the amount of civil monetary penalties which may be assessed against individuals and entities committing fraud against the Medicare Program, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. FURSE:

H.R. 1669. A bill to establish a science and mathematics early start grant program, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mr. CLINGER (for himself, Mr. SPENCE, Mr. HORN, Mr. ZELIFF, Mr. BLUTE, Mr. DAVIS, Mr. SCARBOROUGH, Mr. LEWIS of Kentucky, Mr. TATE, Mr. TIAHRT, Mr. FLANAGAN, Mr. BASS, and Mr. CHAMBLISS):

H.R. 1670. A bill to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committees on National Security, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. FURSE:

H.R. 1671. A bill to provide for Federal budgetary savings through reducing the number of political appointees; to the Committee on Government Reform and Oversight.

H.R. 1672. A bill to achieve budgetary savings by reducing the funding and scope of the stockpile stewardship program of the Department of Energy; to the Committee on National Security.

H.R. 1673. A bill to achieve budgetary savings by terminating certain Department of Defense programs; to the Committee on National Security.

H.R. 1674. A bill to achieve budgetary savings by reducing the amount which may be appropriated for the nuclear energy research and development activities of the Department of Energy; to the Committee on National Security, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska (for himself, Mr. DINGELL, Mr. HANSEN, Mr. BREWSTER, Mr. DOOLITTLE, Mr. TAUZIN, Mr. PETE GEREN of Texas, Mr. GALLEGLY, Mr. HAYES, Mr. CALVERT, Mr. ORTIZ, Mrs. LINCOLN, Mr. HAYWORTH, Mr. CREMEANS, Mrs. CUBIN, Mr. COOLEY, Mr. SHADEGG, Mr. WATTS of Oklahoma, and Mr. THORNBERRY):

H.R. 1675. A bill to amend the National Wildlife Refuge System Administration Act of 1966 to improve the management of the National Wildlife Refuge System, and for other purposes; to the Committee on Resources.

By Mr. JACOBS (for himself and Mr. CARDIN):

H.R. 1676. A bill to amend the Omnibus Budget Reconciliation Act of 1990 to clarify that the expenses of administering the old age, survivors and disability insurance programs are not included in the budget of the U.S. Government, and for other purposes; to the Committee on the Budget, and in addition to the Committees on Rules, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Mr. EDWARDS, Mr. MONTGOMERY, Mr. WATT of North Carolina, Ms. NORTON, Mr. CLYBURN, Mr. CONYERS, Mrs. MEEK of Florida, Ms. JACKSON-LEE, Mr. WILSON, Mr. LAUGHLIN, Mr. EVANS, Mr. FOX, Mr. HOUGHTON, Mr. ACKERMAN, Mr. LIPINSKI, Mr. TOWNS, Mr. UNDERWOOD, Mr. SANDERS, Mr. TUCKER, Mr. STEARNS, Mr. THOMPSON, Mrs. THURMAN, Mr. DOGGETT, Mr. METCALF, Mr. ENGEL, Mr. CLAY, Mr. BONIOR, Ms. BROWN of Florida, Mr. DELLUMS, and Mr. HASTINGS of Florida):

H.R. 1677. A bill to waive the time limitation specified by law for the award of certain military decorations in order to allow the posthumous award of the Congressional Medal of Honor to Doris Miller for actions while a member of the Navy during World War II; to the Committee on National Security.

By Mr. MARTINI:

H.R. 1678. A bill to amend title 18, United States Code, to apply section 1001 to all branches of Government; to the Committee on the Judiciary.

By Mr. NADLER:

H.R. 1679. A bill to make an exception to the United States embargo on trade with Cuba for the export of medicines or medical supplies, instruments, or equipment, and for other purposes; to the Committee on International Relations.

By Mr. ROBERTS (for himself, Mr. DE LA GARZA, Mr. EMERSON, and Mr. CONDIT):

H.R. 1680. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes; to the Committee on Agriculture.

By Mr. TATE (for himself and Mr. NETHERCUTT):

H.R. 1681. A bill to provide that certain regulations shall not take effect unless published in final form not later than 18 months after the date of publication of general notice of proposed rulemaking; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H.R. 1682. A bill to authorize the Secretary of Agriculture to use stewardship contracting in a demonstration program to restore and maintain the ecological integrity and productivity of forest ecosystems to insure that the land and resources are passed to future generations in better condition than they were found; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILMAN (for himself and Mr. DORNAN):

H.J. Res. 89. Joint resolution prohibiting funds for diplomatic relations and further advancement of economic relations with the Socialist Republic of Vietnam [SRV] unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam War, as determined on the basis of all information available to the United States Government, and for other purposes; to the Committee on International Relations.

By Mr. SCHUMER:

H. Con. Res. 69. Concurrent resolution expressing the sense of the Congress that the National Rifle Association should disavow and condemn the inflammatory and defamatory language used by its leadership and certain of its officers and employees to attack Federal law enforcement agencies and their employees; to the Committee on the Judiciary.

By Mr. CALVERT (for himself, Mr. YOUNG of Alaska, Mrs. CHENOWETH, Mr. RADANOVICH, Mr. GUTKNECHT, Mr. STEARNS, Mr. BACHUS, and Mr. WELLER):

H. Con. Res. 70. Concurrent resolution expressing the sense of the Congress that members of the Screen Actors Guild should contribute funds to a private, self-sustaining endowment for the arts; to the Committee on Economic and Educational Opportunities.

By Ms. DELAURO:

H. Res. 153. Resolution expressing the sense of the Congress that the National Association of Radio Talk Show Hosts should not honor G. Gordon Liddy because of his use of hateful speech and its potential to inflame violence against law enforcement officers; to the Committee on the Judiciary.

By Mr. LIPINSKI:

H. Res. 154. Resolution to amend clause 2(a) of House Rule XXIII to extend the length of time required before considering the report of a committee of conference; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII.

87. The SPEAKER presented a memorial of the Senate of the State of Hawaii, relative to the physical desecration of the U.S. flag; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 26: Mr. HEINEMAN.

H.R. 43: Mr. HASTINGS of Florida, Mr. MARKEY, Ms. ROYBAL-ALLARD, and Mr. SERRANO.

H.R. 60: Mr. ROHRABACHER.

H.R. 70: Mr. HAYES.

H.R. 104: Mr. BILBRAY.

H.R. 159: Mr. BAKER of Louisiana.

H.R. 218: Mr. PICKETT.

H.R. 246: Mr. MILLER of Florida and Mr. CANADY.

H.R. 248: Mr. QUILLEN.

H.R. 329: Mr. CAMP, Mr. TALENT, and Mr. QUILLEN.

H.R. 373: Mr. DUNCAN.

H.R. 447: Mrs. MEYERS of Kansas, Mr. STUPAK, and Mr. HASTINGS of Florida.

H.R. 482: Mr. HOKE.

H.R. 739: Mr. WELLER.

H.R. 772: Mr. JOHNSON of South Dakota, Mr. DIXON, Mr. MATSUI, and Mr. MFUME.

H.R. 789: Mr. LATOURETTE.

H.R. 820: Mr. QUINN, Mr. DICKEY, Mr. WATT of North Carolina, Mr. THORNTON, Mr. DOYLE, and Mr. FRANKS of Connecticut.

H.R. 833: Mr. FAZIO of California, Mr. KLUG, Mr. WARD, Mr. BRYANT of Texas, Mrs. JOHNSON of Connecticut, Mr. HASTINGS of Florida, Mr. STARK, and Mr. KOLBE.

H.R. 997: Mr. ISTOOK.

H.R. 1020: Mr. BROWDER, Mr. POSHARD, Ms. PRYCE, Mr. LAUGHLIN, Mr. TALENT, Mr. KLUG, Mr. COSTELLO, Mr. WELDON of Pennsylvania, and Mr. PAXON.

H.R. 1023: Mr. FARR and Mr. TALENT.

H.R. 1073: Mr. GENE GREEN of Texas, Mr. SCHIFF, Mr. WAXMAN, Mr. SMITH of New Jersey, and Mr. CARDIN.

H.R. 1074: Mr. GENE GREEN of Texas, Mr. SCHIFF, Mr. WAXMAN, Mr. SMITH of New Jersey, and Mr. CARDIN.

H.R. 1085: Mr. COBLE.

H.R. 1103: Mr. CALVERT.

H.R. 1138: Mr. TATE.

H.R. 1210: Mr. PETRI.

H.R. 1220: Mr. BONO and Mr. RADANOVICH.

H.R. 1226: Mr. HOEKSTRA.

H.R. 1227: Mr. LINDER and Mr. HOEKSTRA.

H.R. 1235: Ms. RIVERS.

H.R. 1294: Mrs. LINCOLN.

H.R. 1363: Mr. WELLER, Mr. SKEEN, and Mr. WAMP.

H.R. 1423: Mr. MCDERMOTT, Mr. PALLONE, Mr. SERRANO, Mr. HASTINGS of Florida, Mr. CUNNINGHAM, and Mr. BEILENSON.

H.R. 1447: Mr. ROMERO-BARCELÓ.

H.R. 1448: Mr. KOLBE.

H.R. 1484: Mr. RAHALL, Mr. WARD, Mr. DUNCAN, Mr. GONZALEZ, and Mr. MARTINEZ.

H.R. 1496: Mr. SMITH of New Jersey.

H.R. 1499: Mrs. VUCANOVICH, Mr. QUINN, Mr. SMITH of New Jersey, and Mr. SOLOMON.

H.R. 1533: Mr. DELAY and Mr. MCINTOSH.

H.R. 1535: Mr. MCKINNEY, Mr. MARKEY, and Ms. DELAURO.

H.R. 1547: Mr. SERRANO.

H.R. 1556: Mr. FRISA and Mr. PAXON.

H.R. 1580: Mr. POMBO, Mr. HANSEN, Mr. GALLEGLY, and Mr. LAHOOD.

H.R. 1594: Mr. COBLE and Mrs. WALDHOLTZ.

H.R. 1597: Mr. ARCHER.

H.R. 1617: Mr. WELLER, Mr. HERGER, Mrs. SEASTRAND, and Mr. LINDER.

H.R. 1627: Mr. COBLE, Mr. MCINTOSH, Mr. BALLENGER, Mr. BUNN of Oregon, and Mr. LAUGHLIN.

H.J. Res. 79: Mr. PORTMAN and Mr. CASTLE.

H. Con. Res. 5: Mr. SOLOMON.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 4 by Mr. BRYANT on House Resolution 127: David E. Bonior and Jane Harman.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1561

OFFERED BY: MR. FUNDERBURK

AMENDMENT NO. 2: In section 2101(1)(A) (relating to authorizations of appropriations for diplomatic and consular programs of the Department of State) strike "$1,728,797,000 for the fiscal year 1996 and $1,676,903,000 for the fiscal year 1997" and insert "$1,555,917,300 for the fiscal year 1996 and $1,400,325,570 for the fiscal year 1997".

In section 2101(2)(A) (relating to authorizations of appropriations for salaries and expenses of the Department of State) strike "$366,276,000 for the fiscal year 1996 and $355,287,000 for the fiscal year 1997 " and insert "$338,648, 400 for the fiscal year 1996 and $296,683,560 for the fiscal year 1997".

SENATE—*Thursday, May 18, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

You will keep him in perfect peace whose mind is stayed on You, because he trusts in You.—Isaiah 26:3.

Jehovah Shalom, we thank You for this marvelously direct and uncluttered promise. We long for this superlative quality of peace, and for good reason. You have called us to lead this great Nation. To enable us to be creative Copernican thinkers about the problems and opportunities before us this day, You seek to give us profound inner peace.

But Lord, we find it difficult to stay our minds on You. We try to focus on You and often our attention wanders; we seek to listen to You and the sound waves to our hearts are cluttered with the static of distracting voices; we want to trust You, but years of self-reliance make it difficult to wait patiently for Your answers. Most of the time our motto is, "I have just got to get control of my life!" Ah, there's the issue, Lord. We were never meant to usurp Your control. Now in the quiet of this time of prayer we discover the secret: You alone can keep our minds stayed on You. All we can do is ask for the miracle of a day lived in constant awareness of Your abiding presence. May this be a day crammed full of spectacular moments when You keep our minds steady, our hearts calm, and our wills alert to Your will. Lord of peace, keep our minds on You. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. SPECTER. I thank the distinguished President pro tempore.

On behalf of Senator DOLE, I have been asked to announce that there will be a period of morning business until the hour of 12 noon at which time the Senate will begin consideration of Senate Concurrent Resolution 13, the budget resolution. And I have been asked by Senator DOLE to announce that Senators should be aware that rollcall votes may be expected throughout the day; that it is Senator DOLE's expectation that 8 to 10 hours of the total of 50 hours statutory time limit will be used today on the budget resolution; and, to announce further that leaders' time is being reserved.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. The Chair advises the Senate that, under the previous order, leadership time has been reserved.

MORNING BUSINESS

The PRESIDING OFFICER. We are now in morning business for a time not to extend beyond the hour of 12 noon.

During morning business, Senators are permitted to speak therein for not to exceed 5 minutes.

RUBY RIDGE, ID, AND WACO, TX

Mr. SPECTER. Mr. President, I have asked for a period of time to be reserved this morning to speak about the incidents at Ruby Ridge, ID, and Waco, TX. And there are a number of other Senators who have stated to me their intention to come to speak.

My remarks at the moment will be relatively brief, and I want to thank my distinguished colleague from Colorado for yielding to me because he was on the floor before I arrived. It is a little unusual to find Senators here in advance of the opening of the Senate session. But Senator CAMPBELL has time reserved as well.

I hope to return later during the period for morning business to speak at greater length and also other Senators will come to speak on the subjects of Ruby Ridge, ID, and Waco, TX, as well. But I have a commitment to appear before the Finance Committee at 9:30 to testify on the flat tax.

(Mr. DEWINE assumed the chair.)

RUBY RIDGE, ID

Mr. SPECTER. Mr. President, I think it is important that there be a positive showing by the Senate of our concerns about what happened at Ruby Ridge, ID, on August 21, 1992, and the days thereafter, and what happened at Waco, TX, on April 19, 1993, and the days which preceded to assure the American people that appropriate congressional oversight will occur and that there will be accountability at the highest levels of the U.S. Government.

The House of Representatives has scheduled a hearing on the events at Waco, TX, and an announcement has been made by the distinguished chairman of the Senate Judiciary Committee that the Judiciary Committee will hold hearings on Waco, TX, and Ruby Ridge, ID, as well.

As I said last week on the Senate floor, it is my hope that we will do these hearings sooner rather than later because of my strong view that the American people need reassurance that there will be proper oversight. I say that I do not know what the answers are to the questions which have been raised, but I do see many important and profound questions. And I do think it is absolutely necessary that a full effort be made with congressional oversight to find answers.

Mr. President, with respect to the incidents at Ruby Ridge, ID, back on August 21, 1992, I have talked to FBI Director Freeh; FBI Deputy Director Potts; Bureau of Alcohol, Tobacco, and Firearms Director John Magaw; Jerry Spence, Esq., the attorney who represented Mr. Randy Weaver in the criminal proceedings in the Federal court; Randy Dade, the county attorney of Boundary County; and have attempted contact, traded calls with Special Agent Glenn, who is the agent in charge in Salt Lake City.

My preliminary findings—and these are obviously preliminary—show me that there are very important questions which require congressional oversight on the appropriate use of force in taking someone into custody and on the initiation of investigations by Federal agencies like the Bureau of Alcohol, Tobacco, and Firearms.

In discussing the incidents at Ruby Ridge, ID., and in taking them up in a preliminary way with the Director of the Bureau of Alcohol, Tobacco, and Firearms, John Magaw, there is a serious question as to how that matter all began.

Last Saturday, when I was in Des Moines, IA, I had occasion to talk at some length with Mr. Randy Weaver, who was tried and acquitted on murder charges. I had a chance to talk to his daughters Sarah and Rachel, ages 19 and 13. His 3-year-old daughter Elisha was present as well but was not in a position to shed any light on what occurred.

Picking up just one strand in the few moments that I am able to speak on the issue now, Mr. Weaver recounted how he had been contacted by a man who had asked him about acquiring sawed-off shotguns. Mr. Weaver advised that he thought that the individual was an undercover agent for the Bureau of Alcohol, Tobacco, and Firearms. And that was later confirmed by

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Director Magaw, who told me that it was a confidential informant who had gone to contact Mr. Weaver on the subject of purchasing sawed-off shotguns.

When that matter was tried, according to the information given to me by Mr. Magaw, Mr. Weaver was acquitted, on what Mr. Magaw said were borderline entrapment circumstances. When I questioned Mr. Magaw about what he meant by borderline entrapment—I know when I talk about this with the Presiding Officer, the distinguished Senator from Ohio, Mr. DEWINE, knowing what entrapment is, it is really not borderline; it is either entrapment or not. And if it is a matter of acquittal, there is no entrapment.

For those who do not know the details of entrapment—and it is a complex situation—that is when the idea comes from law enforcement and it is planted in the mind of the individual who ultimately does the conduct, undertakes the action which is the cause of an indictment.

I think we need to focus on the specifics as to what happened there to give congressional oversight from some of us who have had more experience along that line so that we do not become engaged in the law enforcement agency, the Government itself, setting up circumstances which begin the chain of conduct which results in the indictment and look what happened beyond that in the Weaver matter because the law will not support a conviction if it is entrapment by the law enforcement agencies.

I am going to have to speak at length to this later, Mr. President. But one other matter that I wanted to touch upon in the Ruby Ridge incident was the question of the use of force and the question of whether it was excessive. I do not want to come to any conclusions. There has been considerable comment about whether the rules of engagement were changed and whether that was what led to the censure of Special Agent Larry Potts, who has since become the Deputy Director of the FBI. And in my discussions with Mr. Potts, which were relatively limited because we were scheduled to meet at a later time when he will have an opportunity to have his attorney present, Mr. Potts advised me that there had been no change in the rules of engagement. And that raises a very fundamental question as to the conduct and the use of force by Federal law enforcement when Mr. Weaver was taken into custody in a very sad situation where a U.S. marshal was killed, where 14-year-old Sam Weaver was killed, and where Mrs. Randy Weaver was killed. That is a tough subject but certainly deserves and requires our attention.

I touch upon those matters only briefly at this point, Mr. President, because I had said I would be making an inquiry, a preliminary inquiry, and I wanted to report on that. We had scheduled the hearings initially for the Terrorism Subcommittee for this morning, and those have been deferred until the full committee will take up the matter at a later date.

I had wanted to touch on the Waco incident again to at least refer preliminarily to the report by Dr. Allen Stone, of Harvard, who was a panelist selected to help in that inquiry, but since it is almost 9:30 and I am due in the Finance Committee—and I have already taken the time of my distinguished colleague from Colorado—I am going to conclude these very brief remarks with the hope of being able to come back a little later in morning business to talk additionally, to report further on my preliminary inquiry. I thank the Chair and I again thank Senator CAMPBELL.

Mr. President, before my colleague starts, may I just add, perhaps unnecessarily, that I reserve the remainder of my time.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado [Mr. CAMPBELL] is recognized to speak for up to 15 minutes.

(The remarks of Mr. CAMPBELL pertaining to the introduction of S. 817 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE. Was leader time reserved?

The PRESIDING OFFICER. The Senator is correct, leader time was reserved.

THE ENTERTAINMENT INDUSTRY

Mr. DOLE. Mr. President, this weekend, an important advertisement will be appearing on our television screens. The ad will feature two prominent Americans—Dr. William Bennett and C. Delores Tucker, chair of the National Political Congress of Black Women.

Dr. Bennett is a Republican. Ms. Tucker is a Democrat. Both agree that the entertainment industry must be held accountable for the mindless violence and loveless sex it serves up each day to our children.

Of course, there are many fine people in the entertainment industry and there are many fine movies, songs, and television shows. And, thankfully, it appears that Hollywood is finally beginning to understand that family-friendly films can also be box office hits.

That is the good news.

The bad news is that too much of today's entertainment continues to operate in a moral vacuum, without a redeeming hope, and without any suggestion that virtues are important, that morality is, in fact, preferable to immorality.

We cannot ignore this simple truth: culture does count.

Cultural messages can and do bore deep into the hearts and the minds of our impressionable young. And when these messages are negative ones—repeated hour after hour, day after day, month after month—they can rob our children of that most precious gift of all: their innocence.

One of the leading cultural influences in America today happens to be one of our largest corporations, Time-Warner.

Now, Time-Warner has produced much entertainment over the years that has enriched the cultural life of our country. But unfortunately, through its affiliation with companies like Interscope Records, Time-Warner is now on the cutting-edge of the misogyny business. As Ms. Tucker will explain in her television ad, and I quote:

> Time-Warner's music division promotes music that celebrates the rape, torture, and murder of women. The lyrics are vulgar, offensive, and do terrible harm to our children.

Columnist John Leo puts it another way. He calls Time-Warner's affiliation with Interscope the "cultural equivalent of owning half the world's mustard gas factories."

Last month, I urged all Americans to join with me in refocusing the spotlight on the entertainment industry. I said that "shame is a powerful tool and we should use it." So, it is gratifying to see two concerned Americans, with different backgrounds and different political views, joining forces to put some much-deserved public heat on one of the giants of the entertainment industry.

Let us also be very clear that Government censorship is not the answer. We have more to fear than to gain from putting Washington in charge of our culture.

But just as Time-Warner has the right to produce and sell its harmful wares, concerned Americans like Bill Bennett and Dolores Tucker also have the right to call upon the executives of Time-Warner to think less about short-term profit and more about the long-term good of their country.

So, I want to congratulate Dr. Bennett and Ms. Tucker for taking this initiative. I know that Dr. Bennett cites courage as one of the great virtues in his great "Book of Virtues" and with this bold advertising campaign, he has proven that courage and good citizenship are alive and well in America today.

Mr. President, I will just say, maybe as a suggestion, it would be well for the Time-Warner executives and Bill Bennett and Ms. Tucker to sit down and talk about this, try to work it out, try to have a dialog. I hope that there will be some meeting of the minds and some agreement to start this discussion, to start a dialog because, as I have indicated before, it is very important to Americans, particularly America's children.

NRA FUNDRAISING RHETORIC

Mr. DOLE. Mr. President, I was pleased to see the National Rifle Association apologize for some of the statements in their recent fundraising letter. The NRA has done the right thing. They should not have used some of that language in the first place. Alleged abuses of power by Federal law enforcement authorities are a fair and legitimate subject of debate—for Congress and for the American people. But it is wrong to impugn the motives and actions of the courageous men and women who risk their lives every day in enforcing our laws.

Mr. President, words do matter. Statements do matter. Our debate should recognize that fact. I ask that the article from today's Washington Post on the NRA apology be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 18, 1995]

NRA EXECUTIVE ISSUES APOLOGY FOR LETTER ATTACKING U.S. AGENTS

A National Rifle Association official apologized yesterday to law enforcement officials and others offended by a recent fund-raising letter describing some federal agents as "jack-booted thugs."

"I really feel bad about the fact that the words in that letter have been interpreted to apply to all federal law enforcement officers," NRA Executive Vice President Wayne LaPierre said in a telephone interview from Phoenix.

"If anyone thought the intention was to paint all federal law enforcement officials with the same broad brush, I'm sorry, and I apologize," LaPierre said.

Lapierre's apology comes after a week of steadily mounting criticism of the NRA, which began May 10 when former president George Bush revealed that he had resigned from the group in protest of the letter.

Lapierre said the letter was intended to criticize only isolated actions, primarily involving the Bureau of Alcohol, Tobacco and Firearms.

But at least one section of the letter offer a more general condemnation of federal law enforcement efforts.

The letter, sent to the NRA's 3.5 million members in March over LaPierre's signature, said that "in Clinton's administration, if you have a badge, you have the government's go-ahead to harass, intimidate, even murder law-abiding citizens."

MORE SHELLS FALL ON SARAJEVO

Mr. DOLE. Mr. President, on Monday more than 1,000 shells fell on Sarajevo—5 people were killed and 25 wounded. Yesterday Bihac was being shelled. Today a Sarajevo marketplace was hit by a mortar shell. The response to these attacks on U.N. designated safe havens reflects the United Nation's latest de facto policy: Blame the Bosnian Government for trying to defend its people, and dispatch NATO planes to buzz overhead. Meanwhile contact group negotiators are desperately trying to sweeten a deal for Serbian President Milosevic.

Let us face it, the protection of U.N. safe havens has become a fraud. The enforcement of weapons exclusion zones has also become a fraud. The United Nations is not fooling anyone even with its blame both sides rhetoric.

According to news reports, the United Nations is considering mandate reduction for its forces in Bosnia. In my view that has already happened, and without a U.N. Security Council vote.

The General Accounting Office recently released a study on U.N. operations in Bosnia-Herzegovina prepared at my request. In painstaking detail the report explains how the United Nations is not doing the job it was tasked to do in Bosnia.

The GAO report confirms what many of us already knew: that the U.N. operation in the former Yugoslavia is ineffective, that UNPROFOR is not carrying out its mandates. It also indicates that UNPROFOR has lost its credibility and has impeded NATO's ability to carry out air strikes in defense of U.N. designated safe havens and U.N. forces, facts that are very clear in light of events over the last 2 days in Bosnia.

I would remind my colleagues that even though there are no Americans participating in UNPROFOR, the United States has been subsidizing this failed endeavor for several years now, to the tune of more than $1.1 billion in direct support and $1.4 billion more in indirect support.

It is high time that we review our support for this flawed policy. The facts are clear: This operation is a failure, an expensive failure. It seems to me that increasingly UNPROFOR's real reason for being is to prevent a change in policy, specifically to prevent the lifting of the arms embargo on Bosnia.

Mr. President, I simply urge all of my colleagues to read the GAO's report. I believe that after reading it, one would be hard pressed to argue that this operation is worth Bosnia being denied its fundamental right to self-defense.

I say, along with Senator LIEBERMAN of Connecticut, it is our hope that we will be able to vote on lifting the arms embargo in the Senate some time in June. It seems to me that everything is falling apart and we are getting less and less response from the United Nations. I must say I have no quarrel with the U.N. Protection Forces, the men and women there. They are certainly exhibiting courage and bravery. But it seems to me that the time has come for a total review of our policy. I suggest to the President of the United States that he provide the leadership in this review and that we do it as quickly as possible.

I thank my colleagues and I yield the floor.

Mr. DOMENICI. Mr. President, I want to comment on Senator DOLE's remarks on the floor of the Senate today with reference to violence in the United States in the mass media of America and its role in terms of violence. I want to commend the Senator for making the point. Those two American citizens, one Democrat and one Republican, have no idea what a service they are doing for the people of this country, if they can just get the media to understand that they, too, have a responsibility. They have lots of freedom. But where is all the violence coming from? We are making excuses and talking about it all the time, as if Government is to blame and this is to blame. The truth of the matter is people are just seeing so much violence, and they are outdoing each other to show us a different and new way that is becoming part of some of American citizens' lives. They see it, and they do not have regard for life.

Mr. DOLE. The children see it.

Mr. DOMENICI. Yes. Then you have 14-year-olds committing the acts they have seen on television 50 times. Sooner or later—we cannot legislate in that area. It is very difficult. Sooner or later we have to come to our senses, and I commend the Senator for his remarks.

Mr. DOLE. I thank the Senator.

FRESHMAN FOCUS ON THE BUDGET

Mr. THOMAS. Mr. President, our freshman focus group continues today and will continue on through the next week.

I rise today to express my surprise and my disappointment at the position the administration has taken, and, indeed, the other side of the aisle, with regard to the budget, with regard to Medicare, line-item veto, unfunded mandates, the rescission package, and the balanced budget amendment. In fact, on every issue that has come up since the beginning of this Congress, we have had the same approach, we have had the same reaction. And that position is to resist—"obfuscate" has been used; that is a new word to me, but I think it means "don't do anything"—and oppose with no alternative; to simply say no with no sign of leadership as to what an alternative solution would be to those issues.

It is surprising, Mr. President, and disappointing to me that the President 2 years ago made a great issue out of change. He was going to bring to this place change, new Democrats, a reinvention of Government, a more user friendly Government, reduce the size. Great rhetoric. Except when it comes to doing it, when it comes to the tough part—and it is tough to change; it is tough to make changes in systems that have been there; it is tough to make changes in programs that have built up about them a constituency. And so it is tough.

Talk is easy, but it is not easy to make the change. It is not easy to come to the snubbing post and really have to do it.

Instead, it is really easy to revert to the old system, and that is more Government and more spending and more programs. That is the easier way to go. It is one that makes it less politically volatile and one that we do.

Never mind that the programs have not solved the problems. Never mind that nearly everyone I think in this country believes that Government is too big and too intrusive and too expensive, a Government with nearly 3.5 million employees, thousands of programs, and literally hundreds of agencies and advisory groups.

And, of course, even the administration argues for cuts. Secretary Shalala recently announced a major revision. I think it involves 2,700 jobs—2,700 out of 62,000. That is hardly a major revision.

But now, we do have a chance, Mr. President, to do something significant. We do have an opportunity for the first time in a very long time to make some significant changes, not only to reduce the cost.

The budget argument is not just about dollars, although that is particularly important and significant. The real discussion and the real debate and the real opportunity is to take a look at Government and to examine now what the role of Government will be, to examine where we want to be in terms of the Government in the year 2000, when we move into a new millennia, what kind of a new century that we want to prepare for our children and our grandchildren if we do not do something by then. If we do not make changes by then, this Government will be able to afford only the entitlement programs and interest.

We will have this year, in a couple of months, a vote to raise the debt limit to $5 trillion. And before the next 2 years is over, before the first Clinton administration is over, we will be having $6 trillion in debt. Some say, "Well, that doesn't matter, particularly. Debt does not matter."

Debt does matter, as a matter of fact. Debt takes money out of the economy; money could be invested for other things. Maybe more to the point, the cost of interest will be soon the largest single line item in the budget. This year nearly $260 billion for interest alone. So it is significant.

It seems to me the measure of good Government is to be able to look at programs and see if, in fact, they are doing the job, to measure the output, to measure the results.

Unfortunately, I think it is fair to say that Government over the years in a nonpartisan way, when problems are not resolved by a program, we say, "Well, this needs more money." And that may or may not be the case.

The fact is it is more likely that what happens is that you need to change the program, you need to change the application of the funds. And to suggest that results will be different if you continue to do the same thing is kind of a fantasy. It gives us an opportunity to look at duplication. And there is great duplication. There is redundancy.

There are 160 programs that have to do with moving from education to work. Now, everybody wants to do that. That is a great idea, and we should do it. It is a significant effort. But we do not need that many programs. They continue to add on.

There is a list of them. It is sort of interesting. I think it was in the newspaper 2 days ago. Actually literally hundreds of basically advisory committees no one has ever heard of in the world. Quite frankly, if they disappeared, none of us would know the difference. So we need to do some of those things.

Despite the first opportunity in 40 years, what is the strategy? I am afraid the strategy of the opposition is to object, to resist, to criticize, to filibuster. Let me say that filibuster is not the old classic filibuster where you stand on the floor for 72 hours and fall over from exhaustion. What filibuster is is hundreds of amendments that pile up so that we do not go anywhere, so that nothing happens, and that is what is happening around here. And that is too bad. Every issue this entire year has been handled that way. We do have to do something about that.

Medicare is an excellent example. I do not think anyone can doubt that you have to do something about Medicare. It is not a brandnew idea. We have known it is coming. Medicare was started in the sixties. I believe there was one point where 19 million people were involved in the beginning. Now that is doubled. The first year in Medicare, I think, was a $1.2 billion expenditure. This year it is a $165 billion expenditure and going up at a rate of 10 percent a year, one that we cannot maintain.

The trustees, which include three members of the Cabinet, have just given a report saying that unless we do something, in 2 or 3 years the program will be calling on the reserves and in 7 years it will be broke. We cannot let that happen. So we have to make some changes.

The proposal that is being made is to reduce the percentage of growth from 10 percent a year to 7 percent a year. That is still a pretty good growth. That is the growth of health care in the private sector plus inflation.

Some say, "Well, there are more people." The fact is it increases the per capita spending which takes into account new participants. It increases the per capita spending from about $4,800 a year to $6,400 a year, and yet this will be attacked as a cut.

What is the alternative? The alternative is Medicare goes broke. We can fix it. We can fix it, but we have to change, and we can do that.

Mr. President, the opportunities are great. We are now dealing with a budget that continues to grow and, under the administration's plan, the deficit continues as it is as far as one can see. The package grows. The total package over $1.5 trillion a year grows at 5.5 percent a year. We are suggesting that we reduce that growth to about 3.5 percent a year. Hardly a cut.

So we have a great opportunity, and I think the point is that voters said to us in 1994, and voters have said to us before, we have too much Government, that Government costs too much, that Government is not user friendly as it should be, we have overregulation. And that is true.

I do not say those things particularly as criticisms, but just as a recognition of where we are, but with the happy thought that we can change that, and that, of course, is what is so remarkable about our democracy, what is so remarkable about our Government.

Let me tell you that even though the request for change on the part of voters, on the part of citizens, on the part of you and me is not a new idea. It has been done for years. In the 1800's and every generation there was substantial change in Government. Now it becomes more difficult. Government is larger, there is more bureaucracy, there is more lobbying, there are more people who are constituents of programs, and it becomes much more difficult, but not impossible at all.

As a matter of fact, I can tell you having been home, and going home every other week, I find my people, the people I represent in Wyoming, want some change. They know there is going to be some change, there is going to be some pain as there always is when you make your budget fit in your business or in your family. And that is where we are.

I think it is an exciting opportunity. We need to take a look at our objectives. Our objectives are to make Government more responsive, to take those areas, such as welfare, where we are committed to helping people who need help and fix the program so that we help them help themselves, and that is the way it ought to be.

So we are there. We need to take the bull by the tail and look the problem in the eye. The objective is to have a solution. We can find it, taking a look at the role of Government, better ways of doing it, less Government in our lives, in responsible financial condition. We can do it, and I think it is a great opportunity. We will be talking about it this week. I think it is a watershed opportunity. We will make some big decisions this week over where we will be when the century changes in 7 years.

Mr. President, I yield the floor.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

THE BUDGET

Mr. ASHCROFT. Mr. President, I thank my colleague from Wyoming. I must say that his remarks are both compelling and accurate and reflect the opportunity which we face in the U.S. Senate and for which the people sent us to the U.S. Senate. A job well done and items well stated, because they understand what happened here on May 11, just a few days ago, when Republicans annunciated their view for a brighter economic future, for financial stability, for fiscal integrity for the United States of America.

On that day, Senator DOMENICI, and other members of the Budget Committee, passed a resolution that would reduce spending over the course of the next few years by a trillion dollars. It is a budget resolution that brings our budget into balance by the year 2002. When this happens, it will be eligible for categorization as one of the eight wonders of the world. It is one of those things people have said could not be done.

But free people have the right to shape the tomorrows in which they live, and if we want to shape a tomorrow in which our children will live in a constructive way, we will have that kind of discipline which puts us on a balanced budget path and an enforceable balanced budget path by the year 2000 which sets us on a path for fiscal sanity and economic responsibility.

The plan that has been annunciated, the plan brought forth by Senator DOMENICI, is a plan for which he and members of the committee should be commended. I personally want to make that special effort to thank them.

These plans just do not happen in a vacuum. Someone has to make the tough judgments, someone has to be willing to take the tough stand, someone has to be willing to make the commitment, and Senator DOMENICI has done so.

His resolve, his commitment, his dedication, his courage has not been matched on the other side of the aisle. What has been the Democratic response to the Republican plan? Well, we have had ad hominem attacks, misleading charges, empty rhetoric. At this momentous time in our history that requires decision, that requires courage, that requires commitment, the Democratic Party seems committed only to partisanship and to politics.

So I think it is important that we ask again today where is their alternative? Where is their plan for a balanced budget? You and I and other Members in this Chamber endured a balanced budget debate, and we fell one vote short—one vote short—because many on the Democratic side changed their votes to vote against a balanced budget this year. They said over and over again, "All we need is the will and the courage, and the determination to balance the budget. We don't need an amendment." Well, now we have Senator DOMENICI who stands up and announces with will, courage and determination a balanced budget. And where are those who would support the balanced budget? They are not to be found. They were not to be found in the vote for the balanced budget amendment, and they are not to be found in the discussion of an actual balanced budget—except for criticism, except for partisanship. It is time that we have a united, bipartisan effort to achieve a balanced budget.

I suggest that critics of our balanced budget plan, brought forward by Senator DOMENICI, ought to heed the counsel of the 16th President of the United States. In Lincoln's words, he put it this way: "Those have a right to criticize who have a heart to help."

You have a right to criticize if you have a heart to help. Well, we confront a fiscal crisis as great as any threat that we have confronted in this Nation, any threat we have ever faced, and calls for the maintenance of the status quo are insufficient. They are, in fact, irresponsible. Those who would criticize the move toward responsibility by instituting or institutionalizing the status quo are really saying they want to embrace irresponsibility. Inaction today will ensure decline for America tomorrow.

Now, the story of our financial crisis has been told many times on this floor, but it bears repeating. If we do not act dramatically and quickly to balance the budget of the United States, we will find ourselves in a position of bankruptcy. If unreformed Medicare will be bankrupt in just 6 years, is this the alarmist position of partisan politicians? No, this is the announced report of the board of trustees of the fund which supports Medicare. And three members of that board are members of the President's Cabinet.

There is a crisis in Medicare funding. We will not have the resources in the hospital trust fund in order to make the payments if something is not done. Yet, what has been the response of those who have said they want to balance the budget, but all we need is the will, the determination and the commitment to do it, and we do not need the balanced budget amendment? Well, they are just criticizing Senator DOMENICI and his report that would provide us an opportunity, a roadmap, which would carry us to a balanced budget. Medicare will be bankrupt in just 6 years. There is a real need for commitment and action.

Without changes, we face a tremendous load of debt, and not only debt but the interest payments on the debt. In 2 more years, we will be paying more interest on the national debt than we spend in the entire defense budget of the United States of America. That seems incomprehensible, that just the interest on the national debt will be more than we spend in defending the interests of this country worldwide. By the year 2000, the national debt will reach close to $7 trillion. We must act now to balance the budget. We cannot continue to mortgage the future of the children of this country because we refuse to have the discipline to balance our budget.

Sadly, children who are born this year will end up paying just a little short of $200,000 in interest on the debt over their lifetime—each child. The figure, according to the statisticians is $187,150 of interest that each child will have to pay on the national debt. It is time for their individual futures and our national future to be saved. We must act in the coming weeks and months.

Now, through shared sacrifice we can ensure that the coming generation of Americans will share in the abundant riches and opportunities of this country if we have the discipline to restrain the debt. What is the proposal of the Republican Party? How would it affect America, and how would it change Government therapeutically? How would it benefit us so we can do what we ought to do on behalf of the children of this country? What is our plan?

First, freeze congressional salaries, unless the budget is balanced by the year 2002.

Second, cut foreign aid.

Third, eliminate a number of unnecessary and duplicative programs. Just yesterday in the Foreign Relations Committee, there was a plan to consolidate the voices of America, the different representations of this country around the globe under the Secretary of State, saving almost $5 billion over the next 5 years.

Abolishing nonessential governmental agencies. Democratic attacks aside, our plan provides sufficient funds to maintain the health and integrity of a whole range of important governmental services.

These figures are important because those who would be the speakers of fear and the sowers of discontent, and would suggest that our plan will not work, should understand that under the Republican proposal, Medicare will increase by 59 percent over the 7-year life of the plan—a 59-percent increase. Medicaid will rise at over 5 percent annually. And Social Security is totally untouched by the program between the present and the year 2002. Spending on the Social Security Program is expected to increase by 43 percent, from $354 to $483.7 billion.

Indeed, Mr. President, the plan we will consider allows spending in all of Government to grow by an average of 3 percent annually, increasing by over one-half trillion dollars over the next 7 years the overall spending of Government.

In this debate over the future of our country, I am reminded of the philosopher's words: "They sought to heal by incantations a cancer which requires the surgeon's knife."

You cannot heal by just speaking words those things which require the surgeon's knife. The truth of the matter is that we are in a condition in this country where the scalpel of surgery needs to be applied to the cancer of national irresponsibility. We need to have the scalpel of the surgeon's knife cut out the unwanted and malignant growth which is taking over and depriving us of the ability to make good decisions regarding the future of this country.

Mr. President, we are hearing all around us the familiar cries of the discredited and irresponsible philosophy. But we should not listen to the cries of those who do not have the will, do not have the dedication, do not have the commitment, who, while they said we did not need a balanced budget amendment, they now refuse to face up to the specific personal responsibility to operate with fiscal integrity.

We were sent here by the American people with a demand and an expectation. They demand that we make the tough decisions, the same kind of decisions that are made around every kitchen table in America. When you sit down to figure out what you can and cannot afford, you set priorities to guard the vital interests of the family and you do away with those things that you can get by without. That is what the people sent us here to do. They demand that we stop business as usual in the U.S. Senate and that we embark upon something new and different for Government, and that is Government living within its means, Government that understands that there are limits. The people want the hand of Government out of their pockets. They do not want a Government handout. They expect us to listen and we ought to listen and we will listen.

Well, our budget plan goes a long way. It goes all the way to balancing the budget on a controlled, understandable, doable, achievable plan by the year 2002. It is a plan that will not only benefit the people today, but it will benefit the children. It will provide for them the opportunity to enjoy the fruits of their labors, rather than just to try and retire a debt and pay interest for items that we have consumed. It is an opportunity for Members of this Congress, it is an opportunity for Members of the U.S. Senate; but more than an opportunity, it is a charge from the American public, and it is a responsibility we have to the generations to come.

Mr. President, I yield the floor to my colleague, Senator GRAMS, from Minnesota.

Mr. MOYNIHAN. Mr. President, if I may make an inquiry.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. The Senator yields the floor to the Presiding Officer, rather than to another Senator, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MOYNIHAN. But I see that my colleague has risen, and I look forward to his remarks.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I ask unanimous consent to speak as in morning business for no more than 10 minutes.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

FRESHMAN FOCUS ON THE BUDGET

Mr. GRAMS. Mr. President, as the Senate prepares to begin debate on the budget resolution for fiscal year 1996, I rise with my fellow freshmen to offer our perspective on the challenge ahead.

Mr. President, the individual Members of this class of freshmen Senators—11 strong—do not have much seniority. We do not chair powerful committees. But we do have one thing it seems many of our colleagues are missing—something far more valuable. We have the pulse of the people, and we always carry it.

We took the pulse ourselves, during our Senate campaigns last year. At coffee shops, truck stops, town meetings, we heard from thousands of average Americans. They talked about high taxes and excessive, wasteful Government spending. They talked about Social Security and Medicare, and wondered if it would still be around for them, their children, and grandchildren.

We listened, and we promised them that if they sent us to the Senate, we would fight to change things. We are deeply committed to change and to keeping our promises.

If life in the Senate sometimes reminds me of the barnyard conversation between the chicken and the pig, as they argued over which one was more committed to the breakfast meal: "I give eggs every morning," the chicken said proudly. "I'm committed." "Giving eggs isn't a commitment, it's participation," snorted the pig. "Giving ham, now that's a commitment."

Sadly, this body too often seems content to deliver eggs when the people are demanding ham.

Mr. President, this freshmen class is committed to following through on the promises we made last November. And for the next week, we'll be focusing our attention on the Federal budget.

Year after year, when they ran things on Capitol Hill, the Democrats offered up budgets which raised taxes, sent Government spending spiraling out of control, and created massive deficits.

The voters soundly rejected that mentality in November. They looked to the Republicans for an alternative, for a budget that could turn back 40 years of spending mentality and the belief that money will fix everything, especially if it's your money and Washington can spend it.

Debate on our alternative begins today.

Whatever form it eventually takes, a budget resolution that is truly serious about America's financial future must accomplish three equally important goals:

We promised middle-class American families a budget that cuts taxes, and we will deliver.

We'll deliver for the Smith family, and the Johnsons and the Joneses, average American families where both parents work, earn $48,270, and take home $31,664, and end up sending $16,606 or more than a third of their paychecks, directly to the Government.

Families with children are now the lowest after-tax income group in America, below elderly households, below single persons, below families without children.

As one person put it, those who say we do not need a tax cut, probably do not pay taxes.

Mr. President, it has gotten so bad in my home State of Minnesota that it took until last Sunday, 134 days into 1995, for my constituents to finally reach Tax Freedom Day, the day when they're no longer working just to pay off taxes, and can finally begin working for themselves. Nearly 20 weeks, over 800 hours on the job just to pay Uncle Sam.

I applaud the distinguished chairman of the Senate Budget Committee for his courageous work on the budget resolution, but I part ways with his blueprint when it comes to tax cuts. I say we had better find a way to help the Smiths, and the Johnsons, and the Joneses.

The chairman states: "Balance must first be achieved by reducing the rate of growth in Federal spending before tax reductions could be considered."

That is like holding the taxpayers' money hostage, like calling tax cuts a dessert that we will share with the American people only after they have cleaned their plates. Anyone who thinks tax relief should be saved for the dessert cart has not taken the pulse of the people lately.

Middle-class American families are paying the vast majority of taxes in this country, and they are fed up. They are working longer hours, sometimes even taking on a second job, just to meet their annual tax obligations while trying to maintain their style of living. They are still pursuing the American dream, but the ever-increasing tax burden keeps pushing it out of reach.

The $500 per-child tax credit takes money out of the hands of the Washington bureaucrats and leaves it in the hands of the taxpayers.

It is truly a tax break for the middle class: nearly $9 out of every $10 of tax relief goes to families making $75,000 or less. They are the ones who need our help the most, and we cannot ask them to wait another 6 or 7 years.

Mr. President, I promised my constituents in Minnesota that tax relief will be my top priority in the Senate, and during the next week, I will do just that.

The freshman class also promised American families that we would balance the budget. With or without a balanced budget amendment, we will deliver.

Now, my good friend, the Budget Committee chairman, and his counterpart in the other Chamber, have crafted documents the naysayers said could never be achieved.

The budget resolution we begin debating today, that brings the budget into balance by the year 2002, is proof that we are serious about living up to our pledge. Having to live within its means will be a new experience for a Congress that has only balanced its budget eight times in the past 64 years, and has not spent less than it has taken in since 1969.

Even the Clinton administration, despite all its rhetoric about shrinking the deficit, has seemingly washed its hands of the deficit problem.

Under the President's own budget plan, the deficit would increase from $177 billion this year to $276 billion in 2002, and add another $1.5 trillion to the national debt. Only Republicans have offered an alternative to this fiscal madness. And I hope my colleagues on the other side of the aisle will find the courage to vote for a balanced budget. We're offering a plan to balance the budget, and we have done it without slashing Federal spending, without putting children, seniors, and the disadvantaged at risk. Most of our savings are achieved by slowing the growth of Government. Will there need to be some sacrifices? Yes, although the Government will have to sacrifice more than the people will. Will belts need to be tightened? Yes. But if we do not tighten the belts today, they are destined to become nooses around the necks of the coming generations, who will someday become the innocent victims of our negligence. Mr. President, as Senate freshmen, my colleagues and I heard it over and over during our campaigns: the American people are willing to make those sacrifices, if they believe their Government is serious about making change.

This Congress is serious.

Finally, we promised that our budget will protect Medicare and Social Security. For the sake of America's senior citizens, we must protect, preserve, and improve Medicare, to make sure it is there for the next generation as well.

The fact is, Medicare is in trouble, in large part due to fraud, waste, abuse, mismanagement and misuse. By 1997, Medicare will pay out $1 billion more in benefits than it collects in revenue, and 5 years later, it will go bankrupt.

Again, in our budget plan, we are working to preserve, protect, and improve the Medicare System. In fact, Medicare will remain the fastest growing program in the Federal budget.

Over the next 7 years, we will spend $1.7 trillion to keep Medicare a healthy and viable health care provider for this generation of senior citizens.

Social Security must receive the same care, although as a self-funded entity it will be taken off budget and dealt with separately from other programs.

Clearly, the Government must honor its contract with our senior citizens, and the budget that Congress produces this year must ensure that the Social Security Program will survive and be there for older Americans. The best way to achieve that is to bring the Federal budget into balance.

A budget that works for America will meet the needs of all our citizens, working men and women and their children, senior citizens, and the disadvantaged, while providing middle-class tax relief, balancing the budget by the year 2002, and protecting Social Security and Medicare.

Mr. President, that is what we promised the people, and our promises were not made lightly. I remember hearing about a commencement speech given by Winston Churchill toward the end of his life. He sat patiently through the introduction, rose, and went to the podium. All he said was "Never, never, never give up." Then he sat back down.

Mr. President, this committed class of freshmen Senators has taken the pulse of the people, and we are not planning to give up on the ambitious agenda they sent us here to carry out.

Like the latest chapter in the "Die Hard" movie trilogy, we will be here—with a vengeance—to remind our colleagues just what America's message last November was all about.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, before addressing the matter that brings me to the floor, may I congratulate the Senator from Minnesota for the very forceful and, I hope, prophetic statement. The concerns that he has raised are real. They have been addressed without large consequence in this Chamber for some 15 years now, as I can attest. And I for one, and I think many others, welcome the energy and conviction, the commitment of the freshman class, as he chooses to describe it, that came to the Senate in January. I look forward to working with him in the years ahead—months ahead—weeks ahead, to be specific.

(The remarks of Mr. MOYNIHAN pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Under a previous order, the Senator from North Dakota is recognized to speak for up to 20 minutes.

Mr. DORGAN. Thank you very much. It is my intention to speak for a couple of minutes at the beginning and then to yield the remainder of the time to Senator AKAKA from Hawaii.

THE BUDGET DEBATE

Mr. DORGAN. Mr. President, we will begin in a matter of a couple of hours the debate on the budget resolution.

I do not want anyone to despair about the disagreement that will exist on the floors of the Senate and the House on the budget. The disagreement that exists ought not to be a cause for despair, because there is not any disagreement about the destination. We all believe that the budget ought to be balanced. We believe it ought to be balanced by the year 2002, and I am prepared to support that and vote for that.

There is a vast disagreement, however, on priorities: How do you get from here to there? If we agree on the destination, there is certainly disagreement on the routes. How do you achieve a balanced budget? This is the time and this is the place to have a vibrant and healthy debate about priorities.

Now, I expect there will be some skepticism about statements from those of us on this side of the aisle, so I want to today, as we begin the discussion, quote from a Republican political analyst, author, and commentator, Kevin Phillips. This is not from a Democrat. Here is what Kevin Phillips says about the budget that is going to be brought to the floor by the Republicans.

"Anybody who thought the greed decade ended several years ago," Mr. Phillips says, "hasn't yet had time to study the new balanced budget proposals put forward by the U.S. Senate and the U.S. House." He said it is "special interest favoritism and income redistribution. Spending on Government programs, from Medicare and education to home heating oil assistance, is to be reduced in ways that principally burden the poor and the middle class while simultaneously taxes are to be cut in ways that predominantly benefit the top 1 or 2 percent of Americans."

Again, this is a conservative commentator writing that fiscal favoritism and finagling is what is involved here. If it was not that, he said, "we'd be talking about shared sacrifice, with business, Wall Street and the rich, the people who have big money, making the biggest sacrifice." But Kevin Phillips says:

> Instead, it's senior citizens, the poor, students and ordinary Americans who'll see programs they depend on gutted, while business, finance and the richest 1 or 2 percent, far from making sacrifices, actually get new benefits and new tax reductions.

He says:

> In short, aid to dependent grandmothers, children, college students and city dwellers is to be slashed, while aid to dependent corporations, stockbrokers, generals and assorted James Bond imitators survives and even grows. And if the deficit is substantially reduced under a program like this, there'll be a second stage of further upward income redistribution from upper bracket profits in the stock and bond markets.

Again, Kevin Phillips, a Republican says:

> If the U.S. budget deficit problem does represent the fiscal equivalent of war—and maybe it does—then what we are really looking at is one of the most flagrant examples of war profiteering this century has seen.

Mr. President, the debate will be about priorities. We ought to balance the budget, we ought to do it by the year 2002, but there are a lot of ways to get to that destination. You do not have to run down the road and stop and pick up a few dollars from those who cannot afford it and then make another stop and give to those who have a substantial amount already. That is the purpose of, I think, the discussion of the Senator from Hawaii.

We are talking about the Republican party that brings a budget to the floor and gives very big tax cuts for the wealthy and takes it from things that are important—kids who go to school, working families, and the elderly. We think that these priorities are not in step or keeping with the best interests of this country.

Mr. President, I yield the remainder of my time to the Senator from Hawaii, Senator AKAKA.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

MAJORITY'S BUDGET PROPOSALS FOR MEDICARE AND VETERAN'S ADMINISTRATION HEALTH CARE PROGRAMS

Mr. AKAKA. Mr. President, I want to say good morning to my friend who is now presiding, Senator INHOFE, from Oklahoma, and wish him a good day.

I am here to express some of my concerns about some parts of the budget, and particularly Medicare and Veterans' Administration health care programs.

Mr. President, earlier this week the Republican-controlled Budget Committees unveiled their 7-year budget resolutions. The House resolution provides a generous tax cut for wealthy Americans. The Senate resolution would allow not one, but two tax cut proposals. The first would be $170 billion in tax cuts once the Congressional Budget Office certifies that the savings from cutting Medicare, education, VA health care, and the other programs targeted for reductions are, in fact, achieved.

Further tax cuts would be permitted if the budget is reduced by an amount that is greater than the reductions already proposed by the Senate budget resolution. We can clearly see that Republicans in the House and Senate have laid the foundation for implementing the tax proposals outlined in the Contract With America. To pay for their tax cuts they must reduce programs that help working families and the elderly.

The Senate budget resolution proposes a $256 billion cut in Medicare spending over 7 years, but provides no guidelines on how these savings will be achieved. This will be the largest Medicare cut in history, and the impact on beneficiaries and providers will be very painful.

If Medicare cuts of this magnitude are approved, the Department of Health and Human Services estimates that senior citizen's out-of-pocket expenses will increase by $900 a year, or a total of $3,500 over the 7 years. Eighty-three percent of Medicare benefits go to beneficiaries with incomes under $25,000.

It is obvious who will be hurt by these cuts. Our Nation's low-income elderly, who can least afford it, will bear the brunt of the Medicare cuts.

In addition, cuts to providers will have serious ramifications on health care costs since they are passed along to other health care consumers. Provider cuts could have a devastating impact on urban hospitals which already bear a disproportionate share of the Nation's growing burden of uncompensated care. Reductions in Medicare payments will also endanger access to care in rural areas. Nearly 10 million Medicare beneficiaries—25 percent of the total Medicare population—live in rural areas. There is often only a single hospital in their county. Significant cuts in Medicare may force rural hospitals to close or cause more providers to refuse to treat Medicare beneficiaries.

The Senate Budget Committee was given the opportunity to restore the cuts in Medicare funding. Two amendments were offered to scrap the tax cut for the rich in order to fund Medicare. Unfortunately, they were rejected on party-line votes. This massive cut in Medicare funding would not be necessary if the majority abandoned their tax cut for the wealthy.

Under the Republican plan, the wealthy will gain while our elderly population suffers more pain. Instead of cutting Medicare, we must work to ensure that any effort to maintain the solvency of the Medicare trust fund does not put Medicare beneficiaries at risk. And, we must protect the program for future enrollees. This problem can and should be solved in the context of health care reform.

I recognize the critical need to ensure long-term stability in the Medicare Program and I support efforts to balance our budget. However, I am opposed to arbitrarily cutting Medicare to finance a tax break for wealthy Americans. I look forward to working with my colleagues on addressing these important issues.

Just as health care benefits are being cut for our senior citizens dependent on Medicare, the freeze proposed on veterans health care programs would be equally devastating for our elderly veterans.

At first glance, the majority budget seems to have little impact on veterans health care programs. The chairman's mark shields the Veterans Health Administration from cuts, and freezes funding at the 1995 level. However, if you examine the long-term impact of the proposal, you find that the proposed freeze will have a debilitating effect on health care provided to our Nation's veterans.

The budget resolution contains only half of the annual cost-of-living adjustments [COLA], so the Veterans' Administration must absorb the remainder of the increase from a budget that is already being held flat. This will mean that fewer resources will be available to veterans seeking access to veteran health care programs.

In fiscal year 1996, the majority's proposal will cut $640 million from the Veterans Health Administration's budget compared to the President's budget request. The options to cope with this cut include the elimination of 8,200 health care providers and support staff or closing Veterans' Administration medical centers [VAMC] to achieve a total reduction of 1,500 patient beds. In terms of direct care services, 57,000 inpatient and 1,300,000 outpatient visits for 142,000 patients would be foregone in fiscal year 1996 under the Republican proposal.

Under their proposal, by the year 2002, 53,000 full-time-equivalent positions would be eliminated or 35 Veterans' Administration medical centers would have to be closed. Over a 7-year period, one-fourth of the current medical care positions would have to be eliminated and 35 of the 159 Veterans' Administration medical centers currently serving veterans across the country would be closed if the Republican proposal is implemented.

Health care facilities and personnel are not the only areas which will be affected by the majority's proposal. Medical research within the Veterans' Administration would also be frozen at the fiscal year 1995 appropriation level. This will significantly impact the specialized services the Veterans' Administration provides, including spinal cord and prosthetics research. In fiscal year 1996, over 150 projects would have to be terminated to meet the budget constraints imposed by the majority.

The cumulative impact for Veterans Health Administration services over 7 years would decimate the Veterans' Administration health care system as we know it. By the year 2002, the Veterans Health Administration budget would have lost $20.6 billion over 7 years. Over 1.5 million inpatient and 34 million outpatient visits for 3.7 million patients would have been denied under the majority's budget blueprint, and we will have turned our backs on the majority of those who so valiantly served this Nation.

Mr. President, this has been our findings in reading through the budget proposal that will be presented today to the Senate. The majority's budget proposals for cuts to Medicare and freezing Veterans' Administration health care programs are simply, in my eyes and in my heart, unacceptable. You cannot single out health care for one segment of the population for cuts without serious consequences. The senior citizens of today, the veterans of today, should not have the rugs pulled out from under them. So, therefore, I urge my colleagues to reject these unwise proposals.

I yield the remainder of my time.

IS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID "YES"

Mr. HELMS. Mr. President, the impression simply will not go away: The $4.8 trillion Federal debt is a grotesque parallel to the energizer bunny we see, and see, and see on television. The Federal debt keeps going and going and going—up, of course—always to the added misery of the American taxpayers.

So many politicians talk a good game—when, that is, they go home to talk—and "talk" is the operative word—about bringing Federal deficits and the Federal debt under control.

But, sad to say, so many of these very same politicians have regularly voted for one bloated spending bill after another during the 103d Congress and before. Come to think about it, this may have been a primary factor in the new configuration of U.S. Senators as a result of last November's elections.

In any event, Mr. President, as of yesterday, Wednesday, May 17, at the close of business, the total Federal debt stood—down to the penny—at exactly $4,884,246,600,937.11 or $18,540.68 per man, woman, and child on a per capital basis. Res ipsa loquitus.

THE RETIREMENT OF REAR ADM. PATRICK W. DRENNON, CEC, USN

Mr. NUNN. Mr. President, it has come to my attention that Rear Adm. Patrick W. Drennon will be retiring from the Navy after some 33 years of honorable and distinguished service.

He most recently served as the Director, Facilities and Engineering Division (N44) for the Deputy Chief of Naval Operations (Logistics), Washington, DC. In this capacity he has provided timely support and accurate information on Navy facility and engineering plans and programs to the Members of the Senate and our professional and personal staffs.

Admiral Drennon was previously the Commander of Western Division, Naval Facilities Engineering Command [NAVFACENGCOM], headquartered in San Bruno, CA. This was following duty as Deputy Commander for Planning and Assistant Commander for Facilities and Real Estate at NAVFACENGCOM Headquarters in Alexandria, VA, and as Assistant for Civil Engineering (OP–04E) to the Deputy Chief of Naval Operations (Logistics), Washington, DC.

His other duty assignments have included: Assistant Resident Officer in Charge of Construction in Key West, FL; Public Works Officer at the Naval Facility and the Navy Representative for Construction while on the staff of the Commander, U.S. Forces in the Azores; Operations Officer of Naval Mobile Construction Battalion One on two deployments to Vietnam; an instructor at the Civil Engineer Corps Officers School at Port Hueneme, CA; and an Exchange Officer with the Mediterranean Division, Corps of Engineers, Livorno, Italy. While working with the Corps' Mediterranean Division, he served as the program manager for the planning and design of King Khalid Military City, Saudi Arabia.

Admiral Drennon also served in the Seabee Division, NAVFACENGCOM Headquarters; on the staff of the then-Director, Shore Activities Planning and Programming Division (OP–44) for the Chief of Naval Operations, Washington, DC; and as the Executive Officer of the Public Works Center and Resident Officer in Charge of Construction in San Diego, CA.

His awards include the Legion of Merit, Bronze Star with Combat "V" and a Gold Star, the Meritorious Service Medal with a Gold Star, and the Navy Achievement Medal.

Rear Admiral Drennon has become widely acknowledged as a leader and visionary in the Civil Engineer Corps. As a fellow Georgia Tech Yellow Jacket, I can say that this is no real surprise as Rear Admiral Dennon began his distinguished naval career upon his commissioning out of the NROTC Program at the Georgia Institute of Technology.

Mr. President, over the past several years many communities have experienced great anxiety and turmoil as a result of the Department of Defense's base closure process. Rear Admiral Drennon has played a vital role in promoting effective communications and harmonious working relationships in the Navy's base realignment and closure implementation process. He has assisted local civic leaders throughout the country in working through many challenging situations associated with base closure and realignment actions. Rear Admiral Drennon has been equally recognized and appreciated by all who have come to know him.

A man of Rear Admiral Drennon's talent and integrity is rare indeed, and while his honorable service will be genuinely missed, it gives me great pleasure today to recognize him before my colleagues and to wish him, his wife, Cheryl, and his family every success as he brings to a close a long and distinguished career in the U.S. Navy.

TEXAS ACTS ON FLAG DESECRATION

Mr. GRAMM. Mr. President, Texas Secretary of State, the Honorable Antonio O. Garza, Jr., has forwarded to me a copy of a resolution passed by the Texas Legislature on March 9, 1995 and signed by Governor George Bush. The resolution petitions the U.S. Congress to propose to the States an amendment to the Constitution of the United States which protects the American flag from willful desecration. I supported the passage of such an amendment in 1990 when the Senate debated the issue and have cosponsored the most recent proposal to ban the desecration of our flag. Secretary Garza has requested that I place in the RECORD the text of the resolution adopted by the Texas Legislature. Because of the importance that I place on this issue, I am requesting unanimous consent that the text of the resolution and the text of a letter from Secretary of State Garza be printed in the RECORD in order that my colleagues have an opportunity to read for themselves this important expression of the collective will of the people of my State.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STATE OF TEXAS,
OFFICE OF THE SECRETARY OF STATE,
Austin, TX, April 13, 1995.

Hon. PHIL GRAMM,
U.S. Senator, Russell Senate Office Building, Washington, DC.

DEAR SENATOR GRAMM: Please find enclosed an official copy of Senate Concurrent Resolution 24, as passed by the 74th Legislature, Regular Session, 1995, of the State of Texas.

The 74th Legislature of the State of Texas hereby petitions the Congress of the United States of America to propose to the states an amendment to the United States Constitution, protecting the American flag and 50 state flags from willful desecration and exempting such desecration from constitutional construction as a First Amendment right.

It is also requested that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States.

Sincerely,

ANTONIO O. GARZA, JR.,
Secretary of State.

Enclosure.

SENATE CONCURRENT RESOLUTION 24

Whereas, the United States flag belongs to all Americans and ought not be desecrated by any one individual, even under principles of free expression, any more than we would allow desecration of the Declaration of Independence, Statue of Liberty, Lincoln Memorial, Yellowstone National Park, or any other common inheritance which the people of this land hold dear; and

Whereas, the United States Supreme Court, in contravention of this postulate, has by a narrow decision held to be a First Amendment freedom the license to destroy in protest this cherished symbol of our national heritage; and

Whereas, whatever legal arguments may be offered to support this contention, the incineration or other mutilation of the flag of the United States of America is repugnant to all those who have saluted it, paraded beneath it on the Fourth of July, been saluted by its half-mast configuration, or raised it inspirationally in remote corners of the globe where they have defended the ideals of which it is representative; and

Whereas, the members of the Legislature of the State of Texas, while respectful of dissenting political views, themselves dissent forcefully from the court decision, echoing the beliefs of all patriotic Americans that this flag is OUR flag and not a private property subject to a private prerogative to maim or despoil in the passion of individual protest; and

Whereas, as stated by Chief Justice William Rehnquist, writing for three of the four justices who comprised the minority in the case, "Surely one of the high purposes of a democratic society is to legislate against conduct that is regarded as evil and profoundly offensive to the majority of people—whether it be murder, embezzlement, pollution, or flag burning"; and

Whereas, this legislature concurs with the court minority that the Stars and Stripes is deserving of a unique sanctity, free to wave in perpetuity over the spacious skies where our bald eagles fly, the fruited plain above which our mountain majesties soar, and the venerable heights to which our melting pot of people and their posterity aspire; now, therefore, be it

Resolved, That the 74th Legislature of the State of Texas hereby petition the Congress of the United States of America to propose to the states an amendment to the United States Constitution, protecting the American flag and 50 state flags from willful desecration and exempting such desecration from constitutional construction as a First Amendment right; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded by the Texas secretary of state to the speaker of the house of representatives and president of the senate of the United States Congress and to all members of the Texas delegation to that congress, with the request that it be officially entered in the Congressional Record as a memorial to the Congress of the United States; and, be it further

Resolved, That a copy of the resolution be prepared and forwarded also to President Bill Clinton, asking that he lend his support to the proposal and adoption of a flag-protection constitutional amendment; and, be it finally

Resolved, That official copies likewise be sent to the presiding officers of the legislatures of the several states, inviting them to join with Texas to secure this amendment and to restore this nation's banners to their rightful status of treasured reverence.

WELFARE REFORM

Mr. DORGAN. Mr. President, there is broad consensus in this country that the current welfare system serves no one well—not the recipients, not their children, not the American taxpayer. I agree with that consensus. The current welfare system is broken and needs major repair. Why? Because it is failing both the people in need and the working people who are paying for it.

The current system has trapped all too many people into a lifetime of dependency rather than assisting them on a temporary basis to get back on their feet and back into the labor force. Any meaningful welfare reform must be grounded on the premise that government assistance is a way "up and out"—not a "way of life."

The current welfare system has failed us all. It traps all too many, especially women, into a lifetime of dependency and poverty. Their children in all too many instances suffer irreparable harm and are likely to remain poor and disadvantaged for the remainder of their lives. If the past is a predictor, too many children of today's welfare recipients will end up on the rolls themselves or in trouble with the law.

We simply must break this cycle. Unless we move welfare recipients into meaningful educational and work situations, we are doomed to failure. The only system that can work to the benefit of all is one that encourages independence, discourages dependency and demands personal responsibility. All of those elements, it seems to me, are missing in the welfare program we have today. Let us make sure that those key elements are the underpinnings of the bill on which we will cast our votes. Let us make sure we do it right. And let us make sure we do it with great care and compassion.

Mr. President, it is my hope that Republicans and Democrats alike can work together to fashion a bipartisan welfare plan that will be both effective in moving recipients from welfare to work. Our welfare system should provide temporary help—an opportunity for people to help themselves. If we put aside partisan rhetoric and turn instead to the mission of protecting poor kids and helping adults who need a temporary helping hand, I think we will have the best opportunity we have had in many years to forge a reform package which is good for kids, good for their parents and good for the American taxpayer.

Before we begin the debate, I think it is important to dispel some of the myths surrounding welfare. My purpose in detailing the following facts is not to defend the current system, but to ground the debate in truth rather than fiction.

First, AFDC caseloads as a percentage of the general population have remained fairly static over the past 20 years, fluctuating between 4 and 5½ percent. The number of recipients has grown as the population has increased and, cyclically, when the economy has declined.

Second, benefit levels have substantially declined in inflation adjusted dollars over the past two decades. The median State benefit for a family of three, adjusted for inflation, fell by 47 percent between 1970 and 1994.

Third, AFDC does not come close to providing a poverty level income to recipients. The median State benefit for a family of three was only 38 percent of the poverty level in 1994. If food stamps are included, the median State benefit only reaches 70 percent of the poverty level.

Fourth, the average size of the welfare family is 2.9 while the average size of the typical American family is 3.2.

As legislators, we must craft a welfare reform bill that helps rather than hinders hope and self-sufficiency, especially for poor mothers and their children. And I know we can achieve our goals if we join together in a collaborative effort to accomplish them.

Mr. President, since there is no Democratic or Republican welfare bill around which the Senate membership of either party has currently coalesced, I thought this would be an appropriate time to offer some suggestions.

IT MUST PROTECT CHILDREN

Protecting the vulnerable children of poor welfare mothers must be our highest priority, and I do not believe that can be accomplished without maintaining the entitlement status of benefits for children. Let me make it clear, I am not talking about entitlement status for the mother, only the child. Despite the best intentions of State governments, despite their basic goodwill, despite their legislative skills, there is no way the Federal Government can guarantee that the welfare child will be protected by each and every State under a no-strings-attached block grant approach to reform. And protecting poor children is something I believe the Federal Government must do. It is and ought to be a national priority. I am not simply not willing to take the gamble that each and every State government will successfully meet this most fundamental responsibility.

I am all for giving State governments as much flexibility as possible in designing effective State reform plans that fit local needs. I am all for encouraging States to tap every creative resource available in forging new approaches to reform. But let us be honest with one another, welfare varies widely from State to State. Benefit levels vary widely. Effectiveness varies widely. Successful job training and placement efforts vary widely. And I am simply not willing to sacrifice any child, in any State, to a potentially unsuccessful outcome. These kids are our future. We must protect their interests.

IT MUST BE WORK-ORIENTED AND TRANSITIONAL

After the protection of children, the fundamental focus of the bill must be to move recipients from welfare, to work, to economic self-sufficiency as quickly as possible. While the original goal of AFDC in 1935 was to pay widows to stay at home and raise their children, the world and workforce have changed a great deal over the intervening decades. Increasingly, we expect both parents to work to support their children. We also expect both parents to share the responsibility of rearing their children. No one denies the difficulties involved in this dual role for parents. But it is done every day by millions upon millions of struggling families. Is it any wonder, then, why the general public expects the same from welfare recipients?

Today 75 percent of mothers with children between the ages of 6 to 16 are in the labor force. The public expects no less from the welfare mother. And they are right. So it is critically important that welfare be re-framed, in the minds of both the public and recipients alike, as a transitional work assistance program. Our goal must be to replace a welfare check with a paycheck. No more something for nothing. No more revolving door. Strict work requirements, and a time limit on benefits. You take responsibility for yourself and the government will provide you with temporary help to ease your entry into the workforce and to help you stay there.

Easier said than done. No doubt about it. But if we can change the perception of welfare and build upon the lessons learned over the years, at both the State and Federal levels, we should be able to move forward in a constructive way.

Most people on the welfare rolls do not want to be there. They want to work. They want to be role models for their children. They want their children to have better opportunities in life than they have had. But, like the workforce in general, many welfare recipients need some help. They want to work, they want to be successful, but they need help in getting from here to there. Many need help in learning how to look for a job. Others need training. Others need assistance to remain in the labor force. But let us face up to the fact that there may not be enough jobs or the types of jobs available in the private sector to accommodate each and every welfare parent, so community service jobs may have to act as a last resort. And let us admit that reforming the system may require some investment if we want to get it right.

WE MUST ELIMINATE WORK DISINCENTIVES

But how do we move from a program which encourages dependency to one that encourages work? One obvious way is to eliminate the disincentives which exist in the current system. You liberalize earning disregards, you raise asset limitations, and you make support services, the linchpin upon which success in the workplace hinges, more readily available to poor people who want to work.

One decisive lesson we have learned over the past decade is that former recipients return to the welfare rolls after a short time in the labor force due to the inadequacy of transitional support services. We have learned that as soon as the recipient has to begin paying for child care and medical care out of a meager salary which more often than not is significantly below the Federal poverty level, the financial burden becomes too great and—no surprise—the mother returns to the welfare rolls. We must address this problem squarely. Forcing poor parents to choose between work and their children's health care or child care is a losing proposition and it is doomed to failure. Who loses? The parent, the child and the taxpayer. So meaningful work is important, but equally important is the continued provision of child care and health care services as these welfare recipients transition to the workplace. These services are a critical bridge to successful work outcomes.

Is 1 year of transitional assistance for those who have gone to work, as required under current law for Medicaid services, sufficient? Probably not. Should child care support end as soon as a recipient has found work. Clearly not. Child care consumes at least a quarter of most low-income family budgets. How many low-skilled workers in low-paying jobs are going to receive a raise in 1 year sufficient to be able to financially absorb the full cost of child care and medical care? Not many, if any. This is simply not a realistic goal. I therefore believe that the plan we pass should continue these vital family support services at a reduced level over a number of years, phasing them out as the recipient's income rises. This will cost money in the short term, but it will be invaluable in ensuring long-term success. But it is my hope that savings to offset this spending can be achieved through other reforms in the system.

WE MUST REMOVE TWO-PARENT FAMILY DISINCENTIVES

One issue on which I believe there is virtual unanimity is that the best environment in which to raise children is in loving, two-parent families. Yet welfare assistance is not available for two-parent families, regardless of their income, unless one parent is unemployed or incapacitated. A system that discourages marriage of low-income single parents and encourages the breakup of married couples who find themselves in economic need is shameful. It is bad social policy, bad welfare policy, bad family policy, bad children's policy, and it ought to be changed. Another thing we ought to change is our policy toward absent fathers who want to share in the support of their children, but do not have the economic means to do so. Why not offer them job training and placement services as well as the mother?

IT MUST DEMAND PERSONAL RESPONSIBILITY

I believe it is the best interest of society to discourage out-of-wedlock births. But if individuals continue to choose to have children outside of marriage, they must take responsibility for their actions. It is their responsibility to support their child. They must learn that actions have consequences and parents have responsibilities. If they want temporary assistance, it is their responsibility to identify the father who must be required to share, at the very least, in the financial burden of raising the child. If they seek temporary government help, they must be willing to go to work to help pay for that assistance.

Most welfare proposals contain a requirement for the welfare parent to sign a contract with the State agency agreeing to abide by the work plan that has been designed for the recipient, with the recipient's input, after careful assessment by a team of case managers of the individual's personal history, work experience and educational and training needs. Once the contract has been signed, the recipient must honor its terms or suffer sanctions. Actions have consequences. That makes eminent good sense to me. It demands accountability and responsibility.

IT MUST ADEQUATELY ADDRESS THE TEEN PREGNANCY CRISIS

Although last on my list, curbing teen pregnancy is one of my highest priorities. And it is one of the most crucial yet vexing components of welfare reform. Teen pregnancy is a crisis by any standard of measurement. Too many teens are becoming parents and too few are able to responsibly care for their children either emotionally or financially. The result: The child is deprived of a fair start in life and the mother will very likely be doomed to a lifetime of poverty.

The teen pregnancy crisis is escalating at an alarming rate. The data are shattering: Before age 20, 43 percent of teenage girls become pregnant; 1 million teens become pregnant each year; 70 percent of teen mothers are not married today in comparison to 15 percent in 1960; the unmarried teen mother rate has doubled in a single generation and continues to climb; 77 percent of unmarried teen mothers end up on the welfare rolls within 5 years of the birth of their first child, and all too many remain there for years thereafter; and approximately half of AFDC recipients in 1993 had their first child as a teen.

What can we reasonably do about this seriously escalating social crisis? There is clear data linking teen births with long-term welfare dependency. Data also tell us that teen births go down as educational and economic options go up. So one thing we must do is require AFDC teen mothers to stay in school and finish their educations or pursue a vocational alternative in return for benefits. We can and must insist that these teen mothers immunize their children and participate in parenting and pregnancy prevention classes. And we can and should require that teen mothers on AFDC live with their families or in supervised homes where they can get the support and guidance they need to become successful parents and good citizens. Finally, we must all become engaged in finding solutions to this devastating societal problem.

Each of us in one way or another has the bully pulpit. Every entity of government, every community, every church, every corporation must trumpet the alarm about teen pregnancy, and we must speak with a single voice: out of wedlock births, especially among teens, are wrong; they are a prescription for disastrous outcomes for both the mother and the child—both will undoubtedly be seriously disadvantaged for the remainder of their lives. We must preach—and I do mean preach—that marriage is the proper social unit in which to have and raise a child. We must, each of us, discourage illegitimacy as harmful to the parents, the child and society at large. And we must do it now. This is not an issue we can push to the back burner. We are in a serious crisis now, and every single indicator points to it getting worse each and every year into the foreseeable future.

These are some of the threshold issues that I believe must be addressed in whatever reform package reaches the Senate floor. When the debate begins, I hope it will not become another missed opportunity. I hope we will work on the reform together. I hope we will do it right, with firmness but fairness. And I hope it will produce the desired results. Our efforts will impact all of our lives in one way or another. But it will affect more directly the lives of our children and their children.

WELCOMING HER MAJESTY QUEEN SIRIKIT OF THAILAND

Mr. JOHNSTON. Mr. President, this month the United States is privileged to welcome Her Majesty Queen Sirikit of Thailand. She is here as an honored guest. On May 25 Queen Sirikit will be awarded the degree of Doctor of Humane Letters by the Johns Hopkins University. On Tuesday, May 16, Queen Sirikit became the first woman ever to receive the prestigious Lindbergh Award. In the words of the Charles A. and Anne Morrow Lindbergh Foundation, Her Majesty was honored for her "educational and humanitarian efforts, her conservation and wildlife preservation work, and programs which are maintaining the Thai heritage and culture."

The description does not begin to do justice to Queen Sirikit's 45-year effort to care for the people of her country, to improve their health and living standards, and to preserve their environmental and cultural heritage. She has given generously of her time and energy to traditional humanitarian causes. She has served as honorary president of the Council of Social Welfare of Thailand, an organization of 150 public and private social work agencies. In her capacity as president of the Thai Red Cross, a position she has held since 1956, she established shelters for refugees from the war in Cambodia. But her particular genius, and I do not use that word lightly, the accomplishment for which the queen has been honored by the United Nations and for which she was awarded the first International Humanitarian Award by the Friends of the Capital Children's Museum in 1992, has been in finding ways to preserve traditional Thai culture and ecology while simultaneously making life easier for impoverished farmers and hill tribes.

Her deep concern for the welfare of the Thai people is matched by her knowledge of their needs. Her husband, His Majesty King Shumibol Adulyadej, has made it his admirable policy to "visit the people", spending more than half of each year traveling around Thailand, often to remote areas accessible only by helicopter or jeep. Accompanying him on his trips, the queen witnessed at first hand the hardships of rural life, the damage to forests, wildlife and water supplies caused by primitive farming practices and the threat posed by modernization to traditional Thai arts and crafts. It was her inspiration to, in effect, capitalize culture, to train farm families in producing handicrafts which could be sold to bring in regular income. Since 1978, Queen Sirikit's SUPPORT Foundation has trained 30,000 such families in crafts ranging from ceramics to silk-weaving to bamboo basketry.

In 1982, the Queen initiated the Forest-Loves-Water project, to demonstrate that SUPPORT handicrafts projects could encourage reforestation. At Ban Mae Tam village, the rich teak forests once threatened by illegal logging are being replaced. Villagers able to earn a living from cottage industries do not need to rely on tree-cutting or slash-and-burn farming for subsistence. Under her gentle leadership, through encouragement and practical training, solutions are being found to pressing environmental problems.

Queen Sirikit's likeness is on the Cares Medal awarded by the Food and Agriculture Organization of the United Nations. This is an honor reserved for women who by their lives and their work have helped to lift the status of women. It is a beautiful medal, reflecting the beauty of spirit of its model, a woman whose motto has always been "To give without discrimination." It is always a pleasure to welcome Her Majesty to the United States, and to tell her how much we admire her efforts on behalf of the Thai people.

GEORGIA AND LARRY TALSMA

Mr. PRESSLER. Mr. President, this week I have been fortunate to visit with two citizens from Springfield, SD—Georgia and Larry Talsma. Georgia and Larry made their first trip ever to Washington, DC, by car. The Talsmas are the quintessential hardworking South Dakota ranch family. They and their ancestors have worked the land for five generations. They know the importance of proper stewardship of the land, because without this respect there would be nothing for the next generation.

The Talsmas came to Washington to tell their story of how the Federal Government is intruding on their land and threatening to take over their private property. Amazing as this may sound, Mr. President, it is true.

In 1991, Congress passed legislation to designate the 39-mile segment of the Missouri River from the headwaters of Lewis and Clark Lake to the Ft. Randall Dam as a recreational river to be administered by the National Park Service. Today, however, the process to achieve this designation has raised great controversy. In fact, the local citizens along this segment of the Missouri River now question the need for the designation. I agree with those South Dakotans, including the Talsmas.

During the first public meeting on the designation, pamphlets were handed out describing how the Park Service acquires private property. Mr. President, most, if not all, of the South Dakotans in attendance were not even aware of the river designation, let alone the possibility of the Federal Government condemning their land and buying it out from under them.

Their concerns and fears were fed by representatives of the National Park Service who stated that if they, the Park Service, cannot own this land, then they will control it.

This morning I asked the Director of the National Park Service to come to my office and listen to the Talsmas. At that meeting I told the Director that I intended to introduce legislation to undo the designation in South Dakota. This is an effort the Talsmas and other South Dakotans strongly support.

I also asked the Director to listen to the Talsmas and see what steps could be taken by the Park Service to address the needs of South Dakotans. While Director Kennedy informed the Talsmas that the Park Service did not want to buy or control their land or claim eminent domain, the Talsmas correctly pointed out that the "Devil is in the details."

The Talsmas informed the Director they were being told just the opposite at the public meetings and that is why they felt they had to come to Washington to get their message across. Their primary concern is not for themselves, but for their children and future generations of South Dakotans who depend on the land for their survival.

I am pleased to report that due to the efforts of the Talsmas, something good came out of the meeting. First, the Park Service agreed to push back the deadline for a preferred alternative to no earlier than August 1, 1995. Just a few days ago the Talsmas were told they had only 5 days to review and comment on the preferred alternatives. This extreme time limit simply is not fair. I told the Director that South Dakotans needed the time to tell their story and have input into the decision-making process. Director Kennedy agreed.

Director Kennedy also assured the Talsmas there would be at least a 60-day comment period on any preferred alternative. If more time is needed, Director Kennedy said he would be willing to provide such time.

Director Kennedy also told me his office would provide legislative language to me that would assure local control over the river. I look forward to reviewing the language and if appropriate will push for its immediate approval by the Congress.

Mr. President, I will continue to work with Georgia and Larry Talsma and other South Dakota landowners to see that their property and their rights are fully protected, and are not overrun by the Federal Government.

Federal policy is moving ever closer toward infringement of individual private property rights. One of America's founding principles is the right of citizens to own private property. These rights must be closely guarded.

Mr. President, I am proud South Dakota has citizens such as Georgia and Larry Talsma. Their determination, and hard work actually moved Washington to action. They had to take time off their ranching chores and drive all the way to Washington to move a bureaucratic mountain. I am please they achieved progress.

I am proud of the Talsmas and what they have accomplished. They are to be commended. Their battle is not over yet, but Mr. President, their action is proof that this is a Government of and for the people.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, what is the status at the present time? Are we under a time limitation?

The PRESIDING OFFICER. We remain in morning business until 12 o'clock. Statements, unless under a previous order, are limited to 5 minutes each.

Mr. GORTON. I ask unanimous consent to proceed in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

A HISTORIC DEBATE ON THE BUDGET RESOLUTION

Mr. GORTON. Mr. President, in less than an hour, the Senate will begin a truly historic debate on a budget resolution reported by the Senate Budget Committee. It is a budget resolution which, for the first time, perhaps, since the Budget Act was passed a quarter of a century ago, seriously proposes to put this Nation on the road to a balanced Federal budget.

Mr. President, lip service has been promised to that goal by many of those who voted against a constitutional amendment to require a balanced budget, as well as by those who voted for that budget. Most of the former group, however, now find something wrong with this proposal, just as they have with any preceding attempts to balance the budget. In theory, they are in favor of reaching that goal, but in practice they have never actually seen the way in which it ought to be reached.

Perhaps the best evidence of this proposition, Mr. President, is that while the minority party in this body is almost—I say almost, not quite—without exception opposed to the budget resolution that is before us, that same minority party in the House of Representatives is putting up as an alternative essentially the Senate budget resolution and praising it as much superior to the one that will actually pass the House of Representatives. I think they do that with full confidence that the proposal will not pass, that the alternative will not pass in the House, and it is therefore safe for them to praise it and, in some cases, to vote in favor of it.

This balanced budget here in the Senate, together with the one in the House, will have tremendous positive impacts on the American people. It will result in a significantly greater increase in family income all across this country because of lower interest rates and greater job opportunities. And those positive impacts will vastly overshadow any temporary negative impacts of the loss of various Federal subsidies.

Before we begin that formal debate, I want to make a few remarks about the downpayment on a balanced budget, the rescissions bill, which is about to go to the President of the United States and which the President announced yesterday that he intended to veto.

This rescissions bill—this cancellation of some of the spending proposed by the last Congress—amounts to about 1 percent of the current year's budget. Yet, to reduce spending this year by 1 percent seems much too drastic a step for this administration to be willing to take. This bill started as a request by the President to spend more money, some for the Department of Defense, essentially to cover the costs of various, dubious peacekeeping missions around the world which was passed as part of a separate bill, and others to spend money on various natural disasters which the President improvidently had refused to include in the budget passed less than a year ago, in spite of the fact that these disasters are always with us, together with a few modest reductions in a handful of programs.

The House of Representatives took the bit in its teeth and came up with a cancellation of something more than $17 billion in current spending, about 1 percent of the total budget, as I have already said. The President protested that as being too much and in the wrong places. This body, as the Presiding Officer knows, passed a somewhat more modest rescissions bill, still close to $15 billion or so, with a different mix of canceled or reduced programs. And about that Senate rescissions bill the President said:

> The bill passed 99 to 0 in the Senate and I will sign the Senate bill if the House and Senate will send it to me. That is how we should be doing the business of America.

In the 4 weeks since then, Mr. President, the House and the Senate have met together in a conference committee to settle the differences between these two proposals, in the time-honored fashion under our rules. What was unprecedented during the course of this attempt to work out differences was the almost total absence of people representing the White House or the administration.

Unlike the situation during the Bush administration, the Reagan administration, and previous administrations when I was not here, there was no guidance from the White House at all. No statement that, "Here is our bottom line." No attempt to work out differences the way previous administrations did. Silence, except around the margins, until the day after the conference committee finished its work and submitted it to the two bodies.

Then the President decided that it ended up reducing a handful of programs and job training and education by so great an amount of money that he had to veto it.

I totaled up all of the items that I think could come under that veto threat and they amount to less than $1 billion of the $17 billion.

Mr. President, I repeat, no statements of this sort, no bottom lines, were sent to the members of the conference committee while it was working out this situation.

Yesterday, the President threatened to veto the bill. He also said that he still wanted to save money but too much money was being spent in this bill on courthouses and on highway projects. Curiously enough, Mr. President, all of these projects which the President now describes as pork were included in last year's appropriations bill that he signed and praised last year.

Of course, if his veto stands and no other rescissions bill is passed, all will be built. His veto does not cancel a single one of them. Not a single one of them was criticized at the time which they were originally appropriated for and passed last year.

One other curiosity, Mr. President, included in the Senate bill which the White House said would be approved, was certain timber language drafted by this Senator for the relief of timber communities not just in the Pacific Northwest but all across the country. That proposal simply authorized the administration to do what it said it wanted to do, to carry out the provisions of what is known as option 9, its own option in the Pacific Northwest, and to salvage burned and dead and dying timber in national forests all across the country, destroyed either by insects or by forest fires and rapidly becoming kindling for new forest fires.

Nothing in the Senate provisions required the administration to do more than it wished to do, but it did enable them to do what they claimed they wanted to do without the interference of outside lawsuits.

Not only was that apparently all right, as a result of the Presidential speech that I just read, it was expressly approved just barely a week ago in a letter from the Secretary of Agriculture, whom as we know, is the supervisor of the Forest Service, expressly wrote to Senator HATFIELD and said that the Senate version was much preferable than the House version.

Yesterday, the result of the conference committee was described by the President of the United States in these words:

> There is another thing which is in this bill which I really object to which would basically direct us to make timber sales to large companies subsidized by the taxpayers, mostly in the Pacific Northwest, and that will essentially throw out all of our environmental laws and the protections that we have that surround such timber sales. It would also put us back into the courts.

Now, Mr. President, the language to which the White House now objects, says is subject to a veto, was first, the language they approved when it passed the Senate in the first place, which was the subject of an explicit letter from the Secretary of Agriculture—a letter of approval, and which was changed only in ways proposed by members of the President's own party as a result of suggestions from people in the administration themselves.

It does not direct timber sales to large companies in any respect whatever. Most of the large companies in the Pacific Northwest are ineligible to bid on Forest Service timber. It is not subsidized by the taxpayers. The Congressional Budget Office told the Senate it will net the Treasury some $80 million.

It is not mostly in the Pacific Northwest but includes every national forest around the country. It does not throw out the environmental laws at all. It allows the administration to continue to follow every one of them as presumably it has, in connection with its own plans. And it not only does not put them back into the courts, it takes them out.

So every single description of this proposal by the President of the United States is in error. Every single element. This proposal merely allows the President to do what he has told the people of the Pacific Northwest and the country he intends to do anyway, and freeze up the lawsuits over that subject.

I think the summary, Mr. President, is just this: The administration, and regrettably many of the Members on the other side of the aisle, whether it is in this rescissions bill or the budget resolution, favor the status quo. And $200 to $300 million deficits as far as the eye can see are fine. They have no other proposal, no other alternative.

Cutting 1 percent of this year's budget is really too much, too drastic. Has to be vetoed. Allowing the President to keep his own promises to timber communities, too radical a proposal.

Everything is just fine with all the laws and all the spending policies right now. That is the message we get. Just fine. We should not make any chains. We will object to everything that is proposed by the new majority party. We will prevent them from keeping their commitments, but we will not offer any alternatives at all.

Mr. President, that is not a satisfactory way with which to conduct the Nation's business. It is not what the people of this country want. We have promised them change and a respect for our commitments. And we will continue to struggle, I trust, ultimately successfully, to just that end.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Nevada [Mr. REID] is recognized to speak for up to 10 minutes.

Mr. REID. Mr. President, I ask unanimous consent that that be extended to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET

Mr. REID. Mr. President, the issue before this body that will begin in approximately half an hour is not whether the Republicans are for a balanced budget or the Democrats are for a balanced budget. The question is how should we arrive at that balanced budget? All of us want to pass a resolution getting our financial house in order. The issue is one of priority. How are we going to resolve difficult issues before the American people in an effort to arrive at this balanced budget?

We have heard a great deal of talk these past few months about the need for deficit reduction. Many on the other side of the aisle have talked about a balanced budget, and rightfully so. I say to my friends on the other side of the aisle, and I say to the American public, where were those same people in the fall of 1993 when the Democrats alone without a single Republican vote in the House or the Senate passed the largest deficit reduction package in the history of this country? Where were they? There was not a single Republican vote for the largest deficit reduction package in the history of this country. I say that would have been the time to start the debate regarding a balanced budget.

Mr. President, the deficit reduction package that was passed in 1993 is projected today by the CBO to reduce the deficit by $600 billion. The deficit will be exactly $16 billion less over 5 years because of the deficit reduction plan that was passed in 1993. Because of the Democrat plan, the 1994 deficit as a percentage of gross domestic product is projected to be the lowest among the G–7 countries. This year we are going to again have a declining deficit. For the first time in 50 years we will have had 3 years in a row where we have had declining deficits. Of course, it should be declining more, but the first time in 50 years. That says a lot.

Because of the deficit plan, the unemployment rate is at 5.8 percent, down from 7 percent in 1992. We have had the lowest unemployment and the lowest inflation combined in the last 2 years than it has been in the last 50 years. There are now about 1.5 million fewer people unemployed than at the start of this administration, a 15-percent drop.

So I think it is important to talk about some of the good things that are happening in our economy. Because of that deficit reduction plan, over 6.3 million new jobs have been created. Keep in mind these are not Government jobs because we reduced the Federal work force by hundreds of thousands of people. We have the lowest Federal employment since the Kennedy administration, right now; not in the future but right now. Significantly, the jobs that have been created as a result of the deficit reduction are in the high-wage industries. For example, managerial, professional jobs make up 58 percent of the new jobs created since 1994. These jobs are good jobs.

What about taxes? According to CBO the deficit reduction package resulted in 98-plus percent approaching 99 percent of Americans paying the same or less taxes as a result of that deficit reduction plan. CPI inflation over the past 2 years averaged just 2.8 percent. That is the lowest of any administration since President Kennedy was President.

The existing home sales for 1994 total almost 4 million. This is the largest total since 1978 and the second-largest total ever.

Since our deficit reduction plan was passed, consumer confidence is up by almost 80 percent. Business investment, investment in producers of durable equipment, which is shown to be closely associated with productivity, again has soared to a 18.6 annual growth rate since 1992. This is a postwar high.

Mr. President, let us not talk about the doom and gloom. Let us take a little bit of time to enjoy the goodness that is in the economy. Since passage of that deficit reduction plan the World Economic Forum has declared that the United States has the world's most competitive economy. Some may say, "So what?" Well, this is the first time in 9 years that we have been selected for that honor.

Again, I repeat, let us look at what is good. Why do we have to dwell on the doom and gloom? The economy is vibrant. It is strong.

There may be someone in this 100-Member body that would argue against a balanced budget. I do not know who it would be. But there could be someone. I say that we should have a balanced budget. And we are going to have that. A debate ensued here a while back where some suggested that the only way we can have a balanced budget is we amend the Constitution. It does not appear that is the case.

We are going to have a balanced budget by the year 2002. That is what was stated in the balanced budget amendment that was defeated here; we can do it without a balanced budget. The reason that some pushed for a balanced budget amendment to the Constitution is they wanted to use Social Security. It would have been a lot easier way to balance the budget had we used the huge surpluses that are going to be accumulated; as, for example, this year $80 billion, the year 2002, $111 billion. That would have been the easy way to balance the budget. But I and a number of others said, "Why don't we do it the right way, the honest but hard way, and balance the budget without depleting the surplus in Social Security, so that by the year 2002, we would not only have had a balanced budget, but we would still have a strong, vibrant Social Security system?" That is the important thing. I think that is what we are going to wind up doing here.

The proposal that we have by the Budget Committee will certainly define the difference between the two parties. We need to talk about priorities.

Very succinctly stated, is it right to decimate Medicare by cutting it by $256 billion, or is it more important to not give a tax cut as in the budget that we have in the Senate Budget Committee of $170 billion, almost $400 billion in the House proposal? Let us do away with those tax cuts and apply that money to Medicare, to education. And why do we have in the Senate version this enormous tax increase on wage-earning families?

And I say to my friends in the Senate and those within the sound of my voice, $28,000 a year, why would we want to increase the taxes for people who are making about double minimum wage?

In the 1993 reduction package, the reason we gave a tax break to people who are earning less than $28,000 a year was so that there would be an incentive to get off welfare and and go to work. And now we are being told that is the wrong way to go.

If we want to reform welfare, the only way we can do it is through incentives to work. And what this thing we call the earned income tax credit does is reward work. That is what welfare reform is. That is why we have it.

The priorities that we are talking about, Mr. President, are significant. We have, in the proposal we have gotten from the Senate Budget Committee, cut college Federal aid to students over 7 years by $30 billion. Half of all college students, Mr. President, receive some type of financial aid from the Federal Government; 75 percent of all student aid comes from the Federal Government.

Let me say it again. Half of all college students receive financial aid; 75 percent of all student aid comes from the Federal Government.

Mr. INHOFE. Will the Senator yield?

Mr. REID. We are talking about $30 billion.

I do not have time. I will be happy, when my time is up, to respond to questions from the Senator from Oklahoma.

This would affect about 4 million students a year. It would reduce Pell grants, and Pell grants go to the most needy students, it would reduce Pell grants for individual students by 40 percent. That is wrong. We would cut back moneys for the Head Start Program, special education. That is not the right priority. The right priorities are to achieve a balanced budget but let us eliminate tax cuts. That is the first way to go. It makes it very simple. And I would be very interested in doing away with some of the tax loopholes that are still in the Federal Tax Code. We could freeze tax loopholes at their current levels and save $300 billion. If we want to be more specific and maintain some of those, which this Senator would be willing to do, we would maybe only save $250 billion. The point is simply that we would save lots of money by cutting tax loopholes. That is what we need to do.

The Republican balanced budget plan is a plan that is harmful to people who want to work. We are talking about equal sacrifice. This is not equal sacrifice, as was said on National Public Radio yesterday by noted Republican commentator Kevin Phillips. He said that the Republican plan in effect damages and hurts the working people but rewards significantly the rich. There is no equal sacrifice. The rich would benefit from the plan while all the sacrifice would go to the working middle class.

That is not the way we should go. I believe, Mr. President, that we must be careful that we do not ruin Medicare; that we not have tax cuts only for the most affluent of our society; that we have reasonable, noninjurious cuts in Medicare; that we make sure we do not damage the education phase of our system; and most of all that we do not hurt the working people of this country.

I would be happy to respond to a question of my friend from Oklahoma.

Mr. INHOFE. I thank the distinguished Senator from Nevada and would like to ask this. One of the Senator's statements was that the defining difference, the budget that is adopted in the debate that will take place over the proposed budget that we have from the Republican side will be the defining difference between the two parties. And my question is, Is the Senator taking the budget, the President's budget as your budget and then the Domenici Republican budget as the other, as being the defining two budgets?

Mr. REID. I say to my friend from Oklahoma—and the Senator was not in the Chamber when I started my statement—I said, No. 1, where were the Republicans when we passed the 1993 deficit reduction plan, the largest deficit reduction in the history of the country? And I laid out in some detail what has happened since we reduced the deficit by $600 billion during this period of time.

I will also say to my friend, during all the Reagan years and all the Bush years, we started out with a document from the President, a budget. But as my friend knows, having had experience in the House, as I have, the budget we get from the President is always changed. That is our function. I heard this statement numerous times when we were in the majority in the House and Senate, that Congress sets the spending. It is not the President. It is the Congress. During the years I have been here, every year President Reagan sent us a budget, President Bush sent us a budget, and President Clinton sent us a budget, we came up with our own working documents. I think that is what we should do this time. What the President sent us will not be what comes out of this Chamber.

I think when it is all said and done, people on this side of the aisle will have the opportunity to vote to determine whether we should have tax increases for the poor, tax decreases for the wealthy, whether we should dramatically cut Medicare and education. We will have votes on that, to determine the differences between the two parties.

Mr. INHOFE. Will the Senator yield further?

Mr. REID. Of course.

Mr. INHOFE. I agree with the Senator. I have read the Constitution and seen what our job is. And, of course, we had a Republican President with a Democrat Congress at the time the Senator is speaking of. Now it is just the reverse; we have a Democrat President and Republican Congress. Obviously, there will be a difference from the beginning budget. The observation that I would make and would like to ask the Senator about is when we talk about the cuts, talk about the deficits—and the Senator was talking about the 1993 bill—in 1994, there was a tax increase that was recommended by the Democratic Party and by the President of the United States, Bill Clinton, that was characterized as the largest single tax increase in the history of public finance in America or anywhere in the world. I would like to ask the Senator two questions. He has been talking about the reduction that we are proposing in our bill in taxes, and I would suggest to the Senator that we are not proposing a reduction in taxes from the Senate even though I would personally like to have us do that. It is the House bill that is offering the reductions in their package.

Mr. REID. I will be happy to respond.

The PRESIDING OFFICER. The Chair will advise the Senator from Nevada that the time has expired.

Mr. REID. I would ask that in morning business this colloquy between the Senators from Oklahoma and Nevada be allowed to continue.

Mr. INHOFE. Reserving the right to object, I would like to not have that extend beyond the next 2 minutes because I want the use the last 8 minutes.

Mr. REID. If I could have 1 minute to respond.

Mr. INHOFE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I would say, first of all, that was wrongly characterized as the largest tax increase in history. And I would further state that the Senate budget we have received also has a tax cut. It is disguised. But what it does, any savings that come as a result of the balanced budget would be referred to the Finance Committee and the Finance Committee only use that money for tax decreases.

So both the Senate version of the budget and the House version of the budget have tax cuts. The House was more apparent in theirs. They have about $385 billion in tax cuts. The Senate proposal is a little more camouflaged but there is still a call for $170 billion in tax cuts because that is all the Finance Committee could use the money for as savings.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I would be happy to yield the time I have to the Senator from Oklahoma.

BALANCING THE FEDERAL BUDGET

Mr. INHOFE. Mr. President, first of all, I thank the Senator from Nevada for responding to questions. I would like to make an observation.

I had the occasion to be sitting in the chair for the past hour before the current occupant of the chair, and I listened to the discussion that took place in the Chamber. It occurred to me that maybe some people for the first time realize how truly difficult it is to balance the budget.

I had an occasion last night to see on C–SPAN the Democratic whip in the House of Representatives standing up and talking and stating over and over and over again that they are requesting reductions in taxes for the very wealthy people and that those reductions in taxes will be paid by what has always been referred to as the working people. And I have always found that to be a little offensive. It is kind of implying that other people are not working. I think it is a very clever way to state it because everyone identifies with that.

But we are at a defining moment right now. There was truly a revolution that took place on November 8, 1994, and everyone agrees with this. I know there are others who do not like the way it turned out, but the conservatives did, in fact, win.

And while there is a lot of confusion over this as to how it must be done, the message that came in November 1994 was: "We demand change. We don't want the status quo."

Now we are seeing the defenders of the status quo on this floor talking about, "Well, we can't do this. We can't have a balanced budget amendment to the Constitution. We can't adopt the budget as proposed by the Republicans because it might incur a hardship on some of the people in this country."

I would suggest, first of all, that we make it abundantly clear that the budget that is going to be proposed in both the other body and in this body does not have a cut in Medicare. As a matter of fact, it adds a bit in growth in Medicare. That growth is somewhere around 7.1 percent.

The President had a report from his trustees on Medicare. There are six of them. He appointed them. We are talking about people like Donna Shalala and people like the other Cabinet members. They reported to the President of the United States that if we do not do something about Medicare, Medicare will start into a deficit in the fiscal year of 1997 and will be broke, bankrupt, in the year 2002.

Now, there are a lot of people watching right now who, like me, will reach the age of 65 by the year 2002, and they have to understand that this is not a Republican suggestion or study that has developed the conclusion that it will go broke by the year 2002. These are the trustees of the Medicare system that were appointed by the President.

Now what has the President done since then? Where is the President? He has not even responded to that. And yet, he is adhering to his budget. Only yesterday, he announced he was going to veto the rescissions bill, which was a reduction in spending of $16.4 billion, the largest single reduction, I believe, in the history of this country. He says he is going to veto this reduction, the spending reductions.

I think it is just inconceivable that someone who ran for office on reducing spending, someone who ran on a balanced budget for this country, would now come up and say, in this fiscal year of 1995, the rescissions bill that has been proposed and that was passed by a majority of votes in the House and the Senate will be vetoed by the President of the United States.

I also think it is necessary for us to reaffirm our commitment to children. I hear over and over again about this program is going to be cut, or that program is going to be cut.

Yes, some programs are going to be cut and there are going to be some hardships if we do successfully balance the budget by the year 2002. But we cannot stand up here on the floor, as the Senator from Nevada did a few moments ago, and talk about the fact that every Senator, every one of the 100 Senators here in the U.S. Senate, wants to have a balanced budget by the year 2002 and not do anything today to bring it about.

You know, this is an exciting time. Right now, this week, we are going to be debating, and next week we probably will have a vote in both bodies on a budget that will eliminate the deficit by the year 2002.

I heard Congressman DELAY talk about the fact that he has been waiting his entire life for this moment to come. And all of those who voted for a major change on November 8, 1994, this is the change. Of all the things that that mandate said to Congress from the American people, it said we want less Government intrusion in our lives. It said that we want to do something about keeping America strong in its defense. But, first and foremost, it said, we want to balance the budget.

I had an experience the other day when we had our National Prayer Breakfast. When I left the House, I was president of the House Prayer Breakfast, so I was kind of in charge, I say to the Senator, of the international visitors.

There was a gentleman who came into our National Prayer Breakfast from Moldavia. He was beaming from ear to ear. He came up to me and he said, "Senator, we are so proud. We now have a free economy. We have been under communism for all these years, now we have democracy. But I have a question to ask you. In America, how much can you keep?"

And I said, "I'm sorry, I don't think I understand your question." He said, "In America, how much does the Government take from you?"

Then I understood what he was saying, and so I gave him a figure that I would hate to have to stand here and try to justify.

But he said, very proudly, "In Moldavia, when we go out and we earn a dollar, we get to keep 20 cents."

They have some kind of a periodic collection. At the end of every month, they have to give 80 cents out of every dollar they earn to the Government. He was so proud they had reached that point.

I thought how fortunate we are in this country, until I realized and looked at the picture of my two grandchildren. And the CBO, and others in every study, no one has disagreed, said that if we do not do something to change the trend in this country of deficit spending, that anyone who is born today will have to spend 82 percent of his or her lifetime income to support the Government. And that is worse off than they are in Moldavia.

So I would just caution you, Mr. President, and others who may hear the stories of the bleeding hearts talking about all these Government programs that are going to be cut, to stop and realize, in most cases, that is not true at all. It is not the case of Social Security, it is not the case of Medicare, it is not the case of Medicaid.

And if, in fact, we could actually put a growth cap on Government, as I think one amendment by Senator GRAMM is going to attempt to do, of 3.2 percent, we end up balancing the budget without cutting one Federal program and without reducing one Federal program by merely putting caps on.

So I think we have to ask ourselves a question, Mr. President, not should we do this this week or next week, but what happens if we do not. Are we going to have another opportunity in the U.S. Senate or the other body to actually come up with a balanced budget? And we have to ask the question: Where will our children be if we do not vote properly?

I know there are well-meaning people on the other side of this. They say we want a balanced budget, they want to do something by the year 2002. I would like to do it sooner. Most of us would. But talking is one thing and doing is another thing.

It is not going to be easy, but I suggest to you, Mr. President—I know that my time is up and morning business up—I suggest to you, if we do not do it this time, we will probably not be able to do it in our lifetimes.

I yield back the remainder of my time.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 13, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001 and 2002.

The Senate proceeded to consider the concurrent resolution.

Mr. SANTORUM. Mr. President, I have been authorized by the chairman to speak, and the time to come off the resolution.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President.

I feel somewhat privileged to be the first person to speak on this historic resolution that has just been laid down by the U.S. Senate. It is, in fact, a historic moment for this Chamber that we are going to finally come to grips and face and look straight in the eye the future of our country and the children of our country and say we are now prepared to act on your behalf. We are now prepared to take the tough stands and to weather the beatings that we will be getting from the press and from the other side to stand up for the future generations of Americans so we can, like my grandfather who came here as an immigrant and my father who came here as a immigrant, try to leave the country better off and with more opportunities than their generation had.

We have stopped doing that in America, and this is a chance to start over, to start anew, to give us the opportunity right here on this Senate floor to move forward, to move this country forward into a new millennium with sound fiscal policy and with opportunity available to every American. That is what this is all about.

This is not about the minutiae that you are going to hear on the floor of the Senate about, Oh, well, we're going to cut this program and as a result of the program—listen, a Government program, a Government program which most people know, most Government programs, big administrative costs, do not necessarily target the way they are supposed to, but we are going to cut a Government program and there will be hundreds of them discussed in the next 50 hours.

We are going to take a Government program and that program itself will jeopardize our future so greatly that it is more important to preserve this little bit more funding for this program than it is to balance the Federal budget and to preserve the long-term future of this country. That argument in itself just fails; it is ridiculous. There is nothing we do in Washington, DC—nothing—no individual program that stands above providing future generations the opportunity to succeed in America. Nothing.

So when you look and you hear all the debate about all the minutiae that you are going to discuss, all the little programs that somebody likes to scare people with that we are going to abolish or cut or whatever, remember the big picture. The big picture is: We balance the budget in 7 years, we provide fiscal sanity for future generations and, frankly, for this generation with several programs, and that is what we have to focus on. That is what the issue is.

You are going to hear a lot about, as I was hearing a few minutes ago, tax cuts for the rich paid for by cutting working middle-class programs, so we are going to take money away from working Americans, working American families for tax cuts for the rich. I do not know about you, but as far as I understand the Tax Code, you get taxed if you work, you get taxed if you make money. So if you are cutting taxes for people who work, I do not know how that is hurting working American families, particularly since the biggest item in the tax cut proposal that is being proposed is a tax cut of $500 for families, a credit of $500 per family.

Now, how is that hurting families? The only families that could conceivably hurt are those that do not have children and those who do not make enough money to pay taxes. But to say that you are cutting programs for taxpaying families, yeah, OK, but then we are giving it back to them where they can spend the money where they want to spend it. They get all of it, not siphoned off from Washington with the administrative costs and the overhead and the direction of what we think is best to spend money, but they get the whole pot.

I see the majority leader is here, so I will cease my comments because I know he is really the proper one to lead this off. But I am telling you, this is going to be a great day in the U.S. Senate. It is a day that we should be very, very proud, as all Members of the Senate, that we are having this discussion. It is unfortunate that the President of the United States has chosen not to participate in this discussion, that he has chosen to sit on the sidelines and throw either confetti or darts from the stands and not participate and get involved in solving the No. 1 problem of this Nation by presenting a budget that is balanced.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader, Senator DOLE, is recognized.

Mr. DOLE. Mr. President, I thank my colleague from Pennsylvania. I commend him for his forthright statement. This is going to be a very important debate, in effect, for everybody in America, I believe for the better if we can keep it on that plane. I certainly look forward to Senator DOMENICI's opening statement, and I will follow with my budget statement after Senator DOMENICI.

Mr. DOMENICI. Mr. President, I assume we will follow the typical process and procedure that we have in the past. As the majority leader of the bill, I will have some opening remarks and I, obviously, will quickly yield to the Senator from Nebraska who will have his opening remarks. I would like the Senate to know that as we read the budget law, there is up to 4 hours for discussion of economics and the macro effect of the budget and the like. Some Senators on our side would like to speak during that period to what they consider to be a historic event, a redefining event for America. So we are going to let as many of them as possible do that without in any way violating our comity with the other side. As soon as we can, we will get into a rotation on amendments.

The Senator from New Mexico will try sometime this evening to offer the first amendment. It should come as a shock to no one. It will be the President's budget. The President's press secretary suggested yesterday that it would be a much better starting point to start with the President. So we will accommodate and put that budget before the Senate and see what they think about it. Then we will go to the Democrat side for their amendment and we will move back and forth.

I am permitted by the majority leader pursuant to his instructions to talk about the fact that we are going to be in next week late. If the full 50 hours is going to be used, obviously we are going to have to take a couple days and work very long hours. The majority leader has indicated we are going to do that. We would like to finish Wednesday, as I understand it. And I am going to do my best to be accommodating. Everybody knows that there is a limitation on how long you can speak on amendments and how much you can speak on amendments to amendments, all of which is by law, not by recall. That is the way the budget law was written. We are going to work closely under that. With that, I will have a couple of procedural unanimous-consent requests, Mr. President.

First, as I understand it, you have already read the budget resolution by title, is that correct?

The PRESIDING OFFICER. The Senator is correct.

PRIVILEGE OF THE FLOOR

Mr. DOMENICI. I ask unanimous consent that the following staff of the Senate Budget Committee be permitted to remain on the Senate floor during the consideration of Senate Concurrent Resolution 13.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The list of staff is as follows:

MAJORITY STAFF

Bilton, Karen.
Cieplak, Lisa.
Hearn, Jim.
Hennessey, Keith.
Hoagland, William.
McQuire, Carol.
Miller, Anne.
Phillips, Roy.
Ramonas, Denise G.
Reidy, Cheri.
Rel, Ricardo.
Riley, J. Brian.
Ruffner, Mike.
Selfridge, Barbara.
Smith, Jennifer.
Smythe, Austin.
Stevenson, Bob.
Taylor, Peter.
Vuksich, Greg.

MINORITY STAFF

Abraham, Amy.
Blocker, Annanias.
Dauster, Bill.
Dimock, Kelly.
Dresden, Tony.
Duncan, Meg.
Grant, Jodi.
Greenwald, Matt.
Huffer, Joan.
Klumpner, Jim.
Mays, Daniela.
Nelson, Sue.
Slominski, Jerry.
Strumpf, Barry.
Williams, Dave.

PRIVILEGE OF THE FLOOR

Mr. EXON. Mr. President, I ask unanimous consent that Susan Ross, a Presidential management intern, and Nancy Harris, a J.J. Pickle Fellow, be granted floor privileges and be permitted to remain on the Senate floor during consideration of the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO USE CALCULATORS ON SENATE FLOOR

Mr. DOMENICI. I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during the consideration of the 1996 fiscal budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield myself as much time as I need for some opening observations, and then I will yield to Senator EXON. And then I understand the Republican leader wants to speak immediately following that. I will be yielding as quickly as I can to him.

Mr. President, today, we begin a discussion of great significance. As I see it, we are discussing today the future of the United States of America. Over the next few days, we will have the debate that so many of us have said we want—a debate to balance the budget of the United States. Earlier this year, we had another debate. That debate had to do with a constitutional amendment to balance the budget. At that time, many of my colleagues declared that we did not need a constitutional amendment, Mr. President. "We do not need a constitutional amendment," many said, "to balance the budget." All we needed was the courage to do it ourselves.

While I wanted a balanced budget amendment because I wanted it there for the long-term future, I voted for it.

Today, I am responding to all of the Senators from both sides of the aisle, which is an overwhelming number who have said the United States of America should balance the budget.

Many Senators on the other side who did not vote for that balanced budget amendment—and I am not here arguing with them today—many of them stood up on the floor of the Senate and said, "We do not need the balanced budget amendment. Just let us exercise courage, and we will get a balanced budget. We will do it ourselves."

This is a do-it-ourselves balanced budget. We have an opportunity to test that proposition of courage. Do we have the courage to do what is necessary to achieve a balanced budget?

Just 55 session days ago, I say to our majority leader who was present at that time, on February 10, this same Chamber overwhelmingly, 87–10, voted in favor of an amendment directing the Senate Budget Committee to report back to the Senate at the earliest possible date, how do we achieve a balanced budget without increasing or reducing the disbursements under the Social Security fund.

In other words, the instructions were—87–10—bring the Senate a balanced budget, and the only thing that shall not be touched is Social Security.

Today, Mr. President, fellow Senators, the Senate Budget Committee has reported back to the U.S. Senate. Senate Concurrent Resolution 13 now before the Senate achieves that mandate and that directive from the U.S. Senate, 87-10. That is the number that said, "Do it."

We will now have an opportunity to openly and fairly debate our vision of a brighter fiscal future, a better America for our children and our grandchildren, a brighter America where we pay our bills instead of asking our children to pay our bills.

Today, my colleagues on both sides of the aisle, to all of them, this will be a very important debate. It will be heated from time to time. However, it is an essential debate. America's future, for the young and the old alike, will be shaped right here on the Senate floor during the next 5 to 6 days.

Let Senators, throughout this debate, try to remain focused on what our ultimate goal is —a country unsaddled with debt on our children.

Because the numbers do not lie, our deficit is out of control, and our current state of Federal expenditures versus receipts is unacceptable.

In the 1960's, deficits were averaging $16 billion a year; in the 1970's, they averaged $38 billion a year; in the 1980's they averaged $156 billion a year; and so far, Mr. President, in the 1990's they have averaged $259 billion a year.

This year we will borrow 11 cents of every Federal dollar spent. Our budget deficit this year stands at $175 billion, and is growing relentlessly at the rate of $335,000 a minute, $20 million an hour, $482 million a day.

All of this debt is, plain and simple, mortgaging our children's future. Experts estimate that a child born today will have to pay an additional $100,000 in added taxes to pay just the interest on the debt which will accumulate during the next 18 years.

The burden is not just on future generations. Our gross Federal debt is so large—$4.9 trillion—that it is seriously harming our standard of living. Every American now owes $18,500. Every single, living, breathing American, from the smallest child to the most senior American, owes the staggering amount of $18,500.

And by 1999, Mr. President, the President's proposed budget will change that number dramatically. I wish I could say it would come down. Each American will owe $23,700 as their share of our profligacy, of our inability as adult leaders to say we ought to pay for what we give to people by way of government.

The New York Federal Reserve Bank estimates that the deficit spending between the years 1978 and 1990 reduced the gross domestic product by 5 percent. That means that the sum total of all our acts in terms of growth and wealth is 5 percent less during that decade because of the deficit we have accumulated.

The bipartisan Concord Coalition reveals that our debt and the deficit spending have lowered the income of American families by $15,000 a year. As we see, it does matter how much we borrow, how much we owe, and how much interest we must pay to those who have lent and loaned and committed money to our Government to pay our bills.

Yet, if this proposed budget is any barometer, the President is doing little to avert a fiscal train wreck for this country. If we pass his proposed budget, the problem will just get worse, because the President's proposed budget abandons deficit reduction and succumbs to the status quo, adding another $1.12 trillion to our national debt by the year 2000, bringing the growth deficit to $6.7 trillion.

President Clinton's budget promises $200 to $300 billion deficits as far as the eye can see, a Medicare system that will go broke in 7 years, and a crushing tax burden on America's young people just starting out in life. That is the promise of the President's budget. Even the Washington Post editorial on Tuesday labeled President Clinton's budget as "weak and directionless."

The budget reported by the Senate Budget Committee—and I am very proud of the 12 members who voted to report this budget resolution last Thursday evening—that budget may be called many things, but one thing opponents cannot accuse it of is lacking direction. The Senate Budget Committee's resolution direction is straightforward. It is toward a balance.

Frankly, I must comment that my good friend, former chairman of the House Budget Committee and currently Chief of Staff of the President, said we should let policy direct our budget, not our budget direct our policy.

I disagree. I disagree. The policy that should direct our spending is a balanced budget. That, too, is a policy I say to the White House and to those who advocate the President's budget. Indeed, a balanced budget is a policy, and it is a policy with a future. It is a policy for the future.

The budget reported by the Senate Budget Committee clearly has direction, has a purpose, and has a tremendously effective and much needed public policy of balance for the first time in almost three decades.

Now, there is a chart up behind me here that I think ought to be the focus of the early, early hours of our debate. It is very, very simple.

It is very, very simple. The President would have us believe that his budget is an attack on deficits, that he has even made enough of an attack on deficits that he can cut taxes. The Congressional Budget Office is, according to our President, the really official, honest disseminator of budget facts. This yellow line is the President's budget for the next 5 years according to the Congressional Budget Office. You see the bragging occurs here, at somewhere between 150 and 200—176, that is where it is. But that is the lowest it ever gets. And look at the line and look at it climb.

Now in just 5 years it is perilously close to $300 billion. I am positive, although we have not done the numbers, that one could now put the line like this, and by 2002 it would probably be up here. But the Senate Budget Committee changed the course of economic history for America and their budget line is this. It is more than symbolic that it is in black, because for the first time, in 2002 the Federal Government is in the black.

Look at the difference. This is the difference. The President's budget goes on up, getting close to $300 billion when the Senate budget is less than $100 billion and then to zero while the President's skyrockets and goes on up to three-and-a-quarter, $350 billion. That is not complicated by any ideas about percentage of gross domestic product and the like. It is just plain dollar numbers.

So the budget resolution before the Senate today has a vision. It has a vision of solvency of this country, and a American dollar that gets out of the doldrums and has a real chance of remaining the currency for the world.

I know people do not quite understand, sometimes, what this low, low, low American dollar might mean. I will not even put the numbers down because the fact frightens me. But if the American dollar would become weak enough—what might happen to America if the Saudi Arabians decided they do not want to be paid in American dollars anymore? Has anybody thought of that? I say to Senator DOLE, if the Saudis said we do not want American dollars, we want to be paid in yen, you would see the most significant, gigantic leap in inflation in the United States, exceeding even the 18, 19 and 20 percent inflation of the Carter days. Because oil prices would of necessity go up two or three times just because of the value of the currency that we would have to buy up and then pay out.

So we have before us, not a blueprint as some have said, but an enforceable blueprint, for it tells the Congress of the future what they can and cannot do about spending for the next 7 years. It does not ignore the problem that everyone agrees exists. It recognizes a simple notion, that our Government simply cannot go on spending our children's money and that by balancing the budget we can ensure a brighter future for our country and our children.

The budget resolution before the Senate today wants to change the way our Government works, to make it efficient, responsive, and less expensive. Like a family gathered around the kitchen table, the committee members who voted to report this resolution Thursday past have made difficult choices. But those are choices we needed to make to protect and strengthen the future. We have been thorough and we have been fair. This budget resolution is designed to return our Nation to reality in terms of the spending of the tax dollars of the American people. It is directed at preserving this country as a land of opportunity, for this and future generations, because opportunity comes when a society gives a citizen a real chance to accumulate wealth and earn good pay. The more we go in debt, the less the chance for opportunity.

In short, it is a reflection of our commitment to responsibility, to generating economic growth, creating family-wage jobs, and protecting the American dream for our citizens, whether they are young or whether they are old. This is not just rhetoric. It is based on many studies and I will cite just an a couple.

The economic forecasting firm of DRI/McGraw-Hill, that firm estimates that if we balance this budget America's yearly output will increase by an extra 2.5 percent over the next 10 years. Minimum, they say, 2.4 million new jobs. So, in the debate that follows when we talk about less Government and what it might do, less debt and what it might do for those who would like to continue to borrow money, we have to also put into that calculation that we might get 2.5 million new jobs. Which has to be set up against some of the things that people will say have to be restrained, reformed and cut in the budget.

Further, a recent GAO study suggests that the average family income will increase by as much as $11,200 over the next 30 years as a result of balancing the Federal budget. Interest rates will decline, say they, by as much as 1.7 percentage points by the time we are in balance. These are not my estimates. They are not hopes. They are not dreams. They are what the best people in America are estimating the positive effect of balance to be. There is a reward for balancing the budget. The reward is a better America, more jobs, more opportunity, lower interest rates, less debt for our children. Add them all up and every adult leader in America should be willing to stand up and say that is was we really ought to do.

This resolution restores equilibrium, fiscal equilibrium. The blueprint, the enforceable blueprint in this resolution will for the first time in 3 decades result in a balanced Federal budget. I believe this because I truly believe it will be enforceable and it makes the very tough decision to address the fastest growing areas of Federal spending and the Federal Government's commitments. It is a budget which reflects the unequivocal goals expressed by the American people and a majority of the Members of Congress. It will balance the budget by 2002. It will not touch Social Security. And it will do so by ratcheting down the deficit by slowing the growth of Government.

Let me emphasize, Government spending will continue to grow over the next 7 years; but rather than having Government growing faster than wages and salaries, as has been the case for the last three decades, wages and salaries will grow faster than Government spending—something very important for the working people of our country and those who will come along in the future to join that work force.

This resolution before us envisions Federal Government growth at 3 percent a year over the next 7 years. Wages and salaries are estimated to grow by 5 percent—marvelous. If we can keep that going, keep that going for two or three decades our standard of living would be back where it ought to be. It is as budget which will reverse the tide of 50 years of power flowing from the rest of the country to Washington. We want to provide more freedom and opportunity to people at the local level so they might have more control over their own destinies, and their own decisions on programs that affect their lives, their communities and their children. Key changes are proposed to shrink the Federal bureaucracy. We assume the termination of over 100 programs, commissions, boards, including the gradual and orderly phaseout of the Department of Commerce. And we recommend the elimination of program duplications, consolidation of Federal programs to improve efficiency and prioritize the limited resources we have.

This resolution begins deficit reduction right here in our own backyard. It establishes a freeze on congressional salaries and pay, as a suggestion to the appropriators, a $200 million cut in the legislative branch this year with more to come. It assumes a 12.5-percent reduction in the Senate support staff, and a 15-percent reduction in committee staff, 25-percent reduction in the Government operations, GAO, and termination of the Office of Technology Assessment. We may do more. But Americans should know we want to start right here. Since we are asking for less government, we ought to have less money to spend on these institutions also.

However, the budget recognizes that Government does provide needed services to our citizens, and we have been painstakingly careful to preserve a safety net for those in true need. Moreover, we support programs aimed at keeping the American people safe, safe in their homes, in their schools by funding needed crime programs fully.

While this budget assumes a series of reforms of our welfare system that saves nearly $80 billion over the next 7 years, let no one say that we have ignored those basic human needs. It provides $192 billion for food stamp programs; AFDC, and child welfare programs, we funded over $130 billion; SSI will be funded over $230 billion. The earned-income tax credit, which we will hear a lot about, will continue to grow, and will expend $155 billion.

This resolution does not in its current form recommend school lunches be changed. The WIC Program would not decrease. It could go up. Section 8 housing would continue, and expiring contracts could very well be funded.

So the committee reported a resolution that does not cut funding for major education programs targeted at the disadvantaged, such as Head Start, chapter 1, special education, Pell grants, community service block grants. Check it. That is the way we put it down. That is the way we recommend it. It will all be up to the committees. But they will all be bound by a dollar number.

On Medicare, first and foremost, we have taken heat for the April 3 Medicare trustees report. Here it is. "Status of Social Security and Medicare Programs," April 3. This was issued by six people, four of whom are appointed by the President, or work for him, and two private citizens. They state that this fund is in near collapse. The hospital fund for seniors in terms of money available to pay the bills will be bankrupt in 7 years. It will be unable to pay any bills. We cannot allow this to happen. And we have taken steps in this budget to ensure that it does not.

Our budget will slow the growth of Medicare generating savings needed to put Medicare on a financially sound footing for the next 7 years while Congress and, hopefully, the President work together to develop a long-term solution to a serious crisis of the solvency gap for Medicare over time.

Saving Medicare from insolvency is an issue of immediate importance. It will require all of us, Republicans and Democrats alike, to work toward a solution. Therefore, our budget calls upon our congressional leadership without delay to establish a bipartisan commission to develop recommendations on how to maintain the solvency of the Medicare system. This commission will be required to report back to Congress by July 10 so that these short-term recommendations can be considered by our appropriate committees before final passage of the laws changing the direction of our country.

So let us also be clear about taxes in this budget. The budget resolution does not raise taxes. Later on, Mr. President, as we are told we should not balance the budget this way, that there ought to be another way—although I do not think we will see another way—but we will suggest that maybe there are some who would like to balance the budget by raising taxes. So we will give everybody an estimate of how many billions of dollars in taxes would have to be imposed on the American people to balance the budget by raising taxes. In fact, we will tell you for your Coloradans, Mr. President, how many billions they would have to pay in new taxes if we do not want to restrain growth and cut programs. If we do not want to do that, restrain growth in some of entitlements and change the way we spend money, if we do not want to do that, then we will tell you how much taxes the State will have to pay to the Federal Government to come into balance. Because I take those at their word who said they want a balanced budget. They may not want it our way. So we are trying to explore which way.

Let me in closing say that it is my sincere hope that, as we move through this process, we can start working together. I wish that Republicans and Democrats could respond to the wishes of the American people in harmony and in unison and end this crisis of deficit spending. I understand full well, however, that this may not be possible. In the end, however, we must pass a budget and direct our policies toward balance.

Last week the committee began its deliberation on the budget. We observed a great hallmark in American history, the 50th anniversary of V-E Day, or Victory in Europe Day. As I told the committee as we began that debate on V-E Day, it was a day we all proudly recall. We recall how Americans rallied together, persevered, and eventually conquered an extraordinary threat to the future. But 50 years later our Nation faces another threat. That threat is severe enough that we should declare war on it and defeat it. One crisis that is less obvious but is just as sinister—one of the great leaders from that great struggle 50 years ago, Winston Churchill, said and I quote:

> The price of greatness is responsibility.

We in Government shoulder that responsibility, Mr. President. We actively seek it by running for public office. I believe the time has come to stop shrinking but to shoulder our responsibility and enact an honest Federal budget and stop squandering our economic future. As we begin this historic debate, I would ask that we all, especially those of us who are elected to lead, consider our service to this Nation. Let us not lose sight of the big picture, but let us focus on these policies that will carry this country into the next century strong and hopeful with an economic future for everyone.

How will future generations view our efforts on behalf of America? Did we work to protect it, strengthen it, improve it, or did we consume its vitality and leave our children with fewer opportunities and a lower standard of living than their parents? I know what I want to do. I am very hopeful that a compelling majority of the Senate wants to do the same thing.

So let us begin the debate. It is one that should be in full in the open to the American people, and we are very grateful that we live in a society that will permit both sides to be heard. I understand and respect those who may disagree as to particulars in this budget. But I am sure that whatever the outcome of this debate Members from both sides of the aisle must conclude that our country's future cannot be strong if we fail to control spiraling debt and continue into the next century with it unchecked. It will not work unless we make some fundamental changes today and early next week.

So I think the time is now. The opportunity is before us today. Let us show the courage and do what is in the best interest of our country.

I thank the Senate. I thank the Presiding Officer.

I yield the floor at this time.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Nebraska [Mr. EXON] is recognized for his opening statement.

Mr. EXON. Mr. President, to begin with, I first want to salute once again, as I have in the past, the distinguished chairman of the Budget Committee for all of the work that went into the production of this Republican budget. I commend him, too, for making the type of hard choices that are necessary if we are to balance the unified budget by the year 2002.

Most of us on this side of the aisle share the goal of a balanced budget. It is an article of faith, I suggest, for this Senator. I have a long history of fighting for responsible budgets. Our dedication to fiscal responsibility, therefore, cuts across party lines. We are willing to work with the Republican majority to shape a budget that will reach balance on a unified basis by 2002. I hope we can come together to fashion out of the Domenici initiative a true bipartisan compromise. I will outline today, and during the budget debate to follow, some fundamental concerns that I feel must be addressed.

Of course, none of this will be easy. To a Senator, we know the enormous challenges that lie ahead. All of us must recognize that we have to make some tough choices, and this Senate has demonstrated in the past I am willing to do that. But no person or party has all of the answers. We should seek to build a consensus on balancing the budget. Brute force is not the answer.

We cannot be dictated to or ignored. Minority rights and views must be recognized and weighed. House Budget Committee Chairman KASICH recently said, and I quote, "Democrats have no standing to say anything about what we are doing in the House and the Senate." This brash rhetoric does not serve the process well. Whatever they do in the House certainly has no place in the Senate.

Earlier this year, I held out the hope for a bipartisan budget. However, we parted ways on key issues, such as tax cuts and the distribution of spending cuts. Soon after, the trench warfare really began. The Republican majority in the Budget Committee took a combative crouch during our markup. Their budget was carved in stone and we in the minority could not remove one period or comma. Not a single number could be changed, even in the smallest amount. That is not the approach to take if we truly desire to work together to produce a unified balanced budget.

On numerous occasions, I have offered a hand of friendship and an invitation to reason on the budget. My purpose is not to thwart the Republican budget, but rather to recast some of its priorities to better reflect our Nation's needs. My purpose is to make recommendations and offer amendments which I believe will make the cuts fairer and evenly distributed. My purpose is to put some balance in this budget.

During the next 50 hours, we will hear a lot about this budget. This budget, once shrouded in secrecy, has been in full view for a little more than a week. As it was unveiled, the budget was attended by the usual fanfare: the grand statements of vision, the quotes from Thomas Jefferson.

That day, we heard a lot of promises, too. As we sat down to mark up the budget, those promises kept cropping up again and again and again. As we started to peel away layer after layer of the budget, many of the promises did not jibe with the numbers I saw.

The Republicans promised to make dogged choices over and over again, but tax cuts are the tail that wags this budget. The Republicans promised to protect the elderly but asked for a king's ransom in Medicare cuts to foot the tax cuts. The Republicans promised a brighter future for our Nation but cast a bleak shadow upon rural America and our children.

Although there have been protests to the contrary, there is a tax cut tucked away in this Republican budget. No one should be fooled by the mirrors that are used to hide this fact. It has been thinly disguised as a $170 billion contingent fund, but it is a tax cut nevertheless. In fact, this could be the mother lode of tax cuts for the wealthy. And what the Republicans do not tell the American people is that the $170 billion tax cut could balloon to $356 billion over 10 years.

The budget before us does not dictate what tax cuts are forthcoming, but we know what is being discussed by the other side of the aisle. The news is not comforting. For example, more than half of the tax breaks in the House-passed Contract With America tax bill benefit those families with incomes of over $100,000. That is the top 12 percent of the income distribution, and even if we disregard Republican plans to increase taxes for those eligible to receive the earned income tax credit, families with incomes below $10,000 would get an average tax cut of $20. Compare that, if you will, with families with incomes over $200,000 stand to receive a $11,266 tax cut bonanza. That is wrong.

True enough, the Senate Budget Committee adopted a nonbinding sense-of-the Congress amendment sponsored by Senator BOXER that states that 90 percent of any tax cut should go to the middle class.

But no one should be fooled into believing that the plans of the majority have changed. Senate proponents of tax cuts have publicly stated their support of the House-passed tax provisions in the Contract With America. If ever there was a Contract on America, this is it. One Senator has vowed that he will offer a tax cut amendment on the Senate floor, and it will not be limited to the middle class.

The tax cut centerpiece of the Republican budget is fueled by cuts in Medicare. The Medicare reductions in the Republican mark total $256 billion over the next 7 years. That is the largest Medicare cut in history. This is the single most important part of the Republican plan. This is the key to the entire deal. This is the cornerstone of the Republican budget, and we intend to change it.

Yet, it comes without a single specific proposal beyond the formation of a commission. On this point, there is no plan. On the largest, most significant part of the Republican budget, there is not plan—period.

Although we have no details, it is clear that at least half the cuts will fall on beneficiaries. The only Medicare cut publicly supported by Chairman DOMENICI would increase the part B premium to 31.5 percent of program costs, adding nearly $500 a year to out-of-pocket payments by the year 2002.

By the year 2002, the average beneficiary will pay $900 more a year in out-of-pocket health care expenses. These cuts will have a devastating impact on the most vulnerable citizens: our frail, our sick, our poor, our seniors.

Republicans promised, too, that their budget would protect Social Security. But the GOP Medicare cuts will require the elderly on fixed incomes to use most, if not all, of their Social Security COLA to pay for health care. For the one-in-four who rely on Social Security for their entire income, this is an enormous hardship.

Cuts in providers are often passed along to other payers, as we know from the past and as we know from the debate that we had last year in an attempt to revise the whole health care system.

I would point out that if only one-third of these cuts were shifted to other payers, businesses, and families would be forced to pay a hidden tax of $40 to $50 billion between now and 2002.

Provider cuts would have a particularly devastating impact on rural areas. Nearly one-quarter of all Medicare beneficiaries live in rural America where there may be a single hospital serving an entire country or more. Significant cuts in Medicare could increase the number of hospitals in rural areas that will be forced to close. Since rural hospitals are often the largest employer in their communities, pulling the plug on these hospitals will result in job loss and, most important and devastating, physicians leaving these communities.

Cuts in Medicaid would also cause the elderly to suffer severe and needless pain. Nearly 67 percent of Medicaid spending is for the elderly and disabled. The Republicans cut Medicaid by $175 billion over 7 years, or 30 percent by the seventh year.

More than 800,000 elderly and disabled people are likely to lose coverage under this proposal. Between 5 and 7 million children could tumble through the safety net. And half of the children served by Medicaid come from working families. Medicaid is also the only major Federal source of funding for long-term care, serving 1.6 million people in nursing homes in 1993, while 1.1 million people receive home health care.

While the cuts in Medicare and Medicaid are onerous, I am also extremely troubled by the new 20-percent cut in mandatory agriculture spending contained in the Republican budget. It is a harvest of shame for rural America.

Agriculture has become a scapegoat for our inability to balance the budget. You have heard all the fictions. Agriculture programs drive the deficit. Agriculture gets a free ride. Agriculture makes no contribution to balancing the budget. The truth is in shorter supply.

The real deficit problem does not lie in agriculture. We should give credit where credit is due A hard look at the projected growth of entitlement spending from 1993 to 1999 demonstrates that agriculture spending shrinks while most of the other programs show substantial growth.

In fact, after a peak in 1986, agriculture spending has declined substantially. The Congressional Budget Office projects that total costs for farm price support programs run by the Commodity Credit Corporation will decline from the $26 billion high-water mark in 1986 to less than $8 billion by the year 2000. This is due primarily to program reforms, including those enacted as part of the 1993 deficit reduction package.

Over the next 5 years, agriculture commodity program spending is projected to decline from $10.3 billion in 1996 to $7.8 billion in the year 2000. As a percentage of total Federal outlays, Commodity Credit Corporation outlays have declined from a peak 2.4 percent in the late 1950's to a projected four-tenths of 1 percent by the late 1990's.

In spite of this downward trend, this budget contains an additional 20-percent hit on agriculture. Let me repeat that. In spite of this downward trend, this budget contains an additional 20 percent hit on agriculture. The effect of that cut is startling in its magnitude. It pulls the rug out from under rural America. To reach such a number, the Agriculture Committee will need to take draconian action, such as increasing unpaid base acreage from 15 percent to approximately 35 percent.

If that happens, I suggest that we are going to see a flight of our farmers in the United States of America.

Moreover, these cuts will strangle our ability to craft a rational farm bill this year. When added to the deep Medicare cuts that will close rural hospitals, I am deeply concerned that this budget will sound the death knell for any semblance of quality existence for rural America. To partially address this, I offered an amendment to reduce by $8 billion the scheduled $12 billion cut in government agriculture programs during the budget markup. My amendment was defeated on straight-line, never-swerving, solid-Republican volley of noes—no to agriculture and no to rural America.

The cuts in the Republican budget go deep and far afield to finance the tax cut. Funding for income security programs is cut $118 billion over 7 years. Food stamps and other nutrition programs are cut by $30 billion over 7 years. Some 17 percent of households receiving' food stamps have elderly members.

The Republicans also take a chainsaw to the earned income tax credit. The earned income tax credit helps keep working families off of welfare and assists middle-class families who have sudden losses of income. If the chairman's mark, however, is enacted into law, the earned income tax credit will be cut by $21 billion over 7 years.

The Republicans say they will shield the Veterans Administration's medical system from cuts. This is not a shield I would want to stand behind. The Republican budget increases the veterans' contribution for GI bill education benefits. It increases the copayment for prescription drugs for higher income individuals. Let us be clear. By funding the VA's medical system at the 1995 level for the next 7 years, the Republicans are dramatically cutting access to health care services for veterans all over this country.

During markup, Democratic Senators on the committee made numerous attempts to soften the blow upon Medicare and other programs critical to working American families. We stated that any fiscal bonus that may accrue from balancing the budget should not be spent on tax cuts. Rather, this money could go a long way to alleviate some of the hardship that would be imposed by the cuts in the Republican budget, or to further reduce the deficit.

Democratic Senator after Democratic Senator offered amendments to get our priorities straight and put this budget back on track. Let me stress—let me stress, Mr. President—that not a single Democratic amendment would have resulted in an unbalanced budget in 2002.

I will go through the entire list of Democratic amendments. But let me give my colleagues a flavor of what the Republicans found so hard to swallow. We tried to get an agreement to use the tax cut bonus to ease the cuts on Medicare, Medicaid, education, agriculture, and the earned income tax credit. We tried to eliminate the millionaire expatriate tax loophole. That is the one that allows those who have benefited most from our country to avoid millions in taxes by renouncing their American citizenship. We would have used those revenues to hire more officers for community policing and to offset the cuts in veterans programs and the earned income tax credit. We stood up for impact aid educational programs. We tried to prevent children eligible for Medicaid from losing their coverage. Not a one of these amendments passed.

It is a sad commentary on our times that during the markup of the Republican budget, we did not have a bipartisan approach toward a common goal. We recognize that doing so will take painful, but necessary cuts and we are willing to call for the sacrifices that will be necessary. They will hurt and they will be painful.

It is not the goal, but the distribution of the cuts in this resolution that is so troubling to this Senator and those on this side of the aisle. At a time when so many Americans are being asked to sacrifice to balance the Federal budget, I cannot and will not condone a budget that contains a tax cut that is a sop to the wealthiest among us.

I cannot support a budget that makes misguided cuts in Medicare and other programs that improve the lives of millions of American families merely to underwrite this extravagance.

I cannot support a budget that would lay waste to rural America and its fragile economy.

In closing, let me say that it is my hope that during the upcoming debate on the Senate floor, my Republican colleagues will give serious and due consideration to the amendments that will be offered to alleviate the unfair distribution of those cuts, and to reverse the course on the tax cut.

Then, and only then, will we have a budget that can be supported, not only by Democrats and Republicans, but all of us here working together on the common problem that has been so well enunciated by the chairman of the Budget Committee: the ever-increasing deficit and the ever-increasing national debt.

We want the American people to know and understand that we want to cooperate and will cooperate in a means to the end, but it must be done in a different fashion than has been detailed in the Republican budget.

If we can do that, then we will have a budget that is whole. We will have a budget that could lead to an eventual reconciliation bill that I could support and authorize an appropriations bill that would follow, that I could recommend to the President that he sign and not veto.

Yes, Mr. President, the Republican majority should realize that they may have the 51 votes to pass their bills, but they do not have, nor will they ever muster, in my opinion, the 67 votes to override a veto. I respectfully suggest that this is the time to start on the road to compromise and the road to reason so that we can come out of this debate on a course of bipartisanship on the budget that we are going to pass.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, in the past few years, this Chamber has been the scene of historic debates on major issues of our time. In January 1991, we spoke of war and peace as we gave our approval to the use of military force against Saddam Hussein.

Last summer, over the course of several weeks, we conducted a nationwide seminar on health care as we discussed President Clinton's proposal to turn our health care system over to the Federal Government.

In my view, both of these debates brought out the best in the Senate and both captured the attention of the country. It is my hope today that America is watching and listening very carefully because I believe that no debate is more important to our Nation's future than the one that began today in the Senate and the one that began yesterday in the House of Representatives.

I believe that no votes we cast will make more of a difference to our children and our grandchildren than the ones coming and the ones we will make in the next few days.

The Senate and our country is fortunate this debate will be led by the Senator from New Mexico. No Senator has spoken with more courage and more conviction on budgetary issues than Senator DOMENICI. All Senators can probably find something in the Senate Budget Committee's proposal that we would change. For example, I will say right up front I believe that while we balance the budget, we can also provide America's families with tax relief and our business communities with incentives to invest and create more jobs.

But no Senator can disagree with the historic nature of the Budget Committee's proposal or with the fact that Senator DOMENICI's leadership has truly transformed this debate. To some, it may seem the debate is all about numbers. And some very big, almost unimaginable numbers will be thrown around in the week ahead. We will hear talk of $200 billion yearly deficits as far as the eye can see, which is what is contained in President Clinton's budget proposal. And we will hear the number $4 trillion again and again and again which is, of course, our national debt—$4 trillion. But I believe the most important number is the one everyone can understand and the one that Senator DOMENICI mentioned. That number is $18,500. The fact is that every American now owes $18,500 as their share of the national debt.

How will Americans pay this bill? It will be paid through fewer jobs and lower wages. It will be paid through higher interest rates when they take out a loan to buy a car or buy a home, and it will be paid through higher taxes. In fact, the Joint Economic Committee estimates all children born this year will pay $187,000 each—every child born this year will pay $187,000 each—in taxes over their lifetime just to pay their share of interest on the debt—just to pay their share of interest on the debt. This is the future that faces our children and grandchildren, and it is a future that is within our power to change.

In the final analysis, however, this debate is much, much more than a debate about numbers. It is a debate about people, people we know in our hometowns and our home States, people we know all across America. It is a debate about what kind of people live in America today, and it is a debate about what kind of America we will pass on to the people who live here tomorrow—again, our children and our grandchildren and their children and their grandchildren.

In the coming days, America will hear two very distinct and dramatically different viewpoints on these questions. One viewpoint is that of President Clinton and the Clinton administration. Candidate Clinton pledged to balance the budget within 5 years, and President Clinton, in his inaugural address, spoke of "cutting our massive debt." And he also spoke about "sacrifice." In fact, within hours of the President's inauguration, I said, "I was pleased to hear the President use the word 'sacrifice,' a word that strikes fear in the hearts of many in this Chamber. But President Clinton is absolutely right. If we are to put our economic house in order, if we are going to do right by our children and grandchildren, then we must deal with our national debt."

That is what I said shortly after his inauguration. That was January 20, 1993. But, unfortunately, the President's actions have not matched his words of that day. The President is making no attempt to balance the budget. As we know, his proposed budget would give us $200 billion deficits, and more, as I said earlier, for as far as the eye could see.

The President is making no effort to cut our debt. As we know, under his own proposed budget another trillion dollars will have been added to our Nation's debt by 1997, not a balanced budget but another trillion dollars in debt. The President is making no effort to preserve and protect Medicare for our children and grandchildren. He washed his hands of the report of the Medicare board of trustees, which included three members of his Cabinet. This was not Senator DOMENICI's, or Senator KYL's, or Senator GRASSLEY's report. This was the board of trustees' and the President's own Cabinet members' report. "Medicare will be broke within 7 years," they said. If that happens, you cannot pay anybody's doctor or hospital bills. I believe we ought to fix it.

Senator DOMENICI will recall that in 1983 we had the same problem with Social Security. That was 12 years ago. Then Ronald Reagan, the Republican President, Speaker O'Neill, a Democrat, and Howard Baker, the majority leader in the Senate, put together a commission. I was honored to be on that commission along with Senator MOYNIHAN, Senator Heinz, and other Members of this body, Members of the House, members in the private sector, and members of organized labor. After weeks and weeks, we put together a rescue package for Social Security. That was in 1983. It was bipartisan. It passed by big margins. So Social Security, as far as I know, according to the trustees, will be in good shape until 2017. That was a 34-year fix. Not bad. We want to do the same in Medicare. That is what is proposed by the Senator from New Mexico.

The President called it a gimmick. Well, Speaker O'Neill did not call it a gimmick, Ronald Reagan did not call it a gimmick, and we got the job done. We rescued Social Security from bankruptcy in 1983 in a bipartisan effort in this body and in the other body and in the White House, because the trustees said at the time that it was going to be broke in a very short time. They are saying the same thing today about Medicare. I do not recall then Ronald Reagan or any Democrat, as far as I know, getting up and railing about, "We are going to destroy Social Security," as the Democrats are doing now about Medicare, saying we are going after seniors, because everybody understood what the trustees had told us. If we did not fix it, it was going to go broke. The same is true here.

If we do not fix Medicare, it is going to go broke. That is all the Senator from New Mexico and that is all this budget proposes, to fix it. We are not using any Medicare savings for tax cuts for the rich, as I hear all my Democratic friends state. Some of them are rich, come to think of it. Now, the President's administration has apparently concluded Americans are nothing more than a series of special interests who focus on only living for today, uncaring of what will happen tomorrow. But the Senate Budget Committee resolution has a different view of what kind of people Americans are. I have a different view of what kind of people Americans are. Maybe it is because of what I have seen in my lifetime. I have seen Americans risk and lose their lives to protect freedom. I have seen them sacrifice and sacrifice and sacrifice to win the cold war. The words of Winston Churchill to the British people during the dark days of World War II can also be used to describe Americans:

> We have not journeyed all the way across the centuries, across the oceans, across the mountains, across the prairies because we are made of sugar candy.

I do not believe the American people have come all this way only to allow their country to drown in a sea of red ink. That is what America is all about. That is what the American people are all about. Nobody wants to give up anything, unless we understand how critical it is. So the Budget Committee resolution offers America a liferaft. We offer the American people, regardless of party, regardless of background, wherever they are from, whatever State, a liferaft. It sets a course for a balanced budget by the year 2002. It reverses the tide of half a century of power flowing from our citizens and States to Washington, DC. In effect, it dusts over the 10th amendment, which I carry in my pocket. It is only 28 words in length. It says that the power which is vested in the Federal Government ought to go to the States and to the people. That is what this budget does. That was a radical theory 200 years ago. That is how old the 10th amendment is. It is part of the Bill of Rights and is 28 words in length. You ought to read it.

For the last 50 years, the power has been shifting to Washington, and we think it is time to shift it back. We trust our Governors—Democrats and Republicans—in any State of America. We trust our State legislatures. We believe that many times they can make better decisions, because they are closer to the people, than we can here. We do not suggest by that that the Government does not do a lot of good things. The Federal Government does a lot of good things and we understand that. We are going to preserve that.

If the past few days are any indication, the President is going to do his level best in the coming weeks to scare the American people, particularly seniors who only have Medicare or Medicaid and Social Security. That may be all the income they have and all of the protection they have. The President is going to try to frighten these people. He is going to try to frighten people with children. He will accuse us of being heartless. He will say we are out to get Social Security and Medicare. But it is off the table here. He will say we are slashing programs that help seniors, the children, and the poor. The liberal media will, of course, report these accusations, and many Americans will be led to believe it. But in the end, I believe there is a weapon stronger than scare tactics, and that weapon is the truth.

One thing about the Senator from New Mexico: You can expect the truth from PETE DOMENICI. He will tell it like it is, even when it hurts. The truth is that this budget does not slash Government spending. It simply slows its rate of growth. It does not slash Government spending. It simply slows the rate of growth.

As Senator DOMENICI said, rather than having Government growing faster than wages and salaries, which has been the case for the last three decades, wages and salaries will now grow faster than Government spending.

The truth is that this budget does not touch Social Security. It does not touch Social Security. But that does not mean the President will not say it does not touch Social Security. It does not mean it is not going to be reported that it does, but it does not touch Social Security. I assume the Senator from New Mexico would give a reward if one could find anything that touches Social Security in the budget.

Mr. DOMENICI. We ought to put a new incentive in. That will be something we ought to give to people.

Mr. DOLE. Right. If you find something about Social Security, there may be a reward for you.

Mr. DOMENICI. With reference to Medicare, we even suggest that in any reform measure, people at the low end of Social Security are held harmless. That is figured into savings. They do not suffer a loss in their Social Security check. That is even built in, in addition to Social Security being off the table.

Mr. DOLE. It is not a benefit or advantage to seniors.

The truth is—and this should all be about the truth, not about what is reported—that this budget will shrink the Federal bureaucracy, beginning right here in Congress, with a 7-year freeze on congressional salaries and a $200 million cut in the legislative branch budget. This reaches out to Americans in need. For example, we will spend $534 billion on Medicaid over the next 5 years, reflecting a 20-percent increase over that period.

The truth is that this budget begins the process needed to preserve, improve, and protect Medicare. This budget acknowledges that we must take action to save Medicare by slowing its annual growth rate.

But let there be no mistaking about what we are proposing. Let the Senate be very clear about it. Over the next 5 years, we will spend over $1 trillion on Medicare. That is an increase of $178 billion. Let me repeat: We will spend over $1 trillion on Medicare, an increase of $178 billion over what we would have spent if we froze Medicare expenditures at today's level.

Despite the overheated rhetoric coming out of the White House, we are not talking about cutting Medicare. Later in the debate I think the Senator from New Mexico will have a very interesting chart that ought to make Senators' eyes pop out. The statement made by President Clinton not long ago.

We are not even talking about freezing Medicare. We are simply suggesting we must find ways to slow the rate of growth. Slow the rate of growth. It is not about paying for tax cuts, it is about saving Medicare. This is a fact and that is the truth.

I do not care how many people stand on the floor on the other side, and there will be a storm of rhetoric on the other side about cutting Medicare for taxes for the rich. Not true. It is not true. We are trying to save Medicare, just as we saved Social Security in 1983. We will do it.

If they want to stand on the sidelines, and the President wants to be a.w.o.l., absent without leadership as he is almost every day, that is all right with us. The American people will remember who was carrying the heavy water up here. As my friend, Senator GRAMM says, "Who was pulling the wagon?" They are not going to pull any wagons on the other side. We will have to pull the wagon. It will be uphill. It will not be easy.

I might add here that the President's rhetoric about Medicare rings especially hollow given the fact that his own health care plan included a $180 billion reduction in Medicare and Medicaid spending. We do not hear much about that on the other side. We do not hear much about that in the White House.

In last year's health care bill, it was there—$180 billion in Medicare and Medicaid spending reductions. Now, the President said at the time, that is not a reduction. Again, I will leave that up to the Senator from New Mexico to explain at a later time.

The fact that Mrs. Clinton said in testimony before the Senate Finance Committee, "We feel confident * * *. We can reduce the rate of increase in Medicare without undermining quality for Medicare recipients." That was not anybody speaking but Mrs. Clinton, who was in charge of the Government-run health care plan advocated by President Clinton. Fortunately, it failed. In her own testimony before the Finance Committee, "we can reduce the rate of increase in Medicare without undermining quality for Medicare recipients."

Now, what has happened in a year? Nothing has happened. So if they were right then, and we are right now, I guess we are both right. And the President ought to go back and read his own statements and read statements others in the administration have made.

I would take the President's budget rhetoric a little more seriously if he would offer the American people an alternative, besides his status quo proposal that Senator DOMENICI said even the Washington Post called "weak and directionless." Believe me, that was in the Washington Post, and they do not often criticize Democrats for anything in this town. That was in the Washington Post, believe it or not.

Mr. President, we can and must do much more than simply maintain the status quo as the President has proposed. We can and must set the course to a balanced budget. And we can and must reduce the tax burden on America's families.

Mr. President, I believe that long after we are gone, future historians will look back at this moment, the rest of this week and part of next week, look back at this debate and say, "Here's where the course was set. Here's where the dye was cast."

It is up to Congress to determine what their conclusion will be. Will they conclude that here were the people who blew the last chance to change the status quo? Is that what they will write in 30, 40, 50 years? Or here were the people who ensured that the America of the 21st century would be one of low wages, high taxes, and fewer opportunities? Is that what they will write? Will they look back to 1995 and say, "Here's where the American dream died, right here, right in this Chamber. Right in this Chamber, because we did not have the courage to do what the American people want us to do, or have the courage to do what we know we should do."

Are they going to say all those things? Are they going to look back in 10, 20, 30, 40 years and say, "Here were the men and women of courage. Here were the people who made tough decisions and ensured that America's best days are yet to come. Here were the people who ensured nothing less than the survival of the American dream." The choice is ours, and the time is now.

Mr. DOMENICI. I understand the distinguished Senator from Tennessee, Senator FRIST, would like to speak.

Senator DOLE, I might say I greatly appreciate the remarks, and I think the American people would know what the majority leader said here today is very, very important, and part of our efforts to get this budget resolution passed. I am very appreciative of this help.

The leader commented on the Senator from New Mexico, and he has been very supportive, as clearly indicated. We have a job to do and we want to get it done. I am most appreciative.

Let me just say a couple of things very, very quickly. The budget resolution before the U.S. Senate does not have any tax cuts in it until the budget of the United States is balanced, and until it is certified to be balanced by the Congressional Budget Office.

So, whatever the talk about cutting taxes versus how we balance the budget, the truth of the matter is we balance this budget and we do not cut taxes in doing that. We change programs. We alter and reform programs. We get to balance. Then there is a dividend, an economic dividend, that in this budget resolution is directed to be used by the appropriate committee for tax cuts, and tax cuts only.

Then it is interesting, people are talking about tax cuts for the rich. Frankly, we passed overwhelmingly—but for one vote, everybody else voted aye—a Boxer-BROWN resolution in that committee that said 90 percent of any cuts that were forthcoming after we are in balance would go to people with $100,000 or less.

We will hear a lot about other things, but the truth does not lie. The budget resolution is there to be looked at, and that is the way it is.

I yield Senator FRIST 15 minutes.

Mr. FRIST. Mr. President, I have been in this body for a little over 5 months now. It is very clear to me where the problem lies. As P.J. O'Rourke has said, "Giving power and money to Congress is like giving the car keys and whiskey to teenage boys."

The problem is that this Federal debt, the cost of increased Federal spending, year after year, has grown out of control. The debt is approximately $4.9 to $5 trillion by the end of 1995, and it will grow to $6.8 trillion in the year 2000. If we do nothing, $8 trillion in the year 2010.

They are big numbers. In individual terms, what do they mean? They are even more frightening. A family of four currently pays $440 per month just to pay the interest on the national debt. A child born this year will pay over $187,000 in interest alone on the national debt over his or her lifetime. By the year 2000, the debt will reach $6.8 trillion, nearly $100,000 for a family of four.

The reason for the problem is this excessive, wasteful spending. In Washington, unlike the private sector from whence I came just 6 months ago, people use this word "cut," and when we reduce spending in the Federal Government from 5 percent to about 3 percent, people say this is a huge cut. The

American people do not look at that as a cut. They know that it is slowing the increase in spending.

It is almost as if a person went in and asked the boss for a raise of $500 per month, and he said I will only give $450, and then the employee would call that a cut in salary. The American people are too smart for that.

Mr. President, while we must listen to the American people in working through the best way to structure arriving at a balanced budget and looking at this Nation's spending priorities, we must, over the next 5 days, maintain our resolve to put the long-term interest of this country over the short-term special interests that will likely become prominent in this debate.

I intend to vote for this budget because it and it alone will achieve balance by the year 2002. And what is the cost of doing nothing? The President of the United States has put forward a budget which we will be discussing which does nothing, which continues $200 billion deficits next year, the year after that, the year after that, the year after that, adding each of these years up to a huge additional $1 trillion to this debt. These are ballooning deficits. We cannot continue these endless mountains of debt again and again. It is not common sense. It is not what Tennesseans told me again and again as I traveled to the 95 counties of Tennessee this past year.

If you need further proof, look at the outside independent analysts. Look at the GAO, the CBO, the Bipartisan Commission on Entitlement and Tax Reform. Again and again they state the obvious, that present trends are clearly unsustainable. The General Accounting Office in "The Deficit and the Economy," in April 1995 says, "Continuing current spending and taxation policies unimpeded over the long term would have major consequences for economic growth."

And the Bipartisan Commission on Entitlement and Tax Reform says:

> Absent policy changes, entitlement spending and interest on the national debt will consume almost all Federal revenues in 2010. In 2030, Federal revenues will not even cover entitlement spending.

Yes, in just 15 years, spending on Medicare, Medicaid and Social Security, on Federal pensions and on interest on the Federal debt, will make no money available for Government, for roads, for education, for defense. Now is the time to balance the budget.

The Congressional Budget Office says:

> Current fiscal policies literally cannot remain unchanged indefinitely: At some time, action will have to be taken to bring Government borrowing under control or servicing the Federal debt will require unsustainable tax rates in future years. Prompt action would limit the damage that occurs when Federal debt crowds out capital investment, putting upward pressures on interest rates. It would also limit the size of the needed changes in fiscal policy.

Let us talk a minute about what all these statistics mean to the average American in this country. Americans are currently paying almost 2 percent more in interest rates than they would if we had a balanced budget. What does that mean to the typical American? It is as extra $1,248 per year on a $75,000 mortgage at an interest rate of 8.75 percent. It means an extra $900 per year on a car loan of $15,000 at an interest rate of 9.75 percent. Again, with my background as a physician, coming to the U.S. Senate from the private sector, what amazes me most is that Medicare will be bankrupt in the year 2002 unless we act; bankrupt—part A, hospital expenditures for our senior citizens and individuals with disabilities. We will talk a lot about Medicare over the next several days but the bottom line is that in just 7 years, unless we act, seniors will not have hospital insurance in the United States.

We are going to continue to lose the war on poverty unless we act, and this budget does act. The Federal Government currently runs over 75 interrelated and overlapping means-tested welfare programs. Between 1964 and 1994, welfare cost the taxpayers $5 trillion in 1993 dollars. Yet the official poverty rate is 15 percent, nearly 4 percent higher than the all-time low experienced in 1973, a low of 11.1 percent.

If we do nothing, we will continue to have a Government that is too big, and the American people want a smaller, less intrusive Government. Our Government is too intrusive in our daily lives. It is a Government that strangles economic growth and innovation. If we look at spending on regulatory agencies, Federal regulatory agencies, it totaled $14.4 billion in 1993. Increased spending on the Federal bureaucracy in recent years has allowed the Federal Government to regulate nearly every aspect of our daily lives.

There are numerous other examples. The Food and Drug Administration has grown from 4,400 employees in 1970 to over 9,000 employees, yet we still hear again and again that pharmaceutical agents and drugs that are finally approved in this country had been approved on the average about 6 years earlier in other countries.

The President himself, in speaking to the AARP last week, said, "I cannot support the status quo and neither can you." And that is what this balanced budget is all about. Yet that is what he has done, support the status quo. He has offered no budget to speak of. And I look forward on this floor to hearing the debate on the proposed budget, the budget as proposed by the President. He has made no effort to balance the budget, yet the American people call every day for a balanced budget. The American people recognize that only by a balanced budget can we restore the American dream.

You can see if the Democrats, the other side, cannot see fit to cut spending sufficiently, the only answer will be a tax increase.

So what is our solution? It is the budget laid before you today, the Republican budget. And Republicans will tell the truth. Yes, there will be some restructuring and there will be adjustments associated with this budget. But they are nowhere near—nowhere near—the distortions that others are spewing forth. Let us examine some of the claims and then tell what the facts are.

Bureaucracy. Some say the Government bureaucrats will lose jobs and the economy as a whole will suffer because of reduced Government spending. People say we cannot go that fast.

The budget proposal today put forward shrinks the Federal bureaucracy, eliminates more than 100 Federal departments, agencies and programs. The budget put forward today abolishes unnecessary bureaucracy, eradicates, gets rid of, Government waste, terminates duplication, and consolidates Federal programs to improve efficiency and priorities. And that is what the American people want. They recognize we need to pull back. But they want us to prioritize appropriately.

Not only will this be good for the Federal budget but it will be good for the recipients of Federal benefits today, who are out there trying to do their best to make sense of the maze of regulations before them. There is no doubt this budget will result in greater economic growth.

On Medicare, some people say Medicare cuts are going to devastate our seniors and our entire health care spending. It is not true. As pointed out by the majority leader, we will be spending over $100 billion more in Medicare in the year 2002 than we do today.

And with regard to the social safety net, Social Security is put on the side. It is outside of this budget. We do nothing to attack Social Security. But then some people come forward and say we will leave children homeless and starving in the streets. In truth, our budget provides a safety net for those truly in need. It provides transforming new programs to empower the underserved, the poor, the indigent. This budget moves power and money out of Washington back to people, and that is what the American people are calling for. It does it by working toward block grants for Medicaid, block grants for welfare, child care, and other social services. The bottom line is that we empower communities, empower citizens to make decisions over their lives. The cruelest thing we can do to the poor, to the underserved, is to continue to fund certain assistance programs today without serious reform. Over half of the AFDC families today remain on welfare for 10 years or more.

One in three children today in the United States is born out of wedlock. In some low-income neighborhoods it is 8 out of 10 children, and those children are three times more likely to end up on welfare.

In 1960, nearly two-thirds of households in the lowest income group were headed by people who worked. By 1991 that figure had plummeted from two-thirds to only about one-third, and only 11 percent of welfare household heads were working full time year round.

Yes. The collapse of work and family has spawned crime, drug use, violence in schools, and other social ills. The people who suffer the most today are our children.

So we all know that the rhetoric we will hear over the next several days will be about hurting children. In truth that is just a smokescreen, a smokescreen to hide the fact that our big Government solutions have failed. I am confident by turning over our welfare assistance programs in large part to the States will result in innovation, creation of new ideas which can be adopted similar to those of Governor Thompson of Wisconsin, Governor Engler of Michigan, and Governor Weld. No longer will welfare be a way of life with regard to dependence on others.

In closing, the Republican budget has its benefits. We will hear about those again over the next several hours.

Lower interest rates: Lower interest rates which will affect nearly every American, allowing him or her to participate in the purchase of a new home or a new car for less money. Lower interest rates to make it easier to start a business, to keep a family farm in business, or for existing businesses to make new investments. And new investments result in more workers, and more workers mean more jobs.

Yes. We will see greater economic growth, greater economic growth that will result from a greater amount of capital available for borrowing. Right now, the Government is using our Nation's capital, capital that businesses and individuals could be using to invest in new ventures. New ventures mean more jobs with higher incomes.

And in closing, a balanced budget by the year 2002 will result in a stronger America today, and a stronger America tomorrow means that all Americans will benefit.

Thank you, Mr. President.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, before I yield, let me thank Senator FRIST for his marvelous remarks.

Let me suggest that the Senate is very, very well served in the decision that this eminent surgeon made to get into politics. From my standpoint, I kind of wondered why because he does heart transplants for little children, an expert in the field. It made him very renowned. But I am very pleased he made the decision. He adds a lot of credibility, sincerity, and knowledge to our debate on health care. And we look forward to using him in the debate when Medicare comes up with some additional time. I am very appreciative of his remarks.

We understand Senator GRASSLEY was going next because there were no Democrats here. If they would let us do that, then we will yield to two Senators on that side for two consecutive ones.

How much time does Senator GRASSLEY desire?

Mr. GRASSLEY. Twenty-five minutes.

Mr. DOMENICI. I yield 30 minutes to Senator GRASSLEY.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I want to first commend the distinguished chairman of the Budget Committee for his leadership in putting this budget together. But in addition to saying those few words, I want to say to the American people that a lot of times an individual wonders whether one person can make a difference. As far as this budget debate is concerned, the person of Senator DOMENICI and his leadership as chairman, and the responsibility that goes with that, demonstrates clearly what we all know in America. If an individual puts their mind to it, that one person can make a difference.

So I thank the distinguished chairman.

Mr. DOMENICI. Might I, without interrupting after this, just say I thank Senator GRASSLEY very much. I very much appreciate that.

Mr. GRASSLEY. I thank the chairman for his leadership again.

Because their budget represents a vision, it also represents a plan on how to get there to carry out that vision. This budget is conspicuous in that it is the only plan before this body that will have a real vision, and will have credibility in the process. The hallmark of this budget is that it balances present-day needs with long-term needs. That is quite a balancing act. But it does it well because it does it for children, it does it for senior citizens, it does it for the needy, and it does it for the forgotten taxpayers of America. This does not forget the taxpayers. It is not just a bottom line in the year 2002 that we are talking about, because that is balanced. But it also is balanced between our long- and our short-term needs of society.

I do not think that any Republican who voted for this in committee, including the chairman himself, however, thinks that or makes a claim that this is a perfect document. There are elements in here that each one of us dislike. I will mention a couple for myself because I am not going to speak on the negative aspects of this. But I do think that we ought to make it clear that there might be some things we would rather have differently.

For me, representing an agriculture State, I suppose I could say I am not satisfied with the agriculture numbers. However, I had a chance to address this in committee, and I did it with a sense-of-the-Senate amendment to limit the savings from commodity programs. We farmers know agriculture must contribute toward deficit reduction because we know that people in agriculture, including the family farmers, will benefit greatly from the lower interest rates that result when you have a balanced budget.

I also do not like Medicare numbers. But the issue there is to take important steps to keep this bankrupt program solvent, and of course viable both in the short term as well as the long term. The point, Mr. President, is balance, and this budget has balance.

It also contains some very important national goals, and I want to begin my remarks by pointing out some of them. It provides a vision. That vision is to preserve opportunity and the American dream for future generations. We intend with this budget to stop the practice of allowing their generation to live high on the hog and have the next generation pay for it. That, Mr. President, is a moral issue.

Next, this budget is balanced. This is a goal shared, as you may know, by more than 80 percent of the American people. Yet, however, there is only one party that has delivered a plan to balance the budget; that is, this side, the Republican side, of the aisle. It is very clear that the Democrats cannot put one together because that party it seems happens to be the party of the status quo. It is the party of business as usual. I have no doubts in my mind that they do not propose a balanced budget because they are the party that was roundly rejected by the voters in the November election last. Those voters, those very same voters by an 80 percent majority, want our budget to be balanced and the sooner the better.

Next, our budget confronts in a very responsible way the Medicare crisis. The other side of the aisle is running away from the challenge of shoring up the Medicare Program, running away from the fact that the Medicare Program is bankrupt. They happen to be doing it on Medicare just like they are running away from the challenge of the deficit. Instead of being responsible, and instead of offering constructive solutions to ensure the viability of Medicare, not only for this generation but for future generations, they are engaging in a campaign to scare the senior citizens of America and to scare the wits out of them.

It is somehow like a campaign staff has taken over the policy staff. This is a completely irresponsible posture on their part.

I just stated the broad goals of our budget, Mr. President. But there are others that are reflected in this plan. I want to state them but more briefly. It moves money and power out of Washington and back to the States, the citizens, and our communities. It substantially reduces corporate welfare spending. It provides for maximum crime control to keep Americans safe by protecting funding for the Drug Enforcement Administration and the FBI. It provides a safety net for the truly needy with emphasis upon children.

It protects Social Security. It protects our national security. It protects the school lunch and school breakfast programs. And it adds $2 billion for supplemental food programs for WIC. It eliminates over 140 agencies, programs, and commissions in the downsizing of Government, including the Cabinet-level Department of Commerce. It eliminates bureaucracy, waste, duplication, and overhead, and it consolidates many Government functions, privatizes many others, and improves Government efficiency.

Now, Mr. President, it does all this while allowing spending to grow by 3 percent per year instead of the projected 5 percent. Government spending will still grow by 3 percent.

Now, there are a lot of people listening who are going to be irritated because Government spending is going to grow by 3 percent. I run into this when I meet with Iowans in town meetings because I overhear concerns that 3 percent growth is irresponsible when you have a $4.7 trillion deficit. These responsible constituents are greatly concerned about the future of their children and grandchildren because—do not forget—the most important thing that we can do for today's children, the most important thing we can do for today's children is to not leave them trillions and trillions of dollars of debt to pay off.

If you are really concerned about children, we must denounce policies that are based upon a philosophy of materialism today and to heck with tomorrow. We cannot go on borrowing money today at the expense of tomorrow's needs. We must find a balance, and that is what this budget does—a balance between today's needs and our responsibilities for tomorrow.

Mr. President, that is the good news about this budget. But all of these positive elements seem to get lost in the rhetorical barbs launched by the other party and in the news coverage of this budget reported to the American people. I think I know why. That is because, as we have been reading recently, the media have a penchant for delivering the most negative of news. And the other party, quite frankly, knows this and plays to it. And it makes very great TV. But how responsible is it?

There is one other important aspect of this budget that has not been talked about much, and it should be. And that is this. There is no pay raise in this budget for Members of Congress. There is no pay raise for Members of Congress for the next 7 years until this budget is balanced, until we have earned a pay raise.

There are also changes in the Members' retirement system to bring it more in line with private sector retirement systems. This pay freeze is important for two reasons. First, it ties Members' pay to our performance in attacking the deficit. It says, "Don't even think about a pay raise until you get the budget balanced."

The second reason is even more important, and I wish to commend again our distinguished chairman for the implicit leadership in what this pay freeze states. It says, in effect, we are leading by example. We are leading the way toward a balanced budget by denying ourselves any more pay over the next 7 years. And as a result we are not asking Americans then to do what we are not willing to do for ourselves. When people come into my office and ask why we are slowing the growth of their benefits, I can look them in the eye and say we are denying ourselves any growth as well. As a result, this Republican budget, in my view, earns the moral authority to ask everyone, to ask everyone to pitch in and to help balance the Federal budget.

So, Mr. President, the Republican balanced budget contains a positive vision for present-day America but also for future generations of young Americans. We balance present-day needs with the need to preserve future opportunity. Meanwhile, there is no alternative vision proposed by the other side. All they seem to offer is business as usual.

By definition, the absence of a bold vision is the continuation of business as usual. If Americans ever wondered which party is a party of the status quo, let there be no doubt now.

I wish to describe this symptom, the symptoms of defenders of business as usual. They use half their ingenuity to get us into debt and the other half they use to avoid pain—paying it off. Their philosophy is live within your income even if you have to borrow to do it. They simply refuse to reconcile their gross habits with their net income.

What does a budget look like that subscribes to this philosophy? I think, Mr. President, that we have a very good example of this budget. If you look at this budget, you see the President's numbers here. You see a budget that is never balanced into the future—not only not balanced but the deficits go up and up and up.

Now, Mr. President, you look at the Senate budget that we are debating right now and you see it gradually going down and by the year 2002 it is in balance. This zero here represents no more accumulation of debt. But if you look at the difference between this budget and this budget, the space in between, you see the accumulation of $1.5 trillion of debt. That is on top of the $4.9 trillion debt we have this very day.

This chart shows it very simply. It shows two directions into the future. That top line is business as usual, and it spells disaster for our children. The bottom line, the Domenici budget, the one that is balanced, that is the only alternative. It presents only vision for the future. That happens to be our plan, the Republican plan, the plan that was approved last week by the Senate Budget Committee.

You see from the chart the President abdicated his leadership this year in the budget process. My Democrat colleagues in this body now have to decide a simple question. Do they follow their leader in abdication and risk being the party of abdication or do they offer the country their vision in the form of an alternative? That is the question. It is easy to say what you are against, but what are you for? The American people want to know. The American people have a right to know.

During deliberations in the committee, I read a number of quotes from the CONGRESSIONAL RECORD that were uttered by Democrats on the Budget Committee. They spoke those words on the Senate floor during debate on the constitutional amendment to balance the budget.

I am not going to read those quotes today because I do not intend to embarrass anybody, but I have those quotes right here if anybody wants to know what they are. In sum, they said this during February: "We don't need a constitutional amendment to balance the budget. We should do it in the Budget Committee."

So, they implied, let us just roll up our sleeves and get to work on a balanced budget by the year 2002. But when it came to the Democrats voting on a motion by the chairman expressing the desire for a balanced budget by the year 2002, all but one brave soul from the other side of the aisle retreated, sounded retreat and voted against it.

Again, Mr. President, that begs a very important question: What is their plan? What is their vision?

This is then an issue of credibility. You cannot talk the talk until you walk the walk. And all we hear is sniping and wailing about what they are against. It is real easy to pick out a program in isolation and attack the whole Republican plan for a balanced budget. But until you put it in the context of your own balanced budget alternative, your concerns ring hollow and there is no credibility. If you want to snipe about the Republican budget and if you want to have credibility in doing so, you have to have an alternative balanced budget plan.

You might ask: Why do they have to have a balanced budget? Well, it is simple. The public is demanding one, and because it is our duty and obligation to this country's future and, of course, to the future generations of Americans. And not the least reason of which is that the other side said during the February debate that they wanted a balanced budget. They said that during the debate on the constitutional amendment.

Or, of course, they can choose the President's path, and they can put business as usual on automatic pilot.

So I say to them: Show us your vision. Show us how you get us there. Show us how you get there in 7 years, just like you said on the floor in February. If you do not do that, you will be all talk and no action. You will be following your leader in the White House in abdication of responsibility and then you risk becoming the party of abdication.

Now, I think I can claim for myself, this Senator from Iowa, that I have worked closely with the other side over the years for more deficit reduction than the leadership of their party or even our party maybe wanted.

Last year was just one of the latest examples. I happened to join my good friend, Senator EXON from Nebraska, the Democratic leader of the Budget Committee, in sponsoring the Exon-Grassley amendment. That saved the taxpayers $13 billion. I am the only Republican on the Budget Committee who can claim to have voted for a Democratic budget resolution in getting a budget to the floor.

I joined the other side those times because they were responsible, fair, and tough on the deficit. I did so even when it meant criticizing the President of my own party.

My colleagues on this side know full well that I have been willing to criticize past Republican Presidents. And I now make this same charge against this President for the budget that he submitted this year. It had no credibility regarding deficit reduction. He punted to the Congress. He took a vacation on reducing the deficit.

What I am saying now is—and I believe I have sufficient credibility to say it—if you do not offer a credible balanced budget alternative to Chairman DOMENICI's mark, you Democrats risk becoming the party of abdication as far as the public's desire for a balanced budget is concerned.

You might even come up with a plan that I could support, as I have done in the past. That is, if it were balanced. I want it balanced in the year 2002 if you want me to vote with you Democrats. But until you walk the walk, the credibility will not be there.

Mr. President, these are new times. These are times that require a vision. These are times that require a plan to get where you are viewing. You have to find a way to balance your present day priorities with long-term needs to preserve the future for coming generations.

Mr. President, we—not just the Members of the Senate—we—not just people inside the beltway—we—you, all the people of America, this generation—cannot live just for today. We have to live for today and we have to live for tomorrow.

We on this side of the aisle have presented a vision and we have presented a plan to get there. The question now, Mr. President, is: "Where's theirs?" I want to repeat: "Where's theirs?"

I yield back the remainder of my time and reserve it for the Republicans.

Mr. EXON addressed the chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Nebraska.

Mr. EXON. Mr. President, in answer to my good friend and colleague from the State of Iowa, "Where's theirs? Where's theirs?"—I assume we are going to be hearing that over and over again—"Where's theirs?" was enunciated by this Senator in the remarks I made in opening this debate.

What we are trying to do, I advise my friend and colleague and oftentimes associate, is to simply say that we are offering a series of amendments to the Republican budget that has been offered, frankly, in a spirit of cooperation.

We will be doing here essentially the same thing that we did in the budget markup. And that is simply to reach out the hand of friendship and understanding and hopefully reach some kind of a bipartisan compromise by not rejecting the budget offered by the chairman of the Budget Committee. But, as I said in my opening remarks, I salute the hard work that had been done.

"Where's theirs," it should be understood very clearly by the Senator from Iowa and everyone else, that "Where's theirs?" is simply the situation that we are trying to recognize that in some instances you have done a good job. And "Where's theirs?" is that in good faith we are trying to get you on that side of the aisle to quit knocking down and rejecting every suggestion that we have made.

And I think that anyone who looked at the amendments that we offered would have had to say that at least they were in good faith and debatable. Basically what we did, time after time on a whole series of amendments, was to say, we believe that there are some good, overall parameters offered by Senator DOMENICI, the chairman of the Budget Committee, in his mark. But we happen to feel that some of the cuts on veterans programs, on Medicare, on Medicaid, and others that we have announced and enumerated—and I talked about most of them in my opening remarks—simply take money out of the money that is reserved for the tax cut that is clearly indicated in the budget in the House of Representatives and the $170 billion that is in the Domenici mark and reserved only for tax cuts.

What we are saying is, why can we not reason together? Why can you not give up on the tax cut, that you want to help out and cut down to some extent, a considerable extent, the hit that we think is being unfairly taken by Medicare, Medicaid, by farm programs, by taking away earned-income tax credit, by the cuts in education and others?

We just say, give us a little bit. Maybe we can go along.

I yield 15 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank the good Senator from Nebraska for yielding. I want to, before I begin my formal remarks, identify myself with his statements to the Senator from Iowa. The Senator from Iowa made a very strong speech. "Where's theirs?" Well, that is a lovely slogan. The fact of the matter is you are going to have a chance to see what we have in mind, just as you did in the Budget Committee, where I proudly serve with my friend from Iowa.

The fact of the matter is, we are going to be offering a series of amendments that take that Republican budget that we think, frankly, is a retreat from the American dream and try to fix it and try to fix it the way we think the vast majority of Americans would fix it.

So my friend from Iowa will have a chance to find out what the Democrats think is important. He is going to find out, and if he acts true to course, he will vote against everything because those Republicans do not want to touch the $170 billion they have reserved to give tax cuts to the wealthiest. Those over $350,000 will get $20,000 back each and every year, while the drastic cuts in programs that my friend from Iowa says, "We're doing it for the children," cause nothing but pain for the children.

As we offer up our amendments, they will not change the date in which this budget is in balance. It will be kept at 2002. That will not change by one 1 minute or 1 day. But what will change—what will change—are the priorities of this Nation, and that is why I so relish this debate on the budget and why I was so honored to go on the Budget Committee of the U.S. Senate. I served on the House Budget Committee as well, because what could be more important than what we spend taxpayers' money on? What could be more important than that? When you read the preamble of the Constitution—and I recommend that you do it as often as possible—you will find out that we do have to establish a system of justice, that we do have to provide for the common defense, that we do have to promote the general welfare and make sure that the blessings of this great country are endowed on future generations. That is the function of the U.S. Government.

Now, we can argue around the edges, but it is our responsibility to fulfill that very solemn pledge we take when we raise our right hand and we swear to God that we will, in fact, uphold this Constitution from enemies both foreign and domestic. I take that oath very seriously. I think that the budget of the United States of America is where we lay out for the American people how we hope to do that.

Mr. President, I believe this budget resolution, this Republican budget resolution is a cruel retreat from the American dream because it, among other things, will take money out of the pockets of working people, college students, senior citizens and place it in the pockets of the wealthy. It is Robin Hood in reverse. It is just what we should not be doing.

When I listen to some of the debate and I hear my colleague, Senator GRAMM from Texas, and I have heard him say it many times, he says, "What I want to do as a Republican is take the money out of the pockets of the Government and put it in the pockets of the people." Well, if he believes that, he will not support this Republican budget, because this Republican budget takes money out of the pockets of the seniors, out of the pockets of the students, out of the pockets of those who work so hard and earn $28,000 a year or less, and what does it do? It puts it in the pockets of the wealthy. That is wrong. That is wrong, and that is what has been hidden in this debate and that is why I relish this debate.

When I say that this budget is a cruel retreat from the American dream, I know what I am talking about because I am a product of the American dream. I am a first generation American. My mother never graduated from high school. Both sides of the family escaped from oppression, and it was America that gave us the dream. If there is anything that I am going to do—anything that I am going to do in the Senate—it is to make sure future generations of Americans have the same chance that I had as a little girl growing up in a tiny little apartment.

In this great Nation, my father could get an education, the first child in a family of nine to go to college, and he went at night and worked hard, and he worked by day. Then later, when he had a couple of children, he worked hard and he went to law school at night and became a professional. He did it because of America. They were able to save and send their children to college. One is a professor and another is a U.S. Senator. That is the American dream, and this budget is a cruel retreat from the American dream.

What really riles me is that Republican after Republican will get up and say, "We're doing this for our children. This is a gift to our children."

I will tell you what kind of gift it is. Imagine you are a little kid and you get a big box for your birthday and it is wrapped in a beautiful ribbon and you open it up and nothing is in it. There is nothing in this budget for children—nothing.

Children are attacked in this budget. Education is slashed in this budget, and I am looking forward to working with my colleague from Illinois, who you will hear from soon, and with Senator KENNEDY, and with Senator HARKIN to restore those cuts in education and, yes, I say to my friend from Iowa, we will make that amendment revenue neutral. It will not change your balanced budget one bit. But you will have to walk the line and send a message to the children. Do you really care about their education? Do you care about the fact that in your budget there will be 550,000 fewer children in Head Start; that the average college student will have to pay nearly $5,000 more for a loan, and if they are a graduate student, between $3,000 and $6,000 more for a loan.

We are going to fix that in the context of your budget. If you want to vote against it, that is fine, but do not tell us that we are not acting responsibly, because we are going to give you amendment after amendment. We are going to give you one on Medicare. We are going to soften the hit.

In California, we have over 3 million people on Medicare. Let me give you a portrait. The average woman of Medicare age today has an income of $8,500 a year. Think about that. In the Republican budget, that elderly woman, that grandma or great-grandma will have to pay $900 more a year out of her pocket for medical care, and the care will be worse and her choices will be taken away. So do not tell her that she is getting a gift in this budget. She is getting hit.

When I was growing up, my mother and father taught me to respect the elderly. That is not respecting the elderly, to take that money out of her pocket and put it in the pocket of someone who earns $350,000 a year. Forget it from this Senator. I will fight that as long as I have life in me. That is disrespect. And we talk about V-E Day. I heard the chairman of the Budget Committee talk about V-E Day. I want to talk about V-E Day, because I had uncles who went to war, World War II. And I have friends who fought in Vietnam and in Korea. What is the gift to them in this budget? We cut out veterans benefits, and for those men who fought, we cut their Medicare. Oh, that is a great gift for our elders to celebrate V-E Day. This is a cruel budget, and it does not have to be. As my friend from Nebraska said, you just take that money that you squirreled away in your little lock box there very cleverly—but it is there—and you back off that, and let us talk business. Let us ease the burden on our veterans. Let us ease the burden on our children. Let us ease the burden on our seniors, and we can do it in a fiscally responsible way.

I want to talk a little bit about some of the investments that we are walking away from in this budget. And before I do, I want to make one more point about how this budget hurts those making $28,000 a year or less—families making $28,000 a year or less, working.

Under Ronald Reagan we started the earned income tax credit. He said it was the best antipoverty program he had ever seen. What does it do? It says to those hard-working Americans who earn under $28,000 a year, we are going to ease the burden of your payroll taxes and we are going to allow you to pay fewer taxes. What does this Republican budget do? It pulls back on that program, and it will mean $1,600 more over 7 years to those hard-working families—$1,600 more in taxes for those people. I cannot understand it. We are raising the taxes of people who earn under $28,000 a year, who work mightily hard for that money, and we are lowering the taxes of those who make over $350,000 a year.

There must be some symmetry here. I told you before how we are hurting those students who have student loans. It is going to cost them much more over their lifetime. Do you know what it costs to go to a private college today? It is $15,000 to $20,000 a year. After the Republicans get through with this budget, only the wealthy will be able to go. They are getting $20,000 a year back. So if they have a student in their family, Uncle Sam just paid the way. But if you are middle class, look out, it is going to cost you almost $5,000 more a year, middle-class students for undergraduate, and between $3,000 and $6,000 more for graduate school, at a time when we know we must be the best educated in order to compete in the world. This Republican budget is an embarrassment to the values of America.

I want to talk about another shortsighted area. National Institutes of Health. These are the scientists that get grants, who do the science to find the cures to diseases. You think about the disease in your family that you have seen, or among your friends, be it heart disease, high blood pressure, AIDS, cancer, or be it Alzheimer's, Parkinson's, cystic fibrosis, you can name them. Everyone has been touched by something in their lives. The NIH, National Institutes of Health, gives out grants to scientists, and we have created Nobel Prize winners and they are finding the cures for disease. I had a meeting with Dr. Varmus who heads NIH in my office yesterday, and this budget is even worse than I thought.

Under current funding, for every four grants that are approved—in other words, if scientists come forward with a good possibility of finding a cure for a disease, one in four of those applications is approved. I wish we could approve and fund all four. We can fund one in four. Under this Republican budget, we will be lucky to fund 1 in 100 new applications—1 in 100. Now, you do not have to be too smart to know that this is shortsighted. We are one plane ride away from disaster. You have read about this ebola virus. We are one plane ride away from disaster, and we are unilaterally disarming our scientists in this country.

Now, I have to say this. I believe if I went up to one of my constituents who earned $350,000 a year and I said, "What would you rather have, a tax break, or you could take that money and you could bring home a cure for cancer?" I honest-to-God believe they would say, "My goodness, Senator, if you could promise me that, certainly I would give that tax break up."

So what are we doing in this budget? We are retreating from the American dream, we are walking away from science, we are giving up in the face of international global competition. And what for? My friends will say that it is all worth it. It is all worth it—hurting the seniors—although they will say to you, "We are not cutting Medicare, we are just lessening the increase."

Let me tell you about that myth. When more people turn 65 and older, it is going to take more money to cover those people. And, guess what, we are living longer and do we not like to have our grandmas and grandpas around? With better technology, it costs more for the Medicare Program. I do not think we want to deny our grandmas and grandpas the best technology. I know I do not.

So they are going to tell you that the Democrats are exaggerating the pain of this budget. We are not exaggerating the pain of this budget; we are telling you the truth, and we are telling you the only reason you are being asked to take this pain—the children, seniors, veterans, the scientists, education, and the rest—is to give big tax breaks to the wealthiest among us. I say this budget should be defeated. We should argue the facts. We should bring the facts to the American people, and I hope they wake up and participate in this debate and engage in this debate and let their leaders know this budget is not a blueprint for the future, it is a blueprint for disaster.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield 15 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I thank my colleague for yielding and I thank him for his leadership. It is not easy leading a group of Democrats who wander all over the place on these issues. Senator EXON has done an admirable job. I also commend Senator DOMENICI for moving toward a balanced budget here. I think he has shown courage and the kind of leadership that is needed. I heard Senator GRASSLEY say, "What can one person do?" I think Senator DOMENICI has contributed.

I am concerned. I wish this were backed up with a balanced budget amendment for two reasons. One is that the reality from all of the econometric studies is that interest rates would really come down if we had this backed up with a balanced budget amendment. The financial markets do not know whether this is going to stick even if it stopped it. And I think there is good reason to believe it may not stick.

Our history—and I see the Senator from Washington on the floor, who was here when we voted for Gramm-Rudman—is that we keep legislative solutions for a balanced budget about 2 years, and then they become too politically awkward and we give them up. If we had a constitutional amendment, we would have, at a minimum, another $170 billion that could be available for education and Medicare and other things.

One of the ironies is that the AARP, which understandably is concerned with what is happening in Medicare, was opposed to the balanced budget amendment which could, today, make more money available for Medicare.

I am also concerned, and I mentioned this in the Budget Committee, that our atmosphere has become more partisan than it should be. We really ought to be working together on these things.

I am not blaming either party. This thing has just kind of grown over the years. I do not think it is helpful to either party or to the Nation.

I voted for Senator DOMENICI's resolution to have a balanced budget by the year 2002. I voted against the final package because I believe the priorities are wrong. I think they are wrong for the reasons I will spell out here.

First of all, they assume that there will be a tax cut if we have some interest savings. This is not the time we should have a tax cut. I face a choice of giving myself a little bit of a bonus—I do not like paying taxes any more than the Senator from Michigan or the Senator from Nebraska or anyplace else—giving myself a little bit of a bonus, or giving my three grandchildren a bonus and making life better for them.

I do not think Americans have any hesitancy in saying, "Let's get that deficit down. Let's not give ourselves a tax cut." The tax-cut premise is wrong. I know Senator DOMENICI had to fashion a compromise here. Our colleague from Texas is going to offer an amendment to specify more clearly a tax cut. I hope his amendment is resoundingly defeated.

Second, I am concerned what is happening to education. My friend, Senator GRASSLEY, mentioned this is a choice between their budget and the status quo. Well, in the field of education, status quo would be appreciably better than cuts in the field of education.

Every study—I do not care whether it is by a conservative think tank or a liberal think tank—every study that questions how we build a better America says we will have to invest more in education. Yet this budget goes in the opposite direction.

Title I, which helps poor kids, and has done some real solid things, the reality is that if this is adopted, young people in Chicago, East St. Louis, Detroit, Omaha, Seattle, and other places represented in this body, will see some cuts. Head Start is going to be cut back. The student loan—part of this bill is that there will be rescissions that the Labor and Human Resources Committee has to make. The Presiding Officer sits on that committee. That committee will have to make $14.7 billion worth of savings on student loans.

Now, the document talks about cutting back on graduate education. If we totally eliminate assistance for graduate education, we save $2 billion. That in itself, I think, is wrong. But that leaves $12.7 billion that we still have to get. That means, clearly, we will have to charge interest while students are in college. That will make it tougher for them when they get out of school, and I also think will discourage some from going to school.

I think it moves the country in the wrong direction. This is the kind of issue where, frankly, instead of devising a partisan document, I have enough confidence in the Senator from New Mexico, the Senator from Washington, and the Senator from Michigan, that if we could have been able to sit down in a bull session and say what really are the national priorities and forget whether the Democratic or the Republican Party can benefit from it, I do not think we would have been cutting back on education.

I heard Senator BOXER talk about cutting back on NIH, the National Institutes of Health, in the research area. I remember Senator HARKIN speaking on this floor, mentioning that we have spent as much in the last 7 years on military research as we have spent on health care research since the beginning of the century. I have never checked out that figure, but it was a startling figure. It is probably close to accurate, if it is not completely accurate.

I saw my father die of leukemia. So I have been interested in what has happened in leukemia research. I have seen great progress. My father died in 1969. Today he would have a real chance of living. I see the progress that is being made, and I want to continue that progress so that humanity can benefit. I think that is what people want.

Just today in the town meeting every Thursday that Senator CAROL MOSELEY-BRAUN and I have for our Illinois constituents, the multiple sclerosis Father of the Year was there with three fine young boys and his wife. Just a marvelous family. He is a lawyer by background, struggling just to walk. How I would love to see some kind of a breakthrough that could help him and his family. But it will take dollars to do it. When we cut back on dollars for research, we are preventing breakthroughs that we need.

Now Medicare and Medicaid. I do not suggest that they do not have to take some hit. The growth is clearly excessive. But the kind of hit we are talking about is going to hurt a lot of people. While we have talked primarily about Medicare, I am concerned on Medicaid, too. Half the people on Medicaid are children—poor children. I do not think the American people want to cut back on health care for poor children. Yet that is what happens.

Then I heard Senator GRASSLEY say in the Budget Committee, accurately, he said there is only one sacred cow in this—I am not talking about agriculture here, Senator EXON—there is only one sacred cow in this budget. That is defense.

I do not think there is any question that that is accurate. Yes, we have cut back defense spending some. But relative to what other nations have done, we have not done it much. We are spending more than the next eight nations combined are spending on defense.

We are continuing to spend money on B-2 bombers. What is the purpose of a B-2 bomber? To penetrate Soviet radar. There are only two problems. There is not any Soviet Union and there is not any Soviet radar. They are useless. We could not use them in Desert Storm. We do not use them in Haiti. We do not use them in the practical problems that we face. We are spending money for yesterday's war. We can cut back and do better.

There are a number of other things that I think are wrong in this budget, including one small one. I was pleased to have Senator BOND from your side of the Budget Committee vote with me to restore this. This is the antifraud compliance group that will save $5 for every $1 we put into it. The estimate is if we have this antifraud compliance group in, the IRS, we will save $9.2 billion over a 5-year-period, I believe the estimate was. And we are talking about a 7-year budget. So it would be significantly more than that.

I understand when people say we should not have any tax increases, though frankly I think we should be more candid with the American public that, of the 224 industrial nations, we are 224th in the percentage of our income that goes for taxation. We have the lowest taxes on gasoline, for example, of any country outside of Saudi Arabia. You go through a whole series of things like that.

But for people who say we do not want any tax increases, I understand. I do not understand why, when so many of us pay taxes and comply with the law, we do not want to go after those who are cheating. That is what that amendment does. Senator GLENN and I will have an amendment on the floor to deal with that.

Finally, I would like to deal with Senator GRASSLEY's question, What are we for? First of all, you will see in a series of amendments that we will be proposing what we are for in terms of shifts. Senator EXON will have at least one amendment. Senator KENNEDY will have an amendment. Others will have amendments. But there will also be an amendment that some of us will offer, a more comprehensive amendment. I do not know how many votes we are going to get. I hope there will be people on the other side of the aisle who will look at this carefully. I think the priorities are wrong here.

That we should move toward a balanced budget, absolutely. PETE DOMENICI is to be commended for moving us in that direction. But that we should have priorities that hurt the most vulnerable in our society, I do not think that makes sense. I do not think that is what the American people are for.

Mr. President, I yield the remainder of my time back to Senator EXON.

Mr. EXON. Mr. President, I thank my colleague from Illinois and my colleague from California, who spoke before him, for their excellent presentations and the direct way that they tell what we are trying to do to be constructive on this side of the aisle. I very much appreciated the dedicated work of both of them on the Budget Committee. They have been extremely helpful, very helpful in the markup process. I thank them for their excellent remarks to set the record straight about the constructive posture we are trying to take on this side of the aisle.

I yield 15 minutes to the Senator from the great State of Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the ranking member. As the Senate begins its debate on the concurrent budget resolution, I would like to offer a few comments also on the work of the Budget Committee, and especially on a subject about which I have had a particular concern, and that is the subject of the tax cut; whether it makes sense to have tax cuts at this time part of the budget resolution.

The first thing I want to do is praise the Senator from Nebraska, not only for his work on the Budget Committee but for the fact that he was one of the very first Members of this body to point out—and to join me in my efforts to say—we really cannot consistently say we are trying to reduce the deficit and have tax cuts. So I appreciate his leadership on that. He has done that consistently throughout the Budget Committee process.

I also want to commend the whole Budget Committee and its chairman, the Senator from New Mexico, for the work that was done on the concurrent budget resolution. As the debate unfolds on the concurrent resolution, there will be a lot of opportunities to criticize the particulars of the document and proposed changes to it. I expect to do both of those things. That is the nature of the legislative body and the consequence of the diverse priorities that are represented here. Before that debate, though, Chairman DOMENICI should be lauded for his effort. I was especially pleased with his ability to keep the budget deliberations in committee clearly focused on the issue of reducing the deficit.

We have different approaches to how we get there, but there has to be a unified, bipartisan commitment that at the end of this budget resolution we will have a resolution that calls for a date certain—and I think it should be the year 2002 or earlier—for a balanced budget to be achieved.

Those who are serious about deficit reduction have to make tough choices about where and how much to cut, and I think we have to make those choices right now. When I ran for the Senate, I proposed a specific plan that would have provided for a balanced budget by the year 1998. I still think that would work. But at this point, given the realities, if we can get this done by the year 2002, I think it would be a very significant achievement.

But as chairman of the Budget Committee, the Senator from New Mexico, faced not only the same tough choices the rest of us had to face, his choices had to achieve a consensus out of the committee so he could get a majority. I will add that the ability of the Budget Committee to craft a document that at least the majority party argues achieves a balanced budget by the year 2002 does underscore my belief that we do not need, and did not need, a constitutional amendment to balance the budget.

How can this process even be unfolding if we need a balanced budget amendment? The line was they simply will never get down to business if we do not change the Constitution. But the product of the Senate Budget Committee proves that we did not have to mess around with the Constitution, we just had to get together in committee and on the floor and do the job now.

I think that is very important because people lose sight of the fact that we devoted a month out here to discussing the balanced budget amendment. I think we did the right thing when we defeated it.

But now we have the opportunity to show not only that it was not necessary, but that we did not have to wait for the States to ratify it and sort of get started on the project late in this decade, but that we can do it right now. We can do it this very year through the budget process. I know it is tough. I know some Budget Committee members are on record supporting significant tax cuts. Obviously every Member of the Senate would love to be able to vote for tax cuts.

But the chairman of the Budget Committee rightly decided that the first priority of the committee is not tax cuts but deficit reduction. The Senator from New Mexico is absolutely right and, given the political pressures he faced in this regard, I think he deserves credit for his efforts. He tried. He tried very hard. He came up short, but he improved the House version, the version of the other body, which provides for even more enormous tax cuts.

So that was progress. I wish I could say, though, that those efforts spelled the end of the push for tax cuts. I regret that even the Senate budget resolution itself leaves the door wide open for tax cuts. Do not let anyone tell you the Senate budget resolution does not contemplate tax cuts within this 7-year period. It does and they would be very large; to the tune of, apparently, at least $170 billion.

That document creates a special budget surplus allowance dedicated solely for tax cuts. Although I certainly think an excellent job was done in many respects, that special fund is an invitation for trouble if we are going to reduce the Federal deficit and eliminate it. The $170 billion tax cut fund is a cookie jar. It is a special fund put away that could be used for deficit reduction, or to restore the Medicare cuts and the student loan cuts and the agriculture cuts that are a part of this document.

I have to reiterate, we could get more deficit reduction or we could still have a completely balanced budget by the year 2002 and not do those very harsh cuts to the tune of $256 billion to Medicare. We need to eliminate this kitty, this cookie jar for the tax cut. Not only is it $170 billion but the special fund will almost certainly lure proposals to enact even more significant tax cuts. I do not think that is the chairman's intent. In fact, I think it is just the opposite. But I think that is what will happen. And once the focus of our work is shifted from deficit reduction to tax cuts, I think it will be a very short route to another tax-cut bidding war.

If we have that war it will undo the progress we made in the 103d Congress and the further progress I think the Budget Committee is trying to make with regard to reducing the deficit. In fact, it was just that kind of tax-cut bidding war in the 1980's that got us into this terrible mess in the first place.

A major tax cut is not only fiscally imprudent; it may undermine the public confidence we have to have to pursue the painful cuts necessary to balance the Federal budget. The tax cut may be the crown jewel of the Republican contract, but it is really a lump of coal for the children and grandchildren of our future who get stuck with the debt and paying interest on the debt because we did not have the guts to eliminate the tax cut today.

If the American people believe we are playing it straight with them, that the cuts we enact are fair and honest, then they will support the work product and make the sacrifices needed for a balanced budget willingly. If, however, they believe that this process is nothing more than politics as usual, that we are enacting a fiscally irresponsible tax cut for the sake of a political agenda, then they will rightly question the sincerity and fairness and prudence of the cuts in the budget package, and any hope for progress on this will be dashed.

Inclusion of any type of a major tax-cut measure in this year's budget resolution sends us in the wrong direction. Deficit reduction has to be our highest priority, not tax cuts. Enacting tax cuts at a time when we are still fighting the deficit could well hurt those families whom the tax cut is supposed to help.

It is the middle class who will bear the brunt of the higher interest rates that could be triggered by a tax cut, and their children who will bear much of the burden of the continually escalating national debt.

Mr. President, this should not be, and I do not think this really is a partisan issue.

For my own part, I have opposed the tax cut proposals that Members of both parties have offered.

Last November, I opposed the tax cuts included in the Contract With America. But I also opposed my own President's tax cut plan on the day he announced it.

Since then, some of both parties have advanced tax cut proposals. But I am happy to say that Members of both parties have joined me in challenging the wisdom of these proposals. The momentum in this body is against a tax cut. The momentum was begun by the good work of the Budget Committee which at least relegated the tax cuts to this cookie jar. That was the first step. The whole Senate should finish it off. Let us get it off the table, and make this budget about one thing and one thing only; and, that is, getting rid of the Federal deficit once and for all so the people in this country can get rid of that sick feeling in their stomachs that the people out here in Washington are not responsible with their tax dollars, so that kind of bipartisanship is encouraging, not only the issue of tax cuts, but also on the issue of deficit reduction in general.

The growing bipartisan opposition to the tax cut stems from a belief that deficit reduction is the higher priority, that the savings generated by these very, very tough spending cuts have to be used for deficit reduction and not tax cuts. In that common belief we ought to be able to find the common ground that can be the basis of a truly bipartisan budget resolution.

Mr. President, as I said, before, I stand ready to participate in such an effort, and I am sure that many of the people on our side of the aisle share that view.

Because the actual work of reducing the deficit requires hard choices, it is so very easy to stray away from that chore.

It becomes even more tempting to avoid that responsibility when something as highly charged and politically appealing as cutting taxes competes for our attention.

For this reason, the chairman of the Budget Committee again should be commended for keeping the primary focus of his work and his committee's work on deficit reduction instead of reckless tax cuts.

So, though I have a number of significant differences with the chairman's proposal, and especially a tax-cut cookie jar, I did want to take this opportunity to thank him for his work.

At the end of the day let me conclude by saying that you cannot have it both ways. You cannot say we absolutely must make big cuts in Medicare and farm programs, student loan programs, you cannot say that you have to get this done by the year 2002, or we will have a terrible fiscal mess, and then turn right around and say we have plenty of money for $170 or $300 billion of tax cuts. You cannot have it both ways. As we say back home, you cannot have your cake and eat it too. Mr. President, I would suggest you cannot have your deficit reduction and eat it, too.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am going to yield to Senator GORTON as much time as he desires. I wonder before he speaks if he would yield me 1 minute.

Mr. President, I want to make it clear once and for all. The budget that we put before the Senate is a deficit reduction budget. It is a zero deficit in the year 2002, no games, no smoke, no mirrors. The first actions of the U.S. Senate when they implement this will be to get to a balanced budget. For anyone talking about tax cuts prior to balancing the budget, just get hold of the budget resolution and read it. If there is anywhere in there that you can find that, then obviously I will not only come here and apologize but clearly, clearly it will be a budget that I did not produce. So somebody put words in that I do not understand, that I did not know were there. That is point No. 1.

Point No. 2: The way this budget is structured, you will get to balance. You will have all the laws changed that get you to balance. That is frequently called a reconciliation bill, a big bill that will change the entitlements permanently.

You will then ask the Congressional Budget Office. Is it balanced? When they say yes, and only then is the 170, perhaps 170. It might be a different number, depending upon the Congressional Budget Office evaluation of our path. There will be an economic bonus.

The American people are entitled to an economic bonus, and we say give it to them in tax cuts. But only then, and we also pass the resolution that the tax cuts, 90 percent of them, have to be for people earning $100,000 and less. All of the rest of the talk about tax cuts, I would hope everyone understands you are talking about something that is not before the Senate. And I am not suggesting you cannot talk about it or you should not. But I hope everybody knows that is not the case in this budget. Balancing the budget is the primary responsibility.

For anyone who wants to balance the budget, and then turn around and say now that you have it balanced, start spending again, it is balanced, you have it in balance, there is an economic dividend, start spending it again—have at it.

I just do not believe the American people believe that, for they will say that is just the same old thing. That is spending again. We say when you get to balance give the American people a break.

I now yield to Senator GORTON, and he will manage the floor for a while.

Mr. LAUTENBERG. Will the Senator yield for one unanimous-consent request?

Mr. GORTON. Certainly.

PRIVILEGE OF THE FLOOR

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that staff people, two fellows, Danielle Rose and Lauren Ewers be granted privileges of the floor during the debate on the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. I thank the Senator.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Would the President notify me when I use 15 minutes?

Mr. President, I must start by saying that perhaps some of the criticisms of the position of the Democratic Party that have been levied in the last few days, and even here this afternoon, may be a little bit overstated. It has been our position that the opposition to this budget resolution are totally defenders of the status quo, that they do not wish to make any changes whatsoever, that they do not care about a balanced budget. But several of them have already told us that is not true, that everything they propose will continue the balance and the resolution produced by my distinguished friend and colleague from New Mexico. Mr. President, if that is the case, the Domenici budget is already a landmark of progress for this country. And I fervently hope that those statements do turn out to be true, though I may be a skeptic until I see it proven.

Under those circumstances, the accusation of the defenders of the status quo will be appropriately directed only at the White House and at the administration.

My friend from Iowa earlier this afternoon pointed out that this yellow line describes the budget deficit for the next 5 years under figures provided by our Congressional Budget Office if we are to pass the President's proposed budget. This is what happens under the President's budget, and the proposal that was presented by Members on the other side when they offered us a huge tax increase 2 years ago to lower the budget deficit. Well, in all 5 of those years we will have that huge tax increase in place. But the budget deficit will go up each and every year.

That, Mr. President, is the status quo. That was what the administration proposed to us. That is what was defended for at least a couple of months by Members on the other side of the aisle while we strove mightily to come up with something that would put this country on this line, a line ending in a balanced budget in 7 years, exactly as promised in the constitutional amendment defeated by only a single vote.

So perhaps we have made a huge degree of progress. We have the other party repudiating this line and accepting this line.

My colleague from New Mexico has invited any Member of the other party during the course of the day to propose the President's budget, so that we all may vote on it and determine whether or not there is anyone in this body who wants to do this. And I hope and I believe that if no one from the other side of the aisle makes such a proposition, we will put it out here for debate and for a vote ourselves because its repudiation will show that great progress has been made in agreeing at least on the desirability of balancing the budget.

But, Mr. President, my skepticism remains because at the same time we are told that all of the amendments will do nothing but redistribute various functions but will continue this line, we are told, no, no, we do not have an alternative budget—not here. Now, that political party in the House of Represenatives has an alternative budget to what is proposed in the House. Do you know what it is, Mr. President? It is essentially the Domenici budget. It looks good over on the other side of the Capitol but not here. No, they say, what we will do is propose individual amendments, each of which will maintain this balance.

Now, what, Mr. President, is the difference between going at it that way and making an overall budget proposal which continues us on this line? Well, it is very simple. You can use the same money over and over and over again. Each time an amendment is defeated that would cut the defense budget in order more generously to fund one of their favorite programs or would go into the reserve fund to fund one of their favorite programs, each time such an amendment is lost, you can do it over again. You can use the same money for a different spending program.

Between the first two Senators who spoke on that side, there were eloquent demands for more money for education, for veterans, for health care, for the National Institutes of Health, less of a slowdown in the outrageous growth in the earned income tax credit, and more money for agriculture.

Now, Mr. President, there is no possibility that they could produce a budget that did all of those things in half the amounts outlined by the Senator from California without a huge tax increase. But if they do it one amendment at a time and lose one amendment at a time, they can use the same money over and over again. And perhaps, Mr. President, my skepticism is fed a little bit by the fact that that is exactly what they did in the Budget Committee. I kept notes as a member of that committee, and 14 amendments from that side proposed increased spending; 6 of them proposed actual tax increases over the present level; 5 used the reserve fund, there for the possibility of tax cuts if we do our job right; 2 others reduced those proposed tax cuts, and 3 reduced expenditures for defense below the President's proposals which themselves already call for reductions, real reductions in every year covered by his budget.

That is what we will get here, Mr. President. The one uniting factor over there is a total anathema with respect to the remote possibility that someone's taxes somewhere in the United States might be reduced.

Now, as the Senator from New Mexico said, we do not propose a tax cut directly in this budget. We propose to get to this zero figure on the deficit, and we are told that if we do so, not just in a budget resolution but by passing actual binding laws which change spending policy so that we can get to this point, the economy will react. Interest rates will be lower. We will find 170 billion more dollars because of a better economy over the course of the next 5 years.

And incidentally, Mr. President, those reductions in interest rates will knock into a cocked hat all the statements about student loans made by the Senator from California. They are based on what interest rates are going to be if you adopt the President's budget. That is the set of circumstances under which interest rates like that will be charged someone, young people or others.

So we say that if we go through this exercise, if we balance the budget, if we improve the economy, if we lower interest rates, perhaps the American people ought to get a dividend.

Now, why is it difficult to come to a compromise in cases like this? Because of the way that it is characterized. The Senator from California and others, when they talk about tax cuts, say a tax cut is taking money out of the pockets of the poor and putting it in the hands of the rich. That stems from an attitude that all the money in the United States of America belongs to the Government, and if we are good little children, maybe it will give us back something that we earned ourselves.

Our position is that the American people, when we have done our job, ought to be allowed to keep and determine the spending habits of a little bit more of the money they have earned and have less of it taken away from them and handed to someone else, and that is a very, very profound difference.

Mr. GREGG. Mr. President, will the Senator from Washington yield for a question?

Mr. GORTON. I certainly will.

Mr. GREGG. To the Senator from Washington, is it not my understanding that this budget resolution brought forward by the Republican Senate Members on the Budget Committee, for which no Democrats voted, has in it language which says that to the extent there is this tax cut as a result of the bonus that would occur to the American people by getting to a balanced budget, the dividend occurs as a result of interest rates coming down, this $170 billion tax cut—and as the Senator points out the actual bonus to the American people would be lower interest rates on everything, and it would represent billions and billions of dollars in savings to the American people. But if that happens, does this resolution state that 90 percent of this tax cut, to the extent it is instituted, should go to people with incomes under $100,000? And is that the new definition of wealthy from the other side of the aisle, people with incomes over $100,000?

Mr. GORTON. The Senator from New Hampshire is 100 percent correct. It is interesting that in its initial form that proposal was made by one of the Senators on the other side who already this afternoon in the Chamber has talked about these huge tax cuts for the wealthy. Yet, it was that Senator who, with our help, earmarked any reduction that we do get for middle-class working Americans. We felt that was a good amendment, and we felt that those middle-class, hard-working Americans ought to be allowed to keep a little bit more of what they earn and determine how to spend it themselves.

The Senator from New Hampshire's comments lead me to another point. When we speak about $170 billion in this period in savings in interest on the national debt, which we then can return to the people in the form of lower taxes, but which the other side wants to spend before we have even earned it—they are spending this dividend, and in every one of the amendments we get they will be spending this dividend before it is ever earned.

But that is only the savings on the interest on the national debt, on the Government's debt. There are hundreds of billions of dollars more that will be in the pockets of individuals because they will have paid lower interest rates on their mortgages, on their installment credit, on the money they use to begin new small businesses and the like. That is the purpose of the budget which we seek.

And I want to return to my first comments. I think we have already had a tremendous triumph. I suspect we are not going to get anyone on the other side coming in and giving us an amendment to pass this budget, and I suspect when they vote on it, they are going to end up voting against that budget. But we have already triumphed. We have already come to an agreement that we ought to be on this road here, the road to a balanced budget.

The differences will be that, with all of these huge amounts of spending, trillions of dollars in this period of time, we hope that 1 or 1.5 percent of it, if we do do our job, might be left in the pockets of middle-class working American citizens at the end of this entire debate. We think they can do a better job of spending it than can the Government of the United States.

Mr. President, I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I yield myself such time as I need to make my presentation. I ask unanimous consent that I be permitted to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, with this resolution, we begin a new phase in the debate over the Federal budget.

I am sorry that the distinguished Senator from New Mexico, the chairman of the Budget Committee, is not on the floor, because I want the RECORD to reflect not only my admiration but my respect for that leadership that he has provided in the Budget Committee and, in fact, though we may disagree with several parts of the budget resolution that was produced, it was the intention of the Budget Committee chairman to do as efficient a job as he could, and I commend him for it.

The debate about whether we should move toward a balanced budget is over. There is a consensus that we should do just that. It crosses the aisle that divides us. We Democrats are committed to a deficit-reduced balanced budget in the interest of the financial stability of our country. And we have no less credentials to do that than our friends on the other side of the aisle. I hope that, during my comments, we will be able to make a clear distinction about how we get to that point.

There are differences about whether we balance the operating budget or whether we include Social Security in the budget calculation, which, astoundingly, on the Republican side it has been part of a structure to include the balances from Social Security, the surplus—and I talk to senior citizens across this country—to use their trust funds, sacrosanct, committed, reserved for the time they need it. No, we are going to do some funny accounting to get to the point that we want to.

I come from the corporate side of the business world, as do many of my colleagues. I know one thing: If I were to project sales and earnings for my company over the next 5 to 7 years and I said, "We are going to make lots of money and here is how much we are going to make, we are doing this in revenues and here is how much we are going to do," and I failed to tell the public that I am going to include the employees' pension fund that my company does not own—it is the employees'—in the figures—and I said this in the Budget Committee—you would be led out with a raincoat over your head and hands tied behind your back, escorted by U.S. marshals.

So, first of all, we get to a balanced budget using some smoke, some mirrors, and some significant gimmicks. We try to remove the Social Security balance and say, let us fight for a balanced budget without that. Oh, no, that could not happen. So there are some differences.

Americans, however, want to reduce wasteful spending in both parties, Democrat and Republican, have got the message.

So, as we work on this resolution, the budget issue has changed. Now the issue is not whether we reduce spending and move toward a balanced budget. The issue is: How do we do it?

Whose benefits will be cut? Who will win? Who will lose? Because this is somewhat of a seesaw. As long as we stay within the parameters of balance, when one side goes down, the other side goes up. And, most fundamentally—and I put this board up—the question is: Whose side are we on? Whose side is the Government on?

This is the issue that, unfortunately, continues to divide our two parties. We Democrats believe that Government must stand on the side of ordinary, middle-class families, on the side of senior citizens who worked to build this country, who presented us with perhaps the best half century or four decades that this country has ever seen, not by just their participation in World War II, Korea, the other wars that have come by, but at the same time building this country's fundamental structure.

The other part is children. Two sides: One is to take care of the future, invest with and in our children, but at the same time not forgetting our obligations to the senior citizens; and on the side of those who really must struggle to survive.

But the new majority has a very different philosophy, and a different constituency. The Contract With America, as it is commonly called, is a contract with the most powerful, wealthy members of our society. It would provide huge benefits to millionaires and special interests, and it would force the ordinary American to foot the bill.

Perhaps nothing illustrates the differences between our two parties more than the Republican proposal for massive Medicare reductions to pay for tax cuts for the rich. I think it is outrageous. And I intend to fight it as hard as I can, just as I did during the Budget Committee's deliberations.

Mr. President, the average Medicare beneficiary has a rather modest income and, conversely, at that stage in life, typically, they have very high medical expenses. Seventy-five percent of those folks have incomes under $25,000—75 percent, incomes under $25,000. Not much to live on, especially if you live in higher cost areas. Thirty-five percent have incomes under $10,000.

These folks cannot afford massive cost increases. And they should not be forced to give up their own doctor or to sacrifice the quality of their care.

Over the past 2 weeks, Republican leaders have tried desperately to justify huge Medicare cuts by pointing to projected shortfalls in the HI trust fund. But the argument is bogus. If we need to shore up the trust fund, that does not mean that we need to take a whack at Medicare recipients.

There are other places in the budget to find savings. It is only a question of priorities.

These are my priorities. Before we burden more of our struggling seniors, we ought to go after special interest tax breaks, we ought to eliminate funding for the space station, we ought to terminate unnecessary weapons systems, we ought to abolish special subsidies for the timber industry, the oil industry and the gas industry and the ranching interests, and we ought to eliminate an array of other wasteful or low-priority spending.

Of course, Mr. President, there can be debate about the specifics, but there should be no disagreement about this priority, this principle. I enunciate, we should not be cutting Medicare just to fund tax cuts for the rich.

In the Budget Committee, I offered an amendment to shift funds from tax cuts for the wealthy to restore funding for Medicare and Medicaid. My amendment was defeated when every Republican opposed it, without exception. We just heard from our distinguished colleague from Washington who said that there was not a Democrat that joined the Republican majority when the Budget Committee denied amendments and passed this budget resolution. But I ask, if the same speech that is made on the floor of this Senate would be made in a town meeting back home in whatever the town and whatever the State, and look in the faces of the senior citizens and say, "Listen, we're going to make it easy for you by adding more expense to your already burdened budgets in hopes that if we give a tax cut to the rich, if we give a guy earning $350,000 a year a $20,000 tax reduction that he is going to invest it in some way that will stimulate our economy." We just have to hope he does not put it in some dormant tax-exempt bonds, or something like that, because that is not going to help.

To justify their opposition to some of these things, the Republicans, once again, said, "Oh, no, not us, that's not what we want to do."

So I pointed out that the Republican leadership in both the House and the Senate did support such cuts and did support the House bill that essentially was in the works. This was no secret. The House had passed the bill giving a $20,000 tax break to those earning $350,000 in a year.

I went a step further. I said, "OK, if you're really not going to cut Medicare to pay for tax cuts for the rich, let's put it in writing and make it enforceable." So I offered an amendment that would have made it out of order to consider any bill that cut Medicare or Medicaid to pay for tax cuts for the rich.

Under the amendment, I suggested it would have taken a supermajority, 60 votes, to take up that kind of a proposal. Simple enough to say that if you wanted to offer tax cuts and decided to cut Medicare or Medicaid, that it would take this supermajority 60 votes to do so. What do you think? Every Republican on the committee voted against that, too. Why? I do not know. Obviously, they think tax cuts for the rich are more important than other priorities, the thing we were discussing on the floor here.

Mr. President, it should be obvious to everyone that the Republican Party really does plan to cut Medicare, to cut Medicaid to pay for tax cuts for the rich. But they go out of their way to obscure what is really going on. So we have developed a nomenclature for the reserve that CBO is likely to put up once this budget is believed to be balanced. It is called an economic dividend. It is called a fiscal dividend. They do not say that it is for tax cuts. Just a wink of the eye. Everybody knows it.

We have heard some of our colleagues from the Republican side who have declared their intention to run for President demand that tax cuts be included. One suggested that a filibuster would be in order on the floor of the Senate to make sure that tax cuts are in place. Our distinguished majority leader did say in a speech that he made that tax cuts are in order in terms of a budget resolution. So we ought to call it like it is. Make no mistake, the fiscal dividend is really disguised, but down deep it is simply a tax cut for the rich.

There should be little confusion about this. We know that CBO will score the indirect benefits to the Government of reconciliation. We know that these benefits can only be used under this resolution for a tax cut, and we know that the House already has passed a bill giving a $20,000 tax break for wealthy individuals in a year.

This is what it looks like. The Republican budget. The winners: The rich—$20,000 tax break, corporate subsidies protected and tax loopholes saved. The fix is in. There is a tax cut for the rich in this resolution. It is a huge tax cut financed by drastic reductions in Medicare, or increases in Medicare costs and Medicaid subsidies. Do not let anybody fool us.

Mr. President, I go back now to the larger question posed by this budget resolution. This debate, like few others, is about to force each of us to make a very fundamental decision, a decision about what we stand for, a decision about whose side we are on.

I want to take a look for a minute at who wins and who loses under the Republican proposed budget. The winners: The rich—$20,000 tax break, corporate subsidies are protected, tax loopholes are saved. The winners are clear: Rich, corporate interests and their lobbyists.

Meanwhile, let us see who loses under this resolution. First, there are the Medicare cuts. It will cost an average couple over the 7 years proposed to get us to a balanced budget $6,400, and in the last year of the 7-year cycle, we are looking at an $1,800 cost for that couple. These, by the way, are people who already pay a substantial out-of-pocket sum for health care. It is estimated that it runs about 21 percent. So if the average beneficiary is getting $16,000 a year, it costs them $3,000 more for medical care, for health care.

On top of that, there are education cuts proposed. On top of that, there are tax increases scheduled for hard-working American families. That is a substantial one, too. By eliminating the earned income tax credit, the Republicans not only will increase taxes on working Americans, but they will reduce needed incentives for people to move from welfare to work. It does not make sense. It really makes one wonder, Mr. President, how can the Republicans cut taxes for the rich, on one hand, and with the other hand turn around and increase taxes for working Americans, people making $28,000 or less?

That may be the Republicans' perspective of fairness, but it is not mine. It is just plain wrong.

But one thing is becoming quite clear, and that is the sharp difference between the two parties' perspectives. The Republican Party is willing to lay down for high-income special interests, while we stand up for the working people in this country.

So, yes; Mr. President, we are going to do a lot of fighting about this budget resolution. In most of these fights, we Democrats are going to be joined together in the fight, because while we disagree with each other about a lot of things, there is one thing that unites us; that is, our commitment to serving ordinary people, middle-class families who work hard, who struggle to keep their homes together, who struggle to keep opportunity available for their children, who struggle to take care of the elderly and the disabled—the people without lobbyists, the people without the big bank accounts and without the connections.

Most of us came to the Democratic Party because we believe that Government should stand with these people. I point out, Mr. President, immodestly perhaps, that I came out of the business sector and helped create an industry as well as a company. I am one of the people who was fortunate to be perhaps in some of the higher income brackets. But I believe that my security as a citizen, that my family's security, my daughters', my son's, my grandchildren's, that my security depends on the stability of our country, not on how much more money I give or leave my children. It depends on whether or not we have a society that believes we are all together and does not feel like the largest part is left out of the loop. So I would rather invest in our people, invest in the children who are going to lead this country tomorrow, provide the skilled work force that we need to have in order to complete; that is why I came to the U.S. Senate.

Perhaps our party has lost its way in recent years, and we can admit that up front. We were reminded about that very sharply last November. But now the chips are down. We know where the public stands. We know what people are concerned about. We know they are worried. The battle is now beginning in earnest. And there is no question—I said it earlier—about whose side we are on. That is what this debate is really about. I wish it were not so. But when you get right down to it, this budget is designed to decide who is going to be on the side of the working people and who is going to take care of those who already have a lot. It is a direct assault on ordinary Americans and a sop to the most wealthy and powerful interests in our Nation.

That is not what I stand for, it is not what the Democratic Party stands for, and it is not what America needs now.

In conclusion, we Democrats may not have the votes to win in this battle. We probably do not. But we are going to try and we are going to insist that the votes that take place here will reflect how each one of our friends on the other side, as well as on our side, feels about whose side they are on, and whether it is the veterans, or the disabled, or the women concerned about breast cancer, about research for Alzheimer's, or AIDS, we are going to be deciding now whether or not those funds that are freed up as a result of the schedule to balance the budget go to tax cuts for the rich, or whether we continue to serve the interests of the ordinary people. At least since the debate will be conducted here, the American people will have a chance to see us discuss it, to look at the RECORD after the votes are cast, to be able to say to their Senators and their Congress people when they go back home, "What did you vote for?" "Why did you do it?" and "Whose side were you on?"

I yield the floor.

Mr. EXON. Mr. President, I think we have been moving along quite well in total cooperation. I believe Senator ABRAHAM would be next under the usual ruling. I have several Senators on this side who have been waiting and are not asking for any other consideration other than some time.

I ask unanimous consent that we would now go to Senator ABRAHAM, and following him, we would go to Senator ROCKEFELLER, who wants 12 minutes, followed by Senator KENNEDY, who wants 15 minutes. Is that agreeable so that we could have everybody know the flow?

Mr. ABRAHAM. Mr. President, we would agree to that if we can then have Senator HATFIELD, who would like 15 minutes, and Senator GRAMM who would like 10 minutes.

Mr. EXON. That would be satisfactory.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I yield myself such time as I may need.

Earlier this year, the Senate failed by one vote to support a constitutional amendment requiring a balanced budget. At the time, opponents told the Senate that balancing the budget did not require amending the Constitution. All we needed, we were told, was to make the tough choices and cast the hard votes.

Mr. President, the hard choices are here. The budget resolution before us makes those choices and balances the budget by the year 2002—without raising taxes and without gutting national security. It accomplishes this task by slowing the growth of Federal spending from 5 percent per year to a more reasonable 3 percent per year. In dollars, that means Federal spending, under this budget, will increase from $1.6 trillion next year to $1.9 trillion in the year 2002.

Let me repeat that. Federal spending will increase from $1.6 trillion to $1.9 trillion over 7 years.

Only in Washington would a $300 billion increase in spending be called a cut. Clearly, while the budget presents us with tough choices, allowing spending to increase 19 percent is not an impossible or even unreasonable goal. Nevertheless, some do not agree with this objective. As Labor Secretary Robert Reich said on Meet the Press earlier this year, balancing the budget is not a priority of the Clinton administration. The subsequent budget proposal only serves to reinforce that admission. According to CBO, deficits will rise under Clinton's budget from $177 billion to $276 billion in the year 2000. Under the Clinton budget the national debt will grow by $1.2 trillion over the next 5 years.

Mr. President, what does this neglect mean to future generations? Consider the consequences of adopting President Clinton's budget for fiscal year 1996. Under that budget, by the year 1999, the total debt will hit $6.4 trillion, or $27,700 of debt for every man, woman, and child in America.

In the year 2000, interest payments on the debt will be $305 billion—more than we spend on defense, more than we spend on all other discretionary programs combined, and more than we will spend on Medicare.

In the year 2010, entitlements plus interest will consume all Federal tax revenues, which means we must either slash spending, print more money, borrow more money, or enact draconian tax increases. In my judgment, they are all bad options.

In the year 2030, spending for entitlements will consume the entire Federal budget. That means nothing will be left for defense or any other discretionary program, including those targeted at children and the poor, and it means we would not even be able to finance the interest payments on the debt.

On the other hand, balancing the budget is not just an exercise in good government. Eliminating the deficit will pay big dividends to Americans in the form of lower taxes, lower interest rates, higher economic growth, and the bottom line, a higher standard of living. Here are some of the projections:

Most economists agree that balancing the budget will result in significantly lower interest rates, thereby saving the average homeowner up to $500 per month on their mortgage payments.

According to the CBO, these lower interest rates will result in a so-called fiscal dividend to the Treasury of around $170 billion between now and 2002. I believe that this dividend should be returned to the American people in the form of tax cuts. I will support efforts on the floor to do so.

Finally, according to the GAO, if we balance the budget by 2002, the average American will enjoy a real growth in their incomes of 36 percent by the year 2020.

Given the costs of doing nothing and the benefits of taking action, I believe it is obvious that balancing the budget is in everyone's interest. That leaves the question of how we get there. The budget before us shows the way.

At the beginning of the budget process, I set out five priorities that I hoped would be embraced by the Senate budget resolution:

First, privatize; second, eliminate waste and duplication; third, return the operation of various Government functions to the States with block grants; fourth, eliminate outdated programs; finally, fifth, reduce Government bureaucratic overhead. I am pleased to say this resolution includes all five.

First, it assumes we will privatize those areas of Government that are better left to the private sector, including the naval petroleum reserve, the Uranium Enrichment Corporation, and the Alaska Power Marketing Administration.

The naval petroleum reserve is a good example of why we need to privatize. The reserve was created to ensure that we had sufficient supplies of oil in the event of a crisis. As President Clinton recently acknowledged, however, that is no longer the case. As the President stated, the reserve's function of producing and selling this oil is a commercial, not a governmental, activity.

Mr. President, there are many other naval petroleum reserves out there. This budget identifies them and moves them out of the Federal Government.

Second, the budget consolidates Federal departments and agencies that are duplicative and wasteful. The GAO reports that the Department of Commerce alone shares its mission with at least 71 other Federal departments, agencies, and offices. In other functions, the Federal Government operates 163 separate job training programs and has at least 10 agencies devoted to promoting international trade.

Obviously, there are savings to be made by ending this wasteful duplication and focusing these efforts. This budget takes advantage of those savings.

Third, we need to return government to the States. We need to revive the 10th amendment which says "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States are reserved to the States respectively, or to the people."

In my own State of Michigan, Governor Engler is out in front on important issues like welfare, Medicaid, and education reform. I know Governors from other States are equally as innovative.

This budget takes advantage of the tremendous talents outside the beltway by utilizing block grants, to replace the hundreds of Federal welfare, housing, and education programs.

These block grants will provide Governors with the resources and the freedom they need to carry out these reforms. Returning these programs to the States is both an exercise in good government and a means of reducing costs and increasing efficiency.

Fourth, this budget eliminates outdated programs. Programs like the Interstate Commerce Commission, the honey program, even the Department of Commerce are targeted. All told, 59 programs, 25 statutory boards and commissions, and 63 agencies are soon to be terminated under this budget.

Let me just cite some more of the program terminations assumed in this budget: The Small Business Administration tree planting program; the Swine Health Advisory Committee; the Board of Tea Experts; the Technical Panel on Magnetic Fusion; the Dance Advisory Panel; the honey program; the Fastener Advisory Committee.

Mr. President, some of these programs might be useful, but we simply cannot afford them, given our exploding national debt.

Finally, we have reduced overhead. The President stated that over 100,000 Federal jobs have been eliminated toward the goal of trimming the Federal bureaucracy by 250,000 positions. A vast majority of the personnel reductions come out of the Department of Defense. Other areas of the Federal bureaucracy have barely been touched. This budget addresses this imbalance by reducing Federal overhead accounts by 15 percent, eliminating hundreds of political patronage jobs, and expanding the ability of Federal departments to work with less expensive private contractors.

Having focused on what this budget does, it is just as important to focus on what it does not. First, this budget does not abandon Medicare. In their 1995 annual report, the Medicare trustees announced that the Medicare trust fund will be insolvent 7 years from now. The trustees conclude that the "HI program is severely out of financial balance and that the trustees believe that the Congress must take timely action to establish long-term financial stability for the program."

This budget embraces the call of the trustees to action by addressing both the short- and the long-term insolvency of the Medicare program. First, it allows Medicare to continue to grow at a 7-percent rate per year. This reform enables Medicare to pass the trustees' short-term solvency test while still growing at twice the rate of inflation.

Second, the resolution includes a call for a special commission to address the long-term stability questions facing Medicare and to advise Congress on how to keep Medicare's promise for future generations.

Another group this amendment does not abandon is the American taxpayers. As I previously mentioned, balancing the budget by 2002 will, according to the CBO, provide $170 billion "fiscal dividend" from lower interest costs.

Senator DOMENICI has stated that this dividend will be used to pay for tax cuts. I believe that we should enact tax relief for the middle-class working families of this country and tax incentives for savings and investment. We can and should balance the budget and provide American families with real tax relief.

Mr. President, if we look at Federal outlays of the span of this budget, the Federal Government will spend in excess of $12 billion between now and 2002. A significant portion of that amount constitutes a redistribution of dollars from those who work and pay the taxes, to those who are elderly, sick, homeless, and have low incomes. Federal programs targeted at the poor and the needy are the result of a truly compassionate society, and we should continue to support them.

I resent the implication that is often made here on the floor, and made occasionally during our committee hearings, that somehow we are not a compassionate Nation. This budget will spend $12 trillion largely for the purpose of helping people who are less fortunate in our society. That is 2½ times the average GDP of America. I think that is an important investment, and hardly one to be described as lacking in compassion.

Now, based on that, it is my opinion that if, after we go through this process of bringing the budget into balance, and if, after we go through the process of spending $12 trillion over 7 years on so many important programs, that any fiscal surplus created by this budget should go to those who have made the surplus and our compassionate programs possible—the hard-working taxpayers.

Moreover, the surplus or dividend only constitutes 1½ percent of the $12 trillion we will spend over the next 7 years. To me, it only seems fair to allow those who pay the taxes to keep this tiny surplus or dividend so that they can invest it in their families and in our Nation's economic future.

Finally, this budget also avoids the ever-present temptation to gut defense. Real defense spending has declined by 37 percent since 1985, and while I believe there are many money-saving reforms possible within the DOD, I believe the savings should stay within defense to provide for our substantial security. No other responsibility of Government is as important.

This budget recognizes the importance of our national security by maintaining the current level of spending and establishing protections against using defense cuts for other spending proposals.

In conclusion, Mr. President, I should point out that without the assistance of the minority, Republicans have stepped forward and proposed the changes necessary to cap out-of-control Federal spending. In successfully reporting this budget resolution, the Senate Budget Committee has taken a historic step toward reducing the deficit and balancing the budget.

Before the Senate today is a resolution that makes the tough choices, slows Federal spending and brings the Federal budget into balance by the year 2002.

Many people doubted it could be done, and it is a credit to Senator DOMENICI that he set this goal and stuck with it. If we are successful in moving this budget through the entire budget process, I believe there is no better present we can give the future generations than a debt-free Government.

The benefits of balancing the budget far outweigh temporary effects caused by reducing the growth of Federal spending. This is truly a long-term approach to fiscal sanity, and I thank Chairman DOMENICI for giving me the opportunity to make my first budget a balanced one.

Mr. President, we will hear much talk during this debate and the hours remaining over the winners and the losers and so on when we debate this budget resolution. But it is my strong belief, and as I have traveled through my State during both the campaign last year and in the days since the content of our revolution has become a matter of public debate, I find that people from one end of my State to the other believe strongly that what we have to do here in the Senate is finally step up to the plate and accept responsibility and handle this budget deficit now.

They understand that if we continue to wait, if we continue to say that every program must continue to grow at the speed and the pace that has America $4.5 trillion into debt, we are not just saddling our children with even more debt and indebtedness, we are setting the country on a course that absolutely will lead to a crisis we cannot reverse in just a few years—15 years to be specific, according to the Entitlements Commission.

For that, only, I look forward to working, certainly, with Senator DOMENICI and with anyone else who is committed to the notion that we should bring the spending giant in Washington under control. I believe it is the most important thing I can do for my small children, for the children of Michigan and the children of this country.

I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, the Senator from West Virginia is recognized for 10 minutes. Is that the amount for which the Senator from West Virginia asked?

Mr. ROCKEFELLER. Mr. President, under the order I believe it was 12 minutes. I was trying hoping to slip it up to 15 minutes.

The PRESIDING OFFICER. The Senator is recognized for 12 minutes, and if he is in control of the floor he can yield himself additional time.

Mr. ROCKEFELLER. Mr. President, I cannot help but note for the Presiding Officer in the chair, in the last week even, the bipartisanship which has reigned on this floor. The Presiding Officer, the distinguished Senator from Washington, and this Senator and other Senators from both sides of the aisle worked together to craft a product liability tort reform bill which was slim, disciplined, and effective. People said it could not be done. It was done.

Last night the Senator from Massachusetts, Senator KENNEDY, this Senator, Senator CHAFEE from Rhode Island, Senator DOLE, and Senator PACKWOOD—there was quite a flap about a very important but not necessarily attention-grabbing subject called Medicare Select; whether it was to be expanded from the present 14 States to 50, for how long, and who would decide and all of this. And this Senator objected to its being taken further, so there was a climate of momentary controversy. But then both sides came together and worked out a bipartisan compromise which was passed. And that was very heartening. It was important; heartening.

Now we are at a very different stage and it is saddening to me, but it is terribly real because I do think it has come to where we define what these two different parties that sit in this Chamber stand for.

Mr. President, I will be offering tomorrow, an amendment on Medicare and long-term care to the Republican-sponsored Senate budget resolution. The amendment will take $100 billion in funds reserved for tax cuts for the wealthy and put that money back into vital health care programs.

The Senate Republicans have proposed the single largest Medicare cut in the history of the program, $256 billion over 7 years. The House Republicans have proposed an even larger cut, $288 billion over 7 years. House Republicans need to cut Medicare more because they have an even larger tax break for the wealthy that they have to pay for. The House tax cut totals $345 billion. Money reserved for the Senate tax break totals $170 billion.

These Medicare cuts would not be necessary—would not be necessary—if Republicans did not need to pay for their tax cuts. The Contract With America tax cut would provide a $20,000 tax break to the wealthiest 1 percent of the population.

The amendment I will offer tomorrow, along with my colleague from New Jersey, who will join me in that, and the Senator from Massachusetts, Senator KENNEDY, will take $100 billion out of the $170 billion the Republicans have reserved for tax cuts for upper-income Americans and shift it to Medicare and Medicaid—very simple. It is a simple amendment. What is it about? It is about setting priorities. It says we are not going to balance the budget by whacking health benefits that seniors depend upon. It says we are not going to increase what seniors have to pay out of their own pockets ad nauseam for health care so we can put more money into the pockets of the rich. It is simple—clear. The difference between the two parties.

The Republicans have argued—will argue that the $170 billion they have reserved for tax cuts is their special dividend, their own pot of gold. I find that a particularly offensive statement. It is not their money to spend. It is the money of the taxpayers. They want to spend taxpayer money on more breaks for the rich.

Democrats, through this amendment and other Democratic amendments that will be offered later on in the process, say let us keep our priorities straight. We have already committed those dollars to the Medicare Program.

Instead of worrying about the effects of such tremendous Medicare cuts on seniors, I was significantly struck by what Bill Kristol, who speaks for the Republican Party, had to say earlier this week. And what he basically said was that since—not what he "basically said," what he said—that since the elderly tend to vote for Democrats, it just was not a constituency that the Republicans needed to worry about.

Again, straightforward and simple. And, again, the difference between the two parties. Frankly, I find that statement cynical and dangerous but not surprising from the same person who advised the Republicans last year to oppose, sight unseen, any health care proposal that came from this side of the aisle.

We have heard a lot of talk over the past few months from the Republicans about the solvency of the Medicare trust fund. Republicans are desperately, in this Senator's judgment, trying to disguise their huge Medicare cuts as a way to save the Medicare Program from bankruptcy. We have heard a lot about that. They plan to cut $256 billion, by hiking Medicare premiums and beneficiary cost sharing and cutting reimbursement rates to hospitals and doctors.

It is a very interesting phenomenon. I just got off two radio talk shows this morning where people were phoning in questions to me. I had five hospital administrators from two States call me. I only represent one State. They were all scared to death about what was being proposed here because they said the only way to do that would be to shut down services. In some cases they talked about increasing prices, which of course would exclude some, laying off people and the rest. All of them talked about closing the emergency room.

The Republicans say they are going to improve trust fund solvency. Yet there is nothing in this Senate budget resolution that would guarantee even one more additional year of solvency.

Over the past 2 weeks we have heard health experts, health economists, physicians, and hospital representatives testify before the Finance Committee about the consequences of putting the Medicare Program in a budget straitjacket.

Dr. June O'Neill, the new Republican-appointed head of the Congressional Budget Office—why do I say that? Traditionally it has been a bipartisan appointment. This year it was not a bipartisan appointment, it was a Republican appointment. I resent that. I think it is dangerous for the country, not because she is a Republican but because it is not bipartisan. Anyway, Dr. June O'Neill, the new Republican-appointed head of the Congressional Budget Office said that quality will suffer. That is what Bob Reischauer also said before her: Quality will suffer.

She said seniors will have to pay more to maintain the current quality of their health care.

Dr. Reischauer disputed Republican promises headlined in the New York Times a few weeks ago that, cuts in Medicare "will be huge but painless." He testified that cutting Medicare in the short run is not painless and improvements in quality will be slowed down.

The president of the American Hospital Association testified that "Americans believe deeply that Medicare is Social Security. That sentiment cuts across all age, income, geographic and gender boundaries." He is right. Medicare is part of the Social Security law.

Those proposed spending reductions may in fact be reductions in the rate of growth and not cuts in the spending, but let us be very clear. To people who rely on Medicare for their care and for people who provide their care, the spending proposals being considered are very likely to translate into cuts, cuts in services, cuts in personnel, cuts in quality. To the people to whom we provide care, these slowdowns in the rate of spending translates into real cuts.

Over the past year, during debate on the balanced budget amendment, and now on the Senate budget resolution, I have tried to get my colleagues to focus on the consequences of budget cuts. I really do believe in that. I think budget cuts simply are not done for numerical reasons. They are done for the condition of the country as a whole, and within that condition of the country of the whole are many factors to consider, and some of those are the effects on people. I come from the State of West Virginia, and I cannot do anything—nor will I ever do anything—without considering the effects on the people that I represent.

To think about the people that will be directly and immediately affected by these budget actions, we need to move beyond the strictly mathematical. But for those people who like math, I have a simple addition problem for them.

Millie Wolfe lives in Preston County, WV. She is 83 years old, and she lives alone. She still drives a car. She lives on her monthly Social Security check of $593 a month. She spends $175 a month on rent, $93 on her medigap policy, $8.30 cents on her heart medicine. That leaves her with a little over $300 a month to pay her phone bill, her heating bill, her electric bill, gas and maintenance for her car, to buy groceries, and any and all other living expenses.

She is worried she may no longer be able to drive herself to the grocery store and to the doctor's office and might soon need help with transportation. And at 83 she has a right to begin to worry about that. But she is very, very worried and very upset about having to pay $700 to $900 more per year in Medicare costs as she would under the proposal that lies before us. She is already, Mr. President, paying $1,200 a year out of pocket for her medigap coverage and her heart medicine, not counting the $46 that is automatically deducted each month from her Social Security check for her Medicare part B premium.

People who live on fixed incomes like Millie Wolfe will have to subtract what they can spend on other essential living expenses in order to pay for the increased costs of health care that will be required under this budget resolution.

Millie Wolfe lives alone, but she is not alone in West Virginia. She is not alone in this country. There are 9 million seniors who live alone in this country. A lot of seniors in West Virginia live on fixed incomes. Rarely does one run into a senior in West Virginia, as the Senator from Massachusetts would know, with an income that might be more than $10,000, $12,000, $13,000 or $14,000 a year.

Asking those folks to pay more than they already are paying for health care in order to save the Medicare trust fund is, frankly, offensive to me. Why? Because it directly hurts them. When you say everybody should pay more, I take you back to Millie.

Mr. President, over half of the seniors in West Virginia live in rural areas. That makes them even more vulnerable to the severe consequences of the Republican budget that is before us. Rural seniors will not only have to pay more under the budget resolution, but they may wind up losing their access to health care altogether. Medicare cuts of this magnitude will severely threaten the solvency of many rural hospitals, as I have indicated, forcing many of them to close their emergency rooms, if they have them, cut back on other services, and, yes, as has happened before in West Virginia, some will shut their doors.

We will hear protests by the Republicans that if we do not act right away, there will not be a Medicare Program. Mr. President, I can guarantee you that if they implement their budget plan, there really will not be a Medicare program. Benefits will disappear, quality will deteriorate, and access will be hard to obtain, or will become nonexistent for people in my State, who I will fight for.

One word about Medicaid and I am finished. They are going to cut $160 billion to $190 billion out of Medicaid. You see, people do not care as much about Medicaid because they say that is for the poor, and, therefore, it does not get the attention. Well, it gets the attention from this Senator. The likely impact of the budget resolution cuts on Medicaid, will mean that 5 to 7 million kids will lose health coverage, 800,000 to 1 million elderly and disabled beneficiaries will lose coverage, and tens of millions will lose benefits. For example, all preventive and diagnostic screening services for children, home health care, and hospice services would be eliminated as well as dental care if the $190 billion were cut.

There is a difference between the two parties. There was not last night. There was not within the past week as we worked out our differences. On this one, our differences are going to be very hard to work out because there are fundamental priorities and principles at stake here.

I do not intend to be shy in defense of the people I represent from the State of West Virginia. They work hard. They have had few breaks, and they need help where help is justified.

I, along, I suspect, with many colleagues from this side of the aisle, and I expect none from the other side of the aisle, are going to do everything we can to help them. I regard this as a moral issue.

I thank the Chair, and I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized for 15 minutes.

Mr. DOMENICI. Mr. President, I ask before the Senator starts his comments if I could make one observation. It will take me 1 minute.

Mr. KENNEDY. I withhold, Mr. President.

Mr. DOMENICI. I thank the Senator.

I note that about 4 years ago, for insurance policies for Americans working for various companies the premiums were going up 14 percent a year. Then they went to 11. And, lo and behold, today they are down to something like 3.5 percent. I would just ask, for all the people whose premiums have gone down because there is competition and modernized delivery system, I wonder if they are all out in the streets without health care. I wonder if the hospitals which treat them are closing up because there is no money to treat them. I think quite to the contrary. They are getting the same kind of services they got before. It is just costing people less for the same kind of services.

I do not know that is impossible for seniors in America. I hope it is possible. For otherwise we cannot afford the insurance, and we cannot afford to cover them in the future. I just lay that on the record.

We will have a lot more to say about Medicare. We choose now to let everybody speak, and we are delighted there are so many on our side. There are more. We have three listed. If there are more Senators, start giving us your names.

I thank the Senator from Massachusetts for yielding.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, my response to my friend from New Mexico is the premiums are going down, but what he is not saying is what is happening in terms of the copayments and the deductibles, because the copayments and the deductibles are going up, and the Senator has not commented about the coverage, about whether there has been a reduction in coverage.

These are the kinds of issues that we ought to be talking about, not just these massive figures, about how many billions of dollars more we are going to spend on people. That is the question, that premiums can go down if your copayments and deductibles go up, if you are reducing the kinds of coverage and the range of services.

So if we are going into full debate about what is going to happen in terms of real health care costs, we would welcome that debate and how we are going to get a handle on it. I would agree with my good friends from West Virginia and Minnesota, and others that the only way we are ever going to get a handle on health care costs is within the totality of the health care system rather than just a quarter of the health care system.

I wish to commend the Senator from West Virginia and also the Senator from New Jersey on an excellent presentation on the importance of trying to preserve the Medicare system in our country. It is a part of Social Security, make no mistake about it.

We will have more chances to talk about it. The direct payments under part B of Medicare are right under the Social Security system. When you see a reduction in terms of the Consumer Price Index, reduced as in the formula of the budget, you are going to see further reductions in terms of the recipients of Social Security. We will come to that at another time.

I commend the Senator from West Virginia, talking about Medicaid affecting children. Eighteen million children in this country are covered under Medicaid. Medicaid is primarily for seniors, long-term care, and people with disabilities, but there are also 18 million children covered under Medicaid. And as the Senator points out, 5 to 7 million of those will lose under the proposal of the budget resolution. The fact is, of the 18 million, half are children of working families. We have heard all about trying to have a system that is going to be fair and equitable. But here you are, saying to the sons and daughters, the children, we are going to be cutting back on that program—there is no protection for them in this program.

The Senator was quite correct in stating the terms of what is happening. Never mind the millions of other children, the 14 or 15 million other children who do not have health insurance. And the increase, as a Carnegie report has shown, in the last 15 months of an additional million poor children not covered by health insurance. Those numbers are going up. They are increasing dramatically.

I wish to ask my friend, just taking a few minutes here this afternoon, because there are many others waiting, as we are talking about the whole issue of Medicare, to review with me exactly where we are as an institution and where are our senior citizens. I have a chart here. We hear the question of fairness. I am talking now about the health care for Members of Congress versus the health care for senior citizens.

The Senator from West Virginia has pointed out that over the next 7 years, Medicare couples will pay out $6,400 more, and then that will go up at $900 a year.

Let us look at where we are as a base as Members of Congress, as the Senator pointed out. The average senior citizen is making $17,700. The average Member of Congress, $133,000. The monthly Medicare part B premium per individual: here it is $46.10; Member of Congress: $44.05. So senior citizens are paying more under Medicare on the part B. The deductibles: Members of Congress, $350. That includes the doctors and hospitalization, $350. Theirs is $816—more than double. These are the people who are making $17,000 a year. Their deductible is more than double ours. Hospital care: Member of Congress, unlimited. Theirs, the senior citizens, is limited. Prescription drugs: We are covered, small deductible, about $50. They are not covered. The program does not even apply to prescription drugs. Any Member of Congress who goes into any senior citizen home and asks: How many of you are paying $50 a month or more for prescription drugs? Sixty percent of the hands will go in the air. You ask them how many of you are paying $25 a month for prescription drugs. They all laugh. They are amazed. They wonder why you do not know that 85 or 90 percent of them are paying more than $25 for prescription drugs.

We are covered, Members of Congress are covered. But they are not covered.

On the dental care, effectively, we are covered; they are not covered.

On the preventive services, screenings for cervical and prostate cancer, some benefits are covered.

And look, out-of-pocket limits: $3,700 for Members of Congress, none for senior citizens.

Does the Senator from West Virginia and the Senator from Minnesota remember all those wonderful speeches we heard at the start of this Congress: We are going to have equity, fairness; the laws that apply to the country are going to apply to Members of Congress. We all lined up and we all said yes. That was something that was initiated by the Democrats in the previous Congress, blocked by the Republicans in the other Congress. We all supported it. We heard speeches about that.

What we did not hear from our Republican colleagues, all our newer Members that came to the Senate, "We are getting a good benefit package for health care and we want to make that available to the American people." We have not heard that.

We ought to be debating that issue, but, no, we are talking about making what our senior citizens pay more equitable, make them more equitable with the Members of Congress. We are undermining and making their benefits cost more, $6,400 for a couple—more. And $900 a year annually after that—more.

What is the answer that we will hear for that? Well, Senators, we will hear it in the course of debate, I expect. Do you know what we are doing? We are capping the Members of Congress now, to go up at the Consumer Price Index rate. I remember when we were talking about a cap last year. That was price fixing. That was the heavy hand of Government fixing prices and costs.

The Senators from West Virginia, Minnesota, and Washington remember: We will never tolerate that; we will not go along with that.

Nonetheless, that is going to be the answer. And they are fixing it to benefit us, to protect us. We are basically putting billions and billions of dollars, in additional out-of-pocket expenses on our elderly. For what? For the tax cut. For the tax cut.

It was going to be difficult enough to try to bring about some changes in the Medicare system, to try to encourage preventive health care, to try to provide prescription services for our senior citizens, to try to provide home care, to try to provide community care for our seniors, and to try to strengthen the quality of health care. We proposed some changes and adjustments in the Medicare system last year. And after the seniors had a chance to review it, they basically supported it with its expanded choices.

Not under this program. Not under this program. And the Members of Congress ought to be ashamed of themselves, to come out here and say we are saving the Medicare Program by all of these cuts and at the same time providing and utilizing those savings, or $170 billion of those, in order to provide tax cuts for other individuals. At the same time they are not even addressing the kind of inequity and unfairness that exists. All of these statements are being made here by Members of Congress who have their benefit package all set; we have ours. And we are back in a regrettable situation where we are going to administer to people who are not in this body, the senior citizens of this country. That is basically wrong and unfair and unjust.

Mr. President, I would like to be notified when I have 3 minutes left of my 15, if I could, please.

Mr. ROCKEFELLER. One of the things, I would say to my good friend from the State of Massachusetts, we heard this constantly during the health care debate was, "You can lose your right to pick out your own doctor." But now what is it that the budget resolution and the whole course of events is doing for senior citizens in Medicare? We are talking about managed care, more and more managed care for Medicare.

And so all of the sudden my colleagues on the other side of the aisle are saying, this terrible fee-for-service system which we have for Medicare, and it is only for Medicare, only they have a fee-for-service system, so we have to move to managed care. And what happens then, of course, is they do not have the chance to choose their own doctor. But if they want to choose their own doctor, then let them pay more.

Mr. KENNEDY. The Senator is exactly correct. They will say we are enhancing choices but effectively, given the financial burden, there will be none and seniors will be forced into managed care. The cost for the fee for service will be so expensive it will be out of reach. It will not even be there as a possible choice.

And yet, I am sure, in the course of the debate, we are going to hear, "Oh, well, we are providing these range of services." It is going to be very important for the American people to listen and listen carefully about this.

So, Mr. President, it is important, as we are going to hear all of these speeches about how we are really doing our senior citizens a favor, people ought to be asking—I hope our senior citizens are going to ask—"Well, just do for us what you have done for yourself. Don't do us any other favors." That is a pretty good question.

It always troubles me, when we try to do that, that our colleagues vote it down and then take advantage of their existing coverage. And this coverage, which is for Members of Congress, and available to 10 million of our Federal employees, but is not available to the senior citizens, our Medicare recipients. And they are the ones that are going to get shortchanged.

Mr. President, just this final thought. As we are addressing this budget, I think it is appropriate for American people to understand that working families are paying for the GOP tax cuts for the wealthy. What we are going to see, as I mentioned, under this budget, is some $6,400 more that they are going to pay over the period of the next 7 years. That is, effectively, as has been pointed out, a tax. The working families, will pay some $1,400. That is the increase with elimination of the earned income tax credit. Out there, for men and women who are playing by the rules every day, going to work, trying to provide for their families, they will get an increase in their tax. That is included in this budget. They get a tax.

And then there are the students of America. Those are the sons and daughters of working families that are going to our schools and colleges. They are the hope of our future. The way that program has been reported out of the Budget Committee will mean anywhere from a 28- to 45-percent increase in the amount of the interest that they pay. That is the equivalent of about $3,000 for those who are going to college. It will be more if they go to graduate school. They are going be paying.

And that does not even get into the costs of the reductions in Head Start, the title I programs, or the cutback in the help and the assistance to local schools in the area of technology, as we are going to an information age. It does not even include those kinds of programs which are going to be further attacked.

Mr. President, the first amendment that will be offered is an amendment by Senator LAUTENBERG from New Jersey and Senator ROCKEFELLER dealing with Medicare that just cries out for support.

We hope that the American people will pay attention to this debate and to this discussion, and let us know how they feel. I believe we are on their side. We need to hear from them and I hope they will let us know what their good judgment is on this issue.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twenty-four seconds.

Mr. KENNEDY. Mr. President, I see my friend from Minnesota. I yield him whatever time I have left.

Mr. WELLSTONE. Mr. President, might I inquire—I am not trying to get the floor—are we rotating, I ask my friend from New Mexico?

Mr. DOMENICI. We are rotating, but not one on one. Your side has had a number of speakers in succession and the unanimous consent was—Mr. President, maybe you can say it—I think it was Senators HATFIELD and BOND on our side and then back to you.

The PRESIDING OFFICER. Under the previous informal order, the next person who would be recognized who is now on the floor is the Senator from Missouri.

Mr. WELLSTONE. I thank the Chair.

Mr. DOMENICI. Do we have only two Republicans, or three in a row?

The PRESIDING OFFICER. There was no order for how many.

Mr. WELLSTONE. Might I inquire, do you have any other names listed on that unanimous consent?

The PRESIDING OFFICER. There are no other names listed at this point.

Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. DOMENICI. How much time would the Senator desire?

Mr. BOND. Twenty minutes.

Mr. President, I am happy to yield to Senator HATFIELD.

Mr. DOMENICI. Mr. President, as I understand it, our informal agreement was actually that Senator HATFIELD would proceed if he were on the floor and then Senator BOND and then back to the Democrats.

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Oregon?

Mr. DOMENICI. I yield 15 minutes to the Senator HATFIELD.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I thank the chairman of the Senate Budget Committee for yielding for a few moments of presentation.

I would like to begin today by reiterating some of the remarks that I made during the debate on the balanced budget amendment. I think the American people elected the Republican Congress with the expectation that we would show leadership and a willingness to make difficult decisions. In my view, the public shares the point of view that Government has grown bloated, ponderous, and too expensive. The programs of the New Deal and the Great Society put safety nets in place for those who are in the greatest need, but those nets now strangle the Federal Government by tying up precious funding in a knot of regulations and poor management.

I believe that a balanced budget can come only through leadership and compromise. This compromise must come from each one of us. More importantly, it must come from those we represent. In the end, there is no easy answer. If there is a political will to create a balanced budget, we will create one, and if there is will to avoid one, we will avoid it.

Senator DOMENICI, the chairman, and the Senate Budget Committee members have proven that this Congress is willing to make difficult decisions and that there is a political will to balance our Federal budget. It was an enormous task to construct this budget resolution and I congratulate the Senator from New Mexico and the committee for its work, and the work of the extraordinarily competent staff that they have assisting them.

Like others, I think that the budget resolution cuts in the wrong places, targeting programs which are an investment in our future, such as medical research and educational assistance to our college students. When we look at the data related to the National Institutes of Health, particularly, we have convincing evidence that every Federal dollar invested in biomedical research yields $13 in cost savings and productivity to society. Few other Federal programs can claim a similar track record.

Mr. President, at the same time that we see substantial cuts in investment programs, we continue to see other portions of the budget continue to grow at alarming rates. In comparing spending in 1995 with the proposed spending in 2002, we see that nondefense discretionary spending will decrease almost 11 percent, defense spending will remain flat—and I will believe that when it happens—and entitlement spending will grow 45 percent. These numbers show that Congress must continue to review the entitlement programs of this country to ensure the long-term solvency of the Federal Government.

Let me spend just a moment on the issue of our national investments. This budget presents us with a tragedy in the making regarding our ability to provide a high quality of life to all Americans. The Senate budget resolution represents the worst of three terrible options for the future of the National Institutes of Health.

Option No. 1—the President's budget request calls for reduction in the NIH funding by 10 percent, beginning in the year 2000. I call this death by water torture.

Option No. 2— the House budget resolution calls for an immediate 5 percent reduction from 1995 levels for the NIH for the next year and then level funding for the next 5 years. This is death by the hangman's noose.

Finally, option No. 3—the Senate budget resolution calls for a 10 percent reduction in 1995 levels for NIH for the next 7 years, a total reduction of nearly $8 billion, $1 billion in 1996 to begin with.

In addition, the Senate resolution protects certain agencies from budget cuts. In other words, they have seen to it to exempt within NIH certain programs, the Centers for Disease Control, the Indian Health Service, the Substance Abuse and Mental Health Service Administration, and all AIDS-related programs.

These exemptions mean the actual cuts to all other NIH programs will be around 16 to 20 percent, not 10 percent. This is death by the firing squad, and it means the end of our growing medical research enterprise as we know it.

Let me give you a couple of examples. We are now halfway through on the decade of the brain. Mr. President, we have in the first 5 years of that commitment spent a proportion of that time necessary to bring together over 130 great and tested scientists in this common, integrated, and united effort. It did not happen overnight. And as a consequence, if you start taking a 15- to 16- or 20-percent reduction in that kind of neurological and brain-related disease, you are not only reducing the funding levels, you are destroying the infrastructure. Let me analyze that.

The Presiding Officer at this moment is my colleague from the State of Washington. We both have a very major timber economy in our States. You take a small sawmill, or any sawmill, and if there is an interim of no supply of timber resource, that sawmill closes. You lose the chief sawer, you lose the greenchain people, you lose all these technological people necessary to make a sawmill function, and then you get a supply a month later. It will take an inordinate amount of time to reconfigure that team of technology that is required to operate a sawmill.

Now look at what it means in terms of high technology, the high specialization of a brain strategy to conquer the diseases of the brain. You lose that team, you lose that kind of an infrastructure and you do not rebuild it 6 months later or the next budget period.

Bear in mind, I believe that every dollar we have appropriated for AIDS is fundamentally required, but we cannot afford to get into this business of playing one disease against another disease and which one has the greatest political clout gets the most money. And that is what we are embarked upon.

Why exempt AIDS? What about cancer? What about heart disease? What about Alzheimer's? What about all the other diseases that we are concerned about in our overall strategy of war on disease? It is a dangerous precedent to make that exemption and start playing these advocate groups one against the other.

I think as we move to balance the budget, we should not randomly cut programs in our midst. We must cut judiciously, but at the same time safeguard our long-term investment programs. Through the promise of medical research we will find the treatments and cures we need to eradicate disease and disability.

Let me take another example. I think it is very interesting that Substance Abuse and Mental Health Services Administration has been exempt. These are the services coming out of the mental health programs and commitments. Mr. President, at the same time that we are going to continue these services at presently $2.1 billion, we are cutting $630 million of fiscal year 1995 out of mental research. Now how can you sustain a service program delivering the best quality of mental health services if you have cut off the research part of it or you have crippled it or you have brought it to such a place where they lose their personnel, and so forth?

I think we know that only through the promise of medical research will we find the treatments and cures to eradicate disease and disability and reduce our health care costs. Medical research is a central mechanism for controlling the costs of health care in this country. That is, a cure and better treatment. After all, a cure is the ultimate in cost control.

We found that fluoridation saves the country approximately $4.5 billion each year in preventing dental cavities; psychoactive drugs which actively reduce hospitalization for mental illness saves us $7 billion a year and allows patients to return to productive lives; a $20 million investment in influenza B vaccine resulted in a savings of over $400 million a year by preventing cases of childhood meningitis.

In other words, Mr. President, all of these things concern me so much that I intend to offer an amendment during the course of debate on the budget resolution to restore the cuts, at least in major part, for the National Institutes of Health.

I expect to be joined by a bipartisan group of colleagues, all of whom believe that severe cuts in this area are shortsighted at best. We are not alone in this task. Public opinion polls have shown massive public support for making health research the No. 1 Federal science priority.

At the same time, I think it is interesting that we have frozen at current levels the research in the energy budget, and that has a major focus on nuclear matters of research.

Mr. President, this gets us down to a priorities problem again, and a value problem. I believe it is more important to protect people from disease by finding the solutions and the preventive actions to take rather than to protect our bombs. That may not be the value system that others hold but, in my view, I would hate to go home and explain to my constituents how we are going to cripple the research for spinal meningitis or for Parkinson's disease or for many of the other diseases that everybody, agewise, will face one way or the other and say, "Oh, but we have sustained our commitment to the research requirements to protect our bombs."

I want to make sure that I add this point: That any type of restoration of $1 to this budget resolution has to be offset, and we are working on a bipartisan level now, working with the chairman of the authorization committee, the chairman of the Subcommittee on the Labor-HHS of the Appropriations Committee, we are working with our Democratic colleagues to try to come up with the offsets to deal with the restoration that we seek for the NIH budget.

I wanted to also say, I know of no person in this body who has a greater commitment to medical and health problems that we face in this country than Senator DOMENICI, the chairman of the Budget Committee. I imagine that he has probably lost more sleep than any of us at this point in crafting this budget resolution. So lest anybody attempt to make a personal matter out of this disagreement, I want to certainly disabuse them of that. We want to work with Senator DOMENICI's staff, we want to work with the Budget Committee in proposing this amendment, but I have to say, we are determined—we are determined—to save the future of this Nation's medical research and its infrastructure that is required to find the solutions to these diseases.

As we continue with this debate, it is important that we remember that long-term fiscal responsibility should not only depend upon cuts in spending. It demands a radical transformation in the way we do business as a government. I know as an appropriator I will focus on how the American people can get more out of fewer federal dollars. That is the goal of the private sector of our society, and it should be the same of the Federal Government as well. I hope that the authorizers will also look to the innovators at the State and local level to see how they are making limited resources go further. I think each one of us can look to the local governments and advocates to glean ideas of how to make success government's goal, as opposed to an obsession with paperwork and feeding the bureaucracy. I hope this Congress takes the fact of fewer Federal dollars and turns it into an impetus to allow the innovators to rise to the top as shining examples of Government at its finest.

I would also like to take this opportunity to ask my colleagues from the other side of the aisle to join in this effort in eliminating the budget deficit. We have all come to the floor time after time to discuss the impact that continuing budget deficits have on the economy and the allocation of Federal revenue. In 1995, 15 percent of all Federal revenue will go to paying the interest on the debt, and that amount will continue to grow if this problem is not addressed. I think many Americans will be surprised that even if we balance the budget in the year 2002, the Federal Government will still spend $279 billion in that year to pay interest on the debt. Imagine what that amount will be if we do not make those tough decisions now.

As a Member of the Senate that believes that the Federal Government can still play a vital role in addressing societies' needs, I can think of a number of ways to allocate that $279 billion in the year 2002, rather than simply paying interest on the national debt. Our Federal budget deficit is a national problem which deserves bipartisan attention. Bipartisan negotiation, leadership and compromise have been the cornerstones upon which we have built all effective decisions on tough issues since the formation of our government. I hope the Congress does not miss this opportunity to address the real issue of balancing the budget, and that is the issue which is before us in this Budget Resolution.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, the Senator asked if he might propound a unanimous-consent request. I will be pleased to listen to it.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask my colleague from New Mexico, might I first congratulate, if you will, sing praise of my colleague from Oregon. First of all, I very much appreciate his remarks and want to be a part of this effort.

I know last night my colleague from Oregon was given recognition that he richly deserves from the Parkinson's community for his work in introducing the Morris Udall legislation, and as the son of two parents who had Parkinson's disease, I would like to thank my colleague from Oregon for his work and also for, I think, a very eloquent statement. We want to make sure one group of people struggling with a disease is not pitted against another group.

Mr. President, I ask unanimous consent that after my colleague from Missouri is finished with his remarks, that I then be able to speak for 15 minutes, followed by my colleague from South Carolina, Senator HOLLINGS, for 15 minutes as well, and then I understand we will rotate back.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. How much is the Senator going to use?

Mr. BOND. I will need 20 minutes.

Mr. DOMENICI. So that will be 20 minutes, to be followed by 15 and 15.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Missouri is recognized for 20 minutes.

Mr. BOND. Mr. President, I thank my colleague from New Mexico who has presided over a very difficult, but a very, very important effort in the Senate Budget Committee. I think the tremendous effort he made deserves a great deal of praise and thanks not only by us, but by future generations and a lot of people who may not really understand the full impact of what Senator DOMENICI has led us to achieve for the health of our economy and for future generations.

In the next few days, we are going to have the historic opportunity to move through Congress a budget plan which will actually get this Government's books to balance. How many times have we talked about it? Everybody decided that it was the "holy grail," that we could never get there. Well, through Senator DOMENICI's leadership, we have come up with a plan. Nobody said it would be easy. With his leadership and the willingness of Members to stand up and vote for action instead of just talking a good game, this Senate can take that first step.

Make no mistake, the step is a big one. For the first time in 25 years, the Congress has an opportunity to pass a budget which will get us into a surplus rather than keep adding to our debt. The budget is tough. It sets priorities and recognizes that Government cannot do it all. It makes a statement that the time has come for leaders of today to start paying attention to the economic devastation that is being created for tomorrow's generations because we cannot live within our means. We have heard many speeches about the need to cut spending, reduce the deficit, and get our Nation's books into balance. Everyone who looks at our nearly $5 trillion debt recognizes the need to do something so that we do not keep piling on that debt for our children and grandchildren.

Over the next few days, the American people will have a rare opportunity to see exactly what the political leadership's visions for our country's future are. I have a chart, and you have seen it before in different colors, with the same message. The vision of this Domenici budget shown here in blue is that by taking us from $176 billion on a glidepath to 2002, we can reach a surplus by 2002. It is a bold plan. It scrutinizes every program in the Federal budget from agriculture to welfare, and already the dollar has strengthened because we did something.

The Washington Times reported last Friday that on Thursday, May 11, the dollar jumped in its biggest 1-day advance in 4 years. That was the same day that the House and Senate Budget Committees approved our plans for reducing the deficit to zero by 2002. It is no coincidence that the dollar strengthened the same day we made an effort to restore fiscal sanity to the Federal books.

Earlier this year, by contrast, when the Senate failed, by one vote, to pass the balanced budget amendment, we showed that some were willing to sacrifice U.S. global competitiveness for short-term political gain. The message was heard loud and clear in the global markets, and the dollar fell to record lows against the Japanese yen and the German mark.

Why is that important? Well, Mr. President, it is important because the international monetary markets can tell a country when it is sick. They told Mexico it was sick because the peso started declining and nothing was done. Mexico got in big trouble. The international markets were taking a look at our fiscal policy, our inability to control our spending and saying that the United States is sick. And when we failed to pass the balanced budget amendment, they recorded their votes in the way that is most effective. They placed their convictions with money behind their views. They said we are in danger of going downhill.

The dollar devaluation does not just impact big banks and big industry. It has an affect on each and every American. The dollar's low value means that U.S. assets are less valuable, imports are more expensive, and that the threat of foreign competition and lost jobs is greater than ever.

Passage of this budget resolution, which would get us to balance by 2002, is critical to the health of the dollar and to the American economy. Bold changes are in store. We have proposed dramatically to restructure several Cabinet agencies and the programs under their jurisdiction. We propose the elimination of programs, new and old, which will outlive their purpose or are too expensive for the supposed good they do.

We have heard very passionate speeches, sincere speeches, on this floor, about how we need to be spending more in all of these areas. That is precisely how we got into this fix. We did not get into this fix spending too much money because we were spending it on things that were low priorities. We wanted to spend more on everything. That is what has led us to the fix that we are in today.

What we are seeing, in essence, in this budget is that we cannot spend more on everything. We have to make some choices and we have to slow the growth. We have told agencies they have to buy smarter, travel more cheaply, and squeeze out the last nickel in their operating budgets.

Let me deal with one particular charge, or one particular allegation, that I am afraid was based on misinformation. One of my colleagues, earlier today, was told by NIH that if funding was cut by 16 percent, the researchers would not get any new grants. There was talk of the success rate. Currently, the success rate for health research is one in four. That means one out of four new applications for research gets granted. The NIH apparently told my colleague that under this plan only 1 out of 100 new grant applications would get NIH funds. Our staff looked into it and we found out that that was totally unsupportable.

First, NIH got the numbers wrong. The budget resolution assumes a 10-percent cut in NIH; NIH assumed a 16-percent cut. They came up with some figures that were not the figures we used and took totally different assumptions. So, No. 1, their overall figure was wrong.

No. 2, NIH decided, in that classic of all Washington moves, to "close the Washington Monument." They were going to hit the thing with all of the cuts that are most important, and that is the research dollars. The "Washington Monument syndrome" is when any agency's budget is cut, they shut down the most visible thing that they do. They said, "That cheap Congress would not give us the money to keep it operating." So NIH said that 70 percent of the cut would come from research grants. If I were a researcher out looking for grants, I would ask the folks at NIH: How come you do not want to cut money out of the overhead, the bureaucracy, the buildings, the Washington, DC, efforts? I think that is a pretty good question. In any event, they gave us that assumption.

Finally, NIH assumed they would take all the money from new grants. NIH gets 34,000 requests for new grants each year, and they assume they would cut all the money designated for new grants. In fact, this resolution would cut NIH funding by $1.1 billion. The Senate Budget Committee staff asked the NIH if they distributed that 10 percent cut equally among the bureaucrats, Washington researchers, new grants and existing grants, what would they get? First of all, NIH had two responses. They said they would do it differently. That is cause for us to worry. They said, "If the cuts were distributed equally, one in six researchers would get new grant money"—in other words, one out of six instead of the current one out of four. Not one out of 100. This, I think, is important to set the record straight. This budget plan is not going to gut NIH.

In addition, this budget is going to say that we are going to save Medicare. Medicare is broke; it must be fixed. The public trustees are right. The people who were appointed as public representatives and the President's Cabinet members said that Medicare, part A, is on the verge of collapse. It will go into the red in 1997 and start spending more money than it takes in and, by 2002, the trust fund will be broke.

If the trust fund is broke, then under the terms of the law, no more money can be paid. In other words, the system shuts down. I do not think it is responsible to walk away from that.

The President has decided to sit back and make a political game out of Medicare. Worse, he is talking out of both sides of his mouth and saying, "You cannot claim to protect Medicare when it is cut." But he has no plan for saving it.

The fact that Medicare part A is on the death spiral was revealed by the President's own Cabinet members. The President knew back in February when he said there would not be one penny cut out of Medicare, that Medicare was on the path to first insolvency and then bankruptcy. He set up a status quo budget with no changes, no plans for saving Medicare.

We stepped to the plate to fix the crisis, and he says that we are trying to kill Medicare.

Second, the President conveniently forgets that he proposed similar cuts in Medicare himself. When the President, in 1993, needed to finance his Government-controlled, top-down health care plan, he proposed spending reductions in Medicare and Medicaid to pay for them.

He said Medicare and Medicaid are going up three times the rate of inflation, and all we propose to do is let it go up two times the rate of inflation, and he said that is not a cut. When he said specifically that is not a cut, how come it gets to be a cut now when we propose to save Medicare by doing about what he proposed to do in 1993?

Mrs. Clinton, the First Lady, has said that she is confident we can reduce the rate of increase in Medicare spending without undermining the quality of Medicare recipients. We know we can get savings. That is what she said. Perhaps the best evidence of the political game that is being played here comes from the architect of the Clinton health care plan, Mr. Magaziner, who said, "Slowing the rate of growth actually benefits beneficiaries considerably because it slows the rate of growth of the premiums they have to pay."

It seems to me that those great arguments of a couple years ago cannot be ignored when they come out and try to attack our efforts to save Medicare now.

Under the Senate budget resolution, Medicare will still be the fastest growing part of the Federal budget. Solvency would be guaranteed for 10 years. Medicare spending will continue to grow at more than twice the rate of inflation well into the next century. That is just the first step.

Let me move now, Mr. President, to one other example of the kinds of reforms that this budget tackles. That is, reforming the Department of Housing and Urban Development. I happen to be the chairman of the subcommittee that handles the HUD appropriations. We are responsible for trying to stop the train wreck.

This year, we began holding hearings to get at the funding crisis at HUD. This is a crisis that not only threatens the programs which millions of people depend on for the very roof over their head, but threatens to squeeze out needed dollars for other important programs.

We have found in our hearings and in our investigations that HUD is a dysfunctional agency that requires a complete reevaluation of its mission and a major reform of its program and program operations.

The Department has grown from an agency responsible for about 50 programs in 1980 to well over 200 programs now. It has neither the capacity nor the political will to administer all these programs.

Frankly, we have got to make some serious changes. It is this crisis that led me to advocate and propose a dramatic restructuring of HUD, which is to be incorporated in this budget plan. That is why I argued so strongly for the passage of the rescission package which begins the major surgery HUD so desperately needs.

In particular, the budget anticipates the creation of block grants for public housing. It assumes that the actual projected costs of section 8 contract renewals, that some of this assistance should be given in block grants to the States. The States would get broad latitude to redesign their programs so that they could use State housing finance agencies to manage their program to contract out the responsibilities and to get that program under control.

Unfortunately, when the President indicated he would veto the disaster relief supplemental bill with the rescissions in it, he not only took the money away from the California earthquake and the victims of the Oklahoma City bombing, it also took over $6 billion in cuts for future year spending from HUD.

Let me make this point again. The bill that we passed out of the conference committee the President said he would veto provides vitally needed funding for disaster relief. The House and the Senate also passed and we passed by an overwhelming majority in this body, a measure to cut spending in HUD so that we will face not quite as serious a problem next year.

We still have a funding problem for HUD that is unbelievable. The President's budget asks for $20 billion in budget authority and $14 billion in outlay increases for HUD over the next 5 years. Even those first are suspect. We have to have the rescission bill to cut off the authority now or we will add more commitments to HUD that they will have even greater trouble funding in the future.

Now, to me, that effort for fiscal responsibility is one of the first and most important steps we can take. The President has come out with some kind of gobbledygook, saying that this bill that we pass contains pork.

Does he want more cuts or does he want less cuts? Items that he objected to in the rescissions bill were items that had been passed by Congress and signed by the President in past years. Now he objects because we have not cut the right things? What does he want Congress to cut?

We stepped up to the plate and gave him some cuts that were carefully worked out in this body and in conference with the House. He wants to veto that rescission bill.

Two things happen if that veto goes through and it is upheld: No. 1, we do not have the money for the emergencies; No. 2, the money that is not rescinded, the budget authority that is not rescinded, will go into effect. We will be on an even steeper incline in our rate of spending, and it will be more difficult.

The President told us back in 1993 he wanted to see us end the deficit. What happened? Did he forget what he said in 1993? He raised taxes to start what he said was the process. He said the second step is cutting spending. Where has he gone?

Frankly, after the President raised taxes and cut defense, he has decided that that was enough. So what if the deficit goes up every year on his budget reaching $276 billion by the year 2000. So what if another $1.2 trillion are added to the debt?

Well, I think there are some serious consequences. No. 1, it will hurt our economy right now. It is going to be a real problem for those who are making a living in our economy today. We are going to see the potential of inflation coming back much more strongly. That is what happens when the value of our dollar falls. We are going to see our costs of goods go up. Most of all, we are going to see debt added to the credit cards of our children and our grandchildren.

Can we afford to say that we are for our children, we are concerned about children, when we want to walk away from fiscal responsibility and add another $1.2 trillion to the $5 trillion we have already put on their backs? Mr. President, I do not think so.

Mr. President, we have heard a lot of fancy speeches and we will hear a lot of fancy speeches, but when it comes right down to it, this is what we say back in Missouri: "Show me" time.

Are we for cutting spending? Do we want to balance the budget? Or do we want to leave that spending machine going full throttle? I think we will get a fairly clear indication, because when the votes start, we will find out who really is serious about the financial stability of our economy today and the total economic security of our future generations.

Do we have the political will? Are we willing to stand up to face the music and to vote for a tough budget? I believe we will. I will urge my colleagues to support the effort to get the budget deficit to zero and move it into surplus in the year 2002, because it is essential for our economy now. It is essential for the well-being of future generations.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GRAMS). Under the previous order, the Senator from Minnesota is recognized.

Mr. DOMENICI. I wonder if the Senator will yield for 1 minute to the Senator from New Mexico?

Mr. WELLSTONE. I would be pleased to.

Mr. DOMENICI. Mr. President and fellow Senators, I do not want anyone to think that we already have ruled out a vote for tonight. Senators asked, are we going to vote tonight?

Frankly, we have to use 10 hours of this budget resolution up tonight. We started at 12 clock and we are working to see if we cannot accomplish that, but clearly we would like to enter into an arrangement where we would vote tomorrow, at least on a Domenici amendment and on a Democrat amendment. But I have no agreement, nor does the majority leader, that we are not to move one of those up to tonight unless we can arrange somehow to get 10 hours out of today's work. Because we still have 30, and that would be 30 for the days of Monday, Tuesday, and Wednesday, and our leader has said we are going to be finished on Wednesday, which will mean very long hours next week.

I want to compliment Senator BOND, not only for his remarks today, which I think were right on point, but actually you cannot get a budget resolution out on the floor without a lot of Senators helping you and a lot of Senators voting for it.

The Senator has been a staunch supporter and formidable proponent of the balanced budget. I want to thank him here in front of all the Senate.

I yield the floor and thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, when I come to the floor sometimes I just like to respond to what my colleagues have said. Sometimes that ends up being debate. And then sometimes we come back to it later on.

My colleague from Missouri is a friend. I think I enjoy working on the Small Business Committee about as much as I enjoy working on any committee. But when my colleague said the attitude in Missouri is, "Show me," and he talked about children, I would remind him and I would remind my good friend from New Mexico that we have not had a lot of discussion about children yet. I am going to have several amendments on the floor eventually. But in talking about the health care cuts, there has been more of a focus on Medicare and less of a focus on Medicaid.

My understanding—and maybe these numbers are a little bit off—but my understanding is that with the proposed Medicaid cuts, we would be capping the per capita growth rate for expenditures under that program at about 1.4 percent. That is compared to a growth rate of about 7 percent projected for private expenditures? Am I wrong about these figures?

Mr. DOMENICI. I do not know what the 1.7 is. I do not know what that is.

Mr. WELLSTONE. The per capita growth rate for Medicaid expenditures—after the proposed cuts—would be about 1.4 percent.

Mr. DOMENICI. For Medicaid? I would not know that. I have not figured it that way.

Mr. WELLSTONE. OK. I ask my colleague, at some point in time during the debate it would be helpful to get those numbers.

Mr. DOMENICI. Fine.

Mr. WELLSTONE. The reason I mention that is that there are, I think, today in our country about 11 million children who have no health care coverage whatsoever, I say to both of my colleagues. And, every year since 1987, employment-based health insurance coverage has been dropping.

Do you know what has filled the gap? Medicaid. That is what has filled the gap. I think in Minnesota—I say to my other colleague who is presiding—there are about 200,000 children or thereabouts who are covered by Medicaid. I have to say, as long as we are talking about children, when I see these kinds of dramatic, I think draconian, reductions in reimbursement I have to wonder what the effect will be on those children. That is my first point.

My second point, and we can come back to it in debate, but I think it is a point well worth making because these statistics all mean something. My colleagues know this. I am not intending to be self-righteous. I am just saying we need to understand the faces behind the statistics.

The second point about Medicaid is that I have heard some discussion about the power of the senior citizen lobby. The majority of Medicaid expenditures in Minnesota, and I am sure other States as well, go toward nursing homes, covering nursing home expenses for elderly people who by definition are in nursing homes because they are frail. Many of them are struggling with diseases and illness. They are hardly powerful. I would say to my colleagues, I do not quite know what we intend to do with the dramatic, draconian cuts in reimbursement, Medicaid-wise.

I met with a good number of people from southeast Minnesota last Saturday and there was one man who runs a hospital nursing home in one of our smaller towns in southeast Minnesota. He almost had tears in his eyes. Maybe this is melodramatic. His question was, "What is going to happen to these people? Will the State pick up the costs? What is going to happen to them?" That is just a question that I raise.

As long as my colleague from Missouri was talking about children, let me make another point, and I would like to commend Senator MOYNIHAN from New York for his powerful voice dealing with the issues of race, poverty, gender, and children in America. As I understand it, in this budget proposal we are talking about something like $20 billion in reduction for food stamps. I would not want any of my colleagues to believe, if they do believe so, that by going after fraud—and there are some, I am sure, abuses that take place—that is how you get a $20 billion reduction.

I ask my colleagues, Democrats and Republicans alike, not to be ahistorical and to understand that we had a lot of exposes, a lot of studies on these issues. There was a Field Foundation study. There was a CBS "Hunger USA" documentary. And what did those studies point out? What did we see on television? What we saw was that in the United States of America there were children who were suffering from scurvy and rickets, distended bellies, malnutrition, and hunger. As a matter of fact, the expansion of the Food Stamp Program, which is one of the really true safety net programs, led to a dramatic reduction in that malnutrition and hunger among children in America. Are we now going to turn the clock back? I would like to know where the evidence is that says that we can have those kinds of cuts in a major food assistance program without having a serious effect on children, the poorest of the poor in America.

So many of my colleagues keep talking about, "for the sake of children in the future." How about the children now? Every 30 seconds a child is born into poverty in America. One out of every four children—poor; one out of every two children of color—poor. What about those children now?

I just mentioned two programs with dramatic reductions, draconian reductions. I know we will have time for debate. I have not seen anybody stand up yet. I know that we will have this debate and it should be substantive debate. We respect one another. Tell me how we are going to do that without harmful consequences to those citizens; in this particular case I am talking about children.

We ought not to be doing deficit reduction based upon the path of least political resistance, that is to say targeting those with the least amount of political clout.

Second, and maybe last point, because I only have 15 minutes today. When I heard my colleague from Missouri—and I am sorry he is not here now for purposes of debate—talk about some of the comments that the First Lady made and Ira Magaziner made about how we could reduce Medicare costs, that is true. But that was in the context of overall health care reform and cost containment systemwide.

I say to my colleagues, there are not only consequences to the words that we utter, the words that we speak, there are also consequences to the proposals that we lay out here on the floor of the Senate.

I can explain very briefly why in fact the Medicare Program, which is a benefits program passed in 1965, which has made the United States of America a better country, and not just for the senior citizens but for all of their children and their grandchildren, has had increasing costs. I can explain why.

We have to invest a significant amount of resources into financing Medicare because a larger and larger percentage of our population are over 65, and a larger and larger percentage of the over-65 population are in their eighties. With that comes more illness and higher health care costs. That's why it is important to look at per capita numbers when we are talking about cuts. We finance it as a nation because it says a lot about who we are.

That is what Senator Humphrey from Minnesota meant when he said the test of our country and our society and our Government is how we treat people in the dawn of their lives, the children; the twilight of their lives, the elderly; and those in the shadow of their lives, disabled people struggling with illness, and of course the poor people. I do not think this budget meets that standard laid out by the late, great Senator from Minnesota, Hubert Humphrey.

Mr. President, I heard some reference to comments of the President and others about health care reform. But the first thing I would say to my colleagues is this will not work. If you single out one sector, one group of people, you can talk to any of your providers and they will tell you out front and up front that they will shift the cost. They have to. It is a shell game.

We should have learned this in the debate on health care last time. And by the way, I say to my colleague who is now presiding, that in Kings County, NY, Medicare pays $646 per month per enrollee to an HMO, whereas in Hennepin County, MN, HMO's get $362 per month per enrollee.

What will happen is, if our reimbursement is already rock bottom low, especially for those States that have done a good job of keeping the costs down, then the providers have no other choice but to shift the cost. They then shift the cost to the employers and the private insurance companies that then raise the costs, and then it gets shifted back to the employees, and more people are forced to drop their coverage because it's unaffordable.

Mr. President, it will not work if we just shift costs. Talk to people in rural America, not just senior citizens. Talk to the care providers, talk to the nurses, talk to the doctors, talk to the public health people. It will not work.

Mr. President, the essential problem with some of these proposals is, A, they do not meet the standard of fairness; B, I do not believe that they are fair just in terms of where the most vulnerable citizens fit in or do not fit in to this equation, and on the Medicare front and the Medicaid front, as public policy, they do not work. Welcome to health care reform.

Tomorrow, when we have our amendment out on Medicare, we will have an opportunity to really debate this at great length.

Finally, Mr. President, as a former teacher, I really do believe it is extremely shortsighted to make a lot of these cuts. As a matter of fact, I think what I might do in the course of the debate is bring out the Kasich budget which was passed by the House of Representatives so we could have a vote on that on the floor of the Senate since I think it does an even more draconian job when it comes to cutting higher education. But I would just argue today that it is myopic, it is shortsighted not to invest in young people and not to invest in their education.

I could boil it down to the following kind of analysis in less than 2 minutes, I hope. If you want to have real welfare reform: A good education, a good job, and decent health care. If you want to reduce poverty: A good education, a good job, and decent health care. If you want to reduce violence: A good education, a good job, and decent health care. If you want to have a stable middle class: A good education, a good job, and decent health care. If you want to compete in the international economic arena: A good education, a good job, and decent health care. And if you want to have a representative democracy with men and women who can think on their own two feet and understand the world, the country, and the community that they live in, what they can do to make it a better world and a better country and a better community, keep your focus on a good education, a good job, and decent health care.

This budget moves us precisely in the opposite direction. It is profoundly mistaken for our Nation.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

Mr. DOMENICI. I wonder if the Senator will yield for 30 seconds.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Thank you very much. Could I ask unanimous consent that following Senator HOLLINGS, Senator BENNETT be in order for 15 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I certainly agree to that. I ask after Senator BENNETT, could we have Senator MURRAY recognized for 15 minutes?

Mr. DOMENICI. Could we have Senator SANTORUM immediately following Senator MURRAY? That would give us five.

Mr. President, I so request.

The PRESIDING OFFICER. Senator BENNETT, 15 minutes; Senator MURRAY for 15 minutes; and Senator SANTORUM for 15 minutes, following the Senator from South Carolina.

Without objection, it is so ordered.

The Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished chairman.

Mr. President, in the brief moment that I have, I would like to voice a note of sobriety with respect to this debate, and to agree for starters about the bigness of Government.

I have played this budget game for 35 years. As Governor 35 years ago, I balanced the budget in the State of South Carolina, and earned a triple-A credit rating. Some 27 years ago, in 1968, I worked with George Mahon, then chairman of the Appropriations Committee, and we balanced the budget.

Mr. President, when we hear the hue and cry to get rid of big Government, we ought to focus on what it is about government that is really big. In 1968 when President Lyndon Johnson balanced the budget, he faced gross interest costs on the national debt of $14.6 billion. That is after almost 200 years of history. Through 36 Presidents, Republican and Democrat, the Revolutionary War of 1812, the Civil War, the Spanish-American War, Mexican, all the wars, World Wars I and II, and Korea, a good part of the war in Vietnam, the mandatory spending of interest costs was only $14.6 billion.

If my colleagues listen to nothing else, let them listen to this fact. According to the Congressional Budget Office in February of this year, the mandatory spending of gross interest costs is estimated at $340 billion.

Oh, boy, has the size of Government increased. How did it grow? Let me go right to the heart of the matter and quote none other than the chairman of President Reagan's Office of Management and Budget, David Stockman. I quote:

> The root problem goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans have willfully denied the giant mistake of fiscal governance, and their culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could contain the deficit.

Mr. President, we are watching history repeat itself as Republicans today make the same mistake of insisting that the deficit can be conquered through spending cuts alone.

Lord knows, I have tried. I have worked in a bipartisan way for a balanced budget. As chairman of the Budget Committee 15 years ago, I worked closely with Henry Bellmon, then the ranking Republican.

In 1980, contrary to what some of the weekly magazines would have you believe, Senator Bellmon and I presented a balanced budget. In 1985, Senator GRAMM, Senator Rudman, and Senator HOLLINGS presented a balanced budget, planned over 5 years rather than 7 years. We were supposed to have balanced the budget by 1990, but then Congress pushed back the goalposts and eventually repealed the fixed deficit targets.

I worked with Republican Senators Boschwitz and Danforth on a value-added tax, 5 years ago. In the Budget Committee, some eight members voted for a value-added tax. Why? Because we needed it. But unfortunately today, the charade continues.

The truth of the matter is that cutting taxes as they say by some $350 billion over 10 years, actually increases the interest costs or taxes on the gross debt. It has been said that there are two things in life that you cannot avoid, death and taxes. Actually, there are three things, death, taxes, and interest taxes on the national debt.

So when they talk in a blasphemous fashion about cutting taxes, it comes time for the sober truth. They can try to get away with this charade, but the fact is that they are increasing taxes.

Now, there are two-ways, Mr. President, to approach this problem. One is a balanced plan of freezing spending, cutting spending, closing tax loopholes, and increasing revenues.

But the other way, of course, is the Vietnam approach—destroy the Government in order to save it. It gives you the image, it gives you the headline, it gives you what they are talking about, a balanced budget.

But I ask the Members to turn to page 7 of the Senate budget resolution. There it plainly says that in the year 2002 we will have a deficit of $113.5 billion. That is just the real deficit. If we turn to page 9 where the annual increases in the public debt are listed, in fiscal year 2002 the debt increases $177.7 billion. The distinguished occupant of the chair on the other side is a very successful businessman. He knows. Look at page 9. Fiscal year 2002, the debt increases $177.7 billion.

So, yes, President Clinton has a budget where the deficits go up as far as the eye can see. The Republican budget now that we have before us, unfortunately, has deficits of $177.7 billion as far as the eye can see. That is the truth. Those are the facts.

We hear a lot of talk about reducing the deficit, but if we want to fathom the true depths of their sincerity, we ought to turn to page 74 of the resolution.

I am reminded of the story about the days when we had the literacy test. Poor black men would come to the polls to vote and would be given the Chinese newspaper. They would be told, "Boy, read that." The black man would take the paper, look at it one way then turn the paper around and around. When he would finally be asked what it said, the man would reply, "It says ain't no black gonna vote in South Carolina today."

Now, I read this one on page 74, five little words: "For legislation that reduces revenues." Do you know what that means? It means we are going to allow for a $350 billion tax cut, just like they are doing over on the House side.

You have to know the tricks of the trade. The real problem is that those tax cuts are going to be written in stone. The spending cuts will never occur. Part of them will occur. But the bottom line will be we will be up, up and away with deficits and increased spending for interest costs.

We need to cut out this total fraud that you can do it with spending cuts alone. We have to get serious. You could eliminate all of the nondefense discretionary programs—all $275 billion of them—and we would still be in the red because of the $340 billion that we have to spend on interest costs. It is Alice in Wonderland: To stay where you are, you have to run as fast as you can. To get ahead, you have to run even faster.

The ox is in the ditch. We have to get to work seriously here and cut out the monkeyshines with Social Security, as they did during debate on the constitutional amendment, and as they do now. The provision that John Heinz and I put in the law, section 13301 of the Budget Enforcement Act, says: " Thou shalt not use Social Security trust funds for the deficit." We asked them to obey it in the Budget Committee and, to my shock, 12 Republican Senators voted against that law in the Budget Committee.

Now, if I had Hollings Enterprises as a business and I went to file my annual statement to the Securities and Exchange section, and I was using my pension fund to mask the size of my deficit, I would be in jail. They would haul me off to the hoosegow.

We need to stop, look, and listen and get away from this gamesmanship. Republicans talk now as if they are the only ones interested in the deficit. Perhaps they have forgotten that President Clinton came to town and cut it $500 billion through a balanced approach of spending cuts and tax increases. He followed that up with an effort to reform Medicare and Medicaid that fell upon deaf ears as Republicans claimed that there was no health care crisis. Now, all of a sudden they are sounding the alarm and citing the need for decisive action to save the HI trust fund from bankruptcy. How ironic that the Contract With America calls for taking $25 billion out of the Medicare trust fund.

Mr. President, they are playing games with you. They talk as if they are so interested in this year's report from the Medicare trustees showing that the fund would be in the red by 2002, but last year the very same report showed that Medicare would be bankrupt by 2001.

And now they say, "We never knew this. We have to go to work." Last year, they said there was not any trouble with health care; Medicare was fine.

Can you imagine, $256 billion out of Medicare? We cut $56 billion the year before last. The President offered another $125 billion last year which you called fantasy. And now you come along with $256 billion and say you need a commission to find it? That is what I call passing the buck. That is punting.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. Senator BENNETT, under a previous order, is recognized for 15 minutes.

The Senator from Utah.

Mr. BENNETT. Mr. President, I am interested in the various references that are made from time to time on this floor about business practices; comments such as, "Why, if we did this in a business the way we are doing it in Government, we would go to jail. We can't do that on a filing for the SEC."

Mr. President, as you may know, I have run a business, run several. I have filled out forms for the SEC. I have signed 10 Q's, I have signed 10 K's. I understand the requirements of honest accounting. And I assure the Chair and this Senate that what I am about to say is honest accounting. I am not trying to mislead anybody as to what we are facing as a Nation. I am not trying to make rhetorical points on fine shavings of definitions within committee language. I am trying to be as direct and straightforward as I know how.

I will start out with a chart that we have seen before and we will no doubt see again but which we need to keep in front of us throughout this whole debate.

The information, Mr. President, on this chart comes from the Entitlements Commission which shows that if we listen to all of the rhetoric that says, "Why, you can't do this. This will hurt this group. You can't do that. It will hurt this group," which ends up being "You can't do anything," the present trends are simply not sustainable.

I remind the Chair and the Chamber, once again, that if we do nothing, we let things go as they are going, within 10 years, by the year 2006, we will be in a circumstance where the cash outlays and the cash revenues of the Government comes to the condition that everything we spend as a Government will have to be borrowed.

That which we do not have control over in the budget, which is in the red bar—entitlement spending and interest—we have no control over that. We are contractually obligated to that. The entitlements, by law, have to go out. The interest, by law, has to be paid. That means everything else—which includes the Defense Department, includes building highways, includes everything else the Government does—will have to be borrowed. This is the reality with which we live. It is real.

I see the distinguished chairman of the Entitlements Commission on the floor. I thank him for his work and his courage.

This is the situation in which we find ourselves. Let us not kid ourselves by saying, "Oh, this particular phrase of the budget document does not apply here and we will look at this." This is cash outlays.

I have managed a business. I will tell you the most important way to manage a business is on cash flow. You may have a balance sheet that says you have a whole lot of money, but if that money is all tied in inventory and receivables and you do not have the cash with which to pay your bills, you are in trouble. And you can go to the SEC all you want and say, "Oh, this is the way I keep my books." You pay taxes, you pay wages, in cash. And this is the cash picture of what happens if we do not do anything.

Now, we are told, "Oh, we can't hurt this group. We can't hurt that group. Look at these terrible cuts."

I give you the second chart prepared by the Budget Committee on the terrible cuts that we are talking about in this budget.

What are the terrible cuts we are going to inflict on Medicare? Well, actually, you know, Medicare is going to go up by $105 billion.

I am a businessman. In my vocabulary a $105 billion increase is not a cut. I had to come to Washington to learn the definition of "cut." It means you spend more this year than you spent last year, but you just spend less than somebody else promised you would in some previous year. That is the Washington definition of "cut."

All this reference to business; I am a businessman. This, to me, is an increase. Put it on a per capita basis right now, Mr. President, and we are spending per Medicare recipient per year just under $5,000. That is today's figure, 4,900 and-some-odd dollars.

Under the budget proposed by the Budget Committee, by the time we get to 2002, that number will be $6,450. So we are going to punish the Medicare population by raising their per capita expenditures from $4,900 to $6,400. That is how we are going to punish them. To me, that is not a cut.

Now, we talk about trends. "Oh, but the Medicare population is growing. The Medicare population is so big we have to spend more than that. That will not work."

As I say, that is a per capita number, Mr. President, from $4,900 to $6,400 per capita.

But what is the overall number?

Here is the chart I used in a previous statement I made on this subject. Medical expenditures, where the distinguished minority leader had said, "You know, our problem is that public funds are growing at the same rate as private funds," and I said, "No, that is not true."

I got the information from the Congressional Reference Service of the Library of Congress. Here are the trends. The dark figures are the percentage of increase in public expenditures for medical activity. This is combined Medicare and Medicaid. The light figures are for the private rate of increase.

Here we are, the worst year, 1990, public expenditures in health care went up 13.2 percent that year. The private rate of increase was 10.6. Still unsustainable. In the private sector, they went to work on that, brought it down, cut it in half the next year, in 1991. Public expenditures came down from 13.2 to 12.6.

The following year, they could not hold it down on the private side. It came up to 9.9, then 7.2, and then last year, 1994, brought it down to 5.3. The public expenditures came down from 12.6 to 10.8 to 8.5, and last year, 7.8.

That is the level, Mr. President, at which this budget calls for it to stay—a 7-percent annual rate of increase in Medicare is what this budget is talking about. We have done it in 1994. Can we not do it for the next 5, 7 years?

I will say, this combines both Medicare and Medicaid and, therefore, that overall figure is misleading and it is not proper for me—I said I am going to be honest in my accounting—it is not proper for me to say that applies directly to Medicare because Medicare at the moment is closer to 10 percent and Medicaid is the lower figure, and that is why the average is there.

But that is the target we have to have, that is the target we do have in this budget and that is the target I believe we can meet.

The Senator from Wisconsin says, you cannot do it to our older population, you cannot balance this by attacking one segment of the population, you cannot single out one sector. And then he talks about education, you cannot single out education. And pretty soon, if you follow that logic, you end up with no sector at all that can be cut.

I go back to the other chart. I referenced this before strictly on the Medicare side pointing out that we are talking about a $105 billion increase in Medicare. We are also talking about $146 billion increase in Social Security, a $36 billion increase in Medicaid, a $51 billion increase in other mandatory programs. The only thing that gets cut is domestic discretionary spending. Defense remains the same in this budget. Interest has to go up because the debt is coming up.

But what is the total? Nearly $1.9 trillion. I am reminded of the cartoon that appeared in the paper where the Republican was writing on the board the budget for 2002, $1.9 trillion, and the other person said: "Is that all?"

Mr. President, I have been involved personally in the challenge of downsizing a company. I grant immediately this challenge is vastly greater, but the principles are the same. Time and again, I would say, "We have to take something out of the overhead of this company."

People would come in to me and say, "I agree, we have to take something out of the overhead, but don't cut my department" for this reason or that reason and how vital it was.

Finally, I had to get their attention, and I said: All right, I won't cut your department, I won't cut anybody's department. I'll let everybody walk out of here feeling comfortable, happy and wonderful right up to the point where you file for unemployment, because the company is going broke.

Oh. Well, now, you explained it to me. Maybe I can find something in my department to cut.

That was the company equivalent, Mr. President, of this chart. This is the chart I began with, this is the chart I come back to. This is the situation we are facing. Do we have the courage to recognize this is the situation we are facing and do what has to be done?

Mr. President, we celebrated this year a number of anniversaries relating to the Second World War. I am one who is old enough to remember the Second World War. I did not fight in it. I was just a little kid. My brother went over in the Second World War. He was in Okinawa when President Truman decided to drop the bomb.

Mr. President, may I inquire, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes 30 seconds remaining.

Mr. BENNETT. Thank you. The President of the United States came to the American people and said, "This is the situation we are facing. If we do not do something about it, we are in serious trouble," and he demanded sacrifices from the American people. He was up front with them. He made no bones about the difficulties that we face.

How disrupting was that experience in the lives of Americans? Hundreds of thousands of them lost their lives. Millions had their lives disrupted. They did it because they recognized that there was a purpose for doing it and that their Government was being honest with them.

For far too long in this Chamber, our Government has not been honest with our people and, therefore, of course, they do not want to sacrifice, of course, they do not want to have their lives disrupted. I do not want to have my life disrupted. I want everything to go on as good as it has been going, but the time has come to recognize that we are facing a long-term crisis as severe as any we have faced, and we have to be as honest as we have ever been.

So I say, all right, you do not want to do this by restraining the growth of Medicare, even though the rate of growth of Medicare is not sustainable either in this circumstance or, frankly, by comparison to what is going on in health care in the private sector with this circumstance. All right, you do not want to do it with that one? What do you want to do it with?

This budget says we do it with everybody. This budget says we do not single out a single sector to balance the budget on the backs of any particular group. We say to everybody, the time has come to recognize the crisis with which we are dealing and deal with it evenhandedly.

I would say to those who are complaining about this budget, then give us your alternative that is equally evenhanded that deals with all political groups with the same courage with which this deals with political groups and let us get forward. But do not tell us we cannot adopt this budget because it disturbs this or that or the other sector in terms of their status quo because that kind of circumstance, Mr. President, is simply not being honest with the American people, and the time for honesty is here.

Mr. President, I yield back the remainder of my time.

Mr. DOMENICI. I was here and listened to all of the remarks. I want to congratulate Senator BENNETT. I believe he made an eloquent statement. I am sorry that he did not have more time tonight to talk about the realities of what we can afford as a people versus the wishful thinking and exaggerated promises that we have been used to making to the public of America, to our people.

I compliment him for it and thank him for his excellence, both in understanding and hard work and knowledge of matters such as this.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. Under a previous unanimous consent order, Senator MURRAY is recognized to speak for 15 minutes, followed by Senator SANTORUM, of Pennsylvania, for 15 minutes.

The Senator from Washington.

Mrs. MURRAY. Mr. President, when I first came here, the Federal budget deficit stood at nearly $300 billion, and for 3 years in a row, we worked with common sense and clear purpose to reduce that deficit. I was not here when this deficit was run up, but I was not elected to bring home the bacon, and I know that politics as usual will not sell anymore. We must reduce the deficit. But I say to my friends, there is a right way to cut spending, to streamline Government and to reduce the deficit. I think the correct path was the one we started down in 1993.

On the other hand, there are radical approaches which might be effective at slashing spending and cutting programs, but we have to ask the question, at what cost?

The American people deserve a sound budget. They deserve proposals that meet their urgent needs and reflect their spending priorities. They deserve investments in our future. They deserve security for themselves and for their families, and I firmly believe that taxpayers deserve to get something back from the system that they are paying into.

I look carefully and critically at this Nation's budget to make sure that it adequately deals with investments in our basic American quality of life. Our children must be prepared for tomorrow. The health of our citizens must be secure and our neighborhoods and towns must be safe.

That is how I begin this process every year, Mr. President. I start from the premise that as Americans we have special rights and responsibilities, and this body must acknowledge them both. I believe in personal responsibility. I believe we must take charge of our own lives and live up to the obligations that citizenship in this country brings with it. But some Americans, some members of our society cannot make it on their own. There is a great deal of insecurity and a bitter loss of self-confidence out there. I saw it in the faces of my friends and neighbors when I was home in the State of Washington. I would hear it around my kitchen table every night: The middle class, average Americans feel that they are not in control of their own destiny. Machinists at the Boeing Co. tell me they feel their jobs are not secure in these days of corporate downsizing, and they feel there is nothing they can do about it.

Parents tell me they are worried about their kids' safety and violence in the streets, and they feel powerless. My own two teenagers and their friends, the so-called generation X, our future leaders, talk with me about poor job prospects, about never receiving Social Security, not being able to afford to go to college, and the sad and unyielding spread of AIDS. They feel they cannot make the future brighter.

Today, information flows through our society at such a rapid pace, technological innovations seem to be outpacing daily life. Average Americans feel overtaken by it. Bankers and economists warn me that in our interdependent world the dollar falls to record lows and derivative investments threaten our financial security and soundness. They feel the economic solution is beyond their control. Doctors and nurses and administrators in hospitals and community-based clinics tell me that entitlement programs do need reform. But so does the entire health care system.

If the severe Medicare and Medicaid cuts are kept in this budget, they will not be able to deal with the growing caseload of those who need help and have no means to pay for their own medical care.

Mr. President, imagine the hopelessness of a young family with a newborn baby diagnosed with cystic fibrosis. First, one parent has to quit their job to care for that child and their income drops dramatically; insurance runs out, and the young family is forced to spend down in order to get health care—Medicaid—for their child. That is the family I speak for in this budget process. That is the family I think of when I remember the simple truth our parents taught us: "There, but for the grace of God, go I."

That family could easily be mine or yours, Mr. President. I am raising two kids at home. I have elderly parents who are not always in the best of health. Like so many Americans, I am squeezed between my kids and my own parents. That is why I share with many Americans the grave concern about the Medicare cuts. How will the program be reformed? Many people have come to me recently and have told me they are afraid that these cuts will result in higher out-of-pocket payments for seniors who are already struggling. They believe cuts will result in limiting choices for seniors.

My parents have had the same doctor for years in Washington State; they do not want to lose their doctor because of a budget plan imposed on them from Washington, DC. From the rural eastern part of my State, I hear the rumbling of concern. Many Medicare beneficiaries live in these communities which often share a single hospital.

These cuts to the Medicare program have the potential to cause some of the hospitals to close—or to shift—a great amount of their costs to local taxpayers.

Mr. President, this brings me to a major concern. By simply cutting funds to Medicare, we are passing on the cost of care for our seniors—our parents—to the hospitals around the country, and those hospitals will pass on the costs to working families across this Nation.

I refuse to stand here on the floor of the U.S. Senate and talk about the budget as if it is just a bunch of numbers. There is a senior citizen and a child and an American family behind every number in this budget. I am afraid that in this time of great uncertainty, in this time of anxiety, we will be telling average American families, "You are on your own."

We in the Senate have a choice. We can build self-confidence, we can inspire hope, and we can restore trust in our Government and its ability to work for average Americans. And we can do this at the same time we reduce the deficit, if we do it with common sense. That is the right way.

(Ms. SNOWE assumed the chair.)

Mrs. MURRAY. Or, Madam President, we can feed into the Social Darwinist thinking of survival of the fittest. Serving the special interests who are up here writing legislation. Giving Goliath an advantage. And that is the wrong way.

I am hopeful that we will be able to work on a budget over the coming days, which keeps us on the right path.

I look across the aisle to Members of your party, and I see true champions of certain causes, and I have been pleased to support many of them in their efforts.

The distinguished chairman of the Budget Committee, the Senator from New Mexico, has always been a forceful advocate for funding mental health programs, and he has always looked out for Federal workers.

Madam President, I am proud to serve on his committee with Senators who have provided real leadership and hope to the American people on many issues.

I know that my friend from Maine, who is presiding over the Senate at this moment, has been stalwart on women's health issues. Senator GRASSLEY from Iowa has spent years defending the family farmer. My friend from Missouri, Senator BOND, has displayed real leadership by keeping programs like HOPWA from the rescissions axe. These are my Republican colleagues on the Budget Committee, and I am proud to serve with them. I have supported all of these efforts in the past, and I will continue to do so in this Congress.

So I hope that some of our colleagues on your side of the aisle, Madam President, will look with favor on programs that are important to me, especially the education of our children, both in their early years and in gaining access to college and vocational programs.

For my State, there are other important budget issues before us: The cleanup of Hanford Nuclear Reservation and the funding of the Eximbank; impact aid for educating the children of our men and women in uniform; help for fishers and timber workers who have been dislocated, and all programs that ease anxiety and restore hope.

Madam President, I know firsthand how much hope is needed out there. I know firsthand how much harm this budget will do to average Americans.

I am one of the millions of ordinary Americans who is worried about her elderly parents. I am one of the millions of average people who wants her children to be able to go to college. I am one of the people out there driving to work every day and just trying to juggle the pressures of everyday life for myself and my family.

But, Madam President, this budget adds to the pressure. It does so much harm to working people—I find it incredible that it cuts the earned income tax credit so severely. I find it incredible that this budget raises the taxes on our working families. Let average Americans make no mistake about it—Republicans are increasing taxes on working families.

In Washington State alone, this budget means an average tax increase of $1,400 over 7 years on nearly 180,000 working families.

I am a product of the Western United States. I was born in Washington State. I grew up there. I am one of seven children who learned from our parents that we should always pull ourselves up by our own bootstraps. But this budget steals our shoelaces.

So I plan to offer amendments on the floor, Madam President, that move this budget in restoring some common sense.

I will offer one amendment on impact aid, and I will offer another one to protect children from drastic cuts in Medicaid.

And, Madam President, let me make this clear, these are not frivolous amendments. They have been drafted carefully and I hope that they do pass. It is not my intention to embarrass anybody. My amendments are sincere attempts to improve this budget, and they reflect my highest priorities, for I believe we have the chance today to outline clearly our priorities for this Nation.

Each of us was sent to the Senate to serve the country and to articulate the specific concerns of our friends and neighbors at home.

So let me conclude here with just a few words of caution. No one doubts the need to put our fiscal house in order. But what I fear the most is that it will be done with an eye only toward today, without considering the consequences for tomorrow.

Deficit reduction is not an economic policy in and of itself. And under today's cut, cut, cut mantra, I cannot allow us to forget the word "compassion."

I worry that slash and burn politics will override common sense and fairness, especially for our children.

We are looking here today at the Wizard of Oz budget: No heart, no brain, no courage, and no home. And there is too much at stake.

At a fast and furious pace these days, polls tell us what Americans believe about an issue before they have even had time to really make up their minds about it.

I caution my friends—before you impose draconian Medicare and Medicaid cuts on the most vulnerable members of our society—do not be too hasty to legislate based on the shifting sands of current political popularity.

Let us keep things in perspective, Madam President, and let us remember the little guy.

Let us talk about priorities and plans, not just cuts and contracts. Let us use this budget process to restore hope, to ease anxiety, and to make the future brighter for average Americans. I look forward to this debate.

Thank you, Madam President.

Mr. EXON. Madam President, I would like to take a moment on my time to congratulate my friend and colleague from the State of Washington. Here is a teacher, a mother, someone that is really dedicated to the cause that we are trying to espouse on this side of the aisle. I thank her for her excellent remarks.

I yield the floor.

UNANIMOUS CONSENT AGREEMENT

Mr. DOLE. Madam President, I ask unanimous consent that prior to the close of business today, Senator DOMENICI be recognized to offer a substitute amendment, the text of which is President Clinton's budget; that no other amendments be in order during the pendency of the Domenici amendment; that a vote occur on the amendment at 10:45 a.m. on Friday, May 19, 1995, without any intervening action or debate; and that the time between 10:15 a.m. and 10:30 a.m. be under the control of Senator EXON, and 10:30 a.m. and 10:45 a.m. under the control of Senator DOMENICI.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Reserving the right to object, Madam President, and I will not object, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator may state the inquiry.

Mr. LEVIN. If the substitute offered by Senator DOMENICI is agreed to, is the resolution as amended by the substitute further amendable?

The PRESIDING OFFICER. Only with the amendments that are mathematically consistent.

Mr. LEVIN. So that the numbers may be changed.

The PRESIDING OFFICER. That is correct.

Mr. LEVIN. I have no objection.

Mr. DOLE. I add further, if the substitute is adopted, I will be out of work.

Mr. LEVIN. Was that a parliamentary inquiry?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, I further ask that following the disposition of the Domenici amendment, Senators LAUTENBERG and ROCKEFELLER be recognized to offer an amendment relative to restoring the Medicare funds; that no amendments be in order to the amendment; that no amendments be in order to the language proposed to be stricken; and that a vote occur on the amendment at 3:15 p.m. Monday, May 22, without any intervening action or debate.

Mr. DOMENICI. Reserving the right to object, and I will not, do I understand that neither of these consents waive any Senator's right to make a point of order?

The PRESIDING OFFICER. That is not correct. They would indeed waive the right to make a point of order.

Mr. DOMENICI. On either?

The PRESIDING OFFICER. On either.

Mr. DOMENICI. I do not know whether there would be a point of order, but I usually make this proposal before every amendment, and I just forgot this evening. Nobody is waiving the right to the point of order. It is not that urgent, let it go.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I thank the Senator from South Dakota for his cooperation.

Let me just explain to my colleagues, then, the Senator will lay down the amendment tonight, and it is my understanding at the end of the day there will be 40 hours left in today's session.

Then hopefully tomorrow we will be in long enough to take 10 more hours, and after tomorrow there will be 30 hours left. So we start Monday with 30 hours. We would like to complete action on this bill on Wednesday so we can take up the President's request on the antiterrorism bill and pass that before the recess.

So there will be one vote tomorrow. And first vote on Monday will be at 3:15. There may be votes after that vote on Monday.

So I urge my colleagues to not leave on the assumption that there will only be one vote on Monday. There could be several votes on Monday. I assume after the disposition of the Lautenberg-Rockefeller amendment, there will be an amendment offered on this side. I assume we are going to rotate back and forth.

So there could be several amendments, because again we will be in session at least 10 hours on Monday, maybe longer.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. Madam President, I share the understanding of the distinguished majority leader with regard to the schedule for the next couple of days. Even though there is only one rollcall vote tomorrow, we have a very important debate that will begin immediately after that vote. It will be on the issue of Medicare. And I urge my colleagues to use this time to the fullest benefit. That time will be lost, if we do not use it tomorrow. It is very important that all of our colleagues appreciate the time that we have available to us tomorrow and Monday to debate this important issue.

So I encourage our participation, and certainly hope that you will take full advantage of the hours that are available to us following the disposition of the first vote at 10:45 in the morning.

We will have another vote on Monday. It will be on the Medicare amendment, and between now and then I would hope that all of our colleagues will fully avail themselves of the opportunity that we now have to debate this amendment to the fullest extent possible.

So I think this is a good agreement that gets us off to a good start. I would certainly hope that between Friday morning and Monday afternoon we have no quorum calls, and that we use every moment available to us to participate in the debate on the Medicare amendment.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Madam President, I ask unanimous consent that following the conclusion of the remarks by the Senator from Pennsylvania that the Senator from Kentucky, Senator FORD, be recognized on this side for 20 minutes, and then we will continue the usual process of going back and forth.

I do not know who is scheduled. Senator LOTT will be scheduled after that for 15 minutes. Following the conclusion of the remarks by the Senator from Kentucky, Senator LOTT will be recognized for 15 minutes. Following that, Senator BUMPERS on this side will be recognized for 20 minutes. And then, if there is a speaker on that side, they will be next following Senator BUMPERS on this side, and Senator KERREY will be recognized after that for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I wonder if the distinguished minority leader might just engage in a little discussion with me about amendments.

We already are asking Senators on our side to submit amendments to me as floor manager to just see where we are. I know for many it seems early. But, frankly, time is going to be really moving. I think it would be helpful to all of us the sooner we knew. I am not asking for details. But the sooner we know, more or less, where we are, we will finish at a point certain, at a time certain. Everybody knows that. If there are amendments that we have debated, they will get a vote, if they want one. But there will be no discussion. The sooner we know maybe the sooner we might accommodate in some realistic way the Senators who desire to have a little time to speak.

Mr. DASCHLE. If the Senator will yield, the Senator is correct. I think it would be very helpful for all Senators to share with us their intentions with regard to amendments as soon as possible. We already have a list we are compiling. We would be happy to share it with you. I think it is our intention following the amendment relating to Medicare to offer an amendment relating to education, and following that an amendment relating to the EIPC. There will be an amendment relating to Medicare, and EIPC, and education.

So the order for our side will be that, and we will be able to give you more information as we go through the list.

Mr. DOMENICI. Thank you very much.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 15 minutes.

Mr. SANTORUM. I had the opportunity, Madam President, to be on the floor for just a few minutes when the resolution was laid down, and spoke about what a historic time this was for our country, and that a majority of Senators from the House and from the Senate—the House having passed their budget resolution earlier today—had the courage to come forward and present a budget resolution that brought our Federal budget into balance.

That is not an easy thing to do. If it was an easy thing to do, it would have been done at least 25 times over the last 25 years, but it has not been done once.

I give a lot of credit to the Senator from New Mexico for his tremendous work on crafting the legislation; the Congressman from Ohio, JOHN KASICH, for the work he has done on the House side; and to all of the Republicans who are standing shoulder to shoulder to push this effort forward for the future of this country.

This is an historic time. This is a great opportunity for America as a country to face the realities of the future, to stop the endless political games of promising what we cannot deliver on, and letting other generations of Americans pay for our political expediency.

I am excited. I am excited to be here during this time. I think this will be one of the great debates in history. I think this will be one of the great defining moments of our time.

It is just unfortunate, it is truly unfortunate, that at one of these defining moments where the country can really face the future, it is going to be done without the Chief Executive Officer of this country. He has decided that he is going to take absence without leadership, AWOL on this issue. He has decided that he does not want to participate in the process. He has decided in debates with himself that he is not relevant to this process, and that he is going to sit on the sidelines and throw whatever he can at those who are trying to move this country forward to balance the budget.

It is a great disappointment to me and I know to many Americans that the Chief Executive Officer, the President, has decided to take this course.

What I have decided to do is to remind everyone here of the President's action or inaction on this effort. Starting today, the first day in which the budget resolution was laid down here on the Senate floor, I am going to bring this chart to the floor every day between now and October 1 of this year, when the next fiscal year starts, and going to tell the American public how many days it has been since the Republicans laid down a balanced budget resolution to get this country to balance, and how many days it has been since Bill Clinton has decided to leave town when it came to this issue.

The Senator from Massachusetts, in the last election for President had the rallying cry of "Where's George?" Well the question today is "Where's Bill?" I guess on day one, the answer is, as the Senator from Kansas the majority leader has said, he is AWOL. Absent without leadership.

Today is day one. I suspect, although I hope it is not the case, that over the next 135 days between now and the end of September, that I will be putting up day after day, numbers on this chart to show that the President truly is not serious about leading this country, about moving forward in a direction that will preserve this country's not just financial future but future as a society.

I am actually fairly sad to have to come here and do this. I think it is in a time of great courage that we are seeing in the Congress, a very sad state of affairs that we have a President who has decided not to participate.

By the way, this is the same President who in 1993 he and his budget directors and many on the other side of the aisle, were clamoring about how the Republicans were not putting up their plan.

Where was their plan in 1993 to reduce the deficit? We are not talking about just reducing the deficit here. We are talking about getting to a balanced budget. Something which the President's plan does not do.

I want to quote the President in February of 1993. The President's demand to the Republicans in Congress, "Not hot air, show me where."

Well, Mr. President, "Not hot air, show me where." If the President wants to lead, lead. That means the President has to propose, just for some instruction. The President has to propose something in order to lead somewhere.

The situation is the President being absent from this debate is not unusual when it comes to the budget this year. We have a President who has refused to put forward a balanced budget resolution, has refused to put forward anything that is going to reduce the rate of growth in the deficit. In fact, according to the numbers of the President, modest numbers he wants us to use, his deficit goes up over the next 7 years up to $267 billion by the year 2002, according to the nonpartisan Congressional Budget Office of which the President said we should use in determining his numbers.

And his first chance this year, his first chance this year to put a downpayment on the deficit, is a $16 billion rescissions bill, which yesterday in the Washington Post he said that he was going to veto; a $16 billion rescissions bill.

There is a President who simply wants to preserve the status quo, and all you will hear over the next 5 days are people who created this Government here in the Congress and who want to defend every program, and if we touch a hair on one of them, the sky will fall, the Earth will erupt, and life will never be the same again here.

Well, let me just suggest that, if we do not touch some of these programs, literally thousands and thousands of programs, if we do not start consolidating, eliminating, reducing the rate of growth of some of these programs, truly the sky will fall and the Earth will open up because we simply will not have a future for our children. We will leave nothing for them.

So I would suggest that when you hear the gnashing of teeth that you will hear, you will hear about how hopeless things are in America—the previous speaker was talking about, the Senator from Washington, talking about how hopeless people are if not for some Government program that is going to help them through their hopelessness, or how fearful people are, if it was not for the Government to take care of them.

I would just suggest that our job here in Washington is to provide opportunity and hope for people, to give them the chance to succeed.

I will tell you the best way that I believe you can give people a chance to succeed is by letting them keep the fruits of their labors, but not taking all of it from them, and when I hear this debate, it absolutely blows my mind. I do not know what budget they are working on. I hear all of this debate all day long, and from the White House how we are cutting Medicare, cutting all of these programs to pay for "tax breaks for the rich." I know a lot of you heard this. A lot of you have heard this.

Let me tell you what the budget resolution says. This budget resolution—I do not know what budget resolution they are talking about. It is not this budget resolution. It is not this budget resolution. In this budget resolution is a provision that 90 percent of all tax cuts must go to people under $100,000; 90 percent.

I do not know. We may be redefining wealthy in America; and, that is, that people under $100,000 are wealthy. People who make under $100,000 are wealthy. Those are wealthy. But when you have 90 percent of any tax cut provision in this budget as it appears on the floor of the Senate today, going to under $100,000, I do not know how you make that statement. I do not know how you make the statement the Senator from South Carolina made a few minutes ago that they are going to cut taxes now, and the spending cuts will not come until later. I do not know what budget he is looking at.

This budget, almost all of the cuts in taxes that occur come the last 3 or 4 years after we have shown that we can get on a glidepath, after we do cut spending first. Why does that come about? Why do we get this $170 billion? It is a very important point. Why is it that the Congressional Budget Office gives us a bonus of $170 billion? Let me explain why. It is very simple.

Because they believe, as I am sure every economist in this country would believe, and you can see it by what is happening already to the dollar and how the dollar is rebounding since we have introduced this resolution, how interest rates are coming down since we have gotten serious about balancing the budget here in this Chamber—the Congressional Budget Office believes accurately that, if we have in place a mechanism to balance the budget over the next 7 years, interest rates will come down; therefore, the cost to refinance the debt will come down, inflation will come down, and the economy will grow faster.

Those are all assumptions the Congressional Budget Office made in calculating this bonus of $170 billion of which we were going to take that bonus and return it to the people who work very hard to pay those taxes.

Think about this. Getting to a balanced budget will create more growth. That means more jobs. That means for opportunity, lower interest rates, which means lower payments on mortgages, more affordable housing, and other programs, lower debt costs which means lower deficits. This is what we are focused on, growth, low inflation, low interest rates. But that is a pretty good plan. That is how we get the deficit even further reduced.

What we are saying is that once we have established the plan to get us to zero, if we do get that bonus, if we do get that savings, then we are going to give you the dividend. You, the taxpayer of America, boy, I will tell you. By the way, 90 percent of that will go to people under $100,000.

I do not know, folks. I do not know what budget they are reading over there. But if that is cutting Medicare to pay for tax breaks for the rich, tell the Congressional Budget Office because that is getting it right, balancing the budget, causing positive effects on the economy and letting people who work their tails off in this country keep some of the money they worked hard for.

You would think that the only people who care in this town are people who want to take your money and give it to somebody else to help them; that those of us who believe caring sometimes can mean letting you keep some of the money you worked hard for. No. That is not caring. That is tax breaks for these bad people who work; or these people who succeed.

I happen to think that rewarding people for doing what we all, everyone in this Chamber, want people to do in this country—work —is a good thing. It is a good thing.

So when you hear about these nasty things that we are going to do about, you know, helping the wealthy, substitute every time you hear "wealthy", substitute "taxpayer." If you are a taxpayer, you are the one they are after. They do not want to give you any relief up there. No, no, no. Those of you who pay taxes, you are bad. We have to make sure that you give us the money that you worked hard for so we can spend it, where we, of course, know best. That is just absurd. It is even an absurd statement here in Washington DC.

This is a good budget plan. This is a fair budget plan. I will talk over the next few days about how we are doing. I went to town meeting after town meeting after town meeting in the last 4 or 5 years. I was in Congress before being in the Senate this year. And every place I went, the comment I got was whether you want to get to a balanced budget but do not single out anybody, do not single out any group, spread it around. You know. Make it fair. We are willing to take our share. We understand we have a problem. We are willing to pitch in. This is America. When we have a crisis in this country we are willing to step up to the plate. We are not going to run and hide. "Oh, no don't hurt us. Don't touch us."

That is what the other side would have you believe. We have a bunch of people who are not willing to sacrifice or put forward their piece to solve the problem. Of course, they are. Of course, you will. Do not let these people appeal to your weaker side. Appeal to the better angels of your nature. Appeal to the side that says America is a great country, if we all pull together and we stand shoulder to shoulder to solve problems.

That is what this budget does. It bridges us all in, everybody. It says let us all pull together. And we are not talking about radical stuff here folks. We are not talking about enormous pain here.

We are not talking about enormous pain here. We are talking about Government growth at 3½ percent a year, increasing at 3½ percent a year. Under this budget resolution, spending goes up 3½ percent a year. Some pain. Three and a half percent a year, that is just draconian; it is horrible. Again, the sky is going to fall if the Government only goes up 3½ percent a year.

This is the right medicine. It is absolutely crucial medicine. It is absolutely crucial that we pass this resolution and that we move forward to put this country back to where my grandfather, who came to this country back in the 1920's, before the Depression—he lived in a company town, in the hills of Appalachia, in Pennsylvania. He was a coal miner. And he came here not because he did not have a good job. He had a great job in Italy. That is where he came from. He had a great job. But he left there because he wanted freedom. He wanted to be able to collect the fruits of his labor, and most importantly he wanted to leave his sons and daughter better off than he was.

That has been the dream of every American who came on our shores. They came here because they wanted to leave the next generation better off and with more opportunities than they had.

We are sitting here and standing here as Members of the Senate, and we are looking at a future that will do just the opposite if we do nothing. If we fail, the next generation will not have what we have, will not have the opportunity to succeed. As I look around and see people in the gallery with their children, I know their one hope is that those children will be better off than them; that they love them so much.

Well, folks, love them enough to do the right thing. Love them enough to set this country straight and balance this budget so they can have a better future.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Under the previous order, the Senator has 15 minutes.

Mr. FORD. I think we are swapping back and forth. I have 20 minutes and then the Senator has 15 minutes. I think that is correct.

The PRESIDING OFFICER. Under the previous order, by a unanimous-consent agreement, the Senator from Kentucky is recognized for 20 minutes, and then the Senator from Mississippi for 15 minutes.

The Senator from Kentucky.

Mr. FORD. Madam President, while the Senator from Pennsylvania is still in the Chamber, I would like to make a couple remarks.

I have been in this Senate for 21 years now. In all of the hot debates, in all of the effort that is made here, I have never heard or seen the office of the President of the United States degraded like it has been here today. Never in 21 years have I heard Gerald Ford called Jerry, Jimmy Carter called Jimmy, Ronald Reagan called Ron, George Bush called George, and I have never heard a First Lady called by her first name. I think it is time we have some respect for the office if we do not have respect for the individual who holds it.

Now, when the Senator says "Bill" here, we have never done that. The Senator can smile if he wants to, but there is some decorum by people who have been here for a long time. This is an institution that has respect for the office if not for the individual. I would hope that the Members on the other side would be a little careful about the remarks they make and how they put forward their effort in this debate.

So I just call attention to the Senate that I hope from now on it would be "the President." I have never heard the majority leader in the Chamber refer to his party's President by his first name. I never heard him refer to the Democratic Party's President by his first name. It has always been "the President." So I would hope that we would refrain from using the First Lady's first name in the Chamber and that we be very careful about that.

Madam President, I hope that I say this constructively because I do respect the office of the President, even though another party from my choosing would be the occupant. I felt it important that I say that.

Madam President, what a difference 6 months has made. And I go back to November 6, 1994. "President Clinton and Vice President Gore are resorting to scare tactics, falsely accusing the Republicans of secret plans to cut Medicare benefits."

That was from the majority leader of the U.S. Senate, quoted in the Washington Post of November 6.

> The outrage, as far as I am concerned, is the Democrat's big lie campaign that the Contract With America would require huge Medicare cuts. It would not.

Haley Barbour, Republican National Committee Chair, CNN's Late Edition, November 6, 1994.

The GOP budget speaks for itself. The GOP Senate budget plan includes $256 million in Medicare cuts. We go back to what the chairman of the Republican Party said, and he has been in the meetings here. He has attended the meetings when this budget was developed and the statements were planned. He said it is a big lie campaign. Six months later, it was the truth.

The GOP House budget plan includes $286 billion in Medicare cuts, and the House budget includes and the Senate budget provides funds for GOP tax cuts that would give $20,000 a year to the wealthiest Americans.

I heard the distinguished Senator from Pennsylvania say that this will reduce interest rates; that things are going to get better.

Well, in 1993, we struggled, and if I recall, after we passed that budget bill without a Republican vote, 50–50, in the Senate, and the Vice President broke the tie, the Fed had to increase interest rates six or seven times in order to cool off the economy because we reduced the deficit by $600 billion. We reduced or eliminated 300 programs. And how many Republican votes did we get? None. Zilch. Zip. None. And we did pretty well.

When you say that we have not done the right thing, I think you have to go back and look at the 1993 votes. And if you also want to say something about 6 months later, there was a Congressman in the House that said it very well. "If we had come out with this budget in our contract, they wouldn't have voted us in." You would not have been elected. At least, he was honest. He was honest in making his statement.

Madam President, last year, the Census Bureau reported the widest rich-poor gap since the Bureau began keeping track in 1947. Business Week magazine suggested that "If this trend persists, it could tarnish America's image as the land of opportunity." In fact, it was a Republican strategist who said, "This stratifying starts to make us into a different country. It goes to the American notion of fairness."

And that is exactly why, when Democrats hammered out an economic plan last Congress, we made sure it not only dramatically cut the deficit, but also helped create an environment for strong growth, proven by the interest rates that we were called on to pay and increased by the Fed. We provided resources so all Americans—and I underscore "all"—could obtain the skills necessary to compete in a global economy. We accomplished those goals amidst the first investment-led recovery with low inflation in 30 years.

Today, Senate Republicans have put forth a budget that also looks to eliminate the deficit. But the similarities, Madam President, stop there. While Democrats sought to put in place an economic plan to further empower the hard-working families of this country and their children, the Republican plan appears to be driven almost entirely by the desire to cut taxes for America's most well off.

Middle-class Americans understand that balancing the budget requires the Henry Clay tactic—compromise, mutual sacrifice, negotiated hurt, as Henry Clay would have said. But while they are being forced to accept the biggest rate hike in Medicare history, those Americans making $300,000 or more are walking off with a $20,000 a year tax cut, low-income Americans are being forced to pay more taxes.

While low-income Americans are being forced to pay more taxes when the earned-income tax credit is slashed, those millionaire Benedict Arnolds spit on the flag, renounce their citizenship in the United States—we tried to prevent it and we could not because the votes on the other side would not let us—so they can get out of paying U.S. taxes. As we say down in western Kentucky, "Something about that ain't right."

And while middle-class Americans are being forced to pay thousands more to send their children to college, loophole after loophole remains intact for America's richest.

There is not a single Senator here who supports the status quo—not a single Senator. But on this side of the aisle, we do not want to see America's image as the land of opportunity tarnished. We want a budget that is balanced, not one that sends middle-class Americans home emptyhanded so that the richest Americans can pocket a $20,000 a year goody.

While the 1 percent of Americans are trying to figure out how to spend their extra 20,000 bucks, middle-class Americans are trying to figure out how to care for their elderly, sick parents when Medicare is slashed by over $250 billion. While the 1 percent of Americans are trying to figure out how to spend their extra 20,000 bucks, middle-class Americans will be trying to figure out if their dreams to send their children to college are impossible to obtain. And while the 1 percent of Americans are trying to figure out how to spend their extra 20,000 bucks, those hard-working families struggling to become middle class will try to figure out how to do so now that the earned-income tax credit that they enjoy is slashed and their taxes are raised.

Medicare: What are the cuts really for?

Madam President, there are 585,000 Medicare beneficiaries in my State of Kentucky. I hope many of them will follow this debate, follow it closely, so we can consider the Republican proposal to cut Medicare by $256 billion over the next 7 years. I hope many of them will try to figure out what those cuts are really for. Why are they in this budget? Why $256 billion?

There are $170 billion in proposed tax cuts in this Republican budget, although they have tried to hide them in something called a tax reduction reserve fund. If these tax cuts are anything like we have seen from the House of Representatives, we know that they will primarily benefit well-off Americans with high incomes.

Our colleagues on the other side of the aisle deny that Medicare cuts are being used to offset these tax cuts for upper income Americans. They have suggested that the Medicare trust fund is going broke and that we have a crisis. They have also suggested they do not know what specific steps should be taken to make the trust fund solvent, and that we should set up a commission—a commission—to recommend changes in the Medicare program to make it solvent.

I hope Republicans are prepared to answer the questions the 585,000 Medicare beneficiaries in my State have for them.

First, if we cut Medicare by $256 billion, how much longer will the trust fund be healthy? Answer that. We have yet to hear the answer. If we are truly reacting to a crisis, then what will $256 billion in cuts do to affect the crisis? If the proponents of these $256 billion in cuts do not know the answer, this would appear to be further evidence Medicare cuts are being made to offset tax cuts for upper income Americans.

Second, and more puzzling, if Republicans are cutting Medicare to avoid a crisis in the trust fund, and if Republicans do not know yet what specific steps to take until a commission tells us, then how do they already know the specific amount to cut? If we need a commission to tell us how to make the trust fund solvent, do we not need to add up the changes they recommend before we know the total amount of cuts?

How can we know that $256 billion in cuts are needed to make Medicare programs solvent? It sounds suspicious to me and a lot of Americans. Either Republicans already know what Medicare changes they will make and they will not tell us, or $256 billion is simply the number they needed to offset the tax cuts.

I hope the 585,000 Medicare beneficiaries in my State will hear answers to some of these questions. Madam President, we have a Medicare crisis today and we had an even greater Medicare crisis in 1993 and 1994. The Medicare beneficiaries in my State want to know where the Republicans were then.

In 1993, the Medicare part A trust fund was projected to go broke in 1999, only 6 years out. Let us not forget how tough some of those decisions in the 1993 deficit reduction package were. More than $1 out of every $5 in deficit reduction in 1993 went to shore up Medicare. We cut $56 billion in spending for Medicare over 5 years in the 1993 deficit reduction package. These cuts included $23.3 billion in payments to hospitals, $15.7 billion in payments to doctors, $9.1 billion in payments involving both hospitals and doctors. These were tough cuts, and we did not get a vote from the other side of the aisle to make those cuts.

We also lifted the cap on wages subject to the payroll tax which funds Medicare part A, and increased the amount of Social Security benefits subject to taxes on those making over $44,000 a year. A tough choice, but we dedicated every penny of increase of revenues to Medicare. They went to Medicare. These were painful changes, hard votes. We made them; they did not.

Consider together they shored up the Medicare Program by more than $100 billion over 5 years, and how many Republican votes did we get to help shore up Medicare? Not one. Zilch. Zero.

In 1993, when Medicare was projected to run out of money by 1999, how many Republicans said, "There's a Medicare crisis?" Not one. Zilch. Zero.

In 1994, when health care reform was being considered and Medicare was projected to run out of money by 2001, how many Republicans said there was a crisis in Medicare? None.

In fact, last year, many went out of their way to stress that there was no crisis—no crisis—in health care. More than $1 out of every $6 spent in this country in health care comes from Medicare. In fact, over 40 percent of health care expenditures nationwide comes from the public sector, and this is primarily Medicare and Medicaid.

When the Medicare trustees' report came out earlier this year, it actually extended by 1 year the projections of when the Medicare trust fund would run out of money.

Yet, my Republican colleagues, none of whom recognized the Medicare crisis in 1993 and many of whom denied the existence of any health care crisis last year, seized upon the trustees' report to justify now a crisis, a crisis worthy of $256 billion in Medicare cuts.

I have 585,000 Medicare beneficiaries in my State. They should look behind these numbers. There are a lot of unanswered questions. How do we know from reading the trustees' report that $256 billion in cuts are needed?

Let us take a look at what the report says. Part A pays for inpatient hospital care, skilled nursing facility care, home health care, and hospice care. Most Americans 65 or older are automatically entitled to part A protection. There are over 36 million beneficiaries nationwide, and Medicare part A is financed by the Federal hospital insurance trust fund. According to the trustees' report, at the end of 1995, the part A trust fund will have an all-time record balance of $134 billion, which will grow slightly in 1996. However, the balance will decline, thereafter, to the point where the fund becomes dangerously close to being insolvent by the year 2002.

The trustees also reported on Medicare part B. Part B of Medicare is voluntary. It pays for doctors' services, other medical and health services, like laboratory and outpatient services, and some home health care services not covered by part A. Part B is financed by the supplemental medical insurance trust fund.

According to the trustees' report, this part B trust fund will have a balance of $26 billion in the year 2002, even larger than the balance today and an all-time record. So if there is a trust fund crisis, it is in part A.

Yet, we do not know where the $256 billion in Medicare cuts in the Republican budget will come from. Do our Republican colleagues view a crisis in part B, as well? How will the $256 billion in cuts be allocated among part A and part B?

Madam President, I do not know what we need a commission for, but if we are to have one, this raises even more questions:

What will the instructions to the commission be? Could the Medicare crisis commission recommend tax increases, raising the current payroll tax used to fund part A? If so, are our Republican colleagues saying they will support those tax increases? What if the commission recommends less than $256 billion in Medicare cuts? Will Congress be required to cut $256 billion from Medicare anyway to offset the tax cuts for the very rich and the Benedict Arnolds in the Republican plan? Madam President, how do our Republican colleagues know that $256 billion in Medicare cuts are needed?

They are very precise in this budget. They are very precise. Our Republican colleagues tell us Medicare is in a crisis. They tell us it needs to grow by 7.1 percent per year—not 7 percent, not 8 percent, but 7.1 percent per year.

They tell us we need to cut Medicare exactly $12 billion next year, then $22 billion, then $27 billion, then $36 billion, then $44 billion, then $53 billion and, finally, $62 billion in the year 2002.

These are very precise levels of Medicare cuts year by year, yet we need a commission to tell us what to do about Medicare.

Let me talk a minute, if I have any time left, about education.

The PRESIDING OFFICER. The Senator's time has just expired.

Mr. FORD. I was pretty close to it then, was I not, Madam President? I will have another day and another time, and I want to talk about education and the cuts in that. I hope I will be able to have maybe 10 minutes then just to talk about what the Senator from Pennsylvania was talking about, our children. We want our children to be educated, and if they are not educated, they will never make the middle class.

So I yield the floor, and I thank the Chair for her patience.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi. Under the previous order, the Senator is recognized for 15 minutes.

Mr. LOTT. Madam President, I am very pleased to rise in support of the concurrent resolution on the budget for 1996, and I would like to begin by congratulating the distinguished chairman of the Senate Budget Committee, Senator DOMENICI, of New Mexico, for all the hard work he has done and all of his staff work that has been involved in putting this package together.

It is large, it is complex, and it is a very complete document. Also, I want to commend the Budget Committee members because there were a lot of meetings, a lot of discussion, a lot of give and take. But in the end, we came together, worked together, and produced a budget resolution that, in my opinion, is a very critical document.

It will take the Federal Government to a balanced budget by the year 2002. Frankly, I had my doubts that we would ever bring a budget resolution to the floor of the Senate that would do what we said we would do, and that would be to get us to a balanced budget. But this document does it.

Is it perfect? Probably not. There never will be such a thing. Obviously, I would like to add some additional tax relief for the American people into this budget resolution. But this budget resolution does take us to a balanced budget in the next 7 years.

Let me respond just a little bit to some of the comments we have heard in the last few moments.

First, I think we should emphasize that it does not matter which party presents a balanced-budget plan, as long as it is done. The American people want us to get on with the job of controlling deficit spending and, some day, some day maybe even deal with the debt of this country. They want us to think about the future of our children and the future of our country. They understand that we cannot continue to have this profligate spending forever, without somebody paying the price, and they know that somebody is going to be our children.

Now, we have tried it other ways. I have been in Congress for 22 years. I have seen Republican Presidents, Democrat Presidents, Democrat Congresses, lots of those, and a Republican Congress, finally. Well, both parties have failed in allowing these deficits to go up year after year after year. But it is time for us to bring that to a stop.

(Mr. FRIST assumed the chair.)

Mr. LOTT. The American people do not want the status quo. They want us to get the budget under control. I will say this: This budget resolution shows the fundamental differences between the two parties. Oh, yes, we had a budget resolution in 1993 that not a single Republican voted for that the Democrats passed. Do you know what that budget resolution was? It was little more than monstrous tax increases.

This is a budget resolution that gets us to a balanced budget by cutting spending and by controlling the growth of programs throughout the Government. Surely, that is the preferred way to do it. The American people do not want us to raise taxes on them anymore. They want us to control the growth of Government, control spending—and, by the way, even let them keep a little bit of their hard earned tax money—their money. In Washington, when the people are allowed to keep their money, it is called a tax expenditure. The Government is giving it away. Well, to the people that is their money that is being taken away by the Government.

One of the things that happened in that 1993 budget that I still have not gotten over—and the distinguished Senator from Kentucky mentioned it a while ago—was that it had a provision that raised taxes on Social Security recipients, and not just the wealthy. At one point, I think it was all the way down to $19,000. We forced it back up to a little higher level. It raised the Social Security earnings threshold on people who are not wealthy, middle-income retirees, and moved the money over into other programs. The explanation was that this would help fund the inadequacies of Medicare.

Well, my colleagues, we all know that Social Security and Medicare are not the same. They are two different programs. When you raise the taxes on Social Security, it ought to go for Social Security if it is taxes are to be raised—and they should not be raised at all. At least the money should not be moved over and put into other programs.

The point was made in the past few minutes here about this terrible rich-poor gap. Well, why has something not been done about it? The party of the Senator who was speaking has been in control of the Senate for all but 6 of the last 40 years. Their party has been in control of the Congress. Obviously, their programs have not worked. They have failed. The rich-poor gap is there, it is bad, and we need to do something about it. But what we have been doing has not worked. It has failed. It is time for change. That is what this budget resolution will help move us toward.

One final thing. Gripe, gripe, gripe. Not this, not that, not mine, not yours, nobody's, do not cut this or that. I have heard everything about this budget resolution. You cannot cut this, you cannot touch that. We do not like your budget. I have been through that Kabuki dance before. We have been guilty on occasion where we have said, "We are not going to offer our budget resolution; we will just attack yours and offer amendments." And we were made fun of by the other side. Sometimes, though—and last year we did it—we were challenged and asked, "Where is yours?" Even while in the minority we said, "Here is what we will do." And it was a tough, good budget.

Here is what I have to say now to those that are whining about what is or is not in this: Where is yours? Put it up. Let us see what your approach is. Well, we know. It is just to raise taxes. Well, we tried that and it does not work. It just makes the gap between rich and poor worse.

Now, Mr. President, what I really wanted to address today—except I got so fired up from what I heard from the previous speakers that I got a little off my plan—was why we need to do this resolution, hopefully in a bipartisan way. Why are we making these tough choices? I think it is because we really need to do it. We need to do it for our country, for our economy, and we do need to do it for our children. We have serious problems hanging out there that we cannot ignore.

Now, we have come up with a plan here to balance the budget, without touching Social Security or raising taxes. We limit growth in spending and cut needless Government waste.

We limit growth in spending. I keep emphasizing that. We have found a tough, but fair, course that takes us toward zero deficit. When I go home, people say, "When are you guys going to get that deficit under control," or "When are you going to do anything about the debt?" Well, this does it.

If you look at this chart that I have here, spending versus revenues, 1974 through the year 2004, as a percent of gross domestic product, you can see that we have had a chronic problem of what we spend exceeding what we take in. This cannot continue. Yet, it will unless we do something. The gap between what we are taking in and what we are spending is going to continue to grow. Every businessman, every individual, rich, poor, middle class, you cannot live like this—not even the Federal Government. This is the problem and this is what we are trying to address.

We must balance our books. It is that simple. This should be at the top of our agenda, along with returning resources and power back to the States, communities and families, ending useless programs, and fixing those important programs that need fixing.

Now, I know you are going to hear, "You could have cut some of these programs out in the past." Yes, maybe we could have or should have, but we did not. Now we have another chance. This is a time we should come together and make the difference. The problem is overspending that saps our country's strength and harms our families. If we do not stop spending, the problem will get worse. This budget resolution is the way to fix the problem. It will stop the Nation's slide into insolvency and preserve the American dream for us and our children.

We are in the last generation—and maybe this is the last Congress for a while—that can really make the changes we need to make. It has been a generation since this country has had a balanced budget. In the 1960's, deficits averaged about $6 billion a year. In 1969, I think almost by accident, we had a balanced budget. In the 1970's, deficits averaged $38 billion a year. Now, in the 1990's, deficits are averaging $259 billion a year. Again, we have gone from zero balance to hundreds of billions of dollars in the red within a generation.

Why do we have this problem of deficits? What is the Government spending all this money on? It is not defense. We are going to have a tremendous debate on that. "Cut defense more; that is the solution." No, defense has been cut. Defense spending has been halved—cut in half—over the last 30 years and has been going down every year for the last 10 years. Domestic discretionary spending has declined, too. It is not foreign aid. A lot of people think we can cut some of the foreign aid and solve the problem. There is not enough there. We do need to cut back on it even more, but it is a minuscule part of the budget.

The culprit—the culprit—is the Great Society programs—overblown, costly programs and bureaucracies that too long have been resistant to helpful change. These are well-meaning programs. They were at the time, and many of them still are. They are just not well-run. Many have outlived their usefulness and are bloated, inefficient, and they do not serve the people as well as they could or should and, without change, they will destroy our future. It is uncontrolled bureaucracy. I am talking about spending frivolously. These programs, combined with interest rates on the national debt, are a major part of our budget. This part is getting bigger, while everything else is shrinking.

In 1963, entitlements and interest were just 24 percent of the budget. Now they comprise over 56 percent of the budget.

If we do not slow the rate of growth of these programs and interest payments, Great Society spending and interest on the debt will take up 69 percent of the budget by the year 2003. And it gets worse.

Around the year 2011, all Government revenues will be taken up by just five things: Social Security, Medicare, Medicaid, Federal retirement benefits, and interest on the debt. All the revenue would go for just those programs.

That means no money for anything else. Our borders would be unprotected, our children untaught, our roads unrepaired, there would be no school lunches, food stamps, or farm programs. We have to get this under control. Even these five programs I mentioned will be in trouble if we continue to run deficits.

Clearly, we are heading down the wrong road. So we face the possibility if we do not change of only having enough money to pay interest on a huge national debt. We will not have enough money for much of anything else.

This might seem far-fetched. It might seem like we are using scare tactics, and I know we will hear a lot of scare tactics in the next few days. We do not need to make up stories to frighten parents and working people. The facts are scary enough.

We want to get the facts out to show the American people that we must change. The people said they wanted it last year. The President of the United States ran on that, and was elected in 1992—change. Now, we have a chance to really get it.

This budget resolution begins the change. If we look at this next chart, Federal budget deficits, President Clinton's budget versus Republican budget, we see that the budget resolution I am discussing will get to a balanced budget in 7 years, while the President's budget runs up deficits in the range of $200 billion as far as the eye can see.

Here is President Clinton's budget proposal for the year. It goes out to the year 2001. And here is the budget we are talking about here on a steady decline down to a balanced budget by the year 2002.

Now, the administration paints too rosy a picture. As we see in the next chart, Federal budget deficits, Clinton budget versus Republican budget, the purple line shows the Clinton budget actual; and then here is what he is claiming, and here is what the budget we are talking about here does.

The Congressional Budget Office revealed that the Clinton budget will actually lead to annual deficits of almost $300 billion. This, of course will lead to bankruptcy, and I mean soon.

Now, that is gloom and doom talk, I admit. But deficits do have an effect on our lives today, too, not just in the future. Some people will say, what do they really mean? These billions and billions of dollars seem unreal. Deficits seem like something in Washington that those guys talk about and worry about.

Here is what it does: The Nation's debt hurts personal living standards now. Each American's share of our $4.9 trillion debt is $18,500. That is what it means for each one of the American people. According to the President's budget, this debt will rise by 1999 to $6.4 trillion or $23,700 a person. That is what every American will owe if we go with the President's budgets.

Deficits have lowered family incomes. A Concord Coalition study revealed that if the United States did not have deficits or a large national debt, average family income would be $50,000 instead of $35,000. Let me say that again. If we did not have these big debts, the average American family would be making $50,000 instead of $35,000.

That is what it means to individuals. I am trying to bring this down to numbers that we deal with on an everyday basis, not the big $1 trillion debts. Because we have not controlled spending, each family in this country has lost $15,000 smokes.

Deficits raise interest rates, too, making buying a home or a car more expensive for all Americans. If we balance the budget, the prestigious Wharton School of Economics says interest rates would drop 4 percent. The average homeowner would save $500 per month on their mortgage payments. So we are talking about savings on interest.

Deficits cost Americans jobs. Maybe this is the cruelest part of all. We have lost 3 million jobs due to deficit spending over the last 10 years. Not putting that on either party, it is just a fact.

Most importantly, deficits put a penalty on our children. Our children are another reason and the main reason for reducing this deficits. The National Taxpayers Union found that a child born today will have to pay over $100,000 in extra taxes.

Mr. President, if my time is expiring could I ask for an additional 5 minutes of time?

Mrs. HUTCHISON. Mr. President, I yield 5 minutes to Senator LOTT.

Mr. LOTT. That is $100,000 in extra taxes over the course of his or her life, just to pay the interest on the debt.

Also, every new $200 billion in deficit spending, and President Clinton has that or more every year, in the budget a child has to pay an additional $5,000 in taxes to pay the interest costs. Children would have to pay 90- to 100-percent tax rates to pay this kind of deficit spending.

We cannot do it. It is not right for our children to face these deficits for what we have not done. So, now it is time for us to really do something. What we are talking about is slowing the rate of Federal growth. This is how it really works. We do this, by the way, by 2002, without touching Social Security. We ratchet down the deficit by $30 billion a year by slowing spending to 3 percent overall from 5 percent.

Spending will actually grow 3 percent a year. We just slow it down 2 percentage points. Spending will actually increase $1.9 trillion in the year 2002. I have had people ask me why do we not do it sooner? Why are we waiting so long? Why do we allow all the spending to go up? The point is spending will continue to go up even though we are controlling the rate of growth.

In this budget, we shrink bureaucracy, over 100 departments, programs, and agencies are prudently eliminated. We consolidate, terminate, and improve efficiency, and we do protect our senior citizens by preserving the Social Security COLA and saving Medicare.

I would like to allow senior citizens between 65 and 75, who would like to continue to work if they make under $30,000 a year, without having the earnings test kick in and take part of the money away from them.

This budget returns America to fiscal reality and will bring back prosperity and embolden, I think, the American people.

Let me digress by saying I think that the most egregious fear tactic I have heard employed so far on this was the suggestion that Republicans want to do damage to Medicare. Actually, the reverse is true. We want to preserve and improve and protect it. I have heard speeches on the floor that sound like speeches of a captain on a sinking ship, begging the passengers stay on just a little while longer, saying nothing is going wrong, knowing all the time Medicare has problems we have to deal with. There is a lot of hot rhetoric in this particular area.

Medicare will be bankrupt in 7 years if we do not do something about it. The President's own Medicare board of trustees have said this. And on that board are Cabinet Secretaries Reich, Rubin, and Shalala. The President's own people say that Medicare cannot sustain its spending growth of over 10 percent a year. It is growing at 10 percent a year or more.

The care that senior citizens count on will not be there in 7 years unless we do something. Workers will have higher taxes, providers will be reimbursed less, seniors have to pay higher premiums and they get fewer benefits.

This will happen if we listen to the other side and do nothing. Do nothing. We want to preserve Medicare. What we will do is to call for reforms, and we would slow the growth to 7-percent a year. Still, more than twice the rate of inflation.

So instead of growing at 10 percent a year, through honest reforms that would make the program better, I think, and give some more options to our senior citizens, they would still have a 7-percent growth. And we can save Medicare by doing that.

We have identified the problem. Deficit spending and debt. We know what will happen if we do not change—bigger debts, less prosperity, and national bankruptcy. We have identified a solution. Slowing the spending growth starting with this budget resolution.

It does not matter which party does it as long as we do. We should fix it without so much finger pointing. We should balance our budget. We have a chance to do it. Many people then will be the beneficiaries if we will get away from the status quo.

So, Mr. President, I want to conclude by saying that I urge my colleagues on both sides of the aisle to look seriously at this budget resolution. Let us come together and support it. We have a unique opportunity, one that I have not seen in 20 years or more. If we let this opportunity go by, we will not have another one probably for 10 or 20 years, and the damage will be devastating. This is about our future. It is about our children. I worry about my own mother, 82 years old. She depends on Social Security and Medicare. I care about her. But I worry more about my 27-year-old son and my 24-year-old daughter. Will these programs be there when they need them? If we do not pass this budget resolution, if we do not know what to do, what needs to be done today, then the answer is no. These programs will not be there.

We have this golden opportunity, and we should seize it.

I yield the floor, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first I want to pay tribute to my good friend from New Mexico, Senator DOMENICI, chairman of the Budget Committee, who has indeed made a monumental effort to bring a balanced budget to the floor of the Senate. I consider Pete DOMENICI a good friend. We seldom vote together, but we banter back and forth in a friendly way. And what he did in bringing this budget to the floor was not easy.

If you ask the American people, "Do you understand this budgeting process?"—the answer would be no. It is a very arcane procedure. People in the U.S. Senate do not understand it, let alone the 260 million people in America. But if you would also ask the people of America, "What do you want more than anything else?"—they would say, "We would like to hear a lot less partisan bickering between Democrats and Republicans. We would like to see those two parties hold hands for a change and provide a final budget." That is a nonnegotiable demand by the people of this country, and it is a legitimate demand.

But we have two parties. The reason we have two parties is because we do not agree.

I consider this budget to be a virtual assault on the most vulnerable, exposed people in America. It is an assault on education. It is an assault on working people. And above all, it is an assault on the elderly people who depend on Medicare, and who are terrified. When they hear us continue to talk about it, they wonder: Do they have a future? Is their health care going to be provided for, or is it not?

Before I go any further, Mr. President, I want to also say something to my friend, the junior Senator from Pennsylvania. I have never, in the 20 years I have been in the Senate, heard a Member of the U.S. Senate say, "Where is Bill?" "Where is George?" "Where is Ron?" I consider that to be the exemplification of the growing incivility of the people in this country towards each other, the lack of respect that people have for each other. Nobody could have disagreed with Ronald Reagan more than I did, and I stood right here in this spot. But you never heard me say, "Where is Ron?" The President of the United States deserves the respect of everybody. The office and the man who holds it deserve our respect. And, above all, he deserves not to be called in a denigrating way by his first name on the floor of the U.S. Senate.

He has been a good friend of mine for 20 years, and I might occasionally say "Bill Clinton."

But it would benefit all of us to show more respect for the Presidency of the United States.

Mr. President, I might also say to the Senator from Pennsylvania, who was saying, "Where is Bill?"—Where was the Senator from Pennsylvania when he was a Member of the House of Representatives in 1993, when President Clinton was cajoling, begging, pleading with both Houses of Congress to cut the deficit by $500 billion which, incidentally, turned out to be a $600 billion cut? Where was the Senator from Pennsylvania? Where was every single Republican in the House of Representatives and every single Republican in the United States Senate? Well, to coin a phrase, AWOL. You could not find them with a search warrant.

They said, "You are raising taxes." Everybody jumped under their desk on that side. And the Vice President had to come and cast the deciding vote. Every single one of the 44 Republican Senators voted no.

Do you think I enjoyed voting for a tax increase? I did not even enjoy voting for the budget cuts. But had it not been for the courage of President Clinton and the Democrats in this body and the House of Representatives, we would be here not debating a $1 trillion cut between now and the year 2002; we would be debating a $2 trillion cut.

Where were they?

Here we have this draconian budget which, as I say, is an assault on the most vulnerable people in America: Our youngsters who want to be educated, lower-class working people, and the elderly. Even Medicaid. Of the roughly 25 million people in this country who are eligible for Medicaid, 10 million to 12 million of them are blind, disabled, and elderly.

Oh, yes, and the Republicans are lining up the votes to cut those programs. Why? To preserve the Contract With America, in the House, which would cut taxes by $371 billion by the year 2002, and in the Senate bill, $170 billion very carefully set aside for a tax cut for the wealthiest, not for the people we are assaulting, but for the wealthiest in America, those who do not need our help.

We are always hearing what the American people want. Here is a poll by USA Today taken December 20, 1994: "If Congress is able to cut spending, where should it go?" Seventy percent say deficit reduction, 3 times more people than say they want a tax cut. It just shows you the American people are not selfish. They want a balanced budget. They would like a tax cut, of course. But given an option between the two they will take a balanced budget every time.

I heard the same arguments in 1981 that I have heard here all day today. In 1981, they said we will balance the budget by cutting spending, cutting taxes, and raising defense spending. And I said about an hour before we voted on that, "You pass this and you will create deficits big enough to choke a mule." And I was wrong. They were big enough to choke an elephant.

Senator BRADLEY of New Jersey, Senator HOLLINGS of South Carolina, and yours truly were 3 of only 11 Senators who voted for the spending cuts and against the tax cuts.

Mr. President, we would be sitting here tonight enjoying not only a surplus but drawing interest on it if 51 people in the Senate had voted that way. The herd instinct was flowing through this body like I have never seen it before. And so what happened? We voted to double defense spending. We voted to cut all other spending. We voted a massive tax cut, most of which again went to the wealthiest people in America. And here is what happened, the deficit exploded.

At the time we debated the 1981 resolution, the deficit was $65 billion. And the Republicans said that if we would just adopt their resolution, in 1983, no later than 1984 or 1985, we will balance the budget.

That was the promise. That was $3.5 trillion of indebtedness ago. The deficit went completely out of sight. And so today we have a $4.6 trillion debt because that siren song was irresistible.

The Democrats have been criticized, and with some legitimacy, for not offering an alternative. We could offer an alternative. It would not pass. It would be defeated. But we have four important amendments. I will make an offer to that side of the aisle. You adopt our four amendments, which will still give us a balanced budget by 2002, and I will vote for your budget resolution. I will vote for that resolution. Put that $170 billion that is very carefully set aside for a tax cut, and put it back in Medicare, Medicaid, student loans, and the earned income tax credit, and I will vote for it. And I will worry about reforming everything else later on. Now, if that is not a fair proposition, I do not know what is.

I heard a Congressman the other day say we are going to give welfare recipients a chance to become productive citizens by cutting them off. You tell me how you make productive citizens out of the 20 percent of the people in this country who are on welfare and who are dysfunctional, unemployable. You think you have a lot of homeless people in Washington, DC, right now? Wait until you pass this budget. Wait until you pass welfare reform as it is being proposed here. It is a death sentence for a lot of people.

These Medicare cuts, what do they do? They fall on the people who are totally dependent on Medicare. They fall on the rural hospitals in my State, which are totally dependent on being at least adequately reimbursed. And they fall, Mr. President, on the doctors who are also going to have to assume a good piece of the hit.

We all know Medicare reform is necessary. Everybody knows Medicare is going to have to face up to reform. But to cut Medicare to make room for tax cuts is absolutely heartless. Look at the capital gains tax cuts that have been passed in the House; 76 percent of the cuts go to people who make over $100,000 a year. Is that what we believe as a people in this country, that 76 percent of a tax cut should go to people who make over $100,000 a year?

Look at this chart. Here is the average tax cut per household by income category. If you make between zero and $30,000 a year in a family of four, you get a whopping $124 a year. That is a pizza every third Friday night. If you make over $200,000 a year, you get a tidy little sum of $11,266. Who here believes that is what America is all about?

Somebody once said that a progressive tax was something Karl Marx dreamed of. Unhappily, they did not know about Teddy Roosevelt. He was the person who gave us a progressive tax system. You want me to vote for a bill that provides that kind of relief to people who make over $100,000 a year and $124 a year to people who make $30,000 a year and in the process take away the earned income tax credit from them?

I am not going to embarrass anybody by reading quotes, but the last two Republican Presidents and the majority leader of the Senate today have all said the earned income tax credit is the best program ever invented to keep people off welfare.

Do you want to save the Government $21 billion? Raise the minimum wage to $5.15 and you can cut a lot of that investment tax credit out. But this is a tax increase on people who are making $28,000 a year or less, while we give a cushy $11,266 a year to people who make $100,000 a year or more. It is heartless.

Education will take the biggest cut in its history. I would not be standing here, Mr. President, if I had not put in 3 years in World War II and gone to school on the GI bill. My father could not have afforded to send my brother to Harvard Law School, a classmate of the distinguished Senator from Rhode Island, who is standing in the Chamber tonight. He could not have sent me to a prestigious law school where the tuition would have been totally out of the question. So I am a champion of student loans and Pell grants.

The managers of the bill say, well, this does not cut student loans; this does not cut Pell grants. What does it say? You will cut a certain amount of money in these functional areas. And when you analyze that requirement, student loans and Pell grants are the only places you can find that amount of money within a particular functional area. CBO has said if you borrow the maximum of $17,000 for undergraduate studies on student loans, your fees and interest rates will probably cost you an additional $5,000. Mr. President, kids who have borrowed money to go to school are so saddled with debt they cannot breathe. Now we are going to sock another $5,000 on them.

What else does this bill not do? This bill says you may not touch defense. There is $255 billion next year that is off limits. It does not make any difference how much of it is squandered. Every person in the Senate read the lengthy article last week saying that for the past 15 years the Defense Department has spent billions and billions without knowing where it went and cannot until this day be traced—overpaid contractors without knowing what they were paying for. One of the saddest things I ever read in my life. We are not talking about $700 coffee pots and toilet seats. We are talking about checks written that should never have been written, people being overpaid, nobody knows what for.

So what will this budget do? It will cut school lunches. It is going to cut AFDC payments for the poorest of the poor, eliminate the investment tax credit which is an effective tax increase on the lowest income people in America, and there is a firewall around defense. You cannot take a penny. No matter how lousy a weapons system may be, you cannot kill it and put that money into student loans. You cannot put it in school lunches. Of course, if you want to put it in some other weapons system, that is just Jakey.

A House Member last week was quoted as saying he was not going to vote for any more foreign aid. You want to hear applause? Just say you are opposed to foreign aid and you will have people applauding. Most people just think if we eliminated foreign aid and welfare, we could balance the budget. Foreign aid is less than 1 percent of the budget. But the House Member said we give this money to Third World countries and they buy weapons and starve their own people. What are we doing, focusing attention on foreign aid when it is less than 1 percent of the budget?

What else did we not touch in this budget? Why, the space station. The biggest single boondoggle in the history of the world. We have spent over $11 billion on the space station as of this moment, headed for $100 billion—yes, $100 billion—while we cut student loans, student lunches, AFDC, investment income, raise the taxes for people who make $30,000 or less by reducing the earned income credit, and we leave the space station fully intact. The senior Senator from Texas was quoted in the paper the other day as saying, "Yes, I am going to go for a tax cut. I am going to offer an amendment to cut taxes in the Chamber."

We have not even begun to cut as much as we need to.

The other day I said to the junior Senator from Texas that I am not going to offer an amendment to kill the Space Station on this bill. But do not get too comfortable, because I am going to offer it later.

Mr. President I ask unanimous consent for an additional 5 minutes.

Mr. EXON. Mr. President, I yield an additional 5 minutes to the Senator from Arkansas.

Mr. CHAFEE. Mr. President, I wonder if the Senator could keep it to a couple of minutes.

Mr. BUMPERS. I say to the Senator, he has not waited nearly as long to take the floor as I did.

Mr. CHAFEE. You go ahead.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. So the space station, which costs $160,000 per job, is safe and secure. It is only the most vulnerable, the elderly, the blind, the disabled, and the children, they are the only ones who bear the brunt of this.

What else was not touched? Why, mining laws. In 1988, I started trying to revise the mining laws of this country to keep the U.S. Government from selling billions of dollars worth of gold for $2.50 an acre and here it is 1995 and they are still selling America's land for $2.50 an acre that has billions of dollars worth of gold and platinum under it. And what do the taxpayers of America get out it? Zip. Not a penny.

Whoever is tuned into C-SPAN in America tonight would not believe that. It is a fact.

The Secretary of the Interior as recently as 6 months ago was forced by the courts to deed $11 billion worth of gold to the Barrick Mining Co. for the princely sum of $9,000. It is not mentioned in this budget. You talk about corporate welfare.

I can remember 3 years ago when the mining companies would say, "We might be able to afford a 2 or 3 percent net royalty," even though to private land owners that they mine on they pay 18 percent. They might find it in their heart to voluntarily pay 2 to 3 percent on Federal lands. That was when gold was $333 an ounce. That was when platinum was $354 an ounce.

And in this day, 1995, gold is $384, $51 an ounce more than it was then. Platinum is $427, almost $75 an ounce more than it was when they said they would pay 2 to 3 percent.

Today, guess what the argument is? They will still go broke if you impose a royalty on them.

Mr. President, that is the worst, egregious form of corporate welfare I have ever seen in my life. And yet I never get more than six Republicans to vote with me to stop the most outrageous practice going on in America.

The people who are assaulted by this budget cannot afford $1,500 for a ticket to Washington, DC fundraisers. Do you know who they depend on because they cannot afford the 1,500 bucks? They depend on me. They depend on you. They expect you to be concerned about them. They expect you to see that they are treated fairly.

Why do we not drop this $170 billion nonsense called the tax cut for the middle class which goes to the wealthiest people of America and keep faith with the people who sent us here to do their business?

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Under a previous order, a Republican Senator was to be recognized next.

Mr. EXON. Mr. President, I ask for 1 minute.

I just wanted to take a minute's time to compliment the excellent remarks, right on the point, by two of my best friends in the U.S. Senate with whom I have had the opportunity to serve with as a former Governor of Arkansas and a former Governor of the State of Kentucky. Governors, who have been through these difficult decisions of balancing budgets, should be listened to more than they are sometimes.

I just want to say to my friend from Arkansas and my friend from Kentucky, well done, well stated, and I hope that the American people are listening.

I thank you, Senator, and I thank you, Senator FORD, who will be back on the floor in a very short period of time.

I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I yield 3 minutes of my time to the distinguished Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Wyoming for yielding me 3 minutes.

Mr. President, the challenge facing the Senate over the next few days is whether we will be able to muster the courage—there has been a lot of talk about courage out here tonight—but the question is whether we will have the courage to pass a budget resolution that, for the first time in three decades, 30 years, will bring the Federal budget into balance. It is a monumental debate involving the single most important step we can take this year to markedly improve this Nation's future.

We cannot continue on the path we are currently on, which is spending more money than we take in and sending the bill to our children.

Think of it. Of every dollar the Federal Government spends, 13 cents is borrowed. That is what is going on right now in this Nation of ours. Our current deficit, what we are budgeted for this year, is $200 billion more—$200 billion more—spending than we are going to take in. And this debt, this deficit, unless we take dramatic steps, will not stay at $200 billion a year. It will grow to $400 billion a year 10 years from now.

Because of the horrendous $5 trillion debt our Nation has, 15 percent of our budget is solely devoted to paying the interest on the debt. Fifteen percent of all the expenditures, taxes, that are raised in this Nation go to pay the interest on the debt. Not a penny of that for principal, all of this for interest.

Interest currently constitutes the third largest expenditure in our budget. First is Social Security, second is defense, and third is interest on the debt. And that last item, interest on the debt, is going up steeply.

The resolution before us represents a fundamental shift in the manner in which the Federal Government is going to run its finances. Seven years from now, as a result of this budget, if it is adopted, we will end the practice of pushing the cost of today's Federal spending onto the backs of our children and our grandchildren. They are the ones that are going to have to pick up the tab.

I commend the chairman of the Budget Committee, Senator DOMENICI, for what he has done and for his excellent work. This budget does what he said he was going to do. It balances the budget by the year 2002, in 7 years. There is nothing dramatic about steep declines. We have 7 years in order to bring this thing into balance. Senator DOMENICI has done this without resorting to any tricks or gimmicks. The Senate and the whole country owe Senator DOMENICI a deep debt of gratitude.

And I want to congratulate him for standing firm against any tax cuts.

There has been a lot of talk, the Senator from Arkansas was talking about the cuts, tax cuts that we are providing.

In this resolution, there are no tax cuts. This budget provides a mechanism which allows us to consider tax cuts only after we have enacted a viable and enforceable balanced budget.

I personally believe we are in too deep a hole to even think about embarking on any sizable tax cuts. If we do realize an economic benefit that comes from balancing this budget—in other words, there is going to be lower interest rates in the future; if, and most economists agree, this budget is adopted, that will occur—then we ought to use that to pay back our debt. Why use it for a tax cut, in my judgment, of any sizable nature? Instead, use it to reduce the debt.

Mr. President, I support the resolution that is on the floor that the Budget Committee has brought to us. Do I agree with every aspect of it? No, I do not. No one does, but it is very, very good in its totality. I obviously have grave concerns about the level of the Medicaid cuts that might have to occur if we adopt the rules, the duties that are imposed upon the Finance Committee. I am concerned about the cuts in Amtrak, for example.

But for those on the other side of the aisle who criticize what we are doing, come up with a better proposal. Do not just criticize what we are suggesting. Do something better.

When we debated and voted on the constitutional amendment on the balanced budget, they all said: "We do not need it; the true test of deficit reduction is our resolve. All we need to do is balance the budget if we have the courage."

Well, this side is showing the courage to do it, Mr. President. Here we are. We are taking these steps that are long overdue, and I am just happy to be part of this effort. I hope when all is said and done that this budget, or something very close to it, will be adopted by this Senate.

I want to thank the distinguished Senator from Wyoming for letting me proceed.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank my colleague from Rhode Island. At the end of this very first day of debate on the budget resolution, I come to the floor to offer a few observations. I do not think any one of us on either side of the aisle exaggerate when we say that we have the deepest respect for Senator PETE DOMENICI. I have heard my good friends on the other side say just that. We have a great mutual respect for him.

I go on to say that the budget resolution crafted by my respected friend could well turn out, in my mind, to be one of the most historic and important and statesmanlike measures voted on during my 16-year tenure here in the U.S. Senate.

The chairman of the Budget Committee is one remarkable legislator. We here have long known him for his expertise, his integrity, and his dedication to lessening the burden on posterity—our children and grandchildren. So it is a pleasure to see so many here and out in the land giving a long overdue to this man and his work, and he is one of the most hard-working men I have ever met in my time in this place.

So the measure he presents to us would bring the annual deficit of the United States down to zero by the year 2002. People say, why 2002? I answer, because we may never, ever have another chance to do this.

In the future, we could see a war, God spare us, or a recession, and then the retirement of the baby boom generation. That is where the hit comes, the identifiable hit. If we cannot balance the books during this fleeting window of opportunity, I feel very deeply that it will never be done again. We would simply be consigning our children—"kids" is the phrase used here all day, those kids everybody is always talking about on the other side and our side all day long, the kids—the kids will receive nothing. We will not have to worry about cuts. There will not be anything. We will be consigning those kids to mounting deficits, crushing interest rates, and payments of fiscatory tax rates, payroll taxes. You talk about balancing something on the backs of someone, their backs will break from the tax load that comes if we cannot get this done.

Earlier this year, we voted on a balanced budget amendment, a very exciting debate, vigorous, spirited. Over and over in this Chamber, I heard the opponents of that amendment say, some in high-pitched endeavor, that we did not need an amendment to the Constitution of the United States; all we need is some political courage, some guts to do the job. Oh, magnificent speeches, they ring in my head.

And guess what? Now it is time to do the job, and now we shall see who has the political courage. Oh, indeed, we shall. I cannot wait for the debate.

I am very proud that the majority party in this body is coming forward and proposing a solution to this growing crisis. If you want a good definition of business as usual in Washington, DC, I would say it was the practice of assuming that the public will punish us if we did what was right and then pulling our punches accordingly.

The strategy on the other side seems to be to assume that business as usual will still prevail, to sit on the sidelines, chuckle, do high-fives, and criticize and whoop it up and hope, and, more importantly, pray that our earnest effort to solve this problem will be punished by a furious and angry electorate.

That is a depressing and cynical view of the American citizenry, I believe, and I, for one, do not ascribe to it. We Republicans are, indeed, making a historic gamble. We are betting that if we do what is right, unheard of in itself in this city, if we, indeed, move toward a balanced budget, that the shrieking, and wailing and howling of the various special interests will be drowned out by the chorus of praise—yes, praise—from the vast majority of at least thoughtful Americans who are sick and tired of seeing the burdens of debt pile higher and higher and higher on them and on their children.

And who did it? We did it; we in Congress did it. Do not blame it on Ronald Reagan. Do not blame it on George Bush. Do not blame it on Jimmy Carter. Do not blame it on Bill Clinton. Blame it on us. We have performed superbly for the last 50 years. We have acted like pack horses in dragging the money back to our districts and preening our feathers to tell our constituents: "What did you want? We heard you and we went and got it for you, even though now it is 5 trillion bucks worth of debt."

Columnist George Will, a very bright and articulate man, made a rather telling observation, I think it was Sunday before last, on a national television performance. He noted there seems to be a key in the word processors in the Democratic offices on the Hill that automatically types: "We will not balance the budget on the backs of," and then you just leave the blank. "We will not balance the budget on the backs of," and then you fill in the blank: Senior citizens, the children, veterans, farmers, teachers, welfare recipients, "Masterpiece Theater." You name it, if it is affected by serious deficit reduction, and every form of spending must be, then the Democratic Party will oppose it. Guess what, folks; that is exactly why we have $5 trillion in debt.

I am one who is going to balance the budget to get the debt off the backs of the children and the grandchildren. Curious adventure. I think that is what we should do when we are talking about what is on or off the backs. The debt will crush them. Washington must really be the last place in the world where it is realized if you want to get out of debt, you simply can keep spending more and more and more. Washington is also the only town in the world where you cut spending and it gets bigger.

I come from Wyoming. We must simply use a different language out there. We call it English. In that language, a reduction means something gets smaller, not bigger. So anyone who is watching this debate needs to remember that when we are attacked for savage cuts, we are indeed talking about increases in spending only. Only increases, however, that are not as big and as demanding of your hard-earned money as those or some of those in the other party would like.

Earlier today, I saw a chart brought out by the Senator from Massachusetts, my old friend, Senator TED KENNEDY. He and I do a little facing off every day. We do not get paid for that. It is purely a nonprofit activity. We do not agree on all things, but I enjoy him very much. He brought out a chart—a powerful chart—that said "working families pay for tax cuts for the wealthy"—a sinister preparation. Very interesting, and especially so, since there are no tax cuts in this budget resolution submitted by our colleague. There is not a tax cut in a car load, nowhere. The President, however, still wants $63 billion in tax cuts, and we do not hear too much about that.

So all that we have done is said that if we succeed in balancing the budget, and if this produces a dividend perhaps in the form of declining interest rates, then that money should go to the taxpayers and not for us to spend.

Now, I have personally come out very strongly to say "no tax cuts" until the budget is balanced. But I find it extremely odd that Democratic detractors believe that tax cuts are irresponsible even if the budget remains balanced. That is the most curious view of budgetary responsibility that I know. But it is historically so with some of them. But here are the facts about the budget before us. With this budget, we achieve a balanced budget by the year 2002. In which category in this budget does spending grow the fastest? In Medicare. In the budget Senator DOMENICI is presenting to this Senate, the largest growing item of spending in this budget is Medicare; 7.1 percent per year, going from $178 to $283 billion. No other program in the entire budget is dealt with more generously than Medicare.

It is astonishing that even this huge rate of growth is greeted as "not enough" by the detractors. This is a measure of how serious and debilitating the addiction to spending has become. Under this budget, we are the toughest on the appropriated spending matters. Shrinking it not just relative to inflation, but shrinking it outright—$548 billion in 1995 and $518 billion by 2002. This is the kind of budget discipline that America seems to have been crying for.

On the other hand, huge increases could still occur and will still occur in Social Security—$334 billion in Social Security going to $480 billion; and in Medicare, $178 to $283 billion. And in Medicaid, from $89 to $125 billion, and all other mandatory spending which includes Federal retirement, welfare, agricultural subsidies, and all the rest grows, continually grows from $146 to $197 billion. And remember, we all took Social Security off the table. I did not. The Senator who is standing across in the Chamber did not either. The two of us have presented to the American public seven bills to bring solvency to the Social Security system, and we will present that and we will have hearings on that, and we will proceed with that. It is very difficult to do what we really have to do, and it would be so much simpler. Yet, we did it out of political terrorism, that we not touch the item of the budget which is $383-billion-a-year revenue. I am going to leave the details of that. I do not know what my colleague from Nebraska is going to say. But I can tell you this: Senator BOB KERREY is a very courageous person, and he has faced up to these problems before by being chairman of the Entitlements Commission, the bipartisan Entitlements Commission. That is why it is a great privilege and an honor for me to join him in a bipartisan approach to bring some eventual sanity to a system which goes into terminal decline in the year 2013 and then goes bankrupt in the year 2031, and that is the Social Security system. I do not want my remarks on that tied with this budget resolution or any part of it. Sever that. But I, as a Member of the Senate, will be proceeding to do something about that system.

So we cannot do better than to repeat this over and over and over again. The rapid detractors succeed in portraying these as cuts. If the American public really swallows that, maybe the detractors are right. Maybe then the public deserves exactly what it gets—permanent deficits and poverty for our descendants, all out of political terrorism, or, as my old friend Gary Hart used to say, "mow-mow politics."

I join Senator DOMENICI and the distinguished majority leader, BOB DOLE, in thinking better of the American public. I believe that though the special interests will cry out, the keening wail will sound like wolves in the Yellowstone with a full Moon—the keening wail of the special interests. But I think the vast majority of Americans want this job done and now—or at least for us to start. They want everyone who is benefiting from Federal largess to take a hit. It will not be easy, and there will undoubtedly be sacrifices that will be called for from every sector of society. I also believe they have grown tired of Washington telling them that no sacrifices are necessary. We do not have to touch senior citizens or the children or anyone else to get this job done. When you take that approach, spending never slows. Always up.

(Mrs. HUTCHISON assumed the chair.)

Mr. SIMPSON. It is incredible to me that our President and some on the other side of the aisle have chosen to ignore all responsibility in this challenge. AWOL—absent without leadership.

I certainly do not intend to include some others on the other side of the aisle. As I have mentioned, Senator KERREY has faced these problems alone and in an election year before. That takes real guts. But it astounds me, and I am sure my colleague, that given everything we know with absolute certainty through the work of this commission and from the trustees of Social

Security telling us about these things and the future of Federal spending, that the President would submit a budget that makes not even the slightest attempt to approach or deal with the problem, or to accept one word of the recommendations of the commission that he appointed, and then drop all reference to generational struggles that are coming in this country in the years very soon ahead.

Earlier this week, the President announced plans to veto a rescissions package of $16 billion. That is less than 1 percent of the budget, and it was too much for the President to end. How in the world are we going to make the tough decisions on entitlements and other sensitive spending if we cannot even cut 1 percent of the budget?

That rescissions package contained various unauthorized appropriations, various GSA construction projects—true pork—and we all played that one. Certainly, there must have been spending in there the President favored, but I find it impossible to believe that this spending is so important that he would delete even the headway we would make on 1 percent of the budget.

It is a terribly strange way to take a stand, to defend every last bit, even that last 1 percent of pork-ridden discretionary spending. And we were all in that one. But that is not my idea of leadership.

There are many examples of what have been presented and what will happen. Let me tell you one exaggerated one, and I am going to wind up. Others are here, too. I was thinking how someone maybe in this administration might have conducted themselves in a cabinet meeting or something at various previous periods in our history—perhaps if in office at the time of the secession of the Southern States in 1861, can almost hear advisors turning to the President and saying, "Now, Americans might get upset if we ask for sacrifices, so better let the Congress institute a military draft and then we will criticize them for it because that would be better politically." That is obviously a little exaggerated example, to be sure, but I think some appropriateness there.

This is a historic tune for this President to be the President who led the Nation out of debt and on the path of responsibility and solvency, again. He has a Congress also, even eager to do the job, but the best he can do is to hope that there will be a political cost, a deep political cost associated with the effort.

Let me say to the detractors, there is still the opportunity to contribute to this effort and to be part of the solution instead of part of the problem. I have heard criticism from some Democrats that this budget does not really balance the budget by 2002 because it only balances the unified budget, the one that includes Social Security.

Very well, then. Democrats wish to offer an alternative budget, balances the budget without counting Social Security, I would consider giving my support to that. While we have yet to see such a budget presented, criticism from the other side is about several million cubic feet of hot air.

We Republicans took a lot of guff last session because we did not vote for the President's budget. Of course, events since then have vindicated Republicans because the President's own budget forecast $200 billion deficits as far as the eye can see. Clearly, that budget did not do the job, just as we said it would not.

At least at the time we proposed our own alternative budget to do the same job, that alternative reflected our differences with the President. We would have done it via spending cuts instead of tax increases but we did present an alternative.

Those of the other faith appear to have forgotten that. They have no alternative to offer that does the job as thoroughly as our own budget. The President's budget does not even try. It just allows deficits to climb and the debt to pile up ad infinitum.

I do not believe that that is good politics for the minority party. But do not take that advice from me. Undoubtedly, there will be political opposition to the measures we have to take to balance the budget, but once we do, I think Americans will see, once we do it they will see that the benefits will be coming to them. Declining interest rates, they will see the benefits of restored confidence in the market, in the investment in our economy, in the dollar itself. They will come to congratulate Members for the work we have done.

Perhaps even more importantly, we will then have a fighting chance to deal with the retirement of the baby boom generation when it does begin. There is absolutely no way we will be ready for that if we are still running the deficits in the hundreds of billions that those on the other side seem to advocate.

So we have a moral obligation to pass a form of this balanced budget this week. Future generations will not look kindly on Members if they fail. We should reach together on reaching a consensus on the best form of a balanced budget resolution. I pledge to do that.

I know my colleague from Illinois is here on the floor. I am yielding the floor in just a moment, but will say that I thoroughly enjoyed working with her, Senator CAROL MOSELEY-BRAUN, on the Entitlements Commission. It was a great eye opener for all Members.

I wish, in many ways, I had not been on it because it reminded me of that old movie, "The Man Who Knew Too Much," because we learned too much. We learned where we are headed. Had a lot of good people from both sides of the aisle helping. If we can get through this necessary political posturing, which I am doing a good bit of myself, and we all have to do this. This is very therapeutic. Then we will settle down and get something, because we all know what the stakes are, and we all know what the numbers are.

That has never happened before. It has happened because the Entitlements Commission and the great work of Senator KERREY and Senator DANFORTH. It has happened because the Social Security trustees have said exactly what is going to happen to the systems of Medicare, which will go broke. That is not something that floated in from the west coast. That is the Social Security trustees saying it. The Social Security trustees are Donna Shalala, Robert Rubin, Robert Reich, the Commissioner, and Democrat and Republican citizens of America saying it will go broke.

In the year 2016, the disability insurance fund will go broke. In 2031, the Social Security system will go broke. That doomsday date used to be 2063. It is now 2031. It moves up 3 to 5 years every year.

There it is. Fun and games all we want. I am ready to play it. I love it. So does the senior Senator from Nebraska who came here with me, and in who there is no more spirited and engaging men than Senator JIM EXON, and the Senator in the chair, and the Senator from New Hampshire.

We will do this, and then we should sit down after the shot and the shell and the smoke, because there is no smoke and mirrors in this budget. Everyone who has been here as long as I, 16 years, 10 years, 15 years, now know, no smoke, no mirrors. All hard tough votes. I cannot wait for the debate. We never needed a balanced budget amendment. Just need to cast those tough votes.

Well, hop in and get wet all over.

Mr. SMITH. Madam President, I thank the Chair.

(The remarks of Mr. SMITH pertaining to the introduction of S.J. Res. 34 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). Under the previous order, the Senator from Nebraska is recognized to speak for up to 15 minutes.

Mr. KERREY. I thank the Chair.

Mr. President, first of all, let me begin this by saying that I believe that the Senator from New Mexico, Senator DOMENICI, chairman of the Budget Committee, has made a good-faith effort to produce a budget resolution that frankly few predicted was likely to occur. It reduces the deficit over the next seven years by $961 billion, reduces spending, and at the end of that 7-year period, if you exclude Social Security, you have a balanced budget.

It results in a significantly smaller Government. It gives us the potential of having lower taxes as well. I must say, Mr. President, again, I believe this is a solid and a good-faith effort. I regret, as I have listened to the debate today, that it has been considerably less than the sort of civil debate that I would have thought was possible given some discussions that are going on right now between a number of us on the Democratic side that would like to participate in supporting this budget resolution.

And I say that because what has happened is the dynamic has really changed. We are engaged in looking at an alternative that we, I hope, can get consideration to, I suspect sometime next week by the time it is all done. And we begin with somewhere in the neighborhood of $700 billion of cuts over a 7-year period. That is a substantial shift. The President's budget, as has been commented on several times, contains no significant deficit reduction. Suddenly, you have under the leadership of the distinguished Senator from New Mexico and the distinguished Senator from Nebraska, the ranking Democrat on the Budget Committee, a big shift in the Senate and I think large numbers, well in excess of 60, who would vote for a budget resolution that got us to a point 7 years from now where the deficit would be zero.

I have come here this evening to identify a couple of problems, and I hope I identify the problems in a constructive fashion because, as I said, I would like very much and hope very much that the Republican chairman and Republican leadership will favorably view, as I said, a significant number of us who would like to participate in voting for a resolution that does approximately what the distinguished Senator from New Mexico is attempting to accomplish.

Let me say for those who doubt the power of deficit reduction, the most impressive number in all of the 7-year forecast is that net interest stays the same. Net interest has been the most rapidly growing line in our entire budget, and under the budget resolution before us net interest would flatten out. As an expenditure, Mr. President, it certainly benefits bond holders, but it does not benefit American taxpayers at all. It is a payment that goes out, that buys us nothing other than the capacity to service these bonds. It is the most impressive number and one that I think we should pay attention to as we look to try to develop some alternatives.

I begin in describing some concerns that I have about this sort of evaluating its impact upon me. Earlier today, I heard the distinguished senior Senator from Iowa talking about the fact that this budget resolution freezes congressional salary over, I believe, a 7-year life of the budget. I am impressed that that is in this budget resolution, but, Mr. President, I do not really feel for someone in the $136,000 or whatever it is plus salary that is a comparable shared sacrifice. I am not one who comes to this floor and says that the problem in America is that rich people are somehow manipulating and abusing poor Americans.

I do not believe that at all. But I do believe if we are going to have $1 trillion worth of deficit reduction over a 7-year period, it should be shared sacrifice, and it is reasonable to look at some alternatives, whether it is capping the deductions at 28 percent, which the Entitlement Commission recommended would get $80 billion or $90 billion over a 7-year period, or have me and others with incomes over $100,000 having to pay a little bit as a consequence. Some would come up and say, oh, gee, that is a big tax increase. I do not view it that way at all. It is just an attempt to say we ought to pay a little bit in order to get this thing to go away.

It is not, Mr. President, just because there is a need for shared sacrifice, at least from my standpoint. It is also a consequence of coming and saying I am a little bit troubled, looking at some of the things that we are asking Americans to do because it seems to me, at least from my standpoint, I as one individual American am saying, well, gosh, now that I have mine, I want everybody else to do things that I did not have to do when I was in trouble or needed help. I have perhaps more than most kind of a schizophrenic attitude toward government. I have had it save my life. I have had it save my business. I have had it almost take my life and almost take my business. It can do both, Mr. President, but I have to say in the main, if I look at the 51 years of my lifetime the Government of the United States of America, though it can be a menace from time to time, has enabled me to do an enormous amount.

Yes, individual initiative is important and my family has been important and my friends have been important, but there are many key points along my lifetime, Mr. President, where I have been given a great deal of help and I have been given opportunity in education, been given opportunity in health care, been given opportunity in my own business, and I cannot in good conscience come to the floor and say that as a consequence of my own experience I feel that I am participating very much in the shared sacrifice needed, that we are all conscious of what is needed in order to get this deficit eliminated.

So I begin with that, Mr. President. I hope again that the Republican leadership and the distinguished chairman of the Budget Committee will look to those of us who intend, if we can, to reach agreement, which is not easy to do. If we get an alternative, I hope it is given good, solid consideration. I hope the chairman of the Budget Committee will say that this is a big victory; we started off the year, nobody believing we could get much in the way of deficit reduction, Democrats really not very enthusiastic about it, according to at least what you would read, and now all of a sudden we have Democrats moving a long ways in our direction willing to accept—I think we will end up with close to $700 billion over 7 years in real cuts, asking only that we look to ways for all of us to share a little bit in this thing over the course of the budget.

There is a second problem, Mr. President. I do not know if it can be done in this budget resolution. I recognize the constraints of the Budget Committee and the Budget Enforcement Act really does not perhaps allow the Budget Committee to deal with these issues and maybe it has to be dealt with later on in the year. Earlier, the senior Senator from Wyoming [Mr. SIMPSON] commented upon it. But the Entitlement Commission—and I have heard a number of people talk about it—has identified what I think is a serious problem.

I am actually borrowing a chart from Senator BENNETT, the Senator from Utah, who had this chart up. But this really does describe the problem that the Entitlement Commission identified which is that mandatory spending and net interest are growing so rapidly that sometime around the year 2012, something like that, it is consuming all revenue that the Government of the United States is taking in. That revenue has stayed relatively flat. It is about the only thing that has stayed constant. We have collected about 19 percent of the GDP except in World War II and Vietnam; during those times it went higher. Most of the time it stayed about 19 percent. And unless we change that pattern of growth what happens is domestic discretionary continues to get squeezed down.

I appreciate the fact that Social Security was not addressed or retirement not really addressed in this budget resolution. I think it needs to be, not because there is a short-term budget problem. I am not arguing that we ought to look at retirement because it contributes to deficit reduction in the short term. But it unquestionably contributes to deficit reduction in the long term.

That is the problem we have. Some may say, gee, that will be good news, if we can get rid of all Government functions and turn the Federal Government into an ATM machine. I do not think that is good news. I believe not just in defense but as I hope I indicated earlier all of those things that have helped me have been in the domestic discretionary account. Everything I have received from the Government has come from domestic discretionary, unless you count the U.S. Navy, which was an enormous benefit to me as well. I leave out the world's largest and most powerful Navy. That was a wonderful experience, too.

All of the rest I have benefited from have come from this domestic account. I am troubled by the budget resolution because it allows that mandatory account to continue to grow. It slows it down somewhat, but the mandatory accounts continue to grow and continue to take larger and larger percentages of domestic discretionary. It must be understood the budget resolution improves the current trend, makes it somewhat better, but I do not believe—and I must say honestly I have not extended it out beyond the 7 years, so I do not know exactly what it looks like out there 10, 15, 20, 30 years from now but looking at the 1996 and 2002 trend line, that appears to be the case. For emphasis, the one big change that has occurred is that net interest has flattened out, and that is a huge benefit to us.

So to solve this problem of mandatory spending, we have to look at the long-term situation, not the short term.

That is why I say it maybe that the Budget Committee, in looking at a budget resolution that deals with a 7-year period of time, may not have been able to address this mandatory problem.

Senator SIMPSON and I today introduced a piece of legislation that would complement the Budget Committees work. Maybe it cannot be considered as a part of this resolution, but it certainly, I hope, gets consideration. And I suspect, whether it is 54 Republican votes or whether the Republicans accept the alternative and we end up with Republican and Democratic votes, I do not know, one way or the other, we are going to get a resolution that requires committees to do a lot of reconciliation.

There are two things that I hope get considered. The first is one that Senator SIMPSON and I introduced today. What we say with Social Security, again, is that we have a long-term problem. The Social Security trust fund builds to 2012, then it goes down to about 2029 when it is completely depleted.

You may say, what is the big deal? Well, the big deal is our generation, the baby boomer generation, starts to retire around 2008, the largest generation in the history of the country, reducing the number of workers per retiree from about five down to about three. And we have big problems out there. The adjustments we would have to make are rather substantial if we postpone it, unlike what would have happened in 1983.

What Senator SIMPSON and I do is we change, for the most part, future benefits. We make some adjustments to CPI minus 5. I think the budget resolution is CPI minus 2. In the House resolution, we adjust it by .6 on the House side. We make the COLA more progressive with the cap reduction. We do some other things in our proposal that are short term. But most of them, including the extension of the normal eligibility age and the early eligibility age, most of those are pushed off into approximately the year 2030.

Those changes strengthen Social Security, Mr. President, because what it does, it says to all generations, every living American—every living American is a Social Security beneficiary at some time; they may not be eligible today, but they will be at some time.

So you have a 20-year-old and they look at the current situation. They scratch their head and say, "Gee, I don't think there is going to be anything there for me." Under the legislation Senator SIMPSON and I introduced today, they would look at the thing and say, "There will be something there for me," because we bring the Social Security balance up to 350 percent of the annual payment and stabilize it there for 75 years. So every generation, every American would say, "OK, we now know that Social Security is going to be there for us."

The second thing that we do—and it has a big impact, I think, on this whole debate. One of the things we very often forget is that the deficit reduction action, one of the most powerful things about it is that it increases national savings. Deficit financing is an act of dissavings. Deficit reduction is an act of savings.

It is a fair argument to make that the distribution of it may not be terribly equitable. That is one of the reasons I am concerned about, as I said, what I am having to pay in this budget resolution and what I am required to contribute, because there is great inequity when you do deficit reduction. It does not necessarily benefit all Americans equally. You have to understand that.

If I own stocks and bonds, the deficit reduction looks pretty good to me. But if you do not own stocks and bonds, you may say, "Gosh, in the sort short term, there is not a lot of good there for me."

The second part of the Social Security proposal that we made today would also increase national savings, as does the Deficit Reduction Act, by establishing a 2-percent account for all Americans. It reduces the employee payroll tax by 2 percent, a $40 billion a year tax cut, Mr. President. But not just a tax cut, a tax cut with the purpose of establishing for all 137 million American workers a real personal investment plan, similar to what we have in the thrift savings plan for Federal employees. It would increase saving over a 9-year period in excess of $1 trillion, matching this deficit reduction.

This Deficit Reduction Act increases savings by almost $1 trillion over 7 years. Our proposal would add another trillion to that, but not just add a trillion, it would add a trillion in savings spread across 100 million American households.

So the next thing that must be done, in addition to addressing retirement, if you want to control the cost of mandatory spending, if you are not troubled by the fact that we are squeezing domestic discretionary—Mr. President, I ask unanimous consent to speak for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. The next thing you have got to do—and this gets, I know, right back into last year's argument—you have to reform health care.

Now the budget resolution addresses Medicare and attempts to begin the process of health care reform but, Mr. President, I do not believe it does enough. In particular, it does not get at that long-term structural problem that will continue to plague us even if we were to bite the—I would not call it a bullet. I would call it more of a howitzer round of this budget reduction. But even if you bite this howitzer round, you are still going to be left with pretty substantial increases in health care costs when the baby boomers retire. So there is still going to be a need for us, if you want to control the cost of entitlements and stop this rapid increase, there is still going to be a need to get at health care reform and do more than this budget resolution would allow.

Again, I hope very much that it is possible for those of us on the Democratic side that would like to vote for a budget resolution to get full consideration by Republicans to have shifted the argument of full consideration to two facts. One, we are not really sharing the burden. It really is not an equitable sharing of the burden.

All you have to do is ask yourself, as a Member of Congress at $136,500, or whatever the number is, "Gee, what is it going to do to me over the next 7 years?" The only thing you can really say is it has frozen your salary for 7 years. And I do not think you would really get an audience out there paying more for Medicare, getting less for Medicaid, having college loan restrictions, and many other things going in this budget, I do not think you will get a lot of sympathy from Americans saying, "That's right. You guys have really put your shoulder to the wheel here and shared the burden of sacrifice."

That is No. 1. I think that there are ways for us to make it much more equitable, much more fair, if you do not mind using that word.

And, second, Mr. President, I believe whether we do it in this budget resolution or we do it after the budget resolution, we still have a problem of mandating spending. We still have a problem of mandating spending, that if you do not want to convert the Federal Government into an ATM machine, you have to address retirement and you have to address health care and you have to do more than just reduce the size of the deficit and increase national savings, as a consequence.

Mr. President, as I indicated, I watched the early part of this debate and it seemed to me to be going in the wrong direction. It was very uncivil and very partisan and very unfortunate. I do not mean that about the distinguished Senator from New Mexico or the distinguished Senator from Nebraska. I thought their opening comments were, you know, quite calm and quite reasoned. But it deteriorated in a hurry into accusations from that side of the aisle, from some who say, "Gee, you Democrats don't want to do anything."

Not true. There are a lot of us who are willing to do an awful lot.

And I heard on this side, as well, some accusations that Republicans are heartless and they are trying to cut the heart out of the American family, on and on and on. I think, in fact, our rhetoric was in excess as well.

I do not know, Mr. President, if we are going to be able to reach a point where we have a Republican and a Democratic resolution here. I sincerely hope that we are able to do it, because I will predict to my Republican friends on the other side of the aisle, once we get to the tough task of reconciling these numbers, you are going to say, "Oh, my gosh, will you guys help us? Will you stand with us and lead this country in the right direction?"

Because it will not just be a vote, Mr. President. We have got a lot of leadership to exert if we are going to take this country in a different direction than the one that it is currently headed.

So, again, I thank both the Senator from New Mexico and the Senator from Nebraska, who I think have made a good-faith effort. Both of them I know are deeply troubled by the deficit financing this country is doing. I sincerely hope that between now and Wednesday or whenever it is that we vote on final passage that we are able to reconcile the obvious differences that we have between our two parties and put together a bipartisan budget resolution.

Mr. President, I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER (Mr. JEFFORDS). Who yields time?

Mrs. HUTCHISON. I yield 5 minutes to Senator FRIST.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, my message is a brief one. If we are to restore the American dream, we must change the way Washington does business, and we can change the way Washington does business by passing the first balanced budget plan in almost 30 years.

The plan has been laid out over the course of today, and it is before us here. This chart shows Federal budget deficits by year—1995, 1996, out to the year 2002. In red is the Clinton budget, approximately $200 billion in 1995, increasing every year to the year 2000 to over $250 billion. Yet we have a choice, and that choice is the Domenici balanced budget plan put before us today. That balanced budget plan results in a decrease in the deficit every year, 1995 to 1996, 1997, down to the year 2002, where the budget will be balanced; we will have zero deficit.

We heard a lot about children today. Mr. President, I want to talk just a minute about why the Republican budget, the Domenici balanced budget, is the most compassionate thing we can do for our Nation's children. It is the most morally responsible thing that we can do for our Nation's children.

Today, we are asking impossible things of our children. I am the father of three young boys, Harrison, 12; Jonathan, 9; and Bryan, 8. Many people—even today—ask me why would you run for the U.S. Senate? And my answer is very clearly, I ran to now serve in the U.S. Senate because I was concerned about the future of their generation, a future in jeopardy because of the projected Clinton budget deficits to increase year after year.

But today, we have a choice. We expect today's young people to finance Federal deficits of staggering proportions. A young child born today is born into this world and given a bill of $19,000, a bill that he or she did not ask for. We give that young child—and it could be your child or my child or a grandchild or a neighbor's child—we give that child a lifetime tax rate today, unless we act, of 82 percent. We give that child today an obligation to pay over $187,000 in taxes over that young child's lifetime just to pay interest on the Federal debt, and that child did not ask for this Federal debt. We have given it to him or her.

At 7 years of age, when that child would start elementary school, Medicare is going to be bankrupt unless we act, and act today. When that young child is 17 years of age, when he or she graduates from high school, spending on Medicare, Social Security, Medicaid, Federal and military pensions, and interest on the debt will consume the entire budget, leaving no money for defense, education, roads, or any other purpose.

We are asking that young child today to pay for a health care system in the future whose projected costs are running out of control. But the Domenici balanced budget plan will reverse that trend. We are trying hard to stop the repeating and ongoing flow of Government red ink, and like a family gathered around the kitchen table, Republicans have made difficult choices needed to protect our future.

Mr. President, this budget plan will benefit our children by building a more prosperous tomorrow, a tomorrow of greater opportunity. The Congressional Budget Office reports that each percentage point of growth will result in 600,000 new jobs, and that same budget office has said that balancing the budget will result in additional growth of 2 to 3 percent a year. This means greater opportunity for our children, greater possibilities. They will be able to find better jobs and they will be able to work, and someday they will be able to support their own children.

Lower interest rates will help them in everything that they do. The CBO has told us that interest rates will come down by as much as 2 percent, and this means that they will have to pay less to buy their first home. It will cost them less to finance their cars, to finance their education, to be able to start—even start—their own small businesses if they want to. Lower interest rates will have a ripple effect throughout their lives.

Mr. President, the Concord Coalition has told us that the average family income would be not $35,000 but $50,000 if that family was not burdened by the massive Federal debt.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. FRIST. I ask unanimous consent for an additional 3 minutes.

The PRESIDING OFFICER. Is time yielded?

Mrs. HUTCHISON. Yes, I yield an additional 3 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator is recognized.

Mr. FRIST. The GAO predicts that if we balance the budget by the year 2002, the average American will have a real growth in income of 36 percent by the year 2020.

Mr. President, the best thing we can do for our children is to increase productivity. That will bring higher incomes. The American dream is fading for the generation of my young sons unless we act. During their lifetime, incomes for our young people, those under 24, have fallen by more than 15 percent. A balanced budget will reverse those trends. It will restore the American dream.

So I close by saying that we, indeed, have a moral obligation to do this for our children. We must leave them a world of expanding opportunities, a world where they can achieve their American dreams. Enacting the Republican balanced budget proposal is the responsible thing to do. Now is the time to do it.

Thank you, Mr. President.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield whatever time is needed to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. Mr. President, thank you very much. I thank the Senator from Nebraska.

Mr. President, according to some of my colleagues, this debate is about whether this Congress should set out a framework for balancing the budget over the next 7 years. They argue with great fervor that the choice before the Senate is a choice between a budget submitted by the President of the United States that does not balance the budget anytime in the foreseeable future, or the resolution now before us. That, however, is a false choice. The real issue is not whether to begin the task of restoring fiscal discipline. The real issue is how. The real issue is whether this budget resolution, in its current form, is a blueprint that this country can and should follow.

The first step toward answering that question involves asking another; is it fair? Unfortunately, the answer to that question is no.

This resolution is not fair to the working poor. American families with incomes of under $28,000 would see an effective increase in their taxes of $1,400 over the next 7 years under the changes in the earned income tax credit [EITC] this resolution proposes.

It is not fair to seniors. It will likely cost retired Americans about $900 per year in higher premiums, copayments, and deductibles—$3,200 over 7 years. For a senior couple, that totals an extra $6,400 in out-of-pocket costs. And yet, there is nothing in the resolution that will do anything about the inflation in medical costs that is one of the principle factors driving the increases in Medicare spending.

It is not fair to students. Four million college students could see their costs go up by as much as $4,920. Perhaps as many as half a million or more children would be denied access to preschool education, and two million more elementary and secondary school students would see their math and reading funding cut.

It is not fair to maintain sacred cows like defense, which seem immune from reexamination even though we have won the cold war and the Soviet Union is no more.

And it is not fair to the American people to propose cutting taxes by $170 billion in a budget that shreds the social safety net and decimates needed investments in our future.

This budget resolution cannot be fair—and it cannot work—because it does not accurately portray the Federal budget, and because it does not accurately reflect the interests of the American people. This budget resolution is all about numbers—$256 billion in Medicare cuts, $14 billion cut from the EITC, $190 billion cut from welfare, nutrition, retirement programs, and other mandatory spending—and on and on and on. But the numbers do not add up—and they are not guideposts to the future we can count on—because they reflect an abstract accountancy approach to the Federal Government, with little or no understanding of what the numbers really represent. One number represents the opportunity for young children to participate in Headstart, so that they can enhance their chances to succeed in school, and, therefore, to succeed in life. Another number represents access to health care. Yet another represents retirement security for older Americans. Yet another protects the ability of family farmers to stay on their farms. And others are about opening the doors of economic opportunity by creating incentives to work and to save.

What is behind the numbers are the American people—their lives, their opportunities, and their hopes for the future. People are not economic abstractions, and we cannot afford any budget that treats people as mere numbers. Instead, we need to think about budgets the way American families think about them.

When a family decides to cut its budget because they owe the bank or the credit card company or the car dealership, they sit down at the kitchen table with a calculator and talk numbers. They also talk about what is important to them, what their actions will mean for their children, for their parents, for them when the retire. That family at the kitchen table decides to spend money on some things and not others. They decide to pay off their debts a little more slowly so that they can continue to pay for what is essential to their well-being.

They may talk about why it is important to cut spending in the first place, so that everyone in the family understands their situation, and why they have to act, so they can all agree that it is a priority. They try to have all the facts about how their money is actually spent, so that each person understands where the money is going. They discuss priorities, talking about expenses they need to continue to meet, and activities they can afford to cut back. They think and talk about how the proposed changes in family spending will affect each member of the family. And they budget with the future in mind, so that they can meet critically important long-range goals, like ensuring that the children in the family are educated, that there is money for things like braces, and that they have the cash they need to make a downpayment on a home. They look at how their choices will affect them and their grandchildren on down in the future.

Establishing family budget priorities often involves some very tough decisions. Families could decide to risk their future to support vacations or a new car, or a big-screen TV. The family could stop paying medical insurance premiums. The family could take their kid out of college. They could even sell their house. The family could decide to divest themselves of all of their savings and net worth.

But the American family realizes that keeping their daughter in college is important to her achieving the American Dream. And they want to be sure that grandmother has adequate healthcare and that she can enjoy her retirement years. They know that not having health care coverage means risking a catastrophe. Having a car to go to work and a house to live in are also critically important to families. After all, without a car, there are no jobs to support the family, and without a home, they are out on the street. The American family, therefore, would not make cuts that would endanger their ability to secure what is really important to them, their own piece of the American Dream: Health care, transportation, education, jobs, housing—these are the essentials.

To deal with the Federal budget, the American family—all of us, together—must sit down and decide what is important. What it is we need to save, and what it is that can be cut. As a nation, we must do what any sensible family would do to get themselves back on their feet financially. We must come together; we must look at the numbers, and most importantly, we must consider what each of the numbers means for people, and for our individual and collective futures.

I. IMPACT OF BUDGET DEFICIT ON ALL AMERICANS

We all know that the budget deficit has an impact on all Americans. The national debt has quadrupled since 1980, growing from $1 trillion to over $4.7 trillion, as it is increasing as a share of our overall economy as well. These debts are crippling our ability to meet important national priorities, like education. They are jeopardizing future economic opportunity for our children, and the generations that will follow.

The budget deficit put pressure on interest rates. Higher interest rates make it more costly for Americans to buy homes and cars, and to educate their children. Consider what a change in interest rates can mean to the ability of Americans to buy their own homes. If a family buys a house for $100,000 and the interest rate is 9 percent, that family is paying $9,000 per year in interest alone. If we balance the budget interest rates should fall. If interest rates drop even 1 percent, that would put an extra $1,000 in the pockets of the family that bought the house. On the other hand, if we do not act, and interest rates go up, that takes money right out of that family's pockets—or makes it impossible for them to buy the home at all.

Persistent deficits not only affect the costs of homes, it also creates inflation pressure. And inflation disproportionately affects moderate and low-income Americans. Since 1980, for example the average price of a home has tripled in the Midwest. But the incomes of Illinoisans did not even double. What that means is that more and more Illinoisans—and their counterparts in every other state in the union—are being priced out of the American Dream.

II. WE NEED TO KNOW WHAT WE ARE SPENDING MONEY ON

Americans know that, for all too many of them, the American Dream seems to be slipping out of reach. And years of discussions of big government have convinced many of them that the Federal Government's profligacy is a big part of the reason why. Seemingly endless debates on "pork barrel", waste, fraud, and abuse, and foreign aid have many Americans convinced that is where the Government spends its money. The truth, however, is that foreign aid is less than 1 percent of the budget, and that appropriated spending, whether "pork barrel" or essential, is shrinking both as a percentage of the Federal budget and as a percentage of the economy. The truth is that the major increases in Federal spending are not due to "pork barreling," but to increases in what is called entitlement or mandatory spending.

By the year 2012, unless appropriate policy changes are made, spending for the major entitlement programs—Medicare, Medicaid Social Security, and Federal retirement, together with interest on the national debt—will consume every single dollar of Federal revenue.

By the year 2002, unless there is change, the Medicare trust fund will go broke, and by the year 2029, Social Security will not be able to meet its obligations.

III. RESOLUTION MUST BE CAREFULLY CRAFTED

With problems like this looming in the not too distant future, it is clear that we must balance the budget. The thing is, we must keep the interests of all American families in mind when we craft a deficit reduction package. How we make the cuts is as important as the numbers that we are cutting.

IV. MEDICARE

The Republican plan seeks a $256 billion cut in Medicare funding. If this cut is implemented, all States will suffer. In Illinois for example, over 1.6 million Illinoisans who are covered by Medicare would have to pay an additional $2,770 over 7 years, and an additional $784 in 2002 alone in out-of-pocket expenses. On an overall basis, Illinois would lose $9.3 billion in Medicare funds over the next 7 years, $2.6 billion in 2002 alone. Other States face similar cuts.

Now, changes need to be made so that the Medicare trust fund will not go bankrupt by 2002. But the changes should not be made at the expense of healthcare access. And changes that do not focus on the real Medicare problem—health care inflation—make no sense at all. The costs of obtaining quality health care are on the rise. Cutting the Medicare budget by an arbitrarily chosen $256 billion is not the answer to this problem. It does nothing to deal with the overall inflation of health prices or the fact that many more people are becoming eligible for benefits each year.

The budget resolution does not really propose anything to reduce health care inflation. Rather, all it does is raise the cost of health care to older Americans—83 percent of Medicare users have an annual income of under $25,000—or reduce their access to health care. Last year's health care debate was all about improving access to health care. This year's budget resolution is all about decreasing access to health care. Seniors will have to pay more or go without healthcare. This is not right. We cannot retreat from our commitment to ensuring that elderly Americans have access to high-quality, affordable health care.

Cutting Medicare does not only impact on elderly Americans, these cuts will have direct impacts on all American families. Families will have to shoulder increasing costs for insuring that their loved ones receive proper care if Medicare does not cover the expenses. Cutting Medicare by such a record setting amount is essentially equivalent to a tax increase since families will have to pay more for adequate health coverage.

V. EDUCATION

As we work to ensure that all Americans have access to adequate health care, we also have to work to ensure that all Americans have opportunities to pursue the American Dream. We have an obligation to our youth to provide them with the education to attain the American Dream. The budget resolution, however, seeks to stifle that dream, with changes such as more costly student loans. In Illinois, for example, almost 200,000 students would see their monthly student loan payments increase by 18 percent. If the goal of balancing the budget is to reduce the debt burden on future generations, what sense does it make to increase the debt burden on future college graduates?

In fact, in a study cited in Sunday's New York Times, the Census Bureau for the Federal Department of Education found that increases in workers' education levels produce twice the gain in workplace efficiency as comparable increases in the value of tools and machinery. The findings are based on interviews with about 3,000 businesses owners and managers. It found that a 8.6-percent increase in productivity could be had from a 10-percent increase in educational attainment. These kinds of statistics demonstrate once again how important education is to our economy's productivity, and overall success. Making it more difficult for our children to obtain proper training and education will only hurt our Nation in the long-run.

VI. EITC

Not only does this budget resolution seek to increase the debt burden on our future college graduates, it also scales back the earned income tax credit for working families. The EITC is a refundable tax credit for working families with low incomes. The goals of the EITC are first, to encourage families to move from welfare to work by making work pay and second, to reward work for working families so parents who work full-time do not have to raise their children in poverty—and families with modest means do not suffer from eroding incomes. By providing an offset against other Federal taxes, the EITC increases disposable income for workers and their families.

The EITC has long enjoyed bipartisan support; it has been viewed as a nonbureaucratic way to make work pay better than welfare. President Reagan called the EITC "The best antipoverty, the best pro-family, the best job creation measure to come out of the Congress." So why is it being cut?

The Senate Budget Committee would reduce EITC by $13 billion between fiscal years 1996 and 2000 and by $21 billion between fiscal years 1996 and 2002. About 7.8 million EITC recipients—nearly half of the EITC recipients with children—would be affected by this proposal. On average their EITC would be cut by $270. Families with two or more children would be hit hardest by this proposal. In Illinois 500,000 working families' taxes will be essentially increased by $1,520 over the next 7 years due to the EITC cut.

Our goal should be to encourage families to move from welfare to work, not the opposite. As the minimum wage has not kept pace with inflation, low-income families need all the help they can get to make ends meet. From every added dollar a low-income worker earns, payroll taxes take 15.3 cents while food stamp benefits decline by 24 cents. For a low-wage family with two children, the EITC fully offsets these effects by providing a 40-cent credit for every dollar earned.

American families are the key to our country's success. It is our duty to especially help those families that are working hard yet have trouble making ends meet. By helping them succeed we make them stronger and in turn our country stronger.

VII. TAX CUTS

If the budget resolution's goal is to reduce the deficit to make our country stronger, it does not seem fiscally responsible to be discussing cutting taxes. This is the wrong time for cuts. Right now our priority should be deficit reduction. Tax cuts now would only hinder our ability to reach a balanced budget. If a family was facing financial problems, they would not voluntarily give up a part-time job or turn down overtime just when they desperately need the extra income. Providing a tax cut now just when our country needs to address our financial problems is the wrong thing to do.

VIII. OBLIGATION TO OUR FUTURE

The budget debate is really about our obligation to the future. We need to open the door of economic opportunity for all Americans. We need to invest now in areas like education on which our future success will ultimately depend, and we have an obligation to be honest.

AFDC for example, cost $4 billion in 1970 and served 7.4 million people. In 1993, it cost $22 billion and served 14.1 million people. That sounds like a big increase, does it not? When you adjust for inflation, however, benefits are not higher than they were in 1970, they are actually 47 percent lower. So when we talk about reducing the rate of growth of Medicare from 10 percent to 7 percent, we must acknowledge that the result of that kind of change may mean significant increases in out-of-pocket costs for Medicare beneficiaries, 83 percent of whom have incomes of $25,000 or less. We cannot pretend that is not so.

We also have an obligation to try to open the door to economic opportunity to Americans who are now locked out. It is the right thing to do, and it is the smart thing to do. If we can use all of the talents of all of our people, we are all better off. That means we need welfare reform designed to bring welfare recipients into the mainstream of our economy, not just welfare reform designed to cut spending in the short run. That means we need job training, and housing, and nutrition reforms that make sense, and that we need incentives to boost jobs and investment in communities that continue to suffer unemployment levels above those last seen nationwide in the Great Depression.

IX. TIMEFRAME TO ACHIEVE BALANCED BUDGET

As we go forward, it is worth keeping in mind that there is no magic associated with the idea of balancing the budget in 7 years. We could balance it in 9 or 10 years if we are really committed to change. If we are honest and we give up gamesmanship and tell the truth to the American people, adding a couple of years to the timeframe will not undermine our ability to achieve the objective. What is important is maintaining our priorities and not retreating from our obligations to American families.

X. CONCLUSION

We have to keep in mind that what is at stake is our future. We are all in this together. We need to make our decisions together, like an American family would. We need to base our decisions on the truth and the fiscal realities that we face. When we sit down at the kitchen table and begin to look at what needs to be done, we need to consider our core priorities —education, housing, and quality health care for all and we ought to make certain that in any event the balance is achieved in the burden sharing, and that the shared sacrifice is fair to everyone.

We can only make those decisions if we keep in mind our core priorities. That is what common sense dictates and that is what I hope this budget debate will give us an opportunity to do.

That is what any sensible family would do to get themselves back on their feet financially. And that is what we need to do.

I hope that we can come together in the spirit of bipartisan cooperation to do what Americans expect of us. Both parties need to tell the truth about what is actually in the budget and what the changes will mean for the American people. We need to use honest numbers and economic assumptions and put everything on the table. Unfortunately this budget resolution looks only at the numbers, and not at the people. For that reason I can not support it in its current form.

But we have to always be mindful that in the final analysis these abstract numbers and the figures that get thrown around in the millions and billions of dollars really have very real realities for very real people. And we will not rest easy if the result of the work of this body is to encourage the pain or to put the burden on small groups of Americans at the expense of to the benefit of everybody else.

A balanced budget based on an unbalanced burden is a disservice to the American family.

Mr. President, I thank you very much.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself such time as I might need.

I wish to first thank my friend from Nebraska for his comments on the budget, and also the excellent comments just made by my friend and colleague from the State of Illinois for keeping these things in proper perspective, which we are trying to do. I appreciate very much the constructive, thoughtful remarks by my colleague from Illinois and my colleague from Nebraska. I hope that we can continue to move forward.

As I said when I started out the debate this noon, I think possibly we could still work out a bipartisanship approach to this. I certainly hope and encourage all to keep an open mind as best we can.

I would just like to finish up the first day of debate, which I think generally has been an informative one, by emphasizing once again the very hard hit that the Medicare cuts proposed in the budget that I think must be alleviated as we have maintained all day long.

I would like to read a letter into the record from the Nebraska Association of Hospitals and Health Systems. This letter was written to me by a man that I have known for a long time, Mr. Harlan Heald. Harlan is the President of the organization known as the Nebraska Association of Hospitals and Health Systems. I think his letter, which is not a very long one, really sets up the major concerns that all of us who have, and rural areas in our States should be particularly concerned about.

The letter is dated May 10. It is addressed to me. He said:

> On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.
>
> Clearly, the United States must work its way out of debt. To do that, Federal spending must be cut. It is my understanding that the Senate Budget Committee Chairman's mark is set at an overall reduction of $1.5 trillion by the year 2002. I further understand that in order to achieve a savings of that magnitude, Medicare is targeted for $256 billion reduction in spending over the same seven-year period.
>
> Here's the problem. For fiscal year 1993 (FY '93) (the most current completed year), Nebraska hospitals had a net operating margin of −7.5 percent for care rendered to Medicare recipients. Based upon the Chairman's mark for Medicare spending, in the year 2000 Nebraska hospitals would have a net operating margin of −23 percent for Medicare patients. This figure is expected to improve by the year 2002 to a net operating margin loss of only 14.5 percent, because the reductions are "front loaded."
>
> Putting this into financial terms, in FY '93 Nebraska hospitals lost $383 per case caring for Medicare patients. Based upon the Chairman's mark, in the year 2000 they would lose on average $1,339 per case and in 2002 they would lose $983 per case caring for Medicare patients. This is all compounded by the fact that Nebraska is a state with a higher proportion of elderly citizens in its population.
>
> How can hospitals respond to the cuts of this magnitude? Hospitals are caught in a catch-22. They can: (1) shift more costs to the private sector—this is no longer a viable option in today's managed care environment; (2) slash wages and lay-off employees; (3) cut back on the scope of services provided—all of which threatens the quality of care, will close rural hospitals and restrict access. It is a lose-lose situation for community hospitals. Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.
>
> Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The Senate Budget Committee's proposed Medicare reductions would crush Nebraska hospitals.
>
> As always, Nebraska's hospitals look to your leadership.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEBRASKA ASSOCIATION OF
HOSPITALS AND HEALTH SYSTEMS,
May 10, 1995.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.

Clearly, the United States must work its way out of debt. To do that, Federal spending must be cut. It is my understanding that the Senate Budget Committee Chairman's mark is set at an overall reduction of $1.5 trillion by the year 2002. I further understand that in order to achieve a savings of that magnitude, Medicare is targeted for $256 billion reduction in spending over the same seven-year period.

Here's the problem. For fiscal year 1993 (FY '93) (the most current completed year), Nebraska hospitals had a net operating margin of −7.5 percent for care rendered to Medicare recipients. Based upon the Chairman's mark for Medicare spending, in the year 2000 Nebraska hospitals would have a net operating margin of −23 percent for Medicare patients. This figure is expected to improve by the year 2002 to a net operating margin loss of only 14.5 percent, because the reductions are "front loaded."

Putting this into financial terms, in FY '93 Nebraska hospitals lost $383 per case caring for Medicare patients. Based upon the Chairman's mark, in the year 2000 they would lose on average $1,339 per case and in 2002 they would lose $983 per case caring for Medicare patients. This is all compounded by the fact that Nebraska is a state with a higher proportion of elderly citizens in its population.

How can hospitals respond to the cuts of this magnitude? Hospitals are caught in a catch-22. They can: (1) shift more costs to the private sector—this is no longer a viable option in today's managed care environment; (2) slash wages and lay-off employees; (3) cut back on the scope of services provided—all of which threatens the quality of care, will close rural hospitals and restrict access. It is a lose-lose situation for community hospitals. Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.

Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The Senate Budget Committee's proposed Medicare reductions would crush Nebraska hospitals.

As always, Nebraska's hospitals look to your leadership.

Sincerely,

HARLAN M. HEALD,
President.

Mr. EXON. Mr. President, we are going to be finishing I believe debate very shortly. The distinguished Senator from Texas I know has some remarks. I know of no other speakers seeking recognition on this side. I have been advised likewise by the Senator from Texas.

Mr. President, I thank the Chair.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President.

Mr. President, this is the end of a long day. It is the end of a very important day for this country. We have heard so many arguments. The numbers are running in people's heads. They are conflicting. One person says there are cuts. The next person comes in, and says they are not cuts, they are just fewer increases. But in fact, it really comes down to the basic commonsense arguments that the people of America understand.

The debate today is for the soul of America. It is for the future of our children. And what we do over the next 50 hours is going to determine whether our children and grandchildren in fact will have the right to inherit the same kind of America that we have been able to grow up in and for which we have known such great advantages.

The House of Representatives tonight has taken the first bold step. They have passed a budget resolution that will balance the budget by the year 2002. The Senate is starting on the road that will have the same result.

I was talking to a group of leaders from all over the world today. They really had one basic question. Does America have the guts to balance the budget? Will they really do it? Do they really have the guts to set a course over the next 7 years that will be very tough but will make the difference in the economy for our country, and for the whole world? And I said emphatically the answer is yes. We do have the guts. We do have the courage. We do have the will. And we will set on the course.

Will it be easy? No. But we are going to do it because the people of this country made a statement in November 1994. They asked for courage, and we are going to give them the courage that they had in the vote they made last November, and that they deserve from the people they elected and put their faith in.

We have heard so many statements on this floor that I think we must try to correct, as best we can, some of the misstatements that were made.

First of all, it was said that this budget resolution has tax cuts for those making $200,000 a year. Well, the fact of the matter is this resolution does not have tax cuts at all. This budget resolution does not speak to tax cuts. But it does have a sense of the Senate that, if there are tax cuts that result from cutting spending, they will be targeted and focused to people making under $100,000. There are no tax cuts for the rich in this resolution. That is a smokescreen. That is put out by people who do not want us to pass a balanced budget. Then there was the talk about defense spending. There was ranting about the firewall put up for defense spending so that we would have domestic spending and defense spending. Well, in fact, there is a firewall, Mr. President. Thank goodness there is a firewall. People talk as if, when the cold war was over, the world was a safe place.

I am on the Armed Services Committee, and I am on the Senate Select Committee on Intelligence. I am scared to death about the proliferation of nuclear, chemical, and biological weapons all over the world right now. We have as much danger in the world today as we did when Russia was at the height of its strength.

It is a different kind of problem. It is a different kind of terror we are seeing in the world today, but nevertheless the greatest superpower in the world is not going to let down.

We are going to have to understand what happens when sarin gas is let out in a subway killing people before our very eyes, and when you can make bombs from fertilizer and fuel oil, and we see the loss of over 100 lives in our own country, and when we see the capability to produce missiles that could take these gases, the biological and chemical weapons and the nuclear weapons anywhere in the world. You bet we have a firewall in this budget resolution. Thank goodness we do for the defense spending, because I think the defense cuts are too much in this resolution, and I hope we can fix it because I wish to be on the leading edge of technology.

When our young men and women give their lives to protect our freedom in our armed services, you bet I want them to have the tanks and the fighters and the bombers they need to make sure that they do it as safely as possible for themselves and with the strength they need to protect us.

So, yes, there is a firewall. Thank goodness there is. And I hope that we can correct even right now in this budget resolution what, I think, is a woefully inadequate amount for defense. But we are not going to pass a resolution saying we increase defense spending without looking at the priorities and saying where is it going to come from and making those priority judgments. That is what we are here to do.

Does this resolution cut school lunch? No, it does not cut school lunches at all. That is an absolute smokescreen.

Does it cut the earned income tax credit? No. In fact, the earned income tax credit will remain. That is a good program. It is a program for the working poor. For someone making $20,000 or $18,000 a year, that has one or two children, they do get a tax rebate in this budget resolution just as they do today, and in fact that amount increases by the year 2002 because we want to encourage people who are helping themselves. So there is no cut in the earned income tax credit. There are only increases. It is important that we set the record straight on that.

Now, it has been said that Medicare is going to be cut. Once again, Mr. President, that is not true. Medicare spending will increase 7 percent a year in this budget. Does that mean Medicare is going to be the same as it has always been? I hope not. I hope we can get efficiencies that make Medicare more cost conscious because it has been increasing at a much greater rate than 7 percent per year.

We are not cutting Medicare. We are going to try to put some innovative solutions in Medicare so that our seniors who need Medicare will have it available, and they will have other options, and there will be incentives for them to save money, incentives that they will earn for themselves and for the taxpayers of America. We are going to have some innovative solutions, but we are not going to cut Medicare. We are going to try to save Medicare. That is going to be one of the key missions of this budget resolution, to save Medicare, so that when our future generations grow old it will be there for them.

The President's own cabinet officers who sit on the Medicare trust fund board have said it is going bankrupt, and it will be bankrupt by the year 2002 if we do not take steps right now to save it. And that is one of the key purposes of this budget resolution.

Now, it has been said that the space station has not been cut. I wish it had not been cut, because I do think the space station is one of the technologies that is going to provide jobs for our future, but it is cut. It takes its fair share. It is cut $3.5 billion over the next 5 years. It is taking its fair share of cuts. It is going to be more efficient, just like everything else in Government, and hopefully we will have a space station that will provide the new technologies and the new industries and the new jobs for our future. But everything is going to have to be more efficient, and it is going to have to meet a number of tests to make sure that it is right for the taxpayers and for our future generations.

There is a test that I have, and I am going to use it on everything that we vote on when we come to appropriations bills in the next few months. It is going to be the $100 test. If you take $100 and you put it on the kitchen table and you say, now, would you like to have this wonderful program that is going to cost $100 for your family? Most people would probably say, yes, I would like to do good things. Sure, I would like to have that program. But if the choice is for you to keep the $100 on your kitchen table and spend that money for what you want to spend it for for your family, what is going to be your choice? Are you going to send the $100 to Washington to spend on a program that sounds very good or are you going to want to keep that $100 to make the decisions for your family yourself. We are going to try to keep that $100 on the table for your family, so that you can decide what your priorities are rather than letting someone in Washington, DC, you have never met make those decisions for you.

Two economists developed a model for the future called generational accounting. This model calculates how much short-term budget policies will cost future generations. It looks beyond 5-year budget projections and was developed with the help of the President's Office of Management and Budget.

These two prominent economists have produced some shocking forecasts. On the day a child is born, that child owes $19,000 in Federal debt. When that child's sibling is born in 4 years, the baby brother or sister will be $24,000 in debt. There will be fewer jobs available for that child. And when it comes time to take out a personal loan to buy a new car or to own a home, our children that are being born today will find that Federal deficits have driven the interest rates up 2 percent. But borrowing money for a home will be just a dream for those children. If we continue at the rate we are going right now, what we are really going to give our children is not the ability to buy a home at all. They will not be able to buy a home because their tax rate will be 82 percent—82 percent is what we will be giving to our children and grandchildren if we do not take steps right now to correct the runaway spending that this Congress has had for the last 40 years.

And yet, this administration has refused to abandon the practices of Congresses for the last 40 years. In fact, this administration has dealt itself out of this debate. The President submitted a budget but it does not balance. It does not balance in the year 2000 or the year 2002. The President abdicated that responsibility and has left it to Congress.

Now we are going to get a chance to vote on the President's budget that does not balance. In fact, the President's press secretary said on Tuesday that that will be a good place for us to begin.

In fact, Senator DOMENICI has decided that that is indeed a good place to begin. So, when I finish my remarks, on behalf of Senator DOMENICI, I am going to submit the President's budget. That will be the first vote of this budget debate and we will get a chance to see if people want to vote for a budget that may have fewer decreases than increases, but does not balance at the end. We will see who is willing to cross the line that will be drawn in the sand to say, we will take the responsible course for this country and we will do what the people asked us to do last November.

In fact, we are in the toughest debate that we may ever have. No one, probably even Senator DOMENICI, agrees with everything in this budget resolution. I do not agree with everything in it. Not one person in this country probably agrees 100 percent with everything in it. Because, you know, Senator DOMENICI compromised. He tried to work with people and their priorities. He may not have liked everything that is in this resolution even though he is the prime author of the resolution. But we are going to rise above our small differences. We are going to try to set the priorities. We are going to have amendments.

We may vote for some of those amendments, but in the end, Mr. President, the people who are doing what is responsible for this country are going to vote a balanced budget out of the Senate just as they have done in the House today. And we are going to make history. We are going to begin to turn the ship of state that started going in the wrong direction in the 1930's when we started building up spending and big Government until in 1994 the people said, "I know I'm going to have to sacrifice. I'm ready." The people of this country said that. They understood what they were doing.

And when I go home, people say to me, "You hang tough. Don't back down now."

This is our chance to save our country. And if we miss it, the people of America know that we will not have this chance again maybe ever but certainly not in the near future.

There is a new spirit in this country. The spirit of the Americans who went to the polls in 1994 and caused a revolution in the way that our Founding Fathers provided them to have a revolution. And that was the ballot box. The people had a revolution and they took their Government back. They have experienced the right of democracy. And now the people of America have said, "We want you to do what is right. We understand that it will be tough. We understand that we will have to sacrifice. But we are ready. We are ready to do what is right for our children and our grandchildren."

Mr. President, it is time for us to look to the future, not to the next election.

If we do what is right, everything else will take care of itself and we will create the jobs and the future for our children and that is what we are going to do.

AMENDMENT NO. 1111

(Purpose: To propose the President's budget)

Mrs. HUTCHISON. Mr. President, on behalf of Senator DOMENICI, I send to the desk the President's budget and ask that the President's budget be put on the table for consideration beginning tomorrow morning on Friday so that we will be able to have our first vote on the President's budget and we will see who wants to balance the budget and who is willing to take the steps that are necessary to do it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. DOMENICI, proposes an amendment numbered 1111.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate resumes the concurrent budget resolution on Friday there be 40 hours remaining for debate under the statutory time limit.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON THE NATIONAL EMERGENCY WITH IRAN—MESSAGE FROM THE PRESIDENT—PM 49

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on developments since the last Presidential report on November 18, 1994, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979, and matters relating to Executive Order No. 12613 of October 29, 1987. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report covers events through April 18, 1995. It discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 and matters relating to Executive Order No. 12613. Matters relating to the March 15, 1995, Executive order regarding a ban on investment in the petroleum sector, and the May 6, 1995, Executive Order regarding new trade sanctions, will be covered in separate reports. My last report, dated November 18, 1994, covered events through October 18, 1994.

1. There have been no amendments to the Iranian Transactions Regulations, 31 CFR Part 560, or to the Iranian Assets Control Regulations, 31 CFR Part 535, since the last report.

2. The Office of Foreign Assets Control ("OFAC") of the Department of the Treasury continues to process applications for import licenses under the Iranian Transactions Regulations. However, a substantial majority of such applications are determined to be ineligible for licensing and, consequently, are denied.

During the reporting period, the U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the Iranian Transactions Regulations. OFAC and Customs Service investigations of these violations have resulted in forfeiture actions and the imposition of civil monetary penalties. Additional forfeiture and civil penalty actions are under review.

3. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Algiers Accords, continues to make progress in arbitrating the claims before it. However, since my last report, the Tribunal has not rendered any awards although payments were received by claimants in late November for awards rendered during the prior reporting period. Thus, the total number of awards remains at 557. Of this total, 373 have been awards in favor of American claimants. Two hundred twenty-five (225) of these were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties, and 150 were decisions adjudicated on the merits. The Tribunal has issued 38 decisions dismissing claims on the merits and 85 decisions dismissing claims for jurisdictional reasons. Of the 59 remaining awards, three approved the withdrawal of cases and 56 were in favor of Iranian claimants. As of April 18, 1995, the Federal Reserve Bank of New York reported that the value of awards to successful American claimants from the Security Account held by the NV Settlement Bank stood at $2,365,160,410.39.

Iran has not replenished the Security Account since October 8, 1992, and the Account has remained continuously below the balance of $500 million required by the Algiers Accords since November 5, 1992. As of April 10, 1995, the total amount in the Security Account was $191,219,759.23, and the total amount in the Interest Account was $24,959,218.79.

The United States continues to pursue Case A/28, filed in September 1993, to require Iran to meet its obligations under the Algiers Accords to replenish the Security Account. Iran has yet to file its Statement of Defense in that case.

4. The Department of State continues to present United States Government claims against Iran, in coordination with concerned Government agencies, and to respond to claims brought against the United States by Iran.

On April 18, 1995, the United States filed the first of two parts of its consolidated submission on the merits in Case B/61. Case B/61 involves a claim by Iran for compensation with respect to primarily military equipment that Iran alleges it did not receive. The equipment was purchased pursuant to commercial contracts with more than 50 private American companies. Iran alleges that it suffered direct losses and consequential damages in excess of $2 billion in total because of the U.S. Government's refusal to allow the export of the equipment after January 19, 1981, in alleged contravention of the Algiers Accords. As directed by the Tribunal, the United States' submission addresses Iran's claims regarding both liability and compensation and damages.

5. The Foreign Claims Settlement Commission ("FSCS") on February 24, 1995, successfully completed its case-by-case review of the more than 3,000 so-called "small claims" against Iran arising out of the 1979 Islamic revolution. These "small claims" (of $250,000 or less each) were originally filed before the Iran-United States Claims Tribunal, but were transferred to the FCSC pursuant to the May 13, 1990 Settlement Agreement between Iran and the United States.

The FCSC issued decisions on 3,066 claims for total awards of $86,555,795. Of that amount, $41,570,936 represented awards of principal and $44,984,859 represented awards of interest. Although originally only $50 million were available to pay these awards, the funds earned approximately $9 million in interest over time, for a total settlement fund of more than $59 million. Thus, all awardees will receive full payment on the principal amounts of their awards, with interest awards paid on a pro rata basis.

The FCSC's awards to individuals and corporations covered claims for both real and personal property seized by Iran. In addition, many claims arose out of commercial transactions, including contracts for the sale of goods and contracts for the supply of services such as teaching, medical treatment, data processing, and shipping. The FCSC is now working with the Department of the Treasury to facilitate final payment on all FCSC awards.

6. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the

national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. Similarly, the Iranian Transactions Regulations issued pursuant to Executive Order No. 12613 continue to advance important objectives in combating international terrorism. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 18, 1995.*

REPORT UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT—MESSAGE FROM THE PRESIDENT—PM 50

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

On November 14, 1994, in light of the dangers of the proliferation of nuclear, biological, and chemical weapons and their means of delivery ("weapons of mass destruction"), I issued Executive Order No. 12938 and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

As I described in the report transmitting Executive Order No. 12938, the new Executive order consolidated the functions of and revoked Executive Order No. 12735 of November 16, 1990, which declared a national emergency with respect to the proliferation of chemical and biological weapons, and Executive Order No. 12930 of September 29, 1994, which declared a national emergency with respect to nuclear, biological, and chemical weapons, and their means of delivery. The new Executive order also expanded certain existing authorities in order to strengthen the U.S. ability to respond to proliferation problems.

The following report is made pursuant to section 204 of the International Emergency Economic Powers Act and section 401(c) of the National Emergencies Act regarding activities taken and money spent pursuant to the emergency declaration. Additional information on nuclear, missile, and/or chemical and biological weapons (CBW) nonproliferation efforts is contained in the annual report on the proliferation of missiles and essential components of nuclear, biological, and chemical weapons, provided to the Congress pursuant to section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190), also known as the "Nonproliferation Report," and the annual report provided to the Congress pursuant to section 308 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (Public Law 102–182).

The three export control regulations issued under the Enhanced Proliferation Control Initiative (EPCI) are fully in force and continue to be used to control the export of items with potential use in chemical or biological weapons or unmanned delivery systems for weapons of mass destruction.

In the 6 months since I issued Executive Order No. 12938, the number of countries that have ratified the Chemical Weapons Convention (CWC) has reached 27 (out of 159 signatory countries). I am urging the Senate to give its advice and consent to ratification as soon as possible. The CWC is a critical element of U.S. nonproliferation policy that will significantly enhance our security and that of our friends and allies. I believe that U.S. ratification will help to encourage the ratification process in other countries and, ultimately, the CWC's entry into force.

The United States actively participates in the CWC Preparatory Commission in The Hague, the deliberative body drafting administrative and implementing procedures for the CWC. Last month, this body accepted the U.S. offer of an information management system for the future Organization for the Prohibition of Chemical Weapons that will implement the CWC. The United States also is playing a leading role in developing a training program for international inspectors.

The United States strongly supports international efforts to strengthen the 1972 Biological and Toxin Weapons Convention (BWC). In January 1995, the Ad Hoc Group mandated by the September 1994 BWC Special Conference to draft a legally binding instrument to strengthen the effectiveness and improve the implementation of the BWC held its first meeting. The Group agreed on a program of work and schedule of substantive meetings, the first of which will occur in July 1995. The United States is pressing for completion of the Ad Hoc Group's work and consideration of the legally binding instrument by the next BWC Review Conference in 1996.

The United States maintained its active participation in the 29-member Australia Group (AG), which now includes the Czech Republic, Poland, Slovakia, and Romania. The AG reaffirmed in December the members' collective belief that full adherence to the CWC and the BWC provides the only means to achieve a permanent global ban on CBW, and that all states adhering to these Conventions have an obligation to ensure that their national activities support these goals.

The AG also reiterated its conviction that harmonized AG export licensing measures are consistent with, and indeed actively support, the requirement under Article I of the CWC that States Parties never assist, in any way, the manufacture of chemical weapons. These measures also are consistent with the undertaking in Article XI of the CWC to facilitate the fullest possible exchange of chemical materials and related information for purposes not prohibited by the Convention, as they focus solely on preventing assistance to activities banned under the CWC. Similarly, such efforts also support existing nonproliferation obligations under the BWC.

The United States Government determined that three foreign nationals (Luciano Moscatelli, Manfred Felber, and Gerhard Merz) had engaged in chemical weapons proliferation activities that required the imposition of sanctions against them, effective on November 19, 1994. Similar determinations were made against three foreign companies (Asian Ways Limited, Mainway International, and Worldco) effective on February 18, 1995, and imposed sanctions against them. Additional information on these determinations is contained in a classified report to the Congress, provided pursuant to the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991. The United States Government continues to monitor closely activities that may be subject to CBW sanctions provisions.

The United States continued to control vigilantly U.S. exports that could make a contribution to unmanned delivery systems for weapons of mass destruction, exercising restraint in considering all such transfers consistent with the Guidelines of the Missile Technology Control Regime (MTCR). The MTCR Partners shared information not only with each other but with other possible supplier, consumer, and transshipment states about proliferation problems and also stressed the importance of implementing effective export control systems.

The United States initiated unilateral efforts and coordinated with MTCR Partners in multilateral efforts, aimed at combatting missile proliferation by nonmembers and at encouraging nonmembers to adopt responsible export behavior and to adhere to the MTCR Guidelines. On October 4, 1994, the United States and China signed a Joint Statement on Missile Nonproliferation in which China reiterated its 1992 commitment to the MTCR Guidelines and agreed to ban the export of ground-to-ground MTCR-class missiles. In 1995, the United States met bilaterally with Ukraine in January, and with Russia in April, to discuss missile nonproliferation and the implementation of the MTCR Guidelines. In May 1995, the United States will participate with other MTCR Partners in a regime approach to Ukraine to discuss missile nonproliferation and to share information about the MTCR.

The United States actively encouraged its MTCR Partners and fellow AG participants to adopt "catch-all" provisions, similar to that of the United States and EPCI, for items not subject to specific export controls. Austria, Germany, Norway, and the United Kingdom actually have such provisions in place. The European Union (EU) issued a directive in 1994 calling on member countries to adopt "catch-all" controls. These controls will be implemented July 1, 1995. In line with this harmonization move, several countries, including European States that are not actually members of the EU, have adopted or are considering putting similar provisions in place.

The United States has continued to pursue this Administration's nuclear nonproliferation goals. More than 170 nations joined in the indefinite, unconditional extension of the Nuclear Non-Proliferation Treaty (NPT) on May 11, 1995. This historic decision strengthens the security of all countries, nuclear weapons states and nonweapons states alike.

South Africa joined the Nuclear Suppliers Group (NSG), increasing NSG membership to 31 countries. The NSG held a plenary in Helsinki, April 5–7, 1995, which focused on membership issues and the NSG's relationship to the NPT Conference. A separate, dual-use consultation meeting agreed upon 32 changes to the dual-use list.

Pursuant to section 401(c) of the National Emergencies Act, I report that there were no expenses directly attributable to the exercise of authorities conferred by the declaration of the national emergency in Executive Order No. 12938 during the period from November 14, 1994, through May 14, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 18, 1995.*

MESSAGES FROM THE HOUSE

At 1;02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 219. An act to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 4. An act to grant the power to the President to reduce budget authority.

The message further announced that pursuant to the provisions of 22 United States Code 276d, the Speaker appoints the following Members as members of the United States delegation to attend the meeting of the Canada-United States Interparliamentary Group on the part of the House: Mr. MANZULLO, Chairman, Mr. LATHAM, Mr. CRAPO, Ms. DUNN, Mr. ZIMMER, Mrs. JOHNSON of Connecticut, Mr. GOODLING, Mr. JOHNSTON of Florida, Mr. DE LA GARZA, Mr. GIBBONS, Ms. SLAUGHTER, and Mr. MCNULTY.

At 6:10 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 961. An act to amend the Federal Water Pollution Control Act.

At 8:38 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 961. An act to amend the Federal Water Pollution Control Act; to the Committee on Environment and Public Works.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–914. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–39, adopted by the Council on April 4, 1995; to the Committee on Governmental Affairs.

EC–915. A communication from the Administrator of the General Services Administration, transmitting, a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize Federal agencies to use moneys received from user charges, which exceed actual management costs, for parking to fund alternatives to single-occupancy motor vehicle employee commuting; to the Committee on Governmental Affairs.

EC–916. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the 1994 annual report under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–917. A communication from the Chair of the Administrative Conference of the United States, transmitting, pursuant to law, a report relative to internal controls for 1994; to the Committee on Governmental Affairs.

EC–918. A communication from the Secretary of the Senate, transmitting, pursuant to law, the report of the receipts and expenditures of the Senate; ordered to lie on the table.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–117. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Appropriations.

"RESOLUTION NO. 3

"Whereas, the national railroad passenger corporation, known as Amtrak, provides vitally important service to the people of Minnesota; and

"Whereas, over 162,000 persons arrive and depart from points in Minnesota using the Amtrak system; and

"Whereas, Amtrak provides necessary rail connections between Minnesota and the rest of the country; and

"Whereas, Amtrak makes significant contributions to the Minnesota economy through a payroll of over $3,000,000 in the state and purchase of nearly $5,000,000 in supplies and equipment; and

"Whereas, budget reductions for Amtrak now being discussed in the Congress threaten the existence of Amtrak as a national rail system; and

"Whereas, these budget reductions would harm Minnesota through drastic reductions in service and lost contributions to the state's economy; Now, therefore, be it

"*Resolved, by the Legislature of the State of Minnesota*, That Congress should provide funding for the Amtrak system that would allow it to continue as a true national system and continue to serve the people of Minnesota; and be it further

"*Resolved*, That the Secretary of State of Minnesota transmit enrolled copies of this memorial to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

POM–118. A joint resolution adopted by the Legislature of the State of California; to the Committee on Armed Services.

"ASSEMBLY JOINT RESOLUTION NO. 9

"Whereas, the United States Navy has occupied the site of the Naval Warfare Assessment Division in Norco, California since 1941; and

"Whereas, the Naval Warfare Assessment Division has, since 1951, served the Navy as an independent assessment agent to gauge the war-fighting capacity of ships and aircraft, from unit to battlegroup level, by assessing the suitability of design, the performance of equipment and weapons, and the adequacy of training; and

"Whereas, the Naval Warfare Assessment Division had its beginning in the Navy during a period when great advancements in weapons technology were being developed and introduced to the fleet; and

"Whereas, these new technologies brought with them problems in development, acquisition, operation, and support; and

"Whereas, the Navy needed an unbiased resource with direct access to fleet users in order to provide an objective assessment of war-fighting capability, performance, and effects of improvements; and

"Whereas, this independent, unbiased assessment has been honed over time into a consolidated, centrally located, and fully integrated organization dedicated to provide Navy and other Department of Defense decisionmakers with critical, accurate, and reliable information needed to improve the war-fighting capability and readiness of U.S. Armed Forces; and

"Whereas, the threats and challenges facing the military today cannot be met using the technology of yesterday; and

"Whereas, the Naval Warfare Assessment Division services focus on weapon and combat system performance, fleet training effectiveness, systems, and material quality and these services are sponsored by more than 120 Navy, Marine Corps, Army, and Air Force programs, and by other U.S. and foreign government agencies; and

"Whereas, more than 3,500 government and industry customers rely on the Naval Warfare Assessment Division for its expertise; and

"Whereas, the newly opened Warfare Assessment Laboratory in Norco has become the focal point for integrated analysis that electronically links analysts at the Norco site with Navy firing ranges, ships at sea, and aircraft or missiles in actual flight, allowing near real time access to data that used to take weeks to obtain and compile; and

"Whereas, this laboratory is a unique facility that can support functions that no other single facility in the United States can support such as Joint Service exercises, war gaming, and simulation; and

"Whereas, the central location of the Naval Warfare Assessment Division in Norco is ideal. The facility is in close proximity to the San Diego Naval Complex, the Port Hueneme/Ventura plain Naval Complex, Camp Pendleton, and China Lake. Furthermore, the Naval Warfare Assessment Division is independent of each of these other facilities; and

"Whereas, the Naval Warfare Assessment Division contributes more than $149 million to the region's economy by employing more than 1,000 people and by using more than 400 contractors and suppliers; and

"Whereas, for all of the above reasons, the Naval Warfare Assessment Division is of the utmost importance in maintaining the preparedness of the armed forces for the defense of the United States; Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature hereby memorializes the Base Realignment and Closure Commission, the President and the Congress of the United States to provide for the continued operation of the Norco Naval Warfare Assessment Division as an essential facility for the readiness and defense of the United States; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the Base Realignment and Closure Commission, the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representatives from California in the Congress of the United States."

POM-119. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Commerce, Science, and Transportation.

"HOUSE JOINT RESOLUTION 95-1005

"Whereas, the United States Congress, in a late amendment to the "Federal Aviation Administration Authorization Act of 1994", P.L. 103-305, preempted all state regulation of the prices, routes, and service of motor carriers of property operating in intrastate commerce, effective January 1, 1995; and

"Whereas, intrastate commerce by definition occurs wholly within the borders of a state; and

"Whereas, the Supreme Court of the United States declared as early as 1824 that under the Commerce Clause, article I, section 8 of the United States Constitution, "the completely internal commerce of a state, . . . , may be considered as reserved for the state itself"; and

"Whereas, however broad Congress's power over interstate commerce may be, the inherent power of the states to govern their own internal affairs remains unquestioned, and is in fact guaranteed by the Tenth Amendment to the United States Constitution; and

"Whereas, regulation of common carriers, innkeepers, millers, ferrymen, and others whose activities are affected with a public interest is one of the bedrock principles of common law, predating the United States Constitution itself by hundreds of years; and

"Whereas, Colorado has regulated common carriers by motor vehicle at least since 1927, and has regulated railroads and other public utilities since territorial days; and

"Whereas, the prevention of discriminatory pricing, disparities in service, and other abuses by persons supplying vital public services was instrumental in promoting the orderly development of this state and remains crucial to the state's economic health; and

"Whereas, the people of Colorado well understand and appreciate the dangers of excessive governmental regulation; and

"Whereas, a total lack of regulation has dangers of its own; and

"Whereas, the people of Colorado are in the best position to judge where they choose to be with regard to commerce wholly within the borders of the state; and

"Whereas, the United States Congress acknowledged that one effect of P.L. 103-305 would be to render worthless the intrastate operating authority held by property carriers on the effective date of the legislation, but suggested no method by which that loss would be compensated; and

"Whereas, such action constituted a disregard for the Due Process and Just Compensation Clauses of the Fifth Amendment to the United States Constitution; and

"Whereas, the January 1, 1995, effective date of P.L. 103-305, coming as it does before Colorado and most other states convened their legislatures for the year—and particularly in a year in which many states have no scheduled legislative session at all—is a cause of chaos for state enforcement officials as well as regulated persons and entities; Now, therefore, be it

"*Resolved by the House of Representatives of the Sixtieth General Assembly of the State of Colorado, the Senate concurring herein:*

"(1) That the United States Congress is urged immediately to repeal section 601(c) of the "Federal Aviation Administration Authorization Act of 1994", P.L. 103-305;

"(2) That, failing such repeal, the effective date of said section be postponed for at least two years to allow Colorado and the other states affected by the Act to prepare an orderly legislative and regulatory response; and

"(3) That, if Congress does not provide such relief, the Colorado General Assembly intends fully to explore its options regarding relief through the courts and, possibly, to join with other states in seeking such relief.

"*Be it further resolved,* That copies of this Resolution be sent to speaker of the House of Representatives Newt Gingrich, Senate Majority Leader Robert Dole, House Minority Leader Richard Gephardt, Senate Minority Leader Thomas Daschle, each member of the Colorado congressional delegation, Secretary of Transportation Federico Peña, Colorado Attorney General Gale Norton, and the presiding officers of each house of the legislatures of the several states."

POM-120. A resolution adopted by the House of the General Assembly of the State of Indiana; to the Committee on Commerce, Science, and Transportation.

"HOUSE RESOLUTION NO. 60

"Whereas, the lack of uniformity in current motor vehicle registration and titling practices affords consumers with little protection from the few unscrupulous individuals that steal, rebuild, and resell cars;

"Whereas, consumers can only make informed decisions about previously damaged and rebuilt vehicles, if they are aware of the vehicles' history;

"Whereas, in the Anti-Car Theft Act of 1992 (Public Law 102-519), Congress established a task force to study problems relating to motor vehicle titling, registration and salvage controls that contribute to motor vehicle theft and fraud;

"Whereas, a majority of the states have little or no formal or standardized procedures for checking the history of a motor vehicle title;

"Whereas, title branding, a term used to describe the adding of some mark or notation on a vehicle title, is not uniform in state titling procedures, with 61 different designations being used among the states that do brand titles and with 38 states not recognizing either the identical brand or all of the brands of the other states;

"Whereas, although in most states, a rebuilt vehicle must undergo a vehicle identification number inspection to ensure that the vehicle is not stolen and has its V.I.N. changed or repaired who do the inspection vary considerably from state to state;

"Whereas, title washing, the act of eliminating certain information from the title of a vehicle, is common and easy for thieves who use the differences in state branding procedures or the lack thereof for their own personal gain;

"Whereas, inconsistencies in state definitions of salvage, a perceived weakness in many states retitling procedures, and a blanket branding of stolen vehicles, by requiring vehicle identification and safety inspections, restrictions on procedures for obtaining duplicate vehicle titles; and

"Whereas, the enactment of federal legislation would be beneficial to the states and to consumers by providing uniform definition of salvages and rebuilt vehicles, by requiring vehicle identification and safety inspections, restrictions on procedures for obtaining duplicate vehicle titles; Now, therefore, be it

"*Resolved by the House of Representatives of the General Assembly of the state of Indiana:*

"Section 1. That we do hereby urge the Congress of the United States to enact such legislation as may be necessary to provide uniformity among the states in the titling of rebuilt and salvaged motor vehicles.

"Section 2. That the Principal Clerk of the House of Representatives transmit a copy of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives and to members of the Indiana Congressional Delegation."

POM-121. A resolution adopted by the House of the Legislature of the State of

Alaska; to the Committee on Armed Services.

"Whereas the closure of the Naval Air Facility in Adak, Alaska, is anticipated to occur in 1996; and

"Whereas the land and existing infrastructure of the facility could be used after the closure to benefit people and businesses in the state, as well as to serve the long-term interests of the state and the federal government; and

"Whereas the closure of the facility presents a unique opportunity to develop a new community for the western Aleutians, to promote commercial ventures, and to use the existing land and infrastructure for community purposes; and

"Whereas, unless appropriate steps are taken immediately to preserve the building and other infrastructure from damage by wind and moisture, the future use of the existing infrastructure and the development of the Adak community will be jeopardized; Now, therefore, be it

"*Resolved* That the House of Representatives supports the conversion of the Naval Air Facility in Adak, Alaska, into a facility that can be used beneficially by the citizens of the western Aleutians; and be it further

"*Resolved* That the House of Representatives respectfully requests the United States Department of the Navy, Department of the Interior, and Department of Defense to

"(1) take effective and timely measure to preserve the infrastructure that constitutes the Naval Air Facility in Adak, Alaska;

"(2) work closely with all federal and state agencies and the Aleut Corporation regarding the future use of the facility after its closure;

"(3) designate in a timely manner an authority, preferably the Aleut Corporation, for developing the future use of the property constituting the facility; and

"(4) arrange for the transfer of the property that constitutes the facility to the Aleut Corporation as part of the corporation's entitlement under 43 U.S.C. 1601-1641 (Alaska Native Claims Settlement Act)."

POM-122. A resolution adopted by the House of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"H.R. No. 294

"Whereas, the self-governing Commonwealth of Northern Marianas ("CNMI"), located between Guam and the Tropic of Cancer, is comprised of an archipelago of sixteen islands, of which six are inhabited, the three largest and most populous being Saipan, Tinian, and Rota, whose native islanders, predominantly of Chamorro cultural extraction, achieved United States citizenship on November 3, 1986, when the islands, which were formerly a United Nations trust territory administered by the United States became a commonwealth of the United States; and

"Whereas, the commonwealth, in particular the island of Rota, has, allegedly, over the last several years been a scene of grievous abuses and violations of human rights against overseas Filipino contract workers such as domestic helpers, waitresses, farm laborers, construction workers, entertainers, and teachers: it being alleged that there are at least one hundred eighty-five documented cases of rape, forced prostitution, kidnapping, torture, assault and battery, and violations of labor rights committed by employers and local government officials, who are largely of Chamorro extraction; and

"Whereas, it is alleged that waitresses are forced into prostitution (as "take out" girls) and nude dancing and locked up during their free time; housemaids are kidnapped, beaten and raped; farm laborers are treated as virtual slaves; construction workers are abandoned without pay; teachers are degraded by their students, cafeteria workers, and administrators; and employees of all categories are routinely cheated of their wages and their passports are held by their employers, who typically impose large illegal penalties if they quit their jobs; and

"Whereas, these alleged injustices are inflicted by employers and government officials, notably the police, under a seemingly flawed regulatory system in which close family or political ties exist between employers and local authorities, and are evidently trivialized, on the island of Rota, by its mayor, who calls criticism "overblown", insisting that rapes are "bound to happen in any society" and forced prostitution "is not rampant on Rota; it happens everywhere"; and

"Whereas, the influx of Filipino and other Asian workers has actually made the native Chamorros a minority on their own island—of the commonwealth's population of nearly 63,000, indigenous residents now compose less than thirty-seven percent, whereas contract workers, "statesiders", and others make up the rest, Filipinos making up the bulk of the commonweath's 27,000-strong alien labor force, the others coming from China and elsewhere in Asia—has nonetheless made the contract workers a vast, politically powerless underclass, whose complaints of abuses are countered with threats and deportations and may also be stifled altogether if the commonwealth enacts a proposed $200 fee for filing a complaint with its Division of Labor; and

"Whereas, federal authorities responding to abuse complaints have allegedly encountered challenges to their jurisdiction, hostility from tight-knit local communities and witnesses too intimidated to testify, prompting them to compare their enforcement efforts there to similar efforts in the old Deep South and to comment that in the Northern Marianas the "indigenous rights" promoted by Washington have come to mean the exploitation of Asian minorities, and that "It's American policy gone bad. Good intentions got flipped around"; and

"Whereas, the United States Department of the Interior is presently spearheading an aggressive federal interagency effort to stop labor and civil rights abuses of non-U.S. citizen workers in CNMI, coordinating the activities of the FBI, the U.S. Attorneys' Office, the Department of Justice's Civil Rights Division, the U.S. Immigration and Naturalization Service, the U.S. Department of Labor, and several other agencies; Now, therefore, be it

"*Resolved by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1995*, That the United States Congress is respectfully requested to expedite and fully investigate claims of human rights abuse in the Commonwealth of Northern Marianas; and be it further

"*Resolved*, That the United States Congress is requested to review and assess the feasibility of taking control of immigration and minimum wage functions and responsibilities from the Commonwealth of Northern Marianas; and be it further.

"*Resolved*, That the United States Congress is respectfully requested to review the terms of the Compact Agreement between the United States and the Commonwealth of Northern Marianas to determine what further action should be taken to resolve the alleged abuses of human rights; and be it further.

Resolved, That certified copies of this Resolution be transmitted to the Clerk of the U.S. House of Representatives, the Secretary of the U.S. Senate, the members of Hawaii's congressional delegation, the Secretary of the Department of the Interior, and the President of the Philippines through its consulate."

POM-123. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Environmental and Public Works.

"LEGISLATIVE RESOLVE NO. 10

"Whereas, in 1972, the federal Clean Water Act (33 U.S.C. 1251-1387) allowed a broad expansion of federal jurisdiction over wetlands by modifying the definition of navigable waters to include all waters of the United States; and

"Whereas, in 1975, the United States Army Corps of Engineers expanded wetland regulations to include restricted discharge of dredged and fill material into wetlands; and

"Whereas, wetlands regulations have been expanded further to include isolated wetlands and those not adjacent to navigable waters; and

"Whereas, the expansion of the regulations governing wetlands by federal agencies exceeds what the Congress intended when it enacted the federal Clean Water Act; and

"Whereas, Alaska contains more wetlands than all other states combined; and

"Whereas, according to the United States Fish and Wildlife Service, approximately 170,200,000 acres of wetlands existed in Alaska in the 1780s and approximately 170,000,000 acres of wetlands exist today, representing a loss rate of less than 1/10 of one percent in a decade through human and natural processes; and

"Whereas, approximately 98 percent of all Alaska communities, including 200 of 209 remote villages in Alaska, are located in or adjacent to wetlands; and

"Whereas, with negligible benefit to the environment in Alaska, the expansion of wetlands regulations has placed an increasing and unnecessary burden on private landowners, Native organizations, and local and state governments by inhibiting reasonable community growth and environmentally benign, sensitive resource development; and

"Whereas, 88 percent of Alaska's wetlands are publicly owned, while only 26 percent of wetlands in the contiguous 48 states are in public ownership; and

"Whereas, more than 60,000,000 acres of Alaska's wetlands are known to be conserved in some form of land designation, including federally designated wilderness land, federal part and refuge land, and state park and refuge land, that restrict utilization or degradation of wetlands; now, therefore, be it

"*Resolved* That the Alaska State Legislature respectfully requests the United States Congress to exclude Alaska from a "no net loss" policy associated with the federal Clean Water Act, and to amend the federal Clean Water Act to modify the wetlands regulatory program

"(1) to provide flexibility in Alaska wetlands permitting commensurate with the large amount of wetlands set aside in Alaska and the low historic rate of wetlands loss in Alaska; and

"(2) to relax the restrictions on the use of wetlands in Alaska; and be it further

"*Resolved*, That the Alaska State Legislature respectfully requests the United States Congress to recognize the unique contribution the citizens of Alaska have made to wetlands conservation and Alaska's outstanding record of wetlands conservation.

POM–124. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Finance.

"LEGISLATIVE RESOLVE NO. 12

"Whereas it is estimated that 37,000,000 Americans are without health insurance, many while between jobs, and that more Americans are underinsured because of the effects of rising health care costs and spending, which are forcing employers to trim the level and availability of health care benefits provided to their employees; and

"Whereas overutilization of health care services for relatively small claims is one of the most significant causes of health care cost and spending increases: currently more than two-thirds of all insurance claims for medical spending are less than $3,000 per family per year in this country; and

"Whereas, in response to runaway cost increases for health care spending, the private sector has developed the concept of medical savings accounts, which is designed to ensure health insurance availability and is based on providing incentives to eliminate unnecessary medical treatment and encourage competition in seeking health care; and

"Whereas, under a medical savings account arrangement, an employer currently providing employee health care benefits could purchase a lower cost, higher deductible major medical policy of each employee to replace the existing policy and then set aside the saved premium differential in a medical savings amount for the participating employee; and

"Whereas, through employer-funded medical savings account arrangements and the reduced cost of qualified insurance policies with higher deductibles, millions of Americans could insure themselves for both routine and major medical services; and

"Whereas, the participating employees would be able to use the money in their medical savings accounts to pay medical care expenses up to the amount of the insurance policy deductible and any money in the account at the end of the plan year would belong to the employee to use as the employee saw fit; and

"Whereas, the possibility of using the balance in the employee's medical savings account for other purposes is a strong incentive not to abuse health expenditures and to institute "cost shopping" for medical care services; and

"Whereas, by setting aside money for employees to spend on health care, employees could change jobs and use the money they had earned so far to buy interim health insurance or cover health care expenses thereby eliminating the problem of uninsured between jobs and helping to reduce 'job-lock'; and

"Whereas, medical care decisions are highly individualized and involve personal factors that cannot be standardized without interfering with personal choice and so should remain the employee's prerogative; and

"Whereas, under medical savings account arrangements, individual policyholders will have a strong stake in reducing costs, and this sample financial mechanism will expand health insurance options to others who presently have no insurance; and

"Whereas, this method of decreasing the health care cost burdens in this country would require no new federal bureaucracy and would be revenue neutral to employers; Now, therefore, be it

"*Resolved*, That the Alaska State Legislature respectfully requests the Congress of the United States to enact legislation swiftly and in good faith to enable Americans to establish medical savings accounts."

POM–125. A resolution adopted by the Common Council of the City of Syracuse, New York relative to the proposed "Historic Homeownership Assistance Act"; ; to the Committee on Finance.

POM–126. A resolution adopted by the Council of the City of Alexandria, Virginia relative to public assistance benefit levels; to the Committee on Finance.

POM–127. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance.

"FILE NO. 27

"Whereas, the provisions set forth in 42 U.S.C.§415 for determining the primary insurance amount of a person receiving social security were amended in 1977 by Public Law 95–216; and

"Whereas, that amendment resulted in disparate benefits according to when a person initially becomes eligible for benefits; and

"Whereas, persons who were born during the years 1917 to 1926, inclusive, and who are commonly referred to as "notch babies," receive lower benefits than persons who were born before that time; and

"Whereas, the payment of benefits under the social security system is not based on need or other considerations related to welfare, but on a program of insurance based on contributions by a person and his employer; and

"Whereas, the discrimination between persons receiving benefits is totally inequitable and contrary to the principles of justice and fairness; and

"Whereas, the Social Security Trust Fund has adequate reserves to eliminate this gross inequity; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That Congress is hereby urged to enact legislation to eliminate inequities in the payment of social security benefits to persons based on the year in which they initially become eligible for such benefits; and be it further

Resolved, That Congress is hereby urged to eliminate these inequities without reducing the benefits of persons who were born before 1917; and be it further

Resolved, That a copy of this resolution be transmitted by the Chief Clerk of the Assembly to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage and approval."

POM–128. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Finance.

"SENATE JOINT MEMORIAL 8012

"Whereas, the Federal Internal Revenue Code currently requires individuals to pay income taxes on unemployment benefit payments that they have received; and

"Whereas, the taxation of Unemployment Insurance Benefits impacts over eight million persons annually and reduces their income on average by seventeen percent for a total of three billion dollars; and

"Whereas, this taxation of Unemployment Benefits is an onerous burden on individuals that are generally experiencing a dramatic reduction in income due to their loss of employment; and

"Whereas, the taxation of Unemployment Benefits undermines the purpose of Unemployment Insurance, by dramatically reducing the amount of moneys available to workers and their families that are experiencing a loss of wages due to no fault of their own. In addition, local economies are adversely impacted due to the loss of income in the community; and

"Whereas, the Washington State Unemployment Insurance Task Force, comprised of Business, Labor, and Legislative members, in their 1995 Report, found the Taxation of Unemployment Insurance Benefits to be an unfair burden on workers;

"Now, therefore, Your Memorialists respectively request that the Congress of the United States enact legislation removing Unemployment Insurance Benefits from taxation under the Internal Revenue Code. Now, therefore, be it

"*Resolved*, That copies of this Memorial be immediately transmitted to the Honorable Bill Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 419. A bill to grant the consent of Congress to the Texas Low-Level Radioactive Waste Disposal Compact.

S. 677. A bill to repeal a redundant venue provision, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

John Garvan Murtha, of Vermont, to be U.S. District Judge for the District of Vermont.

George K. McKinney, of Maryland, to be U.S. Marshal for the District of Maryland for the term of 4 years.

Rose Ochi, of California, to be an Associate Director for National Drug Control Policy.

Susan Y. Illston, of California, to be U.S. District Judge for the Northern District of California.

George A. O'Toole, Jr., of Massachusetts, to be U.S. District Judge for the District of Massachusetts vice an additional position in accordance with 28 USC 133(b)(1).

Mary Beck Briscoe, of Kansas, to be U.S. Circuit Judge for the Tenth Circuit.

Patrick M. Ryan, of Oklahoma, to be U.S. Attorney for the Western District of Oklahoma for the term of 4 years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CAMPBELL (for himself, Mr. COCHRAN, Mr. HATCH, Mr. MACK, Mr. DEWINE, and Mr. MCCAIN):

S. 817. A bill to require the Secretary of the Treasury to mint coins in commemoration of the Native American history and culture; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERREY (for himself and Mr. SIMPSON):

S. 818. A bill to amend title II of the Social Security Act to increase the normal retirement age to age 70 by the year 2029 and the early retirement age to age 65 by the year 2017, to provide for additional increases thereafter, and for other purposes; to the Committee on Finance.

S. 819. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide for more uniform treatment of Members of Congress, congressional employees, and Federal employees, to reform the Federal retirement systems, and for other purposes; to the Committee on Governmental Affairs.

S. 820. A bill to amend title 10, United States Code, to eliminate the increase in the retired pay multiplier for service in the uniformed services in excess of 20 years by members first entering the uniformed services after July 31, 1986; to the Committee on Armed Services.

S. 821. A bill to require a commission to study ways to improve the accuracy of the consumer price indexes and to immediately modify the calculation of such indexes; to the Committee on Banking, Housing, and Urban Affairs.

S. 822. A bill to provide for limitations on certain retirement cost-of-living adjustments, and for other purposes; to the Committee on Finance.

S. 823. A bill to amend the Congressional Budget Act of 1974 to require that the report accompanying the concurrent resolution on the budget include an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on revenues and outlays for entitlements for the period of 30 fiscal years and to require the President to include a 30 year budget projection and generational accounting information each year in the President's budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee has thirty days to report or be discharged.

S. 824. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to provide for personal investment plans funded by employee social security payroll deductions; to the Committee on Finance.

By Mr. KERREY (for himself, Mr. SIMPSON, and Mr. ROBB):

S. 825. a bill to provide for the long-range solvency of the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Finance.

By Mr. THURMOND:

S. 826. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel PRIME TIME, and for other purposes; to the Committee on Comerce, Science, and Transportation.

By Mr. PRESSLER:

S. 827. A bill to amend the Internal Revenue Code of 1986 to limit an employer's deduction for health care costs of its employees if the employer fails to honor its commitment to provide health care to its retirees; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 828. A bill to enable each State to assist applicants and recipients of aid to families with dependent children in providing for the economic well-being of their children, to allow States to test new ways to improve the welfare system, and for other purposes; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 829. A bill to provide waivers for the establishment of educational opportunity schools; to the Committee on Labor and Human Resources.

By Mr. SPECTER:

S. 830. A bill to amend title 18, United States Code, with respect to fraud and false statements; to the Committee on the Judiciary.

By Mr. SMITH (for himself, Mr. DOLE, Mr. HELMS, Mr. THURMOND, Mr. GRASSLEY, Mr. GRAMM, Mr. CAMPBELL, and Mr. THOMAS):

S.J. Res. 34. A joint resolution prohibiting funds for diplomatic relations and most favored nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam War, as determined on the basis of all information available to the United States Government, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL (for himself, Mr. COCHRAN, Mr. HATCH, Mr. MACK, Mr. DEWINE and Mr. MCCAIN):

S. 817. A bill to require the Secretary of the Treasury to mint coins in commemoration of the Native American history and culture; to the Committee on Banking, Housing, and Urban Affairs.

THE BUFFALO NICKEL COMMEMORATIVE COIN ACT OF 1995

Mr. CAMPBELL. Mr. President, this morning I take great personal pleasure in introducing the Buffalo Nickel Commemorative Coin Act of 1995.

Those of us with more than a little gray hair will remember this unique piece of history, with the Indian head design on one side and the buffalo design on the reverse side.

This coin was in general circulation from 1913 to 1938, which is a very short timeframe, only 25 years, but it is still one of the most recognizable coins in American history.

Now, nearly 60 years after the mint ceased production of the Indian head nickel, I would like this generation of Americans to reacquaint themselves to this unique piece of American heritage.

It is also an opportunity to raise some extra needed revenue for the National Park System. For these reasons, Senator COCHRAN, who has cosponsored this legislation with me, and I propose a limited edition commemorative Indian head nickel.

The artist who designed the coin over 80 years ago is James Earle Fraser. He wanted to produce a coin that was truly American, according to his original writings, that cannot be confused with the currency of any other country. There is no more significant motif, I suppose, than the American bison, the only animal in this country not found in any other place in the world.

Mr. Fraser himself was a famous artist, having done many works of art, including "End of the Trail," which is now in the Cowboy Hall of Fame in Oklahoma City.

The Indian head motif has always been accepted as an impression of liberty in this country. The American bison was certainly an important part of our history.

Mr. Fraser himself said:

> In designing the buffalo nickel, my first object was to produce a coin which was truly American, and that could not be confused with the currency of any other country. I made sure, therefore, to use none of the attributes that other nations had used in the past. And, in my search for symbols, I found no motif within the boundaries of the United States so distinctive as the American buffalo or bison.

According to historical sources, the Indian head on the nickel was created by Fraser based on three models: Iron Tail, an Olala Sioux; Two Moons, a northern Cheyenne, a greater leader of the tribe, of which I am an enrolled member; Big Tree, a Seneca Iroquois, which is part of the Iroquois Confederation.

Supposedly the three Indians were all performers appearing in wild-west shows in New York City at the time they posed for Mr. Fraser.

Most historians generally accept that the model for the buffalo on the nickel was a famous bull bison in the Central Park Zoo. The name of the bull was Black Diamond. Unfortunately, after being immortalized on the coin, he was slaughtered for meat and hide in 1915, which was the same demise many of his wild brethren met on the plains.

These coins would serve another purpose, appropriate to their heritage: Profits from their sale would be earmarked for the maintenance and improvement of our national parks, which are virtually being "loved to death" by far too many people coming to them now.

This is not meant, by the way, to replace any of the appropriated money that now goes to parks. It was meant that the profit would supplement the amount of money they now receive from the appropriations process.

Mr. President, we are working closely with the Citizens Commemorative Coin Advisory Committee and the U.S. Treasury to make this commemorative coin a success. Last year, the committee recommended the consideration of a Native American theme for a commemorative coin. I think that the buffalo nickel fits that theme perfectly.

I wish I could take credit for having this idea, which I think is a good idea, but I cannot. It was originally suggested to me by a man by the name of Mitchell Simon, who contacted my office and suggested it. Former U.S. Senator Tim Wirth from Colorado also sent me a note saying he thought it was a good idea. And since that time we received a pile of postcards from people all over the country saying they thought reissuing the buffalo nickel would be well received.

Mr. President, I welcome my colleagues to join me in reintroducing this coin act, a coin with deep historical and cultural significance to this Nation. I would especially like to thank my colleagues, Senators COCHRAN, HATCH, MACK, DEWINE, and MCCAIN who joins me as original cosponsor.

By Mr. KERREY (for himself and Mr. SIMPSON):

S. 818. A bill to amend title II of the Social Security Act to increase the normal retirement age to age 70 by the year 2017, to provide for additional increases thereafter, and for other purposes; to the Committee on Finance.

S. 819. A bill to amend chapters 83 and 84 of title 5, United States Code, to provide for more uniform treatment of Members of Congress, congressional employees, and Federal employees, to reform the Federal retirement systems, and for other purposes; to the Committee on Governmental Affairs.

S. 820. A bill to amend title 10, United States Code, to eliminate the increase in the retired pay multiplier for service in the uniformed services in excess of 20 years by members first entering the uniformed services after July 31, 1986; to the Committee on Armed Services.

S. 821. A bill to require a commission to study ways to improve the accuracy of the consumer price indexes and to immediately modify the calculation of such indexes; to the Committee on Banking, Housing, and Urban Affairs.

S. 822. A bill to provide for limitations on certain retirement cost-of-living adjustments, and for other purposes; to the Committee on Finance.

S. 823. A bill to amend the Congressional Budget Act of 1974 to require that the report accompanying the concurrent resolution on the budget include an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on revenues and outlays for entitlements for the period of 30 fiscal years and to require the President to include a 30-year budget projection and generational accounting information each year in the President's budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee has 30 days to report or be discharged.

S. 824. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to provide for personal investment plans funded by employee social security payroll deductions; to the Committee on Finance.

By Mr. KERREY (for himself, Mr. SIMPSON, and Mr. ROBB):

S. 825. A bill to provide for the long-range solvency of the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY AND RETIREMENT REFORM LEGISLATION

• Mr. SIMPSON. Mr. President, I join my able and steady colleague Senator BOB KERREY from Nebraska in introducing a series of proposals we have crafted in an effort to address the long-term problems of Social Security.

I emphasize that our goal is to "save" this program—not, as some of the senior citizen and other groups will claim, to "savage" it. We are well aware that it is politically hazardous to even breathe a word about reforming Social Security. But we also believe the people of this country will be receptive to what we have to say. They know that they, or their loved ones, will most surely suffer over the long haul if we continue to cling blindly to the "status quo." I believe they will embrace "change" when they are presented with the honest facts and the harsh reality of what the future holds for them if we continue on our present course.

Before I outline the details of our bills, let me briefly review why we feel compelled to address this issue. Last year, I served on the Bipartisan Commission on Entitlement and Tax Reform, which was guided through the deep swamps of entitlement spending by two remarkable and courageous men—Senator BOB KERREY, who served as our able chairman, and our former colleague Senator Jack Danforth, who served as vice chairman.

From June through December, the Commission held a series of public meetings in which we looked for any and all ways to slow down the incredible pace at which entitlement spending is growing. Along the way, the Commission approved—by a vote of 30 to 1—an interim report which spelled out some highly sobering truths about Federal spending. Perhaps the single most important finding in the interim report was that entitlement spending and interest on the debt together accounted for almost 62 percent of all Federal expenditures in 1993. Furthermore, according to the Congressional Budget Office, this spending will consume fully 72 percent of the Federal budget by he year 2003 if the present trends continue. These are expenditures that occur automatically without Members of Congress casting so much as a single vote. This ought to serve as a "wake-up call" to all of us that we are headed on a course to disaster.

Unfortunately, the Commission concluded its business in December without reaching an agreement on specific recommendations for bringing entitlement spending under control.

That was most disappointing to me. However, 24 of the Commission's 32 members joined in writing a letter to President Clinton, emphasizing the need for "immediate action" and outlining various policy options—some of which Senator KERREY and I have included in the bills we introduce today.

On April 3 of this year, another clanging "wake-up call" rang from the Social Security and Medicare board of trustees. The trustees informed Congress and the American people in their annual report that—according to their best projections—the Social Security retirement trust fund will be exhausted in 2031, the disability trust fund will run out in 2016, and the Medicare trust fund will be depleted, that is, broke, in 2002.

These dates will be upon us sooner than one can imagine. The "doomsday" date for Medicare is only 7 short years away. The situation with Social Security may seem less urgent, but we must not be lured into complacency. Although the "doomsday" dates are currently set at 2031 and 2016 for the retirement and disability programs, the trustees' report also indicates that combined expenditures for the two programs will begin to exceed revenues in the year 2013. From 2013 to 2019, it will be necessary to "dip into" the interest income that is earned on the principal in order to pay out benefits. And then, beginning in the year 2020, we will have to "dip into" the principal itself just to keep the benefits flowing.

Because this is such a crucial point that every American must realize, I will repeat it again—to continue paying Social Security benefits, we will have to dip into—that is, spend—the trust fund's principal and interest beginning in 2013. We will be running a negative cash flow beginning in 2013. What this means is that come 2013, the Government will have several options: borrow money from the Treasury and drive up the deficit; raise payroll taxes on current workers; or reduce benefits to retirees.

These figures are not based on hysteria or fiction. They are cold, hard, clear, painful facts. No one can refute them—but we can take action to change our course and prevent these forecasts from coming true. That is why Senator KERREY and I are here today. We are introducing seven separate bills that taken together will shore up Social Security.

We are also introducing a package of bills, some of which duplicate the separate bills. This package will also solve Social Security's long-term solvency crisis. We've shored up Social Security in two ways to show our colleagues that there are a variety of ways to do it.

Our first bill deals with the Social Security retirement age. Many Americans may not know this, but current law already provides that the normal retirement age—the age at which full benefits can be received—will begin to slowly increase in the year 2000 for people who were born after 1937, and it will continue to gradually increase until it reaches age 67 for those who were born after 1959. This law is already "on the books."

Senator KERREY and I are proposing that the increases which are already scheduled be gradually accelerated. Our bill proposes that the normal retirement age begin to increase, beginning in the year 2000, so it reaches 66 in the year 2005, 67 in the year 2011, 68 in the year 2017, 69 in the year 2023, and 70 in the year 2029.

We also gradually increase the early retirement age to 65 by 2017 beginning in the year 2000. The early retirement age would reach 63 in the year 2005, 64 in the year 2011 and 65 in the year 2017.

I want to emphasize that the first group of people subject to the retirement age of 70 are those who are presently in their early 30's. Current retirees are not affected at all by this proposal. Thus, no one can let out a howl that we are calling for sweeping changes "at the last minute," without giving people a chance to adjust their retirement plans. That is not what we are up to.

I also think it is useful to review the extent to which life expectancies have increased in the last 50 years. In 1940, the average life expectancy in the United States was 61.4 years for a male and 65.7 years for a female, yet the retirement age was 65. Today, the average life expectancy is about 72 years for men and 79 years for women. According to the Social Security Administration, more than 75 percent of the people who were born 65 years ago are still alive today. These individuals, once they have reached the age of 65, can expect to live another 15 years if they are men and another 19 years if they are women.

The authors of the original Social Security Act of 1935 had no way of knowing "back then" that today's retirees would be living for so long. Had they known then what we know now, I believe they would have agreed that a higher retirement age would be appropriate in the 21st century.

Our second bill would allow taxpayers to reduce their Social Security payroll tax payments by 2 percentage points and direct this money into a personal investment plan [PIP] of their own choice. Workers who choose this option would have their future benefits reduced by a corresponding amount, but this reduction would be offset with earnings from their personal investment plan. The question of whether lost benefits would be partially, completely or more than offset by these earnings would depend upon the decisions each individual makes with respect to his or her private investment plan.

I often hear from constituents who insist that if they were allowed to invest their Social Security taxes themselves, they could earn a much higher rate of return than the 8 percent return U.S. Treasury securities yielded last year. This bill gives them a chance to do just that. Some taxpayers will prove that, indeed, they can do better investing these funds on their own. Others may learn the hard way that private sector investments always carry a certain element of risk. Either way, I believe it is important to give people more control over decisions relating to their retirement.

Our third bill is guaranteed to bring howls of glee from the hinterlands. It calls for reductions in the pensions of Members of Congress and certain Federal employees. These reductions are achieved through three separate provisions.

First, the accrual rates used to calculate pensions would be reduced by one-tenth of 1 percent for future years of service. This means that the pension of a typical Federal employee—whose accrual rate would go from 1.0 to 0.9—would be reduced by up to 10 percent.

Second, the accrual rates used to calculate congressional pensions would be made equal to those used to calculate the pensions of typical Federal employees. Thus, a Member of Congress would have his or her pension calculated on the basis of a 0.9-percent accrual rate for future years of congressional service instead of a 1.7-percent accrual rate, thereby reducing his or her pension by as much as 47 percent.

Third, our bill would require that the pensions of certain Federal employees, including Members of Congress, be based on their five highest salary years—instead of their three highest salary years.

These provisions demonstrate in the most vivid manner possible that we, as elected officials, are willing to make sacrifices ourselves. This is something we must do to show the American people that we are serious about getting our fiscal house in order. We all understand that reducing our own pensions won't make a dent in the deficit, but the symbolism of this gesture is absolutely crucial to our success in other areas.

Our fourth bill deals with the retirement benefits that are received by individuals who joined the military after July 31, 1986 and therefore aren't able to retire until the middle of 2006. We propose that the accrual rates used to calculate their pensions on be limited to 2 percent per year, regardless of how many years of service an individual may have. Currently, the accrual rate is 2 percent for each of the first 20 years and 3.5 percent for the 21st through 30th years of military service. This is an extraordinarily generous system by any standard.

I am fully prepared for the cries of outrage this will bring from some of the many men and women who serve with honor and distinction in the military. I served in the military too, as did BOB KERREY who won the Medal of Honor for his bravery. We would never do anything to diminish the importance or value of their service. But it is hard to justify an accrual rate of 3.5 percent for military retirees when civil service Federal employees have an accrual rate of 1.0 percent and we are talking about bringing that down to 0.9 percent. I believe the changes Senator KERREY and I propose are appropriate in the context of what we are doing with congressional and civil service pensions.

Our fifth bill would change the manner in which cost of living adjustments [COLA's] are awarded. We propose that limits be placed on the COLA's of all Social Security beneficiaries and Federal and military retirees—except the 30 percent who receive the smallest COLA in each program.

Under this approach, the "poorest" 30 percent of recipients would continue to receive their full COLA's. The other 70 percent would also receive a COLA each year, but they would receive a COLA that is equivalent only to the actual dollar amount of the COLA that is received by recipients who are down there at the 30-percent level.

One important point I want to emphasize with respect to Social Security is that—since COLA's did not begin until the early 1970's and thus were not even included in the original Social Security Act of 1935—this proposal would not in any way "break" or alter the "contract" that is considered to exist between senior citizens and Social Security.

It is also important to note that this approach does not discourage people from saving for their retirement. It does not in any way penalize seniors who have personal savings or other sources of income. The amount of one's benefit is the sole determinant of whether or not a retiree is subject to the COLA cap. There are no other factors involved.

Our sixth bill focuses on the Consumer Price Index [CPI], which is used to calculate cost-of-living adjustments [COLA's] for Social Security beneficiaries and for military and Federal retirees. Alan Greenspan, the Chairman of the Federal Reserve, and other very credible witnesses have testified before the Senate Finance Committee that the CPI, as currently calculated, "overstates" actual inflation by as much as one or two percentage points. This may seem like an almost benign or inconsequential fact, but when you consider that hundreds of billions of dollars in Federal payments are increased each year on the basis of the CPI alone—and, furthermore, that the Federal income tax brackets are also adjusted annually according to the CPI—it becomes very clear that this is not a small matter.

Senator KERREY and I are proposing today that the annual CPI calculation be automatically reduced by one-half of a percentage point. According to the experts who testified before the Senate Finance Committee, this is a conservative estimate of how much the CPI is overstated. We also call for the creation of a seven-member commission that would be charged with studying the accuracy of the CPI and reporting its findings to the Secretary of Labor and Congress within 1 year. It is our sincere desire that this process would eventually lead to a more accurate measure of inflation, thus eliminating the need for an automatic reduction each year.

The seventh and final bill which Senator KERREY and I introduce today is one that all 100 senators should be able to agree on. We propose that the Congressional Budget Office and the OMB be required to use a 30-year "budget window" instead of a five-year "budget window" in evaluating any legislation that affects entitlement spending. This is a matter of common sense. By definition, entitlement programs go on forever unless Congress takes specific action to stop them. To say that we will look only at the first 5 years of such programs is now unacceptable. It is absolutely essential that we begin to view these programs from a longer-term perspective.

These seven bills represent the best efforts of my friend Senator KERREY and myself to protect and preserve these retirement programs for many generations to come. We invite our colleagues to join us in supporting and advancing these measures—or to come up with various alternatives of your own.

Each of us has an obligation—not only to our constituents, but to ourselves and our children and grandchildren—to confront these issues head-on. Whatever outrage and hostility we may encounter from today's defenders of the "status quo"—and there will be plenty of it—it will pale in comparison to the truly richly deserved scorn we will receive from future generations if we fail to have the courage to act. I eagerly look forward to a spirited debate on these issues and I urge my colleagues to join the fray.●

Mr. ROBB. Mr. President, I support the Strengthening Social Security Act of 1995. I commend my distinguished colleagues, Senators BOB KERREY and ALAN SIMPSON, for their hard work on this important legislation, and I am pleased to be an original co-sponsor.

I compliment my friends from Nebraska and Wyoming, Mr. President, because tackling the problems associated with social security takes enormous personal and political courage. In an era when news is conveyed in quippy, provocative soundbites, "touching" social security is anathema—even when reforming social security is clearly the only way to save it.

For the bottom line is this, Mr. President: if we don't change the way we do business around here, spending on entitlements and interest on the debt will consume all Federal revenues by the year 2012. That same year, social security expenditures will begin to exceed revenues coming into the trust fund, and by the year 2029, the Social Security trust fund will be exhausted.

Because of demographics and increasing life expectancies, this Nation has evolved from a system where 15 workers supported each Social Security beneficiary when the program was created, to five workers for each beneficiary today, to just three workers for each beneficiary when the Baby Boom generation retires.

It's clear to me, Mr. President, that we have promised our people more than we can deliver, and that our present path is simply unsustainable.

Unless we act today, we place an unconscionable financial burden on our children and our grandchildren—and we fail to ensure the retirement security of future generations of Americans.

This legislation strengthens the retirement security of future generations. It abolishes the actuarial deficit in the trust fund and allows the fund to pay benefits on an uninterrupted basis for the 75-year timeframe reviewed by the fund's actuaries.

More young Americans believe in UFO's than believe that Social Security will be there for them, and we urgently need to restore in young Americans a genuine confidence in the system. One of the most intriguing and attractive provisions of this bill to me, Mr. President, allows for almost 30 percent of payroll taxes to be designated for the creation of a personal investment plan—a tangible account—for future beneficiaries.

Mr. President, powerful interests will fight even minor changes to the Social Security system, and to succeed, we will have to engage in a battle of our own. This means educating the American people on what the problems are and how to responsibly solve them—convincing our citizens that the time to act is today, when the remedies are so much easier to absorb.

This also means persuading our colleagues on both sides of the capitol and both sides of the aisle that touching Social Security does not mean destroying it. Touching Social Security does not mean abandoning our senior citizens, who have contributed so much to our country.

Reforming Social Security, Mr. President, can mean strengthening it. Reforming Social Security can mean saving it for future generations. And reforming Social Security can mean that we in Congress fulfill our responsibility to govern, and to govern well.

I urge my colleagues to take an honest look at this legislation.

By Mr. THURMOND:

S. 826. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Prime Time*, and for other purposes; to the Committee on Commerce, Science, and Transportation.

JONES ACT WAIVER LEGISLATION

Mr. THURMOND. Mr. President, I rise today to introduce a bill today to direct that the vessel *Prime Time*, official number 660944, be accorded coastwise trading privileges and be issued a coastwise endorsement under 46 U.S.C. sections 12106, 12107 and 12108.

This vessel was purchased in 1994 by Everett Ballenger of Columbia, SC, to provide charters from Hilton Head Island, SC. This chartering business was to be Mr. Ballenger's sole livelihood. Because the vessel was foreign built, it did not meet the requirements for coastwise trading privileges in the United States. When Mr. Ballenger sold his home to buy this vessel from a broker in Baltimore, he was unaware that it could not be legally used for its intended purpose.

Therefore, Mr. Ballenger is thus seeking a waiver of the existing law because he wishes to use the vessel for charters. If he is granted this waiver, he intends to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Prime Time* to engage in the coastwise trade and fisheries of the United States.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTIFICATE OF DOCUMENTATION.

Nothwithstanding section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), section 8 of the Act of June 19, 1886 (24 Stat. 81, chapter 421; 46 U.S.C. App. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel PRIME TIME, United States official number 660944.

By Mr. PRESSLER:

S. 827. A bill to amend the Internal Revenue Code of 1986 to limit an employer's deduction for health care costs of its employees if the employer fails to honor its commitment to provide health care to its retirees; to the Committee on Finance.

RETIREE HEALTH BENEFITS LEGISLATION

Mr. PRESSLER. Mr. President, I am introducing legislation today to rectify a great disservice done to a number of retired Americans, including many in my State of South Dakota.

Specifically, the retired employees of John Morrell & Co.—a meatpacking plant located in Sioux Falls—were promised life-time health benefits by the company when they retired. As these workers planned for their retirement, they relied upon the Morrell promise of continued health care benefits.

However, in January of this year, Morrell unilaterally terminated all of its retiree health insurance benefits—suddenly leaving about 3,300 retirees and their families throughout the country without health insurance. These individuals now find themselves with little or no options for replacing their health insurance.

Mr. President, this is patently unfair. As policymakers, we must not allow these inequitable actions to remain unchallenged. If we do, we risk establishing a precedent that encourages other companies to violate good faith agreements with their employees' health care benefits.

The parent company of Morrell is Chiquita Brands, Inc., a highly successful multinational corporation known to many Americans. Chiquita has refused several good faith offers to negotiate with the Morrell retirees on this issue. Chiquita has moved to save money for the company at the expense of those who have no standing to defend themselves.

In March of 1991, Morrell sent a letter to its retirees announcing it reserved the right, at its sole discretion, "to alter, modify, or terminate" any benefit at any time. In December, 1991, Morrell announced the first unilateral reduction in retiree health benefits. Legal proceedings challenging the action began immediately.

So far, efforts to reverse the decision in Federal court have been unsuccessful. In October 1992, a Federal district court trial was held in South Dakota. The trial court refused to overturn Morrell's action. It concluded that the health benefits were not contractually guaranteed by the company. When a divided panel of the U.S. Court of Appeals for the Eighth Circuit affirmed the lower court decision, Morrell immediately terminated all health benefits for all retirees. An appeal has been made to the U.S. Supreme Court, though review is unlikely given the few cases selected by the Court each year.

The Morrell retirees are at the end of their rope. They have tried to retain their health benefits through negotiations and through the courts. When it comes to matters such as this, legislation must be considered the last best alternative. Frankly, we have reached that point. It is time for Congress to step in.

Therefore, today I am introducing legislation that is intended to stop the transaction in its tracks, and prevent similar injustices from being done in the future. My bill, the Retiree Health Benefit Protection Act, would end these abuses by making it costly for those companies who entice their employees to rely upon the company's good will and then, subsequently, renege on their promises of continued health benefits.

The Retiree Health Benefit Protection Act would reduce significantly the amount of the current tax deduction that a company can take for expenses made to provide medical care to its employees. Under current law, companies are allowed to take a 100 percent tax deduction for these expenses. My bill would reduce that to 25 percent—the same rate at which a self-employed individual can deduct their expenses—if a company refuses to honor its prior health benefit commitment to its retirees.

Mr. President, some will say this bill is tough. It is. As we all know, businesses make their decisions largely by looking at the bottom line. For Chiquita, its seems that its bottom line requires it to drop health benefits to Morrell retirees. My bill is designed to alter the bottom line—to make it clear that companies cannot break a promise to its retirees without paying a great price. The Morrell retirees are paying an unfair and unjustified price right now for Chiquita's action. But what price is Chiquita paying? I do not believe that a company should be allowed to continue to take full advantage of the tax benefits of providing health care if they do not continue to fully provide promised health care benefits. Therefore, my bill is designed to impose a price—to alter the bottom line—and in a manner that I believe will make companies keep the promises they make to their employees.

We in Congress have an obligation to be sure that policies that impact our retirees are fair. For many years, retired Americans work and plan for a day when they can spend their later years reaping the benefits of hard work. These plans depend largely on promises made by others, including their employers. Retirees make financial decisions counting on these promises being kept.

The Federal Government—through the tax code—provides tax breaks to those companies who provide benefits to their workers, such as health care. In short, we use the tax code to reward good faith behavior. It is now time to consider using the code to prevent a violation of good faith, or to punish such violations. Chiquita/Morrell made a promise to their employees. It has an obligation to live up to its word to the many retired Americans who made Morrell an integral part of South Dakota's economy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN HEALTH CARE DEDUCTION OF EMPLOYERS FAILING TO HONOR COMMITMENT TO PROVIDING HEALTH CARE TO RETIREES.

(a) IN GENERAL.—Section 162 of the Internal Revenue Code of 1986 (relating to deduction for trade or business expenses) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) REDUCTION IN CERTAIN HEALTH CARE DEDUCTIONS OF EMPLOYEES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this chapter, if—

"(A) an employer provided medical care to its retired employees and their spouses and dependents during the 10-year period ending on December 31, 1993, and

"(B) the employer does not provide that medical care for any period after December 31, 1993,

the amount allowable as a deduction under this chapter for expenses incurred in providing medical care to officers and employees of the employer (and their spouses and dependents) during the period described in subparagraph (B) shall not exceed 25 percent of the amount of the deduction without regard to this subsection.

"(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) MEDICARE CARE.—The term 'medical care' has the meaning given such term by section 213(d)(1).

"(B) FAILURE TO PROVIDE MEDICAL CARE.—For purposes of paragraph (1)(B), an employer shall be treated as failing to provide medical care for any period if there is a substantial reduction in the level of medical care provided during the period from the level provided on December 31, 1993.

"(C) PREDECESSORS.—For purposes of paragraph (1)(A), an employer shall be treated as having provided any medical care which any predecessor of the employer provided.

"(D) CONTROLLED GROUPS.—All employers who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as one employer for purposes of this subsection."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to periods beginning on and after January 1, 1994, in taxable years ending after such date.

By Mr. MOYNIHAN:

S. 828. A bill to enable each State to assist applicants and recipients of aid to families with dependent children in providing for the economic well-being of their children, to allow States to test new ways to improve the welfare system, and for other purposes; to the Committee on Finance.

THE FAMILY SUPPORT ACT OF 1995

Mr. MOYNIHAN. Mr. President, I rise for the purpose of introducing the Family Support Act of 1995. Senators who have been following the subject of welfare policy will recognize this as a successor to the Family Support Act of 1988, which was adopted in this Chamber just this side of 7 years ago, on September 29, 1988, by a vote of 96 to 1. I was the manager on our side and recall very specifically the atmosphere, the emotion; we knew this bill, from a near unanimous Senate, was going out the door to the House of Representatives where it would be received and treated in much the same manner; only thereafter to go to the White House where President Reagan, having helped shape the legislation would welcome it, sign it. He would sign what he called "this landmark legislation" in the company of such great Senators still in this body as our hugely respected majority leader, Senator DOLE; my revered colleague, now chairman of the Finance Committee, Senator PACKWOOD; our former colleague, subsequently Secretary of the Treasury, Lloyd Bentsen, as well as Members of the House of Representatives.

It was a grand moment in the Rose Garden. President Reagan said that Congress and those particularly active on this measure would be remembered for accomplishing what many have attempted but no one had achieved in several decades, "a meaningful redirection of our welfare system."

It will seem unimaginable to us today, but the Family Support Act of 1988 was not a partisan political measure. There in the Rose Garden was Senator DOLE, Senator Bentsen, the Speaker was there, Mr. Foley, Mr. Michel, the minority leader representing the Republicans. The chairman of the Governors Association of the United States, William Jefferson Clinton, was there, having been a wondrous, energetic advocate on behalf of the Governors. And with him his then colleague, as Governor of Delaware, the Honorable MIKE CASTLE, now Representative from the State of Delaware in the House of Representatives. Democrat and Republican alike, joining in a near unanimous measure to do what needed doing, a good 50 years, a good half century into the experience with what we have called welfare, under the Social Security Act of 1935.

We redefined the statute to bring it in line with a new reality. The original Social Security Act of 1935, adopted in the midst of the Depression, provided for aid to dependent children. Basically, it represented the Federal Government picking up the widows' pensions which had been adopted in almost half the States by this point. But these States were under severe economic stress in that Great Depression; the Federal Government assumed the responsibility for the children. In 1939 the mother of the family was included as well so it became Aid to Families with Dependent Children. And it was expected to be a bridge, very similar to Old Age Assistance, which would last until Social Security having matured, widows with their children were entitled to survivors insurance—Old Age and Survivors Insurance [OASI].

Indeed, that has happened. I think it is the case that only 71 percent of the recipients of Social Security benefits are in fact retired adults. The rest are, indeed, survivors and dependent children.

But then something new happened. Family structure began to change in our country. It is not the most comfortable subject to deal with, but it is a necessary one, Mr. President, and we have become more open about it. In fact, it is President Clinton who now speaks of this. He spoke to us about this in a joint session of the Congress. We now have a rate of births of children in single-parent families that has reached 33 percent. At the time the Social Security Act was enacted it was probably 4 percent. Our first hard number is 4 percent, in 1940.

We are not alone in this. The same phenomenon has taken place in the United Kingdom, in France, in Canada. We find it difficult to explain. Our other neighbors, as it were, find it difficult to explain. But we cannot doubt its reality.

In 1992, for example, the ratio in New York City had risen to 46 percent, approaching half. It may be at that point now. Because we observe a regular rise, year after year, at a very steady rate of about 0.86 percent a year. There has not been one year since 1970 in which the ratio has not risen.

One of the consequences has been the rise in the number of cases, of families receiving Aid to Dependent Children. There was a sharp rise in the late 1960's. It reached a certain plateau in the 1980's, which we think to be—do not know but think to be—a matter of demography. The childbearing population was flat or even declined a little bit. Then, starting in 1989 it begins a very pronounced rise. We go from 3.5 million to almost 5 million in 4 years. It is dropping just a little bit now, but we anticipate an increase in the population of childbearing age such that we have every reason to think there will be an increase in this caseload. And we knew those things in 1988. And we knew we had to do something quite different. We had to redefine welfare. It was no longer a widow's pension.

I have the great honor to know Frances Perkins, the Secretary of Labor, who had been chairman of the Committee on Economic Security that presented the program to President Roosevelt, and she would describe a typical recipient—this is 1962, 1963—as a West Virginia miner's widow.

Miners' women did not work in coal mines, and widows were not expected to do such things in any event. It was a permanent condition. Suddenly we found a population of young persons with very young children who were dependent but ought not to remain so. It is not fair to them, it is not fair to their children, it is not fair to the society that is maintaining them. So the Family Support Act of 1988, the first such act, said we will make a contract. We will say that society has a responsibility to help dependent families become independent, and they in turn have a responsibility to help themselves—a mutual responsibility.

We started the JOBS Program, the Job Opportunities and Basic Skills Program. We said we will expect people to work. Well, of course. I have here a button from one of the JOBS programs in Riverside, CA. We had testimony in the Finance Committee just a while ago. It is a wonderful button. The director is an enthusiastic man. The button says, "Life Works If You Work." He is right. And there is nothing wrong with that. Twenty years ago such ideas would possibly have been thought of as punitive, possibly stigmatizing. We are well beyond that in large part because of the JOBS Program.

There is no doubt that we passed this legislation because States had begun to innovate. Those innovations seemed promising, and the Manpower Development Research Corp. based in New York City could measure results. And these innovations went right across the political spectrum. Governor Dukakis, a liberal Democratic Governor of Massachusetts, and Governor Deukmejian, a conservative Republican Governor of California, adopted very similar ideas—get people ready to work, get them thinking they can do it, and get them out of the house and into the mainstream.

We based our program on those experiments that had taken place. We very carefully said we are going to work on the hardest cases, not the easiest ones.

If I can say, Mr. President, at the risk of being a little too statistical, the population of the AFDC cases is what statisticians call bimodal. A little less than half, about 40, 45 percent are mature women whose marriages have broken up, or they are separated, or divorced. They will come into this arrangement for a brief period and they go off on their own. They organize their lives as people do, and the research is very clear on that. You can do all the effort you want with such people. They do not need your help, thanks very much. They just need some income support for a period until they get their other affairs in shape on their own. But slightly more than half are young people with no marriage, no job experience or little, often in settings where they are surrounded by such persons.

Mr. President, may I ask if I can continue in morning business, there being no other Senator seeking recognition?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Thank you, Mr. President.

So we launched this program. Having been involved with this subject for 30 years and more, may I say one recognizes in the State governments enormous creativity. There is scarcely a day or week that you do not read of some new program in one State or another.

I believe it was Monday evening on one of the evening news programs, it was NBC. It was Lisa Myers interviewing persons in Connecticut including the Governor where a very bold set of ideas has been developed around the principles of the Family Support Act of 1988. You are in here, it is a temporary arrangement, we are going to help you get out of this. We realized what obstacles we had inadvertently put in place to becoming free of welfare. In 1965 we enacted Medicare and Medicaid. So then a welfare mother had health care for her children, full, free health care. The minute she left welfare she lost it. Many mothers are going to think twice about that, particularly if a child has a health condition that is chronic and requires care. It would be unfair to the child to deprive him or her of that care. We said we will give you a year on Medicaid after you leave the rolls, as the term was. We will give a year of child care. We will help you along in this.

States are innovating all the time. Up in Connecticut they are saying, "Remember. You only have"—as I believe it was—"21 months. In the meantime any job you get you keep it."

That is the kind of waiver which we anticipated in the legislation, bipartisan and unanimous legislation, and the Clinton administration and Secretary Shalala have been very good about getting these things up and out, but not fast enough, a problem addressed by the legislation I introduce today. We say a waiver decision will be handed down in 90 days. The presumption is the States know what they are doing, and we want them to try it.

This morning the front page of the Washington Post has a story, "Virginia Suburbs To Test Allen Welfare Plan. Area Has Eleven Months to Adopt Changes, Find Thousands Work."

Work. "Life Works If You Work." We are not afraid of that. We wanted that. We encouraged that. That is what the legislation did. Governor Allen, a Republican Governor. The article says:

> That means one of the country's boldest welfare plans will unfold in the back yard of its top leaders, virtually guaranteeing the attention of Congress and the White House as they shape national policy.
>
> "Virginia is again making history," said Allen, a Republican. "It is the most sweeping and, I think, the most compassionate welfare reform plan anywhere in the nation."

This is taking place under the Family Support Act of 1988. And it is being paid for by the Federal matching funds and the guaranteed matching support for children. There is something very important there that might easily have been missed in that statement. I will say it again.

Governor Allen says, "Virginia is again making history. It is the most sweeping and, I think, the most compassionate welfare reform plan anywhere in the nation."

A welfare reform designed to say to people you have got to go to work, you have a set time where you have to get yourself together, and we will help you to get on your way.

Years ago no one would have described such an effort as compassionate. Indeed, I have been through these matters and I can say to you the slightest suggestion that work might be appropriate for welfare recipients was decried as punitive, and those who suggested it said, "No, no, no. There is no such intention." Now, openly, Governors will say, if you care about your fellow citizens, you have to help them get out of the debilitating and unfair situation.

And that is what we do. That is what we can do more of. The bill I introduce today will provide an additional $8 billion over 5 years with every penny paid for, every penny provided through closing tax loopholes, refining the Supplementary Security Income program. I had a hand in the proposals under President Nixon that led to SSI as we called it. It was intended to deal with the problem of adults who could not work, the permanent, totally disabled, and such like. We close loopholes such as that egregious practice we have come upon of American citizens renouncing their citizenship in order to avoid their taxes. There will be no more of that. The chairman of the Finance Committee, Mr. PACKWOOD, and I agreed as of the day this issue was brought up you cannot do it anymore. This bill will provide funds for that purpose and other such matters. We are not adding a penny to the deficit. I would not dare, particularly with that most formidable and knowledgeable chairman of the Budget Committee in the Chamber. We pay for this provision for women and children to help them pay for themselves.

Mr. DOMENICI. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield for a question.

Mr. DOMENICI. I was just passing through. I was not going to even pass on the Senator's eloquence or arguments, but since the Senator mentioned my name, I ask that the Senator particularly use his good head during the next 5 or 6 days and help us get a balanced budget.

Mr. MOYNIHAN. I will most assuredly help the Senator do that, and we want to balance the budget for the children of America, too, and we have it here and we are going to pay for it.

If the distinguished chairman could just let me point out, in the midst of the Depression of the 1930's, we could provide for dependent children as a Federal responsibility. In the 1990's, when we have a $7 trillion economy, it has been proposed to take that away.

Look at what we have done to our children. The average benefit, in 1995 dollars, two decades ago was $650. It is down to $350. That is not the social policy the chairman of the Budget Committee is associated with and not the one with which I think this Senate should wish itself to be associated.

I thank my friend.

Mr. DOMENICI. I thank the Senator. Let me just mention, however—and the Senator would agree—since the early days of that program to help our poor children, we have, indeed, passed more than a dozen major programs that also help our children that were not in existence then.

Mr. MOYNIHAN. Entirely.

Mr. DOMENICI. I do believe, from the standpoint of our people who are contributing mightily in tax dollars, they ought to have an understanding that even though that came down in real dollars, that is not the whole story, and yet I am not here to argue with the good Senator from New York.

Mr. MOYNIHAN. That is not the whole story. I was speaking earlier of Medicaid.

Mr. DOMENICI. Right.

Mr. MOYNIHAN. It was made available in 1965, previously unknown. But curiously a benefit to the children became an obstacle to leaving welfare and that is what we overcame. The Senator was one of the fine supporters of the Family Support Act of 1988. And I will see how we proceed at this point. But I thank the Senator.

Mr. DOMENICI. I would just add one other comment if the Senator would permit.

Mr. MOYNIHAN. I would.

Mr. DOMENICI. Frankly, the reason I am going to start this afternoon at noon for the balanced budget 2002 is for the children of this country. It may not be exactly for the children the Senator is referring to. I am hopeful that will all work out fine. But actually I believe the continuation of a deficit of the size we are incurring is actually antikids, antichildren.

Mr. MOYNIHAN. And antigrandchildren.

Mr. DOMENICI. Please.

MR. MOYNIHAN. It is certainly antigrandchildren.

Mr. DOMENICI. That is right, and I have a few of those. The Senator has a few.

Mr. MOYNIHAN. I could not start working into my wallet, but I know the Senator could work into his.

Mr. DOMENICI. Nobody bids against me when it comes to children and grandchildren. They give up and say, "That's off the record now."

But anyway, I do believe a continuation of the policies of the past—and it is not just now, this year, last year—is probably the meanest policy we could have for the children of the future because they are going to have to pay our bills, and they are going to have to suffer a standard of living decrease to pay our bills, and we are not adult enough to stand up and say we ought to pay for it.

Mr. MOYNIHAN. I agree.

Mr. DOMENICI. I thank the Senator.

Mr. MOYNIHAN. I agree, Mr. President, and I would also say that we have an immediate problem of the 14, 14.5 million persons in this present program who are living today. And in very short periods of time we raise children, watch children being raised, we know how quickly things go badly or, alternatively, how quickly things get on the good road and how hard it is to change thereafter.

There are those who suggest that some savage removal of this entire Social Security provision will somehow change behavior. And I say, Mr. President, that is so deeply irresponsible as to make one wonder how it ever could have gained currency.

Lawrence Mead, who is a professor at New York University, now visiting professor at the Woodrow Wilson School of Public and International Affairs at Princeton, testified before the Finance Committee on March 9 about the proposals which have come to us, in effect, are here now from the House, in H.R. 4, the Personal Responsibility Act of 1995.

I think Dr. Mead would not in the least object to being described as a conservative. He has been very much at odds with what he thought of as a liberal social policy in the time when it went pretty much unchallenged in New York City officialdom. He said to us, however, now, just wait a minute. What are you doing? What do you know now that you did not know previously when we enacted the Family Support Act? I do not wish to have him quoted as referring specifically to the Family Support Act, but he was saying what do we know now different from what we have known? I quote him:

> Can the forces behind growing welfare be stemmed? Conservative analysts say that unwed pregnancy is the greatest evil in welfare, the cause not only of dependency but other social ills. On all sides, people call for a family policy that would solve this problem, but we have no such policy. The great fact is that neither policymakers nor researchers have found any incentive, benefit or other intervention that can do much to cut the unwed pregnancy rate.

This bears repeating, from a social scientist of impeccable conservative antecedence, appearing before our committee, the Committee on Finance, which will deal with this legislation, this area of legislation. He said:

> Can the forces behind growing welfare be stemmed? Conservative analysts say that unwed pregnancy is the greatest evil in welfare, the cause not only of dependency but other social ills. On all sides, people call for a family policy that would solve this problem.

May I interject that he could be describing this Senator. I have spoken of family policy; I have written on the subject for a generation now and watched family circumstances only worsen and have been as baffled as any other.

But then to continue Lawrence Mead:

> But we have no such policy. The great fact is that neither policymakers nor researchers have found any incentive, benefit or other intervention that can do much to cut the unwed pregnancy rate.

And if we do not know how to do it, how can we possibly decide to do nothing, when we have in place a program that is showing some results, not in changing family structure but in the response of dependent families to their situation?

Dr. Mead has done some analysis of the effects of the JOBS Program where it has been attempted. It had a problem of coming into place just as we went into recession. State governments had not the resources they needed and the Federal funds were not, in fact, fully used. But where they were used, there were responses, not large but real. And every time you succeed, you change the lives of a mother and her children, and there can be no larger purpose in domestic social policy.

The same sentiments were echoed by Nathan Glazer, perhaps our reigning sociologist, professor emeritus now at Harvard University. He wrote a paper for an Urban Institute conference here in Washington just a year ago, anticipating some of the turmoil we have seen in this debate.

The Urban Institute, Mr. President, was, of course, established in the mid-1960's in the aftermath of the first turmoil associated with some of these changes in social structure that appeared in American cities. President Johnson helped sponsor it. It passed the Congress. Mr. William Gorham has dedicated a very distinguished career to the Urban Institute.

Here is what Nathan Glazer said on April 12, 1994.

> Do we know that much more than we knew in 1988 to warrant new legislation? I don't not think so. Do we feel confident enough about the programs we prescribed to States to undertake in 1988 to put substantially larger sums into them? It seems doubtful to me. Can we get a substantial part of long-term welfare clients off the welfare roles by increasing their earned income through investments and learning how to work, basic education, training programs, and the like? We cannot.

That is the passage I quote from Dr. Glazer.

I think we can do better than that. I think the record is better than that. I think the case is to be made: Continue what you are doing and strengthen what you are doing.

The Family Support Act of 1995 builds on what we have learned, even as the original was based on what we had learned. Social learning is hard. It takes generations sometimes. No one in 1950 could have imagined that our GDP would double and redouble and we would end up with the poverty that we see in cities everywhere in our country, that kind of intractable poverty that is not associated with employment or economic growth.

There is a measure to which the AFDC caseload responds to cyclical changes in the economy. Dr. David Ellwood, who is the distinguished Assistant Secretary of Health and Human Services for Policy Planning, estimates that somewhere between 10 and 20 percent of the rise in caseload in recent years might fairly be ascribed to the rise in unemployment in the beginning of the last recession. And yet, the unemployment figures go down, the caseload figures continue to go up. There is a lag, but even so we are not dealing basically with an economic issue in the sense that we think of in terms of employment, earnings. We are dealing with social change for which we have little, little explanatory device.

And so, Mr. President, I would like to thank the Senate for the kind attention in these somewhat extended remarks to the introduction of the Family Support Act of 1995.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief summary of the bill; the wonderful remarks on the signing of the Family Support Act of 1988 by President Reagan; and also an item in this morning's New York Times in which representatives of the U.S. Conference of Mayors and of the National Association of Counties observed that the legislation that has been sent us could be devastating to county government and to city government. I think in time more Governors will recognize the same. We are on a good steady path. Steady on.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF THE FAMILY SUPPORT ACT OF 1995

The bill builds on the Family Support Act of 1988 as follows:

JOBS and child care.—Participation rates under the JOBS program are increased from 20 percent in 1995 to 50 percent in 2001. The Federal matching rate for JOBS and child care is increased from a minimum of 60 percent under current law to a minimum of 70 percent (or, if higher, the State's medicaid matching rate plus 10 percentage points). The funding cap for JOBS is phased up from $1.3 billion in 1995 to $2.5 billion in 2001.

The bill also—

(1) emphasizes work by requiring States to encourage job placement by using performance measures that reward staff performance, or such other management practice as the State may choose;

(2) provides for a job voucher program that uses private profit and nonprofit organizations to place recipients in private employment;

(3) eliminates certain Federal requirements to give States additional flexibility in operating their JOBS programs; and

(4) allows States to provide JOBS services to non-custodial parents who are unemployed and unable to meet their child support obligations.

Teen parents.—For purposes of AFDC, teen parents (under age 18) are required to live at home or in an alternative adult-supervised setting. Teen parents (under age 20) are required to attend school, or participate in other JOBS activity approved by the State.

Encourage States to test alternative strategies.—Without requesting a waiver, States may adopt their own AFDC rules for (1) earnings disregards, (2) income and assets, and (3) eligibility for the unemployed parent program, for a period of five years. The Secretary of Health and Human Services must evaluate a sufficient number of program changes to determine their impact on AFDC receipt, earnings achieved, program costs, and other factors.

Interagency Welfare Review Board.—The bill establishes an Interagency Welfare Review Board to expedite waiver requests that involve more than one Federal agency. In considering an application for a waiver under section 1115 of the Social Security Act, there will be a presumption for approval in the case of a request for a waiver that is similar in substance and scale to one the Secretary has already approved. Decisions on section 1115 waiver requests must be made within 90 days after a completed application is received.

Child support enforcement.—The bill includes provisions to increase child support collections by establishing a directory of new hires, requiring States to adopt uniform State laws to expedite collections in interstate cases, requiring States to improve their paternity establishment programs, and making other changes.

In addition, the bill makes changes in SSI program rules and in rules relating to the deeming of income of sponsors to aliens for purposes of eligibility and benefits under the AFDC, SSI, and food stamp programs, and makes other changes, as follows:

SSI.—The bill includes provisions to modify disability eligibility criteria for children, to provide for increased accountability for use of benefits, and to require that retroactive benefits be used on behalf of the child.

Alien deeming.—The period during which a sponsor's income is deemed to an alien for purposes of eligibility for AFDC, SSI, and food stamps is extended from 3 to 5 years. Eligibility rules for AFDC, medicaid, SSI, and food stamps are made uniform.

Tax responsibilities incident to expatriation.—A taxpayer deciding to expatriate would owe income tax on asset gains that accrued during the period of U.S. citizenship, absent an election to instead continue to treat an asset as subject to U.S. tax. Similar rules would apply to certain long-term U.S. residents relinquishing that status.

Earned income tax credit changes.—Eligibility for the earned income tax credit would be limited to those authorized to work in the United States. In addition, the bill would provide more effective rules for verifying EITC claims where tax returns have social security number errors or omissions. Finally, an individual's net capital gains would be added to the categories of unearned income that are currently totalled in determining whether the taxpayer is eligible for the EITC.

Treatment of corporate stock redemptions.—The bill includes a provision that would assure the proper tax treatment of corporate stock redemptions. Under the bill, non pro rata stock redemptions received by a corporate shareholder would generally be treated as a sale of the stock to the redeeming corporation rather than as a dividend qualifying for the intercorporate dividends received deduction.

Description of Provisions

A. Job Opportunities and Basic Skills Training (JOBS) Program

1. INCREASE IN JOBS PARTICIPATION RATES

Present Law.—Under the provisions of the Family Support Act of 1988, 7 percent of adults in single parent families were required to participate in the JOBS program in fiscal year 1991, increasing to 20 percent in 1995. This requirement expires at the end of fiscal year 1995.

In the case of a family eligible for AFDC by reason of the unemployment of the parent who is the principal earner, the Family Support Act mandated that the State require at least one parent to participate, for a total of at least 16 hours a week, in a work experience, community work experience, or other work program. The participation rate that the State must meet was set at 40 percent in 1994, increasing to 50 percent in 1995, 60 percent in 1996, and 75 percent in 1997 and 1998.

Persons exempt from this requirement include individuals who are ill or incapacitated, are needed to care for another individual who is ill or incapacitated, needed to care for a child under age 3 (or age 1 at State option), live in a remote area, work 30 hours or more a week, and children age 16 and under who are full time students.

Proposed Change.—The participation rate is increased to 30 percent in 1997, 35 percent in 1998, 40 percent in 1999, 45 percent in 2000, and 50 percent in 2001 and years thereafter. Those who combine participation in JOBS and employment for an average of 20 hours a week, and those who are employed for an average of 20 hours a week, are counted as participants in JOBS for purposes of calculating the State's participation rate. The work requirement provisions for unemployed parents are retained.

2. CHANGE IN PURPOSE OF THE PROGRAM

Present Law.—The stated purpose of the JOBS program is to assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence.

Proposed Change.—The purpose of the program is modified by adding: to enable individuals receiving assistance to enter employment as quickly as possible; and to increase job retention.

3. REQUIREMENT FOR STAFF PERFORMANCE MEASURES

Present Law.—There is no provision relating to staff performance measures.

Proposed Change.—A State will be required to have procedures to: encourage the placement of participants in jobs as quickly as possible, including using performance measures that reward staff performance, or such other management practice as the State may choose; and assist participants in retaining employment after they are hired.

The Secretary of Health and Human Services is required to provide technical assistance and training to States to assist them in implementing effective management practices and strategies.

4. JOB PLACEMENT VOUCHER PROGRAM

Present Law.—There is no provision for a job placement voucher program.

Proposed Change.—The bill provides that, as part of their JOBS programs, States may operate a job placement voucher program to promote unsubsidized employment of welfare applicants and recipients.

The State will be required to make available to an eligible AFDC applicant or recipient a list of State-approved job placement organizations that offer job placement and support services. The organizations may be publicly or privately owned and operated.

The State agency will give an individual who participates in the program a voucher which the individual may present to the job placement organization of his or her choice. The organization will, in turn, fully redeem the voucher after it has successfully placed the individual in employment for a period of six months, or such longer period as the State determines.

5. INCREASED FLEXIBILITY IN ADMINISTERING THE JOBS PROGRAM

Present Law.—The Family Support Act requires States to include in their JOBS programs certain specified services, including education activities, skills training, job readiness, job development, and at least two work programs (including job search, work experience, on-the-job training, and work supplementation). There are also rules relating to when and how long individuals may be required to search for a job, as well as other program rules.

Proposed Change.—The bill allows States to establish their own requirements for when and how long a recipient or applicant must participate in job search. It also eliminates the present law requirement that individuals who are age 20 or over and have not graduated from high school (or earned a GED) must be provided with education activities, and eliminates the requirement that States offer specified education and training services. The requirement that the State have at least two work programs is retained.

6. PERMIT STATES TO PROVIDE EMPLOYMENT SERVICES FOR NON-CUSTODIAL PARENTS

Present Law.—The Family Support Act allowed up to 5 States to provide JOBS services to non-custodial parents who are unemployed and unable to meet their child support obligations.

Proposed Change.—All States will be given the option of providing JOBS services to non-custodial parents who are unemployed and unable to meet their child support obligations.

7. FUNDING FOR THE JOBS PROGRAM

Present Law.—States are entitled to receive their share of Federal matching payments up to a capped amount of $1.3 billion in fiscal year 1995 to operate the JOBS program. The State's share of the capped amount is based on its relative number of adult AFDC recipients.

The Federal matching rate is the greater of 60 percent or the State's medicaid matching rate, whichever is higher, for the cost of services; and 50 percent for the cost of administration, and for transportation and other work-related supportive services.

Proposed Change.—The Federal matching rate for JOBS expenses by States is increased and simplified. Beginning in fiscal year 1997, the Federal matching rate will be 70 percent or the State's Federal medicaid matching rate plus 10 percentage points, whichever is higher. This rate will apply to all JOBS costs, including administrative costs and the costs of transportation and other work-related supportive services. The cap on Federal spending is $1.3 billion in 1997, increasing to $1.6 billion in 1998, $1.9 billion in 1999, $2.2 billion in 2000, and $2.5 billion in 2001 and years thereafter.

8. FUNDING FOR CHILD CARE

Present Law.—States must guarantee child care for individuals who are required to participate in the JOBS program. Child care must also be guaranteed, to the extent the State agency determines it to be necessary for an individual's employment, for a period of 12 months to individuals who leave the AFDC rolls as the result of increased hours of, or increased income from, employment. (Funding for this transitional child care expires at the end of fiscal year 1998.) States are entitled to receive Federal matching for the costs of such care at the State's medicaid matching rate. States are also entitled to receive Federal matching at the medicaid matching rate for care provided to individuals whom the State determines are at risk of becoming eligible for AFDC if such care were not provided. There is a cap on Federal matching for "at risk" child care of $300 million in any fiscal year. Funds are distributed to the States on the basis of the relative number of children residing in each State.

Proposed Change.—The Federal matching rate for child care is increased to 70 percent, or the State's medicaid matching rate plus ten percentage points, whichever is higher. The authority for Federal funding for transitional child care for persons who leave the AFDC rolls is made permanent.

9. EVALUATION OF JOBS PROGRAMS; PERFORMANCE STANDARDS

Present Law.—The Family Support Act of 1988 required the Secretary of Health and Human Services to evaluate State JOBS programs in order to determine the relative effectiveness of different approaches for assisting long-term and potentially long-term AFDC recipients. The Secretary was required to use outcome measures to test effectiveness, including employment, earnings, welfare receipt, and poverty status. These evaluations are being conducted in large part by the Manpower Demonstration Research Corporation.

The Family Support Act also required the Secretary to develop performance standards that measure outcomes that are based, in part, on the results of the JOBS evaluations. On September 30, 1994, the Department of Health and Human Services issued a report on the progress that has been made in developing an outcome-based performance system for JOBS programs. The report stated that recommendations for outcome measures will be transmitted to the Congress by April 1996. Final recommendations on performance standards will be ready before October 1998.

Proposed Change.—The bill authorizes such sums as may be necessary for fiscal years 1996–2000 to enable the Secretary to continue evaluating the effectiveness of State JOBS programs. The information derived from these evaluations is to be used to provide guidance to the Secretary in making improvements in the performance standards that were required by the Family Support Act. It is also to be used to enable the Secretary to provide technical assistance to the States to assist them in improving their JOBS programs, and in meeting the required performance standards. The evaluations shall include assessments of cost effectiveness, the level of earnings achieved, welfare receipt, job retention, the effects on children, and such other factors as the State may determine.

B. Aid to Families with Dependent Children (AFDC)

1. TEEN CASE MANAGEMENT SERVICES

Present Law.—There is no requirement in present law that States must provide case management services to teen parents who are receiving AFDC.

Proposed Change.—State welfare agencies will be required to assign a case manager to each custodial parent who is under age 20. The case manager will be responsible for assisting teen parents in obtaining services and monitoring their compliance with all program requirements.

2. REQUIREMENT FOR TEEN PARTICIPATION IN EDUCATION OR OTHER ACTIVITY

Present Law.—The statute provides that States generally must require teen parents under age 20 (regardless of the age of the child) to attend school or participate in another JOBS activity, but only if the program is available where the teen is living, and State resources otherwise permit.

Proposed Change.—The rules requiring teens to attend school or participate in another JOBS activity are strengthened. Teen parents under age 20 who have not completed a high school education (or its equivalent) must be required to attend school, participate in a program that combines classroom and job training, or work toward attainment of a GED. A teen parent who has successfully completed a high school education (or its equivalent) must participate in a JOBS activity (including a work activity) approved by the State. States may provide for exceptions to this requirement, in accordance with regulations issued by the Secretary of Health and Human Services. However, exceptions to the requirement may not exceed 50 percent of eligible teens by the year 2000.

In addition, States may also have programs to provide incentives and penalties for teens to encourage them to complete their high school (or equivalent) education.

3. LIVING ARRANGEMENTS FOR TEEN PARENTS

Present Law.—States have the option of requiring a teen under the age of 18 and has never married, and who has a dependent child (or is pregnant) to live with a parent, legal guardian, or other adult relative, or reside in a foster home, maternity home, or other adult-supervised supportive living arrangement. The State is required, where possible, to make the AFDC payment to the parent or other responsible adult. Certain exceptions to these requirements are provided in statute.

Proposed Change.—The bill requires all States to require a teen under age 18 who has a dependent child (or is pregnant) to live with a parent, legal guardian, or other adult relative, or reside in a foster home, maternity home, or other adult-supervised supportive living arrangement. Assistance will be paid to the teen's parent or other adult on the teen's behalf. Exceptions to this requirement may be made by in cases where the State determines that the physical or emotional health or safety of the teen parent or child would be jeopardized if they lived with the teen's parent, or where the State determines (under regulations issued by the Secretary) that there is good cause. The State agency will have responsibility for assisting teens in locating appropriate living arrangement when this is necessary.

4. ESTABLISHMENT OF INTERAGENCY WELFARE REVIEW BOARD

Present Law.—At the present time there is no interagency board to review requests by States for waivers from Federal program rules that involve more than one agency.

Proposed Change.—In order to facilitate the consideration of welfare program requirement waiver requests that involve more than one Federal department or agency, an Interagency Welfare Review Board would be created. Members would include the Secretaries of Agriculture, Health and Human Services, Housing and Urban Development, Labor, and Education, or their designees. The President may make such other appointments to the Board as he determines appropriate.

The Board will act as the central organization for coordinating the review of State applications for waivers that involve more than one Federal department or agency, and will provide assistance and technical advice to the States. The Board may issue an advisory opinion with respect to a waiver request, but final decisions will be made by the Secretaries of the departments or agencies that have responsibility for the programs involved. The Board must establish a schedule for the consideration of a waiver application to assure that the State will receive a final decision not later than 90 days after the date the completed application is received by the Board.

5. CONSIDERATION OF SECTION 1115 WAIVER REQUESTS

Present Law.—Section 1115 of the Social Security Act gives the Secretary of Health and Human Services authority to waive State compliance with specified rules under the AFDC, child support and medicaid programs. There is no authority to waive JOBS program rules.

The purpose of the waiver authority is to enable States to implement demonstration projects that the Secretary finds will assist in promoting the objectives of the programs. States must evaluate their demonstration programs, and the programs must not increase Federal spending.

Proposed Change.—States will be allowed to apply for waivers of JOBS program rules in order to conduct JOBS demonstration projects.

In addition, the Secretary will be required to approve or disapprove a section 1115 waiver request within 90 days after the completed application is received. In considering an application for a waiver, there will be a presumption for approval in the case of a request for a waiver that is similar in substance and scale to one that has already been approved.

6. STATE AUTHORITY TO ESTABLISH CERTAIN AFDC RULES

Present Law.—The Social Security Act specifies the rules States must follow with respect to income and resource requirements, the disregard of income, and the definition of unemployment and the number of quarters of work required for eligibility under the Unemployed Parent (UP) program.

Proposed Change.—Any State may, without receiving a waiver, establish any of the following program changes: income and resource requirements, requirements relating to the disregard of income, standards for defining unemployment that are different from those prescribed by the Secretary in regulations (which currently limit eligibility for UP benefits to families in which the principal earner works fewer than 100 hours a month), and rules that prescribe the numbers of quarters of work that a principal earner must have to qualify for Unemployed Parent benefits. This authority expires at the end of five years.

The Secretary is required to evaluate a sufficient number of the program changes established by the States pursuant to this authority to determine the impact of the changes on AFDC recipiency, earnings achieved, program costs, and such other factors as the Secretary may determine. A State chosen by the Secretary for an evaluation must cooperate in carrying out the evaluation.

C. Child Support Enforcement Program

The Family Support Act of 1988 strengthened the Child Support Enforcement program, which was enacted in 1975 (Title IV-D of the Social Security Act), by: requiring States to establish automated tracking and monitoring systems (with 90 percent of the funding provided by the Federal government); requiring wage withholding beginning in 1994 for all support orders (regardless of whether a parent has applied to the child support enforcement agency for services); and requiring judges and other officials to use State guidelines to establish most child support award levels.

States were required to review and adjust individual case awards every three years for AFDC cases (and every three years at the request of a parent in other IV–D cases); meet Federal standards for the establishment of paternity; require all parties in a contested paternity case to take a genetic test upon the request of any party (with 90 percent of the laboratory costs paid by the Federal government); and to collect and report a wide variety of statistics related to the performance of the system. The Act also established the U.S. Commission on Interstate Child Support, which issued its report with recommendations in May 1992.

1. REQUIRE THE ADOPTION BY ALL STATES OF THE UNIFORM INTERSTATE FAMILY SUPPORT ACT (UIFSA)

Present Law.—The Uniform Interstate Family Support Act (UIFSA) was approved by the National Conference of Commissioners on Uniform State laws in August 1992. It contains a wide variety of provisions designed to improve enforcement of interstate child support cases by providing uniformity in State laws and procedures, and creating a framework for determining jurisdiction in interstate cases. Not all States have adopted UIFSA.

Proposed Change.—All States are required to adopt UIFSA not later than January 1, 1997.

2. RULES FOR PATERNITY ESTABLISHMENT COOPERATION

Present Law.—The statute requires AFDC applicants and recipients, as a condition of aid, to cooperate with the State in establishing paternity and in obtaining support payments unless there is good cause for refusal to cooperate. It does not define what constitutes cooperation. The determination as to whether an individual is cooperating or has good cause for refusing to cooperate is made by the welfare agency.

Proposed Change.—Cooperation is defined in statute as the provision by the mother of both a name and any other helpful information to verify the identity of the putative father (such as the present or past address, the present or past place of employment or school, date of birth, names and addresses of parents, friends, or relatives able to provide location information, or other information that could enable service of process). The good cause exemption in present law is retained.

For purposes of AFDC eligibility, a mother (or other relative) will not be determined to be cooperating with efforts to establish paternity unless the individual provides the required information. The child support enforcement agency is required to make this determination within 10 days after the individual has been referred for services by the welfare agency. However, the State cannot deny benefits on the basis of lack of cooperation until such determination is made.

3. STREAMLINING PATERNITY ESTABLISHMENT

Present Law.—States are required to have procedures for a simple civil process for voluntarily acknowledging paternity under which the rights and responsibilities of acknowledging paternity are explained, and due process safeguards are afforded. The State's procedures must include a hospital-based program for the voluntary acknowledgment of paternity. States must also have procedures under which the voluntary acknowledgment of paternity creates a rebuttable, or at the option of the State, conclusive presumption of paternity, and under which such voluntary acknowledgment is admissible as evidence of paternity, and procedures under which the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without requiring any further proceedings to establish paternity.

Proposed Change.—States are required to strengthen procedures relating to establishment of paternity. A parent who has acknowledged paternity has 60 days to rescind the affidavit before the acknowledgment becomes legally binding (with later challenge in court possible only on the basis of fraud, duress, or material mistake of fact). However, minors who sign the affidavit outside the presence of a parent or court-appointed guardian have greater opportunity to rescind the acknowledgment after 60 days. Due process protection is enhanced by requiring that States more adequately inform parents of the effects of acknowledging paternity.

The bill also provides that no judicial or administrative procedures may be used to ratify an unchallenged acknowledgment, and that States may not use jury trials for contested paternity cases. Where there is clear and convincing evidence of paternity (such as a genetic test), States must, at a parent's request, issue a temporary order requiring the provision of child support. Finally, States must have procedures ensuring that fathers have a reasonable opportunity to initiate a paternity action.

4. PATERNITY ESTABLISHMENT OUTREACH

Present Law.—There is no requirement that States have a paternity outreach program.

Proposed Change.—States are required to publicize the availability and encourage the use of procedures for voluntary paternity establishment and child support through a variety of means, including distribution of written materials at health care facilities and other locations such as schools; prenatal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity; and reasonable follow-up efforts after a new-born child has been discharged from a hospital if paternity or child support have not been established. States may receive 90 percent Federal matching for these outreach efforts.

5. REVIEW AND ADJUSTMENT OF ORDERS

Present Law.—States are required to review and adjust child support orders at least every 36 months (1) in the case of an AFDC family, unless the State determines that a review would not be in the best interests of the child and neither parent has requested review; and (2) in the case of any other order being enforced by the child support enforcement agency, if either parent has requested review.

Proposed Change.—States are required to review both AFDC and non-AFDC child support orders every three years at the request of either parent, and to adjust the order (without a requirement for any other change in circumstances) if the amount of child support under the order differs from the amount that would be awarded based on State guidelines.

Upon request at any time of either parent subject to a child support order, the State must review the order and adjust the order in accordance with State guidelines based on a substantial change in the circumstances of either such parent.

Child support orders issued or modified after the date of enactment must require the parents to provide each other with an annual statement of their respective financial condition.

6. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION

Present Law.—Among its other recommendations, the U.S. Commission on Interstate Child Support recommended the establishment of a commission to study issues relating to child support guidelines.

Proposed Change.—The bill establishes a commission to determine whether it is appropriate to develop a national child support guideline, and if it determines that such a guideline is needed, to develop such a guideline. The commission is to make its report no later than two years after the appointment of its members.

7. ESTABLISH CENTRALIZED STATE CASE REGISTRIES AND ENFORCEMENT SERVICES

Present Law.—Child support orders and records are often maintained by various branches of government at the local, county, and State level. Under the current program, IV–D services are provided automatically without charge to recipients of AFDC and Medicaid. Other parents must apply for services, and may at State option be required to pay a fee for services.

Proposed Change.—The bill requires each State to establish both a Central Registry for all child support orders established or registered in the State, and a centralized payment processing system in order to take advantage of automation and economies of scale, and to simplify the process for employers. For enforcement purposes, States must choose one of two types of systems for payment processing: (a) an "opt-in" centralized collections system where one parent would have to apply to the IV–D agency to receive services, or (b) an "opt-out" centralized system where all cases would automatically have withholding and enforcement done by IV–D unless both parents make a request to be exempt from the process. Under either option, the centralization process for enforcement would be used for collections and disbursement.

8. ESTABLISH FEDERAL DATA SYSTEMS: A DIRECTORY OF NEW HIRES WITHIN AN EXPANDED FEDERAL PARENT LOCATOR SERVICE (FPLS)

Expanded Federal Parent Locator Service (FPLS):

Present Law.—State child support agencies now have access to the FPLS, a computerized national location network operated by the Office of Child Support Enforcement, which obtains information from six Federal agencies and the State employment security agencies. This information only relates to a parent's location, and does not include income and asset information. It is used for enforcement of existing child support orders, not to establish paternity or establish and modify orders.

Proposed Change.—A New Hire Directory, and a new Data Bank on Child Support Orders which contains information of all cases sent by the State registries, are added to the current FPLS. The FPLS database is expanded to provide States with additional information about not only the location of the individual but also income, assets, and other relevant data. States may access this information for enforcement, establishing paternity, and establishing and modifying orders.

a. Directory of New Hires:

Present Law.—Employers are currently required, generally on a quarterly basis, to report employee wages to State employment security offices. These reports are used to determine unemployment benefits. In order to more rapidly and effectively implement wage withholding to enforce child support orders, a number of States have adopted laws requiring employers to report information on each newly hired individual within a specified number of days after the individual is hired.

Proposed Change.—A national New Hire Directory is created within the FPLS. Employers will be required to report the name, date of birth, and social security number of each newly hired employee to the New Hire Directory within 10 days of hiring. This information will be compared with information in the expanded FPLS, and matches will be sent back to the appropriate States to be used for enforcement.

9. REQUIRE SUSPENSION OF LICENSES

Present Law.—There is no provision in present law requiring States to withhold or suspend, or restrict the use of, professional, occupational, recreational and drivers' licenses of delinquent parents.

Proposed Change.—States are required to have such procedures and to use them in appropriate cases.

10. INCREASED USE OF CONSUMER REPORTING AGENCIES

Present Law.—State child support enforcement agencies are required to report periodically the names of obligors who are at least 2 months delinquent in the payment of support and the amount of the delinquency to consumer reporting agencies. If the amount of the delinquency is less than $1,000, such reporting is optional with the State. The State's procedural due process requirements must be met.

Proposed Change.—States are required to report periodically to consumer reporting agencies the name of any parent who is delinquent in the payment of support, but only after the parent has been afforded due process under State law, including notice and a reasonable opportunity to contest the accuracy of the information.

11. REQUIRE INTEREST ON ARREARAGES

Present Law.—There is no requirement that States charge interest on child support arrearages.

Proposed Change.—States must charge interest on arrearages.

12. DENY PASSPORTS FOR CERTAIN ARREARAGES

Present Law.—There is no provision in present law relating to denial of passports for failure to pay child support.

Proposed Change.—If the Secretary of HHS receives a certification by a State agency that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action. The Secretary of State shall refuse to issue a passport to such an individual, and may revoke, restrict, or limit a passport issued previously to such individual.

13. EXTEND STATUTE OF LIMITATIONS

Present Law.—There is no provision for a statute of limitations for purposes of collecting child support.

Proposed Change.—States must have procedures under which the statute of limitations on arrearages of child support extends at least until the child owed such support is 30 years of age.

14. REQUIREMENTS FOR FEDERAL EMPLOYEES AND MILITARY PERSONNEL

Present Law.—The armed forces have their own rules relating to child support enforcement. Procedural rules for wage withholding for Federal and military employees, and for other employees, are not uniform.

Proposed Change.—Federal employees are made subject to the same withholding procedures as non-Federal employees. The Secretary of Defense is required to streamline collection and location procedures of military personnel. The military would be treated similarly to a State for purposes of child support enforcement interaction with other States, and more as any other employer for purposes of wage withholding.

15. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS

Present Law.—The 1988 Family Support Act authorized $4 million for each of fiscal years 1990 and 1991 to enable States to conduct demonstration projects to develop and improve activities designed to increase compliance with child access provisions of court orders.

Proposed Change.—The bill authorizes $5 million for each of fiscal years 1996 and 1997, and $10 million for each succeeding fiscal year to enable States to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children, through mediation, counseling, education, development of parenting plans, visitation enforcement, and development of guidelines for visitation and alternative custody arrangements.

16. CHANGE DISTRIBUTION REQUIREMENTS

Present Law.—If a family is receiving AFDC, the family receives the first $50 of the monthly child support payment. Additional amounts that are paid are used to reimburse the State and Federal governments for assistance paid to the family. When a family leaves AFDC, the State must pass through all current monthly child support to the family, but has the option whether to first pay the family any arrearages which are collected, or whether to reimburse the State and Federal governments.

Proposed Change.—The bill requires States to pay all families who have left AFDC any arrearages due the family for months during which a child did not receive AFDC, before using those arrearages to reimburse the State and Federal government. States are given the option of passing through to families receiving AFDC the difference between the $50 pass-through amount and the amount of child support due for that month.

17. CHANGE IN LUMP-SUM RULE

Present Law.—If a family receiving AFDC receives a lump-sum tax refund, the family loses eligibility for the number of months equal to the amount of the lump sum payment divided by the State payment standard.

Proposed Change.—Any lump-sum child support payment withheld from a tax refund for a family receiving AFDC may be placed in a Qualified Asset Account not to exceed $10,000. Funds in this account may only be used for education and training programs, improvements in the employability of an individual (such as through the purchase of an automobile), the purchase of a home, or a change of family residence. They may not be taken into account for purposes of AFDC benefit eligibility.

18. INCREASE FEDERAL FUNDING

Present Law.—The Federal Government pays 66 percent of most State and local IV–D costs, with a higher matching rate of 90 percent for genetic testing to establish paternity and, until October 1, 1995, for statewide automated data systems. The Federal government also pays States an annual incentive payment equal to a minimum of 6 percent of collections made on behalf of AFDC families plus 6 percent of collections made on behalf of non-AFDC families. The amount of each State's incentive payment can reach a high of 10 percent of AFDC collections plus 10 percent of non-AFDC collections depending on the cost-effectiveness of the State's program. The incentive payments for non-welfare collections may not exceed 115 percent of the incentive payments for welfare collections. These incentive payments are financed from the Federal share of collections.

Proposed Change.—The Federal matching rate will increase to 75 percent in 1999, and there will be a maintenance of effort required by the State. The Secretary will issue regulations creating a new incentive structure for State IV–D systems based on paternity establishment throughout the State (not just within the IV–D system) and a series of measures of overall performance in collections and cost-effectiveness of the IV–D system. The incentives will range up to 5 percentage points of the matching rate for paternity establishment, and up to 10 percentage points for overall performance measures. States must spend incentive payments on the IV–D system. If a State fails to meet certain performance standards such as for paternity establishment or overall performance, the IV–D agency will be assessed penalties ranging from at least 3 percent of funding as a first sanction, up to 10 percent for a third sanction.

19. LIMIT ON MATCH FOR OLD SYSTEMS, AND CAP FUNDING FOR THE NEW SYSTEMS

Present Law.—The 1988 Family Support Act required States to establish automated tracking and monitoring systems for child support enforcement by October 1, 1995, with 90 percent of the funding for planning, development, installation, or enhancement of such systems provided by the Federal government.

Proposed Change.—The Federal matching rate for the new systems requirements in this bill is 80 percent or, if higher, the rate the State is entitled to receive for other program purposes, as described above (combining the new Federal matching rate and the State's incentive payments). Federal spending for this purpose may not exceed $260 million annually for fiscal years 1996 through 2001.

20. AUDIT AND REPORTING

Present Law.—The statute mandates periodic comprehensive Federal audits of State programs to ensure compliance with Federal requirements. If the Secretary finds that a State has not complied substantially with Federal requirements, the State's AFDC matching is reduced not less than one nor more than two percent for the first finding of noncompliance, increasing to not less than three nor more than five percent, if the finding is the third or a subsequent consecutive such finding.

Proposed Change.—The Secretary will establish standards to simplify and modify Federal audit requirements, focusing them more on performance outcomes.

C. Supplemental Security Income (SSI) Program

1. REVISED SSI CHILDHOOD DISABILITY REGULATIONS

Present Law.—In determining whether a child under the age of 18 is disabled for the purpose of qualifying for Supplemental Security Income, regulations require the Social Security Administration (SSA) to consider the degree to which an impairment or combination of impairments affects a child's ability to develop, mature and to engage in age-appropriate activities of daily living.

In making these evaluations, SSA conducts what is called an "individualized functional assessment" (IFA) in which a child's activities are broken into "domains" of functioning or development, such as cognition, communication, and motor ability. Under current regulations, the limitation in functioning caused by conduct disorders, or maladaptive behavior, may be considered under several domains.

To be found to be disabled based on an IFA under the Commissioner's current regulations, a child's impairment(s) must, at a minimum, cause a moderate limitation in functioning in at least three domains of functioning.

Proposed Change.—The Commissioner of Social Security is required to revise SSA's regulations for adjudicating claims for SSI benefits filed for children by reducing the number of domains considered in determining whether a child is disabled based on an individualized functional assessment, to consider maladaptive behavior in only one domain, and to require that, at a minimum, a child's impairment(s) cause a "marked" degree of limitation in at least two domains, or an extreme limitation in at least one domain.

The Commissioner is required to promulgate the new regulations within 9 months, and, within two additional years, redetermine the eligibility of children on the rolls whose disability was originally determined under the regulations that are revised as a result of this provision.

2. REQUIRED TREATMENT FOR DISABLED CHILDREN

Present Law.—There is no provision that requires a disabled child who qualifies for Supplemental Security Income benefits to receive medical treatment or have a treatment plan.

Proposed Change.—Within three months after a child has been found to be eligible for SSI, the parent or representative payee will be required to file a treatment plan for the child with SSA (through the State Disability Determination Service of the State in which the child resides). The plan will be developed by the child's physician or other medical provider. SSA will evaluate compliance with the treatment plan when SSA conducts a continuing disability review for the child.

If the parent or representative payee fails, without good cause, to meet these requirements, SSA will appoint another representative payee, which can be the State Medicaid agency of the State in which the child resides, or another State agency or individual.

3. CONTINUING DISABILITY REVIEWS

Present Law.—Beginning in fiscal year 1996, the Commissioner of Social Security will be required to conduct periodic continuing disability reviews (CDRs) for disabled SSI recipients (including both disabled children and adults). The provision expires in fiscal year 1998, and the Commissioner will be required to conduct CDRs for not more than 100,000 SSI recipients a year for the period 1996–1998.

Proposed Change.—The Commissioner is required to conduct periodic CDRs for disabled children who receive SSI. Reviews for all children other than those whose disabilities are not expected to improve must be conducted at least every three years, with more frequent reviews for those whom SSA determines may improve within a shorter period of time. Children who are awarded SSI benefits because of low birth weight must be reviewed after receiving benefits for 18 months.

4. SPECIAL SAVINGS ACCOUNTS FOR CHILDREN UNDER AGE 18

Present Law.—Large retroactive payments are often made when a disabled child first qualifies for SSI benefits. The retroactive payment is excluded from the $2,000 resource limit for six months, but thereafter, any remaining portion of the retroactive payment could, alone or in combination with other assets, render the child ineligible for SSI benefits.

Proposed Change.—The representative payee of a disabled child will be required to deposit the initial retroactive payment into a special account if the amount of the retroactive payment is equal to or exceeds six times the maximum Federal benefit rate. Smaller retroactive payments and underpayments may be deposited in the special account if the representative payee chooses to do so. The money in the account will not be considered to be a resource and may be used only to benefit the child and only for such purposes as education or job skills training; personal needs assistance; special equipment; housing modification; medical treatment, therapy, or rehabilitation; or other items or services determined appropriate by the Commissioner.

5. GRADUATED BENEFITS FOR ADDITIONAL CHILDREN

Present Law.—Each disabled child is eligible, under the SSI program, for an amount equal to the full Federal monthly benefit rate, which currently is $458.00, plus any supplementary payment made by the State. The benefit may be reduced because of other income received by the child, or because of parental income that is deemed to the child.

Proposed Change.—The amount payable to a child will be reduced if two or more SSI-eligible children reside together in a household. The amount for the first child will be 100 percent of the full benefit; the amount for the second eligible child will be equal to 80 percent of the full benefit; the amount for the third eligible child will be equal to 60 percent of the full benefit; and the amount for the fourth and each subsequent child will be equal to 40 percent of the full benefit. Children living in group homes or in foster care will continue to be eligible for 100 percent of the full benefit. The aggregate amount payable to all SSI-eligible children in a household will be paid to each child on a "per capita" basis.

For the purpose of determining eligibility for Medicaid, each SSI-eligible child in a household shall be considered to be eligible for an amount equal to 100 percent of the full Federal benefit rate.

6. USE OF STANDARDIZED TESTS

Present Law.—There is no provision relating to use of standardized tests for purposes of determining whether a child is disabled.

Proposed Change.—The Commissioner of Social Security is required to use standardized tests that provide measures of childhood development or functioning, or criteria of childhood development or function that are equivalent to the findings of a standardized test, wherever such tests or criteria are available and the Commissioner determines their use to be appropriate.

7. DIRECTORY OF SERVICES

Present Law.—There is no provision requiring a directory of services that are available to assist children with disabilities.

Proposed Change.—For the purpose of expanding the information base available to members of the public who contact the Social Security Administration, the Commissioner of Social Security shall establish a directory of services for disabled children that are available within the area serviced by each Social Security office. Each such directory shall include the names of service providers, along with each provider's address and telephone number, and shall be accessible electronically to all Social Security employees who provide direct service to the public.

8. COORDINATION OF SERVICES

Present Law.—There is no provision that establishes a system for assuring that SSI disabled children have access to available services.

Proposed Change.—In order to assure that a child receiving SSI benefits on the basis of disability has access to available medical and other support services, that services are provided in an efficient and effective manner, and that gaps in the provision of services are identified, the State agency that administers the Maternal and Child Health block grant would be made responsible for developing a care coordination plan for each child.

The Secretary of Health and Human Services, the Secretary of Education, and the Commissioner of Social Security are directed to take such steps as may be necessary, through issuance of regulations, guidelines, or such other means as they may determine, to assure that, where appropriate, the State medicaid agency, the State Department of Mental Health, the State Disability Determination Service, the State Vocational Rehabilitation Agency, the State Developmental Disabilities Council, and the State Department of Education: (1) assist in the development of the child's care coordination plan; (2) participate in the planning and delivery of the services called for in the care coordination plan; and (3) provide information to the Secretary of Health and Human Services with respect to the services that they provide.

D. Other Provisions

1. ALIEN ELIGIBILITY FOR PUBLIC ASSISTANCE PROGRAMS

Present Law.—The AFDC, SSI, medicaid, and food stamp laws provide for limiting eligibility of immigrants for assistance by means of so-called "deeming" rules. The rules provide that for the purpose of determining financial eligibility for benefits and services, immigrants are deemed to have the income and resources of their immigration sponsors available for their support for a period of 3 years. P.L. 103–152, the Unemployment Compensation Amendments of 1993, included a provision extending the sponsor-to-alien deeming period for SSI from 3 to 5 years, effective from January 1, 1994 to October 1, 1996.

Proposed Change.—The bill makes the SSI 5-year deeming period permanent, and extends it to the AFDC and food stamp programs. It also provides for uniform alien eligibility criteria for the SSI, AFDC, medicaid, and food stamp programs.

2. TAX RESPONSIBILITIES INCIDENT TO EXPATRIATION

Present Law.—Under current law, a taxpayer's accrued asset gains are not taxed at the time he or she expatriates or gives up U.S. residence. Further, the taxpayer's accrued gains with respect to foreign assets are never taxed by the United States. In cases when it can be demonstrated that a taxpayer expatriated for purposes of tax avoidance, accrued gains with respect to U.S. assets are taxed if a taxable disposition occurs within the ten-year period following relinquishment of U.S. citizenship.

Proposed Change.—A U.S. citizen relinquishing citizenship generally would be taxed on any accrued asset gains as of the date of expatriation. Certain long-term residents of the United States would similarly be taxed on accrued gains upon losing such resident status. Exceptions would be provided for the first $600,000 of a taxpayer's gain, gain with respect to U.S. real estate, and pension gains. A taxpayer could elect, on an asset by asset basis, to avoid immediate gain taxation and instead continue to be subject to U.S. taxes with respect to an asset.

3. EARNED INCOME TAX CREDIT CHANGES

(i) Illegal aliens—

Present Law.—Currently, persons resident in the United States for over six months who are not U.S. citizens are eligible for the EITC in some circumstances, even if they are working in the country illegally.

Proposed Change.—Eligibility for the EITC would be limited to those residents authorized to work in the United States.

(ii) Social Security numbers—

Present Law.—Procedurally, the IRS must use its normal deficiency procedures, which involve a series of written communications with the taxpayer, if it decides to challenge a taxpayer's EITC claim that may be erroneous. This is true even in the case of a missing or erroneous social security number.

Proposed Change.—The IRS would be provided with the authority to process EITC claims in a more effective manner. Social security numbers (valid for employment purposes in the case of the earner(s)) would be required for the taxpayer, his or her spouse, and each qualifying child. The IRS would be permitted to handle any errors in social security numbers under the simplified procedures currently applicable to math errors on a taxpayer's return, rather than under the normal tax deficiency procedures.

(iii) Modification of unearned income test—

Present Law.—Individuals with more than $2,350 of interest (taxable and tax-exempt), dividends, net rents and net royalties are not eligible for the EITC. (This provision was enacted this year in H.R. 831.)

Proposed Change.—An individual's net capital gains would be added to the other categories of unearned income that are totalled for purposes of determining an individual's eligibility for the EITC.

4. TREATMENT OF CORPORATE STOCK REDEMPTIONS

Present Law.—Corporate shareholders are allowed a special deduction (the "dividends received deduction") with respect to qualifying dividends received from taxable domestic corporations. The deduction equals 70 percent of dividends received if the corporation receiving the deduction owns less than 20 percent of the stock of the distributing corporation. The deduction equals 80 percent of the dividends received if 20 percent or more of the stock is owned by the receiving corporation. Members of a group of affiliated corporations can elect to claim a 100 percent dividends received deduction for qualifying dividends paid by a member of the affiliated group. No deduction is allowed for dividends received from tax-exempt corporations.

An amount treated as a dividend in the case of a non pro rata redemption of stock (or a partial liquidation) is considered an extraordinary dividend under Internal Revenue Code section 1059(e)(1). Generally, the basis of the remaining stock held by a corporation receiving a dividend must be reduced by the nontaxed portion of any extraordinary dividend (i.e., the amount of the dividends received deduction) received by the corporation with respect to the stock.

Proposed Change.—The bill would replace the provision under current law (Code sec. 1059(e)(1)) that allows a corporate shareholder to reduce its basis in the remaining stock by the amount of the nontaxed portion of an extraordinary dividend. Instead, the bill would provide that, except as specifically set forth in regulations, any non pro rata redemption (or partial liquidation) would be treated as a sale of the redeemed stock, even if such distribution would otherwise be treated as a dividend and entitled to a dividends received deduction under present law.

The bill would be effective for redemptions occurring after May 3, 1995, except for those redemptions occurring pursuant to the terms of a written binding contract in effect on May 3, 1995 or pursuant to the terms of a tender offer outstanding on May 3, 1995.

REMARKS OF PRESIDENT REAGAN ON SIGNING THE FAMILY SUPPORT ACT OF 1986

I am pleased to sign into law today a major reform of our nation's welfare system, the Family Support Act. This bill, H.R. 1720, represents the culmination of more than 2 years of effort and responds to the call in my 1986 State of the Union Message for real welfare reform—reform that will lead to lasting emancipation from welfare dependency.

It is fitting that the word "family" figures prominently in the title of this legislation. For too long the Federal Government, with the best of intentions, has usurped responsibilities that appropriately lie with parents. In so doing—does anyone have a Stinger? [*Laughter*] In so doing, it has reinforced dependency and separated welfare recipients from the mainstream of American society. The Family Support Act says to welfare parents, "We expect of you what we expect of ourselves and our own loved ones: that you will do your share in taking responsibility for your life and for the lives of the children you bring into this world."

Well, the Family Support Act focuses on the two primary areas in which individuals must assume this responsibility. First, the legislation improves our system for securing support from absent parents. Second, it creates a new emphasis on the importance of work for individuals in the welfare system.

Under this bill, one parent in a two-parent welfare family will be required to work in the public or private sector for at least 16 hours a week as a condition of receiving benefits. This important work requirement applies to families that come into the welfare rolls as a result of the unemployment of the principal wage earner. It recognizes the need for a family's breadwinner to maintain the habits, skills, and pride achieved through work. This work requirement also allows us to expand coverage for two-parent families to all States without dangerously increasing welfare dependency. A key part of this bill is to make at least one of the parents in a welfare family participate in meaningful work while still getting a needed cash support.

Single parent families also share in the message of hope underlying this bill. They, too, will know that there is an alternative to a life on welfare. To ensure that they get a better start in life, young parents who have not completed high school will be required to stay in or return to school to complete the basic education so necessary to a productive life. Other parents will be offered a broad range of education, employment, and training activities designed to lead to work.

To provide new employment opportunities to welfare recipients, States will be entitled to receive $6.8 billion over the next 7 years. They also will receive the funding necessary to provide child care and Medicaid benefits. This financial assistance represents a significant and generous national commitment to enhancing the self-sufficiency of welfare recipients. To ensure that meaningful numbers of recipients actually do benefit from welfare reform, each State must be required to involve increasing percentages of welfare families to participate in employment and training activities over time.

The Family Support Act also contains significant reforms in our nation's child support enforcement system. These reforms are designed to ensure that parents who do not live with their children nevertheless meet their responsibilities to them. To improve the adequacy of child support awards, judges and other officials will be required to apply support guidelines developed by their States for setting award amounts. And to help ensure that the child support awarded actually is paid, child support payments will be automatically withheld from the responsible parent's paycheck.

Reflecting the concern we all share over the Federal budget deficit, the Family Support Act contains funding provisions to offset the increased new spending in the bill. The single largest source of the funding comes from a temporary extension of current authority for the Treasury to collect overdue debts owed the Federal Government by reducing Federal tax refunds of individuals not paying those debts on time.

In 1971, when I was Governor of California, we put into law a work-for-welfare requirement similar to the one in the bill before us today. It was called community work experience, and its purpose was to demonstrate to the disadvantaged how ennobling a job could be. And that lesson is as clear today as it was then, and the successes of many fine State programs like that one have made this landmark legislation possible.

As lead Governors on welfare reform for the National Governors' Association, Governors Castle and Clinton consistently presented the interests of the States in getting welfare reform enacted. And that interest has been manifested by many States carrying out their own welfare reform programs. Leaders in this effort are Governors Kean, Tommy Thompson, Moore, and Hunt who have paved the way for this legislation through unique welfare reform initiatives in their States. Legislators like Wisconsin's Susan Engeleiter were instrumental in achieving welfare reform and showing Congress how well it works.

Many Members of Congress share the credit for the responsible welfare-to-work and child support enforcement reforms in the Family Support Act. In particular, Senators Moynihan, Armstrong, Dole, and Packwood, and Bentsen, and Representatives Rostenkowski, Hank Brown, Michel, Frenzel, and Downey played key roles in forging the consensus for this landmark legislation. They and the members of the administration who worked so diligently on this bill will be remembered for accomplishing what many have attempted, but no one has achieved in several decades: a meaningful redirection of our welfare system.

And I think it is time now for me to sign the bill. And I thank all of you, and God bless you all.

[From the New York Times, May 18, 1995]

GOP BILLS TO OVERHAUL WELFARE WORRY CITY AND COUNTY OFFICIALS

(By Robert Pear)

WASHINGTON, May 17.—Mayors and other local officials from around the country said today that they opposed major elements of the Republican welfare bills moving through Congress, in part because the bills would eliminate the Federal guarantee of a subsistence income for millions of poor families.

The local officials said that cities and counties would ultimately have to deal with the effects of such legislation, which they said could include an increased demand for food, shelter and social services.

Mayor Kay Granger of Fort Worth, an independent, speaking for the United States Conference of Mayors, and Randall Frankie of Oregon, a Republican who is president of the National Association of Counties, said their groups opposed the Republican plan to give each state a fixed sum of money each year to assist poor people in any way it chose. These block grants would replace Federal programs that provide benefits to anyone who meets eligibility criteria based on income and other factors.

"We oppose repealing the entitlement status of benefit programs such as Aid to Families With Dependent Children, food stamps, child nutrition programs, Medicaid and foster care," Ms. Granger said. "We believe that the individual entitlement to a minimum level of assistance must be maintained for our children and families."

The National League of Cities and the National School Boards Association expressed similar views at a news conference with mayors and county commissioners. It was the first time local officials had spoken out in a coordinated effort to influence Congress on this issue.

The local officials said that Congress had paid too much attention to a small number of Republican governors like John Engler of Michigan and Tommy G. Thompson of Wisconsin, who had lobbied for block grants. Mr. Franke, a member of the Board of Commissioners in Marion County, Ore., said: "A few Republican governors have had a great influence on this. It hasn't had the kind of broad input from governors, or from local government officials, that it really deserves."

Carolyn Long Banks, a Democrat on the Atlanta City Council, said that city and county officials had been "left out of the process of decision making," but would have to deal with the effects of any welfare legislation adopted by the Federal Government. Mr. Franke said counties were "the frontline deliverers of basic social services" in many states.

The local officials said it was wrong for the Government to push people off welfare if it did not provide the education, training and child care they needed to get jobs. "If we simply cut welfare and there's not an organized effort to move them into work, then they land on our doorsteps," Mayor Granger said.

A welfare bill passed by the House in March would establish block grants to the states in place of the current program of Aid to Families With Dependent Children. Senate Republicans have endorsed the approach. Republicans in the House and the Senate are working on a separate bill to eliminate the individual entitlement to Medicaid and replace it with a block grant.

Republican governors say the block grants would free them from burdensome Federal regulations and give them the authority to design their own welfare programs, tailored to local needs.

But Gov. Lawton Chiles of Florida, a Democrat, said the block grants were "a prescription for disaster" in fast-growing states like Florida, Texas, California and Arizona.

Mr. Chiles said Speaker Newt Gingrich had found "a few G.O.P. governors—Judas goats—to go along with the idea" of block grants. "It's no wonder the Governors of Wisconsin, Michigan and Massachusetts are on this bandwagon," because they would not suffer any financial harm and could obtain additional money at the expense of the fast-growing states, Mr. Chiles said.

A Judas goat is an animal used to lead others to slaughter. Charles S. Salem, special counsel in Governor Chiles's Washington office, said, "That is what he intended to say."

In a speech here last week, Mr. Chiles said the formula for distributing Federal money under the Republican welfare bills was inequitable. "A poor child in Massachusetts would get three times as much as a poor child in Florida," he said. "A poor child in Michigan would get twice as much as a child in my state."

Governor Engler rejected Mr. Chiles' contentions. "The only successes in welfare reform have been achieved at the state level," he said. "Federal involvement has served only to hogtie state reform efforts."

Gov. Mike Leavitt of Utah, chairman of the Republican Governors Association, disputed Mr. Chiles' assertion that fast-growing states would suffer under the Republican proposal to distribute the block grants in proportion to current levels of Federal welfare spending in various states.

But another Republican Governor, Fife Symington of Arizona, expressed concerns similar to those of Mr. Chiles. He said the proposal for block grants would penalize states like Arizona with high population growth and comparatively low levels of welfare spending.

Governor Symington said the block grants should be based not on past spending, but on each state's share of the total number of Americans living below the official poverty level ($11,817 for a family of three).

The block grants "should not reward states that have been granting excessive benefits and penalize states that have maintained only a modest safety net," Mr. Symington said in a letter to Bob Dole, the Senate Republican leader.

Mr. MOYNIHAN. Mr. President, I thank the Chair for his kind attention.

By Mrs. HUTCHISON:

S. 829. A bill to provide waivers for the establishment of educational opportunity schools; to the Committee on Labor and Human Resources.

EDUCATION LEGISLATION

• Mrs. HUTCHISON. Mr. President, the bill I introduce would make it possible, in a limited number of school districts, for students to learn in a single-sex classroom setting if they so wish.

Let me emphasize—"If they wish." This bill does not compel any school to offer or any student to participate in single-sex classes. It merely allows students—and their parents—in a qualifying school district, to exercise that choice.

Our Nation has a compelling interest in assuring that all children receive a high-quality education. Providing families with another constructive educational option will further this interest.

This legislation has three purposes: First, I want the Secretary of Education to give schools the discretion to experiment with offering same-gender classes to low-income, educationally disadvantaged students. Second, I want to establish reliable information to determine whether or not single-gender classes make a difference in the educational opportunities and achievements of low-income, educationally disadvantaged students. Finally, I want to involve parents in the educational choices their children make.

Let me stress that this legislation imposes no financial obligation on the part of the Federal Government. My bill requires the Secretary of Education to grant up to 10 waivers to title IX of the Education Amendments of 1972. The bill would not provide school districts or schools any additional funding if they apply for and are granted a waiver of title IX. The waiver is very narrowly tailored to ensure the unimpeded development and operation of single-gender classes.

In recent years, efforts to experiment with same-gender classes and schools have been inhibited by lawsuits and threats of lawsuits from private groups, as well as Government. My bill would ensure that such threats can no longer interfere with educational innovation.

Nothing in my legislation affects efforts at overcoming the effects of past discrimination made on the basis of sex. Research indicates that single-sex classes can help minorities—girls and boys—perform better in school. African-American students in single-sex classrooms scored nearly a grade level higher than their coeducational counterparts in academic achievement tests. Girls in single-sex schools scored a full grade above their coeducational counterparts on academic ability tests. And girls in single-sex schools outperformed girls in coeducational schools almost a full grade level on science tests scores.

Some studies indicate that boys may perform better in single-sex schools as well. Cornelius Riordan, of Providence College, has found that a cognitive development among boys enrolled in single-sex Catholic high schools is more advanced than that of boys enrolled in coeducational Catholic high schools.

Mr. President, there is a compelling Government interest in granting the Secretary authority to insulate from lawsuits, for a limited time, a small number of local educational agencies and schools which experiment with same-gender classes.

My bill addresses this Government interest, and will allow data to be compiled to prove that single-sex classes can work to the advantage of children.

Most importantly, by offering parents and children a choice, this legislation would re-involve the family in educational decisionmaking processes.

It is my hope that my colleagues will recognize the value of such academic innovation and support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EDUCATIONAL OPPORTUNITY DEMONSTRATION PROGRAM.

(a) IN GENERAL.—Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating part F as part G;

(2) by redesignating sections 1601 through 1604 as sections 1701 through 1704, respectively; and

(3) by inserting after part E the following new part:

"PART F—EDUCATIONAL OPPORTUNITY DEMONSTRATION PROGRAM

"SEC. 1701. SHORT TITLE; FINDINGS; AND PURPOSES.

"(a) SHORT TITLE.—This part may be cited as the 'Educational Opportunity Demonstration Act'.

"(b) FINDINGS.—The Congress finds that—

"(1) while low-income students have made significant gains with respect to educational achievement and attainment, considerable gaps still persist for these students in comparison to those from more affluent socioeconomic backgrounds;

"(2) our Nation has a compelling interest in assuring that all children receive a high quality education;

"(3) new methods and experiments to revitalize educational achievement and opportunities of low-income individuals must be a part of any comprehensive solution to the problems in our Nation's educational system;

"(4) preliminary research shows that same gender classes and schools may produce promising academic and behavioral improvements in both sexes for low-income, educationally disadvantaged students;

"(5) extensive data on same gender classes and schools are needed to determine whether same gender classes and schools are closely tailored to achieving the compelling government interest in assuring that all children are educated to the best of their ability;

"(6) in recent years efforts to experiment with same gender classes and schools have been inhibited by lawsuits and threats of lawsuits by private groups as well as governmental entities; and

"(7) there is a compelling government interest in granting the Secretary authority to insulate a limited number of local educational agencies and schools which are experimenting with same gender classes for a limited period of time from certain law suits under title IX of the Education Amendments of 1972, section 204 of the Education Amendments of 1974, section 1979 of the Revised Statutes (42 U.S.C. 1983), or any other law prohibiting discrimination on the basis of sex, in order to collect data on the effectiveness of such classes in educating children from low-income, educationally disadvantaged backgrounds.

"(c) PURPOSES.—It is the purpose of this part—

"(1) to give the Secretary discretion to allow experimentation with same gender classes for low-income, educationally disadvantaged students;

"(2) to determine whether same gender classes make a difference in the educational achievement and opportunities of low-income, educationally disadvantaged individuals; and

"(3) to involve parents in the educational options and choices of their children.

"SEC. 1702. DEFINITIONS.

"As used in this part—

"(1) the term 'educational opportunity school' means a public elementary, middle, or secondary school established by a local educational agency receiving a waiver under this part, or a consortium of such schools, that—

"(A) establishes a plan for voluntary, same gender classes at one or more than one school in the community;

"(B) provides same gender classes for both boys and girls, as well as a coeducational option for any parent that chooses that option;

"(C) gives parents the option of choosing to send their child to a same gender class or to a coeducational class;

"(D) admits students on the basis of a lottery, if more students apply for admission to the same gender classes than can be accommodated;

"(E) has a program in which a member of the community is asked to volunteer such member's time in classes of children of the same gender as the member; and

"(F) operates in pursuit of improving achievement among all children based on a specific set of educational objectives determined by the local educational agency applying for a waiver under this part, in conjunction with the educational opportunity advisory board established under section 1703(b) and agreed to by the Secretary; and

"(2) the term 'educational opportunity advisory board' means an advisory board established in accordance with section 1703(b).

"SEC. 1703. WAIVER AUTHORITY.

"(a) AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall waive any statutory or regulatory requirement of title IX of the Education Amendments of 1972, section 204 of the Education Amendments of 1974, section 1979 of the Revised Statutes (42 U.S.C. 1983), and any other law prohibiting discrimination on the basis of sex, for each local educational agency (but not more than 10) that has an application approved under section 1704 and otherwise meets the requirements of this part, and for any educational opportunity school established by such agency, but only to the extent the Secretary determines necessary to ensure the development and operation of same gender classes in accordance with this part.

"(2) DURATION.—The Secretary shall issue a waiver under subsection (a) for a period not to exceed 5 years.

"(b) EDUCATIONAL OPPORTUNITY ADVISORY BOARD.—Each local educational agency receiving a waiver under this part shall establish an educational opportunity advisory board. Such advisory board shall be composed of school administrators, parents, teachers, local government officials and volunteers involved with an educational opportunity school. Such advisory board shall assist the local educational agency in developing the application under section 1704 and serve as an advisory board in the functioning of the educational opportunity school.

"SEC. 1704. APPLICATIONS.

"(a) APPLICATIONS REQUIRED.—Each local educational agency desiring a waiver under this part shall submit, within 180 days of the date of enactment of the Educational Opportunity Demonstration Act, an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(b) SCOPE OF APPLICATION.—Each application described in subsection (a) may request a waiver for a single educational opportunity school or for a consortium of such schools.

"(c) APPLICATION CONTENTS.—Each application described in subsection (a) shall include—

"(1) a description of the educational program to be implemented by the proposed educational opportunity school, including—

"(A) the grade levels or ages of children to be served; and

"(B) the curriculum and instructional practices to be used;

"(2) a description of the objectives of the local educational agency and a description of how such agency intends to monitor and study the progress of children participating in the educational opportunity school;

"(3) a description of how the local educational agency intends to include in the educational opportunity school administrators, teaching personnel, and role models from the private sector;

"(4) a description of how school administrators, parents, teachers, local government, and volunteers will be involved in the design and implementation of the educational opportunity school;

"(5) a justification for the waiver or inapplicability of any Federal statutory or regulatory requirements that the local educational agency believes are necessary for the successful operation of the educational opportunity school and a description of any State or local statutory or regulatory requirements, that will be waived for, or will not apply to, the educational opportunity school, if necessary;

"(6) a description of how students in attendance at the educational opportunity school, or in the community, will be—

"(A) informed about such school; and

"(B) informed about the fact that admission to same gender classes is completely voluntary;

"(7) an assurance that the local educational agency will annually provide the Secretary such information as the Secretary may require to determine if the educational opportunity school is making satisfactory progress toward achieving the objectives described in paragraph (2);

"(8) an assurance that the local educational agency will cooperate with the Secretary in evaluating the waivers issued under this part;

"(9) assurances that resources shall be used equally for same gender classes for boys and for girls;

"(10) assurances that the activities assisted under this part will not have an adverse affect, on either sex, that is caused by—

"(A) the distribution of teachers between same gender classes for boys and for girls;

"(B) the quality of facilities for boys and for girls;

"(C) the nature of the curriculum for boys and for girls;

"(D) program activities for boys and for girls; and

"(E) instruction for boys and for girls;

"(11) an assurance that the local educational agency will comply with the research and evaluation protocols developed by the Secretary under section 1706(a); and

"(12) such other information and assurances as the Secretary may require.

"SEC. 1705. SELECTION OF GRANTEES.

"The Secretary shall issue waivers under this part on the basis of the quality of the applications submitted under section 1704, taking into consideration such factors as—

"(1) the quality of the proposed curriculum and instructional practices;

"(2) the organizational structure and management of the school;

"(3) the quality of the plan for assessing the progress made by children in same gender classes over the period of the waiver;

"(4) the extent of community support for the application;

"(5) the likelihood that the educational opportunity school will meet the objectives of such school and improve educational results for students; and

"(6) the assurances submitted pursuant to section 1704(c)(10).

"SEC. 1706. STUDY AND REPORT.

"(a) STUDY.—The Secretary shall conduct a study of the waivers issued under this part, including establishing appropriate research and evaluation protocols, to compare the educational and behavioral achievement of those students choosing same gender classes established under this part and those students choosing the coeducational option.

"(b) REPORT.—The Secretary shall submit, within 1 year after the date of enactment of the Educational Opportunity Demonstration Act, a report to the appropriate committees of the Congress regarding the findings of the study conducted under subsection (a).

"SEC. 1707. CONSTRUCTION.

"Nothing in this part shall be construed to affect the availability under title IX of the Education Amendments of 1972 of remedies to overcome the effects of past discrimination on the basis of sex.".

(b) CONFORMING AMENDMENTS.—

(1) COMMITTEE OF PRACTITIONERS.—Section 1111(c)(5) of such Act (20 U.S.C. 6311(c)(5)) is amended by striking "section 1603(b)" and inserting "section 1703(b)".

(2) STATE ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.—Section 1117(a)(2) of such Act (20 U.S.C. 6318(a)(2)) is amended by striking "section 1603(c)" and inserting "section 1703(c)".

(3) STATE APPLICATIONS.—Section 1304(c)(2) of such Act (20 U.S.C. 6394(c)(2)) is amended by striking "part F" and inserting "part G".

(4) USE OF FUNDS.—Section 1415(a)(2)(C) of such Act (20 U.S.C. 6435(a)(2)(C)) is amended by striking "part F" and inserting "part G".

(5) STATE DATA.—The matter preceding subparagraph (A) of section 14204(a)(2) of such Act (20 U.S.C. 8824(a)(2)) is amended by striking "section 1603" and inserting "section 1703".•

By Mr. SPECTER:

S. 830. A bill to amend title 18, United States Code, with respect to fraud and false statements; to the Committee on the Judiciary.

CRIME LEGISLATION

Mr. SPECTER. Mr. President, earlier this week, the Supreme Court decided Hubbard versus United States. Overturning a 1955 decision called Bramblett versus United States, the Court held that section 1001 of title 18 of the United States Code, which prohibits making false statements to the Federal Government applies only to false statements made to executive branch agencies.

It is highly unusual that the Supreme Court reverses a prior decision on a question of statutory interpretation. The reversal of the longstanding decision in Bramblett is particularly troubling because of the nature of the offense.

The language of the statute itself criminalizes false statements made to any "department or agency of the United States." Relying on the purpose and the legislative history of the provision, the Supreme Court held in Bramblett that the statute covered making false statements to Congress. The term "department" was read as broad enough to cover the executive, judicial, and legislative branches of Government. Since then, it has always been understood to cover Congress and the courts.

As Chief Justice Rehnquist argued in his dissent in Hubbard, it has been "the very justifiable expectation" that one who lies to Congress, whether or not under oath, would be punished under section 1001.

While perjury laws and other statutes exist to cover false statements made under oath or under specific circumstances, section 1001 was a broad law covering all false statements made to Congress, as well as the courts and executive agencies. In order to protect the Congress, I believe we must restore section 1001 to its meaning under Bramblett.

In order to do so, I am introducing legislation to overturn the Supreme Court's decision in Hubbard. We are able to do so because the Court's decision rests solely on a question of statutory interpretation. There is no constitutional dimension to the Court's decision.

Accordingly, Congress is able to decide the public policy question for itself. I have no doubt of the importance of having in the law a provision that sets forth clearly and succinctly the principle that it is illegal to "knowingly and willfully falsif[y], conceal[] or cover[] up by any trick, scheme, or device a material fact, or make[] any false, fictitious or fraudulent statements or representations" to Congress or any committee or subcommittee in any matter within our jurisdiction.

My bill is quite simple. It will simply add to the text of section 1001 language that will broaden the newly narrowed statute to cover false statements made "in any matter within the jurisdiction of any department, agency, or court of the United States, or of Congress or any duly constituted committee or subcommittee of Congress."

The purpose of this provision is to restore the meaning of the statute that it was given under Bramblett and to overturn Hubbard. No other change in meaning is intended.

I believe this bill will not be controversial, and I urge my colleagues to support its prompt enactment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRAUD AND FALSE STATEMENTS IN MATTERS WITHIN THE JURISDICTION OF THE COURTS OF CONGRESS.

Section 1001 of title 18, United States Code, is amended by striking "any department or agency of the United States" and inserting "any department, agency, or court of the United States, or of Congress or any duly constituted committee or subcommittee of Congress,".

By Mr. SMITH (for himself, Mr. DOLE, Mr. HELMS, Mr. THURMOND, Mr. GRASSLEY, Mr. GRAMM, Mr. CAMPBELL, and Mr. THOMAS):

S.J. Res. 34. A joint resolution prohibiting funds for diplomatic relations and most favored nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam war, as determined on the basis of all information available to the United States Government, and for other purposes; to the Committee on Foreign Relations.

VIETNAM POW/MIA FULL DISCLOSURE ACT

Mr. SMITH. Mr. President, on behalf of Senator DOLE, Senator THURMOND, Senator HELMS, Senator GRASSLEY, Senator GRAMM of Texas, Senator CAMPBELL, and Senator THOMAS, and myself, I rise to introduce a joint resolution entitled "The Vietnam POW/MIA Full Disclosure Act of 1995." I understand a similar resolution is being introduced in the House this week by Congressman BEN GILMAN, the Chairman of the House International Relations Committee.

This resolution is aimed at getting the maximum amount of information possible from Vietnam on Americans still missing from the Vietnam war. Specifically, the resolution prohibits both the establishment of diplomatic relations with Vietnam and the extension of most favored nation trading status to Vietnam unless the President informs Congress that we are getting full cooperation and full disclosure by Vietnam on the POW/MIA issue.

If the Communist Government in Vietnam is continuing to withhold information that would account for missing Americans, as I believe they are, then now is not the time to normalize relations.

I am very pleased that this resolution is supported by the distinguished majority leader and the distinguished chairmen of both the Armed Services Committee and the Foreign Relations Committee, among others. I know Senators DOLE, THURMOND, and HELMS have been closely involved with this issue for many, many years, and they share my concerns.

Perhaps most importantly, this resolution is supported by virtually all of the families of the 2,205 Americans still unaccounted for from the Vietnam war. It is also consistent with the resolutions that have been passed in recent years by our national veterans organizations.

Will every single American support the approach to resolving the POW/MIA issue outlined in this resolution? Of course not. Indeed, there are Vietnam veterans in this body other than myself who advocate a different approach, or have a different view on the cooperation we are getting from Vietnam. Some have said that we should normalize relations with Hanoi because Vietnam is being fully cooperative on the POW/MIA issue. Others say we should normalize relations because it would give an incentive for Vietnam to increase its cooperation. I still have not figured out which reason the President used when he lifted our embargo on Vietnam last year.

Nonetheless, I reject both these positions and would simply point out that the position of the majority of our Nation's veterans and the POW/MIA families is very clear—they want the Communist Government in Hanoi to come clean on the POW/MIA issue before we normalize relations.

In my judgment, using every reasonable standard I can come up with—and I have worked on this issue for 11 years in the Congress—Vietnam has not come clean on the POW/MIA issue. The Communist Government in Hanoi continues to withhold relevant politburo and military records pertaining to American POWS and MIAS from the war. There is no disputing that fact.

Earlier this week, they dribbled out more records for a high-level administration delegation. They have done this for years. I suspect Vietnamese officials looked the administration delegation in the eye and said "we just located this information." In 1993, they did the same thing when documents surfaced in Russian archives indicating that more Americans were held than those who came home. They suddenly came up with records they had withheld for 20 years. They just pulled it off the shelf.

This "timed" release of documents, only when it is deemed important enough for Vietnam, proves to me that Hanoi's Communist Politburo is continuing to manipulate the POW/MIA issue for its own political advantage. As a result, Vietnam is prolonging the anguish and uncertainty of MIA family members.

I wrote a letter today, signed it today, and sent it out from a family who still is anguishing over this with new information that they received, even as recently as this month.

Mr. President, the American people are not naive. They know that many records could have been turned over long ago. If they held back the most recent set of records until the right moment surfaced, what else are they still holding? And why, Mr. President, has this administration failed to vigorously seek access to Vietnam's wartime central committee records on POWs? Every historian knows that those records might conclusively answer the most nagging and haunting questions that keep this issue alive and have kept the family members waiting for so many years.

And why is it that there are family members of MIAs who are being denied visas to go to Vietnam to look for answers? Is this a country that is cooperating? I do not think so. I though when the President lifted the embargo in 1994, we were supposed to get unprecedented access and cooperation, and the family members who have loved ones missing cannot get a visa to get into Vietnam.

My colleagues do not have to accept Bob Smith's judgment on whether there's been full disclosure by Vietnam on missing Americans. Under the resolution we have introduced today, the President is required to make the final judgment, whoever the President is, after consultation with the Director of Central Intelligence. If he feels we are getting full disclosure, then he can move forward, so long as he notifies Congress. That is all we are asking.

I would remind the President, However, that he was the one who stated, following his election in 1992, and I quote, "I have sent a clear message that will be no normalization of relations with any country that is at all suspected of withholding information on missing Americans." I submit to you that there is still information being withheld.

The resolution we have introduced today asks the President to keep the promise he made to the MIA families and our Nation's veterans during his last campaign.

And that's really what this is all about, Mr. President—keeping our commitment that we will not let Vietnam off the hook until there has been full disclosure on the fate of our POW's and MIA's.

Revisionists are in full bloom these days. There has been a lot of revisionist history and frankly a lot of propaganda recently as we marked the 20th anniversary of the Communist victory over South Vietnam. But make no mistake about it—Vietnam needs us more then we need Vietnam. And if the last 20 years have taught us anything about Communist Vietnamese behavior, it is this—Vietnam only responds on the POW/MIA issue when it is clear to them that the United States will go no further to meet Vietnam's agenda. If Vietnam is that desperate for American business investment and diplomatic relations, then let them come clean on the POW/MIA issue.

Unfortunately, there have been mixed signals, which have been fueled, in part, by certain lobbyists in the American business community who want to put business over principle. My response to this lobbying effort is let us put principle over profit, not vice-versa. The only business we should be doing with Vietnam is the business of getting Hanoi to come clean on the POW/MIA issue.

Then and only then, should we normalize or restore any type of diplomatic relations. It is only fair. Think of the suffering of these families. How could we possibly want to do anything else but honor them?

There have also been statements from some administration officials seem eager to move forward with Vietnam by lowering the priority that was placed on the POW/MIA issue by Presidents Reagan and Bush. Perhaps these officials have become exhausted. I can understand that. It has been a long, long time.

Maybe they are embarrassed by their inability to convince Hanoi to come clean on the POW/MIA issue before we normalize. Maybe they would like this issue to go away. I know the families would like it to go away. But it ought to go away on honorable terms, honorable terms, a full accounting, a full accounting. That is the only way the issue should go away. In this environment, I would not be surprised if Vietnam might be thinking that they can hold out on disclosing their central committee records and meeting our intelligence community's expectations on what they can still do to help resolve this issue. They might think that they can achieve their economic and political goals just by waiting us out. That is the message we are sending.

Mr. President, I would simply say that I am not going to stay silent and let that happen. I have a responsibility here. This week, the President's top defense official on the POW/MIA issue, Deputy Assistant Secretary Jim Wold, stated that the decision on whether to move forward with Vietnam "will be made by the President alone." The resolution we have introduced today states that Congress expects to be informed on whether there has been full disclosure by Vietnam on POW's and MIA's before the President moves forward. That is a very reasonable requirement. I am confident that the American people want this question answered before normalizing with Vietnam. That is a reasonable requirement, and I am confident the American people would like an answer to this question before we move forward with Vietnam.

I would remind my colleagues of something the English novelist Aldous Huxley once said—"Facts do not cease to exist just because they are ignored." Our intelligence community has made assessments of what Vietnam could still do if it truly wanted to come clean on the POW/MIA issue.

Those facts exist. Those facts are a matter of public record in some cases, and in other cases where they are not public, they are available for my colleagues to see.

This Chamber is also awaiting a final response from the Secretary of Defense on the total number of POW/MIA cases where the likelihood is greatest that Vietnam could produce additional information or remains, or perhaps in some cases possibly even a live American. This was a requirement, which I originally sponsored in last year's Defense Authorization Act. In February, we were told that only 50 percent of this work had thus far been done and that we will have to wait several more months just to get a complete list of names. We should have a chance to review this information required by law, Mr. President, before we even consider further overtures to Vietnam.

Finally, I would point out that President Clinton himself stated on January 26 of this year that he is not fully satisfied that progress on the POW/MIA issue has been sufficient to justify moving beyond the steps agreed to last year when we lifted the embargo.

I would say to the President, "Keep your promise, Mr. President, because they have not made the progress that you asked for since we lifted the embargo."

On that point, I would agree with the President. For those who take the time to really study this issue, as I have, it is difficult to see how you can come to any other conclusion—there has not been full disclosure by Vietnam.

With that in mind, I would urge my colleagues to join with the majority leader, and our distinguished committee chairmen and others by cosponsoring this resolution. Let us send a clear signal to Vietnam. Let us tell them that, while we appreciate some of the cooperation we have received to date, we will accept nothing less than full disclosure on the POW/MIA issue before agreeing to normalize relations.

That is the way to honor the men and women who served, and the men and women who are missing, and the families of the missing.

Mr. DOLE. Mr. President, I rise today in support of Senator SMITH's Vietnam POW/MIA bill. As the members of this Chamber know, Senator SMITH has worked long and hard in the effort to make Hanoi account for our missing in action and prisoners of war from Vietnam. This bill is not only the most recent example of that fine work, but also a reminder to the administration and other supporters of rushing to diplomatic relations with Vietnam that Hanoi has 2,000 unanswered questions to answer before proceeding with recognition.

My association with Vietnam POW/MIA's goes way back to 1970. I helped found the National League of Families of POW/MIA's. I remember going to President Nixon and saying we had to do something about the POW and MIA problem—answers had to be given before the people of America could rest easy that all had been done to find their loved ones and account for their fate.

Mr. President, this is not an onerous bill. It requires Presidential certification on three key issues before moving ahead on normalization: (1) A listing of cases for which the likelihood is the greatest that Vietnam has information; (2) that Vietnam is fully cooperating in the four key areas outlined by President Clinton; and (3) that Vietnam is cooperating in providing access to records concerning Americans captured during the war.

Mr. President, I note that the distinguished chairman of the Foreign Relations Committee, Senator HELMS and the distinguished chairman of the Armed Services Committee, Senator THURMOND, as well as Senators THOMAS, GRASSLEY, CAMPBELL, and GRAMM of Texas are original sponsors of the Vietnam POW/MIA Full Disclosure Act of 1995. Once again, I commend Senator SMITH for his leadership on this issue and yield the floor.

ADDITIONAL COSPONSORS

S. 194

At the request of Mr. MCCAIN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 194, a bill to repeal the Medicare and Medicaid Coverage Data Bank, and for other purposes.

S. 358

At the request of Mr. HEFLIN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 358, a bill to amend the Internal Revenue Code of 1986 to provide for an excise tax exemption for certain emergency medical transportation by air ambulance.

S. 553

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 553, a bill to amend the Age Discrimination in Employment Act of 1967 to reinstate an exemption for certain bona fide hiring and retirement plans applicable to State and local firefighters and law enforcement officers, and for other purposes.

S. 582

At the request of Mr. HATFIELD, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 582, a bill to amend title 28, United States Code, to provide that certain voluntary disclosures of violations of Federal laws made pursuant to an environmental audit shall not be subject to discovery or admitted into evidence during a Federal judicial or administrative proceeding, and for other purposes.

S. 770

At the request of Mr. DOLE, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Connecticut, [Mr. LIEBERMAN], the Senator from Oklahoma [Mr. NICKLES], the Senator from Pennsylvania [Mr. SANTORUM, and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

AMENDMENTS SUBMITTED ON MAY 17, 1995

THE MEDICARE SELECT ACT OF 1995

PACKWOOD (AND OTHERS) AMENDMENT NO. 1108

Mr. CHAFEE (for Mr. PACKWOOD, for himself, Mr. CHAFEE, Mr. DOLE, Mrs. HUTCHISON, Mr. ROCKEFELLER, Mr. KENNEDY, and Mr. GORTON) proposed an amendment to the bill (H.R. 483) to amend title XVIII of the Social Security Act to permit Medicare select policies to be offered in all States, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PERMITTING MEDICARE SELECT POLICIES TO BE OFFERED IN ALL STATES FOR AN EXTENDED PERIOD.

Section 4358(c) of the Omnibus Budget Reconciliation Act of 1990, as amended by section 172(a) of the Social Security Act Amendments of 1994, is amended to read as follows:

"(c) EFFECTIVE DATE.—(1) The amendments made by this section shall only apply—

"(A) in 15 States (as determined by the Secretary of Health and Human Services) and such other States as elect such amendments to apply to them, and

"(B) subject to paragraph (2), during the 5 year period beginning with 1992.

"(2)(A) The Secretary of Health and Human Services shall conduct a study that compares the health care costs, quality of care, and access to services under medicare select policies with that under other medicare supplemental policies. The study shall be based on surveys of appropriate age-adjusted sample populations. The study shall be completed by June 30, 1996.

"(B) The Secretary shall determine during 1996 whether the amendments made by this section shall remain in effect beyond the 5 year period described in paragraph (1)(B). Such amendments shall remain in effect beyond such period unless the Secretary determines (based on the results of the study under subparagraph (A)) that—

"(i) such amendments have not resulted in savings of premiums costs to those enrolled in medicare select policies (in comparison to their enrollment in medicare supplemental policies that are not medicare select policies and that provide comparable coverage),

"(ii) there have been significant additional expenditures under the medicare program as a result of such amendments, or "(iii) access to and quality of care has been significantly diminished as a result of such amendments.

"(3) GAO study: The GAO shall study and report to Congress, no later than June 10, 1996, on options for modifying the Medigap market to make sure that continuously insured beneficiaries are able to switch plans without medical underwriting or new pre-existing condition exclusions. In preparing such options, the GAO shall determine if there are problems under the current system and the impact of each option on the cost and availability of insurance, with particular reference to the special problems that may arise for enrollees in Medicare Select plans.".

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

FEINGOLD (AND OTHERS) AMENDMENT NO. 1109

(Ordered to lie on the table.)

Mr. FEINGOLD (for himself, Mr. BUMPERS, Mr. KERREY, Mr. ROBB, Mr. DORGAN, Mr. SIMON, Mrs. MURRAY, Mr. HOLLINGS, and Ms. MOSELEY-BRAUN) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

At the appropriate place, add the following:

SECTION . SENSE OF THE SENATE REGARDING DEFICIT REDUCTION AND TAX CUTS.

The Senate finds that—

(1) it is important that Congress clearly and decisively signal its commitment to significant further deficit reduction;

(2) enactment of any type of major tax cut measure in 1995 will hinder efforts to achieve significant further deficit reduction;

(3) the savings generated by the spending cuts being proposed in the budget process should be dedicated to deficit reduction; and

(4) it is the Sense of the Senate that adoption of major tax cuts at this point in time will set us back in our progress towards a balanced budget and significant deficit reduction.

AMENDMENTS SUBMITTED ON MAY 18, 1995

THE TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1995

WELLSTONE (AND OTHERS) AMENDMENT NO. 1110

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. FEINGOLD, Mr. LAUTENBERG, and Mr. BAUCUS) submitted an amendment intended to be proposed by them to the bill (S. 652) to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes; as follows:

At the end of the bill, add the following:

TITLE ___—GIFT REFORM

SEC. ___01. AMENDMENTS TO SENATE RULES.

Rule XXXV of the Standing Rules of the Senate is amended to read as follows:

"1. (a) No Member, officer, or employee of the Senate shall accept a gift, knowing that such gift is provided by a lobbyist or by an agent of a foreign principal registered under the Foreign Agents Registration Act.

"(b) The prohibition in subparagraph (a) includes the following:

"(1) Anything provided by a lobbyist or an agent of a foreign principal which is paid for, charged to, or reimbursed by a client or firm of such lobbyist or agent of a foreign principal.

"(2) Anything provided by a lobbyist or an agent of a foreign principal to an entity that is maintained or controlled by a Member, officer, or employee.

"(3) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a lobbyist or an agent of a foreign principal on the basis of a designation, recommendation, or other specification of a Member, officer, or employee (not including a mass mailing or other solicitation directed to a broad category of persons or entities).

"(4) A contribution or other payment by a lobbyist or an agent of a foreign principal to a legal expense fund established for the benefit of a Member, officer, or employee.

"(5) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a lobbyist or an agent of a foreign principal in lieu of an honorarium to a Member, officer, or employee.

"(6) A financial contribution or expenditure made by a lobbyist or an agent of a foreign principal relating to a conference, retreat, or similar event, sponsored by or affiliated with an official congressional organization, for or on behalf Members, officers, or employees.'

"(c) The following are not gifts subject to the prohibition in subparagraph (a):

"(1) Anything for which the recipient pays the market value, or does not use and promptly returns to the donor.

"(2) A contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

"(3) Food or refreshments of nominal value offered other than as part of a meal.

"(4) Benefits resulting from the business, employment, or other outside activities of the spouse of a member, officer, or employee, if such benefits are customarily provided to others in similar circumstances.

"(5) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

"(6) Informational materials that are sent to the office of a Member, officer, or employee in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

"(d)(1) A gift given by an individual under circumstances which make it clear that the gift is given for a nonbusiness purpose and is motivated by a family relationship or close personal friendship and not by the position of the Member, officer, or employee shall not be subject to the prohibition in subparagraph (a).

"(2) A gift shall not be considered to be given for a nonbusiness purpose if the individual giving the gift seeks—

"(A) to deduct the value of such gift as a business expense on the individual's Federal income tax return, or

"(B) direct or indirect reimbursement or any other compensation for the value of the gift from a client or employer of such lobbyist or agent of a foreign principal.

"(3) In determining if the giving of a gift is motivated by a family relationship or close personal friendship, at least the following factors shall be considered:

"(A) The history of the relationship between the individual giving the gift and the recipient of the gift, including whether or not gifts have previously been exchanged by such individuals.

"(B) Whether the gift was purchased by the individual who gave the item.

"(C) Whether the individual who gave the gift also at the same time gave the same or similar gifts to other Members, officers, or employees.

"2. (a) In addition to the restriction on receiving gifts from lobbyists, lobbying firms, and agents of foreign principals provided by paragraph 1 and except as provided in this rule, no Member, officer, or employee of the Senate shall knowingly accept a gift from any other person.

"(b)(1) For the purpose of this rule, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"(2) A gift to the spouse or dependent of a Member, officer, or employee (or a gift to any other individual based on that individual's relationship with the Member, officer, or employee) shall be considered a gift to the Member, officer, or employee if it is given with the knowledge and acquiescence of the Member, officer, or employee and the Member, officer, or employee has reason to believe the gift was given because of the official position of the Member, officer, or employee.

"(c) The restrictions in subparagraph (a) shall not apply to the following:

"(1) Anything for which the Member, officer, or employee pays the market value, or does not use and promptly returns to the donor.

"(2) A contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

"(3) Anything provided by an individual on the basis of a personal or family relationship unless the Member, officer, or employee has reason to believe that, under the circumstances, the gift was provided because of the official position of the Member, officer, or employee and not because of the personal or family relationship. The Select Committee on Ethics shall provide guidance on the applicability of this clause and examples of circumstances under which a gift may be accepted under this exception.

"(4) A contribution or other payment to a legal expense fund established for the benefit of a Member, officer, or employee, that is otherwise lawfully made, if the person making the contribution or payment is identified for the Select Committee on Ethics.

"(5) Any food or refreshments which the recipient reasonably believes to have a value of less than $20.

"(6) Any gift from another Member, officer, or employee of the Senate or the House of Representatives.

"(7) Food, refreshments, lodging, and other benefits—

"(A) resulting from the outside business or employment activities (or other outside activities that are not connected to the duties of the Member, officer, or employee as an officeholder) of the Member, officer, or employee, or the spouse of the Member, officer, or employee, if such benefits have not been offered or enhanced because of the official position of the Member, officer, or employee and are customarily provided to others in similar circumstances;

"(B) customarily provided by a prospective employer in connection with bona fide employment discussions; or

"(C) provided by a political organization described in section 527(e) of the Internal Revenue Code of 1986 in connection with a fundraising or campaign event sponsored by such an organization.

"(8) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

"(9) Informational materials that are sent to the office of the Member, officer, or employee in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

"(10) Awards or prizes which are given to competitors in contests or events open to the public, including random drawings.

"(11) Honorary degrees (and associated travel, food, refreshments, and entertainment) and other bona fide, nonmonetary awards presented in recognition of public service (and associated food, refreshments, and entertainment provided in the presentation of such degrees and awards).

"(12) Donations of products from the State that the Member represents that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any individual recipient.

"(13) Food, refreshments, and entertainment provided to a Member or an employee of a Member in the Member's home State, subject to reasonable limitations, to be established by the Committee on Rules and Administration.

"(14) An item of little intrinsic value such as a greeting card, baseball cap, or a T shirt.

"(15) Training (including food and refreshments furnished to all attendees as an integral part of the training) provided to a Member, officer, or employee, if such training is in the interest of the Senate.

"(16) Bequests, inheritances, and other transfers at death.

"(17) Any item, the receipt of which is authorized by the Foreign Gifts and Decorations Act, the Mutual Educational and Cultural Exchange Act, or any other statute.

"(18) Anything which is paid for by the Federal Government, by a State or local government, or secured by the Government under a Government contract.

"(19) A gift of personal hospitality of an individual, as defined in section 109(14) of the Ethics in Government Act.

"(20) Free attendance at a widely attended event permitted pursuant to subparagraph (d).

"(21) Opportunities and benefits which are—

"(A) available to the public or to a class consisting of all Federal employees, whether or not restricted on the basis of geographic consideration;

"(B) offered to members of a group or class in which membership is unrelated to congressional employment;

"(C) offered to members of an organization, such as an employees' association or congressional credit union, in which membership is related to congressional employment and similar opportunities are available to large segments of the public through organizations of similar size;

"(D) offered to any group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate of pay;

"(E) in the form of loans from banks and other financial institutions on terms generally available to the public; or

"(F) in the form of reduced membership or other fees for participation in organization activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications.

"(22) A plaque, trophy, or other memento of modest value.

"(23) Anything for which, in an unusual case, a waiver is granted by the Select Committee on Ethics.

"(d)(1) Except as prohibited by paragraph 1, a Member, officer, or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, provided by the sponsor of the event, if—

"(A) the Member, officer, or employee participates in the event as a speaker or a panel participant, by presenting information related to Congress or matters before Congress, or by performing a ceremonial function appropriate to the Member's, officer's, or employee's official position; or

"(B) attendance at the event is appropriate to the performance of the official duties or representative function of the Member, officer, or employee.

"(2) A Member, officer, or employee who attends an event described in clause (1) may accept a sponsor's unsolicited offer of free attendance at the event for an accompanying individual if others in attendance will generally be similarly accompanied or if such attendance is appropriate to assist in the representation of the Senate.

"(3) Except as prohibited by paragraph 1, a Member, officer, or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with the event.

"(4) For purposes of this paragraph, the term 'free attendance' may include waiver of all or part of a conference or other fee, the provision of local transportation, or the provision of food, refreshments, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, or food or refreshments taken other than in a group setting with all or substantially all other attendees.

"(e) No Member, officer, or employee may accept a gift the value of which exceeds $250 on the basis of the personal relationship exception in subparagraph (c)(3) or the close personal friendship exception in section 106(d) of the Lobbying Disclosure Act of 1994 unless the Select Committee on Ethics issues a written determination that one of such exceptions applies.

"(f)(1) The Committee on Rules and Administration is authorized to adjust the dollar amount referred to in subparagraph (c)(5) on a periodic basis, to the extent necessary to adjust for inflation.

"(2) The Select Committee on Ethics shall provide guidance setting forth reasonable steps that may be taken by Members, officers, and employees, with a minimum of paperwork and time, to prevent the acceptance of prohibited gifts from lobbyists.

"(3) When it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity or destroyed.

"3. (a)(1) Except as prohibited by paragraph 1, a reimbursement (including payment in kind) to a Member, officer, or employee for necessary transportation, lodging and related expenses for travel to a meeting, speaking engagement, factfinding trip or similar event in connection with the duties of the Member, officer, or employee as an officeholder shall be deemed to be a reimbursement to the Senate and not a gift prohibited by this rule, if the Member, officer, or employee—

"(A) in the case of an employee, receives advance authorization, from the Member or officer under whose direct supervision the employee works, to accept reimbursement, and

"(B) discloses the expenses reimbursed or to be reimbursed and the authorization to the Secretary of the Senate within 30 days after the travel is completed.

"(2) For purposes of clause (1), events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the duties of a Member, officer, or employee as an officeholder.

"(b) Each advance authorization to accept reimbursement shall be signed by the Member or officer under whose direct supervision the employee works and shall include—

"(1) the name of the employee;

"(2) the name of the person who will make the reimbursement;

"(3) the time, place, and purpose of the travel; and

"(4) a determination that the travel is in connection with the duties of the employee as an officeholder and would not create the appearance that the employee is using public office for private gain.

"(c) Each disclosure made under subparagraph (a)(1) of expenses reimbursed or to be reimbursed shall be signed by the Member or officer (in the case of travel by that Member or officer) or by the Member or officer under whose direct supervision the employee works (in the case of travel by an employee) and shall include—

"(1) a good faith estimate of total transportation expenses reimbursed or to be reimbursed;

"(2) a good faith estimate of total lodging expenses reimbursed or to be reimbursed;

"(3) a good faith estimate of total meal expenses reimbursed or to be reimbursed;

"(4) a good faith estimate of the total of other expenses reimbursed or to be reimbursed;

"(5) a determination that all such expenses are necessary transportation, lodging, and related expenses as defined in this paragraph; and

"(6) in the case of a reimbursement to a Member or officer, a determination that the travel was in connection with the duties of the Member or officer as an officeholder and would not create the appearance that the Member or officer is using public office for private gain.

"(d) For the purposes of this paragraph, the term 'necessary transportation, lodging, and related expenses'—

"(1) includes reasonable expenses that are necessary for travel for a period not exceeding 3 days exclusive of travel time within the United States or 7 days exclusive of travel time outside of the United States unless approved in advance by the Select Committee on Ethics;

"(2) is limited to reasonable expenditures for transportation, lodging, conference fees and materials, and food and refreshments, including reimbursement for necessary transportation, whether or not such transportation occurs within the periods described in clause (1);

"(3) does not include expenditures for recreational activities, or entertainment other than that provided to all attendees as an integral part of the event; and

"(4) may include travel expenses incurred on behalf of either the spouse or a child of the Member, officer, or employee, subject to a determination signed by the Member or officer (or in the case of an employee, the Member or officer under whose direct supervision the employee works) that the attendance of the spouse or child is appropriate to assist in the representation of the Senate.

"(e) The Secretary of the Senate shall make available to the public all advance authorizations and disclosures of reimbursement filed pursuant to subparagraph (a) as soon as possible after they are received.

"4. In this rule:

"(a) The term 'client' means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is—

"(1) the coalition or association and not its individual members when the lobbying activities are conducted on behalf of its membership and financed by the coalition's or association's dues and assessments; or

"(2) an individual member or members, when the lobbying activities are conducted on behalf of, and financed separately by, 1 or more individual members and not by the coalition's or association's dues and assessments.

"(b) The term 'lobbying firm'—

"(1) means a person or entity that has 1 or more employees who are lobbyists on behalf of a client other than that person or entity; and

"(2) includes a self-employed individual who is a lobbyist.

"(c) The term 'lobbyist' means a person registered under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or required to be registered under any successor statute.

"(d) The term 'State' means each of the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.".

SEC. __02. AMENDMENTS TO HOUSE RULES.

Clause 4 of rule XLIII of the Rules of the House of Representatives is amended to read as follows:

"4. (a)(1) No Member, officer, or employee of the House of Representatives shall accept a gift, knowing that such gift is provided directly or indirectly by a lobbyist registered under the Federal Regulation of Lobbying Act or any successor statute, or an agent of a foreign principal registered under the Foreign Agents Registration Act.

"(2) The prohibition in subparagraph (1) includes the following:

"(A) Anything provided by a lobbyist or an agent of a foreign principal which is paid for, charged to, or reimbursed by a client or firm of such lobbyist or agent of a foreign principal.

"(B) Anything provided by a lobbyist or an agent of a foreign principal to an entity that is maintained or controlled by a Member, officer, or employee.

"(C) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a lobbyist or an agent of a foreign principal on the basis of a designation, recommendation, or other specification of a Member, officer, or employee (not including a mass mailing or other solicitation directed to a broad category of persons or entities).

"(D) A contribution or other payment by a lobbyist or an agent of a foreign principal to a legal expense fund established for the benefit of a Member, officer, or employee.

"(E) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a lobbyist or an agent of a foreign principal in lieu of an honorarium to a Member, officer, or employee.

"(F) A financial contribution or expenditure made by a lobbyist or an agent of a foreign principal relating to a conference, retreat, or similar event, sponsored by or affiliated with an official congressional organization, for or on behalf of Members, officers, or employees.

"(3) The following are not gifts subject to the prohibition in subparagraph (1):

"(A) Anything for which the recipient pays the market value, or does not use and promptly returns to the donor.

"(B) A contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

"(C) Food or refreshments of nominal value offered other than as part of a meal.

"(D) Benefits resulting from the business, employment, or other outside activities of the spouse of a Member, officer, or employee if such benefits are customarily provided to others in similar circumstances.

"(E) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

"(F) Informational materials that are sent to the office of a Member, officer, or employee in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

"(4)(A) A gift given by an individual under circumstances which make it clear that the gift is given for a nonbusiness purpose and is motivated by a family relationship or close personal friendship and not by the position of the Member, officer, or employee shall not be subject to the prohibition in subparagraph (1).

"(B) A gift shall not be considered to be given for a nonbusiness purpose if the individual giving the gift seeks—

"(i) to deduct the value of such gift as a business expense on the individual's Federal income tax return, or

"(ii) direct or indirect reimbursement or any other compensation for the value of the gift from a client or employer of such lobbyist or agent of a foreign principal.

"(C) In determining if the giving of a gift is motivated by a family relationship or close personal friendship, at least the following factors shall be considered:

"(i) The history of the relationship between the individual giving the gift and the recipient of the gift, including whether or not gifts have previously been exchanged by such individuals.

"(ii) Whether the gift was purchased by the individual who gave the item.

"(iii) Whether the individual who gave the gift also at the same time gave the same or similar gifts to other Members, officers, or employees.

"(b) In addition to the restriction on receiving gifts from registered lobbyists, lobbying firms, and agents of foreign principals provided by paragraph (a) and except as provided in this rule, no Member, officer, or employee of the House of Representatives shall knowingly accept a gift from any other person.

"(c)(1) For the purpose of this clause, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

"(2) A gift to the spouse or dependent of a Member, officer, or employee (or a gift to any other individual based on that individual's relationship with the Member, officer, or employee) shall be considered a gift to the Member, officer, or employee if it is given with the knowledge and acquiescence of the Member, officer, or employee and the Member, officer, or employee has reason to believe the gift was given because of the official position of the Member, officer, or employee.

"(d) The restrictions in paragraph (b) shall not apply to the following:

"(1) Anything for which the Member, officer, or employee pays the market value, or does not use and promptly returns to the donor.

"(2) A contribution, as defined in the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that is lawfully made under that Act, or attendance at a fundraising event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

"(3) Anything provided by an individual on the basis of a personal or family relationship unless the Member, officer, or employee has reason to believe that, under the circumstances, the gift was provided because of the official position of the Member, officer, or employee and not because of the personal or family relationship. The Committee on Standards of Official Conduct shall provide guidance on the applicability of this clause and examples of circumstances under which a gift may be accepted under this exception.

"(4) A contribution or other payment to a legal expense fund established for the benefit of a Member, officer, or employee, that is otherwise lawfully made, if the person making the contribution or payment is identified for the Committee on Standards of Official Conduct.

"(5) Any food or refreshments which the recipient reasonably believes to have a value of less than $20.

"(6) Any gift from another Member, officer, or employee of the Senate or the House of Representatives.

"(7) Food, refreshments, lodging, and other benefits—

"(A) resulting from the outside business or employment activities (or other outside activities that are not connected to the duties of the Member, officer, or employee as an officeholder) of the Member, officer, or employee, or the spouse of the Member, officer, or employee, if such benefits have not been offered or enhanced because of the official position of the Member, officer, or employee and are customarily provided to others in similar circumstances;

"(B) customarily provided by a prospective employer in connection with bona fide employment discussions; or

"(C) provided by a political organization described in section 527(e) of the Internal Revenue Code of 1986 in connection with a fundraising or campaign event sponsored by such an organization.

"(8) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer.

"(9) Informational materials that are sent to the office of the Member, officer, or employee in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

"(10) Awards or prizes which are given to competitors in contests or events open to the public, including random drawings.

"(11) Honorary degrees (and associated travel, food, refreshments, and entertainment) and other bona fide, nonmonetary awards presented in recognition of public service (and associated food, refreshments, and entertainment provided in the presentation of such degrees and awards).

"(12) Donations of products from the State that the Member represents that are intended primarily for promotional purposes, such as display or free distribution, and are of minimal value to any individual recipient.

"(13) Food, refreshments, and entertainment provided to a Member or an employee of a Member in the Member's home State, subject to reasonable limitations, to be established by the Committee on Standards of Official Conduct.

"(14) An item of little intrinsic value such as a greeting card, baseball cap, or a T shirt.

"(15) Training (including food and refreshments furnished to all attendees as an integral part of the training) provided to a Member, officer, or employee, if such training is in the interest of the House of Representatives.

"(16) Bequests, inheritances, and other transfers at death.

"(17) Any item, the receipt of which is authorized by the Foreign Gifts and Decorations Act, the Mutual Educational and Cultural Exchange Act, or any other statute.

"(18) Anything which is paid for by the Federal Government, by a State or local government, or secured by the Government under a Government contract.

"(19) A gift of personal hospitality of an individual, as defined in section 109(14) of the Ethics in Government Act.

"(20) Free attendance at a widely attended event permitted pursuant to paragraph (e).

"(21) Opportunities and benefits which are—

"(A) available to the public or to a class consisting of all Federal employees, whether or not restricted on the basis of geographic consideration;

"(B) offered to members of a group or class in which membership is unrelated to congressional employment;

"(C) offered to members of an organization, such as an employees' association or congressional credit union, in which membership is related to congressional employment and similar opportunities are available to large segments of the public through organizations of similar size;

"(D) offered to any group or class that is not defined in a manner that specifically discriminates among Government employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate of pay;

"(E) in the form of loans from banks and other financial institutions on terms generally available to the public; or

"(F) in the form of reduced membership or other fees for participation in organization activities offered to all Government employees by professional organizations if the only restrictions on membership relate to professional qualifications.

"(22) A plaque, trophy, or other memento of modest value.

"(23) Anything for which, in exceptional circumstances, a waiver is granted by the Committee on Standards of Official Conduct.

"(e)(1) Except as prohibited by paragraph (a), a Member, officer, or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, provided by the sponsor of the event, if—

"(A) the Member, officer, or employee participates in the event as a speaker or a panel participant, by presenting information related to Congress or matters before Congress, or by performing a ceremonial function appropriate to the Member's, officer's, or employee's official position; or

"(B) attendance at the event is appropriate to the performance of the official duties or representative function of the Member, officer, or employee.

"(2) A Member, officer, or employee who attends an event described in subparagraph (1) may accept a sponsor's unsolicited offer of free attendance at the event for an accompanying individual if others in attendance will generally be similarly accompanied or if such attendance is appropriate to assist in the representation of the House of Representatives.

"(3) Except as prohibited by paragraph (a), a Member, officer, or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with the event.

"(4) For purposes of this paragraph, the term 'free attendance' may include waiver of all or part of a conference or other fee, the provision of local transportation, or the provision of food, refreshments, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, or food or refreshments taken other than in a group setting with all or substantially all other attendees.

"(f) No Member, officer, or employee may accept a gift the value of which exceeds $250 on the basis of the personal relationship exception in paragraph (d)(3) or the close personal friendship exception in section 106(d) of the Lobbying Disclosure Act of 1994 unless the Committee on Standards of Official Conduct issues a written determination that one of such exceptions applies.

"(g)(1) The Committee on Standards of Official Conduct is authorized to adjust the dollar amount referred to in paragraph (c)(5) on a periodic basis, to the extent necessary to adjust for inflation.

"(2) The Committee on Standards of Official Conduct shall provide guidance setting forth reasonable steps that may be taken by Members, officers, and employees, with a minimum of paperwork and time, to prevent the acceptance of prohibited gifts from lobbyists.

"(3) When it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity or destroyed.

"(h)(1)(A) Except as prohibited by paragraph (a), a reimbursement (including payment in kind) to a Member, officer, or employee for necessary transportation, lodging and related expenses for travel to a meeting, speaking engagement, factfinding trip or similar event in connection with the duties of the Member, officer, or employee as an officeholder shall be deemed to be a reimbursement to the House of Representatives and not a gift prohibited by this paragraph, if the Member, officer, or employee—

"(i) in the case of an employee, receives advance authorization, from the Member or officer under whose direct supervision the employee works, to accept reimbursement, and

"(ii) discloses the expenses reimbursed or to be reimbursed and the authorization to the Clerk of the House of Representatives within 30 days after the travel is completed.

"(B) For purposes of clause (A), events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the duties of a Member, officer, or employee as an officeholder.

"(2) Each advance authorization to accept reimbursement shall be signed by the Member or officer under whose direct supervision the employee works and shall include—

"(A) the name of the employee;

"(B) the name of the person who will make the reimbursement;

"(C) the time, place, and purpose of the travel; and

"(D) a determination that the travel is in connection with the duties of the employee as an officeholder and would not create the appearance that the employee is using public office for private gain.

"(3) Each disclosure made under subparagraph (1)(A) of expenses reimbursed or to be reimbursed shall be signed by the Member or officer (in the case of travel by that Member or officer) or by the Member or officer under whose direct supervision the employee works (in the case of travel by an employee) and shall include—

"(A) a good faith estimate of total transportation expenses reimbursed or to be reimbursed;

"(B) a good faith estimate of total lodging expenses reimbursed or to be reimbursed;

"(C) a good faith estimate of total meal expenses reimbursed or to be reimbursed;

"(D) a good faith estimate of the total of other expenses reimbursed or to be reimbursed;

"(E) a determination that all such expenses are necessary transportation, lodging, and related expenses as defined in this paragraph; and

"(F) in the case of a reimbursement to a Member or officer, a determination that the travel was in connection with the duties of the Member or officer as an officeholder and would not create the appearance that the Member or officer is using public office for private gain.

"(4) For the purposes of this paragraph, the term 'necessary transportation, lodging, and related expenses'—

"(A) includes reasonable expenses that are necessary for travel—

"(i) for a period not exceeding 4 days including travel time within the United States or 7 days in addition to travel time outside the United States; and

"(ii) within 24 hours before or after participation in an event in the United States or within 48 hours before or after participation in an event outside the United States,

unless approved in advance by the Committee on Standards of Official Conduct;

"(B) is limited to reasonable expenditures for transportation, lodging, conference fees and materials, and food and refreshments, including reimbursement for necessary transportation, whether or not such transportation occurs within the periods described in clause (A);

"(C) does not include expenditures for recreational activities or entertainment other than that provided to all attendees as an integral part of the event; and

"(D) may include travel expenses incurred on behalf of either the spouse or a child of the Member, officer, or employee, subject to a determination signed by the Member or officer (or in the case of an employee, the Member or officer under whose direct supervision the officer or employee works) that the attendance of the spouse or child is appropriate to assist in the representation of the House of Representatives.

"(5) The Clerk of the House of Representatives shall make available to the public all advance authorizations and disclosures of reimbursement filed pursuant to subparagraph (1) as soon as possible after they are received.

"(h) In this rule:

"(1) The term 'client' means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is—

"(A) the coalition or association and not its individual members when the lobbying activities are conducted on behalf of its membership and financed by the coalition's or association's dues and assessments; or

"(B) an individual member or members, when the lobbying activities are conducted on behalf of, and financed separately by, 1 or more individual members and not by the coalition's or association's dues and assessments.

"(2) The term 'lobbying firm'—

"(A) means a person or entity that has 1 or more employees who are lobbyists on behalf of a client other than that person or entity; and

"(B) includes a self-employed individual who is a lobbyist.

"(3) The term 'lobbyist' means a person registered under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or required to be registered under any successor statute.

"(4) The term 'State' means each of the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.".

SEC. ___03. MISCELLANEOUS PROVISIONS.

(a) AMENDMENTS TO THE ETHICS IN GOVERNMENT ACT.—Section 102(a)(2)(B) of the Ethics in Government Act (5 U.S.C. 102, App. 6) is amended by adding at the end thereof the following: "Reimbursements accepted by a Federal agency pursuant to section 1353 of title 31, United States Code, or deemed accepted by the Senate or the House of Representatives pursuant to rule XXXV of the Standing Rules of the Senate or clause 4 of rule XLIII of the Rules of the House of Representatives shall be reported as required by such statute or rule and need not be reported under this section.".

(b) REPEAL OF OBSOLETE PROVISION.—Section 901 of the Ethics Reform Act of 1989 (2 U.S.C. 31-2) is repealed.

(c) SENATE PROVISIONS.—

(1) AUTHORITY OF THE COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration, on behalf of the Senate, may accept gifts provided they do not involve any duty, burden, or condition, or are not made dependent upon some future performance by the United States. The Committee on Rules and Administration is authorized to promulgate regulations to carry out this section.

(2) FOOD, REFRESHMENTS, AND ENTERTAINMENT.—The rules on acceptance of food, refreshments, and entertainment provided to a Member of the Senate or an employee of such a Member in the Member's home State before the adoption of reasonable limitations by the Committee on Rules and Administration shall be the rules in effect on the day before the effective date of this title.

(d) HOUSE PROVISION.—The rules on acceptance of food, refreshments, and entertainment provided to a Member of the House of Representatives or an employee of such a Member in the Member's home State before the adoption of reasonable limitations by the Committee on Standards of Official Conduct shall be the rules in effect on the day before the effective date of this title.

SEC. ___04. EXERCISE OF CONGRESSIONAL RULEMAKING POWERS.

Sections ___01, ___02, and ___03 (c) and (d) are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and accordingly, they shall be considered as part of the rules of each House, respectively, or of the House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (insofar as they relate to that House) at any time and in the same manner and to the same extent as in the case of any other rule of that House.

Mr. WELLSTONE. Mr. President, as I promised I would do several weeks ago, today I am submitting, on behalf of myself, Senators FEINGOLD, LAUTENBERG, and BAUCUS, the tough, comprehensive gift ban that some of us have been pushing for over 2 years. These are exactly the same gift ban provisions that were developed last year by House-Senate conferees, but that were blocked at the end of last Congress, and again at the beginning of this Congress, by opponents of reform. They are the same gift ban provisions that were contained in last year's conference report on S. 349, the Lobbying Disclosure Act. So that there is no confusion, let me repeat that: these are exactly the same gift ban provisions that were contained in the conference report on the Lobbying Disclosure Act last year, and that have been supported by the vast majority of Democrats and Republicans on this Senate floor last year.

I do not need to rehearse the long history on this legislation, which made an arduous journey, with many twists and turns, through both houses of Congress last year, and through a House-Senate conference committee, only to be stopped by a Senate filibuster at the end of the 103d Congress. I intend to continue to press it forward, and I also intend to support efforts to enact promptly the lobbying disclosure bill to which this gift ban was attached in the last Congress. I believe that because the registration bill contains tighter definitions of who exactly is a lobbyist than current law, and actually imposes sanctions against representatives of special interests who fail to comply with the new rules, they work most effectively in tandem. But I also believe that because there will likely again be attempts to direct seemingly high-minded, though false, criticisms against the purported "chilling effect" on lobbying of the lobbying disclosure bill—a charge that is preposterous on its face, since the bill simply requires paid, professional lobbyists to register, it doesn't limit their activity—there should be another straight up or down debate and vote on the gift ban itself. These attacks, as they did last year, could come from the lobbying community, from right-wing radio talk show hosts, and others, even though the language which they claimed to be concerned about had been deleted altogether from the bill. I urge my colleagues to support both without weakening changes.

Today I am filing the gift ban as a proposed amendment to S. 652, the telecommunications legislation that is currently pending on the Senate Calendar. This has been one of the most heavily lobbied pieces of legislation in recent memory, from all sides, so it is appropriate that this be a vehicle for the gift ban—and perhaps also for the lobbying disclosure legislation to which it was attached last year.

I intend to bring the gift ban amendment to a vote in the Senate soon after we turn to this bill. If the Senate does not soon turn to the telecommunications bill, then I intend to continue to survey other appropriate vehicles for such an amendment. I suspect that the decision not to turn the telecommunications bill immediately following the budget resolution might have been affected by our decision to move forward now on the gift ban legislation as a proposed amendment to it. But whatever the vehicle, I intend at the very least to prompt a full and thorough debate on this issue, and I hope to get it voted on soon.

I hope that this time, unlike in January, the Majority Leader and my colleagues on the other side of the aisle will support this important legislation, as they publicly indicated they would do last year. In fact, last year 37 Republicans cosponsored these same gift ban provisions, but then proceeded to vote against them in January, after an indication from the Majority Leader that he intended to deal with this issue on the Senate floor this month.

Americans are watching closely to see if the new majority in Congress delivers on its promise of reforms. So far, they have not. This should not come as a surprise, since these were the same people who blocked major reform last year in each of these areas, solely out of a political concern that Democrats might get some credit for cleaning up Washington. Their reform promises have rung hollow all the way along, and they ring hollow today.

In a recent editorial the Washington Post again challenged the new congressional majority to enact a number of tough, sweeping political reform measures that have been opposed by congressional incumbents and bogged down for a number of years. They observed that the simplest and most straightforward of these reforms is legislation to impose a tough, sweeping ban on the gifts, meals, vacation travel and other perks—the same provisions that were killed at the end of the last Congress.

The President is prepared to sign this bill now, and I think we could and should have it on his desk within a few weeks. The President called for lobbying reform and a gift ban in his State of the Union Address, and yet my colleagues in the majority have blocked our bill and put forward no alternative. As I observed 2 weeks ago on this floor, our majority colleagues, frozen like deer in headlights, refuse to move forward on the gift ban. Enthusiastic about slashing free or reduced-price lunches for children, opponents wither when it comes to eliminating free lunches for Members of Congress. This bitter irony has not been lost on the American people. Passing the gift ban, and tough new lobby disclosure rules developed in tough bipartisan negotiations last year led by Senator LEVIN, is one of the best ways we have to begin to restore the confidence of Americans in the integrity of the legislative process.

It is long past time for enactment of this gift ban. This amendment would help to significantly change the Washington culture of special interest perks, favors, meals, travel, and gifts being provided to Members of Congress. There is no doubt that these kinds of gifts and other favors from lobbyists have contributed to Americans deepening distrust of government. They give the appearance of special access and influence, eroding public confidence in Congress as an institution and in each Member individually as a representative of his or her constituents.

This legislation imposes a sweeping ban on gifts, meals, entertainment and lobbyist-sponsored vacation travel, and imposes tough new restrictions on nonlobbyists. It should be passed and enacted this month, if necessary over the objections of those would-be reformers who have talked so much about reform out of one side of their mouths, while opposing it out of the other.

I point out again that these are the same provisions that were opposed by the Majority Leader when we offered them as an amendment to the Congressional Accountability Act in January. At that time, the Majority Leader indicated that he intended to have an alternative gift ban bill on the floor in May. Now it is well into May, and nothing has happened.

No hearings have been held, no bills have been introduced, nothing on gift reform is scheduled for floor consideration anytime soon. In the other body, it is basically the same story. The question today is: Where is the Majority Leader and where are the Republicans with their version of gift reform? Since 37 of them, including the Majority Leader, already cosponsored, at the end of last year, the same provisions that we offered in January, and will offer again soon to an appropriate vehicle here on the floor, what changes do they intend to try to make in the bill?

Do they again intend, as some did last year, to try to gut the provisions on charitable vacation travel to golf and tennis hotspots like Vail, Aspen, Florida, or the Bahamas, where Members and their families are wined and dined at the expense of lobbyists and major corporations? I hope not, but I expect that such an attempt will be made.

Do they again intend to try to hollow out gift ban reforms by just slightly lowering the existing thresholds for expensive meals, sports tickets, and other gifts paid for by special interests here in Washington, so they can say they are for reform? Again, I hope not, but is possible.

Do they really intend in this climate to try to stall their way through another Congress, or worse to sneak something through Congress that's not real reform? I hope not, and I will do everything I can to make sure that doesn't happen.

It is not by change that the so-called "Contract with America" contains not a word about real reforms like these that would clean up the way Washington works. It is because there is seemingly no commitment to the real reform agenda of campaign reform, lobby reform, and the gift ban on the part of the new Congressional majority. In the other body, proponents of the gift ban announced recently that they have again been forced to resort to complex procedural strategies to circumvent the normal committee process by trying to discharge gift ban legislation, in order to even get a vote on it in that body.

The real standard for gift ban reform is the tight, tough bill that Senator LEVIN and I and others put forward in January, the same provisions as were contained in last year's House-Senate conference report which after months of struggling had been supported by overwhelming bipartisan majorities in both houses—until push came to shove at the end of the Congress and the bill was killed in the face of a massive disinformation campaign by the Republican leadership and their friends in the right-wing talk show circuit.

In the past there have been those on both sides of the aisle who have opposed a ban of gifts and other perks. But in the end, overwhelming majorities of both parties have voted for this legislation. And overwhelming majorities would support it again. We have waited over two years for a bill that should have taken us two weeks to enact into law. I intend to fight to make sure this bill is enacted into law this year.

Since it was decided that Members and the Ethics Committee would have needed some time to digest these new rules, last year's bill would not have become effective until the end of this month. There is no good reason that we cannot have new rules in place to meet the deadline. As those of us who have pushed this issue forward for two years said before the congressional recess, we are tired of waiting. The American people are tired of waiting. It is long past time to act on tough new gift reforms.

The Senate should act, now, on tough, sweeping gift ban reforms. And we should follow it up with comprehensive lobbying registration and campaign finance laws. That is the real reform agenda. That is what Americans are really looking for as they press for changes that will clean up Washington. I urge my colleagues to support this legislation, and I invite them to cosponsor our amendment which embodies a tough gift ban bill when it comes to the floor.

Mr. FEINGOLD. Mr. President, I would like to commend the Senator from Minnesota for his persistence on this issue and join with him in once again pointing out the need for legislation that will fundamentally reform the way Congress deals with the thousands and thousands of gifts and other perks that are offered to Members each year from individuals, lobbyists and associations that seek special access and influence on Capitol Hill.

It has been roughly one year since this body approved a strong, bipartisan gift ban bill by a vote of 95 to 4. 95 to 4. That bill would have strictly limited the acceptance of gifts from lobbyists and provided only a few limited exceptions for non-lobbyists. One would think, that on a 95 to 4 vote, that this body, invigorated by the new Republican leadership supposedly determined to change the way Washington does business and to bring government back to the people, would have no problem raising this issue in the new Congress and passing another strong bipartisan piece of legislation.

But here we are, several months into the new Congress, and still no action from the Republican leadership.

Perhaps some of our Republican colleagues feel that there is not really a problem with gift-giving to elected officials and their staffs.

Maybe they feel that the American people really do have faith and trust in their government and their elected officials.

But the fact is, once you leave the greater Washington area, you cannot help but immediately sense the anger and the cynicism with which the American people have come to look upon this institution. They do not see the beltway as a simple road encircling this city—they have come to see it almost as a boundary separating the rest of America from a kingdom of special interest influence known as Washington, D.C.

Mr. President, I firmly believe that there should not be an easier vote to cast than a vote to ban the gift-giving practice. I have said before that this should be a no-brainer. I have held nearly 175 listening sessions in my home State of Wisconsin in the past 2½ years. Thousands of constituents have raised their concerns and expressed their views on a wide spectrum of issues at these listening sessions. There is almost always disagreement about these issues, whether it is government spending, trade agreements, gun control or reforming our health and welfare systems.

But on this issue of gift-giving, the audience sentiment is almost always in perfect unanimity. They are disgusted that this practice is permitted. Without exception, every time I raise the idea of a gift ban I cannot even get a full sentence out before the audience breaks out in spontaneous applause and approval of free gifts and trips.

I have said it now a number of times here on the floor and I will say it again: the Wisconsin State Legislature has had a strict gift prohibition in place for over 20 years now and it has worked fine. In fact, the Wisconsin Legislature is regarded as one of the most ethical legislative bodies in the country. And as has been pointed out by my former colleague in the Senate, Congressman TOM BARRETT, no one in the Wisconsin State Legislature has starved to death because of the gift ban.

Well, Mr. President, there are several of us who are determined to bring this practice to an end. Acting on a tough gift ban will fundamentally reform the way Congress deals with the many gifts and other perks that are offered to Members each year, and would mark a sea change in the way Washington, D.C. does business.

But we need to do more than simply pass through gift ban legislation. We need to strengthen our current lobbying disclosure laws that are riddled with gaping loopholes. We need to shut down the revolving door that allows public officials to trade on their government experience and contracts for lucrative post-employment in the private sector.

But most importantly, Mr. President, most importantly we need to pass comprehensive campaign finance reform that will level the playing field between incumbents and challengers, and diminish the role of special interest money that has come to dominate our election system. It is my sincere hope that this body will begin this process of reform by acting on this measure at the earliest possibility.

These are all links in a chain of special interest influence that is wrapped around the U.S. Capitol. Each link of the chain must be broken and this would mark a dramatic first step.

CONGRESSIONAL BUDGET RESOLUTION

DOMENICI AMENDMENT NO. 1111

Mrs. HUTCHISON (for Mr. DOMENICI) proposed an amendment to the concurrent resolution (S. Con. Res. 13) concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, and 2000, as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1996.
Sec. 2. Recommended levels and amounts.
Sec. 3. Debt increase.
Sec. 4. Social Security.
Sec. 5. Major functional categories.

TITLE I—LEVELS AND AMOUNTS

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1997, 1998, 1999, and 2000:

(1) FEDERAL REVENUES.—(A) For purposes of the enforcement of this resolution—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,040,900,000,000.
Fiscal year 1997: $1,072,200,000,000.
Fiscal year 1998: $1,122,400,000,000.
Fiscal year 1999: $1,172,900,000,000.
Fiscal year 2000: $1,226,000,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $2,100,000,000.
Fiscal year 1997: $11,300,000,000.
Fiscal year 1998: $12,600,000,000.
Fiscal year 1999: $14,600,000,000.
Fiscal year 2000: $20,200,000,000.

(iii) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund)—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $937,100,000,000.
Fiscal year 1997: $963,200,000,000.
Fiscal year 1998: $1,007,500,000,000.
Fiscal year 1999: $1,052,200,000,000.
Fiscal year 2000: $1,099,100,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 1996: $2,100,000,000.
Fiscal year 1997: $11,300,000,000.
Fiscal year 1998: $12,600,000,000.
Fiscal year 1999: $14,600,000,000.
Fiscal year 2000: $20,200,000,000.

(2) NEW BUDGET AUTHORITY.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,337,500,000,000.
Fiscal year 1997: $1,385,100,000,000.
Fiscal year 1998: $1,454,200,000,000.
Fiscal year 1999: $1,520,200,000,000.
Fiscal year 2000: $1,600,600,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,230,700,000,000.
Fiscal year 1997: $1,267,400,000,000.
Fiscal year 1998: $1,325,100,000,000.
Fiscal year 1999: $1,378,700,000,000.
Fiscal year 2000: $1,446,700,000,000.

(3) BUDGET OUTLAYS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,325,500,000,000.
Fiscal year 1997: $1,385,900,000,000.
Fiscal year 1998: $1,441,800,000,000.
Fiscal year 1999: $1,520,500,000,000.
Fiscal year 2000: $1,601,300,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,219,000,000,000.
Fiscal year 1997: $1,266,200,000,000.
Fiscal year 1998: $1,310,700,000,000.
Fiscal year 1999: $1,377,700,000,000.

Fiscal year 2000: $1,445,300,000,000.

(4) DEFICITS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1996: $284,600,000,000.

Fiscal year 1997: $313,700,000,000.

Fiscal year 1998: $319,400,000,000.

Fiscal year 1999: $347,600,000,000.

Fiscal year 2000: $375,300,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the deficits are as follows:

Fiscal year 1996: $281,900,000,000.

Fiscal year 1997: $303,000,000,000.

Fiscal year 1998: $303,200,000,000.

Fiscal year 1999: $325,500,000,000.

Fiscal year 2000: $346,200,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1996: $3,851,500,000,000.

Fiscal year 1997: $4,109,500,000,000.

Fiscal year 1998: $4,372,300,000,000.

Fiscal year 1999: $4,658,300,000,000.

Fiscal year 2000: $4,964,600,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1996: $37,600,000,000.

Fiscal year 1997: $40,200,000,000.

Fiscal year 1998: $42,300,000,000.

Fiscal year 1999: $45,700,000,000.

Fiscal year 2000: $45,800,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1996: $193,400,000,000.

Fiscal year 1997: $187,900,000,000.

Fiscal year 1998: $185,300,000,000.

Fiscal year 1999: $183,300,000,000.

Fiscal year 2000: $184,700,000,000.

SEC. 3. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1996: $5,252,300,000,000.

Fiscal year 1997: $5,627,200,000,000.

Fiscal year 1998: $6,006,900,000,000.

Fiscal year 1999: $6,404,800,000,000.

Fiscal year 2000: $6,823,200,000,000.

SEC. 4. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $374,700,000,000.

Fiscal year 1997: $392,000,000,000.

Fiscal year 1998: $411,400,000,000.

Fiscal year 1999: $430,900,000,000.

Fiscal year 2000: $452,000,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $299,400,000,000.

Fiscal year 1997: $310,900,000,000.

Fiscal year 1998: $324,600,000,000.

Fiscal year 1999: $338,500,000,000.

Fiscal year 2000: $353,100,000,000.

SEC. 5. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1996 through 2000 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, $257,700,000,000.

(B) Outlays, $261,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1997:

(A) New budget authority, $253,400,000,000.

(B) Outlays, $257,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1998:

(A) New budget authority, $259,600,000,000.

(B) Outlays, $254,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1999:

(A) New budget authority, $266,200,000,000.

(B) Outlays, $259,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2000:

(A) New budget authority, $276,000,000,000.

(B) Outlays, $267,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $18,800,000,000.

(B) Outlays, $17,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1997:

(A) New budget authority, $17,600,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1998:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1999:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2000:

(A) New budget authority, $17,300,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $17,300,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $16,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $4,500,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,300,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,300,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $3,300,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $22,900,000,000.

(B) Outlays, $21,900,000,000.

(C) New direct loan obligations, $100,000,0000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $22,200,000,000.

(C) New direct loan obligations, $100,000,0000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,700,000,000.

(B) Outlays, $21,900,000,000.

(C) New direct loan obligations, $100,000,0000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $21,200,000,000.

(B) Outlays, $21,500,000,000.

(C) New direct loan obligations, $100,000,0000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $20,600,000,000.

(B) Outlays, $20,800,000,000.

(C) New direct loan obligations, $100,000,0000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $14,500,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1997:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1998:

(A) New budget authority, $13,800,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1999:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2000:

(A) New budget authority, $13,300,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $4,300,000,000.

(B) Outlays, −$5,800,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1997:

(A) New budget authority, $3,600,000,000.

(B) Outlays, −$3,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1998:

(A) New budget authority, $3,000,000,000.

(B) Outlays, −$4,700,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1999:

(A) New budget authority, $2,700,000,000.

(B) Outlays, −$2,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2000:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $900,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $39,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $40,300,000,000.

(B) Outlays, $37,900,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $38,700,000,000.

(B) Outlays, $38,400,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $35,600,000,000.

(B) Outlays, $37,900,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $35,000,000,000.

(B) Outlays, $36,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $10,900,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1997:

(A) New budget authority, $9,400,000,000.

(B) Outlays, $10,700,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1998:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1999:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $10,700,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2000:

(A) New budget authority, $8,600,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $58,300,000,000.

(B) Outlays, $56,400,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

Fiscal year 1997:

(A) New budget authority, $57,000,000,000.

(B) Outlays, $57,300,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

Fiscal year 1998:

(A) New budget authority, $56,800,000,000.

(B) Outlays, $56,900,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

Fiscal year 1999:

(A) New budget authority, $57,300,000,000.

(B) Outlays, $57,200,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

Fiscal year 2000:

(A) New budget authority, $57,600,000,000.

(B) Outlays, $57,400,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $127,500,000,000.

(B) Outlays, $126,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1997:

(A) New budget authority, $137,900,000,000.

(B) Outlays, $138,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1998:

(A) New budget authority, $149,900,000,000.

(B) Outlays, $150,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1999:

(A) New budget authority, $163,000,000,000.

(B) Outlays, $163,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2000:

(A) New budget authority, $176,500,000,000.

(B) Outlays, $176,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $184,200,000,000.

(B) Outlays, $181,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $201,600,000,000.

(B) Outlays, $200,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $219,900,000,000.

(B) Outlays, $218,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $239,600,000,000.

(B) Outlays, $237,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $259,400,000,000.

(B) Outlays, $257,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(13) For purposes of section 710 of the Social Security Act, Federal Supplementary Medical Insurance Trust Fund:

Fiscal year 1996:

(A) New budget authority, $64,800,000,000.

(B) Outlays, $64,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $71,600,000,000.

(B) Outlays, $71,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $79,200,000,000.

(B) Outlays, $78,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $87,800,000,000.

(B) Outlays, $87,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $97,100,000,000.

(B) Outlays, $96,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(14) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $228,500,000,000.

(B) Outlays, $232,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,0000.

Fiscal year 1997:

(A) New budget authority, $241,500,000,000.

(B) Outlays, $249,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,0000.

Fiscal year 1998:

(A) New budget authority, $263,200,000,000.

(B) Outlays, $263,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 1999:

(A) New budget authority, $271,000,000,000.

(B) Outlays, $280,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 2000:

(A) New budget authority, $285,400,000,000.

(B) Outlays, $297,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(15) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $11,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(16) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $39,100,000,000.

(B) Outlays, $37,300,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

Fiscal year 1997:

(A) New budget authority, $38,900,000,000.

(B) Outlays, $38,800,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

Fiscal year 1998:

(A) New budget authority, $39,000,000,000.

(B) Outlays, $39,000,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

Fiscal year 1999:

(A) New budget authority, $39,100,000,000.

(B) Outlays, $39,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

Fiscal year 2000:

(A) New budget authority, $39,100,000,000.

(B) Outlays, $40,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

(17) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $20,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $21,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $23,300,000,000.

(B) Outlays, $22,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $24,500,000,000.

(B) Outlays, $23,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $24,700,000,000.

(B) Outlays, $24,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) General Government (800):

Fiscal year 1996:

(A) New budget authority, $14,700,000,000.

(B) Outlays, $14,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $14,100,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $14,000,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $13,600,000,000.

(B) Outlays, $13,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $300,000,000,000.

(B) Outlays, $300,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $315,900,000,000.

(B) Outlays, $315,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $330,600,000,000.

(B) Outlays, $330,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $350,800,000,000.

(B) Outlays, $350,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $372,600,000,000.

(B) Outlays, $372,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(20) For purposes of section 710 of the Social Security Act, Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $310,300,000,000.

(B) Outlays, $310,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $325,700,000,000.

(B) Outlays, $325,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $339,500,000,000.

(B) Outlays, $339,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $358,300,000,000.

(B) Outlays, $358,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $378,200,000,000.

(B) Outlays, $378,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(21) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1996: $371,300,000,000.

Fiscal year 1997: $386,800,000,000.

Fiscal year 1998: $402,300,000,000.

Fiscal year 1999: $423,900,000,000.

Fiscal year 2000: $446,800,000,000.

(22) Allowances (920):

Fiscal year 1996:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(23) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, −$31,900,000,000.

(B) Outlays, −$31,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$34,800,000,000.

(B) Outlays, −$34,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$35,700,000,000.

(B) Outlays, −$35,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$33,300,000,000.

(B) Outlays, −$33,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$34,900,000,000.

(B) Outlays, −$34,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(24) For purposes of section 710 of the Social Security Act, Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, −$29,400,000,000.

(B) Outlays, −$29,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$32,200,000,000.

(B) Outlays, −$32,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$33,000,000,000.

(B) Outlays, −$33,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$30,500,000,000.

(B) Outlays, −$30,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$31,900,000,000.

(B) Outlays, −$31,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

NOTICES OF HEARINGS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding a hearing on Tuesday, May 23, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building on S. 479, a bill to provide for administrative procedures to extend Federal recognition to certain Indian groups.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 18, 1995, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 p.m. The purpose of this hearing is to receive testimony on administration of timber contracts in the Tongass National Forest, and administration of the Tongass Timber Reform Act of 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Thursday, May 18, 1995, beginning at 9:30 a.m. in room SD–215, to conduct a hearing on various flat tax proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 18, 1995, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOLE. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, May 18, 1995, at 10 a.m., for a hearing on Executive Reorganization: Various Proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, May 18, 1995, beginning at 9:30 a.m. in room 485 of the Russell Senate Office Building on the recommendations of the Joint DOI/BIA/Tribal Task Force on Reorganization of the Bureau of Indian Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, May 18, 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Thursday, May 18, 1995, at 9:30 a.m., in room SD–628, to conduct a hearing focusing on the Small Business Administration's 7(a) Business Loan Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, May 18, 1995, at 9:30 a.m., to hold a hearing to receive testimony on the Smithsonian Institution: Management Guidelines for the Future.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY PRODUCTION AND REGULATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Production and Regulation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 18, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of the hearing is to receive testimony on S. 283, a bill to provide for the extension of the deadline under the Federal Power Act applicable to two hydroelectric projects in Pennsylvania, and for other purposes; S. 468, a bill to provide for the extension of the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in Ohio, and for other purposes; S. 543, a bill to provide for the extension of the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in Oregon and for other purposes; S. 547, a bill to provide for the extension of the deadlines applicable to certain hydroelectric projects under the Federal Power Act, and for other purposes; S. 549, a bill to provide for the extension of the deadline under the Federal Power Act applicable to the construction of three hydroelectric projects in the State of Arkansas, S. 552, a bill to provide for the refurbishment and continued operation of a small hydroelectric facility in central Montana by adjusting the amount of charges to be paid to the United States under the Federal Power Act and for other purposes; S. 595, a bill to provide for the extension of a hydroelectric project located in the State of West Virginia; and S. 611, a bill to provide for the extension of the time limitation for a FERC-issued hydroelectric license.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEAPOWER

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Seapower of the Committee on Armed Services be authorized to meet at 1 p.m. on Thursday, May 18, 1995, in open session, to receive testimony on the U.S. Marine Corps program and current operations in review of S. 727, the National Defense Authorization Act for Fiscal Year 1996 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet at 3 p.m. on Thursday, May 18, 1995, in open and closed session, to receive testimony on bomber force issues in review of S. 727, the National Defense Authorization Act for fiscal year 1996, and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FEDERAL GUN DEALER LICENSE ABUSES

• Mr. SIMON. Mr. President, today, I would like to share an important Chicago Sun-Times article with my colleagues. It examines yet another example of the sometimes deadly link between federally licensed firearms dealer and the sale of weapons to criminals.

James L. Bush, of Bolingbrook, IL, a federally licensed gun dealer, has pleaded guilty to selling 350 guns to criminals. To make extra money, he and a friend used a grinding stone attached to an electric drill to erase the guns' serial numbers, and then sold those guns to gang members and drug dealers in the market for guns. Those guns were then added to the explosion of weapons on the streets of our communities. Mr. Bush's case reminds me of the 1992 arrest of James Board of Highland, IN, who police say sold more than 1,000 guns to Chicago street gangs. At least 50 of those guns have been recovered from crime scenes, according to an ATF spokesman.

Certainly, Mr. Bush is responsible for his criminal actions, but we should not disregard the fact that since receiving his license in January 1990, he heard from an ATF agent only once. In Illinois, 15 ATF inspectors must monitor 6,529 federally licensed firearms dealers. These inspectors are overburdened and underfunded. Given the evident connection between unmonitored licensees and the presence of illegal weapons on our streets, we must ensure that licensees undergo sufficient scrutiny to detect such criminal activity.

That is why I sponsored Federal firearms dealer license reforms last year. As a result of my reforms, Federal firearms licenses now require a photograph and fingerprints, dealers are required to comply with State and local laws, and the ATF now has 60 days, instead of 45, to investigate before granting a license. Additional reforms raised the licensing fee from a mere $30 to $200.

As a result of these common-sense reforms, there is some good news. Since licensing reform was enacted in December 1993, the number of dealers in the United States has dropped from 283,000 to 239,000 in December 1994. For the first time in years, according to the Violence Policy Center, there are now more gas stations than gun dealers in this country.

Opponents of gun control legislation say that measures such as these make no difference in crime and the flow of illegal weapons. Even supporters of gun control legislation often dismiss these types of reforms as too small, too narrow, and insufficient to address such overwhelming problems.

Clearly, these reforms do not solve our problems with violence and crime. But there should no longer be any doubt that small steps make a big difference. The struggle to free our communities from rampant gun violence will only be won with commitment, determination, and measures just like these. I ask that the article be printed in the RECORD.

The article follows:

CONFESSIONS OF A GUN RUNNER; HOW SUBURBANITE SUPPLIED CHICAGO GANG

(By Alex Rodriguez)

Easy money, James L. Bush thought to himself. Buy a gun for $100, sell it for $250 on the streets. And in the bullet-scarred neighborhoods of the West Side, customers weren't hard to find.

So several times last winter Bush—suburbanite, homeowner and father of two—drove to the city and sold boxes of guns to the Vice Lords street gang. He drove away with a wallet stuffed with cash.

Getting the guns wasn't a problem. Bush owned a federal firearms dealer license, about as easy to get as a library card.

"It was very easy to abuse the system," Bush, 39, said during a recent interview at his home in Bolingbrook. A federal judge will sentence him this summer on a conviction of illegal delivery of firearms.

"There are probably people out there doing it right now," he continued, "but they just haven't gotten caught."

Just how significant a role crooked federal firearms dealers play in the availability of guns to criminals is hard to measure, federal officials say. Most federal firearms dealers don't break the law, and law enforcement agencies don't keep statistics on those who do.

Still, the access to volume that comes with the license means that just one crooked firearms dealer can become a street gang's conduit for hundreds, even thousands of guns, federal law enforcement officials say. Bush supplied gang members and drug dealers with more than 350 guns before federal agents arrested him in February. In 1992, federal agents arrested James Board of Highland, Ind., who police say sold more than 1,000 guns to Chicago street gangs.

At least 50 of those guns have been recovered from crime scenes, said Jerry Singer, spokesman for the U.S. Bureau of Alcohol, Tobacco and Firearms. Board pleaded guilty to one count of illegal firearms delivery and was sentenced to 21 months in jail.

The federal government has responded by tightening regulations governing the issuance of federal firearms licenses.

Before the changes, anyone could obtain a federal firearms license by paying $30 and filling out a one-page application.

With that license, they could buy and sell large numbers of guns across state lines—from home if they wanted. They could buy in volume because they bought wholesale.

License holders can still do all that, but now applicants must pay $200 for a license, submit fingerprints and live in a town without laws prohibiting gun dealerships.

Gun proponents have decried the new regulations as unnecessary and misguided.

"We see (ATF) as committed to driving down the number of federal firearms license holders as a ploy to drive down lawful gun ownership," said Mary Sue Faulkner, spokeswoman for the National Rifle Association. "It's like gun control. There are already plenty of laws on the books to enforce."

ATF officials, however, say the new regulations are needed to pare down the universe of license holders. One reason the agency struggles to ferret out crooked firearms dealers is that it isn't armed with enough inspectors to monitor them.

In Illinois, 15 inspectors must cover 6,529 federally licensed firearms dealers along with countless other duties, including making sure distilleries, breweries and wineries pay federal liquor taxes.

"It's a very difficult job, when you have that few inspectors for that many federal firearms licenses," Singer said. "There's only so much resources to go around."

If the goal is fewer dealers, the new regulations are working. Before December, 1993, when the federal government raised the application fee from $30 to $200, ATF had to oversee some 284,000 license holders nationwide. Nine months later, the number of licensed dealers dropped to around 255,000.

Then in September, Congress enacted new rules that required applicants to submit fingerprints, notify their local police chief of their application and certify that their dealership isn't prohibited by local law.

Since then, the number of licensed dealers has dropped to 223,476. By 1997, ATF officials predict the number of licensed dealers will dwindle to 80,000.

"Maybe by 1997 we'll have a more manageable universe," said ATF spokesman Michael Fitzgerald.

Bush only heard once from the ATF after getting his federal firearms license in January, 1990. An agent visited him February, 1993, to review his records. Later that month, the agency renewed his license.

At the time, Bush was a Chicago Transit Authority purchasing clerk living with his family in a $180,000 house in Bolingbrook, but struggling to erase a $40,000 debt from a failed laundromat business, according to Bush and court documents.

In September, 1994, an acquaintance of Bush—not named in court documents—offered to find Bush gang members and drug dealers in the market for guns, court records showed. The two agreed to split the profits.

According to court records, Bush sold 350 guns to criminals, at first with the help of his friend—a driver with United Parcel Service—and later on his own. The two used a grinding stone attached to a cordless drill to erase the guns' serial numbers.

Bush was arrested Feb. 2 after selling 47 guns to an undercover ATF agent. He pleaded guilty April 4 and faces sentencing in July.

Bush, who is black, says he wrestles daily with the knowledge that he sold guns in mostly black neighborhoods under siege from gangs for decades.

"I know it wasn't right," Bush said. "They were going in the hands of gang-bangers, and it was mostly black-on-black crime. Maybe by me getting busted, that was God's way to tell me to stop."

As a federally licensed firearms dealer, James L. Bush supplied West Side gang members with more than 350 guns before U.S. agents arrested him in February, seizing dozens of weapons. The Bolingbrook resident was convicted in April of illegal firearms delivery.●

CHELSEA NEIGHBORHOOD HOUSING SERVICES, INC., AND CITIZENS BANK OF MASSACHUSETTS

● Mr. KERRY. Mr. President, I rise to commend Chelsea Neighborhood Housing Services, Inc. [CNHS], and Citizens Bank of Massachusetts [Citizens], which were nationally recognized for their exceptional partnership achievements by the Social Compact in its 1995 Outstanding Community Investment Awards Program Tuesday night. Together, CNHS and Citizens have developed a unique pilot program that helps former low-income renters become homeowners and building managers. The two organizations have designed this successful program specifically to meet the needs of low-income residents in Chelsea, MA.

Chelsea, historically a city of immigrants, has a population that often is the last hired and the first fired. Consequently, when the State of Massachusetts experienced a severe economic downturn in the early 1990's, Chelsea's residents were greatly affected. This population, with a per capita income of less than $8,600, is unable to accumulate savings for downpayments or closing costs for home purchases, even when working overtime or holding two jobs. Nevertheless, despite the problems, many residents are determined to stay in Chelsea and buy their own homes.

Citizens—formerly known as Boston Five—originally approached CNHS to discuss a collaboration because it wanted to increase loans in Chelsea and create a successful program that could be replicated in other cities. When CNHS and Citizens designed rent-to-own, they carefully considered the needs of Chelsea residents. They recognized that additional financial assistance would be needed for first-time homebuyers in order for them to have downpayments and meet closing cost requirements. Triple-decker properties, three-story buildings with a two-bedroom apartment on the ground floor and two three-bedroom apartments upstairs, provided part of the answer. The income from rental units helps decrease the barrier to homeownership. To qualify for the program, the potential managers/buyers must commit to a 3-year program that requires them to attend monthly training sessions and learn how to be good landlords. In return for their work and training, they receive 100 points a month and are docked if absent from training or if they do not fulfill management responsibilities. At the end of each year, the points earned are converted to a maximum of $1,200 and deposited to an escrow account at Citizens Bank. After 2 years, the account's balance—potentially $2,400—is considered the manager/buyer's cash downpayment toward the average purchase price of $120,000 for his or her home.

CNHS piloted the program in one of the poorest neighborhoods in the city. With initial financial assistance from Citizens and further assistance from the Neighborhood Reinvestment Corporation, a State grant from the corpus of the Federal community development block grant to Massachusetts, Neighborhood Housing Services of America, and the State Executive Office of Communities and Development, CNHS bought a vacant and vandalized condominium and converted the early 20th-century building into four triple-deckers now called Garden Apartments I.

The commitment of Citizens to the rent-to-own project is impressive. Over 150 hours of staff time was logged to develop and shape a program that would fit the needs of both clients and sponsoring institutions. Additionally, Citizens' senior staff worked with CHHS to gain approval of the program for Fannie Mae's secondary market.

Since the first days of occupancy, the rent-to-own project has been self-sufficient. The residents keep the building immaculate, so its presence visibly improves the entire neighborhood. Both partners are pleased—Citizens is achieving its original mission, the development of a model program that can be expanded and adapted in other cities, and CNHS has a program that serves its special constituency. They are now acquiring one building a month, and 50 percent of those will be rent-to-own units.

On behalf of the Commonwealth of Massachusetts, I commend Chelsea Neighborhood Housing Services and Citizens Bank for their distinguished cooperation and success, and suggest that their model be considered for replication throughout the country.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick Leahy.									
Haiti	Gourde	1,896.5	150.00					1,896.5	150.00
William N. Witting.									
Haiti	Gourde	1,896.5	150.00					1,896.5	150.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1995—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			300.00						300.00

MARK O. HATFIELD,
Chairman, Committee on Appropriations, May 1, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1994

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Barbara A. Mikulski.									
Vietnam	Dollar		289.88				103.56		393.44
Thailand	Dollar		415.42				313.31		728.73
Hong Kong	Dollar		691.53				609.42		1,300.95
France	Dollar		50.00				65.21		115.21
China	Dollar		444.67				233.33		678.00
Malaysia	Dollar		711.48				470.00		1,181.48
Richard L. Collins.									
China	Yuan	6,386.80	747.00					6,386.80	747.00
Philippines	Peso	2,982.50	125.00					2,982.50	125.00
Korea	Won	242,400	303.00					242,400	303.00
United States	Dollar				1,229.45				1,229.45
Total			3,777.98		1,229.45		1,794.83		6,802.26

ROBERT C. BYRD,
Chairman, Committee on Appropriations, Apr. 7, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard D. DeBobes.									
Belgium	Franc	7,720	266.39					7,720	266.39
England	Pound	213.5	339.64					213.5	339.64
John Douglass.									
Belgium	Franc	7,600	252.08					7,600	252.08
England	Pound	168.5	283.08					168.5	283.08
Germany	Mark	297.90	204.03					297.90	204.03
Senator John S. McCain.									
Germany	Mark	375.44	247.00					375.44	247.00
Senator William S. Cohen.									
Germany	Mark	427.79	282.00					427.79	282.00
Senator Sam Nunn.									
Belgium	Franc	9,040	299.82					9,040	299.82
England	Pound	126	211.68					126	211.68
Germany	Mark	175	119.87					175	119.87
Senator John Glenn.									
Germany	Mark	423.80	279.36					423.80	279.36
Senator Joseph I. Lieberman.									
Germany	Mark	451.44	297.00					451.44	297.00
James M. Bodner.									
Germany	Mark	426.45	281.20					426.45	281.20
Senator Sam Nunn.									
Haiti	Gourde	1,218	87.00					1,218	87.00
Richard D. DeBobes.									
Haiti	Gourde	2,436	174.00					2,436	174.00
	Dollar						25.00		25.00
Total			3,624.15				25.00		3,649.15

STROM THURMOND,
Chairman, Committee on Armed Services, May 8, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John D. Rockefeller IV.									
Japan	Yen		1,534.00						1,534.00
Taiwan	Dollar		648.00						648.00
United States	Dollar				5,359.95				5,359.95
Lane Bailey.									
Japan	Yen		1,534.00						1,534.00
Taiwan	Dollar		648.00						648.00
United States	Dollar				2,994.95				2,994.95
Total			4,364.00		8,354.90				12,718.90

BOB PACKWOOD,
Chairman, Committee on Finance, Apr. 28, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Elizabeth De Moss.									
Costa Rica	Colon	71,514	415.18					71,514	415.18
	Dollar		30.36						30.36
United States	Dollar				605.00				605.00
Michael Haltzel.									
France	Dollar		1,500.00						1,500.00
United States	Dollar				647.05				647.05
Total			1,945.54		1,252.05				3,197.59

JESSE HELMS,
Chairman, Committee on Foreign Relations, Apr. 25, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM JAN. 1 TO MAR. 31, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William V. Roth, Jr.									
Germany	Mark	666.35	439.25					666.35	439.25
Senator Connie Mack.									
Germany	Mark	380	250.49					380	250.49
Total			689.74						689.74

ROBERT J. DOLE,
Majority Leader, Apr. 26, 1995.

ADDENDUM—CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM JULY 1 TO SEPT. 30, 1994

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Warner.									
United Kingdom	Dollar				1,763.95				1,763.95
Total	Dollar				1,763.95				1,763.95

ROBERT J. DOLE,
Republican Leader, Apr. 26, 1995.

TRIBUTE TO MOUNTAIN CITY CARE CENTER

• Mr. FRIST. Mr. President, I rise today to recognize this week as Nursing Home Week in Tennessee, and to commend one of the finest nursing homes in east Tennessee for its excellent staff and the generous care it provides its residents—the Mountain City Care Center in Mountain City, TN.

Nursing homes in Tennessee are reviewed each year in a Tennessee State survey, with the results highlighting each center's strengths and weaknesses. Just 2 years ago, Mountain City Care Center was widely recognized as one of the worst facilities in east Tennessee, and it was almost forced to close. After receiving poor State survey results, the staff and new management of the facility immediately began retraining and hiring new care providers. Within 90 days, the State found that significant changes were being made, and Mountain City Care Center's surveys, as well as public opinion about the facility, have been improving ever since.

Just 2 weeks ago, the care center received its best inspection yet in the annual surveys, and it is widely recognized as one of the most improved, progressive nursing homes in east Tennessee. Mountain City Care Center even sponsors school projects, Johnson County Little League, sports programs, Rotary Club, American Red Cross, and other community programs.

Mr. President, I would like to thank the Tennesseans who were involved in turning around Mountain City Care Center and turning it into one of the best facilities in the State. Without their hard work and dedication to quality care, elderly residents in Mountain City would not receive the attention and care that they deserve.•

MUSICALYMPICS

• Mr. BIDEN. Mr. President, earlier this week an article in the Science Times section of the New York Times explored what it called "the mystery of music." Scientists are attempting to find how and where the sense and art of music arise in the brain. It is a search in which much remains to be discovered, but it has already produced fascinating results, including the possibility that, even as it provides the child with a constructive source of pleasure and reward, early musical training may also enhance the ability to think and reason in terms of time and space. That possibility suggests, in turn, the significant role that music and musical education play in achieving the fundamental goals of our educational system.

That suggestion lends a special emphasis to an innovative musical program inaugurated this spring at three Los Angeles-area high schools. This program, I believe, serves as an excellent model for improving education through the cooperation of the private and public sectors.

"Musicalympics," an artistic competition for high schools, was conceived by David Griffin, a Warner Brothers Records representative. Griffin enlisted the interest of Warner Brothers Records chairman, Danny

Goldberg, who signed the record company on as the Musicalympics' founding benefactor, the first, Griffin hopes, of other corporate sponsors to follow. Similarly, he hopes to see this year's inaugural competition among the three high schools extended to other schools in the future. The thoughtful design of the competition and the solid professional backing it is receiving make its prospects good, I believe, on both counts.

Each school participating in Musicalympics has created a team of student songwriters, musicians, choreographers, dancers, costume designers, set designers and production personnel such as television camera operators, lighting designers and recording engineers to pursue the creation of a musical performance from the writing of an original song to the final television production. Each school has been given a small cash stipend to underwrite expenses, and production professionals have guided the students in mastering technical production details.

Professional Musicalympics television crews have visited each school periodically to videotape students preparing their productions. David Griffin is producing and directing a television documentary special which showcases the competition, which will end in a complete television performance of each school's production. The competition is being judged by Griffin, a Warner Records artist and other television professionals. The documentary will premiere early next month and the winning school will be announced before each school's participating students and invited guests, sponsors, contributors and other key supporters. Each participating student will receive a videotape of the finished television program, and all three participating schools will receive cash prizes, or musical instruments and recording equipment.

Mr. President, the Musicalympics directly addresses a number of educational dimensions which concern the Nation today. In the first place, it offers an opportunity for interested students to participate directly in the creation of an original artistic performance; it provides those students with an intimate, personal perspective on the origin and nature of a production in one of the performing arts which are a chief feature of our culture. It helps these students develop the practical, hands-on skills that make such performances possible. It combines the resources of the private and public sectors to achieve a worthwhile goal few schools could manage on their own. It provides for both the participating students and their schools the challenge and the reward of disciplined teamwork focused on a constructive conclusion. And, finally, it takes broad theoretical and practical advantage of the fundamental, universal, and characteristically human creation and appreciation of music.

Mr. President, I commend the founders and supporters of Musicalympics. This is a program that deserves scrutiny, encouragement and support.•

IN SUPPORT OF THE NEA

• Mr. SARBANES. Mr. President, I rise today to express my concerns about proposals in the House of Representatives that would abolish the National Endowment for the Arts. Support for the arts and humanities is the hallmark of a civilized society and since our Nation's founding, the arts have held a respected place in our country.

The National Endowment for the Arts and the National Endowment for the Humanities were created 30 years ago with the passage of the National Foundation on the Arts and Humanities Act of 1965. This act was conceived fundamentally to maintain intellectual freedom and preserve American culture for future generations. Since its inception, the National Endowment for the Arts and Humanities have become the principal funding organizations for many of our national museums, historical sights, and cultural institutions.

While we are currently facing a time of serious budgetary constraints, it is important for us to remember how small our investment in the arts really is. If you look at other civilized countries, they do far more from the public treasury in helping support the arts and humanities than we do in this country. Currently, the United States spends 64 cents per American per year, the equivalent of 2 postage stamps. In light of the tremendous return on investment in the arts and humanities, proposals to terminate funding for the endowments seem shortsighted.

Federal support for the arts and humanities constitutes only 5 to 10 percent of the total funding for the arts in this Nation. This small investment functions as a catalyst to draw into the arts very significant amounts of money from the State and local levels as well as from private sources.

A grant from the NEA or NEH gives a tremendous boost to organizations such as symphonies and museums by assisting them in fundraising efforts in their own communities. Organizations all across the State of Maryland—from Baltimore's Museum of Art to Hagerstown's Maryland Symphony Orchestra—have all been able to use their NEA grant awards to leverage much-needed funding from their own communities. In fact, $1 endowment attracts $11 for the arts from States and local governments, regional and local art agencies, foundations and corporations, and businesses and individuals.

All of these contributions recognize the tremendous return on an investment in the arts. The arts have brought increased economic development to communities across the Nation's revitalizing inner cities, stimulating revenue and creating jobs. Nationally, the nonprofit arts industry generates an estimated $37 billion in economic activity and employs 1.3 million Americans. The arts attract tourist dollars, encourage business development, spur urban renewal, and improve the overall quality of life in our cities and towns.

Endowment grants also support important education and public programs. In my own State of Maryland, NEH grants are assisting Essex Community College in developing its curriculum and training faculty members to teach it; aiding in the preservation of historic Maryland newspapers such as the Log Cabin Advocate and the Independent Farmer; and funding museum exhibits such as the one on enlisted airmen in World War II at the Airmen Memorial Museum in Suitland, Maryland.

Endowment grants enrich the lives of all Americans by bringing diverse aspects of our cultural heritage right into our own communities. Among the most important beneficiaries of the arts are the children of this Nation. Exposure to the arts motivates children—stimulating their imaginations and increasing their confidence. For young people especially, a whole new world opens up to them when they enter a museum. The House proposals terminating funding for the arts would effectively slam the door to that new world. In my view, it is imperative that we keep that door open for Americans of all ages.•

OFFICE FOR RARE DISEASE RESEARCH ACT

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 104, S. 184.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 184) to establish an Office for Rare Disease Research in the National Institutes of Health, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 184) was passed, as follows:

S. 184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Office for Rare Disease Research Act of 1995".

SEC. 2. ESTABLISHMENT OF OFFICE FOR RARE DISEASE RESEARCH.

Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 404F. OFFICE FOR RARE DISEASE RESEARCH.

"(a) ESTABLISHMENT.—There is established within the Office of the Director of the National Institutes of Health an office to be known as the Office for Rare Disease Research (in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of the National Institutes of Health.

"(b) PURPOSE.—The purpose of the Office is to promote and coordinate the conduct of research on rare diseases through a strategic research plan and to establish and manage a rare disease research clinical database.

"(c) ADVISORY COUNCIL.—The Secretary shall establish an advisory council for the purpose of providing advice to the director of the Office concerning carrying out the strategic research plan and other duties under this section. Section 222 shall apply to such council to the same extent and in the same manner as such section applies to committees or councils established under such section.

"(d) DUTIES.—In carrying out subsection (b), the director of the Office shall—

"(1) develop a comprehensive plan for the conduct and support of research on rare diseases;

"(2) coordinate and disseminate information among the institutes and the public on rare diseases;

"(3) support research training and encourage the participation of a diversity of individuals in the conduct of rare disease research;

"(4) identify projects or research on rare diseases that should be conducted or supported by the National Institutes of Health;

"(5) develop and maintain a central database on current government sponsored clinical research projects for rare diseases;

"(6) determine the need for registries of research subjects and epidemiological studies of rare disease populations; and

"(7) prepare biennial reports on the activities carried out or to be carried out by the Office and submit such reports to the Secretary and the Congress.".

ORDERS FOR FRIDAY, MAY 19, 1995

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:45 a.m. on Friday, May 19; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mrs. HUTCHISON. For the information of all Senators, tomorrow morning the Senate will debate the Domenici substitute, which is the text of President Clinton's budget, with that vote to occur at 10:45 a.m. That will be the last vote for the day. However, Senators LAUTENBERG and ROCKEFELLER will offer an amendment on which there will be debate. A vote will occur on that amendment at 3:15 p.m., Monday, under a previous order. That 3:15 vote on Monday is the first vote of the day. Additional rollcall votes can be expected throughout the day and into the evening on Monday.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors of the U.S. Naval Academy:

The Senator from Oregon [Mr. HATFIELD], from the Committee on Appropriations; the Senator from Arizona [Mr. MCCAIN], from the Committee on Armed Services; the Senator from Maryland [Ms. MIKULSKI], from the Committee on Appropriations; and the Senator from Maryland [Mr. SARBANES], at large.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors of the U.S. Military Academy:

The Senator from Mississippi [Mr. COCHRAN], from the Committee on Appropriations; the Senator from Texas [Mrs. HUTCHISON], from the Committee on Armed Services; and the Senator from Nevada [Mr. REID], from the Committee on Appropriations.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors of the U.S. Air Force Academy:

The Senator from Montana [Mr. BURNS], from the Committee on Appropriations; the Senator from Idaho [Mr. KEMPTHORNE], from the Committee on Armed Services; the Senator from South Carolina [Mr. HOLLINGS], from the Committee on Appropriations; and the Senator from Nebraska [Mr. EXON], at large.

Mrs. HUTCHISON. Mr. President, for a very important negotiating session, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:45 A.M. TOMORROW

Mrs. HUTCHISON. Mr. President, I want to report that I lost the negotiation and, therefore, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10 p.m., recessed until Friday, May 19, 1995, at 8:45 a.m.

EXTENSIONS OF REMARKS

H.R. 961, THE CLEAN WATER AMENDMENTS ACT OF 1995

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mrs. COLLINS of Illinois. Mr. Speaker, I oppose H.R. 961, the Clean Water Amendments Act of 1995. It is interesting that the Republicans have continually claimed to have an interest in bringing common sense to the legislative process and yet they are now proposing taking one of the most successful environmental laws on the books and recklessly and nonsensically gutting it. This Dirty Water Act is a threat to our health and should be rejected soundly.

Almost half of the lakes and rivers in America are currently so polluted that it is not safe to fish or swim in them. The Clean Water Act was passed to improve this horrific situation and has been steadily improving the quality and the safety of the waters across our country. Yet, now, with our environment still not even close to the level of clean that it needs to be, the Republicans are foolishly working to overturn and undermine this most critically important clean water law.

In the State of Illinois, as in the other 49 States, substantial improvements in the quality of water have been made over the past 20 years but there is still a long way to go. In fact, 91 percent of Illinois' lakes and 55 percent of our rivers and streams are not safe for fishing or swimming or are so dead from pollution that they cannot support aquatic life. H.R. 961 would halt the progress that has been made so far and dangerously jeopardize the future health of Illinois' waterways through several damaging provisions.

First, the bill would undermine the Great Lakes initiative which seeks to control the amount of toxic chemicals being dumped into Lake Michigan and the other Great Lakes. Since this is the source of drinking water for my constituents, the quality of Lake Michigan's water is of primary interest and concern. Currently, because of high levels of mercury and PCB's, there is an advisory for women of child-bearing age, pregnant women, and children not to eat more than one fish meal per month from Lake Michigan. Lake Michigan trout now contain PCB levels that are more than 180 times their target and likely cause thousands of cancer deaths in the area.

The Great Lakes initiative seeks to improve this situation by organizing the Great Lakes border States in a unified Federal-State partnership to clean up the Great Lakes. This model initiative should be promoted and encouraged rather than weakened and undermined as H.R. 961 seeks to do.

In addition, H.R. 961 dramatically alters the definition of wetlands that are protected and eliminates the current legal protection for 70 percent of Illinois' wetlands. We need only think back to the Mississippi floods of 1993 to remember how critically important wetlands are to flood protection. Illinois has already lost 90 percent of its acres of natural wetlands and this loss of nature's flood absorption system has caused billions of dollars worth of damages. The Illinois State Water Survey estimates that every one percent increase in wetland acreage would lead to a four percent decrease in flood levels. It seems extremely short-sighted and risky to me to further reduce our wetlands and cause even more severe flooding in the years ahead.

Further, the Dirty Water Act does not address the critical issue of polluted run-off. Polluted runoff from fields, roads and cities is Illinois' number one water quality problem. It was also responsible for the cryptosporidium outbreak in Milwaukee that caused 400,000 people to become ill, and 130 children, senior citizens, and people with AIDS to become seriously or fatally ill in 1993. Seemingly, after the tragedy in Milwaukee, this bill would be used as an opportunity to take specific steps to address polluted run-off problems.

Mr. Speaker, the recklessness of this bill astounds me. Our lakes and streams are so polluted that they are almost unusable and they are posing a direct threat to our health. How much further do we want to go? Do we want to wait until all the fish die and every city experiences a Milwaukee-like tragedy? This is certainly not what my constituents want to see and I will not stand by and allow our lakes and streams to be turned into sewers. I urge my colleagues to join me in rejecting this dangerous bill.

TRIBUTE TO THE MEMBERS OF THE RETIRED AND SENIOR VOLUNTEER PROGRAM

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to the members of the Retired and Senior Volunteer Program [RSVP]. Tomorrow afternoon, Friday, May 19, 1995, the RSVP of Macomb County is saluting the many seniors who provide vital volunteer services at a luncheon in Clinton Township, MI.

The Retired and Senior Volunteer Program is a nationally recognized program for persons over 55 who serve as volunteers in their communities. In the 10th Congressional District, Catholic Services of Macomb sponsors RSVP at the local level.

By matching the talents, knowledge, and interest of volunteers with community needs, the RSVP maximizes its services provided to the needy and ill among us. RSVP volunteers serve in schools, hospitals, community centers and with numerous social, health, and welfare organizations. Last year, 433 registered volunteers performed over 50,000 hours of service and assisted 55 nonprofit agencies. The devotion RSVP volunteers have displayed to their community is an inspiration. Their contributions are many and they deserve our gratitude for their compassion and work.

Taking an active role in one's community is a responsibility we all share, but few fulfill. I applaud all of the RSVP members who rather than retire to the easy chair, continue to serve our communities.

I commend the members of the Retired and Senior Volunteer Program for their efforts and encourage them to continue their good work. Please join me in saluting the RSVP of Macomb on the event of their volunteer recognition luncheon.

HONORING JOHN VINCENT FIORE ON HIS RETIREMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. TORRES. Mr. Speaker, I rise today to recognize, John Vincent Fiore, vice president, trade relations of Pepsi-Cola West. Mr. Fiore is retiring from Pepsi-Cola after 41 years of service.

Mr. Fiore attended Northwestern University and specialized in business management and advertising. Prior to joining Pepsi-Cola, he served in the U.S. Army.

He has been an active member of the Mexican-American Grocers Association, California State Package Store and Tavern Owners Association, Korean Grocers Association, Chinese Grocers Association, and the National Conference of Christians and Jews. He is the past president of RecyCal and a member of the political affairs committee for the California Nevada Soft Drink Association.

In addition, under Mr. Fiore's direction, Pepsi-Cola has become actively involved with community youth programs in an effort to guide young people in the right direction. Pepsi-Cola has participated in public awareness programs such as Just Say No To Drugs and Don't Drop Out Of School. In his community and company, he has made contributions to the minority community so that it may grow and prosper.

Mr. Speaker, it is with pride that I rise to recognize my friend, John V. Fiore, and I ask my colleagues to join me in saluting him for his outstanding commitment to his community.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

PUBLIC BROADCASTING

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. OXLEY. Mr. Speaker, 30 years ago, the creators of public broadcasting proposed funding it through a trust fund capitalized by various fees and taxes on commercial broadcasters. The proposal went nowhere.

Like other government-funded agencies today, public broadcasting is being asked to reinvent itself. The leaders of CPB, NPR, and PBS have been specifically challenged to come up with new sources of funding to replace tax dollars. Given the realities of the deficit, public broadcasters were strongly encouraged to be innovative and far-reaching in their thinking, to take full advantage of the tremendous changes now taking place in the telecommunications marketplace and the resulting opportunities to get public broadcasting off the Federal dole.

And what have they come up with? PBS has proposed a trust fund capitalized in part by fees from commercial broadcasters and in part by allocations from the Government's sale and auction of spectrum, and CPB says that "no combination of cost savings and new sources of revenue can fully 'replace' the Federal subsidy."

Anyway you look at them, the plans rely on Government funding, slightly repackaged and devoid of a marketplace solution. Where is the vision so desperately needed in order to reinvent public broadcasting for the 21st century? Where is the innovative thinking in proposing an idea that died 30 years ago? Why should commercial broadcasters subsidize public radio and television when they themselves are faced with an increasingly competitive marketplace?

It is time for public broadcasting to reach beyond the tired proposals of bygone days and look for truly bold solutions for replacing Federal funding. It is time to look to the marketplace for ideas, alliances, and opportunities. Public broadcasting is a valuable network of local community institutions which has an intensely loyal audience. Surely this presents opportunities for more innovative solutions.

I believe we can find a way to preserve the educational mission of public broadcasting in the context of today's telecommunications market without relying on Federal funding, whether in direct appropriations or redirecting Federal revenues into a trust fund. For public broadcasting to remain viable, its leaders must first recognize that the Congress will cut the umbilical cord to the Federal Treasury.

TRIBUTE TO LEROY WESLEY WATTS, JR.

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise to honor the memory of LeRoy Wesley Watts, Jr., professor emeritus of social work at Eastern Michigan University.

Some people are able to reach young people at definitive moments in their lives—and open new vistas of insight and opportunity to them. Such a man was Professor Watts. He served in key academic and administrative roles within Eastern Michigan University, was instrumental in the development of the university's African-American Studies Department, and advocated for minority and disabled students. Roy sat on the boards of several civic and professional organizations that focused on health and social welfare and worked quietly but ceaselessly to make the world a better place for us all. He was a friend and mentor to many students and encouraged them to continue educational programs that they likely would not have completed without his intervention. Roy was recognized for his humility, compassion, and abiding respect for the light in each of us.

REMARKS OF CONGRESSMAN DICK ZIMMER COMMENDING THE NEW JERSEY STUDENTS WHO PARTICIPATED IN THE BEES PROGRAM

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. ZIMMER. Mr. Speaker, I rise today to pay tribute to more than 80 high school students from Hunterdon County, Princeton and Trenton who give us hope for our Nation's environmental future. As part of an innovative pilot project called Building Environmental Education Solutions [BEES], these students have spent the last 2 months examining the complex public policy choices that we face when addressing environmental issues.

Focusing on an abandoned industrial site in Trenton, this diverse group of students explored the many issues surrounding the reclamation and redevelopment of the property. The students were required to analyze the potential environmental and economic trade-offs, perform comparative risk assessments and evaluate the arguments of the various stakeholders.

On Monday, May 22, the students will present their findings, which I plan to distribute to each of my colleagues in the hope that we can learn from such an intense examination of these very difficult issues.

I would also like to thank and congratulate the coalition of business, community groups and government agencies that made the program work, particularly the American Re-Insurance Corp. of Princeton, which spearheaded the effort. This program is an example of the type of responsible environmental activism that benefits all segments of society, but is most effective when government and business work together.

Mr. Speaker, through programs like this one, we can prepare a generation of decisionmakers who appreciate the interdependence of the environment and the economy. I congratulate the students for their accomplishments and thank them for assuming the responsibility for protecting our precious natural resources in the 21st century and beyond.

HEAD START

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. OLVER. Mr. Speaker, I rise to pay tribute to Head Start.

Head Start is 30 years old today.

Over those 30 years, 13 million low-income kids have gotten their head start for success.

Parents and staff have worked together to give poor kids a better chance in school.

But today is not a happy day for Head Start.

On the very day we should be celebrating 30 years of success—funding for Head Start is about to be slashed.

The budget resolution we vote on today freezes funds for Head Start for the next 7 years. This translates into a $1.4 billion cut from current funding. Millions of low-income children will be cut off.

Why are we denying kids their head start on life? Because the Republicans want to give tax breaks to the wealthiest Americans, whose kids will never be at an educational or economical disadvantage.

What an inappropriate birthday present. Happy Birthday, Head Start.

INDIA SHOULD RELEASE SIKH LEADER

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. BURTON of Indiana. Mr. Speaker, I rise today to again speak about the human rights situation in India, which is deplorable. I want to speak about two issues today. The first is the destruction of a centuries-old mosque in Kashmir. The second is the continued imprisonment of Sikh leader Simranjit Singh Mann.

The half-a-million Indian security forces in the valley of Kashmir have for years run rampant over the civilian population there. They have gang-raped women. They have tortured and murdered political prisoners. They have shot indiscriminately into civilian crowds, and they have burned entire villages into the ground.

Just last week, in the town of Charar-e-Sharies, the Indian military, with no regard for the safety of civilians, launched an attack that resulted in the burning of hundreds of homes and the gutting of a centuries-old walnut-wood mosque, one of the most famous religious sites in Kashmir. The Indian Government, time and time again, has shown absolute disregard for basic standards of human rights in Kashmir, Punjab, and other areas. India must be held to account for the crimes that have been committed against the Muslims of Kashmir, including the destruction of the sacred shrine of Charar-e-Sharies. The Indian Government's utter disregard for Moslem mosques and other holy places is shocking and must not be swept under the rug.

The Indian Government must also be held to account for the horrible human rights abuses committed against the Sikhs in Punjab and the Christians of Nagaland. Few people know about what is happening in those areas because the government will not allow the media or human rights groups into those areas.

Indian paramilitary forces in Punjab are responsible for thousands of cases of well-documented disappearances and extrajudicial killings. Thousands of Sikhs are held in prisons throughout Punjab, and human rights groups have reported that virtually all Sikhs held in prison are routinely tortured.

Four months ago, I came to the House floor to talk about the detention of Sikh leader Simranjit Singh Mann. Mr. Mann is a former member of Parliament and probably the most prominent of all the Sikh leaders. He has been a forceful, but peaceful, advocate of independence for a Sikh homeland called Khalistan. Mr. Mann was arrested in January after addressing a gathering of thousands and speaking out for freedom and democracy for the Sikh people. It was the most recent of dozens of times Mr. Mann has been arrested for peacefully expressing his political views. He was arrested and held without trial for 5 years in 1984. He was the target of an assassination attempt in 1993. He has been a victim of constant harassment by the Indian Government, and is once again a political prisoner who has been in detention in a windowless cell for the last 4 months.

Mr. Speaker, it is imperative that the Indian Government release Mr. Mann immediately and allow him to return to his family. The Government has no right to put people in prison because it doesn't like their political views. I am enclosing for the record a chronology of the instances in which this distinguished man has been imprisoned and harassed by the Indian Government. The Government of India must stop the harassment of people with whom it disagrees. It must stop the lawless activities of its security forces in Punjab and Kashmir. The abuses that the Indian security forces are committing will not snuff out the movement for an independent Khalistan among the Sikhs. They will only add fuel to the fire. India must improve its human rights record if it truly wants to be recognized as a lawful and democratic nation.

ARREST RECORD OF SIMRANJIT SINGH MANN

Name: Simranjit Singh Mann.

Father's Name: Sarda Joginder Singh Mann.

Status: Former President of the Shiromani Akali Dai (Sikh Political Party). Ex-Member of Parliament. Present Member of Ad-hoc Committee, Shiromani Akali Dal (Amritsar).

1. Nov. 29, 1984, arrested at Jogbani (Bihar State).
2. Dec. 4, 1984, sent to Bharatpur jail (Rajasthan) under different charges.
3. Dec. 10, 1984, released and rearrested by Maharasthra police.
4. Nov 24, 1989, arrested in Chandigarh.
5. Feb. 26, 1990, arrested in Bathinda, Punjab.
6. Mar. 7, 1990, arrested in Nathu Ke Burj (District Amritsar).
7. Mar. 11, 1990, detained in Amritsar.
8. Jan. 26, 1990, detained in Jammu and Kashmir.
9. Mar. 6, 1991, detained in Usma village (District Amritsar).
10. Mar. 7, 1991, detained in Amritsar.
11. Mar. 11, 1991, detained in Jalandhar.
12. June 2, 1991 detained at Taran Taran (District Amritsar).
13. June 6, 1991, detained at Gurdwara Manji Sahib (District Amritsar).
14. June 26, 1991, detained at Sanga Village (District Amritsar).
15. Nov. 1991, arrested at Gaziabad, detained in Fatehgarh (Uttar Pradesh).
16. Jan. 28, 1992, detained near Moga (District Faridkot).
17. Jan. 30, 1992 detained at Rajpura (District Patiala).
18. Feb. 1992, arrested and kept in Nidampur Sub jail (District Sangrur).
19. Apr. 22, 1992, arrested in New Delhi.
20. June 25, 1992, arrested in Behla (District Amritsar).
21. Aug. 5, 1992, arrested in Tarn Taran (District Amritsar).
22. Aug. 16, 1993, detained in Amloh (District Patiala).
23. Aug. 27, 1992, arrested in Ludhiana.
24. Sep. 11, 1992, arrested in Chhapar District Ludhiana
25. Oct. 18, 1992, detained in Amritsar.
26. Dec. 17, 1992, detained at Quilla S. Harnam Singh (District Fatehgarh Sahib).
27. Jan. 6, 1993, arrested in Kaunke (District Ludhiana).
28. No. 1, 1993, arrested in Amritsar.
29. Dec. 15, 1993, arrested at Gurdwara Pariwar Vichhora Sahib (District Ropar).
30. Jan. 5, 1995, arrested at village Bassi Pathana (Dist. Fatehgarh Sahib).

TRIBUTE TO CAMARA KAMBON

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. MFUME. Mr. Speaker, today, I rise to honor an individual who has demonstrated talent and ambition at a very early age. His name is Camara Yero Kambon, which means "teacher, warrior, of the people," his creative aptitude and musical gifts appear endless.

Camara has a wide variety of musical interest and ability. Whether he is mastering the keyboard to produce an urban contemporary sound or melodically soothing you with a classical or jazz rendition, Camara always plays with poise and passion.

As a native of Baltimore, he began his musical career at the age of 3, when he learned to play the piano under the instruction of Odell Wilson of Delwar Studios. At 10, he was awarded a scholarship to attend the Peabody Preparatory of Music.

His early focus was exclusively on classical and jazz piano but his instructors saw in him an endless energy and inexhaustible talent. Little did they know that he was also to become a perfectionist. Camara has explored rhythm and blues, jazz, fusion, house music, classical, and straight ahead jazz, but for the past few years he has worked on developing his own new and novel sound.

His abilities have also been acclaimed in the numerous film scores he has helped produce, including several PBS documentaries and projects for Boston University, Cornell University, Blackside Film & Video, Inc., and most recently the film scores for, "Malcolm X: Make it Plain" and "Frederick Douglass: When the Lion Wrote History."

His talents have earned him several scholarships over the years, including the Eubie Blake Scholarship, the Hilton Head Jazz Society Scholarship, the Boston Jazz Society Scholarship for Jazz Performance, the Berklee College of Music Merit Scholarship, and the Jesse Stone Scholarship.

In the process of perfecting his sound he has compiled numerous awards for his hard work. He won the Emmanuel Zembelli Award for Classical Performance. He was a finalist in the ASCAP Young Composers Competition and the National Guild of Composers Competition. In 1991, he came in first place at the NAACP Act-So National Competition for music composition and won first place for contemporary music. He also won second place for music composition at the 1990 competition.

In addition to the impressive array of awards, scholarships, and competitions, Camara has performed with some of music's most distinguished artists: Dizzy Gillespie, Gary Bartz, Phil Wilson, Chuck Rainey, Dennis Chambers, and Giovanni Hidalgo to name a few.

Outside of his music, Camara finds it absolutely essential to develop himself as a role model for younger people. While others have continued to praise him as a musical prodigy, Camara hasn't forgotten his commitment to others.

Camara's mother, Anana, has sacrificed over the years in order to see both her children's talents flourish. She has never failed to encourage, support, and share in the growth and development of her children. Camara probably wouldn't have had the same opportunity to develop his gifts if it were not for his mother's selflessness and dedication to him.

This is a young man to watch, Mr. Speaker. I have no doubt that Camara's greatest artistic abilities have yet to be discovered. As he graduates this month from the Berklee College of Music in Boston I want to pay tribute to his numerous achievements and thank him for presenting his many talents with love and dedication.

Our Nation and its people join the citizens of Baltimore in congratulating Camara Kambon and wishing him continued success.

CONGRATULATIONS TO MICHAEL AND BETSY GREEN

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. BARRETT of Wisconsin. Mr. Speaker, today I congratulate Michael and Betsy Green who have been chosen as recipients of the Human Relations Award by the Milwaukee chapter of the American Jewish Committee.

The Human Relations Award is given annually to leaders in the community for exemplary dedication to the principles of pursuit of community understanding and dedication to social and economic justice for all.

Betsy and Michael Green have certainly earned this award through their volunteer and professional activities.

Betsy Green is the immediate past president of the Milwaukee Jewish Federation and the current chairperson of the Jewish Community Foundation. Betsy's achievements have been recognized with the Milwaukee Jewish Federation Young Leadership Award and the Esther

Cohen Women's Community Service Award. Betsy is one of the founders of the Wisconsin Research Center, a group devoted to pluralism in our society.

Michael also has received the Milwaukee Jewish Federation Young Leadership Award and has served as a volunteer publisher of the Wisconsin Jewish Chronicle. Currently, Michael is the National Chairman of the United Jewish Appeal and will assume the chairmanship of the midwest region next month. Michael also has a commitment to creating opportunities in business for minorities with his work with the Jewish Foundation of Economic Opportunity.

Michael and Betsy Green are dedicated to making Milwaukee a community which nurtures and appreciates diversity. I am honored to have the Greens as constituents. I congratulate them for being selected as recipients of the American Jewish Committee's Human Relations Award.

DAVID BARNES, BAY CITY THANKS YOU

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. BARCIA. Mr. Speaker, we have spent a great deal of time in this Congress and the last talking about the importance of placing proper limits on the role of the Federal Government, and giving greater due to local officials. Those closest to the problems and needs of our communities often have the best capability of dealing with them in an effective and responsible fashion.

Bay City, MI, has been most fortunate to be served by one such official, our city manager, David Barnes. He is retiring after 18 years of service to Bay City, as an assessor, finance director, personnel director, the city manager, and even for 3 days its fire chief. He is being honored this weekend for his years of dedication to his neighbors, and I am pleased to be joining in this tribute to his many accomplishments for Bay City.

David Barnes understands the importance of business. That is why he has worked on behalf of a number of economic development proposals during his career. He understands the need for infrastructure. His work to secure funding for road and bridge improvements help our community move safely and efficiently. He understands the value of tourism and recreation. His work to improve city parks and other recreational attractions have provided children with enjoyable places in which to play, and adults with a sea of calm in the midst of the overwhelming demands of everyday life. His work on behalf of riverfront development provides an appropriate blend of business opportunity and more recreational opportunities for those who live and visit our city. He understands the value of a dollar, and the trust that taxpayers place in officials to be sure that dollars are well-spent. His improvements in financial management capabilities, and the improved use of technology to trace the flow of funds have saved the community money, and kept its records in impeccable order.

Most importantly, David Barnes understands people and the need to work with people in a friendly and efficient manner to accomplish goals that have been set. He has skillfully worked to settle the joint needs of both Bay County and Bay City. He has worked well with Federal and State officials, and his colleagues with other units of local government.

Mr. Speaker, I invite you and all of our colleagues to join me in wishing David Barnes, his wife JoEllen, his children Bradley, Bryan, and Valerie, a very happy retirement. I am sure he will remain a vibrant part of the Bay City community, continuing to contribute in a most productive way.

TRIBUTE TO STEVENS VAN LINES, INC.

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize an outstanding family business in the State of Michigan. For the past nine decades, the Stevens family of Saginaw, MI, has served as an admirable example of devoted community service. On Wednesday, May 24, the Stevens family and Stevens Van Lines, Inc. will celebrate 90 years of successful service to their community.

The Stevens family legacy of quality work and dedication began in 1905 when Frederick H. Stevens, Jr. Began his small shipping business with a little horsepower and a lot of muddy roads. Moving his first customers wasn't easy. It took a lot of hard work, but Mr. Stevens dedication eased the burden of moving from an area which you have grown to enjoy.

As our Nation developed in the 1920's and 1930's, Stevens Van Lines, Inc. expanded as well, further demonstrating the family's determination and keen business sense. Today, the Stevens family continues to make a significant impact on people's lives under the guidance of Morrison Stevens. Morrie has combined innovation with adherence to his grandfather's three basic tenets: Adapt to change, adopt innovations, and improve services.

This perseverance has led the business down a road of prosperity. By adapting to changes and adopting new innovations, Stevens Van Lines, Inc. has been able to increase its efficiency. As a result, Stevens Van Lines, Inc. is able to excel in their customer service. This dedicated service has made it among the top 20 certified carriers in the United States, and led to its recognition as "Mover of the Year."

In addition to a customer service dedication, Stevens Van Lines is also committed to community service. Today, Stevens Van Lines is a member of the National Moving & Storage Association and the American Movers Conference. Furthermore, it continues to be active in the local, State, and the national chapters of the chamber of commerce.

Mr. Speaker, that Stevens family devotion to Fred Stevens' principles demonstrates its commitment to make residential or commercial moves smoother. I ask you to join me in celebrating 90 years of Stevens Van Line's successful business growth, spanning four generations of family ownership. With its commitment to customer and community service, the Stevens family is bound to enjoy many more years of business and personal success.

TRIBUTE TO DR. ANNA MAE BURDI

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Dr. Anna Mae Burdi, former assistant superintendent for community services in the L'Anse Creuse Public School system. Dr. Burdi retired last year and in honor of her longtime commitment to the students and the community, the L'Anse Creuse Board of Education is naming their newest educational facility the Anna Mae Burdi Center for Community Development.

Dr. Burdi devoted nearly 40 years to public education—the past 14 at L'Anse Creuse. She began her career as an elementary school teacher in 1955. However, for the majority of her career she specialized in giving adults a second chance by teaching adult basic education. She also taught at Wayne State University in Detroit.

During her tenure at L'Anse Creuse, Dr. Burdi earned the respect of her colleagues and students alike. Her expertise led to many invitations to direct education workshops in several States. She was also a workshop director for the Michigan Department of Education and has done many presentations at National Adult Education conferences. Her efforts to improve adult education have undoubtedly benefited students around the country.

Dr. Burdi was largely responsible for creating a community education program that is a model within our State. And, although she is missed at L'Anse Creuse, her colleagues and students throughout Michigan continue to learn because of her devotion to education. It is truly fitting for the board of education to bestow Dr. Burdi the honor of naming the new center after her.

On Sunday, May 21, 1995, when the L'Anse Creuse Public School's newest building becomes the Anna Mae Burdi Center for Community Development, a permanent legacy of a lifetime commitment to public education will be established.

I have known Dr. Burdi for many years and I know she is grateful for the distinction. I ask my colleagues to join me in applauding Dr. Burdi and the L'Anse Creuse board for their role in honoring her. Dr. Burdi richly deserves the recognition.

PIO PICO ELEMENTARY LIBRARY TO BE NAMED IN HONOR OF MARIA TONIA AGUIRRE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. TORRES. Mr. Speaker, this Saturday, May 20, 1995, the El Rancho Unified School

District will name the library at Pio Pico Elementary after Maria Tonia Aguirre in acknowledgement and recognition of her exemplary contributions and tireless service to the residents of Pico Rivera.

Following her death last October, board president Raul Salcido suggested the school board name the library in honor of her legacy. A bronze bust of Maria will be permanently placed in front of the school

Mr. Speaker, on November 13, 1991, I asked my colleagues to join me in recognition of Maria's contributions to the El Rancho Unified School District Board of Education as she retired after 12 years of service. First elected to the board in 1979, and reelected in 1983 and 1987, Maria served with distinction. Maria was a near-50-year resident of the city of Pico Rivera. She served on the district bilingual advisory council, migrant education advisory council, the hall of fame committee, and the Whittier Area Trustee Association Executive Board, to name a few.

In addition, she worked persistently to implement education reforms which increased graduation requirements and established high levels of student academic performance standards. Throughout her years of service, she was a vocal proponent in initiating, promoting, and implementing bilingual-bicultural education in the El Rancho Unified School District.

Marie Aguirre's leadership abilities and efforts to improve education for the youth of Pico Rivera brought her noteworthy praise from civic leaders, education and business communities, and her colleagues on the board of education.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in saluting Maria Aguirre as we honor and remember her on Saturday, May 20, 1995.

HOLOCAUST RESCUERS IN ITALY DAY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to recognize and commend all of those involved in the Holocaust Rescuers in Italy Day to be held at the Villa Walsh Academy in Morris Township on this coming Tuesday, May 23. This ceremony marks the extraordinary courage exhibited by ordinary people during the Second World War.

During the autumn of 1943, Italian Jews were in imminent danger of being captured by Nazi troops. In order to try and save them from the horrible fate of the Nazi death camps, Pope Pius XII sent word that the Roman Catholic religious orders should provide sanctuary to persecuted Jews by welcoming them into their monasteries and convents. Eighty percent of Italy's Jewish population survived the Holocaust because of their efforts. This took countless individual acts of courage by Italian Catholics who risked a similar fate if discovered by Nazi storm troopers.

"A Debt to Honor," a documentary film narrated by New Jersey resident Alan Alda and produced by Documentaries International president Sy Rotter, shows how these acts of heroism occurred when individuals, faced with extraordinary fear and adversity, simply did what was right. This film is a welcome reminder of what we are all capable of as human beings and that heroism and moral courage are not forgotten character traits.

Sister Margherita Marchione, a member of the Religious Teachers Filippini, one of the Catholic orders involved in helping the Jews of Rome, assisted Rotter in collecting the memories of Italy's Jewish survivors such as Carlo Sestieri. According to Sestieri, who was hidden in one of the Vatican buildings while his wife was provided sanctuary in a nearby convent:

> Thousands of Roman Jews would have been captured by Nazi troops on October 16, 1943, had it not been for the prudent politics of the Vatican. Without a doubt, it helped avoid worse disasters.

Sister Margherita has opened the doors of Villa Walsh to numerous Jewish and Italian organizations including the United Jewish Federation of Metrowest, the Italian Embassy, the Italian American Foundation, the Anti-Defamation League, Unico National, Order Sons of Italy in America, and the Temple B'nai Or of Morristown, who along with the National Endowment for the Humanities are sponsoring the event.

I am proud to have "A Debt of Honor," filmed in Italy with the help of the Italian State Broadcasting Network, debt in my congressional district. Holocaust Rescuers In Italy Day helps to remind each of us that there are things in life larger than ourselves, things worth sacrificing for—things worth being a hero for.

HONORING MIAMI CAPITAL DEVELOPMENT, INC., AUDREY NELSON COMMUNITY DEVELOPMENT ACHIEVEMENT AWARD RECIPIENT FOR 1995

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mrs. MEEK of Florida. Mr. Speaker, I am pleased to rise today to pay tribute to a truly outstanding community-based organization, Miami Capital Development of Miami, FL.

Miami Capital Development, Inc., was recently selected in a national competition as one of only six recipients of the National Community Development Association's prestigious Audrey Nelson Community Development Achievement Award for exemplary uses of community development block grant funded projects.

Miami Capital Development, Inc., serves as the lending arm of the city of Miami. Created in 1980, it provides financial assistance at below-market interest rates to new and existing, small and minority-owned businesses located within underserved areas of the city of Miami and Dade County. It is a public-purpose lending agency that provides financial assistance that stimulates economic development and helps create and retain jobs for low- and moderate-income people.

I know that my colleagues join me in congratulating Executive Director Pablo Perez-Cisneros and his staff for a job well done.

SOCIAL SECURITY ADMINISTRATIVE COSTS SHOULD BE OFF BUDGET

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. JACOBS. Mr. Speaker, today Mr. CARDIN and I are introducing legislation to assure that Social Security administrative costs are off-budget, just as Social Security benefit costs are segregated from the rest of the budget.

In the 101st Congress, we made the Social Security trust funds independent. In other words, the financial accounting of the Social Security Old Age, Survivors and Disability Insurance [OASDI] Program would not in any way be intermingled with the financial accounting of the rest of the Government.

The trouble is that, despite this law, the administrative costs of the Social Security Program remain subject to the general caps on Federal spending that we passed in the Budget Enforcement Act of 1990.

The backlog of disability cases pending at the Disability Determination Services is just over 700,000 cases. Thanks to the hard work of the stalwart employees of the Social Security Administration, that backlog has not grown since last year. However, the number of cases piling up at the Office of Hearings and Appeals for review by administrative law judges is increasing.

I am introducing this legislation again this year to clarify that Social Security administrative funds are independent of the general funds of the Government. Under this bill, administrative funds would continue to be subject to annual appropriations. In addition, the appropriations would be further limited by a budgetary point of order against any bill that provides Social Security administrative funding of more than 1.5 percent of estimated benefit payments for that year.

The people who pay the Social Security tax are entitled to get what they pay for—and that includes adequate administration of the Social Security Program. Inadequate administration means long delays in benefit checks, inaccurate payments, high telephone busy rates, and poor services to both workers and beneficiaries. Furthermore, in the Social Security Disability Program, inadequate administration can mean that justice delayed is justice denied.

USA KARATE CHAMPIONSHIP IN LONG BRANCH, NJ

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. PALLONE. Mr. Speaker, on Sunday, May 21, 1995, the New Jersey State Championship of USA Karate will be held at the

Long Branch, NJ, Middle School. It will be an honor and a privilege for me to be in attendance at what promises to be a most exciting and impressive display of the martial arts.

Mr. Speaker, at Sunday's event, over 300 competitors of all ages, all rankings, and all styles will be competing at their respective levels. The winners will qualify for the national championship which will be held in Akron, OH, in August. This year marks the 7th consecutive year that the New Jersey championship has been held in Long Branch.

Recently, I joined with Senator BRADLEY of New Jersey in working to have USA Karate included in the Pan-American games held in Argentina in March. These fine American athletes competed and won seven medals, finishing third over all. It was an honor to get behind this initiative, which has brought honor and distinction not only to the competitors, but to our country as a whole.

Mr. Speaker, the credit for these successes is due largely to the work of Mr. Walter J. O'Neill, Jr., of Long Branch, NJ, and his wife, Patricia Booth-O'Neill. In 1979, Mr. O'Neill started the Atlantic Karate Academy in Long Branch. Walter and Patricia now serve as chief instructors. Mr. O'Neill, a black belt in several martial art disciplines, is a member of the World Karate Federation Organizing Committee, one of only three Americans on this board. He serves as a member of committees intended to get karate into both the Pan-American games and the Olympic games. The Atlantic Academy holds a number of distinctions, having produced hundreds of State and national champions.

Mr. Speaker, it is an honor and a privilege for me to pay tribute to Walter and Patricia O'Neill, the Atlantic Karate Academy, and all the fine athletes who will compete on Sunday.

THE FEDERAL ACQUISITION REFORM ACT OF 1995

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. CLINGER. Mr. Speaker, today I am introducing legislation, on behalf of myself and National Security Committee Chairman FLOYD SPENCE, and other members of our committees, to further reform the inefficient and Byzantine Federal procurement process. This legislation will complement the work we started last year with the enactment of the Federal Acquisition Streamlining Act of 1994 [FASA].

Each year, our Government spends about $200 billion on goods and services, ranging from weapons systems to computer systems to everyday commodities. The current system costs too much, involves too much redtape, and ill-serves both the taxpayer and industry.

From the time the Second Continental Congress established a Commissary General in 1775, the procurement system has commanded the attention of both public officials and the American taxpayer. Unfortunately and all too often, the attention has focused on individual abuses rather than the overall system. Over the years, in response to these horror stories, Congress passed many laws—long and short, significant and trivial, new and old—which standing alone were not overly harmful, but when added together created an increasingly overburdened mass of statutory requirements.

In December 1994, a report prepared for the Secretary of Defense found that, on average, the Government pays an additional 18 percent on what it buys solely because of the requirements it imposes on its contractors. This confirmed the average estimate by major contractors surveyed by GAO that the additional costs incurred in selling to the Government are about 19 percent. While some of the Government's unique requirements certainly are needed, we clearly are paying an enormous premium for them—billions of dollars annually.

And this is only part of the Government's inflated cost of doing business—for it includes only what is paid to contractors, not the cost of the Government's own administrative system. The Government's contracting officials are confronted with numerous mandates of their own, often amounting to step-by-step prescriptions that increase staff and equipment needs, and leave little room for the exercise of business judgment, initiative, and creativity.

FASA was a direct attack on a procurement system that had gone haywire—it applied some commonsense approaches to the bureaucracy to reduce the inefficiencies of the system, get some real cost savings for the taxpayer, and reduce the burdens on both Government contracting officials and those who sell to them.

But FASA only went part of the way. In many respects, we still are guided today by the same considerations the Commissary General faced in 1775: How to provide meaningful competition, obtain quality goods at reasonable prices, and ensure accountability of public officials for public transactions. And too, as in 1775, we are under great budgetary constraints that drive us to look at ways to meet our goals, yet do so in a way that is affordable and uses common sense.

This legislation we are introducing today represents a significant shift in the operation of our Federal procurement system to meet the needs of the American taxpayer. The proposal would:

Establish commercial-like procedures by freeing commercial businesses from remaining Government data and audit requirements; simplifying the sale of commercial items to the Government; promoting the Government's use of commercial sources; and eliminating the guess-work from the current bid protest and dispute resolution maze by creating a single administrative entity to handle such matters with a single set of efficient procedures.

Promote better Government-industry relationships by repealing provisions of law that currently impede communication between the Government and industry.

Foster long-term relationships with quality suppliers—much like commercial businesses do.

Maximize competition by permitting the Government to provide for meaningful competition—not competition for competition's sake—which would allow firms to concentrate their energies and resources on Government business that they can realistically meet.

Some may say we should rest on our laurels, and let the system absorb the changes made last year by FASA. But we must never hesitate to do more or do better. The fundamental changes we are proposing today are necessary to move the Federal procurement system into the 21st century.

THE FEDERAL ACQUISITION REFORM ACT OF 1995 SECTION-BY-SECTION ANALYSIS

Title I—Competition

Section 101—Improvement of competition requirements

Subsection (a) would amend 10 U.S.C. 2304(A) governing armed services acquisitions to establish a new standard of competition for the acquisition of goods and services—"maximum practicable" competition. This would replace the current requirement that all sources be given the "right" to be considered for government contracts whether or not the source has a realistic chance of supplying goods or services of the requisite quality at a reasonable price. The new standard would permit the government to focus on a meaningful competition among sources who can meet or exceed the government's requirements. In order to parallel the new competition standard the subsection would also amend 10 U.S.C. 2304(g)(3) which sets forth the standard for the use of competition in the simplified procedures for acquisitions under the simplified acquisition threshold to provide that agencies obtain competition to the "extent practicable" consistent with the particular requirement solicited.

The subsection would eliminate the archaic "preference" accorded the use of sealed bidding in 10 U.S.C. 2304(a)(2).

The subsection would further streamline and modernize the current competition requirements by amending 10 U.S.C. 2304(b)(1) to eliminate from statute the long list of circumstances under which an agency may exclude a particular firm in order to maintain an alternate source for goods or services and would place the discretion for the use of this authority in the contracting agencies.

Similarly, the subsection would eliminate the maze of rules, paperwork-generating approval requirements, and detailed instructions in 10 U.S.C. 2304 (c), (d) and (e) that currently govern the use of "other than competitive procedures" and substitute a simple provision stating that competitive procedures must be used unless such procedures are not feasible or appropriate. The use of "other than competitive procedures" must be justified and approved in accordance with simplified standards to be set forth in the FAR.

Subsection (b) would replicate the above changes in title 41 governing the acquisitions of civilian agencies.

Subsection (c) would amend the Office of Federal Procurement Policy Act (OFPP Act) at section 18 (41 U.S.C. 416) to establish a uniform notice requirement for acquisitions between $10,000 and $25,000 and make other conforming changes. Subsection (d) would amend 18 U.S.C. 637 to remove duplicative provisions concerning notice and obsolete provisions regarding the use of other than competitive procedures.

Subsection (e) would amend the OFPP Act at 41 USC 414 to integrate the new competition standard into the enumerated executive agency procurement responsibilities and at 41 USC 418 to remove obsolete language regarding competition advocates.

Section 102—Definition relating to competition requirements

The section would amend the OFPP Act at 41 USC 403 to define the new standard of "maximum practicable competition." According to the definition, the standard is achieved when a maximum number of responsible or verified sources (consistent with the particular government requirement) are permitted to submit offers on the procurement. The section would also provide for other amendments to the OFPP Act, title 10, the Federal Property Act, and other laws to conform them to the new competition standard.

Section 103—Contract solicitation amendments

The section would amend 10 USC 2305 (a) and (b) governing armed services acquisition to eliminate a provision concerning solicitation specifications that is inconsistent with the new competition standard and to further conform the provision regarding the competitive range. The section would provide for amending the Federal Property Act at 41 USC 253a and 253b in the same manner.

Section 104—Preaward debriefings

The section would amend 10 USC 2305(b) and the Federal Property Act at 41 USC 253b to augment the new debriefing requirements added by the Federal Acquisition Streamlining Act of 1994 (FASA) to permit a firm removed from the competitive range to request a debriefing after receiving notice of the removal, but before award. The agency may deny the request if it is not in the government's best interest to hold a preaward debriefing when requested, but the request must be made by the firm or it will lose the right to obtain a post award debriefing.

Section 105—Contract types

The section would amend 10 USC 2306 and 41 USC 254 to provide that the selection of contract type is to be governed by market conditions, established commercial practice and sound business judgement. To further the commercialization of the government's acquisition process, existing fee limits on specified contract types are to be eliminated. The section would also eliminate from title 10 service-specific provisions that set forth a 6 percent fee limit on architect-engineering services contracts. It would add a new section 2332 to title 10 to provide the authority to procure such services for civil works.

Section 106—Contractor performance

The section would add a new provision to the OFPP Act to establish in the FAR an alternative quality-based competition system for meeting the government's repetitive needs. Firms would be included as "verified" contractors after passing a competitive scrutiny based on an assessment of the firm's business practices, level of quality, and demonstrated contract performance. Once in the system, firms would become eligible to compete with other "verified" firms in acquisitions conducted within the system. The "verification" could be revoked for failure to maintain the requisite performance quality. The existing qualification requirements in 10 USC 2319 and 41 USC 253c would be repealed.

Title II—Commercial Items

Section 201—Commercial item exception to requirement for cost or pricing data and information limitations

The section would amend 10 USC 2306a and 41 USC 254b—the so-called "Truth in Negotiations Act" (TINA) provisions—to exempt all acquisitions for commercial items which fit within the definition of commercial item in the OFPP Act at 41 USC 403 from the requirement to submit certified cost or pricing data.

The section would also eliminate the data and audit requirements applicable to some commercial items under the current TINA provisions. The section would conform the TINA provisions regarding the submission of information to be considered in determining price reasonableness when certified cost and pricing data are not required either because a TINA exemption applies or the acquisition is not expected to exceed the $500,000 TINA threshold. The amended provisions would state that the FAR shall provide appropriate limitations on information that should be considered in determining price reasonableness, including specific limits on information requests relating to commercial items. Finally the section would strike subsections (h) in titles 10 and 41 as no longer needed.

Section 202—Application of simplified procedures to commercial items

The section would amend 10 USC 2304(e), as added by section 101(a) and 41 USC 253, as added by section 101(b), to provide that all acquisitions for a commercial item, no matter what its dollar value, can be conducted pursuant to special simplified commercial-type procedures that currently are authorized for acquisitions below the simplified acquisition threshold. The section would also amend the OFPP Act to conform the notice provisions for commercial items to the use of simplified procedures.

Section 203—Amendment to definition of commercial items

The section would amend the OFPP Act at 41 USC 403(12)(F) to remove the requirement in the definition of commercial services added by FASA that they be sold based on established "catalog" prices. To be considered "commercial" services under this section they would have to offered and sold at "established prices" rather than at established "catalog" prices. Since commercial services are often offered at prices that may not fit the strict definition of a catalog (e.g., commercial price lists, advertisements, etc.), the section is intended to more accurately reflect the commercial market, yet ensure that the services are clearly defined and actually available commercially.

Section 204—Inapplicability of cost account standards to contracts and subcontracts for commercial items

The section would amend the OFPP Act at 41 USC 422(f)(2) to make it clear that all contracts for commercial items are exempt from the burdens of the cost accounting standards. This provision would complement sections 201 which exempt all acquisitions for commercial items from the requirement to submit certified cost or pricing data as well as from the accompanying audit requirements.

Title III—Additional Reform Provisions

Section 301—Government reliance on the private sector

The section would amend the OFPP Act by adding a new section 17 providing that it is the policy of the government to rely on commercial sources to supply its needs. The policy that would be set forth in this section has been the policy underpinning the government's acquisition system since 1955 and reflects the language currently in Office of Management and Budget Circular A-76.

Section 302—Elimination of certain certification requirements

The section would provide for the elimination of specified certification requirements currently in statute and would require the removal of current regulatory certifications unless retention is supported by a written justification. The section would also amend the OFPP Act to prohibit the inclusion in the FAR or agency procurement regulations of new certification requirements unless mandated by statute or justified in writing. The provision would retain the underlying prohibitions but eliminate what, in many cases, are non-value added certification requirements which often do more to deter participation in the government market rather than the prohibited conduct.

Section 303—Amendment to commencement and expiration of authority to conduct certain tests of procurement procedures

The section would amend section 5061 of FASA, 41 USC 413 note, to permit the OFPP Administrator to exercise the authority granted in FASA to test "innovative" procurement procedures without having to wait for the implementation of other FASA provisions.

Section 304—International competitiveness

The section would amend 22 USC 2761(e) to eliminate the requirement for recoupment of non-recurring research and development charges for products sold through the foreign military sales program. This fee or tax to be paid the government for products developed under government contracts disadvantages U.S. companies when selling American products in international markets.

Section 305—Procurement integrity

The section would amend the OFPP Act at 41 USC 423 to repeal the current so called "Procurement Integrity" provisions and its complex system of certifications and substitute a direct prohibition against the unauthorized disclosure and receipt of procurement-sensitive information. One who would violate the prohibitions of the section would be subject to criminal and civil penalties and appropriate administrative actions. The section would contain prohibitions and remedies which would be similar to those regarding the disclosure of procurement-sensitive information contained in the current "Procurement Integrity" provisions. Finally, the section would eliminate the remaining agency-specific post-employment restrictions which became redundant with the passage of the Ethics Reform Act of 1989.

Section 306—Further acquisition streamlining provisions

The section would amend several provisions of the OFPP Act to update and clarify the statement in 41 USC 404 of OFPP's purpose and to repeal unneeded or obsolete provisions at 41 USC 401, 402, 407, 409 and 410.

Title IV—Streamlining of Dispute Resolution

Subtitle A—General Provisions

Section 401—Definitions

The section would set forth the definitions of the terms needed to create and operate the new consolidated United States Board of Contract Appeals for the resolution of the government's contract disputes and review of bid protests. The new Board would replace the current agency boards of contract appeals and the General Accounting Office (GAO) bid protest section. The definitions of "protest," "interested party," and "prevailing party" would parallel those set forth in FASA in connection with the General Services Board of Contract Appeals (GSBCA).

Subtitle B—Establishment of the United States Board of Contract Appeals

Section 411—Establishment

The section would establish the Board in the executive branch as an independent establishment.

Section 412—Membership

The section would provide that the Board consist of judges appointed by the chairman. New judges would be selected and appointed in the same manner as administrative law judges pursuant to 5 USC 3105 with the additional requirement that they have at least 5 years public contract law experience. Current board judges and certain GAO employees would be considered qualified to be Board judges.

Section 413—Chairman

The section would provide for the designation of the Chairman by the President and for the Chairman's executive and administrative responsibilities as well as for the designation of Vice Chairmen by the Chairman.

Section 414—Rulemaking authority

The section would provide that the board may establish necessary procedural rules and regulations and would prohibit the review of such rules and regulations by any other agency or person.

Section 415—Litigation authority

The section would provide that attorneys designated by the board may represent the board in civil actions.

Section 416—Seal of the board

The section would provide for a seal of office.

Section 417—Authorization of appropriations

The section would provide for the authorization of sums to be appropriated for fiscal year 1997 and beyond.

Subtitle C—Functions of United States Board of Contract Appeals

Section 421—Alternate dispute resolution service

The section would provide offer alternate dispute resolution services for any contract-related disagreement.

Section 422—Alternative dispute resolution of disputes and protests submitted to board

The section would provide that a Board judge or attorney shall meet with the parties to the protest or dispute to attempt to resolve the matter through use of an alternate method of dispute resolution.

Section 423—Contract disputes

The section would provide that the Board have jurisdiction over contract disputes as provided by section 8(a) of the Contract Disputes Act.

Section 424—Protests

The section would provide that the Board shall review contracting officer decisions alleged by an interested party to violate statute or regulation and that in deciding protests the Board may consider all relevant evidence. The section would also provide that facts found by contracting officers and determinations made by them be presumed correct and that the Board may find that a contracting officer decision violates a statute or regulation for the reasons stated in 5 USC 706(2).

Further the section would provide procedures for the suspension by the Board of the agency's authority to conduct a procurement in protests filed before award and for the suspension of performance in protests filed after award. The section would set forth procedures for discovery of relevant material and for Board proceedings, including the use simplified rules for protests of procurements below $1,000,000 and the dismissal and payment of costs for frivolous protests. Finally, among other things, the section would provide for the corrective actions to be ordered by the Board and for the Board's authority to declare the entitlement of a prevailing party to its protest costs.

Section 425—Applicability to contracts for commercial items

The section would provide that the authority conferred on the Board by this Title is applicable to procurements for commercial items.

Subtitle D—Repeal of Other Statutes Authorizing Administrative Protests

Section 431—Repeals

The section would provide repeal the current statutory authority for the GSBCA and for the GAO bid protest function.

Subtitle E—Transfers and Transitional, Savings, and Conforming Provisions

Section 441—Transfer and allocation of appropriations and personnel

The section would provide for the transfer of assets, etc. and the rules for the transfer of agency boards of contract appeal and relevant GAO personnel to the Board.

Section 442—Terminations and savings provisions

The section would provide the rules for affect on proceedings before the agency boards and GAO.

Section 443—Contract disputes authority of board

The section would provide conforming amendments needed by the establishment of the Board regarding the contract disputes.

Section 444—References to agency boards of contract appeals

The section would provide that any reference to an agency board of contract appeals shall be treated as to the Board.

Section 445—Conforming amendments

The section would provide for the necessary conforming amendments.

Subtitle F—Effective Date; Interim Appointment and Rules

Section 451—Effective date

The section would provide for an effective date of October 1, 1996 for this Title.

Section 452—Interim appointment

The section would provide for the current chairman of the GSBCA to serve as the Chairman of the Board for 2 years.

Section 453—Interim rules

The section would provide for the rules of procedure of the GSBCA to apply to the Board until the Board promulgates its procedural rules and that the rules of the Armed Services Board of Contract Appeals regarding Board judges apply until relevant Board rules are promulgated.

Title V—Effective Dates and Implementation

Section 501—Effective Date and Applicability

The section would provide that the Act would take effect on the date of enactment, except as otherwise provided in Act and that the amendments made by the Act would take effect on the date provided in the final implementing regulations or October 1, 1996, whichever is earlier.

Section 502—Implementing regulations

The section would provide a schedule for the promulgation of the implementing regulations.

EAGLE SCOUT AWARD

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. ANDREWS. Mr. Speaker, I rise today to express my congratulations to Armando Lopez, the first Hispanic-American to achieve the rank of Eagle Scout in the Boy Scout Camden County Council of New Jersey. Mr. Lopez is a shining example of the creativity and spirit that exists in our future leaders. He chose as his Eagle Scout project to build a patio around a shrine for Our Lady of Mount Carmel-Fatima Church in Camden. What was supposed to be a brick patio has turned into an enclosed garden and a gathering place for all who live in the area. It is now used by the community for prayer, weddings, school ceremonies, and sanctuary. Armando has spent many months on this project, through the winter and spring and has truly displayed the dedication to become a leader in the community. He will not be ending his scouting career soon, for he has been chosen to represent the United States at the 18th World Scout Jamboree in Holland this August. I commend Armando Lopez on his commitment to the community and I am sure he will succeed in all of his future endeavors.

PROTECT AMERICA'S DEFENSE WORKERS

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. FILNER. Mr. Speaker and colleagues, I rise today to urge this Congress to make a major reinvestment in communities hit hardest by the downsizing of America's defense industry.

San Diego is home to a highly skilled and productive work force. A generation of these talented defense workers helped to establish California's dominance in the defense and aerospace industry.

Now defense workers in communities like San Diego are watching their jobs disappear—not only because of relaxing world tensions—but also because our own Department of Defense is helping to subsidize their transfer to other cities.

Last year, my district saw the relocation of Martin Marietta's Space Systems Division to Denver—with a net loss of 1,800 jobs for my community. But the worst part about this situation is that our own U.S. Air Force rewrote a contract and paid Martin Marietta a $30 million subsidy to help transfer these jobs out of San Diego and out of California.

To make matters worse, just last month the Defense Department gave away another $31 million of taxpayer money to the top executives of Martin Marietta and Lockheed.

What did our Defense Department give to those defense workers in San Diego that lost their jobs? Absolutely nothing.

To correct this gross injustice, I recently introduced H.R. 702, the Displaced Workers Defense Act of 1995.

My legislation is very simple: It would require that any cost savings realized by the Federal Government under a defense contract that causes job losses in communities be returned to that community—to help create new jobs and to retrain displaced defense workers so they can take advantage of these new job opportunities.

We must stop this giveaway of taxpayer funds to wealthy corporations.

We must use our scarce resources to help those defense workers that have worked so hard to make America great.

Please join me in this effort to protect our defense workers from being left behind in our changing economy. Join me in supporting H.R. 702, the Displaced Workers Defense Act of 1995.

SAN FRANCISCO LABOR LEADERS CARRY SPIRIT OF AMERICAN LABOR MOVEMENT TO CHINA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. LANTOS. Mr. Speaker, I rise today to call to the attention of my colleagues an upcoming visit of considerable importance by Ms. Josie Mooney, president of the San Francisco Labor Council. She will embark on a good will journey to meet with labor leaders in China.

Mr. Speaker, Josie Mooney and the San Francisco Labor Council represent the best of the American labor movement—free-working men and women, who are organized to seek better wages, improved working conditions, and a better standard of living for working men and women in our area and around our Nation.

As the official representative of the San Francisco Labor Council, Josie Mooney will meet with leaders of the Shanghai Municipal Trade Union Council and other labor leaders. I wish her great success in those meetings as she works to build bonds of brotherhood between the working men and women of the United States and China.

It is my sincere desire that the spirit and example of the San Francisco Labor Council and of the United States union movement will inspire labor leaders in China to emulate the high standards set by American unions and their outstanding leaders.

TRIBUTE TO THE JACKIE ROBINSON AMERICAN LEGION AUXILIARY UNIT NO. 252

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. DIXON. Mr. Speaker, I rise today to pay special tribute to the members of the Jackie Robinson American Legion Auxiliary Unit No. 252 for their hard work and compassion in helping homeless and needy veterans. The 145 auxiliary members, Legionnaires, and Sons of the American Legion [SAL] members of the Jackie Robinson American Legion family volunteered over 3,000 hours organizing and preparing South Central Homeless Veterans Care Day 1995. On March 11, 1995, the auxiliary opened its home, Post No. 252, for Care Day 1995 which successfully assisted over 200 veterans and their families.

South Central Homeless Veterans Care Day 1995 provided needy veterans and their families with clothing, food, showers, and haircuts. The auxiliary collected over $5,000 worth of donated clothing and distributed 200 care bags with food, blankets, comfort kits, and extra clothing to veterans. Veterans were provided with transportation to the post and other off-site facilities. Seventeen service organizations participated in Care Day 1995 providing medical, social, legal, and other veteran-related services and benefits. As a part of Care Day 1995, the auxiliary volunteered their assistance to other communities and organizations who provided homeless veterans a weekend retreat from the streets.

The success of Care Day 1995 was further enhanced by the fact that this was the first event of its kind in the South Central Los Angeles community. Usually, events of this magnitude require at least 1 year of preparations. Remarkably, this event's success came after only 3 months of preparations. It is a pleasure to recognize the diligence and dedication of Auxiliary Unit No. 252 in quickly organizing South Central Homeless Veterans Care Day 1995.

Mr. Speaker, I am extremely proud of the members of Jackie Robinson American Legion Auxiliary Unit No. 252, and ask my colleagues in the House of Representatives to join me in commending their commitment to helping our needy veterans. In a time when many forget about those who have so bravely served to protect our country and democracy, the efforts of the Jackie Robinson American Legion Auxiliary Unit No. 252 stand as a shining example of how we should assist those needy veterans who fought for our country.

THE FOREST ECOSYSTEM STEWARDSHIP ACT OF 1995

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. WILLIAMS. Mr. Speaker, I rise today to introduce the Forest Ecosystem Stewardship Demonstration Act of 1995. This legislation represents countless hours of work by folks in my district. It is based on the work done in the last Congress on the Forest Ecosystem Stewardship Demonstration Act of 1995. Folks in my district took that concept and incorporated the concerns of Forest Service officials, the comments of the American Foresters organization and the comments of business and conservationist leaders in Montana.

The result of this hard work has been to produce a blueprint of how we should go about assuring the health of both our local forest and our local communities. This legislation is also a blueprint for those who are tired of the constant polarization that has become the hallmark of public lands debate. The entire process is based on the belief that through cooperation we can have wood for our mills and protection of our wild lands, but we can have neither unless we find ways to come together as friends and neighbors and agree on how to proceed.

This legislation establishes a stewardship contracts process, under the guidance of a local stewardship council, that would identify opportunities for logging in areas of poor forest health. The legislation sets up both a standard and a recognition system to allow for logging to go forward and for the industry to gain credit for when it's done right. This type of local involvement helps assure that appeals will not be filed and that when problems arise there is a process to get past the rhetoric that has so typified the discussion up till now.

This proposal is only a demonstration project because we all agree that some confidence in our mutual goals must be demonstrated for this approach to achieve wide acceptance. This type of proposal sets on its head the old charge forward mentality that public planning has become and was raised to a new level in this sessions debate on salvage timber. Those approaches have produced no stability and no wood for the mills, this legislation prepared by traditional enemies will show us the way to a future of better harvest and stronger communities.

Attached is a list of the advantages this type of approach affords the debate on the management of our national forest lands.

Stewardship: Restoring the connections between the community and the land; recognizing that healthy forests are more likely in areas with healthy economies and healthy societies; focusing on what's left in the forest, not what's taken out; recognition of the logger/forest professional as more than someone just taking trees of the forest—encouraging "ownership"—doing your work out there like you would do it on your own land; and Montana Logging Association has established Accredited Logger Program (ALP) to make available stewardship training to loggers who wish to upgrade and expand their skills.

Collaboration: People from all points of view working together to find solutions. This bill was brought to Pat by Montana loggers, mills owners/operators, environmentalists, interested citizens, etc. all coming together to find local solutions to forest management issues; breath of fresh air—takes us beyond the age-old and very tiresome "environment vs. jobs" rhetoric. Focussing on our common concerns, not our differences.

For whatever reason, there is a real lack of trust between large segments of the public and public land managers. This trust has to be rebuilt from the bottom up. There are no quick fix solutions. This is just a start.

Continuing dialogue at the local level is necessary to rebuild that trust. That is one of the important reasons for the local stewardship councils proposed.

Flexibility: Local solutions are needed for local problems. We have ample evidence that "one size fits all" management doesn't work. Local conditions vary as much as forests vary.

Stewardship contracts done under this legislation would still have to comply with all federal environmental and other legislation.

The key is rewarding excellence. Incentives for loggers now are based on doing a job at least cost, which encourages the cutting of corners. By separating the stewardship activity from the selling of logs, and compensating stewardship contractors based on how well they treat the resources, we are building in an incentive to do the best work possible.

The accountability factor is very high. Lots of accountability factors are included in the legislation, and public involvement in stewardship project planning and monitoring is encouraged and facilitated.

THE 100TH ANNIVERSARY OF THE NEW YORK PUBLIC LIBRARY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to pay tribute to the 100th birthday of the New York Public Library.

The New York Public Library was started during the latter part of the 19th century when several of the city's citizens had the foresight to realize that it was imperative that New York have a great library if it was to become a prominent urban cultural center.

Many eminent New Yorkers played an important role in getting the library started, but three in particular stand out: Governor Samuel J. Tilden, John Jacob Astor, and James Lenox. Samuel Tilden bequeathed the bulk of his fortune, approximately $2.4 million to "establish and maintain a free library and reading room in the city of New York." John Jacob Astor left $400,000 in his will to establish a reference library in New York. The Astor Library opened its doors in 1849, becoming a major source for reference and research. James Lenox founded the Lenox Library, consisting primarily of his personal collection of rare books, which included the first Gutenberg Bible to come to the New World.

In 1892 the Astor and Lenox Libraries were both experiencing financial difficulties. A trustee of the Tilden Trust, John Bigelow, devised a plan whereby the resources of the Tilden Trust, the Astor Library, and the Lenox Library would be combined to form the Astor, Lenox, and Tilden Foundations—what would become known as the New York Public Library.

Dr. John Shaw Billings, considered one of the most brilliant librarians of his day, was named director of this new library. Billings goal was to get the library's resources into the hands of all those who requested them as quickly as possible. He designed what has now become a landmark building, with its Beaux-Arts design and the largest marble structure ever attempted in the United States. The Cornerstone for the library was laid in May 1902, at the same location where this landmark library now stands.

In February 1901, the library consolidated with the New York Free Circulating Library and established its circulating department. In March 1902, Andrew Carnegie donated $5.2 million to construct a system of branch libraries throughout the city. Later that year, the New York Public Library contracted with the city of New York to operate the 39 Carnegie library branches in Manhattan, the Bronx, and Staten Island. This was the beginning of a tradition of partnership and cooperation between the New York Public Library and the city of New York which continues to this day.

With more than a million books in place, the library was officially dedicated on May 23, 1911, by President William Howard Taft, with Governor John Alden Dix and Mayor William J. Gaynor present. The response was overwhelming, with between 30,000 and 50,000 visitors coming through the library on that first day.

Today, the New York Public Library is the largest public library system in the country, serving more than 10 million people a year, and over 1.9 million cardholders. There are now four special research libraries: the New York Public Library for the Performing Arts at Lincoln Center; the Schomburg Center for Research in Black Culture, the Center for the Humanities; and the Science, Industry and Business Library, which will open in its new home at the site of the former B. Altman building during this centennial year. The branch system of the library has grown to include 82 libraries, with collections totaling over 10.5 million items, the collection expanding by approximately 10,000 items a week in dozens of different languages.

I ask my colleagues to join me in saluting the New York Public Library on the occasion of its 100th birthday, and wish it great success as it, "continues in its mission to inform, inspire, entertain and challenge all who enter its doors—be it between the guardian lions on Fifth Avenue, its 82 branches, or via the information superhighway."

RECOGNIZING AUGUST 23, 1995 AS THE 50TH ANNIVERSARY OF THE NATIONAL ASSOCIATION OF HEALTH UNIT COORDINATORS

HON. PAT DANNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Ms. DANNER. Mr. Speaker, I rise today to recognize a group of very important people, a group that quietly performs the services that are vital to the maintenance of our health care system—Health Unit Coordinators.

Health Unit Coordinators have been working diligently for 50 years to help keep our health care system running smoothly. As our system has become more complex, they have adapted to the many new challenges facing health care in our country. I commend them for their tireless work and congratulate the National Association of Health Unit Coordinators on its 50th anniversary on August 23, 1995.

Mr. Speaker, it is my hope, that Americans will reflect upon the importance of Health Unit Coordinators not only on August 23 but throughout the year.

IN OPPOSITION TO TRADE SANCTIONS AGAINST JAPAN

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. McDERMOTT. Mr. Speaker, the unsatisfactory outcome of almost 2 years of bilateral negotiations on access to the Japanese automotive market is disappointing.

However, unilateral imposition of 6 billion dollars' worth of sanctions on Japanese products by the United States is a dangerous and unworkable solution.

Under the rules and procedures of the WTO, if any member country feels that it has been wronged, it has an obligation to go to the WTO first before applying sanctions and certainly not in concert with the application of sanctions.

If the administration continues to insist that imposition of punitive sanctions against Japanese luxury cars is the best way to force Japan to open its markets, the United States should set an example for the rest of our trading partners and file a WTO complaint against Japan.

Let's take advantage of the WTO's dispute settlement procedure, which we helped negotiate.

Unilateral imposition of sanctions by the United States against the Japanese sends the message to the rest of the world that we have no confidence in the WTO's ability to decide the case fairly.

Let's not restrict free trade in the United States in an effort to open up markets abroad. Punitive sanctions that have the potential to cost thousands of United States jobs in a very short period of time and do nothing to achieve our goal of opening up the Japanese automotive market are not the answer.

THEODORE J. BIAGINI HONORED BY SISTER-COUNTY COMMISSION

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Ms. LOFGREN. Mr. Speaker, as a former member of the Santa Clara County Board of Supervisors, I rise, today, to acknowledge and extend my heartfelt congratulations to Mr. Theodore J. Biagini, being honored by the county of Santa Clara, CA-Province of Florence, Italy Sister-County Commission as this year's recipient of the 1995 Medici Medal Citizen of the Year Award. Mr. Biagini will be honored at the Medici Masked Ball being held Saturday, May 20, 1995.

The Sister-County Commission is committed to fostering the exchange of art, culture, education, and technology in many diverse areas between the people and governments of the county of Santa Clara and Province of Florence. Presentation of the Medici Medallion is reserved for prominent citizens of Santa Clara County, who typify philanthropic, intellectual, and cultural awareness as exemplified by the spirit of the Renaissance.

Theodore J. Biagini has a long history of public service dating back to 1963 when he was president of the Student Bar Association of Santa Clara University School of Law. Since then, Mr. Biagini has served on numerous civic and charitable boards including the Italian American Heritage Association, the San Jose Sports Arena Task Force, Eastfield Childrens' Center, and the Santa Clara University Board of Regents.

Indeed, Ted Biagini is a modern day example of a Renaissance man, turning his gifts and intellect to a wide range of activities, all of which have enriched our community and its people.

Mr. Speaker, I would like to express my own congratulations and gratitude to Mr. Biagini on behalf of my constituents in the 16th District and the U.S. House of Representatives.

PERSONAL EXPLANATION

HON. SONNY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. BONO. Mr. Speaker, due to a medical leave of absence, I was unable to make the following votes. Had I been present, I would have been recorded as follows: Rollcall Nos. 315—"no"; 316—"no"; 317—"no"; 318—"no"; 319—"no"; 320—"no"; 321—"no"; 322—"no"; 323—"no"; 324—"no"; 325—"no"; 326—"yes"; 327—"no"; 328—"yes"; 329—"yes"; 338—"yes"; 339—"yes"; 340—"yes"; 341—"yes"; 342—"no"; 343—"no."

I ask that these votes be submitted into the RECORD.

PERSONAL EXPLANATION

HON. DOUGLAS "PETE" PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. PETERSON of Florida. Mr. Speaker, during the week of May 9, I was called back to my district due to an illness in my family. As a result, I missed a number of rollcall votes. Had I been present, I would have voted as follows: rollcall 308—Traficant amendment: "no"; rollcall 309—Passage: "yes"; rollcall 310—Procedural motion: "yes"; rollcall 311—Rule: "yes"; rollcall 312—Saxton-Boehlert substitute: "yes"; rollcall 313—Mineta amendment: "no"; rollcall 314—Boehlert amendment: "yes"; rollcall 315—Pallone amendment: "no"; rollcall 316—Mineta amendment: "no"; rollcall 317—Pallone amendment: "no"; rollcall 318—Mineta amendment: "no"; rollcall 319—Collins amendment: "yes"; rollcall 320—Mineta amendment: "no"; rollcall 321—DeFazio amendment: "no"; rollcall 322—Nadler amendment: "no"; rollcall 323—Oberstar amendment: "no"; rollcall 324—Pallone amendment: "no"; rollcall 325—Visclosky amendment: "no"; rollcall 326—Laughlin amendment to Emerson amendment: "yes"; rollcall 327—Batement amendment to Lipinski amendment: "no"; rollcall 328—Lipinski amendment: "yes"; rollcall 329—Largent amendment: "no"; rollcall 330—Passage: "no"; rollcall 331—Armey motion: "no."

THE REGULATORY EFFICIENCY ACT

HON. RANDY TATE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. TATE. Mr. Speaker, I rise today to introduce legislation to streamline our Nation's regulatory process. The Regulatory Efficiency Act of 1995 will force Government agencies to finalize proposed regulations within 18 months or the proposals will be terminated.

For too long, Government bureaucrats have terrorized private property owners, small businesses, and individuals with unreasonable regulatory proposals. Too many Americans and their businesses have worried about complying with costly and burdensome proposed regulations well before they take effect. In many cases, a proposed regulation will loom while taxpayers are waiting for the ax to fall. Many time, businesses spend thousands of dollars to change their facilities or operations because they expect that they will have to comply with the proposed regulation in the future. Unfortunately, our regulatory system is far from perfect. Too often is the case when businesses comply with a proposed regulation, only to have the proposed regulation change significantly, or be withdrawn, before it becomes final. Many in fact, change the way they operate soon after a regulation is proposed only to clear later that the proposed regulation is not the regulation that will become effective. In other cases, proposed regulations do not become final until weeks before their enforceability—leaving it impossible for businesses to comply in a timely fashion. I do not need to tell my colleagues what happens when a business does not comply with a Federal regulation.

We must put an end to this drawn-out regulatory roller coaster ride. American taxpayers and businesses should know there is a definite date by which a proposed regulation becomes final or it will terminate. The American people want common sense returned to Government. My bill brings efficiency and certainly back to the regulatory process. I urge my colleagues to support this long-awaited legislation.

MIDTOWN COMMUNITY SCHOOL

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. MENENDEZ. Mr. Speaker, I rise today before the House of Representatives to take this opportunity to congratulate Midtown Community School of Bayonne, NJ. Midtown Community School was recently selected by Redbook as one of the best schools in America.

Midtown Community School is an example of what is right about public school education. We are constantly bombarded in the media by horror stories about how public education is letting our children down. Nothing could be further from the truth at MCS. At MCS they take extra effort to expose the students to advanced technology. Technology is the cornerstone of the curriculum at MCS and it is incorporated into every aspect of the school day, from the science classes to the music classes. The students teachers and administrators don't just talk about the electronic super highway, they are riding it.

Nearly 500 schools were nominated for the prestigious award by State and national leaders, but only 142 schools were recognized by Redbook. A panel of 10 distinguished educational experts selected the winners. It took dedication by the parents and staffs to work collectively to earn this recognition.

Midtown Community School is one of the best elementary schools in the country. It is an example of what public education can accomplish and we take great pride in knowing that it is part of our community. MCS's commitment to education does not end at 3 p.m. It offers a wide range of educational programs to all segments of the community. MCS fosters lifelong learning. Schools like MCS nurture students. They create a climate in which they can excel. At the same time they insure that our country will be competitive in the next century. MCS is a national educational treasure and deserves emulation. There can be no doubt that at Midtown Community School the future is here, today.

Please join me in honoring this excellent educational institution for their extraordinary accomplishment. Lets not forget that the future of our Nation depends on the students of today. I am proud to have a school in the 13th Congressional District which serves as an academic role model for the rest of the Nation. That school is the Midtown Community School of Bayonne.

STATEMENT IN SUPPORT OF THE COALITION BUDGET

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. LIPINSKI. Mr. Speaker, this is a time of tough, economic choices. Congress is faced with a $4.7 trillion debt that is depriving our Nation of the investments we need to improve our economic productivity and give our children a stable future.

I have long searched for a solution to the problems facing my constituents and the country as a whole. I have listened to the concerns of the hard-working people in my district. They understand that sacrifices have to be made in order to get our financial debt under control. They just want to make sure that it is done in a fair, sensible, common-sense way.

This is why I voted for a budget proposal that is tough on the deficit, but makes only the cuts necessary to balance the budget.

Unfortunately, the Republicans in the House have proposed a budget that puts off consideration of cuts until after $350 billion in tax cuts are put in place. I want to see those tax cuts become a reality—but we need to reduce government first. The Senate has put forth a budget that reflects this idea. They agree that it is not good fiscal policy to start giving out tax credits before the budget is balanced.

The budget resolution that I support makes many tough choices. It is a new, bold solution to really fix what needs fixing—reigning in government spending. But it does it much more slowly and deliberately than what the Republicans have proposed. It will cut what needs to be cut, but it doesn't go too far, too fast. The budget proposal I voted for makes conservative, but not unreasonable cuts, in funding for programs such as education, health, economic development, and maintains the solvency of the Medicare Trust Fund.

The Republican budget proposal would cause Cook County to lose $90 million in mass transit funds, $6.8 billion in Medicare funding, and $1.5 million in community development grants. I am for balancing the budget.

I just do not want to make drastic and unnecessary cuts that will hurt my community, especially its elderly.

The Coalition Budget Substitute that I supported makes smart choices about downsizing the government:

It slows the growth of Medicare just enough to keep the Trust Fund solvent. What we need to do in the next several years is lower the projected cost of the Medicare Program, while preserving benefits, quality, choice and affordability. We can do this by aggressively investigating fraud and abuse, and offer incentives to encourage the use of fewer and less expensive services. Medicare growth needs to be controlled, but drastically increasing the premiums of Medicare recipients is not the answer.

It turns Medicaid into a block grant and slows the current growth rate of the program. The Coalition Substitute cuts less than the Republican bill—$50 billion less in cuts—but it will significantly reorder Medicaid funding. This program is important to Illinois because 50 percent of the beneficiaries are disabled individuals who are unable to work, and 20 percent are elderly who need assistance with nursing home care costs. The Republican budget's cuts would be so severe, that long-term care for the more vulnerable elderly and disabled would be non-existent. Medicaid needs changing, and the Coalition Budget Substitute can accomplish this change without devastating the elderly and disabled in Illinois.

Many health care organizations have come out in support of the Coalition Budget Substitute because they know that our health care system cannot continue to meet the needs of the American people if the broader economy is ill. They support this alternative to the Republican budget proposal because it makes hard choices while still preserving essential safety net programs in Medicare and Medicaid.

It incorporates savings from welfare reform that will not give benefits to non-citizens. It is time for this country to put the needs of its hard-working, law-abiding citizens ahead of those who do not contribute to our economy. This bill does gives priority to legal U.S. citizens.

It does not cut guaranteed student loans. The Republican budget proposal would start penalizing children while they were still in school. We need to continue educating our children, not take away their ability to improve themselves and our country.

It deletes the tax on Federal employees, so people who have contributed all their lives to their pension will not be penalized for doing so. The Republicans included this increase in Federal employees' contributions to pay for tax cuts, but I don't agree with targeting one group of retirees for this purpose. It is not fair, and the budget proposal I voted for would right this wrong.

It cuts $11 billion less than the Republicans' bill for child health and immunization, medical research, and other essential health programs. It is important that we recognize that medical research and immunization is crucial to ward off and cure devastating diseases.

It makes some cuts, but $6 billion less than the Republicans' bill, in economic development programs, such as job training and Community Development Block Grants [CDBGs].

It saves $4.1 billion from farm programs over 7 years.

If partisan feelings were put aside, I believe that Republicans and Democrats could have come together on this common-sense plan to cut Government spending and reduce the deficit. Unfortunately, the cuts proposed by the Coalition budget resolution did not pass the House.

I suspect that a similar proposal to the one that was voted down today will arise from the conference between the Senate and the House. Many members of the Senate would rather focus on deficit reduction than tax cuts. That just makes sense. Even though this bill was voted down today, this is just the beginning of the process. We still have a chance to fulfill our commitment to our children by reducing the deficit, but continue to keep our contract to our parents.

H.R. 961: WATER, WATER EVERYWHERE, BUT NOT A DROP TO DRINK

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mrs. MALONEY. Mr. Speaker, earlier this week, the House of Representatives approved H.R. 961, a revision of the Clean Water Act that will for the first time in decades help make the Nation's water dirtier rather than cleaner. I strongly and emphatically opposed this legislation. Sometimes you show what you stand for by what you vote against. This is one of those times.

The provisions of H.R. 961 seem to indicate that the new majority has a case of special interest amnesia. Just because a few corporate polluters claim they're overregulated. So the majority willingly forgets the days when our rivers burned, when fish and wildlife floated dead in our lakes and streams, and when our drinking water was in imminent danger of contamination.

More than 20 years ago, the Clean Water Act began to remedy that situation. But this week, the new majority voted to gut that landmark law.

Mr. Speaker, the implications of this legislation are especially grim for New York City. Thanks to the original Clean Water Act and the Safe Drinking Water Act, New York City's water supply needs no additional purification, a remarkable accomplishment for the largest city in the Nation. But the weakened standards in H.R. 961 on pollution runoff will severely jeopardize the drinking water of the more than 8 million people who live in New York City. The cost to New Yorkers to create a water purification system that we have never needed is estimated at more than $10 billion.

Second, just as New York City is about to achieve, at great expense, secondary treatment at all of its sewage treatment plants—including the large Newtown Creek Water Pollution Control Plant located in my district—H.R. 961 relaxes the basic Clean Water Act permitting system to allow more toxic discharges of industrial and sewage waste into New York Harbor. This will not only roll back years of success in making New York Harbor cleaner and safer, but will also negatively impact bodies of water near cities all over the Nation.

Third, dredging and disposal of toxic contaminated sediments will be expanded, with far less consideration of health and environmental impacts. This will make it harder to protect the thousands of people who swim and fish in New York Harbor from the negative impacts of ongoing dredging projects in New York Harbor.

When is the new majority going to realize that some Government regulations actually do some good? Will we have to wait until we all have to drink from and bathe in bottled water before that realization occurs? I hope not.

But this week, the new majority isn't just throwing out the baby with the bathwater. They're throwing out the drinking water, too.

I hope that as this bill goes to the Senate and to the conference committee, that my colleagues will think about what we drink. I hope that we will not lose this chance to pass a bill that truly deserves the title, "Clean Water Act."

RESOLVE THE POW/MIA ISSUE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. GILMAN. Mr. Speaker, today, I am introducing House Joint Resolution 89, a resolution that conveys bipartisan support for the President's stated commitment to resolve the POW/MIA issue. It states that we believe the President should certify to the Congress that the criteria he imposed in July 1993 as preconditions to further movement have been met before the United States takes further economic and political steps to improve relations with Vietnam. It reinforces the need for Vietnam to cooperate fully to resolve this issue which, to date, Vietnam has not done despite repeated pledges, even in 1994.

The President has already more than amply rewarded the Vietnamese for assisting with joint field activities. In 1993, he removed United States opposition to Vietnam's access to international funds through the IMF and World Bank and waiving restrictions to allow United States firms to bid for contracts. In 1994, the President lifted the trade embargo, and a U.S. liaison office was established in Hanoi this year. What has been the result? Very meager—only 38 Americans accounted for by the Clinton administration.

In short, the administration's policy of paying incentives is not working; priority U.S. objectives are not being met. Other than to expand opportunities for the Government of Vietnam, what is the basis for rushing to normalize relations with Vietnam? Before Congress should support any further steps to meet Hanoi's agenda, Vietnam must honor pledges made to the National League of Families, March 1994, and the Presidential delegation, July 1994, to renew and increase their unilateral efforts to account for missing Americans.

The resolution is fair; it is reasonable, and should be the least that the Congress expects of the Commander in Chief. We are simply asking the President to certify to Congress that Vietnam is working seriously to account for missing Americans before moving forward to accommodate Vietnam's interests.

We are asking that the President be certain in his own mind that the Vietnamese leaders are cooperating fully, no longer manipulating answers for the families and veterans who have waited so long. Despite serious concerns many have had about Vietnam's lack of good faith on the POW/MIA issue, the President has seen fit to move forward in significant ways with Vietnam. At the same time, the President has stated that he was taking such steps in appreciation for Vietnam's cooperation and to encourage them to greater efforts.

The problem is that the approach is not working; Vietnam is not providing information and remains that should be the easiest to locate and provide. I'm referring to remains of Americans depicted in photographs, announced as shot down and killed—these should be the most readily available. Yet, 20 years since the fall of Saigon, and in some cases 30 years since these Americans were lost, Hanoi still has not provided the accounting that U.S. intelligence expects should be made. Yes, they are supporting field activities, cooperation for which they are well paid, but they are not accounting for Americans last known alive, in captivity or on the ground alive, in close proximity to Vietnamese forces, one must ask "Why?"

The answer is that Vietnam is achieving its objectives without meeting the criteria outlined by President Clinton in July 1993. The resolution simply expresses the sense of the Congress that the President should adhere to his own policy and move no further with Vietnam, economically or politically, until Vietnamese leaders make the decision to really cooperate.

Accordingly, I urge my colleagues to support House Joint Resolution 89, and I ask that the full text of the resolution be printed in the RECORD at this point.

H.J. RES. 89

Prohibiting funds for diplomatic relations and further advancement of economic relations with the Socialist Republic of Vietnam (SRV) unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam War, as determined on the basis of all information available to the United States Government, and for other purposes.

Whereas significant economic and political steps have already been taken by the United States, including the lifting of the United States trade embargo and the establishment of liaison offices, to express appreciation to the Socialist Republic of Vietnam for its past assistance on the POW/MIA issue and to urge increased cooperation;

Whereas, although the Socialist Republic of Vietnam has continued to provide support for joint POW/MIA related field activities with the United States Pacific Command, there remain several last known alive discrepancy cases, photo cases, and special remains cases which are not likely to be resolved through such field activities, and the Socialist Republic of Vietnam has not fulfilled its July, 1994, pledge to the President's delegation to Hanoi to renew and increase unilateral efforts to account for these missing Americans;

Whereas the Socialist Republic of Vietnam has not provided the United States Government with access to relevant portions of wartime Central Committee-level records and reports concerning the number of American POWs captured during the war and policies toward them, and has refused to disclose additional information from Central Committee and military archives concerning alleged North Vietnamese wartime reports on American POWs obtained by Soviet intelligence agencies in 1972;

Whereas the President informed Congress on January 26, 1995, that he is not fully satisfied that progress on the POW/MIA issue has been sufficient to justify taking additional steps toward normalization of relations with the Socialist Republic of Vietnam.

Whereas the Secretary of Defense has yet to fully respond to section 1034 of Public Law 103-337, requiring that he submit to Congress a complete listing by name of all Americans still unaccounted for from the Vietnam War on whom it is possible that Vietnamese officials can produce additional information or remains; and

Whereas until such a complete listing is provided to the Congress, an accurate assessment of the extent to which the Socialist Republic of Vietnam has cooperated with the United States to account for missing American personnel is not possible: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This joint resolution may be cited as the "Vietnam POW/MIA Full Disclosure Act of 1995".

SEC. 2. LIMITATION ON USE OF FUNDS.

None of the funds made available under any provision of law may be used to advance economic relations or to establish or maintain diplomatic relations with the Socialist Republic of Vietnam unless the President—

(1) provides Congress with a complete listing by name of all Americans unaccounted for from the Vietnam War on whom the likelihood is greatest that the Socialist Republic of Vietnam may be able to locate or provide remains or additional information, as determined on the basis of all information available to the United States Government;

(2) certifies to Congress that the Socialist Republic of Vietnam is cooperating fully in the 4 areas stipulated by the President, namely concrete results from efforts by Vietnam to recover and repatriate American remains; continued resolution of discrepancy cases, live-sightings and field activities; further assistance in implementing trilateral investigations with the Lao; and accelerated efforts to provide all documents that will help lead to the fullest possible account of POW/MIAs; and

(3) certifies to Congress, after consultation with the Director of Central Intelligence, that the Socialist Republic of Vietnam is being fully forthcoming in providing the United States access to those portions of wartime Central Committee-level records and reports that pertain to the subject of Americans captured or held during the war by North Vietnamese, Pathet Lao, or Vietcong forces in Vietnam, Laos, and Cambodia.

REMEMBERING PRINCE GEORGE'S COUNTY'S FALLEN LAW ENFORCEMENT OFFICERS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. HOYER. Mr. Speaker, I rise today to pay solemn tribute to the 21 police officers who have lost their lives in the line of duty during the 64-year history of the Prince George's County Police Force. Their sacrifice is overshadowed only by the tremendous contributions they have made to their communities and the gratitude of their Nation.

We are painfully aware, Mr. Speaker, that it was in protecting others from harm that these men came to harm themselves. We know that our words will never replace what has been taken from their loved ones. For the families, the hurt will never diminish. The pain will never go away. And the memory of what was and the potential of what could have been will live with them always.

I believe the strength of America lies in the responsibilities that ordinary citizens quietly fulfill every day to their families, their communities, and their country. Law enforcement officers summon a special courage from within to go beyond the call.

These officers do so without fanfare, without public acclaim and without a desire for personal gain. As long as there are courageous and committed men and women willing to walk in harm's way to protect us, our children, our communities and our way of life, then there will be an America.

One of those officers who served bravely and nobly without fanfare was Prince George's County Police Sergeant John J. Novabilski. Sergeant "Nova" as he was known was only 31 years of age when he was brutally struck down by a volley of bullets on April 26, 1995—A reprehensible and senseless act. John Novabilski joined the Prince George's County Police Force in 1988 after working as a Baltimore City police officer for three years. He was promoted to the rank of police officer first class in May, 1990 and to Corporal in November, 1991. Officer Novabilski was promoted posthumously to sergeant by acting Prince George's County Police Chief Alphonso Hawkins.

Acting Police Chief Alphonso Hawkins said at Sergeant Novabilski's memorial service, "To John's family and friends, I know there is nothing I can do or say to fill the void left in your lives, but you have my word that his sacrifice, and yours, will not be forgotten by our police family, the citizens of Prince George's County, or our Nation." Indeed, Mr. Speaker, the ultimate betrayal would be to forget.

Mr. Speaker, I would like to insert here in the RECORD, the names of those additional 20 police officers who have made the ultimate sacrifice to all of the citizens of Prince George's County, Maryland. The listing appeared in the May 18, 1995 edition of the Prince George's Journal.

OFFICERS SLAIN IN LINE OF DUTY

Edward D. Merson; Sept. 1, 1937. Officer Merson, who died in a single-car accident in Muirkirk, was the first member of the police force to be killed in the line of duty.

Charles F. Caldwell; June 12, 1948. Officer Caldwell was fatally shot with his own pistol by the enraged father of a stabbing suspect. He was the first county officer to be shot to death in the line of duty.

Alfred W. Steinat; May 2, 1963. Officer Steinat was fatally shot in the back by Thomas Hadder, who was wanted for stealing a tire, during a struggle with the suspect.

Joseph K. Brown; Feb. 19, 1966. Sgt. Brown was fatally shot by Carl Knicely, the 17-year-old son of a man wanted for indecent exposure, while serving a warrant for the youth's father at their home in Adelphi.

John W. Leatherbury Jr.; March 21, 1968. Officer Leatherbury was killed in a helicopter accident while riding in the craft as an observer during a routine night patrol. The civilian pilot of the helicopter, William Hanley, also died in the crash.

Robert E. Yeszerski; Nov. 30, 1968. Officer Yeszerski and a Seat Pleasant town officer were fatally shot by Willis Underwood while attempting to impound Underwood's car from a Seat Pleasant side street. Underwood was convicted of murdering Yeszerski and officer William R. Clements in the incident.

William W. Gullett Jr.; Feb. 16, 1969. Officer Gullett was fatally shot by James F. Jarred while attempting to disarm the shooter at his Kentland apartment. Both Gullett and another officer were able to return fire, killing Jarred.

Carroll D. Garrison; Feb. 20, 1973. Officer Garrison was fatally shot by James Law while investigating a burglary call at a house in Chillum. Law, the owner of the house, turned himself in to police a short time after the shooting, claiming he mistook Garrison for a prowler.

Albert M. Claggett IV/James B. Swart; June 26, 1978. Officers Claggett and Swart were fatally shot by Terrence Johnson with Claggett's service revolver inside the Hyattsville District station. Johnson was convicted of manslaughter in Claggett's death, and found not guilty by reason of insanity in the death of Swart, recently was paroled after serving 16 years of his 25-year sentence.

Antonio M. Kelsey; Feb 2, 1980. Officer Kelsey was working as a part-time security guard for a Kentland liquor store when he was fatally shot by Steven Baines, who had approached the officer with a bag of marijuana and then fled. Baines was convicted of second-degree murder in the killing. Kelsey was the first black county officer to be killed in the line of duty.

Raymond Hubbard; Feb. 8, 1982. Officer Hubbard was killed by two men while trying to stop a jewelry story robbery at Iverson Mall. The death of Hubbard, who was off-duty at the time, is considered an in-the-line-of-duty casualty.

Allan D. Johnson; Dec. 6, 1982. Cpl. Johnson, a motorcycle patrolman, was giving a citation to a driver on I-95 when he was struck by a passing vehicle. Johnson died two days later. The driver of the vehicle that hit him was charged with manslaughter and driving under the influence of PCP.

Carlton X. Fletcher; June 11, 1983. Officer Fletcher was working as a part-time security guard in Greenbelt when he was shot by two men during an armed robbery. Fletcher's killers were charged with first-degree murder and received life sentences in the slaying.

Richard J. Beavers; Nov. 29, 1983. Capt. Beavers was fatally shot during a gunfight with two men who were attempting to rob him in a Suitland parking lot. Beavers was sitting in an unmarked car at the time of the incident. His assailants were arrested and convicted of first-degree murder.

Harry L. Kinikin Jr.; Jan. 13, 1990. On Oct. 17, 1986, Cpl. Kinikin was stabbed by a woman in the parking lot of a Landover 7-Eleven, where he had stopped to make a phone call. Kinikin survived for three years after the attack before dying in 1990 of complications from his injuries.

Mark K. Murphy; Sept. 1, 1988. Officer Murphy, a member of the department's Emergency Services Team, died when shot accidentally by two fellow officers while serving a search warrant at the Riverdale home of a suspected drug offender.

Ryan C. Johnson Jr.; April 22, 1992. Cpl. Johnson was fatally shot in a gunfire with two teens who tried to rob him in Capitol Heights. Both youths were convicted of murder in the killing.

Roger P. Fleming; Oct. 27, 1992. Sgt. Fleming was killed while attempting to apprehend suspected car thieves in Cheverly. Fleming was pursuing the men at high speed when he lost control of his cruiser and struck a tree.

John L. Bagileo; Feb. 28, 1994. Cpl. Bagileo died when he lost control of his cruiser during a high-speed response and crashed into a utility pole in Seat Pleasant. Bagileo's name was inscribed this year on a national memorial to officers who died in the line of duty.

To the families and friends of those fallen law enforcement officers in Prince Georges County and throughout this great Nation of ours, words cannot express the sorrow for their loss nor the gratitude for their sacrifices. In closing, Mr. Speaker, I would like to share with my colleagues the policeman's prayer.

"Oh Almighty God, whose great power and eternal wisdom embraces the universe, watch over all policemen and law enforcement officers. Protect them from harm in the performance of their duty to stop crime, robberies, riots, and violence. We pray help them keep our streets and homes safe day and night. We recommend them to your loving care because their duty is dangerous. Grant them Your unending strength and courage in their daily assignments. Dear God, protect these brave men and women, grant them Your almighty protection, unite them safely with their families after duty has ended. Amen."

LOUISIANA PACIFIC RECEIVES DOE ANTIPOLLUTION AWARD

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. RIGGS. Mr. Speaker, one of the greatest challenges we face today is protecting our environment while sustaining economic growth. We simply must do both, and when we see a success story, we have the responsibility to not only tell others about it.

Such is the case with the Louisiana-Pacific Corp. and its pulp mill in Samoa, CA, in the First Congressional District which I represent. As a testament to the company's forward thinking and innovativeness, they have developed the only chlorine-free Kraft pulp mill in North America.

The leaders of the company and mill have worked for years to improve the effluent from the plant and now their diligence is being rewarded. The Department of Energy has announced that Louisiana-Pacific has been awarded a grant under its National Industrial Competitiveness through Energy, Environment and Economics project, which seeks to prevent pollution, save energy and produce benefits to the Nation's economy.

The work undertaken by Louisiana-Pacific under the grant will implement a closed cycle system at the Samoa Mill, which will eliminate effluent from the mill's bleach plant. It will assure that no bleach plant wastewater will be discharged into the Pacific Ocean.

The Samoa Mill, constructed in 1964, produces an average of 650 tons of bleached Kraft pulp per day from waste and wood chips generated by local sawmills. In January 1994, the Samoa Mill became the only North American Kraft pulp mill to produce bleached pulp without the use of chlorine or chlorine-containing compounds on a permanent basis.

Because the mill has converted to totally chlorine free, or TCF, it has unique opportunities for taking the next steps to achieve closed cycle operation. The successful commercialization of a full scale TCF closed cycle Kraft pulp mill in the United States, with its resultant environmental benefits, would have worldwide implications.

When the award was made, Secretary of Energy Hazel O'Leary praised Louisiana-Pacific's innovative research. It was her belief that the company's commitment to pollution prevention and energy conservation will lead the pulp and paper industry into the next millennia.

Mr. Speaker, I congratulate Bob Simpson, Louisiana-Pacific's general manager, Fred Martin, manager of the Samoa Mill, and all of those who work for this important northern California employer. I also urge my colleagues to do their part for the environment and consider using totally chlorine free paper, which is available from the House Office Supply Service.

HONORING LORETTA AVENT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. RICHARDSON. Mr. Speaker, there has always been a special relationship between our Federal Government and the more than 500 recognized Indian tribes in our Nation. Each of the tribes is a sovereign nation and each has the right to conduct business directly with the Federal Government bypassing State and local governments. While Indian people have this right in theory it is sometimes difficult for each of the tribes to have a substantive relationship with the executive branch.

But thanks to an extraordinary public servant in the Clinton White House, Indian people for the first time are comfortable with and understand they have a direct link with the administration. Loretta Avent serves as Deputy Assistant to the President. Although African-American, Mrs. Avent has a unique and close relationship with Indian country. She has opened the door for Indians and is rightly adored by tribes.

I urge my colleagues to join me in honoring Mrs. Avent for her service to this country and for her outstanding service to our native Americans. The following article which appeared in the February 5, 1995 edition of the Arizona Republic is a great tribute to Mrs. Avent.

[From the Arizona Republic, Feb. 5, 1995]

CLINTON LIAISON IS ADORED BY TRIBES

(By Jeff Barker)

WASHINGTON.—They give her dolls, rings, shawls, baskets and necklaces. They pray she won't leave them.

To Native Americans, Loretta Avent is a godsend. She takes them places they have never been.

Avent, 52, is a deputy assistant to President Clinton. In her two years at the White House, the Phoenix native has forged an extraordinary relationship with Indian Country.

Tribal leaders say the effervescent former lobbyist has become, quite simply, the most important federal contact they have ever had.

They say she is helping renew their faith in government, which has been so long a source of frustration and broken promises.

"I'm almost 73 years old, and I will tell you that never in my lifetime have we in Indian Country experienced a person so dedicated to tribal rights," said Sue Shaffer, chairwoman of the Cow Creek Bank of Umpqua Indians in Roseburg, Ore.

"She's been a guide, mentor, catalyst, grandmother," said Paul Ojibway, an Ojibwa tribal member who is the Los Angeles archbishop's Native American liaison. "Being people who hold people and symbols dear, she gives us the feeling that we are included and don't have to come hat in hand to get noticed."

An African-American born in rural Virginia, Avent acknowledges that her relationship with tribes "is beyond what's the norm for me."

"They feel that I'm chosen. They give me heirlooms. They give me what I call 'heart gifts,'" she said.

She tells visitors that her office was occupied 23 years ago by John Dean, former President Nixon's counsel during the Watergate scandal.

"He was a man who had a chance to help this nation, and he didn't," Avent said.

OPENED DOOR FOR INDIANS

She hopes her legacy will be that she opened the doors of 1600 Pennsylvania Ave. to a group that has never quite felt welcome, even though its members are descendants of the first Americans.

Avent's contributions are both symbolic and substantive. She organized a historic meeting in April with Clinton and several hundred tribal leaders. She also invited urban Indians and tribes not federally recognized—two groups that often feel particularly overlooked by the government—to their own White House events.

"Never before has there been this type of accessibility," and Albert Hale, president of the Navajo Nation.

When tribal leaders believed they were being ignored by the Census Bureau in August, they wrote to Avent. They also contacted her when Arizona was resisting Indian gaming and when they wanted Clinton to grant executive clemency for Leonard Peltier, the American Indian Movement member convicted of killing two FBI agents 20 years ago.

"There's nothing that they do—nothing—that doesn't come to me," Avent said. "The president said he wanted an administration that reflected the country. Until we bring them (Indians) to the table, then it's not the right reflection of America, because America looked like them first."

Avent emphasizes that she does not perform the Indians' work by herself. She merely puts them in touch with people who can help.

"She doesn't do things for us," said Ivan Makil, president of the Salt River Pima-Maricopa Indian Community. "She sets up the meeting, and after that, we're on our own. She makes sure we get an opportunity to get to the table."

In Peltier's case, Avent referred inquiries about clemency to the Justice Department.

From prison, Peltier heard about Avent and wrote her a note on the inside cover of a book about Native Americans' legacy.

"All my sources indicated to me that you are the most powerful influence in the White House speaking for Native American issues," Peltier wrote.

He said he appreciated that someone of her "stature" would read about his case.

Much of Avent's outreach is personal. She fields as many as 60 calls a day from Indians and continues dispensing advice long after the workday has ended.

"Tribes have gotten so used to being ignored for so long that they could not believe someone is so king to them;" said Bunty Anquoe, a Washington-based reporter for Indian Country Today newspaper.

Avent invites tribal leaders to White House dinners and receptions and, when she can, to the president's box at the Kennedy Center for the Performing Arts.

"Thank you a million times over for taking me as your guest to the White House last night," began a recent letter to Avent from Suzan Shown Harjo, president of the Washington-based Morning Star Institute, which promotes Indian cultural rights.

"My parents will be so thrilled that I was able to tell the president and first lady how very much they are admired and what they hope to offer for those of us Indian people who are the poor and mostly forgotten and left-out folks that the Democrats stand for."

CREDITS DAD FOR HER VALUES

Avent credits her work values to her father, who reared her alone after a divorce. He is a former elevator operator in one of the U.S. House office buildings.

A longtime resident of the nation's capital, Avent lobbied for the National Association of Counties, U.S. Conference of Mayors and other groups. She also ran a political consulting firm whose clients included the Clinton-Gore campaign.

She moved to Phoenix in 1988, mostly at the insistence of her husband, who said the laid-back lifestyle and weather would add years to their lives.

Avent's husband, Jacques Avent, a Phoenix deputy city manager, said his wife has been reaching out to "underdogs" most of her life.

"She does the underdog causes; those are the one that turn her on," he said.

In Phoenix, she helped coordinate the Harmony Alliance, which works at bringing disparate groups together.

Avent and her husband have known the Clintons for 20 years.

As a deputy assistant to the president for intergovernmental affairs, she is a liaison to Indians and local elected officials around the nation.

She admits being torn between her commitment to Indians and her sadness at being away from her husband.

"I can't be just a holiday spouse, nor do I want to be. I was only going to do this a year," she said.

But her job has become part of her.

Returning recently to her birthplace in South Hill, VA., Avent found herself thinking of her Indian friends.

"I was looking at where I grew up," she said. "I was born in the same house my father was. It made me understand what Indian people mean when they talk about Mother Earth."

IN RECOGNITION OF CARMEN TURNER

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. WOLF. Mr. Speaker, it is a pleasure for me to rise today to recognize an outstanding individual and public servant, the late Carmen Turner.

Many of you may remember Carmen from her days as the general manager of the Washington Metropolitan Area Transit Authority, more commonly known as Metro, and as Under Secretary of the Smithsonian Institution. However, you may not know how hard Carmen worked to turn her dream into reality. Born in New Jersey, Carmen and her family moved to Washington, DC, during her childhood. Carmen went on to graduate from Dunbar High School and then attended Howard University for 2 years before she left school to marry Frederick Turner.

Those of use, though, who knew and loved Carmen know she never left any task unfinished. Carmen went back to Howard to complete her undergraduate degree. Even more impressive is that she did this while working full time at the Department of the Army and raising two children. Following a stint at the U.S. Department of Transportation, Carmen joined Metro in 1977 and was promoted to general manager in 1983.

As general manager, Carmen played a substantial role into making Metrorail into the state-of-the-art subway system it is today. Under her leadership, Metrorail opened new stations in suburban Virginia and Maryland, as well as finalized plan for the Green Line, which will run through the heart of the District of Columbia. Her hard work paid off in 1990, as Congress passed legislation authorizing $1.3 billion for the completion of the Metrorail system. Her service did not go unnoticed. In fact, in 1988 the American Public Transit Association [APTA] gave Carmen their Outstanding Achievement Award, and in 1989 named Carmen the Transit Manager of the Year.

Sadly, Carmen was taken from us far too soon, in 1992 at the age of 61. She is sorely missed by so many of us. However, the legacy will live on, as it should. On May 12, Metro dedicated a memorial at the Smithsonian Metrorail Station in Carmen's memory. It is a fitting tribute that her memorial will be at a station where so many people enjoy the convenience of Metrorail. While her absence will always be felt, like many others I am proud that Carmen has been memorialized in this fashion. Mr. Speaker, I am pleased to join in celebrating Carmen Turner's life and career and recognizing her many accomplishments.

HONORING MORTON BLEETSTEIN

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. ACKERMAN. Mr. Speaker, I rise with great pleasure today to join with those most compassionate and dedicated people of the New Hope Community as they honor one of their most esteemed members, Morton Bleetstein.

I first met Morty when I started a small business, and Morty was a third-generation insurance broker. But I soon learned that he has other interests and talents that would significantly impact on others. In the fields of hope, compassion and concern, there are few to equal Morty Bleetstein.

As parents of two disabled children, Morty and his wife, Pat, took up the life challenge fate had thrust upon them, and embarked upon creating a service record of almost four decades on behalf of all disabled youngsters. Morty's early involvement led to the passage in New York State of legislation known as the Greenberg bill, which provides education for all disabled children.

As his own kids grew, so did his dedication: the Bleetsteins became original founders of the New York Association for Brain Injured Children. Morty Bleetstein also has proudly served as president of the New Hope Community Parents Group, and as a board member and fundraising chairman for New Hope.

Mr. Speaker, Morton Bleetstein has honored all humanity with his selfless dedication and perseverance on behalf of those who have nowhere else to turn. On May 20, the New Hope Community will honor Morty at a gala benefit in Flushing, Queens.

I ask all my colleagues in the House of Representatives to join with me now in paying tribute to a true humanitarian, Morton Bleetstein, and in extending to him the great appreciation of a most grateful nation.

TRIBUTE TO CLAIRE SCHULMAN

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. MANTON. Mr. Speaker, I rise today to join the Kiwanis Club of LaGuardia Airport in paying tribute to Queens Borough President, Claire Schulman. Since 1986, Claire Schulman has served the people of Queens with distinction.

Mr. Speaker, Claire has been a tremendous instrument in ensuring that Queens continues to be one of the strongest communities in our country; her efforts are endless. Some of her greatest accomplishments as borough president include: Being a staunch advocate for the rights of the elderly and the children of Queens, ensuring quality health care for the residents of Queens, helping to buy Queens West, fighting to rebuild the Queens library, and ensuring city services are provided to the Borough of Queens.

Claire received her bachelor of science from Adelphi University; she was also awarded an honorary doctor of laws degree. In 1993, she received an honorary doctorate of sciences degree from the College of Aeronautics. In addition to these prestigious doctorates, she has also been honored with the Queens College Medal and the LaGuardia Community College Medal.

Mr. Speaker, Claire Schulman has not only served our community as a political leader, but as a health care provider, mother and wife. Before coming to politics, Claire served as a registered nurse at the Queens Hospital Center, where she also met her future husband, Dr. Melvin Schulman. Claire Schulman boasts a tremendous career as well as a spectacular family. She is the proud mother of Lawrence, a physician; Ellen, a physician and astronaut; and Kim, a television and motion picture production specialist.

As the Queens County Democratic Leader, I have worked with Claire over the years as a colleague and as a friend on issues affecting our community. When an issue requires special attention, I can always count on her for sound advice.

Mr. Speaker, I know my colleagues join me in commending the Kiwanis Club of LaGuardia Airport for paying special recognition to my friend, Claire Schulman, the Queen of Queens.

TRIBUTE TO THE WORKERS OF FORD MOTOR COMPANY

HON. MIKE WARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. WARD. Mr. Speaker, I am pleased to announce that last Tuesday at 11:30 a.m., at Ford Motor Company's Kentucky truck plant in Louisville, the two millionth automobile rolled off the assembly line.

This milestone in American automotive manufacturing is truly remarkable and is a strong testament to the dedication of the American worker. Since Ford's Kentucky plant opened in 1969, the quality of the trucks manufactured by this facility has been second to none. Throughout the world, Ford Motor Co. has a well deserved reputation for quality and this reputation is due solely to the hard work and dedication of the American auto worker.

George D. Kormanis, the plant manager of Ford Motor Co.'s Kentucky truck plant, can be proud of this accomplishment and of the good work being done by the dedicated workers of Ford Motor Co. in Louisville.

Mr. Speaker, the two millionth vehicle produced by Ford Motor Co.'s Kentucky truck plant should stand as clear and convincing evidence that the American work ethic and dedication to quality is alive and well today. At a time when many are questioning the competitiveness of the American automotive industry, I believe that it is important to pay tribute to the American workers who daily are insuring that American automobiles are second to none.

CLEAN WATER AMENDMENTS OF 1996

SPEECH OF

HON. NATHAN DEAL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 961) to amend the Federal Water Pollution Control Act:

Mr. DEAL of Georgia. Mr. Chairman, I rise today in support of H.R. 961, The Clean Water Amendments of 1995, a commonsense approach to improving our Nation's water.

Since last summer, I have been part of the bipartisan effort to improve upon the existing Clean Water Program. I felt back then, as I do today, that we must give States and localities greater flexibility and responsibility to deal with water quality matters.

H.R. 961 is a sharp departure from the current Federal, top-down approach to one that gives State and local water quality officials more flexibility and resources to address local problems. It recognizes that we have entered a new era of pollution control which requires new and innovative approaches to deal with pollution control, not rigid Federal standards. This is why the bill is supported by representatives from State and local government officials including the National Governor's Association, the Association of Water Pollution Control Administrators, the Association of Metropolitan Sewerage Agencies, the U.S. Conference of Mayors, National Association of Counties, and National League of Cities.

This bill provides for much needed reforms in the wetlands area. It addresses horror stories like the one in Muncie, IN, where an 80-year-old farmer who had farmed his land all his life, like his grandfather and father before him, accidently broke a water pipe and flooded his field. The Government informed him he could no longer farm his land because it was a wetland. H.R. 961 sets forth a clear and workable plan for American agriculture while protecting our most critical wetlands.

It also addresses the problems in our Nation's stormwater program. The current permit process is costly for local communities that on the average must spend over $600,000 simply to complete the required application process. H.R. 961 reforms this broken system by giving States more regulatory flexibility to deal with stormwater problems.

H.R. 961 provides for unprecedented levels of funding to address water quality challenges. It includes $15 billion for State revolving loan funds, $1 billion for State nonpoint programs, $750 million for State program grants, and $250 million for unsewered and rural areas.

In short, I believe the bill prepares us for a third decade of clean water. It provides for commonsense reform while ensuring we have clean water. I urge my colleagues to vote for H.R. 961.

TRIBUTE TO BROADCAST PIONEER, RAY LIVESAY

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Mr. POSHARD. Mr. Speaker, I rise today to pay special tribute to Mr. Ray Livesay of Mattoon, IL. Mr. Livesay passed away in his sleep this past Tuesday and it is with sorrow that I speak here today to honor this extraordinary man.

Ray Livesay was a modern pioneer of our airwaves. On the plains of central Illinois stands WLBH–AM and FM Radio which Ray built and watched grow into a public service that thousands of people depend on for their news and entertainment every day.

The first time I had the pleasure of meeting Ray was when I ran for my congressional seat. He asked if I could stop by his radio station and talk to him for awhile. I said I would be happy to, but it would be a few weeks before I would be in the area, with the exception of Christmas Day when I would be visiting my wife's family near Champaign. To my surprise, Christmas Day was fine with Ray. I stopped at the station at 9:30 thinking perhaps a half-hour interview was awaiting me. Two and one-half hours later, we both walked out of the station headed for Christmas dinner with our families.

I have been through many editorial board interviews in my public career, but none could match that 2½ hours with Ray. Every possible issue, in every part of the world, was covered. He was direct. He was honest. We agreed on much. We disagreed on some. but I never witnessed a greater thirst for exploring ideas, for grappling with tough problems than I did that Christmas Day from a man over 75 years old.

He knew I was a Democrat, and there was never any doubt that he was a Republican. But on that sunny morning, we found a lot of common ground. I left there with a great respect for Ray. Mainly because he did not pull any punches, he was what he was. And I think he knew that, I, too, struggle to find answers, albeit sometimes falling far short, and he respected the effort. There has not been a month that has gone by in the last 3 years when he has not called or written me about some issue. That Christmas morning led to lots of discussions between Ray and I, but even more than that, to a friendship that I cherished.

The last time I saw him was at the groundbreaking a few weeks ago for the new business park on Route 16. We were leaving and we stood beside his car and talked for nearly 20 minutes. The conversation never left his dear wife, Leffel. He was concerned for her. Other issues could wait this day. She was the thing on his mind. He openly expressed to me the love for his wife and family and asked me to remember her in my prayers. I have.

I will miss him a great deal. I will never forget that Christmas morning over 3 years ago when our friendship began.

In 1950, Ray began a series of daily editorials that were soon to become a staple of life in central Illinois. His editorials were aired at 7:15 a.m. 5 days a week, 52 weeks a year. That is a total of well over 10,000 issues that Ray took the time to research and understand, before he formulated his well developed opinion. Early in his career some tried to influence the way Ray would view an issue; however, it did not take long for people to realize that Ray's ideas were his and could not be easily swayed.

Mr. Speaker, Ray Livesay knew that the people who listen to his radio station deserve to know as much as they possibly can about issues affecting their lives. He believed in the idea that in order for a democracy to thrive its people must be well-informed. His ability to elicit thought provoking responses from elected officials and construct his insightful daily commentaries will be truly missed.

Mr. Speaker, Ray's influence was not limited to central Illinois. He served as president of the Daytime Broadcasters Association for 28 years, testified before more than 30 congressional committees, advised the U.S. State Department on radio matters as the broadcast industry developed, and in 1989, he was recognized by his peers when he was awarded the National Radio Award at the National Association of Broadcasters' Radio Convention in New Orleans.

An example of Ray's ability to shape the future of radio is that he is the originator of the 9 kilohertz plan for AM broadcasting in North and South America. This intricate plan will allow for 12 additional broadcast channels so that most daytime stations may become full time. Ray's basic broadcast plan became the U.S. Government's official position in 1979, and in 1980, he was asked to serve as an adviser at an international radio conference in Buenos Aires, Argentina.

Ray Livesay will always have a special place in the hearts of those who knew him. I will never forget our long hours of discussions, or his tireless efforts to help the people of Illinois. Mr. Speaker, Ray was a valued and trusted friend, and it is with great sadness that I offer my sincere condolences to his family.

TRIBUTE TO THE BUSHWICK RESOURCE COALITION 10TH YEAR ANNIVERSARY CELEBRATION

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 18, 1995

Ms. VELÁZQUEZ. Mr. Speaker, I would like to take this opportunity to congratulate the community-based organizations of the Bushwick Resource Coalition. This collaborative network has a long and outstanding history of providing an array of social, health, educational, and economic development services to the Bushwick community.

The past few days of this week have been extremely significant. The Bushwick Resource Coalition celebrated its 10th year anniversary on May 15, 1995. The theme of the celebration was "Bushwick the Future is Ours; What it Was, What it Is, What it Will Be." Many of the organizations within the Bushwick community hosted open house events to highlight the vital services they provide. On Friday, May 1995, a luncheon will take place culminating the week of events.

This has truly been a historic event for the Bushwick community. The resource coalition has provided leadership and direction at a time of great need. They offer a compassionate sounding board for the concerns of neighborhood residents. They have an extraordinary history of nurturing and cultivating successful development of our communities' families and youth.

The Bushwick Resource Coalition deserves to be acknowledged for their remarkable efforts and activities. I applaud their achievement and encourage them to continue.

SENATE—*Friday, May 19, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord of all life, Sovereign of this Nation, we ask You to bless the women and men of this Senate as they press on to express their convictions on the soul-sized fiscal issues confronting our Nation.

In these days of discussion, when priorities must be set and differences are sharply focused, we need a special measure of Your grace. In the debate over what it will take to balance the budget, and when and how this can be achieved, there will be strong disagreement. We will need Your wisdom and Your guidance to practice the fine art of creative compromise, so that the budget will reflect what is best for our Nation both now and for the future. Liberate us from the polarities of presuppositions that keep us from moving toward consensus. Help each Senator to speak the truth as he or she sees it, listen carefully to differing points of view, and then be willing to find workable solutions. Guide us through these days of discord and division and bring us to a resolution in which there is no victor except the people of this Nation. In Your reconciling name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mrs. HUTCHISON. Mr. President, this morning the leader time has been reserved and the Senate will immediately resume consideration of Senate Concurrent Resolution 13, the budget resolution.

Under the previous order, a rollcall vote will occur this morning at 10:45 on the Domenici amendment, the text of which is President Clinton's budget. That will be the only rollcall vote today. However, the Senate will remain in session in order to debate the concurrent budget resolution.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 13, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

Hutchison (for Domenici) amendment No. 1111, in the nature of a substitute.

Mrs. HUTCHISON. Mr. President, I watched, as I am sure many people in America did, last night and all day yesterday, I guess starting at noon, the two sides debating probably the most important vote we will take maybe in our lifetime.

The balanced budget amendment, I felt, was the most important vote because that would set a framework for us, for the future generations to make sure that in our framework of Government we would not allow one generation to put in debt future generations. So while I reserve that vote as the most important vote, nevertheless, what we are doing today is implementing the balanced budget amendment that did not pass.

We are taking up for consideration a budget resolution that will balance by the year 2002.

I was watching C–SPAN this morning and I saw a recap, I guess, of the debate on the House floor yesterday. They were talking about Democrats holding up pictures of the elderly and Republicans holding up pictures of children saying, basically, that is where the arguments are—that the Democrats are going for the senior citizens and the Republicans are talking about protecting children.

I think that they are saying to the senior citizens, "We do not think you will be responsible." I think that is what the Democrats were saying on the House side. "We do not think you will be responsible with our money. We want you to vote for making sure that we continue all of these programs, business as usual," and I do not think the seniors of America are saying that at all.

In fact, one of the callers on the show called in from Florida, and the woman said, "I am a senior and I want my grandchildren to have a balanced budget. I want them to have the same kind of America that I have had. I do not want to be a senior that plunges our country into debt and will not take the responsible position."

I think if there is an effort to pander to seniors, the people of this country are smarter than that, and especially the seniors are smarter than that. They are looking for the future of this country. They want to cut this growth in spending so that we will have a future for their children.

We have been talking about cuts, cuts, cuts. I must remind everyone in this debate we are not talking about cutting. We are talking about less increases, fewer increases. We are talking about a 7-percent increase in Medicare, which we believe is a responsible rate of growth for Medicare.

In fact, it will save the system for future generations. That is in question if we do not take the steps now to give innovative alternatives to the Medicare system we have now so that we will be able to say by the year 2002 the Medicare trustees were wrong. It is not going broke. They were wrong because we did what we needed to do with their warning and we saved the system.

I hope in the year 2002 that I will be here along with many Members who will take the responsible position for our country to celebrate that our Medicare and Social Security systems are intact for our seniors because we have done the responsible thing. More importantly even than that, that we have a balanced budget to give to our children and grandchildren, which is what I think the seniors are expecting Members to do.

Mr. President, we are going to see debate all day today in the Senate. We are going to see it on Monday and Tuesday. We will have this monumental vote probably sometime Wednesday. I want to commend the House of Representatives for taking this step first. I want to say that I hope that my colleagues will follow so we can make history for this country and move toward this very important balanced budget.

I yield the floor at this time to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. COATS). The distinguished Senator, the President pro tempore, the Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I want to commend the able Senator from Texas for the excellent remarks she just made.

We have the greatest nation in the world. It provides Americans more

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

freedom, more justice, more opportunity, and more hope than any nation has provided any people in the history of the world.

This great country of ours can be in jeopardy unless we do at least two things. We must provide an adequate defense to protect this country. That is essential. We must protect ourselves against the enemies who will destroy democracy and freedom in this world.

The next is, we must have a sound financial system. We have not balanced this budget but one time in 32 years. Eight times in 64 years. That can bring destruction. We are not being fair to our children, our grandchildren, and future generations. We must take steps to balance this budget.

I hope that we pass a budget this year, pass it now, that will take steps to bring sanity to this country's finances.

I love this country. I want to do everything I can to preserve it. We can preserve it if we stop this big spending. We have been spending more than we have been taking in for all these years. We have to stop it and stop it now.

Mrs. HUTCHISON. Mr. President, I want to say I yield to no one in my admiration for the senior Senator from South Carolina.

I just want to say he is an example of just what I was talking about. If he would not mind my calling him a senior Senator or senior citizen, he is the kind of senior citizen, as a Senator, who is leading the effort toward doing the responsible thing.

This is a distinguished veteran of World War II who understands the importance of a strong national defense. I am going to join with him later today or next week to try to strengthen the defense part of this budget resolution.

All Members are going to make our arguments. We are going to say what our priorities are. I know that the Senator from South Carolina who chairs the Armed Services Committee, and I believe we should have a stronger national defense element in this budget. In the end, we are going to vote for a budget resolution that balances the budget of this country.

After everyone has spoken and everyone's priorities have been looked at and considered, we are going to go with the majority of this Senate. I appreciate the leadership of the Senator from South Carolina, and I appreciate his words today, leading the charge for the responsible effort that so many of the senior citizens of this country are expecting.

Mr. THURMOND. I wish to thank the able Senator from Texas for her kind remarks.

Mrs. HUTCHISON. Now I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I appreciate the Senator from Texas for yielding, and appreciate the fine job she is doing as to present an argument as to why this balanced budget resolution is so important to the future in this country.

We will hear a lot of demagoguery about how terrible everything is, and what the Senator from Texas is doing is focusing on positive effects of getting to a balanced budget.

Today we have the opportunity to debate this. This is the President's budget that he sent up here earlier this year. It is for fiscal year 1996, and it calls for in his budget, as we see by this chart, the red line calls for budget deficits of around $200 billion a year. That is what his budget numbers call for, using the Office of Management and Budget.

As we know from the President's State of the Union speech, it might have been even his first State of the Union speech, he says we should not use Office of Management and Budget numbers. Those are not the right numbers to use. We should use the Congressional Budget Office, they are the better estimator, they have been shown to be more correct over time. They would be the ones that we should use in all budget debates.

Given that fact, the purple line is the actual CBO estimate of what the Clinton budget, this budget right here, this budget will project out. Budget deficits starting around $170 billion this year, going up to almost $275 billion by the year 2000. And then up even further, up to over about $300 billion by the year 2002.

He is going to add, with this budget—if we approve this budget today, we will add $1.2 trillion to the debt, to the national debt. That is the solution offered by the White House. Further deficits, increasing deficits, further mortgaging of our country's future, further mortgaging of our children's future. That is the leadership.

The President of the United States is seen by the world as having the moral authority to lead the world. We are, in fact, the greatest country in the world. We are a country that is a leader among nations, and our President stands as the head of that country as the supreme leader in the world today—leader—leadership. Is this leadership? I suggest it is not.

So, as I said yesterday when I came to the floor, I am going to come to the floor every day, and I am going to ask the President why he is refusing to lead, why he is refusing to take part in possibly the most historic debate that we have seen in the last couple of decades here on the floor of the U.S. Senate, why he is abdicating his responsibility as the leader of the free world, putting the country that is most important to freedom for the world at risk by profligate spending, continued profligate spending. I think it is an act that is beneath the office, to stand on the sideline and throw barbs at those of us who are trying to accomplish the goal that, if I recall, when he ran for President he was going to do his best to accomplish, to balance this budget.

He said it in 1993 when he was putting forward his plan to raise taxes to help solve the deficit. "No hot air; show me where," is what he said when it came to the Republicans' plan for balancing or reducing the budget. He did not want any smoke and mirrors, he wanted a plan.

This is not a plan that gets you to a balanced budget. Mr. President, you have an obligation—you have an obligation to lead this country and to show us where. So, I will put up, now, unfortunately, day 2 of the days with no proposal to balance the budget from President Clinton. I will be here every day that we are in session, adding number after number after number, until we reach 135 days, which is October 1 of this year when the new fiscal year starts and it is then basically too late to do anything about it.

Mr. President, we beseech you: Participate. Take the job seriously. Get involved in the process. Try to make a difference. Show the American people you really do care about what happens to the future of this country.

Mr. KYL. Mr. President, I wonder if the Senator from Pennsylvania will yield for a question?

Mr. SANTORUM. I am happy to yield to the Senator from Arizona.

Mr. KYL. I ask the Senator from Pennsylvania, how much does the President's budget show in annual deficits every year?

Mr. SANTORUM. If we go back to the previous chart, the purple line is the line that the Congressional Budget Office has estimated will be the annual deficit under this budget, the Clinton budget. It starts out at about—using rough numbers because I do not have them exactly—about $175 billion for this fiscal year, the one we are in right now, increasing to over $200 billion in 1996, about $230 billion in 1997, about the same amount in 1998, and then up around $290 billion for 1999 and 2000.

Mr. KYL. So over the 5 years of the President's budget, we are looking at an average of over $200 billion a year.

Mr. SANTORUM. And going up.

Mr. KYL. And going up.

I further ask the Senator from Pennsylvania, according to my calculations, for every year that we have a $200 billion deficit, the average young person in this country is going to have to pay an additional $5,000 in taxes, with the result that after 5 years of Bill Clinton's budgets that is a $25,000 tax bill for the average young person in this country?

Mr. SANTORUM. The reason for that is that is more debt we accumulate, more interest we have to pay on the debt; interest that will be paid by children being born today for the rest of their lives. So that is where we come up with this number, that is not a phony baloney number. This is actually numbers we add to the debt that we will have to borrow money for and children in the future will have to pay interest on for the rest of their lives, if we continue this.

Mr. KYL. Let me ask the Senator from Pennsylvania a couple of other questions here. It is my understanding we are going to have the opportunity to vote on the President's budget later on today. I am sure the Senator from Pennsylvania and I will not be voting for this budget. During the debate on the balanced budget amendment I seem to recall a lot of our colleagues from the other side of the aisle, our Democratic friends, asking us how we were going to get to a balanced budget. They argued they did not need to support a balanced budget constitutional amendment because they could do it on their own. They did not need a constitutional amendment. So our constitutional amendment failed by one vote.

I do not recall—perhaps the Senator from Pennsylvania could help me here—I do not recall any budget having been submitted by a Senator on the Democratic side of the aisle, a budget that will bring us in balance by the year 2002 or any other year—am I mistaken? Have I missed something here?

Mr. SANTORUM. No. I think the Senator is right. I have not seen any budget being put forward either by the President, obviously, or by any Member of the other side of the aisle that gets us anywhere near zero within the 7-year timeframe or, frankly, any time thereafter. I am actually pretty excited about this possibility, because having sat through the balanced budget debate and listened to the numbers of Senators getting up and saying, "Look, we do not need the balanced budget amendment. We can do this on our own. We have the courage within us to make these decisions. We will stand up when the time comes to be counted," so I am guessing, but I suspect we will get all 54 Republican votes on this side for this budget, I am hopeful that we do that. If you add the 30, what, about 35 or so Democrats who voted against the balanced budget, who, of course, have the courage now to stand up and say we are going to be for a balanced budget, I think we will get 90 votes for this. I think we can get close to about 90 votes for this. We should.

If everyone who is serious—if you are serious over there, if you really want a balanced budget, if you really think you can make those tough choices, if you really are willing to stand up to the American public and say we are willing, we can do it ourselves, we do not need any balanced budget amendment to force us to make tough decisions, we have the power within us to do that—then here it is. Let us do it.

Mr. KYL. May I ask the Senator from Pennsylvania a couple more questions here?

So, the bottom line here is you have not seen a budget proposed on the Democratic side, and I have not seen a budget proposed on the Democratic side. The only budget is the one proposed by the President. I guess we will have a chance to see whether our Democratic friends will support the President's budget, because they have no other alternative.

Mr. SANTORUM. I cannot imagine they would because they said during the balanced budget amendment debate that they have the courage to support a balanced budget and since the folks on the other side are so serious about getting to a balanced budget and see this as such an important thing, I cannot imagine then they would support this.

Mr. KYL. Has the Senator seen any constructive suggestions from the other side about how we might achieve a balanced budget by the year 2002?

Mr. SANTORUM. I imagine there will be several amendments. Of course, all of them will be deficit neutral. I am sure they will not offer any amendments to raise the deficit or get us off the glidepath here to zero. I am sure they are not going to be interested, since they have the courage over there to make sure we get to this balanced budget, they are not going to offer any amendment that is going to increase the deficit or throw us off this path. So I am sure they will have constructive suggestions about how we might tinker with this, and I look forward to debating those. But I do not think they are going to have any substitute proposal that is going to get them to a balanced budget on a completely different tack.

Mr. KYL. Of course, that is what I had reference to. If I could just ask the Senator from Pennsylvania one final question? I have listened to the debate over the last 10 or 12 hours here. Much of the debate has focused——

Mr. SANTORUM. You are a brave man.

Mr. KYL. Pardon?

Mr. SANTORUM. I said you are a brave man.

Mr. KYL. I listened to part of it, anyway, although it gets a little repetitious. The argument I have heard discussed most from the Democratic side of the aisle is about how they would like to spend the dividend that is created by the fact that we balance the budget.

In other words, the chairman of the Budget Committee, Senator DOMENICI, has done a very good job of putting this thing together in such a way that after 7 years, because interest costs will be reduced, we will actually have in effect a dividend of about $170 billion. While I have not heard any suggestion from the Democratic side about how they would balance the budget, and they have certainly not indicated that they would support the way that we will achieve that balance by the year 2002, I have heard a lot of discussion about how they would like to spend the money that we save.

Mr. SANTORUM. Mr. President, it is amazing—if the Senator will yield—I remember we were in the House together and we had the peace dividend. Remember the peace dividend? That was the time the Soviet Union was crumbling and we could cut our defense budget a little bit, and it turned out to be a lot. Therefore, we would save money. So we had a peace dividend. So what did we do? We were running, by the way, over $200 billion in annual deficits. But we had a dividend.

So what were we going to do? Spend it somewhere else. We were not going to put this toward the debt; oh, no. This was a peace dividend that was earned by the American public, and so we have a right, here in the Congress, to spend it.

Here we are again. We get a dividend, according to the Congressional Budget Office, by balancing the budget, and it will come down to zero by the year 2002. The Congressional Budget Office says they will change their economic assumptions to assume lower interest rates, lower inflation, and greater growth in the economy, which will mean less of a debt. So there will be a dividend.

So what do we hear? Are we hearing, "Well, we should put that toward the deficit," or "We should give people who worked hard for this money some of that money back"; in other words, let them keep the money they worked for? No, no, no. On the other side of the aisle, you will hear suggestion after suggestion how we should spend this money because it is our dividend. It is not yours, American public; it is our dividend. We did this. So we should take your money and spend it on things that we think are best.

This is kind of ridiculous, having this kind of talk about let us get serious. Let us get serious. This is not our money; this is your money. To suggest that we could finally do something that we were hired to do, which is to get our house in order; that if we do our job, somehow we should get the dividend, to go out and take more of your money and spend it somewhere else? It is absolutely absurd.

Mr. KYL. If I may conclude with this comment to the Senator from Pennsylvania, I think he certainly helped me to understand this issue better than I did.

I guess I would summarize it this way: During the debate on the balanced budget amendment, we said we think we need a constitutional amendment because, otherwise, too many people in the Congress will not have the discipline to make the tough choices to bring the budget into balance. Most of our Democratic friends, many of them, said, "No; we can do this on our own."

Then the Senator from Pennsylvania said the only alternative to the budget that we have prepared, that brings us into balance, is a budget that the President proposed, that does not bring us into balance. According to the Senator from Pennsylvania, as a matter of fact, it averages deficits of over $200 billion a year as far as this President has calculated it, and the trend is up over $200 billion a year. That is about a $5,000 tax every year on each American.

I learned from the Senator from Pennsylvania that, in addition to the fact that the Democratic side of the aisle here has proposed no alternative that will achieve a balance by the year 2002, the bulk of the discussion so far has been how to spend the dividend that is created by our budget.

So not only are they not willing to support our budget, but at the same time they are criticizing our budget, they want to take the money that we save by our budget and spend that rather than returning it to the American people.

Do I have this straight? Is that about the size of it?

Mr. SANTORUM. Mr. President, the Senator from New Hampshire is here, and he is on the Budget Committee. My understanding was during the budget debates in committee that the Democratic Members had, most of the debate on the committee was how to spend this $170 billion, whether we should do tax cuts or whether we should go out and spend a lot more money on a lot more programs.

I do not know if the Senator wanted to comment on that. It is my understanding that they were just anxious to get at this pot of money so they could create some more spending here at the Federal level.

I will be happy to yield.

Mr. GREGG. Mr. President, if the Senator from Pennsylvania will yield, he has put it absolutely correctly. Of those worthy amendments, the vast majority of amendments—I have forgotten the number, 17 amendments—offered by the members of the Democratic Party on the Budget Committee, and everyone wanted to spend the dividend, which results from the lower interest rates as a result of getting to a balanced budget.

Mr. SANTORUM. I want to make it absolutely clear. Of all of the amendments in the Budget Committee offered by the other side——

Mr. GREGG. "All" may be too many, but the vast majority.

Mr. SANTORUM. The vast majority of the amendments offered by the Democrats in the Budget Committee were not how to get to a balanced budget—were not.

Mr. GREGG. There were not any amendments offered as to how to get to a balanced budget.

Mr. SANTORUM. There was no substitute offered as to how they would get to a balanced budget. There were no amendments offered on how they would change spending priorities. But the amendments were focused on what? The $170 billion dividend that the CBO gives us by getting to a balanced budget, which assumes lower interest rates and more growth, how could they spend that money?

How can you take seriously people coming to the floor during the balanced budget debate, saying that they have the courage to balance the budget; they are willing to make the tough cuts, and when the bill actually comes to the floor to do that, all they do is focus in on how they are going to spend more money? It is almost incredulous to me.

You are going to hear speaker after speaker on the other side of the aisle talk about how terrible this is, and all their amendments will be on how to spend more money and how we have to get to balance. This just is not the right way. They do not have a way, but this is not the right one.

All I suggest to the Senators in this Chamber—and you want to listen—is look at the big picture. Let us look at our responsibility to the future of this country, to the children of this country, to leave this country better off than it was left to us! We have a moral obligation to do just that, to balance this budget for future generations.

I yield the floor.

Several Senators addressed the Chair.

Mr. EXON. Mr. President, I yield 10 minutes to the Senator from Wisconsin.

Mr. GREGG. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized, if he will suspend for a question of the Senator.

Mr. GREGG. I just arrived on the floor. I understood there was an agreement that at 9:15, we would go to the statement on your side by Senator DODD.

Mr. EXON. Will the Senator repeat the question?

Mr. GREGG. Mr. President, it was my understanding that by 9:15, we would go to a statement by Senator DODD on your side.

Mr. EXON. Is the manager of the bill on the Republican side trying to interfere with the lineup that we agreed to offer on this side?

Mr. GREGG. No.

Mr. EXON. There was no agreement, to my understanding. I ask the Chair, was there an agreement as to who was to speak at what time? Last night as we left, I understood that we jointly yielded to allow your side to have the first half hour of debate. Chairman DOMENICI just came 2 minutes ago, 20 seconds ago, and stood right here and said it is our turn now. I would give that advice to the manager of the bill on the Republican side. Maybe I am wrong. But I ask the Chair if I am mistaken and misunderstood the binding agreement that had been previously entered into.

The PRESIDING OFFICER. The agreement previously entered into reserved time for the Senator from Nebraska from 10:15 until 10:30, and reserved time from 10:30 until 10:45 for the managers on the Republican side.

Mr. GREGG. I simply say we were looking forward with great enthusiasm to hearing the Senator from Wisconsin and also the Senator from Connecticut, and whatever order the leader of the Democratic side, the manager of the bill on the Democrat Party side, wishes to go forward with, that is fine with this side. We were just trying to get clarification of what was happening as to the priorities as we understood the gentlemen's agreement.

The PRESIDING OFFICER. The Senator from Nebraska has yielded time to the Senator from Wisconsin.

The Senator from Wisconsin.

Mr. KOHL. I thank the Senator from Nebraska.

Mr. President, as we debate the fiscal year 1996 budget, I would like to discuss some of the principles I hope this year's budget embodies. I believe these are bipartisan principles that the majority of Americans and majority of Senators can support.

I would like to talk today about a budget that is balanced, both financially balanced and balanced in the sacrifices it asks Americans to make. There is no question about our need to get to a balanced budget—and to get to a balanced budget in 7 years—but we must get there in a manner that does not do damage to our economy or to the basic principles of our democracy.

We must balance the budget, but we must do it in a way that is fair and is perceived to be fair by all Americans. That is my central criticism of the plan before us. It asks that the budget be balanced entirely by sacrifices from elderly Americans, middle-class and lower income Americans, and students, and it asks nothing from the wealthiest among us.

I support a balanced budget. I voted for the balanced budget amendment that was defeated earlier this year. And I support a balanced budget by the year 2002. I am pleased that we are starting this debate with the Budget Committee plan that gets to balance in 2002, and I hope that we end up with a budget that does, indeed, get to balance by 2002.

We all know why it is essential to get to the balanced budget. Simply put, our economic survival depends on it. Our almost $5 trillion in Government debt is money taken directly away from private sector investment. The interest payments that are now our third largest spending program are dollars which are totally wasted. They are dollars we cannot spend educating our children, paving our roads, or providing tax relief to middle-income American families. And, just as bad, our mounting Federal debt pulls up interest rates and threatens our standing as a world economic power. With each year of deficits adding to that debt, we are rolling the dice: Will this be the year that the world turns its back on a country that cannot stop spending more than it takes in?

So there is no question that our current fiscal irresponsibility is not sustainable. There is no question that we have to balance the budget if we want to reassert control over our economy and our destiny. The only question is how are we going to achieve this balance.

Balancing the budget is a huge undertaking. It requires immediate reductions in Government services and real sacrifices from the American people. I believe the American people will respond to this challenge but only if the challenge is considered to be fair. We need to balance the budget in a way that brings our Nation together in pursuit of the common good and not in a way that would drive us apart in pursuit of partisan political gain or just monetary gain for a few interests.

Achieving solvency is vital to our Nation's strength, but solvency alone will not make us strong. After all, a family is not strong only because its checkbook balances. A family is strong because it has strong values. Our country is the same. We need to balance our books. But if we do so in a way that pushes us apart, then we will find we have bought fiscal balance at the cost of values that make our democracy strong, values like equality of opportunity and fairness and compassion.

As most of us know or should know, there exists a very disturbing trend toward increasing inequality in our country today. The wealthiest among us are getting wealthier and everybody else is losing ground. Between 1973 and 1993, the wealthiest 20 percent of American families saw their incomes increased 25 percent while the poorest 20 percent saw their incomes decline by 15 percent, all in real terms. And families in the middle of the income distribution in this country saw very little, if any, increase in their average income over the same period. Today, 1 percent of the households in our country control about 40 percent of the Nation's wealth. Households that have net worth above $180,000—the most well off 20 percent of American families—control a full 80 percent of America's wealth. And this trend is increasing. This concentration of wealth is more by far than is found in any other industrialized country.

Mr. President, our divisions are not just among income classes. They are among generations as well. Our poverty rate is 25 percent for children under 6 years old and only half of that for our senior citizens.

These growing inequalities have produced a vicious and unproductive cycle because poor children are poor students and poor students are poor workers. Poor workers are poor wage earners and poor producers, and no one wins in this sort of an economy. The inequality fuels the enemies of democracy, things like resentment and fear, anger, and misunderstanding.

In balancing the budget, we must not exacerbate these inequalities. We must balance our books but not by knocking off balance the ladder of opportunity that should allow every American working family to work toward a better life and a better standard of living.

In my judgment, unfortunately, the Republican budget proposal moves us in the opposite direction. Instead of helping lower income children out of the cycle of poverty by investing in education and child nutrition, this budget slashes Medicaid for children, takes $14 billion out of student aid, and cuts $34 billion out of nutrition programs. Instead of proposing ways to help working families stretch their precious dollars, the budget proposal before us reduces the earned-income tax credit by $21 billion. That is, it raises taxes on our lowest income taxpayers. And instead of offering constructive suggestions on reducing the huge medical costs that overwhelm our senior citizens, the budget before us includes one-quarter of $1 trillion in unspecified Medicare costs.

The policy of the Republican budget for upper income taxpayers is exactly the opposite of this. It asks nothing from upper income Americans and wealthy corporations in our effort to balance the budget. It allows tax expenditures which are special tax subsidies that give benefit mostly to wealthy Americans and corporations to grow by almost 49 percent over the next 7 years, faster than any other category of spending.

In short, this budget gets to balance without any help from the 2 percent of our wealthiest Americans who control the bulk of our country's wealth and without help from the biggest corporations that stand to gain the most from a reinvigorated economy.

Mr. President, in my judgment, this is not a fair plan. Working middle-income families will not and should not tolerate unremitting reductions in their standard of living to finance special-interest tax breaks. If we are to come together as a country to solve our deficit problem and if we are to come together as a bipartisan Congress to balance the budget, we have to support a plan that asks something from everyone.

I am ready to support such a plan. I am ready to work with the Republican majority, Democrats, and anyone else who wants to balance the budget in a fair and a balanced manner. It may not happen this week, but soon when we are all done scoring political points, Mr. President, I believe we will sit down together and draft a budget that contains the best and the fairest proposals from both parties. That will be a budget that balances fiscally. It will also be a budget that is balanced in the sacrifices it asks from all Americans and in the opportunities that it provides for all Americans.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been listening with keen interest to my good friend and associate from the State of Wisconsin. We have worked together on many things, and I thank him very much for his kind and thoughtful remarks. Suffice it to say I join with him again and appreciate his appeal for some bipartisanship on this matter. We will continue to pursue those goals.

Has the Senator from Wisconsin finished his remarks or did he wish additional time?

Mr. KOHL. I did finish.

Mr. EXON. Mr. President, Senator DODD is on his way to the Chamber floor. I am prepared to make some remarks. Is there someone on that side of the aisle who wishes to speak at this time?

I see the Senator from Colorado has just come in. We would be very pleased to yield on the basis that we generally have, going back and forth on these matters.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. GREGG. I yield the Senator from Colorado 5 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. BROWN. I thank the Chair.

Many Americans, as they listen to this debate, will think this is just another discussion in Congress about a budget with a lot of details.

Mr. President, it is not that. This is a discussion of the future of the Nation. This is a discussion of whether we follow the Clinton plan. Mr. President, the Congressional Budget Office, which the President has said is the right one to decide these things, has evaluated the Clinton plan. The Clinton plan increases the deficit from under $200 billion to in the neighborhood of $300 billion by the end of the 5-year plan and above $300 billion by the end of the 7-year plan if projections go on.

It is a debate between having a deficit at the end of 7 years of over $300 billion, according to President Clinton, or a balanced budget according to the Republican plan. Mr. President, it is quite simply a question of whether or not we bankrupt this Nation or whether or not we put it back on sound footing.

Members have come to the floor and talked about children. Mr. President, that is a fair evaluation. We ought to ask about the impact of these budgets on children. I hope every person, Democrat, Republican, or Independent, liberal or conservative, will ask themselves what are the consequences of bankrupting our Nation. That is what this question is all about.

And please do not kid yourself. There is no alternative to the Republican balanced budget plan. There is none, except President Clinton's bankruptcy plan. Now that is the difference that is being questioned here.

Hopefully, moderate Democrats will come together with a plan that also balances the budget. I personally would welcome it. I would be happy to look at their alternatives. But that has not been presented. Not once, not once in all the amendments that came up in the Budget Committee was that offered.

Mr. President, does it make a difference with regard to whether or not we adopt the Republican plan?

Let me point out in a world economy how the world reacted when they saw Republicans were willing to turn this Nation around. As a young man, when I was in the Navy and I visited Japan, there were 460 yen to the dollar. When President Clinton came into office, there were 130 yen to the dollar. Before the Democrats defeated the balanced budget amendment in the U.S. Senate, you can see the yen to the dollar ratio, somewhere a little above 97. When the Democrats defeated the balanced budget amendment, the yen-dollar ratio plummeted. We had one of the biggest movements of current situations of any time in our history.

Let me remind Americans that every working person in this country who buys a product produced overseas, there is an impact to that because it is instant inflation, it is an instant increase in cost, whether you buy oil products or you buy Japanese cars or other products.

What we saw was a world referendum on American policy. And what happened was one of the most dramatic drops in the value of the dollar at any time in our history. Within a few days, we lost 14 percent of the value of the U.S. dollar against the yen when the Democrats defeated the balanced budget amendment.

But take a look at what happened, Mr. President, when Republicans passed the balanced budget in the House of Representatives. It reversed. You had one of the biggest increases in the value of the dollar in history.

Take a look at the headline. This is Friday, May 12, from the Washington Times. The headline is simple and straightforward: "Dollar Jumps in Biggest One Day Advance in Four Years."

Mr. President, that is what has happened. That is what the difference in this is.

If you want to destroy the value of the dollar and you want to destroy the credibility of the United States in the world economy, adopt the bankruptcy budget from President Clinton. And I say that because it is perfectly accurate. It is exactly where that budget heads us to.

If you want to straighten it out and if you want a future for American citizens, if you want our children to have a chance to compete in the world market, then you will adopt the Republican budget.

Mr. President, I want to make one other point, because I know time is scarce. Mr. President, I am not a millionaire. I admire those people who have done well. But, Mr. President, I have listened over the last several days to a series of Democratic millionaires, many of whom inherited their money, won and earned by someone else, come to this floor and bash the Republican budget because of how kind it is to millionaires. Now, being lectured about the evils of wealth from Democrats who inherited millions of dollars, I think, challenges the credibility. But what challenges it even more is the fact that they misrepresent what this budget does.

The PRESIDING OFFICER. The Senator has used the allotted time.

Does the manager yield additional time to the Senator?

Mr. GREGG. Mr. President, I yield the Senator from Colorado an additional minute.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I think the point needs to be made that these millionaires, who inherited their money and have the audacity to come down and lecture Republicans who are working people, have misrepresented the facts. To suggest that the Republican budget provides tax cuts for the millionaires is absolutely false. As a matter of fact, the Boxer-Brown amendment that is included in the budget document specifically addresses the question of tax cuts and specifically allocates 90 percent of any tax cuts that might come down for those working people who earn under $100,000 a year. Mr. President, the allegation that they make is absolutely false.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BROWN. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, what is the time situation?

The PRESIDING OFFICER. The remaining time controlled by the Senator from New Hampshire is 8 minutes and 45 seconds. The time remaining to the Senator from Nebraska is 31 minutes and 27 seconds.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, my friend and colleague, Senator DODD, will be speaking in a very few moments. Let me take this time to make some remarks on the procedures and what the hopes are on this side of the aisle.

Mr. President, I am very disappointed by the amendment that is before us, because I do not think it is particularly helpful but it creates political drama.

Yesterday I made a sincere offer to my Republican colleagues to work with them to craft a bipartisan budget. I offered the hand of friendship and the hand of reason.

This amendment, the first amendment offered by those on the other side of the aisle, is a stinging rebuke to that offer of bipartisanship. The Republicans have decided to begin their part of the budget debate with a bit of political theater, and we have seen that tactic vividly displayed this morning. Theatrics and voice quivering dramatics is not the stuff of which reasonable debate and a sound budget is reached. They seem to want to deflect attention from the priorities in the Republican budget by setting up a straw man and then knocking that straw man down.

Time and time again in the debate this morning, we Democrats have been accused by the majority, basically walking in lockstep, of wanting to make changes in the Republican-offered budget, that we are trying to be helpful and reasonable in offering changes as an attempt by the Democrats to spend, spend, spend.

I think that anyone who has followed the debate thus far would have to concede that we on this side of the aisle are not spending, spending, spending, as has been accused in the theatrics that have taken place thus far on the floor of the Senate. What we are trying to do is to be reasonable, to restore some of the cuts on some of the most needy programs, to not allow the budget offered by the Republicans to do terrible harm in certain areas that I think we and, basically, most of the Republicans hold very, very dear.

We are trying to be reasonable, Mr. President. We are not trying to spend money. We are trying to alleviate some of the draconian cuts in certain programs that we think are very vital to the United States of America and the people that dwell happily therein.

Mr. President, I would simply say—and I want to emphasize once again—that we on this side of the aisle have not offered a single amendment on the floor, nor did we as Democrats in the Budget Committee offer a single amendment that basically changed the goal of balancing the budget by the year 2002 and making some necessary and painful cuts that we recognize and realize are vital if we are going to get to that point of balancing the budget in the year 2002.

I noticed in the debate this morning that there was much ado about nothing with regard to the continued reference to the fact that those on this side of the aisle, and at least one on their side of the aisle, prevented the balanced budget constitutional amendment to pass. Well, this is a Senator that rejects that proposal, rejects what I consider lack of reasoning, because as the Chair and everyone else in the Senate knows, this Senator has long sought a constitutional amendment requiring a balanced budget. I, and others on our side of the aisle, supported that when it lost by only one vote on the floor.

But we come back to the matter of what is reasonable, what is possible, what can be done. This confrontation that I see we are running into on that side of the aisle is back to, I think, what can be pointed to as the failure link, if you will, of the budget offered by the Republicans which the Republicans seem to be defending at every turn in the road. You cannot move a comma, you cannot dot an "i," you cannot make a change. I do not believe that that kind of theatrics that we have heard this morning, that kind of rhetoric or that kind of what I consider lack of reasoning is beneficial to getting us to a place where we can balance the budget by the year 2002 and do it in a responsible fashion.

Congress received the administration's budget on February 6. The President, frankly, admitted that he invited Congress to come forward with its alternative, and the Congress has, so that we as a nation could begin our great discussion on the budget.

A lot of things have happened since February 6. For one thing, we had a thorough debate on the amendment to the Constitution that would have required a balanced budget. As I said, I supported that amendment, and so did nearly two-thirds of both Houses in recorded votes. So, of course, the political landscape has changed dramatically since the President submitted his budget on February 6.

As we stated on the floor of the Senate yesterday, there is a broad consensus in favor of balancing the Federal budget by the year 2002. All of the amendments offered on this side of the aisle in the Budget Committee and the debate that was held there, and with regard to what we will be offering later on today and next week, all are deficit neutral, as far as throwing us further into debt, expanding the debt, and all are designed to balance the budget by the year 2002, which is the central theme of the majority budget that has been offered. I said some good things about that yesterday.

I just simply want to point out, Mr. President, and have everyone understand that every single amendment that we offered in the committee and which will be offered on the floor of the U.S. Senate, to my knowledge, would have balanced the budget just as quickly and at the same time as the Republican-offered budget that seems to be sacrosanct in which no change, even one cent, can be made. We do not disagree about the goal of balancing the budget. What we disagree with is the priorities, or lack thereof, that has been set and made part of the budget process that has been offered by the opposition. This is a debate we should be having, and I look forward to our proceeding to that debate.

Because so much water has gone over the dam since then, I cannot support the President's budget as offered, and certainly it is not a starting point, but it was something that the President started and was required to do some months ago. I certainly was not enthusiastic about the President's blueprint when it was first offered.

As I said in my opening remarks, we on this side will offer perfecting amendments to the Republican budget to try to enter into a constructive process to improve the Republican budget. In my view, the President's budget should be handled in the same manner, but we all know the fate of that proposal. So there is no point whatsoever in attempting to amend it.

I have never been a Senator who blindly follows the President, regardless of party. In 1993, I worked hard to make changes in the President's budget. As a result of those efforts, the proposed cut in agriculture was significantly reduced. I would not—I would not—have supported the President's budget then had it not been changed along the manner that I suggested.

I can only hope, Mr. President, that as this debate continues, there will be some on the other side of the aisle who will choose not to blindly follow their leadership and who will vote against the Republican budget unless the hits, the unfair hits on some key proposals, are reduced. If those on that side of the aisle want to call that irresponsible spending—it is not true—they have to live with their words.

But the important part is that we need to start with the budget that has a chance of getting the votes to pass and then work to improve that document. The sooner we begin that process, the sooner we will start to get something serious and constructive done. The sooner we get to that process, the sooner we will end the political theater.

Mr. President, I yield 20 minutes to my colleague from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 20 minutes.

Mr. DODD. Thank you, Mr. President. Let me at the very outset thank my colleague from Nebraska, the ranking member of the Budget Committee. Let me also express my gratitude to the chairman of the Budget Committee, Senator DOMENICI, for whom I have a high degree of respect and regard. I just want to say at the outset that while I have disagreements with the budget proposal as presented by the Senate Budget Committee, the budget presented by the majority party in this body is substantially better than the budget presented by the majority in the other body. A great deal of attention has been focused on the so-called Republican budget, but I invite all to examine the significant differences that exist between Republicans in the other body and this body. There is a substantial difference.

While I said at the outset that I have my disagreements with this particular product, I want to begin my remarks by at least suggesting that the product that has been produced by the majority on this side of the Congress is a far more honest proposal, with numbers that I think are real.

Having said that, Mr. President, let me also say that I am disappointed that the first amendment to come up, to be offered by my friends on the other side, is to propose the President's budget. This is not a serious effort.

It is unfortunate, with a subject matter as serious as this is, to begin the process by putting forward a proposal that the President made and recommended—and that is what Presidents do, they recommend. Presidents do not sign these resolutions. There is no Presidential participation and no room for a veto pen on a budget resolution. Unlike other matters that will come before us, this is a matter for the Congress. The law requires that we deal with a budget resolution. Certainly the President's voice and his priorities are critically important in any discussion involving the budget. But to have as the first matter of business a proposal more designed to garner a headline than to deal with the underlying problems does not speak well for the direction in which we begin this discussion.

What will ultimately be critically important is that there be some consensus developed, hopefully, on these matters. That is the only way in this body that you can move the ball forward at all.

So I am disappointed that we are consuming our limited time on an issue that really has very little legislative relevancy at all and, therefore, detracts from what we all should be engaging in, and that is a way to try to come to some consensus on these matters.

Earlier this year, our colleagues on the other side roundly denounced the President's budget as dead on arrival. Apparently, it is not quite dead because we are now considering it here. So it must be a bit like Lazarus. We are going to raise it from the dead only to try to kill it once more so we can achieve again the kind of headlines that will submit it to yet a further death. Maybe we can go through this during the next week or so to kill it and raise it, kill it and raise it, if that is going to advance the public awareness and knowledge of the problems of our budget. Having been denounced dead on arrival, it is apparently alive and will shortly be dead again.

I see my colleague from New Hampshire. Does he want to ask me to yield?

Mr. GREGG. I was just wondering, if I might ask the Senator from Connecticut, if it is the request of the Senator that we offer the President's budget next week as our second amendment?

Mr. DODD. I say to my good friend that I suspect if this keeps up, it may be the second, third, and fourth amendments. Maybe it will be the gift that keeps on giving, as we once described another amendment in the Budget Committee. Nonetheless, it is disappointing to this Member that that is the first matter of business that we have before us.

Let me say for the record—and, again, I say this more in sorrow than anything else—the budget proposal that is before us, the product of the Budget Committee, basically was crafted with one side alone being involved. The minority, our side, got our first look at this budget last week—38 days late, I might point out, by the law. This comes almost 6 months to the day after our friends on the other side have either known they were in power or have assumed power. They announced they would have a budget for us in December, January, February, March, April, and finally in late May, 38 days after the law requires it, the budget was reported by the Budget Committee. The budget was presented to the minority just last week—a day and a half after the Budget Committee began its consideration of the proposal. Now, the first amendment offered by the majority is an amendment that brings up the President's budget. So this looks more like theater than legislating, and I regret that that is the case.

It is clear that no Members of the majority here have any intention of supporting the very resolution they have asked us to vote on. So by definition this substitute will fail. So why are we wasting our limited time debating it, Mr. President? Why do we not talk about what really matters in this country?

A budget resolution, I point out, is much more than just a compilation of figures. Members of Congress are much more than green-visored number crunchers. A budget should be a road map for the future of this Nation. It plots the course we will follow as a country, and it should be the embodiment of our values and priorities as a people.

The values in the majority budget, the Republican budget plan, in my view, are wrong. It treats our people not as assets to be developed, but as items in a spending cut process. It burns, in my view, the bridges that ordinary Americans use, or hope to use, to cross over to a better life for themselves and their families.

American politics is about change, Mr. President. But it is not about this kind of change. This debate should be about how we build a stronger and a richer America, not just fiscally, as important as that is, but economically and socially and morally, as well. Using this standard, I believe the Republican budget proposal just does not measure up.

I would like to take a few moments, if I could, and provide some historical perspective on balanced and unbalanced budgets. Over the last decade, we have had a tendency to look at our current deficit and debt problems in isolation.

Contrary to popular perception, balanced budgets have not been a natural part of our national experience. There have been wide variations throughout the 200-plus-year history of our country in spending patterns. We have had surpluses, Mr. President, as high as 102 percent of Federal spending in 1835, and deficits as great as 89 percent of Federal spending in 1862, during the height of the Civil War. We have run deficits in half of our last 200 years as a nation.

Our current difficulties, I point out, are small relative to deficits that our Nation has experienced in the past. In 1983, at the height of our current deficit problems, the Federal deficit was 26 percent of overall spending. It is now about 13 percent.

This historical perspective is not designed, I point out, to diminish the severity of our current deficit problems. Quite to the contrary. Everybody agrees that we must reduce our deficits and bring our budgets as close to balance as possible.

Clearly, balanced budgets are desirable. I know of no Member here that believes otherwise. But they are not and should not be seen as our only goal. Providing economic and military stability, raising living standards, promoting adequate savings and investment, and reacting appropriately to unforeseen events are also critically important objectives. It is unrealistic to expect any great nation to achieve all of these goals in every given year. Yet, all are critically important goals for any great nation.

This economic reality has not been our experience alone. According to commentator Kevin Phillips:

> Among the group of seven industrialized nations, the United States has either the lowest or second-lowest annual budget deficit as a percentage of overall gross national product.

Having provided a historical perspective, let us remember for a moment, at least, how we got into this present mess that we now find ourselves in.

If we go back to 1981 when President Reagan was the leader of our country, and there was a Republican Senate, the majority then promised to—and listen to these words—"cut taxes, increase defense spending, and balance the budget by 1984." I am not making that up, Mr. President. Those were the words and language used more than a decade ago.

The majority is now making a very similar argument for why we ought to accept the budget they have presented us with. It did not work in the 1980's. Instead, as most Americans are aware, since 1984, we saw the national debt quadrupled in this country.

Our fiscal year 1996 budget would be in balance, Mr. President, if we were not paying the interest on the debt accumulated during the Reagan-Bush eras. We would be in surplus next year.

In January 1993 when the Governor of Arkansas, who never served in Congress, never served in the Senate, arrived in town as our newly elected President, what did he inherit? He inherited a $327 billion deficit for that year alone. He had to, and was committed to, clean up the fiscal train wreck of the 1980's. Just 27 days—not 38 days late under the law, but 27 days—after being sworn in as the President of the United States, President Clinton submitted a detailed budget plan that contained more than $500 billion in deficit reduction; 27 days after coming into office, this former Governor of Arkansas, who inherited the problem, made difficult and painful choices. The choices, in fact, were so hard that not a single Republican Member of this body supported his deficit reduction initiative. Instead, they attacked it and said, "This is going to create economic havoc in the country and it is going to destroy our ability to have a growing economy."

Yet, we know the opposite has proved to be the case. The President reversed the trend of the Reagan-Bush era. Then the national debt, as I pointed out a moment ago, was growing faster than the economy of this country. Now our economy, for the first time in a decade and a half, is growing faster than the debt of this country. That happened without a single Member of today's majority voting for that deficit reduction plan.

The combined rates of unemployment and inflation have reached a 25-year low. Now, do not believe me, do not believe the talk you hear in the body of the U.S. Senate; talk to the people on Main Street and Wall Street in this country. The best evidence that President Clinton's budget plan provided the kind of leadership that he said he would is evidenced by what happened to the economy over the last several years. The marketplace is telling us that he did the right thing—not political rhetoric, but the marketplace.

The deficit is now at its lowest level as a percentage of GDP than at any time in the last 15 years, about 2.7 percent. Again, that is not rhetoric. That is not talk. That is a fact.

In February, the President submitted his 1996 budget and recommended an additional $81 billion in deficit reduction. The President recommended consolidating Federal programs, devolving Federal functions to the States, privatizing some functions that the private sector can perform at least as well at a lower cost, and terminating many programs that have outlived their usefulness.

The President's budget resolution was not designed as an end point. The President made eminently clear that we cannot succeed in reducing our deficits without reining in rising health care costs.

The identification of a $200 billion deficit problem as long as the eye can see in the future is right. My colleague from New Mexico has said that. He is correct. That $200 billion deficit item is sticking out there. But why is it sticking out there? It is sticking out there, we all know the reason, because of rising health care costs.

I say to my friends on the other side that the health care problem is not going to go away by just talking about Medicare. If we read the Contract With America—and again none of my colleagues here signed the so-called contract—we cannot find the words "health care" mentioned. The word Medicare does not show up in the contract. Yet we all know that health care is the 1,000-pound gorilla sitting out there that has to be addressed.

So the President, in his budget, recognized that fact. He said last year we did not get it done, we should try again this year and step up to the plate and deal with the issue.

With all due respect to my colleagues on the other side, the budget plan that has been presented ducks the genuine health care reform issue. Instead, it takes a meat ax to a Federal health care program, cutting more than $430 billion from Medicare and Medicaid.

The resolution provides no details of how these cuts are to be achieved, but says instead we will appoint a commission, a commission. That, in my view, is nothing more than an effort to disguise the problem rather than facing up to it ourselves. Our colleagues pin all their hopes on some outside group which will have the miraculous power to turn water into wine and to magically extract $430 billion from Medicare and Medicaid without causing any pain to anyone. Mr. President, it simply cannot be done.

Let us assume for a moment that this budget becomes law and that its assumptions are carried out. What will the America of 2002 look like? This budget may achieve balance. But, it would also, in my view, inflame our social and economic conditions. We may find the Holy Grail of a balanced budget, but will we have suffered enormous casualties in the crusade to get our hands on it?

Where will senior citizens be in the year 2002? After decades of hard work, many will face retirement years full of anxiety over medical bills. Medicare recipients, who, I might point out, Mr. President, have a median income of $17,000 a year, will live in constant fear that the next illness will bankrupt them or worse. Seniors will face higher deductibles, copayments, and premiums on the order of $900 a year as a result.

We can say this is only a cut in growth, but tell that to a person out in the country who is living on $17,000 a year or less. Let me point out, Mr. President, 95 percent of the 35 million people on Medicare have incomes of $50,000 or less; 7.7 million of the 35 million have incomes of $10,000 or less.

Last year, Medicare recipients paid almost $3,000 in out-of-pocket costs toward their medical expenses. This budget proposal will ask them to pay $900 more on average; $900 more in Medicare costs. These people cannot afford that.

We have got to come up with better answers to solve the overall Medicare problem. Do not tell me it will not hurt. Do not tell me it will be painless.

Every Member of this body has a health care plan. If we get sick, we are covered. We have incomes of $135,000 a year. To a person out there living on $10,000, $15,000, $14,000, $16,000 or $20,000 a year, this kind of increase in their out-of-pocket expenses hurts deeply. We have to do a better job.

Medicare is not the cause of the problem, it is the symptom. It is one feature. To put all of our eggs in the Medicare/Medicaid basket and say we have now solved the health care problem is to be totally unmindful of the magnitude of this issue.

Mr. President, when those who say on the other side of the aisle, "Sorry, this is painful"—but we have spread the pain widely, they are not being fair to or honest with the American people. I say to my friend from New Mexico—and I respect him because he does not have the kind of tax cut in his proposal that exists on the other side—but how do we say to someone watching that House budget pass with massive tax cuts for the affluent on one hand, and massive cuts in Medicare—by far the largest in our history—that this is the least bit equitable. The surveys in this country say that Americans would like to have a tax cut. Everybody would. But we think deficit reduction is more important. And yet we will sacrifice the people on Medicare, people on Medicaid, for a tax cut. What kind of balance is that? What kind of fairness is that? That is not what people asked for in this country when they voted last fall.

Now, Mr. President, let me turn to education, because that is also a critical issue. It is the key to our society's and our economy's success. Ask any person in this country what is the single most important issue in many ways and they will say an educated society.

With income increasingly correlated with educational achievement, it is quite obvious. According to the New York Times, the wage gap between college graduates and high school graduates doubled during the 1980's. College graduates used to earn about 30 percent more than high school graduates. Today they earn 60 percent more than high school graduates.

Labor Secretary Bob Reich reports that every year of post-secondary education or training boosts earning power by 6 to 12 percent. It is not just a question of learning something, it is also economic power. It is the opportunity to climb out of a difficult situation that a family may be in. Education is the key to success. At a time when we should be devoting more resources to the 21st century needs of this Nation, in the year 2002 of this budget, we will be spending a third less than we are today—a third less, Mr. President—on education.

Ask the American public whether or not they think it is wise fiscal policy to slash the education needs of middle-income families. Half of all college students count on Federal financial aid to put themselves through school, but this budget puts them under the gun.

By 2002, interest will start accruing on student loans while students are still in school. These cuts will lift higher education out of the reach of many of American families. A million students, Mr. President, will lose their Pell grants. Other forms of financial aid will become scarce.

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. DODD. Mr. President, I do not see my colleague to ask for time. We are out of time.

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. DOMENICI. Mr. President, on that note, let me just say to the American people, there will not be 1 million Pell grants lost under the Senate proposal. We will prove that in due course, but that is a nice way to end the Senator's remarks, by making this commitment and observation to the people.

I yield to Senator GRAMM 8 minutes.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our dear colleague from New Mexico for yielding.

I want to make a couple of points about the President and his budget and his lack of leadership. I will only make a few points, because the President has decided to make himself irrelevant to the number one issue in the Congress by submitting a budget that over the next 5 years has the deficit explode up to almost $300 billion a year. Now, everybody has to understand that represents a total lack of leadership.

Now, let me begin by talking about the President's budget 2 years ago. It was a budget that raised taxes by $252 billion, taxed Social Security benefits on Social Security families that were earning over $30,000 a year, taxed gasoline, imposed a massive tax on small business. Yet what happened to the deficit? It went up. The deficit is rising.

If we went back and took away Bill Clinton's tax increase and took away the spending increases that have occurred since he has become President, the deficit would be lower today if there had been no tax increase and no spending increase. So it is true that Republicans voted against the Clinton budget because it raised taxes, and raised spending more than it raised taxes.

I think it is also important, since many people are going to talk about defense—we won the cold war. We tore down the Berlin Wall. We liberated Eastern Europe. We changed the world through the leadership of Ronald Reagan.

But if every penny of defense savings since 1985 had gone to deficit reduction instead of being spent, we would have a balanced budget today. So not only have we spent every penny of massive increases in taxes, but Congress and the President have spent every penny of defense savings since we won the cold war.

Finally, in terms of Medicare, I will tell you one thing about our Democratic colleagues and that is they are willing to take an issue where they have no standing and cloak themselves in righteousness on it. When the President proposed a 1,300 page bill to have the Government take over and run the health care system, to reinvent the greatest health care system in the history of the world in the image of the post office, the one part of the American health care system that he chose to exclude from health care reform was Medicare.

Now the Democrats tell us, look, you cannot possibly do what a bipartisan commission tells you that you have to do to prevent Medicare from going broke without having the Government take over and run the whole health care system. And yet, when they proposed that the Government take over and run the health care system, they exempted Medicare. So I am afraid their words simply do not have the ring of truth in them.

What has happened to the Federal budget? If we went back to 1950 and we looked at the growth of Government's budget relative to the growth of the budget of the average family in America we see a very, very clear picture. Government's budget at the Federal level has grown 2½ times as fast on average as the budget of the average family in America since 1950. Let me convert that into something I think people will understand. If you went back to 1950 and you had the Federal Government's budget grow at the rate that the family budget has grown in America, our Government today would be one-third its size. If the family budget, beginning in 1950, had grown as fast as the Government budget has grown, the average working family in America would be earning $128,000 a year today.

Now, I think if you ask most people if they would rather have that America or the one we have now, I think most Americans would prefer to have that America. But what the President is proposing, what our Democratic colleagues are proposing, is more of the same. The President is so committed to preserving the Government he knows and loves, programs which he has a political and emotional attachment to, that it does not matter that in the last 40 years those programs have failed. It does not matter that people on welfare are poorer, more dependent, and less happy today than they were in 1965. The President's answer is more spending on welfare.

It does not matter that Medicare is going broke and a bipartisan commission, appointed by President Clinton, says that by the year 2002, we will not be able to pay the bills because the average retired couple is going to end up having expenses of over $110,000 more over their lifetime than we have in the system to pay for their benefits. The President says not to worry about it; 2002? I guess President Clinton figures he will be out of office and the roof will fall on somebody else's head. This budget worries about it.

How do we deal with deficits? Basically, what the budget that is being offered on the floor of the Senate does is limit the growth of Government spending to 3.3 percent a year. In fact, if you look at this red line I have on my chart here, that is what Government spending in total looks like under the Domenici budget, the budget that the Democrats are here attacking, saying the world is coming to an end if we adopt this budget. Government spending grows every single day under the Domenici budget. It grows by 3.3 percent a year. And I submit there are a lot of working families in America who are not going to see their incomes grow by 3.3 percent a year. By limiting the growth of Government spending to 3.3 percent a year, we can balance the budget over the next 7 years.

Now, we have some people who say that is enough; that is as hard a job as we can do. I believe we can do better. I believe we should limit the growth of Federal spending to about 3 percent a year so we can do what the House has done, balance the Federal budget and cut spending further so we can let working families keep more of what they earn, and so we can provide incentives for job creation and economic growth.

Our people need less Government and more freedom. They need the opportunity to spend more of their own money on their own children. We need incentives for job creation. We can do that by adopting a budget which balances the budget but which cuts spending further so we can let people make investments.

I hope on Tuesday to give Members an opportunity to both balance the budget and to cut spending further so we can let people keep more of what they earn.

The PRESIDING OFFICER. The time of the Senator has expired.

Under the agreement of 15 minutes on each side before the vote at 10:45, the Senator from Kentucky.

Mr. FORD. Mr. President, I yield myself, on behalf of the ranking member of the Budget Committee, 1 minute.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, those not familiar with the workings of the Senate might find it strange that the first amendment offered by proponents of this budget resolution is one they will vote against.

Let me explain why. Last night, I heard one of the most disrespectful speeches I have ever heard on the Senate floor. I saw one of the most disrespectful charts I have ever seen. What I saw was disrespectful of the President of the United States personally and of the office of the Presidency.

The amendment before us is a further attempt to embarrass the President.

In January 1993, President Bush presented his last budget to Congress as required by law. That budget showed deficits climbing to $320 billion by fiscal year 1998. I do not intend to offer President Bush's last budget as an amendment, but I do ask unanimous consent to have a summary of that budget printed in the RECORD so the RECORD will show the contrast. Compare the numbers in the last Bush administration budget with the underlying amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINAL BUSH ADMINISTRATION BUDGET SUBMISSION, JANUARY 1993

	1992 actual	Estimate					
		1993	1994	1995	1996	1997	1998
Receipts	1,091.6	1,147.6	1,230.3	1,305.6	1,378.5	1,439.7	1,523.4

FINAL BUSH ADMINISTRATION BUDGET SUBMISSION, JANUARY 1993—Continued

	1992 actual	Estimate					
		1993	1994	1995	1996	1997	1998
Outlays:							
Discretionary	534.3	548.1	537.4	539.1	539.1	539.1	539.1
Mandatory:							
Deposit insurance	2.6	15.5	16.2	−7.1	−14.9	−11.3	−6.9
Medicaid	67.8	80.5	92.9	107.8	122.7	138.8	156.4
Federal retirement	74.9	77.4	81.5	83.9	88.6	94.1	98.2
Means-tested entitlements	75.0	83.4	89.8	95.6	98.5	106.2	112.4
Medicare	116.2	129.9	147.8	166.3	188.5	211.4	235.8
Social Security	285.1	302.2	318.7	336.2	355.1	374.8	395.6
Unemployment compensation	37.0	32.7	24.7	24.4	25.5	26.3	27.4
Undistributed offsetting receipted	−39.3	−37.2	−39.0	−40.3	−41.5	−43.5	−46.0
Other	28.7	39.6	32.7	27.9	20.7	22.9	22.9
Subtotal, mandatory	648.0	724.1	765.2	794.9	843.2	919.6	995.7
Net interest	199.4	202.8	220.1	244.1	262.5	286.0	308.4
Total outlays	1,381.8	1,474.9	1,522.7	1,578.0	1,644.8	1,744.7	1,843.2
Deficit (−) excluding MDA sequester	−290.2	−327.3	−292.4	−272.4	−266.4	−305.0	−319.8
MDA sequester savings (includes PAYGO and debt service savings of $1.7 billion in 1994 and $1.8 billion in 1995)	NA	NA	22.4	42.8	NA	NA	NA
Deficit (−) including MDA sequester	−290.2	−327.3	−269.9	−229.6	−266.4	−305.0	−319.8
Memorandum							
Surplus or deficit (−) (excluding MDA sequester savings):							
On-budget	−340.3	−379.9	−354.8	−342.6	−348.5	−395.6	−422.9
Off-budget	50.1	52.6	62.5	70.3	82.1	90.7	103.1

Note: The following estimates exclude an MDA sequester. If existing MDA's are not adjusted, the 1994 deficit would be lower by between $23.2 billion and $50.0 billion, and the 1995 deficit would be lower by between $21.8 billion and $71.4 billion.

The PRESIDING OFFICER. One minute has expired.

Mr. FORD. Mr. President, I ask 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. What a difference 2 years has made.

What it means to me is also a loud signal that those on the other side of the aisle have no intention of developing a bipartisan approach to deficit reduction. I think that is regrettable.

I do not intend to vote for either the pending amendment or the underlying budget resolution. It is still my hope that we can find a bipartisan solution at the end of the day. But not by offering amendments like this one, for political purposes.

I think it is unfortunate and I urge its defeat.

Mr. BYRD. Mr. President, I have reluctantly concluded that I cannot support the President's budget as submitted. The major change that should be made to his budget, in my judgment, would be to eliminate his proposed tax cut and, instead, apply the amount that would be required for this purpose toward deficit reduction.

The President deserves great credit for his leadership in proposing a major deficit reduction package shortly after he assumed office in 1993. That deficit reduction package was subsequently enacted into law without one Republican vote in either the House or the Senate. It resulted in deficit reduction over a 5-year period of approximately $500 billion.

I note that in this year's budget submission, however, the President's budget proposals would result in a continuation of annual deficits in the $200 billion range for each of the next 5 years. I think that we can, and must, do better. The place to start is to restrain ourselves from making the easy choices like tax cuts and instead make the difficult choices that may be necessary and apply any savings to deficit reduction.

Mr. GRASSLEY. Mr. President, there are two starkly different budgets before us that would move this country in opposite directions. First, there is the Republican budget now before this body. That budget offers a vision for the future. Under that plan the deficit would slowly decline until it would disappear in 2002. It is the only budget with a vision and a future. It would balance present-day needs with long-term needs for seniors, for children, for the needy, and for the taxpayer.

There is another budget before us, Mr. President. It is the President's budget. And his budget moves in the opposite direction. Under his vision of the future, deficits would rise as far as the eye can see. His direction would be devastating to our children and grandchildren, and to America's future. It would saddle future generations with an additional $1.7 trillion in debt over the next 5 years.

I have not seen a more irresponsible budget proposed by a President since the Rose Garden budget proposed by President Reagan in 1984. That budget did nothing to attack the deficit. This one does even less.

The President's budget submission represents an abdication of leadership by the President. At a time when he could have carried fiscal responsibility across the goal line, he punted. He took a walk. He decided to play Pontius Pilate and wash his hands of the matter.

Mr. President, I hope this budget is soundly defeated. This body has to send the message that the direction taken by this President in his budget is unacceptable. It represents abdication, retreat, and failed leadership. It represents the triumph of business-as-usual over vision. I urge its defeat.

Mr. ROCKEFELLER. Mr. President, just this week my Republican colleagues, belatedly, unveiled their budget priorities to the American people and the U.S. Senate. Their priorities are expressed in Senator DOMENICI'S budget proposal which is now pending on the Senate floor. The loss leaders in this Republican budget are the basic health programs protecting our Nation's senior citizens, poor children, the disabled, and pregnant women, also known as Medicare and Medicaid. Historic levels of cuts in these programs—$256 billion out of Medicare and $175 billion out of Medicaid—make the major contribution to the deficit reduction in their proposal. Education gets hit hard, as do other investment priorities I care about, like job training. Our Nation's veterans lose. Working families who depend on the earned income tax credit lose. In my judgment, the people of West Virginia, whom I represent, lose under the Republican budget proposal. Nevertheless, the Republican budget priorities are here. Their budget is finally on the table and the subject of discussion and debate in the U.S. Senate. Is that what Republicans want to debate and talk about? No.

The Republicans' first order of business during the floor action of their budget has been to exercise their parliamentary right to offer the first amendment. Their first amendment, offered by the chairman of the Budget Committee, Senator DOMENICI, is to substitute the President's fiscal year 1996 budget for their long-awaited proposal. It seems rather odd to propose a complete substitute for their much anticipated proposal before there has been any real debate on the Senate floor about what is in their proposal—who wins and who loses under their plan. And it is even more extraordinary that my Republican colleagues would choose to move to adopt the President's budget proposal as a substitute, after purporting to have just outlined their version of a responsible budget before the Senate. Why have they asked the Senate to vote on the President's budget before any meaningful discussion has ensued about the details of the Republican budget proposal? Why have they changed the subject?

This amendment is nothing more than a political ploy. I suppose it is meant to make the point that the President's budget would not garner a majority of votes in the Senate. But we already know that. They are not going to vote for it and they are the majority of Members of this body. Undoubtedly, their proposed amendment will fail, regardless of how Democratic Senators vote. So they must be using their parliamentary right purely to make a political point. A point which seems obvious to me.

I believe they have chosen to pursue this strategy because they want to distract the American people, the Senate, the media, from what ought to be the focus of our budget debate—the affects of the Republican budget proposal on the budgets of America's working families, seniors, small businesses, students, and on the investments I believe are important to the job creation and job growth.

They do not want to talk about the details of their plan. They want to talk about somebody else's plan. They want to score political points. Well, much as they seem to dislike the fact that they are now being asked to produce the details of their budget and explain what their priorities are, it is their responsibility to do so. They are the new majority. We made tough choices when we were in the majority. We produced consistent deficit reduction. Under Democratic congressional leadership we reduced the deficit by over a trillion dollars in the last 5 years. We have met the challenge. It is their turn to lead.

Their first response is to say let us talk about something else. Well that is just not good enough. They have a duty to explain what is in their proposal and why. They have yet to do that in any meaningful way, despite a slew of opening statements given on the floor today.

For instance, we have heard people suggest the Medicare Program's growth is out of control and that is why it ought to be restricted. That is not the real reason the Republican budget slashes in Medicare. The real reason, I believe, is that they need huge amounts of Medicare cuts to pull off balancing the budget on their arbitrary timetable. The truth is Medicare's growing at the same rate as the health care costs of other Americans, including our health care costs of those of us here in Congress, maybe a percent higher. That is hardly way out of sync with the increases that individual Americans are coping with, and it is to be expected when we have yet to address the country's basic need for fundamental health care reform. So why the need to zero in on Medicare for mammoth cuts—to pay for an irresponsible and unfair tax cut for the rich.

I would be derelict not to note that our failure to deal with the complicated issues of health care reform last year means that our deficit problem is even greater. Indeed, the major complaint about the President's fiscal year 1996 budget—that it does not produce sufficient deficit reduction—would be moot if we had achieved comprehensive health care reform last year. As Democrats have been warning for years, and as President Clinton insisted throughout his campaign, if we don't deal with our Nation's health care problems which affect our families, our businesses, our children and our seniors, and each of our Federal health programs, we will never get the deficit under control. I would like to believe that the Congress is still willing to step up to the health care challenge, although outside of rhetoric and a forced march to meet a predetermined budget target, I have not seen any evidence that my Republican colleagues are in fact willing to step up to the plate.

I wish that was not the case, but I have to tell you what I believe to be true.

Finally, I want to point out that even without reaching agreement on comprehensive health care reform, if the President's budget proposal had not included an additional tax break for working class families it would produce continued significant deficit reduction. The basic building blocks of the President's budget proposal focus on all the right priorities—it delivers on two promises to West Virginia and the rest of America:

It comes through with funding for what matters most to our State: jobs, health care, fighting crime, and children. It has more money for highways, for education, and for job training.

The President's budget proposal also continues to cut wasteful spending. It mothballs 130 programs that the President thinks should be shelved. It is a tight-fisted budget aimed at continuing the efforts of OBRA93 to cut the Federal deficit.

But I recognize what is going on here. So do my colleagues, and so should the American people. I will not dignify the Republicans' attempt to shift the debate from their budget to an alternative that has no hope of passing with my vote. This important debate is about priorities. And it is their turn to explain theirs. I do not share them, but I have yet to hear an articulate defense of the details of their proposal.

To conclude, I will vote against Senator DOMENICI's amendment to substitute the President's fiscal year 1996 budget for the hard-hearted, extreme proposals in the Republican budget plan—regarding which they seem unwilling to discuss in any careful detail. I will vote no despite the fact that I believe the President's budget, and therefore the amendment, would be a much better basis for a discussion of our national goals and priorities than the underlying Republican budget we have before us today, if only because it does not devastate the Medicare and Medicaid programs on which 70 million Americans rely for their health care.

I am interested in hearing the Republican's explanation of how they believe their budget puts the emphasis where it belongs: on our Nation's economic development, jobs, health care, crime, and children—or why it does not. That is the kind of Federal budget that deals with the day to day needs of West Virginia and that is the only kind of Federal budget which I can support.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I yield myself such time as I may consume.

We are about to vote on the first amendment in this budget resolution debate. Let me say, as far as most of us on this side of the aisle are concerned, it is not a serious vote. This is purely political gamesmanship. It is a rite of every budget year. Democrats did it when Presidents Reagan and Bush were in office, and now our Republican colleagues are taking their turn.

This is not a serious vote. This vote has nothing to do with the budget resolution that is on the floor of the Senate. The Budget Committee has reported its resolution. That is the operative document. That is the document that will guide congressional action.

That is the document Senate Democrats find defective, and are seeking to improve with a series of amendments that we will be offering over the course of the next 3 or 4 days.

The budget resolution is a congressional document. It is not presented to the President, and it does not require his signature. It is our internal guideline.

The next stage will involve the President for he must sign or veto the reconciliation bill. The President has already indicated his willingness to work toward a common solution, a bipartisan solution. But he has been very clear about the conditions which must be met.

The Republicans must abandon their tax cut that favors the very rich. If there is to be a tax cut, it must be targeted to the middle class, and it must be paid for.

Second, the Republicans must rescind their tax increase on working Americans. We simply cannot accept a tax increase of $1,500 per year on those people who are struggling just to stay off welfare.

Third, the Republicans must restore their cuts to education. Asking college students to pay an additional $3,000 a year is simply wrong.

Fourth, any changes in Medicare must take place in the context of overall health care reform. We have said that over and over again. A $256 billion cut in Medicare is draconian.

The stock market yesterday went down 82 points, and a lot of us have been convinced that is simply senior citizens selling their stock to pay for Medicare insurance in the next several years.

Those conditions are the reality of the budget. Those issues will be the ones that define this budget year. Those are the issues that count with all Americans.

But this current vote has nothing to do with reality. It is a meaningless political gesture.

In light of this, I urge my colleagues to vote no on this amendment. I suggest we not dignify this vote by taking it seriously.

I yield the floor.

Mr. DOMENICI. Mr. President, do they have any additional time?

The PRESIDING OFFICER. There are 10 minutes remaining on that side, and 15 minutes remaining on the other side.

Mr. DOMENICI. I understand our 15 is our wrap-up time.

Mr. DASCHLE. I yield such time as he may consume to the distinguished Senator from Connecticut.

Mr. DOMENICI. Might I take 30 seconds of my time and then yield?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I just wanted to say most of us think the reason the stock market went haywire is the President threatened to veto a rescissions bill which means that he is not going to sign a reconciliation bill which means we are going to continue the deficit spending for as far as the eye can see. I think that is what the stock market saw yesterday.

I yield the floor.

Mr. DODD. Mr. President, first of all, let me thank the distinguished Democratic leader.

Let me say at the very outset, that I want to commend the Democratic leader for his work putting together packages which we will be able to raise in the next few days highlighting our disagreements with the budget proposal as submitted by the majority party. Let me also underscore the points that the minority leader has made; and, that is, that if our colleagues on the other side will drop their tax cut proposals and be willing to deal with comprehensive health care reform, if they will not take a meat ax to education and the working poor, I am confident that we can put together a budget here that would get us to a balance hopefully by the year 2002, and, if not then, shortly thereafter and do it in a meaningful way.

I have already talked briefly on the issue of Medicare, and education. But under the proposal being submitted to us by the Republican majority, 12 million working poor Americans will face increased taxes in the year 2002. These working families who are trying to play by the rules and to provide for themselves and their children near the poverty level will face a tax increase in the form of a reduction in the earned income tax credit. They will pay on average $350 a year more in additional taxes in the year 2002.

This unfair and shortsighted deficit saver will make welfare look even more attractive compared to low-wage work, and people working full time at a minimum wage will not be able to lift themselves out of poverty.

I have said for years the best social program anybody came up with is a job. Here we have an awful lot of people who are living on the margins in this country. The earned income tax credit has been one of the most successful programs in providing economic relief to people living on the margins. President Reagan called it the best idea we have for assisting people at the margins.

Our colleague and chairman of the Budget Committee has heralded the success of the EITC in the past. There are problems. I do not disagree. We ought to deal with those problems. But to change this program and to take $21 billion out of it at a time when we are going to be talking about welfare reform, when we are trying to lift people out—not temporarily, but permanently off public dependency—does not make any sense. Those not benefiting from economic growth are going to find themselves falling further and further behind.

Since 1979 the bottom 20 percent of Americans, by income, have seen their real wages plummet 17 percent. We have expanded the earned income tax credit to address this dangerous trend on a bipartisan basis. I would point out that by gutting the credit the Republican budget will only make matters worse.

Working Americans are going to find themselves increasingly cut off from the American dream in the year 2002 if this budget is approved. Who is going to be better off under this proposal? The well off or the best off in this country are going to do relatively well.

The budget leaves the door wide open to a tax cut along the lines approved by the House. More than half the benefits in that package flow, as we know, to people earning more than $100,000 a year. Here we are talking about people at the low-income level who are working today, not living on welfare, not getting AFDC, trying to make ends meet, trying to take care of their families. And we are going to hit them with a $21 billion hit while we are providing relief for many people making $100,000 or more. I do not fault anybody in that income category. Everybody wants to be in that income category. But to get there you have to make the investments. You have to give them a chance to get going.

Here we have a budget proposal that goes after people right on the fringes, and to pay for that we take people at the upper-income levels and we give them a tax break. What kind of logic is that? What does that say about the direction we are heading in as a country in the year 2002?

Mr. President, almost 60 years ago we heard another American President, Franklin Roosevelt, say:

> In every land there are always at work forces that drive men apart and forces that draw men together. In our personal ambitions we are individualists. But in our seeking for economic and political progress as a nation, we all go up, or else we all go down, as one people.

In my view we should heed this wise advice as we prepare to close out this century and begin the 21st century.

This budget resolution gives to the strong at the expense of the weak. It provides relief to those least in need of it at the expense of those with nothing extra to spare. It is not a road map to a place that we as a nation should go. I certainly hope we come to our senses and choose a different course than the one proposed by this budget. It is not just a question of knowing the price of everything but knowing the value of things as well.

A generation of Americans benefited from the GI bill. Today, if we were to pass the GI bill, it would cost $9,700 for every recipient. That is what those dollars meant in the latter part of the forties and early fifties. How many people in this country benefited? How many families today are better off because that investment was made? Those were hard dollars to vote for. Yet, we grew as a country. We benefited as a country.

VA mortgages—2-percent loans gave people in this country a chance to buy their first home. How many people today are doing better, have good homes because they got a start? How many people got jobs in building those homes? Those were investments we made in people.

Today we have to think along similar lines to make those investments in education, in growth, in opportunity. The best deficit reducer in the long-term is a growing economy.

So we ought to keep that in mind as we go through this process of deciding the kind of investments and cuts to make.

Again, Mr. President, there is no debate about deficit reduction in this body, none that I know. We ought to get there as soon as we can but do so with moderation, intelligence, and sensitivity about what makes a great country stronger. Fiscal responsibility is a critical element. Investing in education, in health, in social progress also contributes significantly to a strong country.

My deep, deep fear is that the budget proposal I am fearful we are going to adopt takes us in the opposite direction. I say that in all due respect to its authors, but I think this is a time to be coming together in seeking some common ground as to how we can put a proposal together that allows us a deficit-neutral society, creating surpluses, but does so in a way that grows America and gives this next generation an opportunity to enjoy the dreams and visions that this Nation ought to be providing.

So with that, Mr. President, I yield the floor and look forward to the debate next week.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time do we have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes 40 seconds.

Mr. DOMENICI. I yield 7 minutes to Senator SNOWE from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. I thank the Chair. I thank the chairman of the Budget Committee, Senator DOMENICI, not only for yielding me this time but, as a member of the Senate Budget Committee, I have certainly appreciated the leadership he has provided on this most serious and critical of issues.

I am a little surprised by what the Senate minority leader mentioned earlier when he said that offering the President's budget which he offered this year for fiscal year 1996 was really empty, meaningless, and not a serious gesture.

What is that saying, that the President was not serious about offering his proposal to the American people to address deficit reduction and, indeed, balancing the budget for future generations?

I think it is a sad commentary to suggest that the President is not serious in engaging in this issue. Is he suggesting that the President does not want to be relevant in balancing the budget and joining Congress in doing what is important for the American people?

I think it is very much a fair comparison because we have heard over and over again about the proposal that came out of the Senate Budget Committee. We worked very hard. We wanted a bipartisan agreement. But the administration's proposal is a monument to status quo. The irony is that the administration has referred to the Republican budget resolution, which achieves a balanced budget through serious deficit reduction by the year 2002—that is what, in fact, many of the minority Members of the Senate have indicated during the debate on the constitutional amendment to balance the budget, that they did want to balance that budget by the year 2002. They just did not want a constitutional amendment to balance the budget. But the administration and administration officials have referred to our budget as "dumb and dumber" and "clear and present danger."

Frankly, if the administration would like to invoke a film fee, I would be happy to oblige them because, due to the years and years of deficit and red ink that the President extends in his budget into the next century, I certainly would describe the President's budget as the "crimson tide" because that is the legacy the President is leaving future generations. That is in fact his budget. It is a sea of red ink.

Compare that to what we have offered in the Senate Budget Committee—responsible deficit reduction that does achieve a balanced budget by the year 2002. I think it does not take an Einstein to figure out who is doing something for the future of this country, for the future of children and seniors and the stability of this country. Do we leave a monument of red ink to future generations just beyond the turn of the century that will require them to pay an 82-percent tax rate to finance this red ink that is in President Clinton's budget? Or do we do something now so that they can have a better future and invest in the priorities that everybody wants this Nation to invest in, such as education and health care and our infrastructure?

They cannot do that with the President's budget, because it is a sea of red ink. So I am dismayed that the President offered a budget that was not serious in reaching and achieving a balanced budget by the year 2002. The fact is the President is offering $2 trillion by the year 2002 in additional debt. Even the Washington Post had this editorial comment a day after the President released his budget, and I quote:

> It is troubling that he has now decided to take a holiday from the hard and painful responsibility to keep working the deficit downward. The issue is this country's future standard of living.

Even the distinguished ranking member of the Senate Budget Committee said earlier today that he was not enthusiastic about the President's plan. In fact, he noted a month or two ago "In the administration's failure to chart a new fiscal course for our Nation," he said, "the President dropped the ball by offering a budget that falls short, way short of the deficit reduction we need."

This budget tells a tale of two Presidents, one who promises a balanced budget and another who fails to deliver; one President who promises deep cuts in the Nation's deficit and another who oversees a more than doubling of the predicted deficit in the year 2004; and one President who promises middle-class protection and another who saddles the middle class with increased per capita debts, increased taxes on Social Security benefits and increased taxes on those who own family farms and small businesses.

Simply put, there is a nagging fundamental disparity between what this President says and what he does. It reminds me of the Shakespeare quote "action is eloquence." If that is the case, we better tongue-tie the administration when it comes to budget policy and economics.

President Clinton made a statement on April 15 in which he presented a three-point legislative priority list which included welfare reform and crime, but he also mentioned tax and spending cuts that both reduce the budget deficit and the spending deficit. But you would not know that reducing the deficit was even one of the President's legislative priorities because, again getting back to this chart, he has $200 to $300 billion in annual deficits between now and the end of this decade and beyond into the next century.

The President had said in February that his budget plan will by 1997 cut $140 billion in that year alone from the deficit.

Well, that being the case, it must have been another President that crafted the budget plan for the next 5 years. According to the reality-based reestimate by the Congressional Budget Office, the 1996 budget deficit will be $211 billion, not the $197 billion the administration projected. The 1998 deficit will rise to $231 billion, not the $196 billion projected by the administration, and the 1999 deficit will reach an estimated $256 billion, a far cry from what the administration projected of $197 billion.

And if that is not bad enough, we have to look at the year 2000. CBO says the deficit will reach $276 billion rather than the $194 billion projected by the administration. That is almost a $100 billion difference in the deficit between what the administration projects and what the Congressional Budget Office estimates.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. SNOWE. There is no question as to where we need to go and who is being responsible for the future of this country.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President and fellow Senators, first of all, I offered this amendment after asking if any Democrats would like to offer it, so I would like to make that very clear. I do not like to introduce the President's budget. I am not for it, but I thought it deserved a vote. Normally, we vote on Presidents' budgets whether we agree with them or not. When they did not agree with the Republican Presidents' budgets, obviously, they were offered just for the same reason—to see how many people really supported it.

But equally as important, the press secretary for the President on May 15 said, and I quote:

> It would be a good place to begin. It's better than what they're talking about.

So I do this to oblige. Since, speaking for the President, his is better than ours, we would like to have a vote and see.

Now, Mr. President and fellow Senators, there are 2 approaches to the future of our country, not 15 or 20. There are two at this point in history: This one, the President's budget—the President's budget surrenders to the deficit, makes few if any hard choices—and the Republican budget which I was privileged to help craft with many Members and many task forces, this budget.

Now, this budget is a budget for the future.

This budget is a budget of the past.

This budget changes things.

This budget is the status quo.

This budget says the future generations should not be taxed without representation—little children born today should not be taxed without representation.

This budget says we will tax the next generation. We will tax every man, woman, and child who is working today to pay for programs that we insist on spending their money for even though they are not even around to be consulted, they are not being asked, and they may not even know that they are being taxed without representation. Because, indeed, we just continue to borrow money and say, "You pay for it." This budget says, "We'll keep borrowing money. Kids cannot complain anyway. Children cannot vote anyway. Children are not even going to be heard on this budget. But we are going to keep on taxing them by taking away their standard of living, by making them have to work ever harder and ever longer to pay for this budget and the programs that we refuse to restrain, reform, make relevant, or get rid of duplication."

This budget says the Government of the United States can continue to grow. Our responsibility to millions of Americans will continue. This budget says, make Medicare solvent. This budget says we want Medicare not only for the current seniors but for seniors yet to join and need it for their health care. This budget says we want to help the poor in our States who need health care because we are going to have a program that can be sustained, that we can afford.

This budget says to keep on paying for a Medicaid Program that we cannot afford. Sooner or later, 2, 3, or 4 years from now, we will have to say to the poor people that get Medicaid, "We can't afford it anymore."

This budget says start fixing it right now.

So, fellow Senators, let me suggest that we hear a lot about our senior citizens. And we say to them, "When all of this is over, you will have a Medicare Program. It will be as good or better than the one you have now."

We say to the poor, who are getting health care from Medicaid, "You will have a program and it will be better than the one now." And, yes, we will say in one loud voice, "There is a future with an increased standard of living and opportunity," if you adopt this budget, the Republican budget, and fail to adopt the President's budget which is pending before us today.

Many comments have been made today about various programs. We do not have an opportunity to answer right in the middle of these speeches, but before you pass judgment on education and what reforms we have recommended on Medicare, Medicaid, and on the earned-income tax credit—which, incidentally, will grow at 40 percent while some are talking about it being cut—wait for the details. We will discuss them one by one with the American people.

But, for now, we have an opportunity to reject a status quo budget, a budget of the past, and set in motion the budget of the future.

I yield to Senator STEVENS, who wants to make a unanimous-consent request.

I yield to the majority leader whatever time I might have remaining.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

VISIT TO THE SENATE BY MEMBERS OF THE BRITISH-AMERICAN PARLIAMENTARY GROUP

Mr. STEVENS. Mr. President, I ask unanimous consent that our guests, who are members of the British-American Parliamentary Group, be permitted to remain on the floor during the period of this coming vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I want to introduce to the Senate the Right Honorable John MacGregor, who is the chairman of the British group; Derek Conway, a Member of Parliament; the Right Honorable Sir John Cope, a Member of Parliament; the Right Honorable Lord Rees, who is Queen's Counsel; Joe Benton, a Member of Parliament; Judith Church, a Member of Parliament; Roger Godsiff, a Member of Parliament; and Roy Hughes, a Member of Parliament.

All of these people are guests for this weekend for conferences on matters of mutual concern to the British Government and our Government.

Please welcome them.

Thank you.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. DOLE. Mr. President, I ask unanimous consent that I may use 5 minutes of my leader's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, first let me quote from what I consider to be a fairly reliable source.

> The budget which came from the President said, "I've given up; that as long as I am President of the United States there will never be a balanced budget." That is an astonishing statement.

That quote came from former Senator Paul Tsongas, Democrat of Massachusetts, cochairman of the bipartisan antideficit Concord Coalition.

Another quote from our former colleague, Senator Tsongas:

> Let me say as a Democrat it's very easy for Democrats to poke fun at what these two people [Senator PETE DOMENICI and Representative JOHN KASICH] are doing because, unlike our party, they've decided to really address this issue. And the fact is, they're prepared to put a balanced budget amendment on the table. The balanced budget amendment died because of the Democrats—not because of the Republicans, not because of the vote in the Senate, and we Democrats are equally responsible to our kids.

That was not a statement by BOB DOLE or anybody on this side of the aisle. That was a statement by Senator Paul Tsongas, who used to grace the Senate Chamber. He was seated on the other side of the aisle. I think he speaks volumes in just these two statements.

Along with Senator DOMENICI, I was on the House floor yesterday for that historic vote when they adopted the resolution that will put us on a path for a balanced budget by the year 2002.

It was a very exciting moment, and we hope to repeat that moment in the Senate sometime in the early afternoon next Wednesday.

We will be here late, late, late Monday night and late, late, late Tuesday night, so we can finish sometime midafternoon on Wednesday.

After the vote in the House yesterday, the President issued a statement, saying, "There is a right way and a wrong way" to reduce the deficit, and the House plan was "The wrong way."

Americans have a right to ask, if the House plan was the "wrong way" and if the Senate budget resolution is the "wrong way," then just what does President Clinton define as the "right way" to reduce the deficit?

He would not even let us save $10 billion in the rescission package. He threatened to veto that because it does not meet his standards of higher spending.

Well, the only evidence we have of what he believes is the right way is what he proposed, and that is the question now before us.

As Senator DOMENICI said, he asked if any Democrats wished to offer the President's budget as an amendment and they declined, so he did it to make a point. The point is the President does not have a plan, a credible plan. And the point is, the Democrats do not have a credible plan.

Their plan is to attack Republicans, attack Republicans, attack Republicans—we are out there cutting Medicare; cutting everything to help the rich. That effort has been tried for years. It is called class warfare. It was tried in 1994—and we liked the results. And maybe it will be tried again in 1996.

I assume the President was serious about his budget plan when he proposed it. We learned a number of things about what the President apparently believes is "right."

The President believes that, as Senator Tsongas said, the status quo is right.

The President believes it is right to take no action and let the deficit continue, $200 billion a year as far as the eye can see, well into the next century.

The President believes it is right to allow entitlement spending to consume 57 percent of total spending by the year 2000.

The President believes it is right to ignore his own trustees' warning of the impending bankruptcy of the Medicare Trust Fund, and to take absolutely no action to preserve, improve, and protect Medicare.

And, Mr. President, I have a suspicion of something else the President has proven he believes is right. He said yesterday he is "Eager to work with Congress" to reduce the deficit, and since his budget refused to do that by reducing the growth of Government spending, that can leave only one possible answer: Tax increases; tax increases.

Are we going to be told by the President, "Well, we have to balance the budget. This is the wrong way. The right way is to do what I did in 1993, have a big, big $255 billion tax increase"? I have not heard any other options. We have to conclude something.

The only conclusion I can reach is the President does not want to balance the budget, does not want to cut spending, does not want to preserve, protect and improve Medicare. So it seems to me we have been waiting now 11 days since we proposed our balanced budget plan. We have not heard a word from anybody on the other side of the aisle. We have not heard a word from the President, and the deficit has increased $4.9 billion since we submitted our balanced budget plan.

Is our plan perfect? No, but it is an honest effort to transform Government to make it smaller, to make it smarter, to make it more sensitive, to make it more responsive, to make it less expensive and to reverse the 40-year tide of power to the Federal Government.

Let me say, we look forward to next week. I guess you could say we are prepared to make the tough decisions, the President will not make any decision. That is a clear difference in party philosophy: Do not make any decisions, come to the floor and complain about what happens to senior citizens, children, veterans, farmers and everybody else, but do not worry about the next generation, do not worry about your grandchildren, do not worry about your young children. It will all be taken care of by red ink, as the Senator from Maine, Senator SNOWE, just pointed out.

It seems to me that if we want status quo policies, I guess we can have those, if the Democrats prevail. But what we need to do right now is defeat the President's budget and then have serious debate on the balanced budget proposed by the distinguished Senator from New Mexico, Senator DOMENICI. It is not because it is good political theater, as some have suggested, but I think it is time to do the right thing.

I think the President, in his inaugural address, used the word "change" 11 times. Apparently he is out of change. He does not want any more change. He wants the status quo: "Do not cut farm subsidies, do not do this, do not do that, do not cut anything until after I am reelected in 1996."

I do not believe that will sell. I believe the American people are ready—they have been ready for leadership on the budget. We have had a lot of leadership on the other side over the years on the budget, and I am still hopeful we will still have leadership on the other side on the deficit.

We ought to be in this together. But this is the first step. This is the first vote. This is a defining vote, and I urge my colleagues to vote against the President's budget.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR RECESS TO GREET VISITING PARLIAMENTARIANS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the announcement of the results of this vote that the Senate stand in recess for 3 minutes in order that Members of the Senate may greet the parliamentarians who are on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. Under the previous order, the hour of 10:55 a.m. having arrived, the Senate will now proceed to vote on amendment No. 1111. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mrs. BOXER] is necessarily absent.

The PRESIDING OFFICER (Mr. SHELBY). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 0, nays 99, as follows:

[Rollcall Vote No. 172 Leg.]

NAYS—99

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NOT VOTING—1

Boxer

So the amendment (No. 1111) was rejected.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess.

Thereupon, the Senate, at 11:13 a.m. recessed until 11:16 a.m.

DEFENSE AND BUDGET ISSUES

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes off the bill to speak on the budget issue and the defense issue.

Mr. President, next week some time, I presume it would be Senators from both sides of the aisle, but I am sure it will be led by some Senator from my side of the aisle, we will discuss the issue of increasing the Senate Budget Committee's numbers for defense.

I do not want to speak directly to that point, but I want to set the stage for my position that I think is very unwise to do that. I will want to say in connection with some of the remarks I am going to say that there is an article in the Washington Post today on the Federal page where it refers to Senator GLENN, and I agree totally with Senator GLENN.

He was holding a hearing on the bad accounting practices of the Defense Department. It refers to Senator GLENN this way:

> GLENN, who held hearings this week on the subject, lamented the fact that while his colleagues worry about budgetary restraints, so few of them have been interested in the Pentagon's wasteful financial practices.

Senator GLENN spoke about the wasteful financial practices. I have spoken on that subject many times. I thank Senator GLENN for his leadership.

I want to take a few moments to express concern abut a new policy that is being pushed by the comptroller at the Department of Defense, Mr. John Hamre. I think, basically, Mr. Hamre is trying to do a lot of good but he is running into a cement wall on many of the things he is trying to accomplish.

His plan undermines the case for pushing up the defense budget. Mr. Hamre is proposing just to write off—just write off—billions of dollars of unmatchable disbursements. Now, unmatchable disbursements are expenditures that he says he cannot link to supporting documentation, so he is really ready to throw in the towel and to write them off the books.

The Armed Services Committee held hearings, and I refer to Senator GLENN on this and related matters. The defense appropriations subcommittee is going to hold similar hearings next Tuesday.

Not being a member of either committee, I am unable to participate in those discussions.

But because of my intense interest in the subject, the chairman of the Defense Subcommittee, my good friend Senator TED STEVENS, invited me to submit a statement for the record.

So, I would now like to share my thoughts on this issue with my colleagues.

I think the issue has a direct bearing on the proposal to pump up the defense budget, which will be an issue next week, I think.

I am deeply troubled by Mr. Hamre's proposal.

Allowing him to write off billions of dollars of unmatchable disbursements would set a dangerous precedent.

Allowing him to write off billions of dollars of unmatchable disbursements underscores the continuing lack of effective internal financial controls at the Defense Department.

I fear that there is a near total breakdown of internal controls at the Pentagon, and this leaves the Department's accounts vulnerable to theft and abuse. That really bothers me.

One of the most elementary ways to maintain internal control over money is to match disbursements with obligations.

Unfortunately, this very basic financial control device is largely ignored by disbursing officers at the Pentagon—even though DOD has had a longstanding policy, specifying that potential payments must be matched with obligations before a payment is made.

The extent to which DOD accounts are vulnerable to theft and abuse is truly frightening.

The latest figures provided by the General Accounting Office [GAO] indicate that DOD has $29 billion in problem disbursements—mostly unmatched disbursements. That means DOD does not know how $29 billion was spend. DOD does not know what was bought with the $29 billion. Even though it might be legal, they still do not know exactly where it was spent.

Until the proper matches are made, those responsible for controlling the money at the Pentagon do not know how the $29 billion was used.

They do not know whether the $29 billion in payments were all legitimate.

They do not know whether the $29 billion in payments were in the correct amounts or whether there were underpayments, overpayments, or even erroneous payments, for instance, to the wrong persons or businesses. They do not know whether the payments were fraudulent. They do not know whether money is being stolen.

Despite all Mr. Hamre's hard work, and I compliment him for a lot of the work he has done to clean up the mess and fix the problem, the mess seems to me to be getting worse by the day.

New problems crop up faster than old ones can be resolved.

In frustration, Mr. Hamre is now moving toward a solution that I consider dangerous and unprecedented. His proposed solution needs close scrutiny.

Mr. Hamre wants to write off a substantial number of problem disbursements.

Mr. Hamre is now telling Congress that some of the problem disbursements can never be matched. They are unmatchable disbursements, in a sense.

In some cases, disbursements are unmatchable because all the supporting documentation has been destroyed.

The audit trail is cold. It leads nowhere. In other cases, the documentation is so poor that it would take an inordinate amount of time and money to make the fiscal hookups. It is just too much trouble and too costly to make the proper matches. So the answer is just write it off.

Mr. Hamre also suggests that the inspector general and the general counsel agree that the write-off procedure is the only viable option.

Mr. President, if Mr. Hamre asked Congress for authority to write off 1 or 10 billion dollars' worth of unmatchable disbursements, it would not be so bad—if heads would roll of those responsible for the bad mangement. But that does not seem to be the pattern.

Writing off billions of dollars of unmatchable disbursements would be an insult to the citizens of this country.

This money was taken out of the pockets of hard working American taxpayers, and the Pentagon bureaucrats say it is just too much trouble to find out how their money was spent.

Mr. President, could you imagine how the IRS would treat a citizen who claimed to have no documentation for $100,000 of income? The IRS would say: "We know you got that money. You pay the tax. Period. End of discussion."

But not with the DOD.

We should hold the Pentagon bureaucrats to the same standard that the IRS holds the taxpayers to. The DOD should have to play by the same rules imposed on the taxpayers.

We should tell the Pentagon bureaucrats: "We know you received $10 billion in appropriations. Now, how did you spend it? No more money until we get the answer."

The taxpayers have the right to know how their money was spent—every penny of it. They are entitled to that under the Constitution.

Section 9 of the Constitution says that there will be "a regular statement and account of the receipts and expenditures of all public money published from time to time."

Pentagon bureaucrats cannot fulfill that responsibility today.

They cannot give the taxpayers a full and accurate account of how their money was spent. That is unacceptable and must not be tolerated.

Mr. President, if there is no documentation supporting a disbursement, then there is no way to reconcile that account.

Under those circumstances, Mr. Hamre's proposed solution is an undesirable and an unfortunate necessity. However, we in the Congress should not approve this plan until two stringent conditions are met: No. 1: Those responsible must be held accountable for what has happened; heads must roll.

No. 2: A new DOD policy should be put in place that specifies: Effective January 1, 1996, all DOD disbursements must be matched with obligations and supporting accounting records before a payment is made.

We also need to have the answers to two questions before we approve Mr. Hamre's plan to write off unmatchable disbursements.

First, how much money is involved? Nobody knows for sure, but preliminary information suggests that the total amount Mr. Hamre would like to write off could easily approach $10 to $12 billion.

Second, is it legal to write off disbursements because supporting documentation is either inadequate or nonexistent.

Sections 1501 and 3528 of title 31 of the United States Code, for example, seem to imply that all Government expenditures must be supported by documentary evidence. The legal issues involved need to be examined.

The authority to write off unmatchable disbursements should be a one-time event. It must never happen again. Unfortunately, I fear it will happen again, unless we come down hard and impose severe penalties and restrictions. Furthermore, my approach would help to strengthen and reinforce section 8137 of the fiscal year 1995 Defense Appropriations Act—Public Law 103–335.

Mr. President, the people of this country desperately want to trust their Government. But a Government that does not hold dishonest and incompetent officials accountable for their actions will lose the public trust.

A failure to hold corrupt officials accountable breeds mistrust and invites more waste and mismanagement.

An inability to provide a full and accurate accounting of who $29 billion of the taxpayer's money was spent is mismanagement at its very worst.

Pentagon bureaucrats have an unblemished track record of mismanaging the peoples' money.

They have proven over and over again that they cannot control the peoples' money. And they cannot account for how they are spending the peoples' money.

Some of my colleagues are talking about an amendment to increase defense spending.

Now, is it smart to give a bureaucratic institution that cannot control and account for the use of public money more public money?

Does that show good common sense?

DOD should not get any extra money until DOD cleans up the books.

I will vigorously oppose any amendments to increase defense spending.

More money is not the solution. Better management is.

Mr. President, I yield the floor and reserve the remainder of my time for the Republicans.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, I believe the minority leader had agreed to yield 1 minute to the Senator from Maine, and also for a unanimous-consent request to the Senator from Oregon.

Mr. COHEN. Mr. President, let me just proceed very briefly. I was somewhat taken by surprise by the Senator from Iowa suggesting we ought to look to the IRS as an example of how they can audit their particular systems. Just a few years ago the IRS came before the Government Affairs Committee and said it needed more agents because there was $125 billion unaccounted for in uncollected taxes. It turned out that many of those uncollected taxes belonged to people who were dead, bankrupt, in jail or otherwise unable to pay. The IRS came in finally and fessed up that maybe there was only $60 billion in uncollected taxes. But they could not even prove that particular figure. Do you know why? Because the IRS does not have books that can be audited.

This is a great irony that should not be lost on the American people. Imagine how the Internal Revenue Service would treat a small business or an individual who made a comparative mistake on their tax return?

For the Senator from Iowa to point to the IRS as an example of how we should proceed, I think misses the point entirely. There may be, in fact, some explanation for Dr. Hamre's suggestion as to why we ought to forego this particular matter, but I think it is premature to condemn his approach without at least having some illumination on the facts.

I will try to abide by my 1 minute, but I wanted to make it clear for the record we should not point to the IRS as a model.

Mr. MCCAIN. Could I ask the distinguished Democratic leader to grant me 1 minute?

Mr. DASCHLE. I will be happy to.

Mr. MCCAIN. Mr. President, I just wanted to elaborate slightly on the important statement Senator COHEN made. The Senator from Iowa enjoys savaging the Defense Department in their operations. Mr. Hamre worked as one of the most respected members of the Senate Armed Services Committee staff. I noted with some interest, in his savaging of the Defense Department, the Senator from Iowa had no viable solution to propose himself. I would look forward to that. I suggest he have another solution before he condemns that one. To use that as an excuse to not support a reasonable level of defense spending to me is sophistry at best.

I would finally say, it is pretty easy to savage the Defense Department when you are from a Midwestern State and at the same time come over and defend the 13th swine research center at the cost of some $29 million, and $10 million a year to maintain at taxpayers cost, so we can figure out how best hogs can have babies. In my view it borders on a double standard.

I thank the Democratic leader for allowing me that time.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 13

Mr. PACKWOOD. Mr. President, I ask unanimous consent that for the duration of consideration of the budget resolution, Kinka Gerke, my congressional fellow who is handling the issue for me, be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. I thank the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 1112

(Purpose: To reduce the tax cut and apply the savings to Medicare and Medicaid)

Mr. ROCKEFELLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER], for himself, Mr. LAUTENBERG, Mr. KENNEDY, Mr. DASCHLE, Mr. WELLSTONE, Ms. MIKULSKI, and Mrs. BOXER, proposes an amendment numbered 1112.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the spending aggregates shall be revised and other appropriate budgetary allocations, aggregates, and levels shall be revised to reflect up to 59 per cent of the additional deficit reduction achieved as calculated under subsection (c) in budget authority and outlays for legislation that reduces the adverse effects on medicare and medicaid of—

"(1) increased premiums;

"(2) increased deductibles;

"(3) increased copayments;

"(4) limits on the freedom to select the doctor of one's choice;

"(5) reduced quality of health care services caused by funding reductions for health care providers;

"(6) reduced or eliminated benefits caused by restrictions on eligibility or services; or

"(7) closure of hospitals or nursing homes, or other harms to health care providers.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed 59 per cent of the additional deficit reduction specified under subsection (d).".

Mr. DASCHLE. Mr. President, now that we have had what we consider to be the first political vote, I hope we will have the opportunity to thoroughly debate what we consider to be not only political questions but the very important substance.

Let me emphasis what this debate is not about. It is not about the balanced budget because I think people on both sides of the aisle feel strongly that indeed we need a balanced budget.

It is not about whether we must make tough choices. Indeed, we must make tough choices.

It is not about agreeing on a time certain. I believe the year 2002 is a valid date.

This debate is about how we spend the limited resources we have between now and the year 2002; about where this country ought to invest its money.

This year the budget process has proceeded with virtually no consultation between Democrats and Republicans. For all the talk of bipartisanship, there was none when this resolution was drawn.

Not surprisingly, the committee has produced a budget resolution that is extreme, unreasonable, unfair, and unacceptable.

The closer one looks, the worse it gets. It is evident that the priorities that it reflects do not reflect the priorities of the American people, or the fairness the American people expect.

It is wrong to begin with a tax giveaway to the wealthiest people in this country. It is doubly wrong to help finance it with a tax hike on the lowest income working people in the country.

To impose a tax hike on those earning the lowest incomes in order to help pay for a tax break for the wealthiest Americans turns common sense and fairness on its head. It is not just wrong. It is perverse. It directly contradicts all the pro-work, anti-welfare rhetoric extolled by so many. It sends exactly the wrong signal to Americans.

Instead of saying work pays, it undercuts the value of the work ethic for all working Americans, not just those who are eligible for the credit. The signal here is not to welfare families to shape up and get on a payroll. The signal here is to the well-off and the well-connected. This budget tells them they will get their tax cut. It tells working people they are out of luck.

We have had too many Republican so-called tax cuts that turn out to be a tax increase or a tax wash for working people and a big tax break for those at the top.

Americans are waking up to the hidden promise in a Republican tax cut. They are learning that it is a promise as believable as the check is in the mail.

Senate Democrats believe there are important priorities that are not reflected in this budget at all. Those priorities are education, health care, and the needs of working people.

This budget resolution cuts education, slashes health care for seniors, and discourages work for low-income people. It is an extreme set of priorities. It undermines the very things that give people hope and security in order to finance another trickle-down tax cut.

Democrats say at least these three things should be corrected. If they can be corrected, we can produce a sound, workable, bipartisan budget that we must have ultimately—a budget that will be put into effect, backed by legislation that will make the necessary changes, and a budget that will produce the long-promised balance in the years ahead.

First, and the direct attention of this particular amendment. Medicare and Medicaid savings must come in the context of broad health care reform. Anything else is just a guarantee that costs will be shifted to the private sector.

Second, working people should not see a tax hike, by whatever name, when their wages barely raise them above the poverty level. We should be encouraging work over welfare, not penalizing it. Work should pay.

Third, this is precisely the wrong time to make education more expensive and further beyond reach for the children of middle-class families.

All three of these priorities can be protected and should be protected.

But first, there must be bipartisan agreement that we do not need to create new tax loopholes. Our purpose ought to be to reach a balanced budget, not to fulfil the tax wish list of our richest corporate and private taxpayers.

About half the budget savings in the Republican budget come from Medicare and Medicaid.

It is good that finally, after resisting health care reform last year in any form, after resisting even incremental reform, after repeatedly opposing anything remotely like a reduction in costs, Republicans have admitted, in this resolution, that health care costs are driving the Federal budget.

But it is bad that they have chosen to deal with this reality—a fact Democrats have been pointing out for at least 3 years—by simply capping spending and shifting costs to beneficiaries.

I agree with what Senator DOLE said last year, "* * * if you only spend so much money on health care and you run out of money, you either have to ration or raise taxes, or find some way to find more money."

So what is the Republican answer to health care? Impose a cap on Medicaid and shift the whole burden back on the States. That is the proposal. That means that when it is time to ration or raise taxes or find more money, it will be the States that will be forced to do it.

The budget proposal to reduce Medicaid costs by $176 billion will not only burden the taxpayers of our States, it will threaten coverage for more than 800,000 low-income elderly and disabled people. Medicaid is the only source of assistance for the frail elderly who need long-term nursing home care and who do not have the $38,000 a year that such care typically costs.

Medicaid now provides for 1.6 million persons in nursing homes, and nearly 1.1 million receiving home health care. Those funds are not likely to be made up by the States, because the States are hard-pressed to meet their current Medicaid costs.

Instead of seeking to control costs in the system—the only way to ultimately slow health care spending—the Republican budget would shift costs.

The Republican budget proposes a precise Medicare savings figure—$256 billion—without an iota of detail as to how it is to be achieved.

There is no way to save $256 billion and cover more people—as Medicare must, since our population is aging and more people become eligible for Medicare each year—without shifting costs to others.

Those others will be Medicare beneficiaries themselves. This proposal would mean dramatically higher costs, fewer benefits and a worsening quality of care.

The Republican Medicare reductions are the largest Medicare cut in history. At least half the burden of those cuts will fall on recipients.

The chairman of the committee that approved this reduction has already endorsed the idea of increasing the part B Medicare premium to 31 percent of the program's costs. That, alone, will mean nearly $500 in additional out-of-pocket costs to Medicare recipients by 2002.

It has been calculated that those on Medicare will see a cut of $900 in benefits by the year 2002. The $256 billion in savings will be paid for by them—to the tune of $3,500 each between now and then.

The budget resolution does not spell out where the so-called savings will come from. But, coincidentally, the savings raise the same amount of money as all the CBO proposals for savings already compiled. So, taking those as a benchmark, we can see the outlines of what will be cut and who will pay for it.

Nearly 83 percent of Medicare benefits go to persons with incomes of $25,000 or less. Only 3 percent of Medicare costs are paid in behalf of persons with incomes over $50,000. So whatever additional costs there are, they will be borne disproportionately by those with the least ability to pay.

The net effect of this is simple: Extra Medicare costs will eat up Social Security cost-of-living increases. The Republican promise to protect Social Security is hollow. One in four Social Security recipients rely exclusively on Social Security benefits for income. For these people—among the lowest-income of our retirees—there will be no more COLA's, because they will all be swallowed up by rising out-of-pocket Medicare payments.,

The effects of cost-shifting in health care have been long studied and are well known. When providers like hospitals and physicians see repayments from one source cut, costs are shifted to those who will pay—privately insured individuals. If even one-third of the proposed Medicare reductions are passed along to privately insured payers, it will amount to a hidden tax of $40 to $50 billion on businesses and families in the next 7 years.

Instead of reforming the system to control costs, it would be the same old shell game of cost-shuffling, only on a much larger scale.

It is wrong to threaten the health care security of retired Americans to finance a tax cut for the wealthiest corporations and individuals. It is wrong to slash at the health care safety net of the low-income elderly and disabled to finance a tax cut that will restore some of the most egregious corporate loopholes of the 1980's.

The Republican budget does more than that. In a stunning display of indifference to real hardship in American families, the Republican budget would cut $21 billion out of the earned income tax credit.

The earned income tax credit does not go to anyone who does not work. It goes only to those who are doing their best to stay off welfare by working at whatever job they can find, and by earning whatever an employer is willing to pay. It is perverse to tell a woman to get off welfare and work and then to turn around and reduce the one work incentive program that actually helps work pay.

It is contrary to common sense to dramatically cut back an incentive to work so that we can afford to give a tax cut to some of the most well-off households and businesses in the country.

The Republican budget also cuts educational funding by $60 billion. Student aid alone is slashed by $14 billion. Under the Republican budget, students will have to pay higher loan origination fees and higher interest rates 6 months after they graduate. They will graduate with a degree and a heavier debt load because the in-school interest subsidy will be cut.

Who uses the student loan program? Not the children of the wealthy, whose parents can afford to pay yearly tuition costs. It is the children of middle-income working families who rely on loan assistance to get the higher education in the first place.

Today, more than ever, how much education a person has dictates the standard of living he or she will enjoy throughout life. Every extra year of schooling adds an average of 8 percent to one's income throughout life.

Equally important is that economic growth depends upon better education in our work force. A recent study found that increases in workers' education produced twice the productivity growth as investment in new equipment.

A survey of over 3,000 private companies employing 20 or more workers found that a 10-percent increase in workers' education led to an average 8.6-percent rise in productivity; a 10-percent increase in capital stock—equipment, buildings, and machinery—led to a 3.4-percent rise in productivity.

Anyone who cares about the future economic growth of our country knows that as American companies become more productive, they compete better and find more markets. Anything that helps our firms compete successfully in a global economy ought to be supported and encouraged, not cut back.

Yet, that is exactly what the Republican budget does. It cuts education by $60 billion over the next 7 years, potentially cutting out an enormous promise of higher productivity and economic growth for our private sector.

It is wrong to reduce our Nation's commitment to education by the equivalent of 25 percent when education is more critical now than it has ever been before. It is wrong to reduce our commitment to a better standard of living for our children in order to finance a tax cut for those who already enjoy high living standards.

It is wrong to cut back on the door to opportunity in our society. It is the wrong priority.

Despite assertions that the Republican budget would go after corporate welfare, there is not a single corporate welfare cut in this budget resolution.

Instead, we are being asked to squeeze Medicare recipients, to burden new graduates with an extra $3,000 or so in debt, and deny the lowest-paid, hardest-working Americans a tax credit. Republicans cannot find corporate welfare so these are the priority cuts they have aimed at instead. I do not think that reflects American values or American priorities, Mr. President.

Senate Democrats will respond to these misguided priorities in this budget resolution with a series of amendments designed to correct them.

Our amendments will preserve the goal of balancing the budget by the year 2002.

Each of our amendments will be fully paid for. Saving Medicare and student aid will not add a penny to the budget deficit. Our amendments will use the different offsets to preserve the priorities that we think are important because we agree that it is necessary to make the choices in order to balance the budget.

We just think that a tax cut is exactly the wrong choice. We think that the budget ought to reflect the priorities of working Americans. We believe our amendments reflect those priorities and deserve broad support. And beginning with this amendment, we hope Republicans will join us in coming to a better set of priorities, a more realistic set of assumptions, and a clear message to the American people that we are on their side.

I yield the floor.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from New Hampshire.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I am going to yield to the Senator very shortly.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Then I am going to put Senator PACKWOOD in charge of the time after Senator GREGG speaks. I just want to put up one statement on Medicare and Medicaid, and then I will yield to the Senator for the time he needs and then Senator PACKWOOD for a reasonable amount of time. He will be in charge; I designate him to control time on our side.

I just want to quote this one statement for the Senate, for those interested in where we are, by talking about what the President said on October 5, 1993. And these are quotes. And I will just read them. That is October 5, 1993.

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation.

And now these are the very interesting words.

> That is not a Medicare or Medicaid cut. Only in Washington do people believe that no one can get by on twice the rate of inflation.

And I have a little parenthesis; there was a laugh in the crowd.

> So, when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Now, essentially, Mr. President, and fellow Senators and those interested, the President of the United States and some on the other side of the aisle are today, Monday, Tuesday, and Wednesday going to be saying this budget cuts Medicare and Medicaid. Right? In yellow on this one:

> That is not a Medicare or Medicaid cut.

Medicare is going up 7.1 percent in this budget.

> That is not a Medicare or Medicaid cut.

Quote DOMENICI? No. Quote President Bill Clinton.

Now, frankly, I anticipate there will be arguments about he had a comprehensive health care plan. The truth of the matter is the President reduced Medicare $180 billion and spent it some place else and yet proceeded to say:

> That is not a Medicare or Medicaid cut.

Now, frankly, that frames the debate. The President said it better than we can. That is a perfect statement of what the American people were expected by our President to believe on October 5, 1993. And I believe that is the same statement they ought to believe today, even if those on the other side of the aisle and the White House choose to say it no longer. Because it is ours, it is our proposal, it is not to be said any longer. I do not believe that is the case.

Now, with that, we have a number of Senators who wanted to address this issue. We are under controlled time, an hour on each side on the amendment. Clearly, we are going to use more time than that. I am going to yield now—15 minutes, 20 minutes, 5 minutes?

Mr. GREGG. A half-hour.

Mr. ROCKEFELLER. Mr. President, if the Senator will yield, ordinarily one goes back and forth between the two sides, and are we planning to do something different today?

Mr. DOMENICI. We are going to do something different if the Senator is going to assume that those brief remarks are the Republican response to the minority leader. We have not answered the minority leader. Senator GREGG is going to start answering him. And then we will go to the Senator from West Virginia.

Mr. ROCKEFELLER. The comments of the Senator from New Mexico were kind of incidental?

Mr. DOMENICI. Mine were incidental, very irrelevant, trivial.

Mr. ROCKEFELLER. I yield the floor.

Mr. DOMENICI. How much time would the Senator like?

Mr. GREGG. A half-hour.

Mr. DOMENICI. All right. And then Senator PACKWOOD is in charge of the time on our side. I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from New Mexico.

I wish to simply congratulate him on his excellent brief and incidental statement because I think it summarizes a lot of the concern that many of us have as to the duplicity of this administration on the issue of Medicare and how we should address it. And I wish to get into that in some depth.

Initially, I simply must respond to much of what the Democratic leader said, or some of what the Democratic leader said because I found it to be inconsistent in the extreme for him to come to the floor and make the statement, as a number of his colleagues have said, that, oh, we all now believe in a balanced budget. We all believe in a balanced budget. And, yes, we are even willing to accept the year 2002.

We have heard this from a number of Members on the other side. But at the same time he gives us a litany, a litany of areas where we can take no action, of areas where we must spend more money.

He gives us no suggestions as to how they would get to this balanced budget. There is no program from that side. There is no budget. There is no proposal. All we had was the President's proposal and the President's proposal, as we now recognize, has been rejected by everyone in this Chamber who voted, the 99 Senators who were present.

The President's proposal was rejected because, on its face, it was outrageous. It presented a budget which would have given us deficits of $200 billion or more for as far as the eye can see. It would have added $1.8 trillion of new debt to our children's backs over the next years. And it did not in the slightest way even address the core issues of what are confronting this country in the area of fiscal policy, which are the issues of how we manage Federal spending in the area of the entitlement accounts. It did not have one suggestion in the entire budget on that issue, even though some of the leaders in his administration have said that that is the core concern and even though he, 2 years ago now or a year and a half ago, said that that was a major concern, as the statement from Senator DOMENICI so adequately reflected.

So I think it is critical for those who are following this debate to understand the inherent and incontrovertible inconsistency of the Democratic leader's statement—that they are for a balanced budget, but do not touch anything that is important, do not touch anything that we deem to be critical, do not try to reform a system which is so out of control that it has generated this huge deficit and debt that is bankrupting our country.

And if we are talking about a commitment to a better standard of living for our children, nothing could be more critical to a commitment to a better standard of living for our children than to bring under the control the debt of this country and the deficit.

I brought along a chart to reflect that fact. This is the critical issue of this debate. This is why we, as Republicans, have brought forth a budget which is in balance. It is because if you look at what is going to happen to the Federal Government in the spending we are undertaking, we are on a nosedive to bankruptcy, which we are going to end up passing on to our children.

The blue squares represent discretionary spending, the yellow squares represent interest payments, and the red squares represent spending on entitlements. The green line is the revenues of the Federal Government, which have been fairly constant over the last few years.

If you notice—and these are numbers which come from CBO—if you will notice, beginning in about the year 2010, our Federal Government, because of the explosion in spending we have undertaken as a Government, will only be able to pay for entitlement spending and interest on the Federal debt. That means all the discretionary spending will not be affordable—things like national defense, libraries, roads, education, things the minority leader was talking about, things which we are concerned about.

Then around the year 2015, we will not be able to pay interest on the Federal debt. What does that mean? That means we are bankrupt; that we, as a nation, are insolvent. That means our children will be living in a country like our unfortunate neighbor of Mexico, which does not have the capacity to pay for the cost of the burden for carrying its own debt.

What happens at that point? Well, our children's futures become destroyed because the country will either have to go through some huge economic calamity or else it will have to inflate the economy so much that the dollar will be virtually valueless.

So we, as Republicans, recognize this. We accept the fact that something has to be done about this, and we have put forward a budget which gets us to balance over the next 7 years.

This is our budget line, the black line. It goes to balance over the next 7 years.

This is the President's line, the purple line, estimated by CBO. This is what he told us it was, but he would not use CBO figures, even though he said he was going to. Even as he told us, we still have a huge gap, $1.8 trillion of new debt added to our children's backs as a result of the President's proposal.

But if we get on the course of this budget, we will get this under control and we will have us down to balance in 7 years, which is the obligation that we owe our children.

And there is something else that should be noted. When we get out to this point here, get out to this point here, there is, of course, another way that you could address all this Federal spending. You could tax people.

What does the President's budget—not of this year, because he did not want to put this number in—but of last year tell us the tax rate on all Americans would be in order to bear a Government of this size? It would be 82 percent; 82 percent of everybody's income in this country would have to go to the Government in order to bear the burden of the Government if we allow it to continue to grow at that rate. Obviously, we cannot afford that.

Now, a large part of this debate has been about the issue of Medicare. And, boy, there has been some significant misinformation about that issue floated around here. And I am glad the Senator from New Mexico started out by pointing out the distinct difference between what President Clinton said a year and a half ago and what he is saying today about the Republican efforts in this area.

But I think it is important to start on this issue with what the problem is. The problem is pretty clear. It was not defined by us. It was not defined by myself or the Republicans, or the Democrats, for that matter. It was defined by the trustees of the Medicare trust fund, ironically, four of whom were appointed by the President of the United States and are members of his Cabinet, including Donna Shalala, Secretary of HHS, and Secretary Rubin.

And the problem is that the Medicare trust fund is going bankrupt on a much faster time track than the country, in fact, and it will be bankrupt, according to the trustees in the very near future.

They are telling us—and this is the trustees' report—that "the Medicare program is clearly unstable unsustainable in its present form."

Why are they saying that? Because of this chart here.

This is the fund of the Medicare trust fund. It goes into bankruptcy in the year 2002. Beginning in about next year, it starts to draw more out of the trust fund than goes in.

What is the practical effect of bankruptcy of the Medicare insurance trust fund? It is that there is no health insurance for our senior citizens. None. Because, under the law, they cannot pay out health insurance proceeds if they have no sources to pay it from. And the trust becomes bankrupt and does not have any sources in the year 2002.

Now I suppose the Democratic position or the President's position now appears to be, "Well, let's wait until the year 2002 and face the problem then."

That only compounds the problem if you do that, of course. It is much more logical, as the President suggested a year and a half ago, to address it and address it in a constructive and thoughtful way, which is the proposal we have put forward in this budget specifically to do that.

Now there has been a lot of debate about the number necessary to get this trust fund into actuarial solvency, and the fact that this number that we have in our budget is somehow outrageous, the number of $256 billion of adjustment in this fund over the next 7 years, which is the number that we feel will put this fund in some form of solvency and assure that seniors have health insurance, which is our goal, to give seniors health insurance and make sure they have a health insurance fund.

Now we heard the leader come down here and say that this idea of addressing the insurance trust fund by adjusting it by $256 billion over the next 10 years, or Medicare by that amount, is a number that is just outrageous and not obtainable and is a ridiculous number.

Well, let me refer them to the number that came from Secretary Donna Shalala and Secretary Rubin and the other members of the trustees of the Medicare trust fund. Their number was, in order to get actuarial solvency in the health trust fund over the next 5 years, we would have to adjust it by $262 billion. That is in 2 years. Remember, ours is 7 years. And, over 7 years, to get actuarial solvency, we would have to adjust it by $387 billion.

So the number that we are talking about, which is $256 billion, approximately, over a 7-year period, is clearly in the ballpark of the numbers which are being given to us by the people who are responsible for managing this fund, although there is obviously a merger of A and B trust fund issues, which is a really complex issue. In any event, the numbers are clearly in the same ball park.

So the idea that our adjustment is unreasonable or our proposal is unreasonable in this area is just a lot more smoke and mirrors that we are hearing from the other side as they attempt to dance around the basic responsibility that we have, which is to assure solvency in this trust fund.

So Members on our side have put forward a proposal which, remember, does not cut Medicare funding. In fact, it allows Medicare funding, as Senator DOMENICI noted earlier, to grow at about 7 percent. This shows 6 percent. We actually ended up with about 7 percent. Today, the Medicare trust funds are growing—the rate of growth of the cost of health care costs is around 10.5 percent. That is three times the rate of growth of inflation in this country today.

You might say, "It's health care; therefore, it has to grow faster than inflation." Let me simply note that last year in the private sector, the health care inflation rate was actually a negative number. It was about negative 1.9 percent for the rate of growth of premium costs in health care last year in the private sector. So not only is it three times faster than the basic inflation rate in the economy, 10.5 percent, the rate of growth of Medicare costs, but it is actually 10 times the rate of growth of health care inflation generally in the private sector.

So it is explosive, and it is clearly not sustainable. It is not sustainable from the standpoint of financial viability of our country. More important, it is not sustainable from the viewpoint of having a trust fund that is solvent and having a health care system for our seniors that is solvent.

What we are suggesting is not radical or unreasonable. We are suggesting a response which was in the same frame of reference as what the trustees are talking about. We are talking about slowing the rate of growth of the Medicare trust funds from 10.5 percent down to approximately 7 percent—7 percent rate of growth. Is that unreasonable? I do not think so. It represents twice the rate of growth of inflation generally and seven times the rate of growth in health care insurance premiums in the private sector.

As was noted by the chart put up by Senator DOMENICI, it happens to be the same number that back in 1993 President Clinton thought was pretty reasonable. Not only did he think it was reasonable, but Hillary Clinton, his wife, thought it was fairly reasonable. She said:

> We feel confident we can reduce the rate of increase in Medicare without undermining the quality of Medicare recipients.

And Ira Magaziner, her guru of health care, said:

> Slowing the rate of growth actually benefits beneficiaries considerably because it slows the rate of growth of premiums they have to pay.

So the administration, a year and a half ago, when they were not thinking about reelection so aggressively, was talking about slowing the rate of growth of the health care fund, just about what we were talking about today. Maybe they were going to slow it a little more, in fact, if you look at their numbers.

So what is the practical application of how do you get to a 7-percent rate of growth, because that is where the rubber hits the road. Who is going to be impacted? Who is going to be affected? Who is going to have to take the slowing down?

Basically, what we have seen in the private sector is that as the marketplace is changed and health care delivery has moved into the 1990's and on, that the manner in which health care is delivered has changed and, as a result, we have seen more efficiencies in health care delivery, and that is why the price of health care has gone down, that is why we have seen the inflation rate in the private sector drop.

What we are going to suggest as a party, and we think it is fairly reasonable, is that we take the public health care insurance system and apply to it some of the same attitudes and approaches that are being used today in the private sector. We are essentially going to say to senior citizens, "We're going to give you more choices," because that is what has driven the price of health care down in the private sector—competition, choices—and in giving seniors more choices, we are going to not force them into other programs, we will make it voluntary.

For example, I have a proposal—it may not be the one finally adopted, but I think it makes sense—which says to senior citizens: "You essentially will have the same choices that I, as a Member of Congress have, or other Federal employees have. You don't have that choice today."

Most seniors are in fee for service, the most expensive form of health care. They are in fee for service because they grew up that way in the fifties, sixties, even in the seventies. The only way we delivered health care in this country was fee for service. You had your doctor, you dealt with your personal doctor, but it is the most expensive form of medicine. Ninety percent of seniors are in a fee-for-service approach to medicine.

What I suggest in the proposal I have put forward, basically the proposal we are talking about generally, is that seniors be given a choice, not only to use fee for service, but to use other forms of health care, health care which is less costly in its rate of growth but delivers just as good health care—managed care, fixed-cost care, PPO's, HMO's, things that most Americans, especially in the private sector, are familiar with today.

We are not saying to seniors, "You have to go into a PPO or HMO." We are going to say, "Listen, if in your area of the country it costs $5,000 a year to take care of your fee-for-service health care, then, senior citizen, to the extent that you can go out in the private sector and you can buy a health care system which delivers you the same basic benefits package, and maybe even more because there will be competition there, but for less, let's say it is for $4,500, we will let you keep 75 percent of the savings. Seventy-five percent of that $500 savings will go to you."

So there will be a significant economic incentive to senior citizens to move from fee for service into managed care, if they decide to do so—they do not have to do it—if they decide to do so.

That type of approach creates three different positive events.

No. 1, it gives senior citizens the opportunity to look at other health care plans and gives them a financial incentive to do it and, obviously, health care incentives to do it.

No. 2, it creates in the marketplace competition. It means a lot of different plans are going to come forward that we cannot even imagine, because the marketplace is much more imaginative than the Government, and we will propose different approaches to caring for seniors, things that are attractive to one senior group over other seniors—one for eyeglasses, for drugs, one might take out the part B premium. Who knows; there will be a lot of variables, a lot of options.

And No. 3, it gives the Federal Government a fixed cost over an extended period of time as to how much health care is going to inflate.

It is only reasonable to assume, although obviously difficult to score, that that fixed cost is going to track fairly closely to what has happened in the private sector. In the private sector, what we have seen is there has been a 50-percent drop in the inflation rate in relationship to the amount of people going into HMO's and fixed-cost-based health care plans, and we may not get that precipitous a drop, but we do not have to, because all we are looking for is a 3-percent drop in the inflation rate.

We are not looking to reduce the inflation rate down to zero, as has happened in the private sector. We are looking to reduce it just twice the rate of growth of the inflation rate, a 7-percent rate. It is very reasonable that we will get that number. There are ways to assure we can score that number, and we make those proposals in our package.

So what we are talking about is not limiting seniors' opportunities, we are talking about giving them more choices, more chances to go to the marketplace and find better care, types of care that will be more attractive to them and more appropriate to their personal position. In the process, we hope to get these types of reductions in the inflation rate that the Federal Government is paying.

Is this not reasonable? I suggest to you that the President thought it was reasonable a year and a half ago; that Ira Magaziner thought it was reasonable a year and a half ago; that Hillary Clinton thought it was reasonable a year and a half ago.

What has happened? The argument is, "Well, this isn't part of a comprehensive health care reform." I remember comprehensive health care, and I am sure you do, too. That is this chart here where the Federal Government comes in and takes over the private sector. I do not think we have to do this in order to get Medicare's inflation rate down to twice the rate of inflation in the private sector.

I do not think we need to have comprehensive health care reform, and I think that has been shown by a number of factors.

Mr. ROCKEFELLER. Will the Senator yield for a question?

Mr. GREGG. At the end of my statement, I will be happy to yield for a question.

The point is that Medicare is a system which is out of kilter, and that if you want to move it into a system that is in the 21st century instead of in the 1960's—which is where it is now—you do not need to take over the private sector to do that. It is the public sector that is failing to keep the costs under control, not the private sector.

The idea that we need to nationalize the private health care system in order to get to a correction of the Medicare and Medicaid system is ridiculous. The President has, in fact, acknowledged that. Secretary Shalala, before the Budget Committee, said they were no longer perceiving that they needed comprehensive health care reform in order to get Medicare reform. They expected to have targeted—I presume they meant insurance market reform, which we will probably have down the road. All of that can be accomplished, of course, and Medicare reform can be accomplished at the same time.

So we, as Republicans, are not proposing the devastation of the Medicare system. In fact, we are proposing just the opposite. This chart reflects what the trustees have told us, which is that the Medicare system is going to be bankrupt in 7 years, that there will be no system. That has to be corrected, and the senior citizens of this country will be given a system which is solvent. We have done it with a budget that happens to get in balance at the same time.

Is that inconsistent or ironic? No. Statements like the minority leader made may be inconsistent or ironic. But it is fairly logical that if one of the primary reasons you are spending more than you are taking in is that you have a Medicare system on the verge of bankruptcy, when you correct that system and get that self-righted, at the same time you are going to assist in getting your budget under control, which is exactly what we end up doing—getting the budget under control—and the Medicare effort is part of that exercise. And in the process, we make the Medicare system solvent.

What is it all about in the end? Very simply, it is about making sure that when our children get to the year 2015, when we pass on to them this great and wonderful Nation, that at that point, they have a Nation whose Government is not in bankruptcy; that they have a Nation which is able to sustain their prosperity the way it was able to sustain our prosperity. If we do not do that—by that, I mean the Bill Clinton postwar baby boom generation, of which I happen to be a member—we will end up being the first generation in the history of this great country that has passed less on to our children than was given to us by our parents. That is not right and it is not fair.

We were sent here to do a job and that was to straighten out the fiscal house of this country. This budget does that job. And in doing that, it also addresses the fiscal house of the Medicare insurance system, which is equally destitute and insolvent.

Therefore, I strongly urge the Senate to reject the amendment which has been proposed by the Senator from South Dakota.

I will be happy to yield, if I have any time left, to the Senator from West Virginia for a question.

The PRESIDING OFFICER. The Senator has approximately 8 minutes left.

Mr. ROCKEFELLER. Mr. President, I will just proceed with my statement, and I thank the Senator from New Hampshire.

Mr. GREGG. I yield the rest of my time back to the manager of the bill.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROCKEFELLER. Mr. President, parliamentary inquiry. The Senator from New Hampshire had a certain amount of time because he was granted that by Senator DOMENICI. But other than that, there is no control of time, is there? In other words, time is controlled here, 6 hours on one side and 6 hours on this side, but not any automatic amount of time for each speaker?

The PRESIDING OFFICER. Time is being yielded off the resolution. There is no consent agreement that has been entered into.

Mr. ROCKEFELLER. As for individual Senators?

The PRESIDING OFFICER. That is correct.

Mr. ROCKEFELLER. I thank the Chair.

The amendment that I sent up on behalf of Senator LAUTENBERG and myself, and other Senators, was not explained because the reading of it was cut off. So I thought I would just give a very quick explanation of what the amendment does.

The Republican Senate budget resolution sets up a $170 billion reserve fund for cuts. The Republican budget makes room for even further tax cuts, in fact, beyond the $170 billion if they are financed with spending cuts. That is in the resolution. Under the budget resolution, Medicare, which is our subject of this day, would be cut by $256 billion. Medicaid would be cut by $175 billion over a period of 7 years. The Rockefeller-Lautenberg amendment simply would restore, of the $170 billion reserved, $100 billion now reserved for tax cuts, and it would put that money back into Medicare and Medicaid. That is the entire purpose of the amendment, and I want my colleagues on both sides to know that.

Mr. President, I rise today to note several points. Over the past few weeks, many of my colleagues on the other side of the aisle have been trying to portray their intention to cut Medicare benefits as necessary to save the Medicare Program. They point to the projected insolvency of the Medicare hospital trust fund in 7 years and say that immediate action is necessary to maintain its solvency. They are working to save the Medicare Program, not to dismantle it. That is the way the logic is presented.

Frankly, I question their motives. I had heard nary a word about the Medicare crisis from my colleagues until very, very recently. But short-term solvency of the Medicare hospital trust fund is not a new finding that was just discovered this year. The Medicare trustees sounded the alarm, in fact, about the short-term insolvency of the Medicare Program several years ago.

For the past few years, the Medicare trustees have urged action on something called comprehensive health care reform. They have urged that we do comprehensive health care reform to address our country's overall systemic problem of rising health care costs that are, in turn, draining the hospital trust fund and the pockets of American families and businesses.

In fact, the chart that the distinguished senior Senator from New Mexico had giving a quote of President Clinton was said within the context of doing comprehensive health care reform in which a whole variety of circumstances would come into play; and it was not just about cutting Medicare and Medicaid, it was about changing the entire system. And they have selected out a sentence which fits their current argument. But it does not fit the current argument, in fact, because it was about a comprehensive health care reform approach that he was taking at that time—and he was not successful, as the Presiding Officer and the American people well know.

As my colleagues know full well, President Clinton responded to the warnings and to the alarms by putting a comprehensive health care plan on the table for congressional consideration. Now, one can argue that it did not get very far. One can argue that nothing happened at all. I would argue that it was dead on arrival, because the interest groups that did not want to see it succeed had a several month lead on television in terms of discrediting the program and talking about it as socialism and a Government takeover. The Government takeover argument is the one I particularly love. When people use that argument, I take out my Government takeover card.

I belong to the largest Government program in the country. But, this is a Blue Cross/Blue Shield card. Senator PACKWOOD, who is pacing the aisles on the other side, probably carries the same piece of plastic.

The last I heard, Blue Cross/Blue Shield is a private company.

In any event, the health legislation did not get anywhere because it was buried under a cloud of Harry and Louise ads and a lot of money. It was very sad, in fact, I think, because a lot of the problems we are now facing are because of the failure of this body to address comprehensive health care.

The President's plan not only addressed rising health care costs in the Medicare program, but rising health care costs for all American households and businesses, and especially small businesses.

Mr. President, I strongly agree with my Senate colleagues who urge immediate attention to the very serious problem of solving the trust fund. That is a very serious problem, and it is something to worry about.

So far I have not seen a single serious proposal that really addresses the solvency of the trust fund. Therein lies a real problem for me. In writing, not a proposal; on paper, not a proposal. In rhetoric, not really a proposal.

I have heard a lot of rhetoric about restructuring and giving seniors more choice, but all I have seen and read about, and what is actually in the budget resolution, are huge cuts in Medicare—historic, unprecedented cuts in Medicare—to reduce the deficit by the year 2002. Huge cuts in Medicaid, also.

The House-passed tax cut bill actually raids, as the minority leader indicated, raids the Medicare HI trust fund by $23 billion. That has not been pointed out very much on this floor. Now, we are the Senate, not the House, but the House has presented its plan and the Senate has not.

A raid of $23 billion on the Medicare HI trust fund actually moves forward the date of the insolvency of the trust fund by 8 or 9 months. So they, in their wisdom, made the problem worse insofar as the trust fund was concerned.

I have yet to see a serious role from my Republican colleagues about ensuring that the Medicare program will still be solvent when the baby boom generation comes into full play, about the year 2010. We are in the easy period now. This is calm time. A calm sea. It begins to change shortly after the turn of the century.

I hear no acknowledgment from my colleagues that Medicare is, in fact, the most successful insurance program this country has. There may be some who wish to debate that. I would welcome that.

The Medicare Program provides universal coverage for all seniors. There is not a senior that does not have health insurance, and does not know that when he or she wakes up in the morning or goes to bed at night. There is no need to have an annual tabulation on the number of 65-year-olds without insurance. We do not have to do that because it does not exist.

We have to do that, of course, for children in this country. We have to do that for women in this country. We have to do that for men in this country who are under the age of 65, but not over the age of 65, because they are covered by Medicare. Everybody is covered. We are, in that respect, like every other modern industrial nation in the world, for 65 years and older.

Medicare does not deny medical coverage because of a preexisting medical condition like most private insurance plans. Medicare does not charge sick people more for their health care, like most private insurance plans. Medicare allows seniors to continue seeing their lifelong doctor and go to any hospital they want.

Now, one can attack the fee-for-service concept, but one cannot say that a senior is denied from seeing precisely the doctor they want or go to the hospital they want. If an HMO is available in an area, seniors can sign up with an HMO. They can often times receive additional benefits for so doing. But they have all of those options open to them right now.

Up until very recently, the Medicare Program outperformed the private sector in holding down its costs. Over the past couple of years, Medicare costs have been slightly higher than the private sector costs, as I will get to in a moment—about 1 percent.

Realize that the private sector is, in fact, insuring fewer and fewer people as the days, weeks, and months go by. Indeed, it is projected, as I know the Presiding Officer knows, that by the year 2000, 50 percent of Americans who work for a company will receive no health insurance benefits from that company.

Now, over the past couple of years, as I indicated, Medicare costs have been slightly higher. Then again, Medicare's enrollment is increasing. People are getting older faster. The fastest growing age group is the 84-year-old and over age group.

Also, Medicare pays for home care services and skilled nursing home care, types of services that are not normally covered under private insurance plans.

According to the CBO projections, Medicare is actually projected to grow by only 1.1 percent more than private health insurance over the next 7 years, our budget window. And enrollment in that figure is factored out. So it becomes a more honest figure because we do not have the increased number of people.

Medicare, in fact, is projected to grow by 8.3 percent a year on a per person basis; private health insurance is projected to grow by 7.2 percent a year on a per person basis; that is a 1.1 percent difference over the next 7 years.

Medicare insures older people and the disabled—people with health needs, people with terrible health needs and preexisting conditions. Remember, the private market casts them off to the side. It should not be a surprise to my colleagues on either side of the aisle that Medicare's per-person health care costs are projected to grow slightly ahead of private health insurance plans.

Mr. President, I have heard a lot of talk about needing to move the Medicare program into the 21st century by restructuring. I guess I do not share an enthusiasm for certain aspects of our private health insurance system as much as some of my colleagues. The Medicare program, in fact, was established because private health insurance refused, failed, to provide affordable insurance to senior citizens. That is why we did Medicare in the first place, because private insurance would not insure seniors.

Now, many of my colleagues like to talk about the wonders of the marketplace. I understand that. Some remarkable things are happening in the marketplace. But I still see cherrypicking, red lining, medical underwriting, policy cancellations, job lock, families paying more and more money for fewer and fewer benefits.

As I know the Presiding Officer knows, that is now what is happening in the private sector in so many companies. Companies are many times now saying, "Yes, we will insure you, the employee, but we will no longer insure your dependents." But, then again, by the year 2000, 50 percent of people who work for a company will not receive any health insurance benefits at all, if CBO is correct.

There has been an incredible amount of rhetoric about expanding choices for seniors. I was very active over the past 2 years in health care reform and there was constant talk that health reform would reduce choices.

It is funny, I guess, how last year opponents of health reform tried to scare people about the Clinton plan by telling people it would take away their freedom to choose their own doctor, which in fact is not true; it did not. The truth is the President's plan would have greatly expanded the health care choices that Americans have today. But that has done nothing to stop people from misrepresenting the President's plan, because a dead plan is easy to misrepresent. Just a few months ago I read a document released by the office of my colleague from New Hampshire, Senator GREGG, who was speaking only a moment ago, that said:

> The Clinton health care reform plan projected $207 billion in savings under Medicare, forcing all seniors into managed care systems with per capita spending limits.

That is not true, that was never true, about the Clinton plan. That is false.

Now these same people are using the same powerful theme of choice as a way to disguise their own plan to cut Federal spending on Medicare. They are planning to force seniors to pay more out of pocket for their health care, and actually offer this as a savings to the Medicare Program. Not only does this strike me as disingenuous, but it ignores the real problems that our senior citizens have.

I, frankly, have never had a senior citizen complain to me in the 31 years that I have been in West Virginia about Medicare not having enough choices. I have heard complaints about Medicare, but not about Medicare not having enough choices. They tell me they cannot afford prescription drugs and Medicare does not provide those, or that they have long-term care needs and Medicare does not provide for those. But I have never heard a single complaint from West Virginia senior citizens that they do not think they have enough choices.

Just yesterday I received a letter from a West Virginia senior who lives in Mason County. She gets by on her Social Security check. That is it for her. Right now she cannot even afford to buy her heart medicine. It costs $138 a month. Fortunately, her doctor provides it to her without cost. She said "If anything happens to him I don't know what I will do." She also said, "It's frightening to think that you have worked all your life and to have it taken away is very frightening."

And then she said, "If Senator ROCKEFELLER cannot help us, who can?" Well, I hope I can help. I will do all I can to help this good lady from Mason County. But to say something that I think casts a pall over this entire debate, and is deep within my own worry and concern about the future of America and American health care and Medicare and Medicaid in particular, I do not think I am going to be able to help her. Because I do not think there are going to be enough people voting in the way that I do to overcome the number of votes on the other side of the aisle.

I predict that a majority—the Republican Party will vote virtually en bloc on this matter, and that there will not be enough Democrats to counter that by virtue of our numbers, and that we will lose, and the lady, my constituent from Mason County, will lose. And she will have to depend on her doctor providing her with her heart medicine at $138.

Mr. President, even a $256 billion Medicare cut will do very little about the long-term solvency of the Medicare hospital trust fund. At most, these kinds of huge cuts may add a few more years of solvency to the hospital trust fund—a few more years. I would hardly consider this, however, saving Medicare. A few more years; 2 years, 3 years? It is not exactly saving Medicare. Given that the baby boom generation will just begin relying on Medicare in the year 2010, so anything only a few more years down the line will be worth very little in 15 years.

If my colleagues truly cared about protecting the Medicare program they would realize that taking the Medicare debate out of the budget debate is essential. And it may be that my colleague from the State of Oregon agrees with me on this. They say they intend to do that, but in a different way, a way that I disagree with. I think plugging a figure into their budget resolution that adds up to $256 billion in Medicare cuts does not fool anyone. It does not fool any seniors in our State. Listening to talk shows and participating in radio talk shows in the last couple of weeks is providing clear evidence of that to me, about what seniors in West Virginia believe is about to happen to them, and which I am afraid is about to happen to them.

It is a deep fear. We desperately need—and this is where I hope my colleague from Oregon might agree with me—we desperately need a bipartisan process to put Medicare on sound financial footing for the long term. We need to move past the current rhetorical budget-driven debate to the most important issues at hand, how best to keep Medicare dependable, secure, and valuable to seniors for generations.

The short-term budget need of cutting Medicare by unprecedented amounts of money will have disastrous consequences on health care providers and beneficiaries. That is the short term. Rural hospitals in, I think, all of our States will close in the aggregate by the hundreds. Doctors will shun some Medicare patients in some States for the first time. Medicare beneficiaries, which is seniors and the disabled, will learn firsthand what Medicaid beneficiaries have had to cope with in trying to get a doctor to treat them when reimbursement rates are set so very low.

I talked to a doctor in one part of our State the other day, 2 weeks ago, who told me he was seeing 65 patients a day. He is now in a managed care program and therefore his reimbursement is much less per patient. I know him. He is a very fine, good person. But, in order to keep up a living standard he has to see 65 patients a day. And I honestly do not know how you can see 65 patients a day without quality suffering.

I could not do 65 appointments a day, individual appointments a day in my office. How can a doctor do 65 appointments a day? But he is doing that because he is in a managed care program and he has to do that because he is being reimbursed less for each patient. So, again the question of quality and how that plays.

There is, I think, a right way and there is, I think, a wrong way to go about assuring the short-term and long-term solvency of the Medicare program. I believe the Republican proposal is the wrong way.

Under this way—the wrong way—up to 55 percent of seniors' Social Security COLA will be eaten up by increased Medicare costs to that senior. For the one in four Americans that rely on Social Security for their entire income, this is brutal hardship.

Under the proposal before us, Medicare's growth rate per person will be cut below the growth rate of private health insurance per person. That is an important statement. The rate of growth will be less under Medicare than under the private system, seriously again threatening health quality—65 patients a day, 70 patients a day?

The amendment that Senator LAUTENBERG and I are offering on behalf of a number of our colleagues is not going to solve the Medicare solvency problem. I do not pretend that it will. The budget resolution before us will not solve the Medicare solvency problem. Our amendment is about setting priorities.

Before we start legislating any new contracts with America, let us not forget about a contract that we already have with America's seniors, their families, and future generations. For all our zeal for deficit reduction—and that is good, that is well-meaning, well-intentioned, profoundly important, necessary work—we have lost sight of what Medicare is all about. It is a promise. It is a pledge to the American people that they will be able to live their lives in dignity and security far past their working days; that the sweat, the labor, the intellect and the care that they put into building America and in keeping our Nation strong and prosperous will be appreciated and valued when their resources wear out.

We, the Federal Government, made a promise and no amount of bookkeeping should ever sway us from that promise.

So instead of seeing a bankbook in Medicare, we should see an investment, not made by us but made in us. And it is our responsibility to ensure that investment of both funds and faith is always worthwhile.

So, Mr. President, before we go too far into looting Medicare we would do well to strengthen it so that a pledge given to the Nation can be fulfilled many generations over.

I thank the Chair. I yield the floor.

Mr. PACKWOOD addressed the Chair.

Mr. ROCKEFELLER. Senator LAUTENBERG does not appear to be on the floor.

Mr. PACKWOOD. If the Senator will yield, I talked to Senator LAUTENBERG, and will have a unanimous-consent request between the two of us.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I talked to the Senator from New Jersey. He agreed I would go next. I do not know how much time I will take. I am handling the floor for Senator DOMENICI now. I ask unanimous consent that when I am finished Senator LAUTENBERG be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I almost do not know where to start. There are so much misimpressions, half truths, bad statistics that you do not know whether to start at the very beginning and shoot down two or three and then try to do something sequentially. So I will start as follows first.

Let us define some things we talk about. The word "cut." Only in Washington, DC, in my experience in any municipal body that I know of, not in the State legislature when I served there, the term "cut" meant spending less than we spent last year. If we spend $1,000 on the fire department this year, and we spent $900 the next year, that was a $100 cut. And all of the budgeting that we did, when I served in the State legislature, was based upon what we spent last year, what we are going to spend next year, and in almost all cases it was up from what we had spent last year. I think that is probably true of most cities and counties. But in Washington, DC, we define "cut" differently.

We say if we spent $1,000 on the fire department this year, and we had planned to spend $1,200 on the fire department next year —"planned"—but we are in a budget, so we are only going to spend $1,100, in Washington, we do not call that a $100 increase. We call it a $100 cut. We never spent $1,200 on the fire department. We never spent more than $1,000 in our lives. Yet, my good friends from across the aisle in the Democratic Party are talking about Medicare cuts.

Mr. President, there are no cuts.

I want to explain how we got to the situation we are in, the financial bind that we are in. In 1965, we enacted Medicare. We estimated that the hospital part of Medicare—now first let me define what I mean by the hospital part. We on the inside refer to part A of Medicare as hospitals, part B as doctors. We estimated in 1965 that in 1990 we would spend $9 billion on hospitals. That was our estimates, 25 years out. Actually, in 1990, we spent $67 billion. Were we off. We were off by a factor of close to 700 to 800 percent; just missed it.

Or, take a look at the first full year of Medicare spending, in 1967. The first year we spent on everything, hospitals, and doctors, $3.2 billion. This year we are going to spend $178 billion. How did we miss so badly?

Here is what happened initially. We started down the road on a cost-plus basis, a term from World War II. We were in a bind. Japan had bombed Pearl Harbor, Germany was succeeding in running rampant all over Europe. We got into the war. And the war was our priority.

We argue today about defense spending. Defense spending today may be around 4 percent of our total gross domestic product, around 21 or 22 percent of our budget. To put it in perspective, at the height of World War II, 1944 and 1945, defense spending was 40—4–0—percent of our entire gross domestic product and 90 percent of the Federal budget. We were a war machine. And we were not too worried about costs. When all of a sudden you are asking the General Motors plant to shift in 6 months from making Chevrolets to making tanks and they had been used to working a dayshift only, you say you want them to work three shifts a day and you want them to work Saturdays and Sundays and get this done—and hang the costs—we need the tanks.

We saw it in Oregon in the shipyards. Henry Kaiser, great industrialist, put up in a short period of time three immense shipyards in the Portland metropolitan area and at the zenith of the war was employing 30 percent of the adult labor force, and toward the end of the war was turning out in one of the yards what were known as baby flat tops. It is a small aircraft carrier. They were turning out one aircraft carrier every 7 days. Today we spend 3 or 4 years building aircraft carriers.

How can you do it in 7 days? You can do it in 7 days—and hang the costs—it does not matter. The priority is the war.

This in essence is what happened with Medicare. We had no restraint on cost. We reimbursed doctors, and we reimbursed hospitals based upon their costs. It would be as if you were to say to a trucker, will you truck my load of tomatoes from California to New York, and I will reimburse you your costs.

The trucker loads up his truck with tomatoes and he takes off. He needs more gas. He comes to the gas station. No point in stopping at the self-service station and saving 15 cents a gallon. He will have somebody fill it up for him, 15 cents more a gallon. Add it on to the cost. No point in staying at Motel 6 at $25 a night when you can stay at the Hilton and add it on to costs.

Pretty soon, hauling the load of tomatoes across the country gets to be very, very costly. And finally the shipper says, "Listen, your costs are too high. What I am going to do, I will give you $100 a day, $150 a day. You figure out how to make it. You don't want to haul it for that, I will find somebody else."

We live with all that when we travel in our States. We are given a limited amount of money we can spend. Per diem it is called. We can spend it on a hotel or spend it on meals or spend it on things that we are allowed to spend it on but you cannot go over a certain amount and you cannot have three expensive meals a day and stay in a reasonable hotel and stay within a reasonable amount. You learn to have a modest breakfast and a light lunch, or you learn you can do just as well at the hamburger stand as the Hilton Hotel and live within it.

Hospitals never had to do that. For the longest period of time, we reimbursed them on their costs. Now, what goes into the cost of a hospital? It is not just the doctor. It is not just the anesthesiologist that gives you gas, whatever he gives you when they are operating. Everything goes into it—all of their labor costs, all of their meal costs. You have an executive dining room for doctors with gold-plated handles on the toilets. It is all part of their cost.

The hospital would estimate what their cost was per day, per patient. By the time you add all of their costs together, whether that is a parking lot, whether that is janitorial fees, you add it all together, and kind of figure a per day cost and you say to Medicare, well, it cost $500 a day to run our hospital. That is our costs.

And there was no limit, there was no limit on doctors early on. Doctors would perform a service. My cost was $100. Send it in. We reimbursed them. Finally, it is no wonder that Medicare costs exploded beyond belief, when you are reimbursed with no restraint.

So we started about 10 years ago attempting to restrain payment for costs. We set up a variety of commissions. We would say to a doctor we are only going to give you so much money for an appendicitis operation, so much money for a cataract operation.

But we discovered that the delivery of medical service was amazing, and—Senator MOYNIHAN has used a wonderful term—that "demand would rise to supply." So long as you had doctors that would perform cataract operations, you ended up doing more cataract operations than you would otherwise do. So normally you thought this year there is going to be 100,000 cataract operations and we are only going to reimburse the doctors $100 an operation, and you think if we hold it to $100 an operation, then we will save money. But the next year you end up doing 200,000 cataract operations. You do not save money.

So that did not work very well. And there was no real competition.

So, let us get to the use of this word managed care, health maintenance organizations, preferred providers. They are all variations on a theme. A health maintenance organization is basically an organization that says we are going to attempt to restrain your and our health costs by having you receive most of your health services in our organization.

On the west coast, we are very familiar with it. We first saw it heavily again in the Kaiser operation. It started in California—Henry Kaiser was from California—and in Oregon because at the same time that Mr. Kaiser built the three shipyards in Portland and at the zenith of World War II was employing 30 percent of the adult labor force, he also had a health plan for all of those 30,000 workers plus their dependents.

By the time you counted husband, wife, a couple kids and you were employing 30,000, 30 percent of the adult labor force, you are covering an immense portion of the population, and this was the opportunity for a managed type of care. This was the Kaiser health plan. You used the Kaiser doctors and the Kaiser clinic. And Kaiser was able to restrain costs by managing care much more than what we called fee-for-service doctors or fee-for-service hospitals.

Back in the early days of the Kaiser organization it was very suspect. Its doctors were not allowed to join the local medical societies. There was actually a lawsuit brought against one of the Washington Kaiser doctors who had just put a sign over the entrance to the Kaiser clinic about Kaiser Permanente, a good health plan, or something like that, who was sued for advertising. I mean it was ridiculous.

The fee-for-service doctors hated Kaiser. Kaiser was an early entree into managed care, but they managed to hold their costs down.

I can recall in the late 1950's I was a labor lawyer in a law firm, large law firm in Portland. I was the low man on the totem pole in the labor law division. And even in those days some of the employers in Oregon, some of the big ones, some of the small ones, contracted with Kaiser for their health services. As I recall, the plans were then $30, $40 a month. If you were an employee and you did not want to use Kaiser, you could opt out. I do not even think there was an additional fee for opting out.

The thing that intrigued me was that, on a voluntary basis, most of the employees in these companies used Kaiser. Kaiser was very good about coming over with sort of a little mobile van, medical truck for lack of a better term, and they would try to do some primitive exams, what we call annual physicals today, but they were doing them in a mobile van. And I cannot even remember what they looked for in those days, but they were trying to screen, they were trying to catch, they were trying to prevent, because they knew full well prevention was cheaper than hospitalization.

I well remember their testimony before the Oregon Legislature saying that it was not the hospital operations per se that were cheaper. What Kaiser said was, "We are better at not hospitalizing as many people, because we catch the diseases earlier in our program".

So we had this history of managed care in Oregon. The term is HMO, health maintenance organization. You also have something called a preferred provider organization. This is a variant on the managed care theme in which, an insurance company, like Blue Cross/Blue Shield, says we will write an insurance policy covering you but you must use our list of doctors. And they will have a list of 100 or 200 or 500 doctors. And so long as you use those doctors—it is a very wide choice—they have agreed with the doctors they are going to pay them a certain price for certain things and no more, and the doctors agree to that and the patients are referred to those doctors.

And the preferred provider organization type of managed care, called PPO, worked out pretty well, too. Both of them, HMO's and PPO's, are managed care. Both of them save money over what we call a fee-for-service style of health care. The problem is in most parts of the country they are not used to managed care.

I will give you some rough statistics, and I have picked these statistics because they are the States of the principal sponsors of this amendment.

In Oregon—and this is Medicare coverage in health maintenance organizations, not the entire population—in the Portland area, we are now slightly in excess of 50 percent of the Medicare patients in managed care. Throughout the State, it is 30 percent managed care, but increasing rapidly. Managed care obviously starts in the urban areas first and then moves out into rural areas gradually.

But I wish to put it in perspective by comparison to several other States. For Medicare managed care enrollment, Oregon is 30 percent, Massachusetts is 6 percent, New Jersey is 2 percent, South Dakota is zero, and West Virginia is 2 percent.

So in essence the States represented by the principal sponsors of this amendment have no experience of any substance, of any overwhelming consequence, in Medicare managed care.

For managed care enrollment for the whole Portland population, not just Medicare beneficiaries, but everybody, Portland has 64 percent enrollment.

Bear in mind, people do not have to go into managed care. On Medicare especially you do not have to go into managed care. It is voluntary. If you want to keep the normal Medicare system you have now and be treated that way, that is fine. Why would people go in there? They go in for a very simple reason. The managed care providers provide more benefits than Medicare.

I will read you across the list. Here is the "Shopping for Health Care" and it lists six major companies in Oregon that sell Medicare managed care policies to Oregonians. Let us just take prescription drugs. Medicare does not provide prescription drugs.

In First Choice—that is the name of one of the HMO Oregon plans—discounts available. Preferred Choice, part of HMO Oregon, but in a different area, discounts available. Good Health Plan, discounts available with the basic plan and in the plan plus it pays 50 percent for prescription drugs up to $100 a month. For Kaiser Permanente, it pays 70 percent of prescription costs up to $50 maximum per prescription. On PACC, it has discounts available. Now you come to SelectCare. They do not cover drugs. They are like Medicare. And then on Secure Horizons it is discounts available, mail order and walk-in.

You have a variety of different choices. And all of these companies compete with each other. And you talk about the number of doctors that are available? First Choice has 500 primary care and 1,200 doctors including specialists that you can choose from. That is a reasonably adequate supply of doctors to choose from.

Preferred Choice has 300 primary care doctors, 1,000 including specialists. And you go on, and there is none that has less than 400 that you can choose from. So you are not hard pressed to get the care you want.

And why do people go there, in addition to getting better service, better service than they are getting in Medicare? Again, they do not have to go there. They can keep the usual fee-for-service Medicare service.

Another reason is that they are used to it, if you have gone there all of your life.

Here is what happened. The Kaiser shipyards closed at end of World War II. The Kaiser health plan was so popular that when they sold the company and the shipyards closed, Kaiser continued on with its health plan, in essence opened it up to the public. And, clearly, by the midfifties to the late fifties it was a very significant provider of health care in Oregon, this managed care plan.

Today, it is growing in leaps and bounds. I am doing this from memory, but I do not think I am off 5 percent. Blue Cross/Blue Shield is our biggest carrier. In 1984, Blue Cross/Blue Shield had zero in managed care. Today, as I recall—that was 1984—10 years later, they are at about 65 percent. By the end of 1998, they plan to be at 90 percent in managed care.

Now, what is the effect of all this? Here is the essence of the difference. The difference is because of this long, long experience with managed care—which no other State has. There are a couple that are close, but most of them have managed care in the zero to 5 percent, 5 to 10 percent.

Oregon continues to increase managed care. By the end of this century, I would wager that counting both Medicare and the non-Medicare population, Oregon will have 90 percent managed care.

Because of this long history of managed care, Oregon has been able to restrain its costs and give options in terms of plans and doctors that absolutely beats the medical costs of any other State.

We are the lowest per capita cost State in the Union. And it is not because we are a low-income State. We are about in the middle; sometimes we are above the middle, sometimes we are below in terms of income of our citizens and other prices. But we are not a poverty State in the normal sense of the word. But our per capita health care costs are the lowest in the country.

I will give you a comparison. Now this is for Medicare per capita costs. In Oregon, the average Medicare per capita cost is $3,300 a year. We are at the top. The bottom is Louisiana, at $5,400 a year—same kind of operations, same kind of doctors, same kind of anesthesiologists, same kind of hospitals, $2,100 a year difference per Medicare enrollee. Louisiana has almost no managed care.

Let us just split that difference. Let us assume you do not get everybody down to Oregon's Medicare per capita cost of $3,300, where you have a $2,100 difference. Let us just assume you could save $1,000 a year. The savings is $40 billion a year in the Nation. That is $280 billion over 7 years. That exceeds the savings that we're trying to get in this bill.

Can it be done? You bet it can be done. It is being done. Will it all happen next year, like that? No it does not happen next year, like that.

But if we start moving toward managed care, we will soon find that instead of States being at 2 or 3 percent, they will reach 10 or 20 or 30 percent. Of course, you do not increase in quantum leaps of 10 or 20 or 50 percent per year. But, whether you start from zero or 5 percent managed care coverage, you can get to 50 percent pretty quickly because you will find that once people have managed care, they will choose managed care voluntarily because of better service.

Let us assume that we cannot save $280 billion a year over 7 years. Let us say it takes time to move toward managed care all over the country, so we save half as much, $140 billion. Nobody is getting less service. Everybody is getting the choices they want, and they can stay in Medicare fee-for-service plans, if they want. But let us say you save $140 billion.

Now let's take a look at Medicare Part A and Medicare Part B and how we pay for each.

Here, again, I want to emphasize the difference. Part A is hospitals; part B is doctors. Part A is paid for out of your payroll tax. You pay 1.45 percent and your employer pays 1.45 percent. And then we recently increased the taxes on Social Security from 50 to 85 percent on the upper earning income Social Security recipients and we took that 35 percent and we put it into this part A hospital trust fund. And this trust fund owns some bonds and they had a slight surplus for awhile. They get interest on the bonds. So you have these different sources of payments coming into the part A hospital trust fund.

Part B is doctor services. From the very start, it was funded different than part A. From the time Medicare was adopted onward, we said the patient will pay part. We said that the Federal Government will pay part out of the general funds, not out of our payroll tax, out of the general funds, everyone's taxes. We put up about $45 billion a year out of the Federal Government General Treasury for that.

When we started out, it was agreed that the patient would pay 50 percent and the Federal Government would pay 50 percent. Had we held to that, Part B would be in good shape now. But it gradually dwindled down 45 percent, 40 percent, 35 percent, until it finally got as low as 25 percent and was causing a tremendous drain on the Treasury. So now it is set at 31 percent. However, the 31 percent expires and it is due to go down to 25 percent.

Bear in mind, originally it was intended to be 50 percent. If we did nothing but hold the part B percentage that the Medicare recipient pays to its current 31 percent, same percent it is now, instead of letting it drop to 25 percent, that picks up $61 billion over 7 years; that is, if you could keep it where it is.

(Mr. KYL assumed the chair.)

Mr. PACKWOOD. Do you know what would happen if you were to go back to the 50 percent that was agreed upon? You would pick up $173 billion in the next 7 years.

Now, nobody is talking about that, but if we did that, all we would be doing is keeping Medicare as it was intended when it was passed.

Now let us halve the difference. Let us say you were to go up to 35 or 36 percent and you pick up somewhere between the current $61 billion and the $173 billion. I will take a guess at $80 to $90 billion. You add the $140 billion you saved on managed care and you are now at $230 billion.

We are now at $256 billion.

This is done without any decline in service. This is done with better service—because people in managed care are getting better service or they would not be joining it—than they get from Medicare. They get prescription drugs in most cases, if they want to choose the plan that has it. No wonder they join.

It is just that these plans do not have a lot of enrollees or do not exist in some States and they could in most States if we encouraged it. And every one of these plans has to offer the basic Medicare services. You cannot go below it. You can offer more, like prescription drugs, but you cannot offer less.

I can picture the savings that we would make if we allowed these plans to offer less if they wanted. Let us say you are a wealthy retiree, and for the life of me, I do not understand why we do not income relate some of these benefits—let us take this part B that I am talking about, where you are paying a certain percentage.

You are paying about 31 percent and the Federal Government is paying 69 percent of the premium. It is the same 31 percent regardless of your income. It is the same dollar amount whether the only income you have is $10,000 a year from Social Security or whether you are J. Paul Getty's heirs. They pay the same amount of money you do.

There is no reason why somebody who has $50,000, $100,000, $150,000 in retirement income, other than Social Security—and by retirement income of $100,000, you have to have assets of about $2 million—there is no reason why they could not pay a bigger share of their premium.

Because you know what you have now, you have some poor devil working in a mill—if the poor devil has not been put out by the Endangered Species Act—that is making $25,000 a year and paying his taxes into the general fund to support someone who has $100,000 a year in income, and these taxes in the general fund have to pick up 69 percent of that fellow's premium.

It is not fair. We ought to means test it. We ought to pick up more money doing that. We have to say to the rich: "You have to pay more of your benefits. You can afford it."

Can we do it? You bet we can do it. We are often compared to Germany and Canada. People say, "Well, they have single payer." Germany does not have single payer. Single payer is where the Government collects all the money and pays all the bills. Anybody who thinks when the Government collects all the money and pays all the bills it is getting efficiency is dealing with a different government than I have dealt with over my life.

We will be compared to Germany or Canada and they say, "Their health costs are much lower than ours." It is no wonder. For years they have not reimbursed on a cost basis the way we do.

With managed care, can we get our costs under control? You bet we can. Can we do it without cutting services and benefits? We have proven you can do it.

I am going to emphasize again, Mr. President, in the Portland area, over 50 percent of the people on Medicare have chosen these private insurance plans rather than straight Medicare. None of them have to. It is totally voluntary.

The Medicare payment goes to the insurance company and their insurance company gives them these benefits in a Medicare managed care plan. It is cheaper and better than the present Medicare system, or otherwise people would not leave the fee-for-service system.

As I say, I will predict by the end of this century, 5 years from now, that all of Oregon—maybe the Portland metropolitan area, with the rural areas slightly behind—Portland will be roughly 90 percent for all of its health care coverage in managed care and Medicare will be someplace, in the Portland area, 70 and 80 percent managed care coverage.

So the answer is, yes, we can do it. Therefore, when people say the Republicans want to cut Medicare, first—here it is. This year, we are spending $178 billion on Medicare. What the Republicans are suggesting in the budget resolution is that we spend as follows on Medicare over the years: 1996, $187 billion; 1997, $197 billion; 1998, $213 billion; 1999, $227 billion; 2000, $244 billion; 2001, $262 billion; 2002, $283 billion.

Mr. President, by anybody's definition, that is not a cut, that is an increase every year. Is it as much as we would otherwise spend if we did not have any restraint? It is less than we would spend if we did not have any restraint. It is about $367 billion more than we are spending now if you add up the years.

So I am going to say, in conclusion, that this can be done. But one thing I want to say—I do not want to say "in conclusion." I have a couple more facts.

One is there has been an argument about the Medicare trust fund—this is part A—in bankruptcy. Is it bankrupt? It clearly is.

Here is what has happened. On average—I am averaging these off, and I will average it to the nearest thousand—on average, a one-wage-earner family with a spouse will pay in over their lifetime of earnings into Medicare, about $60,000. That counts your payroll tax, your employer's payroll tax, part B premiums and income taxes of yours devoted to Medicare part B and any interest that is paid on the accumulated money until you retire. You have husband, wife, one of them working, the other not, paying about $60,000.

On average they will collect in benefits about $185,000, roughly $125,000 more than they pay in, on average. Well, it is obvious you cannot run on that basis very long.

What happened in 1992 with Medicare? The Medicare trust fund for hospitals started to pay out more money than it took in in taxes. It did have some extra sources of revenue. It held some bonds. It did have a surplus. It held some Government bonds and interest was paid on the bonds, so they collected that money. They did have a few people that belonged to the Railway Retirement System, and they paid taxes into it and got some coverage. It was a relatively small amount.

Then, finally, a year or so ago, we took the cap, as we call it, off of wages. We used to limit the amount of tax that you had to pay on Medicare to a certain fixed amount. It was the same amount as Social Security, and you paid it up to a certain amount of money.

Finally, we took the cap off and said you are going to pay this Medicare tax on everything you make, $200,000, $300,000, $400,000, pay it. So all of this went into the fund, but by 1992, we are paying out more than we are taking in in taxes.

Next year, 1996, we will pay out more in total than we take in from all sources, and next year onward—interest on the bonds and everything else—from next year forward, the only way that Medicare keeps its head above water is it is going to liquidate the bonds, it is going to sell the bonds.

I am not talking about interest on the bonds. Medicare is going to take its bonds to the Treasurer of the United States and say, "Here, we have a $100 bond. We held it in our surplus. Give us $100."

By the year 2002, the bonds will be gone. There will be nothing left in the trust fund, and we are already paying out more money than we take in in taxes.

By everybody's estimate—liberal, conservative, Congressional Budget Office, Social Security trustees' report—everybody says that to meet the short-range test of financial adequacy, just 10 years, we are about $145 billion to $165 billion short.

There are three ways you can make it up. You can raise taxes. That is basically the Democrat's answer and has been their answer ever since Medicare has been short of funds—raise taxes.

You can cut benefits, and here I use the word "cut" in the exact sense, and this is what the Democrats accuse us of doing. We are not talking about cutting benefits. We are talking about a combination of managed care and payment on part B premiums, and we can save the trust fund.

At the same time that you save it—that is a budget savings, I am not trying to cover that up—but whether or not we have a surplus in our budget or a deficit in our budget, the trust fund for Medicare is short and will be gone in 7 years.

So that we ought to save, in any event. And if in the savings it helps on our budget problem in addition, so much the better. That is nothing to be ashamed of.

What does this amendment do? I love this. This amendment takes what they call the reserve—that is a misnomer, as that assumes you have money.

If we pass the balanced budget, it is a three-step process. We will be debating this particular resolution for the next 4 or 5 days. If we adopt this budget resolution, it is a broad outline of the money to be saved.

It does not specifically say here is where you save money in Medicare, or here is where you save money in defense, or here is where you save money in education.

It is a broad outline of we would like to save *x* amount of dollars in Medicaid or in defense. This resolution is then parceled up and given to the committees of jurisdiction in Congress.

The Armed Services Committee will get the defense portion and they will have to live within the totals. My committee, the Finance Committee, which I chair, will get Medicare and Medicaid and welfare and earned-income tax credit, and we will have to live within the totals.

We all give our recommendations back to the Budget Committee in a certain time and say here is how we have met the totals. Then we put that into a big process called reconciliation and that bill is brought to the floor and voted on.

The second part is passing this budget. That is the real vote. That is where the real outlines are reduced to specifics. That is the second part.

The third part is, will the President sign it? Because he can veto it. But it will be balanced, and that will be the third part.

If, at the end of this process—I have been here 25 years, and the last time I saw a balanced budget was in 1969, and that was by accident; we did not plan a balanced budget. But the economy was a bit better than we thought it was going to be, and when the economy is better, revenues come in better and, by accident, we collected more money than we thought, and we did not have time to spend it, so we had a slight surplus. That was in 1969.

Well, if everything works right in this budget process, if there is no phony budgeting—and so far, there has been none—and, interestingly, the press, who does not like some of our priorities, has not criticized this budget as being unreal.

Always, in the past, the press has talked about blue smoke and mirrors, and moving the pea around under the shell. They have said this is a real budget and they are starting to say to the Democrats, "Where is your real budget?"

Let's assume that all of the committees report back to the Budget Committee and it is all put into this reconciliation package and it passes and the President signs it. Then, the Congressional Budget Office, which is a group of professionals that advise us, they work for us and advise us as to the economic effects of what we have done, have said that there will be an additional, over 7 years, beyond the balance, a $170 billion surplus. They have said this will be the case if everything else is in place at the end of this process, which is going to be, my guess is, October or November.

What do the Democrats want to do now? That reminds me. It has been 25 years since I have seen a balanced budget. And I will believe it when I see it. I will believe it when this process is over.

But if, by chance, we make it and if the Congressional Budget Office says there is $170 billion extra, what do the Democrats want to do? Spend it. The Democrats say, do not try to reform Medicare, or do not try to get Medicare enrollees into managed care, do not try to get veterans service for less money. Spend it.

That has been the answer to our problems for too long. You may have heard the Democratic leader say today that these tax cuts are going to go to the wealthy and the Republicans can give their fat cat friends tax cuts.

There is no tax cut in this budget resolution that we are talking about. There is in the House's. That is not the budget resolution that we are talking about. In this Senate budget resolution, there is no tax cut for the rich, the poor, not for anybody. We are reserving the decision as to what to do when we get to the end of this process if we have a $170 billion surplus.

If I had any druthers about it, my preference would be to pay off part of the past debt with any surplus. Lord knows, that is not going to be a popular idea, I am sure, if we have this money.

So we may get into a debate at that time as to whether or not, with this $170 billion extra over 7 years, whether we should spend it or give it back to the taxpayers. If we give it back to the taxpayers, we will debate who should get it, what is the best form of tax, and should we have a capital gains tax and a $500 tax credit, and should you limit it to people who make over $100,000 a year so the rich do not get it? That is a debate for another time.

There is nothing in this budget resolution that says there is going to be any tax cut. I would be the happiest guy around if next November we have done everything we say we are going to do and the Congressional Budget Office comes to us and says we have $170 billion extra. I have not done tumbling since I was 10 years old at the YMCA. But if we do that, I will do a back flip on this floor.

So I suggest that we simply get on with this debate. We are going to have ample time again. If this resolution is adopted, we are going to have ample time to debate the nature of the Medicaid restraints in growth and the nature of the Medicare restraints in growth.

Do not worry; there is not going to be any debate about cuts. We will have a debate about whether we should encourage people to move toward managed care in Medicare. There will another debate—and it is going to be an interesting debate—about whether we should say that some plans on Medicare can be allowed to sell a policy if it provides less than the current Medicare benefits if a senior wants to buy it?

I will give an example. You do it with normal insurance all the time with a homeowner's policy or a car policy, where you have a $250, or $500, or $1,000 deductible. It depends upon the loss you are willing to bear. The more you are willing to bear, the less your policy costs. Should we consider selling a policy or allowing a policy to be sold that says: Mr. or Ms. Medicare recipient, we will guarantee to pay all of your medical expenses over $3,000 a year if you will pay all of your medical expenses up to $3,000 a year? My hunch is that a fair number of people will buy that kind of a policy voluntarily. Somebody else might want a policy that pays all of their expenses over $100 a year. We could allow that to be sold, too.

There was the wonderful idea you heard Senator GREGG from New Hampshire talk about. If we say the average Medicare cost now throughout the country—and Oregon is way lower than average—is $5,000 a year, and we are going to give you a voucher and the voucher is worth $5,000. You can go out and buy health insurance with it. You can shop around in Oregon with different plans. I will bet if every Medicare recipient had a voucher, you would have 12 or 15 plans all competing with each other.

If you said: I feel pretty healthy and I have retirement income of $25,000, $30,000 a year, so I will take a chance and buy that policy that I pay the first $3,000, and Medicare and my company that I buy it from pays everything above $3,000. Let us say that policy—I am guessing that a policy like that would not cost $5,000 a year; it probably would cost $3,500, maybe $3,000 a year. Let us say $3,000. So you have saved $2,000 out of what we are otherwise paying for Medicare.

If we say if you buy that kind of a policy, you can keep $1,500, and give us $500 back, you bet we would save a lot of money. There are so many options, so many varieties, so much diversity and competition that helps deliver good service in this country that we have proven works. So let us get on with the debate, and about 3 or 4 months from now, we will have the debate over the specific Medicare and Medicaid programs that we will suggest to meet these totals.

Will they be cuts? Absolutely not. They will be increases from what we are spending now. Will we give people more choice than they have now? You bet. Will a person be able to shop for delivery systems that give a variety of services? I hope so. That is a debate for another time. It is not the debate for today.

I yield the floor.

Mr. ROCKEFELLER. Mr. President, restraining myself from getting into debate with the Senator from Oregon over his closing paragraphs, I would yield such time to the Senator from New Jersey as he requires.

Mr. LAUTENBERG. I thank the Senator from West Virginia.

Mr. President, Senator ROCKEFELLER and I have sent an amendment to the desk. It is cosponsored by Senators MIKULSKI, KENNEDY, DASCHLE, WELLSTONE, and BOXER.

This amendment, Mr. President, is based on an amendment that I offered last week in the Senate Budget Committee. It is pretty simple. It takes up to $100 billion from funds set aside for tax cuts for the wealthy and puts them into Medicare and Medicaid. I would like to repeat that this amendment eliminates any suggested tax cuts for the rich and puts the proceeds into Medicare long-term care.

Now, Mr. President, the budget resolution that we are considering today forces Members to make a fundamental decision. It is a decision about what we stand for. Whose side are we on? The debate on this resolution is going to reveal a fundamental difference between our friends on the Republican side and those on the Democratic side.

As Democrats, we believe that Government was meant to serve average Americans, middle-class families, who struggle to keep things afloat; senior citizens, who struggle to make end's meet on a fixed, often modest, income; and children, the future of our Nation.

By contrast, the Republican Party has a very different philosophy and a different constituency. The Contract With America and the budget resolution before the Senate today is designed to serve the most powerful and wealthy members of our society. It has a group of winners. If a person makes $350,000, that person will get a $20,000 tax break. There is protection for corporate subsidies. And a number of tax loopholes have been protected—as usual.

On the other hand, it impairs the Medicare program that served our senior citizens so well for 30 years. It leaves intact a variety of subsidies and loopholes for the wealthy, and it lavishes massive new tax cuts for the rich.

The losers are ordinary Americans. Medicare, for a senior citizen couple, is going to cost that couple $6,400 more over the next 7 years. In the last year of that 7-year cycle we are discussing with the budget, it will cost around $1,800. We chopped away at education. And we increased taxes in place after place for hard-working Americans.

Mr. President, yesterday I had a radio call-in show to New Jersey. Person after person—these were working people, some retired—who said for goodness sake, please put aside that tax cut. We do not need it. We would like to have it, but America needs our help more at this time. And my kids will need help more one day in the future.

I noted with interest and pleasant surprise that seven colleagues on the other side of the aisle, Republican friends, U.S. Senators, said, "Forget tax cuts. We are not taking them. We are opposed to them." However, the budget resolution stores away $170 billion on the other side, and over $350 billion on the House side, specifically earmarked for tax cuts, principally for the wealthy.

If my view and the view of my fellow Democrats, these priorities are fundamentally wrong. In our view, Government must stand on the side of ordinary Americans.

Mr. President, nothing better illustrates the fundamental difference between our two parties than the budget resolution's drastic cuts in Medicare—again, socked away for tax cuts for the rich. It is denied, it is not stated, but it is very clearly in the air.

To Democrats, this kind of proposal is just abhorrent. It runs completely contrary to everything we stand for as Democrats. It will hurt millions of ordinary Americans around our country.

As we can see, Medicare recipients are people of typically very modest means. Seventy-five percent of these people have incomes of less than $25,000 a year. I know that in high-cost places like my own State, like New York State, like other industrialized States, $25,000 a year does not permit the basic necessities of life, especially when considering that over 20 percent of their income is needed to supplement the Medicare health benefits that they already get.

Thirty-five percent of these people live on less than $10,000 a year, or make less than $10,000. Twenty-five percent of them rely solely on their Social Security checks. That is tough going, especially when the prospects are that they will have to pay a lot more for their health care in the future.

On top of this, we see on the chart and are reminded that seniors already paid 21 percent of their income on out-of-pocket medical expenses. If someone is earning $25,000, 20 percent, roughly $5,000, on top of their Medicare program.

Despite, however, interestingly enough, the high out-of-pocket costs and the lack of adequate medical care coverage for prescription drugs and long-term care, Medicare recipients are basically happy with the program.

The polls that have been done, the analysis that has been developed, we see that 89 percent of the senior citizens—the Medicare beneficiaries—89 percent say they are basically satisfied with the quality of care that they derive from Medicare. That will change if this resolution is approved.

Mr. President, we simply cannot cut $256 billion from Medicare without having a real impact on senior citizens.

Now I have heard our colleagues from the other side say, "No, no, it is not a cut. You do not understand it. Democrats do not understand it." People across the country must not understand it, because I get lots of phone calls saying, "Whatever you do, do not permit them to go through with this."

It says it is intended to reduce the growth in costs for Medicare. Medicare is going to get more money than it does today. But that does not account for the swelling of the population or the long-term needs of that population or the services that they need as they age and as their health deteriorates, which is natural in older people. These cuts threaten to force seniors to pay higher premiums, higher deductibles, and higher copayments. And it also threatens to undermine the quality of their health care, which they are content with, if not to deny many seniors the right to choose their own doctor. These cuts will fundamentally change Medicare and make it a lesser system, much more costly and less complete.

How do we do this to people with whom we have engaged in virtually a contract? How do we violate our word? How do we breach that trust?

The Republican cuts in Medicare are wrong. They break a promise with our Nation's senior citizens, people who have worked often their entire lives and have paid into the Medicare program. For this hard work the Federal Government promised health security through Medicare. This budget resolution breaks that promise. It will force senior citizens to pay, as we saw earlier, approximately $3,200 individually in additional Medicare costs; that is $6,400 for a retired couple, a $6,400 tax increase over the next 7 years, to retired persons.

Further, these are just average figures which grossly underestimate the real impact for many seniors, for those who are at the bottom end of the income scale, for those whose health care needs accelerate substantially, for those, frankly, in the greatest need. The added costs would be a terrible burden.

This last chart kind of sums it up. The budget that is proposed, the Republican budget: $6,400 tax increase for every senior couple, and for people on the upper end of the scale, earning $350,000 a year, it is a $20,000 bonus.

I have been lucky in my lifetime. I developed a good business. As a matter of fact I helped develop an industry. And I am a member of, though it is not an auspicious hall of fame, but there is a hall of fame called the Information Processing Hall of Fame, that puts New Jersey as the only State with two Hall of Famers, BILL BRADLEY in basketball and me in information processing. The kids just run after me for my autograph. But the fact of the matter is, I have been successful in business and as a result of that I have enjoyed the fruits of that success. And this is one U.S. Senator who is not ashamed of his success. I understand one of my colleagues complained about being lectured about programs for modest-income people, poor people, by those who inherited their wealth.

I know lots of people with inherited wealth who turned out to be selfless, giving citizens who have turned back their energies into the community to try to make it a better place. But speaking for myself, I came from a family where my mother was widowed when she was 36 years old. I was 18. I had already enlisted in the Army. My father died. We were left worse than penniless. There was no health care plan around to take care of us. The family owed $2,000 to doctors and hospitals, which we had to pay over a lengthy period of time, I think about a year and a half. I sent home my allotment from the military. And I worked like the devil to build a business with hard work and with the help of loyal partners. And success came our way.

But I remember a period of time when my father had to resort to the WPA, for those old enough or knowledgeable enough about that period, to try to keep food on the table, to try to have a job that would permit him to lift his head up and not be disgraced by the fact that he had to resort to Government help for his family.

So my success did not come from any inheritance. It came because I worked for it, and I did it the old fashioned way, the American way. And as a consequence, when I talk about ordinary working people I know very well what they are going through and I want to try to give them an appropriate helping hand where necessary. And this is where it is necessary. This is a commitment that was made to people, people who helped build this country to its greatest levels after World War II, after first, in many cases, serving in the military during that period of time.

It is not fair to our Nation's seniors. It is unfair, and for many it is calamitous. People can weave and dodge, wink at the truth and say, listen, just remember, we are in the Budget Committee. I am one of those. And we cannot tell the Finance Committee what to do. But individual Members of this body have said that they stand on a commitment to give tax cuts and that they would do whatever they could to block a budget resolution that does not include them. And the Republican Party, in charge in the House, made it very specific. They set aside the funding, $350 billion in the contract on America. I think it is outrageous. Why should we make senior citizens, 75 percent of whom make under $25,000 a year, pay more so we can give a $20,000 tax cut to the richest 1 percent of the population? Where is our sense of priorities? Where, for that matter, is our sense of fairness and decency?

We would be a lot better keeping a promise that we had, taking care of the education of our children so they can help lead this country in the next century to a more competitive position and regain the leadership that this country so rightly deserves and has had in the past. This amendment is an effort to reverse these misguided policies. It will take the money that is being set aside in the slush fund for tax cuts for the rich and leave it in the Medicare and Medicaid Program. That is where it belongs.

The amendment will help ensure that the Medicare recipients will not have to pay higher deductibles or copayments when they go to the hospital. It will help protect against the serious decline in the quality of their health care. It will help ensure that seniors are not denied the freedom to choose their own doctor. And it will help ensure that the Federal Government keeps its promise to senior citizens who paid and labored in good faith.

We are discussing a bill to achieve a goal, a balanced budget goal. And I think it is fair to say that almost every one of us, Democrat or Republican, would like to achieve that goal. The question is how does it get done? Does it get done by assigning taxes to senior citizens, higher taxes? Does it get done by taxing students who want to further their education but will have to pay substantially more in the $4,000 to $5,000 range, on average, to get their college education? Or to deny modest-income families, with incomes under $28,000, their earned income tax credit?

Everyone knows how tough living on that kind of income is. By saying to them, no, no, you are going to have to pay more taxes, the three—the seniors, the kids who want to go to school, and the modest-income people—you have to pay more taxes so we can balance the budget and, by the way, on the trail to a balanced budget we are going to drop off some tax cuts—$20,000 if you make $350,000 in a year. It sounds like a lot of money to me.

Mr. President we will hear a lot of denials. We have heard them this morning from the other side of the aisle. They say, no, there is not a tax cut for the rich in this resolution. It is not here. They will say the House has a tax cut for the rich. No one is fooled by these denials. The resolution that comes before us contains the fund, the slush fund to reach into and pull out a tax cut for the rich.

According to some estimates, this slush fund will contain about $350 billion for tax cuts over 10 years—not just the $170 billion that people talk about over the next 7 years.

The House hit the number on the head, $350 billion. I do not think that the intention is to deceive or to fool. But the result comes out that way. Are the American people supposed to believe that the Republican budget will not cut Medicare to pay for tax cuts for the rich? The American people know better than that. They are not going to be fooled by the rhetoric.

If anyone has any doubts, consider what happened during the Budget Committee's deliberation on this resolution. I offered an amendment that would have required a 60-vote supermajority to cut Medicaid or Medicare to pay for a tax cut for the rich. I did not have much Republican support. As a matter of fact, if memory serves me right, it was nobody, no one, who said, "Yes, we are willing to test this Senate. We are willing to put the test to our colleagues in the Senate. We will require 60 votes to cut Medicare and Medicaid to pay for a tax cut." Nobody came through.

As a matter of fact, it was so extreme and the attitude was so harsh, so rigid, that I offered an amendment that said let us get after the Benedict Arnolds in our society, the expatriates who take their fortunes that they have made in this country and renounce their citizenship, and go to another country so they do not have to pay State or other taxes for the privilege of living in America. I said let us do that, let us cut that out—it is over $3 billion for a period of 7 years—and give it to veterans programs. I could not even win this commonsense amendment.

This morning I had a phone call to a veterans hospital in New Jersey. There is a new program that I helped get put into place. It is bedside phones. It is to give someone who is confined to bed or a wheelchair or is immobile a phone alongside their bed so they can communicate with their families, so they can have some contact with the outside world, and not have to go down the hall and stand where everybody is smoking and wait to put a quarter in the telephone.

That program had struck such a cord with the people in the veterans hospital, but when it came to saying OK, we want to recapture the taxes that these people are evading by running out of the country after they made it here and lived here and renounced their citizenship, and give to the veterans, I could not get one Republican Member to say, "FRANK, that is not a bad idea. Let us at least try it."

So I think, Mr. President, it is fair that it reflected an attitude. It is evidence. It says that we are going to take it from modest-income people, and we are going to give some of it to the rich, people who do not need it, and in many cases do not even want it. People I have spoken to have said let us invest in our society. In Speaker GINGRICH's world, it is the crown jewel of the Republican agenda. There is no way to get around that.

So when we get right down to it, this amendment is simple. It asks each Senator to decide what we said initially: Whose side are you on? That is what is going to be judged as we count the votes. That is what I stand for. That is what my Democratic colleagues stand for, and I think it is what the American people believe in. It is the right thing also for our Nation.

We have an opportunity to prevent our senior citizens from being socked with a $6,400 tax increase. Let us say no to tax cuts for those who have the wealth. Let us say yes to our senior citizens and the middle-class families who help support them.

I urge my colleagues to adopt this amendment.

With that, I yield the floor.

Mr. PACKWOOD. I am going to yield, in about 30 seconds, to the Senator from Tennessee for 15 minutes, but I want to say one thing in rebuttal.

You will notice the Senator from New Jersey kept talking about these tax cuts for the rich. There are no tax cuts in the resolution we are considering—not for the rich, not for the poor, not for the middle income, not for Congress, not for veterans, not for Medicare beneficiaries, not for anybody. That is a decision we may or may not consider when this resolution is adopted. We may have tax cuts, and we may not have tax cuts.

They love arguing over the House budget resolution which does have tax cuts, and not this resolution which has no tax cuts in it at all.

I yield 15 minutes to the Senator from Tennessee.

Mr. LAUTENBERG. Mr. President, if the distinguished chairman of the Finance Committee will permit me for a moment, and our friend from Tennessee, as well, just to say, while it is not specifically earmarked, there are distinguished Members of this body from that side of the aisle who say that this bill without a tax cut is not going anywhere. The distinguished majority leader made himself very clear on what he expects. He expects a tax cut to result from this bill.

I know it is the province of the Finance Committee. But we had a long debate in the Budget Committee about it was not for tax cuts and it was for tax cuts. At one point, it was kind of squeezed out that it was for tax cuts. At another point, it was said, "Well, that is not our decision to make." Whether it is done in all fairness with a wink of an eye or the implicit suggestion that, OK, it is there. Listen, if the Finance Committee elects to give it to a tax cut program, why, that is up to them. But seven Members of the Senate from the Republican side were so discomforted by the notion that tax cuts are being considered that they renounced them immediately.

I think it tells you something.

Mr. PACKWOOD. Mr. President, he and I agree. He does seem to say there are no tax cuts. He says, "Well, there is a reference to them. There is a discussion about them. I am discussing them. There is a possibility at the end of this process, if there is $170 billion, that we might have tax cuts. I am not sure who they might be for, or I am not sure what geographic area they will cover, or income groups they will cover. But at least he and I both agree there is nothing we are debating today that says there has to be any tax cut.

With that, I would like to yield 15 minutes to the Senator from Tennessee.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that after the Senator from Tennessee has spoken, that the Senator from Maryland, Senator MIKULSKI, may speak.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, I rise to speak as a physician, someone who speaks from personal experience, who has spent the last 18 years of his life taking care of and working with Medicare patients. I have personally treated thousands of Medicare patients, and I have seen the beauty of that system, that the system works, and that it is an effective system.

But I have also seen the problems with Medicare that we have today; the fact that it is a system that works, yes, but a system that can be improved and, in fact, must be improved if it is to be saved.

In addition, I have two 84-year-old parents. Both Mother and Dad have been beneficiaries of the Medicare Program for collectively almost 40 years; to treat a heart attack, bypass surgeries, a broken neck, a broken arm, phlebitis. My remarks are made from this perspective, with a desire to preserve Medicare, to improve it.

Several quick points. First, Medicare is not Social Security. If there is one thing I hope the debate today and Monday will bring forth, it is that Medicare and Social Security are two entirely different programs.

Second, Medicare, if we do nothing, will be bankrupt in 7 years.

The Medicare public trustees, David Walker and Stanford Ross, in their summary of the 1995 Annual Medicare Trustees' Report, said very clearly:

> * * * it is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative.

In that same document, these public Medicare trustees say, and I again quote:

> We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term.

Finally, they say, in that same document:

> We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms.

Third, let me say once again that in 15 years, unless we do something, that spending on Medicare, Medicaid, Social Security, Federal and military pensions, and interest on the debt will consume the entire Federal budget, leaving no money for defense, for education, for roads, or any other programs. Yes, we must act now, and unless we take some action, it is very clear, that if spending continues at the same rate Medicare will go bankrupt in just 7 years.

The proposed bill before us is the first step because it will save Medicare in the short term. But the second step, and one that we have not talked very much about thus far, is the specific policies needed to preserve Medicare in the short and long terms. The Republican balanced budget includes a provision for the establishment of a bipartisan commission to make very specific recommendations on the solvency of Medicare, both in the short term and in the long term. This bipartisan commission will include appointments from both sides of the aisle to address the fundamental challenges before us.

And third, as has been pointed out, we do need to update the Medicare structure. We need to bring it into 1995, 1996, and 1997 terms. And herein lies the reform effort. But as has been pointed out, the budget resolution before us today only sets the target numbers. The actual policy decisions on how to meet those targets will be made by the various committees of jurisdiction, and they will be made with the input, the advice, the counsel of this bipartisan commission and their recommendations.

Mr. President, I do bring a different perspective to this budget debate than many of my colleagues, for several reasons. First, I am a newcomer. I have been here only 5 months. I have been a member of the Budget Committee. I participated in that debate. And I appreciate that opportunity and that challenge to address this overall budget.

Second, I came directly to this body from the Medicare arena as a physician. Just 18 months ago, I was treating Medicare patients. I was transplanting hearts into Medicare patients, and I was taking care of their heart and lung disease.

Yes, I was a health care provider, and, yes, I was a specialist. I very directly felt the blows and saw the impact of some very good reforms—reforms such as the Resource Based Relative Value Scale [RBRVS] which drastically altered the way Medicare pays physicians. I had the opportunity as a hospital-based physician to see the effects not so long ago of the introduction of diagnosis related groups [DRG's]. I have lived with repeated changes in hospital physician payments. And most importantly, I have been a provider of heart-related procedures to Medicare beneficiaries.

Heart disease requires long-term management. It requires acute management and chronic management. I bring this personal experience to the table.

My patients, thousands of Medicare patients, have told me what they have come to expect with Medicare, but also what they would like to expect in the future, and bankruptcy is not there.

Before I entered medical school, I had the opportunity to study health care policy. It allows me to take that step back and look at the big picture as well. And quite frankly, coming to this body, coming to this Congress, I find it incredible that Congress has allowed Medicare to come to this point where in 7 years, unless we act through this budget resolution, Medicare will be bankrupt.

I am here to talk to my colleagues as well about and participate in that dialog of fundamental improvements to the Medicare Program.

Eventually, I plan to return to my medical career. I will return to a health care system which will be very much determined in effect by what decisions are made here over the next 7 years. I can tell you, as I look back at the alternatives, the past failures of Congress have not left seniors with choice in Medicare and really have not left taxpayers or providers with much choice. Failure for us in this body to address the problems driving Medicare's cost growth will only cripple the future of our health care system.

My appeal is very different from what we have heard over the last hour. My appeal is for bipartisanship, and I support the establishment of this bipartisan commission put forth in this bill. The budget resolution in this bill sets a reasonable target. It allows Medicare to continue to grow at more than twice the rate of inflation. No, not 10 percent as it has historically, but over 7 percent.

Last year, President Clinton recognized that the program was unsustainable at a growth rate three times the rate of inflation and proposed to allow Medicare spending at twice the rate. President Clinton, speaking to the AARP in California in 1993, said:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. Only in Washington do people believe that no one can get by on twice the rate of inflation. So, when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Mr. President, that was the President of the United States speaking in 1993. Those words could have been spoken by any Member of this body today. I would encourage my colleagues on both sides of the aisle to recognize several things: First, we have essentially all agreed there is a problem. The documentation is there. Second, we have all agreed, including the President of the United States, on what can be an acceptable rate of spending growth if we are to guarantee the solvency or the existence of this program. And, third, we all agree, on both sides of the aisle, on the desire to preserve the integrity of the Medicare program.

We are not that far apart. From some of the remarks today—and I expect there will be more later this afternoon and Monday—you would not think that, but in truth we are not that far apart. And remember, it is in the best interest of every American that we must speak to and address this issue of Medicare.

The board of trustees for the Medicare trust fund recommended that we reestablish an advisory council. In the Budget Committee, I offered the amendment which is now part of this plan to create a bipartisan commission on Medicare solvency. We are all trying to do the same thing; namely, to come up with solutions that protect Medicare's future. And I commend my distinguished colleague from Illinois, Mr. SIMON, for joining me in support of pursuing bipartisan solutions to these tough challenges that we all recognize are ahead.

It is my understanding that President Clinton believes Medicare reform must be confined to wholesale, complete, overall reform of our health care system, of all aspects. Well, that was rejected last year by the American people. I also understand that the two trustees representing the public reported to Congress that Medicare urgently needs to be addressed and, as I said earlier, should be considered as a distinct legislative initiative.

I, for one, am willing to consider all solutions to Medicare's insolvency. I would love to review plans put together in a bipartisan effort. The one thing I ask, because this is what my patients have told me, is that we must address Medicare's pending bankruptcy so it will be here in the next 7 years. The President's budget clearly failed in that department.

First, as a newcomer, I would appreciate learning from my colleagues, learning from Senator SIMON, who spoke out in support of this bipartisan commission. I would also like to hear from my colleague from New York, Mr. MOYNIHAN, about his thoughts for how together we can guarantee Medicare's future. As the ranking minority member of the Finance Committee and an expert in economic policy, he has much to offer us in this debate. And my colleague from Nebraska, Mr. KERREY, who served as chair of the Bipartisan Entitlement Commission, has been a strong voice in the need to address the long term Medicare dilemma.

I know I can benefit from the expertise of my many colleagues on both sides of the aisle. Let us go at it in a bipartisan way.

The budget resolution before us should not be an argument driven by each and every special interest. Rather, I urge each of us to begin with this plan, agreeing upon a target and follow that with an honest policy debate on how to get us there.

Mr. President, right now, we are talking about Medicare. We are talking about health care. We are looking for solutions. I caution my colleagues not just to look for short-term solutions. We need to participate over the long haul.

There is no question that Congress must absolutely slow the rate of growth by finding Medicare savings just to shore up the trust fund in the short term and buy us some time so we can address the program's long-term future, but we cannot forget those fundamental problems. The bottom line is that we cannot end up in a situation addressing, as this body has so many times in the past, only those short-term solutions.

The underlying problems will continue and our job will not be done until Medicare is restructured to prepare us all, to prepare this country, to prepare the program for the entrance of the post-World War II baby boom population. If we only try to slow the growth in the near future, our attempts will be in vain.

We need structural Medicare reform—reform which expands choice.

My hope is that this will be the last budget resolution where we have to make some arbitrary provider payment cuts and across-the-board changes to benefits or cost-sharing requirements. Part of my hope in coming to the Senate was to share my experience and perspective with my colleagues. I reach out to them in a bipartisan way, No. 1, to pass this budget—it guarantees Medicare solvency—No. 2, to support the bipartisan commission outlined in this budget; and, No. 3, to join us all at the table as we develop a policy which will protect Medicare in the future.

I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). Under the previous order, the Senator from Maryland is recognized.

Ms. MIKULSKI. I thank the Presiding Officer.

Mr. President, I rise today in support of the Medicare amendment now being discussed.

I oppose the cuts in Medicare, Medicaid, and also in this budget resolution, I oppose the cuts in veterans' health care.

I rise in defense of the GI Joe generation. And who am I talking about when I say the GI Joe generation? I am talking about the World War II generation—the men who fought on the battlefront overseas and the women who fought on the homefront here in our own communities; those wonderful Rosie the Riveters who kept the United States of America running while the men fought for democracy around the world.

Now they are our senior citizens. They are the very ones who are the beneficiaries of Medicare and particularly the long-term care component of Medicaid. And they are the ones this budget will place an undue, devastating, and debilitating burden on. That is why I oppose these cuts in Medicare and Medicaid.

In this budget, we are given cuts, not compassion. And here we are, on the eve of Memorial Day. We just commemorated V-E Day. In a few months we will commemorate V-J Day and the end of World War II. And now we are telling this gallant GI Joe generation that promises made are not promises kept.

I am an appropriator. I once chaired the VA-HUD Subcommittee. I know about budgets. And I know firsthand what these cuts will mean.

These are not numbers or statistics or line items. These are issues related to people's care—primary care, acute care, long-term care, and to making sure that people have the prosthetic devices they need.

Mr. President, I ask my fellow colleagues in the Senate: Have we no character? Have we no memory of who these men and women are?

They are the men who fought from the shores of Normandy to Iwo Jima. America's veterans fought to save Americans; they fought to save this Western civilization; and they fought to defend the very principles that this country was founded on.

These were the women, as I said, who were called the Rosies, who made sure that not only the schools and businesses operated, but they were there making sure that we built airplanes, mobilized our defense, kept the United States of America running. And when the war was over, they went back home to raise their families, and they contributed to the greatest prosperity that this country has ever seen. We would not be here as a nation today, we would not be a superpower today, if it had not been for the GI Joe generation.

They did not hesitate when they were called to service, whether it was the battlefront or the homefront in their own neighborhoods and communities. They organized and mobilized to save America. They organized and mobilized to save Western civilization. And now they must organize and mobilize to save their very own health care.

Well, they are not alone. They should know I am on their side. I value them and I appreciate them. And that is why I oppose these cuts in Medicare and Medicaid and in veterans' health care.

This budget deals with Medicare and Medicaid. It proposes to cut $250 billion in Medicare and $170 billion in Medicaid.

The Lautenberg-Rockefeller-Mikulski amendment seeks to reduce some of the devastating effects and impacts that this would have on the very people who rely on these programs.

Let us be clear. This is the single largest cut in the history of the Medicare Program.

What will it mean to the GI Joe generation? It will mean that senior citizens in Maryland and throughout this Nation will have less access to health care. It will mean fewer visits to the doctor, reduced preventive care, including screenings for breast cancer and prostate cancer. It means fewer laboratory tells, such as delayed diagnosis for treatable illnesses like pneumonia. And it will also mean fewer doctors and hospitals accepting Medicare patients—those very doctors and hospitals that are now willing to treat senior citizens.

There are going to be fewer home health care services and seniors will have less access to lifesaving equipment, like oxygen and kidney dialysis.

The impact on long-term care is devastating. It will mean, in my own home State, that 4,500 Marylanders, senior citizens, will see nursing home care shrink in 1996 alone. They will see cuts in preventive care. They will lose prescription drug benefits for chronic diseases like high blood pressure, angina, and colitis.

Mr. President, I am saying no to these cuts in Medicare. I am saying no to the cuts that would hold up treatment of heart disease and strokes for Maryland's World War II veterans. I am saying no to the cuts that would delay the mother and grandmother in Maryland from getting their yearly mammograms. I am saying no to these cuts.

Of course, we have to worry about sustainability and solvency of the Medicare and Medicaid programs. But while we are looking at the bottom line, let us make sure we do keep the "care" in Medicare; let us make sure we keep the "security" in Social Security; and let us keep the "aid" in Medicaid.

Balancing the budget should not be about rhetoric or scoring political points. Balancing the budget should be about honoring the contributions of the GI Joe generation, the generation who worked hard, played by the rules, created prosperity for this country. And it should be about fighting for the future generations, as well.

This is a crucial time in our Nation's history, when we decide what kind of Nation we want to be, when we decide if promises made are promises kept, when we will decide if we will honor our mother and our father, which is not only a good commandment to live by, but I believe it should also be strong public policy.

By supporting this amendment, I do believe that we take a stand as to where we will be going in the 21st century.

Fifty-five years ago, a great First Lady by the name of Eleanor Roosevelt stood before the American people at a political convention. Europe had been invaded, Poland was occupied, the blitz had begun in London. We were on the brink of war here. She said to the American people that this was no ordinary time, and it called for no ordinary effort. And the people that she sent out that call of arms to were no ordinary generation. They were the men and women who organized and mobilized an incredible war effort—and they made the difference and they made no ordinary sacrifice.

So now, here we are on the brink of Memorial Day and there will be those who will want to honor the GI Joe generation with platitudes and plaques and parades. I say we honor them by offering our gratefulness, our gratitude, our appreciation, and our commitment to them in the U.S. budget as we pass it.

So I hope when they call the roll, we will vote aye for the Lautenberg-Rockefeller-Mikulski amendment and fight for this GI generation that fought so hard for us.

Mr. President, I thank the Senate and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Arizona?

Mr. KENNEDY. I ask that the Senator from Arizona may be permitted to speak for whatever time he wants to, and I yield it in behalf of the minority.

Mr. KYL. Mr. President, I ask unanimous consent to proceed at this time as part of the majority time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. I thank the Chair and I thank the Senator from Massachusetts.

Mr. President, I would like to correct one thing briefly before proceeding to the comments I intended to make. It is my understanding from the staff of the Budget Committee that the veterans medical care is not—I repeat "not"—being cut under the Senate budget resolution. To the contrary, under the President's plan, VA medical care is cut by $780 million by the year 2000. That is a cut under his 1995 budget numbers.

Mr. President, as long as we are talking about promises made and promises kept, I think it is important for us to reflect a little bit on the promises made in the last campaign for President. President Clinton, of course, promised to give us a balanced budget. He said he would submit a balanced budget. He bragged in his first year about submitting a budget that would get us to balance. This last budget, the one we just rejected by an overwhelming 99-0 margin, of course, would not get us to a balanced budget. As a matter of fact, it has deficits for 5 years, averaging $200 billion a year, adding $1 trillion to the national debt of this country.

So, Mr. President, in terms of promises made and promises kept, certainly the President has not kept a promise that he has made to help us get to a balanced budget.

Insofar as the Democrats are concerned, many of them opposed the balanced budget amendment when it was debated on this floor, arguing that they did not need a constitutional constraint, they could do it without a requirement. Yet, today, we find that there is no Democrat alternative pending before us; none has been offered. The only one coming from a Democrat—the President—was opposed by all Democrat Senators in this Chamber just a few hours ago.

So while our Democratic friends are very good about suggesting problems with the approach we have taken, it is all negative, it is all criticism. There is no constructive suggestion as to how we can achieve a balanced budget. So I suggest when we are talking about promises made and promises kept, it is the Republicans—first in the House last night and in the Senate this week—who by Wednesday of next week will have kept the promises we made in the last election—promises made and promises kept.

That will be a good test for the voters next time we have an election. Who promised to balance the budget and who is keeping their promise? I submit, Mr. President, that the voters will decide it has been the Republicans that have kept the promises that they made.

A few minutes ago we had on the floor of the Senate a chart, which was the basis for the comments of the Senator from New Jersey, and the chart had the title, "Whose Side Are You On?" Much of the debate of the Senator from New Jersey at that time focused on this division of our country, the winners and the losers in this entire debate.

It was typical of the politics of division, which are, frankly, the politics of losers, the politics of fear, the politics of a zero-sum game, of pitting one side against the other, pitting part of our society against another part of our society. It is the us-against-them game, the rich versus the poor, the old versus the young. It is a zero-sum game, as I say.

They cannot conceive of any situation in which there are not winners and losers. In their view, if we balance the budget, there will be winners and there will be losers. I submit, Mr. President, that if we balance the budget, as the Republicans promise to do and as our budget says we will do, we will all be winners. Every American will be a winner under that scenario. And the fear that is being preached on the other side of the aisle here, that somehow there will be losers, will be found to be incorrect. That for every winner there must be a loser is wrong historically, and it will be wrong under this budget.

The amendment that is on the floor right now attacks tax cuts for the rich. As the Senator from Oregon pointed out a while ago, there are no tax cuts for the rich in the Senate proposal. There are none. What the amendment that is on the floor proposes is to take a sum of money—$100 billion—and spend that money, even though it has not been created yet. This is what we hope can be achieved as a result of achieving balance in the budget by the year 2002, as a result of reduced interest rates. And so because there is the potential that we will have saved that much money, Democrats are already suggesting to us in the amendment pending on the floor ways to spend that money. They will not agree with us on the budget to achieve that reserve or that windfall. They will not vote for it. But they will sure as heck find a way to spend it.

That is what characterizes this entire debate. First, they say, no, we do not need a balanced budget amendment; we can do it on our own. Then they say, no, we do not have any idea how we can do it on our own and we will not support yours, but we would like to spend what you save. That is the amendment pending before us and the amendment we should defeat.

The sponsors of this amendment attack our budget as "hurting ordinary Americans." That was an exact quotation of the Senator from New Jersey. It is the failure to act that will hurt ordinary Americans.

But, Mr. President, I would like to really phrase it in a different way. Too many Democrats want to protect ordinary Americans. They would like to keep them dependent on the Government. Most Republicans disagree. Frankly, we do not think there is such a thing as an ordinary American. We think all Americans are extraordinary, and that given the opportunity, they can all improve their own lives and the lives of their families. And that is what we are trying to do by balancing the budget. We are trying to provide that opportunity for them so that all of the extraordinary Americans in this country can provide for themselves without having to rely upon a Federal Government that taxes them and regulates them to death.

We believe in opportunity, not dependency. We believe that almost all Americans can achieve more for themselves and their families if they have opportunity. But they will not have that opportunity if we bankrupt this country, and that is what will happen if we do not balance the budget. That is what will happen if we do not adopt the budget before us that will achieve balance by the year 2002.

Balancing the budget is about our future, about our children's future. It is about reducing the tax burden on our families, about allowing the Government to spend money on something other than interest on the debt, about reducing interest rates. As a matter of fact, Mr. President, let me cite some statistics from the Joint Economic Committee. According to the committee, the deficit adds a 2-percent surtax on all interest rates; 2 percent more on car loans, student loans, credit cards, and on mortgages. Two percent on a $75,000 30-year mortgage, for example, adds up to $37,440 over the life of the loan. That is what not balancing the budget is costing average Americans.

If current patterns continue, we will be spending $5.2 trillion on interest payments over the next 15 years.

That is money we cannot spend on other things like health care, housing, nutrition assistance for the poor, veterans care, or whatever.

By 1997, gross interest—$300 billion annually—will amount to about as much as we will spend on income security programs, the welfare, housing, nutrition, AFDC, SSI, EITC, food stamps, education and training, employment and social services, all of these things combined. But eliminating the deficit will result in lower interest rates, which will, in turn, lead to the creation of an estimated 4.25 million jobs over the next 10 years, increased per capita incomes by over 16 percent, and will generate more revenue for Federal and State and local treasuries as a result of increased economic activities.

So by balancing the budget, we will be assuring our children a brighter future. In the last election, I was very troubled by the fact that many people believed—and surveys confirmed this—that the next generation, our children's generation, will not have as much opportunity as we have had.

Part of the election was about turning that around, about changing the direction in our country so that we could guarantee that our children and grandchildren would have the same opportunity that we have had to make a better living for themselves.

The national debt now amounts to about $4.8 trillion. That is about $18,500 for every man, woman, and child in the country, about $74,000 of debt for the average family of four. Even if we balance the budget at this very moment, the average American family would be stuck with a bill of $74,000, an amount that rivals the size of the mortgage on a home. In order to pay just the interest on that debt each year, the average family would have to pay more than $5,000 annually in taxes. That is $430 a month just in interest payments, and that assumes that Congress does not run any more budget deficits starting this very moment.

Fortunately, this budget resolution will eliminate the deficits by the year 2002. That compares with President Clinton's budget which would have given us $200 billion deficits every year for the foreseeable future. Just to put this in perspective, for every year in which the Federal Government runs a $200 billion deficit, the average young person will pay an additional $5,000 in taxes over his or her lifetime. The $1 trillion in new debt that President Clinton proposed in his 5-year budget plan represents an additional $25,000 in taxes, an additional $25,000 for every young man and woman.

So you see, Mr. President, why it is so important that we pass this budget and balance the budget. It is for the future of our country. What will happen if we do not do it? That is the question. Our colleagues on the other side, too many of them, ask what will happen if we do. Somebody might be a loser, but everybody in this country will be losers if we do not balance the budget.

The burden of the national debt does not just show up in people's tax bills. It also adds a surtax in interest, as I said. The estimate is that the debt surtax adds about 2 percent to those interest rates. By balancing the budget, we can help eliminate that surtax and make a home purchase more affordable, make it easier for families to send their children to college and to do all the other things we want our families to do.

I want to commend the chairman of the Budget Committee, Senator DOMENICI, for his work in putting together this budget resolution, and all the members of the Budget Committee. It was not easy. Special interests, their allies at the White House and others are already out trying to destroy it.

The naysayers have not gotten the message the American people sent loudly and clearly in the last election that they want less spending, less Government and more freedom.

The critics have nothing to offer but fear. Their argument is to scare everybody about what will happen if we reduce spending. They do not want us to cut spending. They are not even satisfied with some limitation on the growth in spending. All they know is more spending, higher taxes and bigger Government. It is a prescription for economic disaster. The red ink has to stop. Look where Medicare is headed. The Medicare board of trustees say if nothing is done, the trust funds will begin losing money in 1997 and go bankrupt by the year 2002.

Mr. President, I will have more to say about this Medicare issue later. The Senator from Tennessee, who spoke eloquently on this issue and who is himself a physician, has made it very clear in his remarks that we have to solve this problem of the Medicare trust, and if we do not, every American will suffer.

We also have the question of tax cuts before us, but they are not in this budget resolution. I will support the Gramm amendment which will provide tax cuts because we believe that not only should American families have more to spend of the money they have worked hard to earn, but that tax cuts can actually assist us in generating more revenues to the Treasury and providing more jobs and in stimulating the economy.

Mr. President, I am going to have more to say about those things later. I would just like to close with this point. For me, there are three very personal reasons to vote for this balanced budget resolution. Their names are Frances, Christopher, and Jonathan. Those are my three grandchildren. Born just a week ago today, Jonathan already owns a share of the debt, $18,500 and growing. The last thing any of us wants is to leave our grandchildren a lower standard of living, and yet that is precisely what will occur if we do not balance the budget.

The last thing we want to leave our grandchildren and children is the obligation to pay the large and growing debt that we have accumulated to pay for things that we wanted, but that is exactly what will happen if we do not get the Federal budget under control.

So I urge my colleagues not only to oppose the amendment which is before us but to support the budget resolution from the Budget Committee, because it offers us the way to a brighter future for ourselves, for our generation, for our children and, as I say, for those grandchildren that we care so very much about.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield myself such time as I might use.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, I have been listening to the debate over the course of the afternoon and before making some particular remarks on the amendment that is before us, it is perhaps useful to try and put this whole debate into some historical context.

I was here in 1981 when we had the Reagan budget. I happened to be 1 of 11 Members of the U.S. Senate that voted against it because of what it was going to do to the size of the Federal deficit. We heard at that time, "What we are embarked upon is a new federalism. All we have to do is see these massive tax cuts, dramatic increases in defense spending, and we are going to stimulate the economy and we are going to be able to have balanced budgets."

At that time, we had a $450 billion deficit. At the end of 12 years, we had a $4.7 trillion deficit. I yielded time to someone on the other side and they said, "Well, the Democrats controlled the Congress."

Let us not forget. There was only one time during that whole period of time that the Reagan recommendations to the Congress were less than what was actually appropriated—less.

So when I listen to all this talk about how we ought to examine where the Democrats have been and where they are, I can ask our good friends, where are those speeches now when we followed their advice some years ago and put this country into the kind of deficit that the Senator from Arizona has talked about and complained about?

So we ought to look a little bit about where we are. The fact of the matter is, if we did not have the kind of deficits that have been run up over the period of the last 12 years, effectively our budget would be balanced. It was their economic policy that put us in here. And it was the economic policies that were accepted in this body without one single Republican vote that moved us to reduce the Federal deficit by $800 billion and also provided some incentives, some financial incentives for those Americans who are at the lower level of the economic ladder—the working Americans, those who are making $26,000.

Effectively, they have about a $1,100 benefit from it. Well, no longer, not under this budget. No longer, not under this budget. They have closed that down as well. They have taken the EITC away. A program that was even supported by President Reagan years ago, they closed that program down.

So when they talk with crocodile tears about equity and they talk about who has been benefiting, it was during that period of time, from the 1980's to the 1990's, when the wealthy got wealthier and the working class got poorer. That is what has happened over that period of time. What is repugnant to many Members of the Senate is now that we are taking those Americans who are the most vulnerable—our elderly and in instances our young people, the millions of children who are on the Medicaid Program—and putting them at further risk and saying, "Well, we have to do that, we have to do that, what are the alternatives?

There is no cutting here with regard to corporate welfare in this program.

In the House of Representatives, Mr. KASICH had a bundle of $25 billion, and the powers that be in the Republicans said, "Oh, no, put that aside."

Why is it the Budget Committee had time to consider raising taxes on the working poor and did not have the time to put taxes on the billionaires that are forfeiting their citizenship in order to escape taxes?

They did not have the time to do that. They could not give that consideration. They need to study that more. They did not need to study how to put more taxes on working families. No, they did not need to study that. They have to study about how to put on some taxes on the billionaires that are renouncing their American citizenship after they have made their resources here, to go to another land and not pay their fair share. They could not think about that.

They could not find, out of all the tax expenditures, any funds for help and assistance. They could not look into the kinds of grazing fees or the kind of mining agreements or other kinds of subsidies that are taking place out there. They could not even find nickels and dimes in there. No, they could not.

So we are faced with this. We have a serious issue and problem. The last time that I read the Lautenberg-Rockefeller-Murkowski-Kennedy-Murray amendment, it said that in the little honey pot that has been designated out there, the $170 billion that can grow up to $350 billion in the outyears, all it says now that is that it can be used for tax cuts.

We know what the purposes are. There can be those that want to deny that on the floor. Except the majority leader has indicated that he is for a tax cut. Senator GRAMM of Texas says he is for a tax cut. Republicans say they are for the tax cut.

All we are saying is, put it into Medicare. Put it back into Medicare. If they are going to have it there, make sure it goes on back to Medicare.

Mr. President, I think it is fair to put Congress into some kind of understanding about where we are at this particular time. There is nothing in terms of the amendment that is before Members that will undermine the basic structure of the budget resolution that comes out. Many Members have and will have different amendments on that, that will deal with education and also deal with the earned-income tax credit.

I see my colleague and friend from Washington, who addresses that issue with such eloquence and knowledge, and I think, with such fairness, about what the implications are for working families.

Then, Mr. President, we hear about the questions of fear, those who are saying this should not be fearmongering. I will say, Mr. President, that senior citizens ought to have a concern when we are talking about the kinds of cuts in Medicare—and I will get into that in a few moments—that we are talking about and also the kinds of cuts that will be in Social Security. I will come back to that.

This is the stealth cut on Social Security. Stealth cut on Social Security. Remember all the speeches—"We are not going to touch Social Security." This budget does. I will come back to that in just a few moments.

The fact is when our seniors are living at the edge, they ought to be concerned about this. We hear, well, look what happened last year. We had President Clinton talking about how growth is not really a cut in terms of the Social Security and the cuts in Medicare.

The fact of the matter is, under the health reform bill last year, more was put in than was taken out under the Medicare. More was put in than was taken out. That was in the prescription drugs and also in the long-term care provisions.

That is not what we are talking about here. We are talking about the major cuts that are going to be used for tax cuts for the wealthy.

Now, our friends on the other side can talk about where the President was last year and try to confuse the debate. It should not be confused among the American people. They knew they were going to get help and assistance on prescription drugs and they knew they were going to get help and assistance on long-term care.

My friends, all that will happen under this Medicare proposal if this budget goes through and it is followed through will be very, very significant cuts.

Now, another argument that I have heard this afternoon, well, where is the President's program? Where is the President's program? The President said where it will be. He said, just drop that tax cut, indicate how we want to change Medicare in terms of health care reform. Health care reform is important because Medicare and Medicaid are a quarter of the Nation's health care expenditures. We will not be able to get a real handle on those expenditures unless we do the total, all four quarters. That is the only way we will ever reform the system, the only way we will stop the cost shifts that are taking place in every hospital in this country. Everyone in this body understands it and knows it. We have to deal with it in the totality. That is what the President said. Deal with Medicare in terms of overall reform.

Eliminate the cuts in education. I am amazed at the kind of cuts we are facing in terms of education. We passed last year the reform of our Head Start program, on the basis of a bipartisan review, and we had overwhelming support—I do not think there were five votes against the Head Start program. At least 500,000 young people will be cut out of the Head Start Program under this budget. We revamped the chapter I program, and had an important debate about allocations of resources and formulas, about how we would try to meet the greatest needs in our shifting population, a result of the flow of migrants, which has a significant impact in this country. We spent a lot of time on that matter. Republicans and Democrats alike, bipartisan support, restructured that program.

Even on the Goals 2000 program we had bipartisan support. On the school-to-work program, Gov. Tommy Thompson, a Republican from the State of Wisconsin, thinks it is one of the most important and significant education programs to come down the line. Ask the former Republican Governor from the State of Maine, who has written a book about it. I was with him yesterday and we celebrated the 1-year anniversary. He talked about the difference it has made in the lives of the young people in his State. Bipartisan support. We moved to a direct loan program for higher education. Bipartisan support.

Each and every one of those programs—bipartisan support. And we got some funding for those programs. Effectively, this budget is going to emasculate those programs.

I will go through this at another time when we come to the education debate. What is it? Is this allegedly what the vote for change was about last fall? I do not believe so. I do not believe so. I do not think that people in any part of this country, if we are asking, think that those are the areas that we want to cut. And these are the cuts that are being made in this particular budget area. And we will come back to those. I do not think that is what the people are asking.

The President has indicated his willingness to move forward in a bipartisan manner, dropping the tax cuts, put the Medicare proposals in terms of a comprehensive reform program, and to continue commitment to education.

Education, when I came here, for the first 20 years was a bipartisan effort. We never had a single partisan debate on education policy until very recent times. Everything was virtually a bipartisan effort. It was true in this body and the other. And bipartisan even in the last year when we were moving into a difficult election cycle and period, we were still together in terms of the bipartisan nature of the education programs. Those programs now have been undermined.

Mr. President, we are talking in this debate about fairness. We are talking about equity. We are talking about the impact of these budget cuts on working families. They all hit working families. Cut back on that Medicare program and we are hitting the parents of working families. We cut back on the student loan program and we are hitting the sons and daughters of working families. We cut back on the Head Start

Program, the other kinds of support programs, chapter I—we are hitting the sons and daughters of working families.

Basically, this amendment is saying we have to make some adjustments in Medicare, but do not put your greedy, budget-cutting hands on Medicare in order to provide a tax cut for wealthy individuals.

Now, we ought to be able to agree on that. That is what the issue is. We want to restate it, reconstruct it, and say OK, we will do it. That is the point.

Mr. President, we have heard other Republican arguments in support of their cuts. The first argument is total Medicare spending will continue to grow under their plan, so there has not been a real cut. The second is, as I mentioned, that the Clinton plan cut Medicare just as much as the Republican plan, so the Republican cuts must be OK.

There seems to be a double standard here. When you do not keep up with inflation in the Defense Department budget, that is a cut. That is a cut. When you do not keep up with inflation in Medicare, that is an increase. I hope our friends are going to explain that, why, if we do not keep up in terms of inflation in DOD, we are going to see that as real cut in terms of our national security. That is what the debate is. We have heard it. We understand it. We know it and it is a policy decision that has to be addressed.

But let us address it all fair and square. Let us say we understand that and now we are either going to increase it or not increase it. Senior citizens are not stupid. They know what is a cut and what is not. Under this proposal they will pay $442 more a year for their part B premiums than they would under current law. That is a cut and it comes straight out of their Social Security check. It comes right out of their Social Security check.

So much for the promise never to cut Social Security. They know that under this proposal they are likely to see a doubling of their part B deductible to $200. When you have to pay an additional $100 to go to the doctor, that is a cut. And under this proposal they are likely to see a new 20 percent coinsurance increase for home health services. This means that of the very sick lower-income women over the age of 75 who need home care, most will pay an additional $3,800 a year. When Medicare gives you $3,800 less protection, that is a cut.

Overall, on average, senior citizens are going to pay an additional $900 per year when the plan is fully phased in; $3,200 over 7 years. An elderly couple will pay an additional $1,800 a year and $6,400 over the next 7 years. Our Republican friends may not call that a cut but every senior knows that when your Medicare program will not buy you the health care you need at a price you can afford, your standard of living has been cut. And that is just plain wrong.

The Medicare cuts in the Health Security Act were not comparable to the ones proposed today. I would like to address that particular issue.

Mr. President, I want to just take a moment or two of the Senate's time to explain how this particular proposal that is before us now, the budget, is really a cut in Social Security; a cut in Social Security. We remember the debates we had. "We are not going to cut in Social Security."

In regards to the part B proposal, in the 1993 OBRA we established a certain dollar figure that represented the 31 percent of the part B premium. But that was really higher than was expected under the agreements that were decided in the early 1980's under the 1990 tax bill, and without the changes in this budget proposal, it was intended that the premium would go down to 25 percent. It would go down to 25 percent. But the Budget Committee now is not letting it decline to 25 percent but setting it at 31.5 percent from now and continuing. It was going to go down.

When I hear on the floor we are just extending the current law, the current law, if you did not touch it and did not extend it, the premium would go down. It would go down to 25 percent. They are continuing it at 31.5 percent. So what happens? You get an increase if you are in the bottom percentile for Social Security. You would get your increase on the COLA, but with a 33 percent cut due to the part B premium increase—that $161 which was to represent the increase in the COLA is now $27. That is a cut in terms of what you were going to get in Social Security. The part B premium is part of Social Security. It is voluntary, but basically there is uniform acceptance, and understandably so, in light of doctors' fees. And that cut is right across the board. The 25th percentile, or the average, is where the cut would come. The real COLA will be down some 57 percent; instead of getting $237, you get $103; instead of getting $303 for those with $10,000 or more you end up with $169. That is a real cut in the Social Security.

The Republican budget will raise premiums and reduce Social Security by more than $1,750 per senior over the life of this budget. If you did not have that provision written into the budget by the Budget Committee, if that provision concurred with existing law where it was down to only 25 percent, every senior citizen would have $1,750 more over the life of this budget plan.

So, that is a cut in terms of real income. For whom? For Social Security recipients. And for an elderly couple the reduction in the Social Security check will be a whopping $3,500. Next year alone, as a result of the Republican budget, the seniors will see a premium increase of $134 compared to current law. That will cut out more than half of the average COLA increase of $237. Lower-income seniors will lose 83 percent of their COLA. The last time the Republicans tried to cut the Social Security COLA they were forced to back down. Now they are trying to do it by stealth, but it is not going to work.

It is not only through Medicare that the Republicans are attacking Social Security. Look what has happened over in the House budget. In the House budget the Republicans have arbitrarily assumed an unprecedented and unilateral reduction of CPI (Consumer Price Index) by six-tenths of 1 percent; the goal or effect of this change is to rob $23 billion in Social Security benefits over the next 7 years. There is the House Republican tax break for the top 1 percent of the incomes, those over $200,000. The House Republicans' six-tenths of 1 percent on the Consumer Price Index is $23 billion of that.

There are those who can say look, we have reviewed this. The Consumer Price Index was worked out in the Bureau of Labor Statistics. It has been there over a very considerable number of years, with Republicans and Democrats. Maybe it ought to be adjusted. Maybe it ought to be changed. Maybe it ought to be altered. But is it not interesting that the time the Republicans alter it is the time they wanted the resources for the taxes for the wealthiest individuals in the country?

I mean, at least make the adjustments and change at a neutral time. Convince the American people that this has nothing to do with trying to get additional resources to give to the benefit of the wealthiest individuals. Do it at a neutral time and have those hearings in both the House and Senate. Do it at a neutral time. But that is not the way it was done. It was tied in to this particular budget resolution.

I personally think that there ought to be an adjustment. I think there ought to be an adjustment. And I think when you have a real kind of evaluation of the adjustment you are going to find out that seniors are the ones who are paying more for the most important items that are absolutely essential in their lives: More for their rent, more for their food, more for their health care. Look at what has happened to health care since the time Medicare has been put in. Where $1 out of $12 was being used for health care, now it is $1 out of $5 or $1 out of $4, that is being used to pay for health care.

If you say there are certain items that ought to be weighted in order to be able to live with some degree of dignity in our society, some degree of peace, some degree of security, I think a careful evaluation of this program would indicate that they probably are being shortchanged. Maybe yes or maybe no. Maybe yes or maybe no. But one thing I do understand, and that is that this change, this alteration—whether it has the support of Mr. Greenspan, whom I respect, and other economists—we can listen to the same number of economists who feel the other way, who do not support these kinds of reductions. It should not have been done as part of a budget program to provide for those kinds of benefits. It is basically and fundamentally wrong.

So, how can any budget plan that purports to be part of a Contract With America break America's contract with the elderly? It is bad enough to propose these deep cuts in Medicare at all. It is even worse to make these cuts in order to pay for an undeserved and an unneeded tax cut for the wealthiest Americans.

The cuts in Medicare are unpleasant—$256 billion over the next 7 years by the time the plan is fully phased in. The average senior citizen will likely have to pay $900 more a year in Medicare premiums and out-of-pocket costs, and an elderly couple would have to pay $1,800 over the life of the budget, in additional costs. The typical senior citizen needing home health services would pay an additional $1,200. If anyone is sick enough to need the full home care, they will have to pay $2,400.

The fundamental unfairness of this proposal is plain. Because of the gap, senior citizens already pay too much for the health care they need. The average elderly American pays an outstanding one-fifth of their income to cover health care costs, more than they paid before Medicare was even enacted 30 years ago.

The reason we enacted Medicare was because the elderly faced a health care crisis then. The lower income older seniors pay even more than one-fifth of their income for health care, and Medicare does not even cover prescription drugs. The coverage for nursing home care is limited.

I see other colleagues who I know want to address the Senate. But let me just conclude finally in this debate so our senior citizens understand exactly where we are during the course of this debate and discussion.

At the start of this session, we heard a great deal about how we wanted to make sure that all the laws that we passed in the Congress were going to be applicable to the Members of Congress. The Democrats supported that. The Republicans supported it. It would have passed last Congress. It passed now. We have supported it, and we are glad. We have heard a lot of speeches about it at the start of the year, and we will continue to hear about it.

There is an interesting other side of the story that we do not hear very much about; that is, why are we not providing for the American people what we are providing for ourselves? We have said we will provide for ourselves what we have extended in laws to the American people.

The other side of that is that we have a very good health care program; very good, indeed. Are we debating here on the floor of the U.S. Senate how we are going to provide for the seniors the kind of health care bill that we have? Oh, no. We are talking about cutting theirs. And we heard last year, well, if you look at the Members of Congress and the senior citizens, you can say, "Well, you know, we changed it now with the Members of Congress. We are capping them. We are going to cap the amount." My Lord. When we talked about that last year, that was price fixing. We cannot do that. We cannot talk about that. That was price fixing.

At least we are making some attempt to try to deal with it. But let us take a little look where the average senior citizen is, and where we are and where we are going under this budget proposal. The average annual income, $133,600 (for a Senator); the average annual income for senior citizens, $17,700—$17,700 for those senior citizens.

The monthly premium, individual, part B, is $46.10. This is the one that is going to rise on up under the proposal of the budget.

The deductible for Members of Congress, $350—$816 for our senior citizens. And they are going in one direction; they are going up.

Hospital care, unlimited; for the senior citizens, limited; prescription drugs, covered; and not covered for the senior citizens.

Go in to any room of senior citizens in this country. Ask them, "How many of you are paying $50 a month or more for prescription drugs?" Half the hands will go up. Ask them how many are paying $25. Do you know what you get? You get a roar of amazement, like they cannot believe you do not understand that 70, 75, 80 percent of them are paying $25—closer to $50—but $25 a month out of their Social Security checks for prescription drugs, the prices of which have gone way up as they have for the last 2 or 3 years.

We have that kind of coverage. We have that kind of coverage, not senior citizens. There is nothing in this bill to try to deal with that.

On dental care, we are covered with a good program. They are not covered at all. And preventive services, we have the cervical, prostate cancer, and other preventive diseases. They have some benefits. Out of pocket limit, $3,750. They have none. It is $3,750, for Members of Congress, but they have none.

You would think most people around here would think: "How are we going to have this group look more like that group?" That is what you normally would think that we ought to be debating around here.

How many of you are going to let the senior citizens have closer to what Members of Congress have and 10 million Federal employees have? That is what we ought to be debating around here. Instead, what we are talking about here is how we are going to make this less valuable, with increases in each and every one of these categories. Not so over here; not so for the Members of Congress. But over here, for who? Our senior citizens who are averaging $17,700 in annual income; and Members of Congress, $133,600.

Mr. President, this is the reason that the President of the United States was saying: Look, you want to try to figure out how we can try to deal with health care as a way of making it fair and equitable, keeping our citizens healthier, enhancing preventive programs so that it will be less costly, keeping elderly people out of the emergency room, and being able to treat them with in-home care, in congregate sites in their communities. You want to try to deal with those kinds of issues, home care and other issues, but do not provide further cuts on our senior citizens to have a designated fund that will be available—not just for education, not just for health care reform, but for tax reduction.

We will hear, "Well, this really is not a fund. We do not know whether it will be there. And if it is, we may use it, and we may provide a lot of tax cuts for all the people that we are concerned about."

It is so interesting that we could look at the background to know where those tax cuts will come, both in the House and the Senate, as those that have been designated for the wealthiest individuals.

So, Mr. President, this debate is important. It is important because of the issue of Medicare. It is important not because of just the dollars and cents, although we focus a great deal on the dollars and cents; it is important because of the degree of anxiety that is going to be out there for our seniors.

We do not give much weight to the problems of anxiety that affect our people. We cannot put into the budget what a parent thinks when they have a sick child crying in the night and they are wondering whether that child is $150 sick, because that is what it costs to go to the emergency room. "Maybe I should wait a day or 2 days, and let that child get better or sicker because I cannot afford that $150." We do not measure that in this budget resolution.

We treat it too cavalierly, the kind of concerns that elderly people have, those that have lost their eyeglasses and wait 6 or 8 weeks without being able to read a book because they have not gotten their next Social Security check to be able to buy a set of eyeglasses, let alone the other problems that you have. Every Member in here hears from them.

Medicare does not cover dental care. How many Members in here spend staff time trying to get a doctor that will say an elderly person has indigestion or major internal problems, and the only reason they have it is because they are not chewing properly and, therefore, in order to solve an internal problem, they need to get a set of dentures?

I mean, that is going on every single day, the amount of staff time people spend, the anxiety that people have. The same is true of foot care. The same is true with the tragedy of prescription drugs.

I want to conclude with the very story of two witnesses that I had last year, one named Clifford Towne, who lived with his wife, Marie, in South Dartmouth, MA.

Clifford Towne is a veteran who fought in World War II. He worked hard all his life in the textile business, and when he retired he had over $100,000 in the bank. He owned his own home. He had a good pension from Social Security. Both he and his wife developed serious medical problems. High medical costs that Medicare does not cover, especially the prescription drugs, had wiped out his savings. He had to run up large debts, and, as he told our committee, he tried to qualify for Medicaid but his Social Security income was too high.

He said:

> I told him the only way I could get help for my wife was to leave her, but after 48 years I just couldn't do that. I would rather kick the bucket than be forced to get a divorce.
>
> So my wife and I talked it over and decided that when we could not pay for the drugs anymore, we would just have to stop taking the prescription drugs. We would rather pass away together—or at least as close together as we can. After 3 or 4 months ago I already cut down on drugs for my blood pressure. I don't want my wife to have to cut down on her medications until we have no other choice.

Mr. President, that is happening every single day in every single community of this country. And this debate ought to be how we are going to try to help and assist that family—not how we are going to put that family at even greater risk with the kind of cuts that are included in this budget proposal that attacks the Medicare Program.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, for the information of my colleagues, it is my intent to speak for 15 minutes. The Chair will please notify me at the end of 15 minutes.

Mr. President, in listening to my friend from Massachusetts, it is interesting to note that he did not say "here is a better idea." It is interesting to note that he did not say the President had a better idea. I believe the Senator from Massachusetts voted against the President's budget. I would say he was right because the President's budget needed to be voted down. The President's budget allows the deficit to continue to climb. The President in his state of the union speech and in his campaign speeches said he was going to bring the deficit down, but, unfortunately, that is rhetoric. That is not fact.

The facts are that under the President's budget the deficit goes up every single year and it is shocking to see how rapidly it goes up. As a matter of fact, under the President's budget the deficit increases by $100 billion in the first 5 years. The deficit right now is $177 billion, in 1995. Under the President's budget, in the year 2000, it goes up to $276 billion. That is a $99 billion increase.

By balancing the budget for the first time in 29 years, we have a chance to make history. The House of Representatives made history when they passed a budget last night that says, as scored by the Congressional Budget Office, we are going to eliminate the deficit.

The President's budget as scored by the Office of Management and Budget has deficits that stay at $200 billion for the next 5 years and then go up to $300 billion. But the President in his State of the Union Address in 1993 said he was not going to use fictional numbers; he was not going to use smoke and mirrors. He stated that he would use the estimates of the Congressional Budget Office. The Congressional Budget Office says that his deficit increases nearly every single year.

Next year, under the President's budget, the deficit increases from $177 billion to $211 billion, then to $232 billion in 1997. By 1998, it is $256 billion; in the year 2000, $276 billion. So in a clear trend the deficit is going up $100 billion in 5 years under the President's proposal and really crossing $300 billion by the year 2002.

We have a clear alternative. The House voted for a budget plan that brings the deficit down to zero. In the Senate, we now have a plan that brings the deficit down to zero. That is a big difference. That means we will be borrowing significantly less.

I know I heard my friend from Massachusetts say, we are slashing spending; we are cutting; we are eliminating spending in many programs. I will put a table in the RECORD that shows spending under the Republican budget in Medicare. In 1996, we will be spending $9 billion more than we did in 1995 in Medicare. In 1997, we will be spending $20 billion more than we did in 1995. In 1998, we will be spending $35 billion more than we did in 1995. $50 billion in 1999, $66 billion in the year 2000, $84 billion in the year 2001, over $100 billion more in Medicare spending in the year 2002 than we are spending in 1995.

Medicare spending is going up. It may not be going up as fast as it would be under present law but present law says it goes broke. The President is AWOL, or absent without leadership, because he does not do anything to save the Medicare system. He allows it to go broke. The law does not allow Medicare to borrow from other trust funds so unless we raise payroll taxes or reduce the growth of spending, it is going to go broke. That is not acceptable.

Now we have two plans, the House and Senate. The President does not have a plan. The President's plan was renounced by the Senate today 99 to nothing.

Looking at this chart of deficit estimates, the President's deficit goes up every year. This line represents the House budget plan. I compliment them. They were able to pass it in 1 or 2 days. It is going to take us 5 days, but we will eventually pass it. The Senate plan shows up on this chart as almost a straight-line decline to get to a balanced budget. We even do it faster than the House does. Of course, the House has some tax cuts. The House gets there. We get there quicker. Frankly, I hope we stay on a quick, straight, level decline to get to a balanced budget because that means we are going to borrow less in these intervening years. And that is what we should do. We should balance the budget as soon as possible.

Now, my colleague from Massachusetts said we are not going to be spending enough. He said we need to spend more money, I heard him say we should be spending more money in education; we should be spending more money on earned income tax credits; we should be spending more money for Medicare; we should be spending more money for Medicaid; I think I heard him say we should be spending more money for every single program with the exception of defense.

Looking at this new chart, you see right now we are spending $1.5 trillion, and I would like to put that in perspective because I know my colleagues on the other side seem to think we are not spending enough. To put it in perspective, in 1960, we spent less than $100 billion. In 1970, we spent less than $200 billion. In 1980, we spent less than $600 billion. In 1990, we spent about $1.25 trillion. And now we are at $1.5 trillion. Amazingly enough, even under the so-called slashing, cutting, gutting budget of Senator DOMENICI total spending will still go up to $1.8 trillion.

My math may not be accurate, but $1.8 trillion is a lot more money than $1.5 trillion. As a matter of fact, that is about $350 billion more after 7 years than this year. Actually, spending goes up every single year, in almost every category except defense which is basically frozen.

I have a table which shows that show under the present budget does not even stay frozen at $270 billion. It actually declines for a few years and then comes back up. Domestic discretionary spending has a slight reduction. We reduce it by $30 billion. With regard to Social Security—and I know I heard my colleague from Massachusetts say several times that we are cutting Social Security—we are spending $334 billion in 1995, and we are going to be spending $480 billion in Social Security in the year 2002. Medicare spending will grow from $178 billion in 1995 to $283 billion in 2002. That is over a $100 billion increase in Medicare; Medicaid, this year we are spending $89 billion. It goes up to $125 billion. Other mandatory programs increases from $146 billion to $197 billion.

My point is, spending is escalating. It escalates from $1.5 trillion to almost $1.9 trillion. To put that in perspective, when we are talking about spending $1.5 trillion—there are 12 zeros in $1 trillion. That is about $6,000 for every man, woman, and child in the United States. I have a family of six. That is $36,000. Under the Republican budget, spending increases to about $7,500 for every man, woman, and child in the United States.

Under President Clinton's proposal, spending would grow to about $8,500 for every man, woman, and child in the United States.

So we allow spending to grow but it does not grow quite so fast.

A lot of people are talking about Medicare going broke by the year 2002. The trust fund will be bankrupt.

I hate to inform my colleagues, but by the year 1997, that is next year, the Medicare trust fund already has a deficit. In 1997, there is a $5 billion deficit and in 1998 there is a $10 billion deficit. That deficit continues to escalate to the year 2002 when it reaches $41 billion. So we are losing money already. That means more money is going out than coming in.

Some people, say, "Well, we will just draw down the reserves of the Medicare trust fund." How are we drawing down the trust fund? There is no bank account. If there is a bank account anywhere in Washington, DC, that we can pull those funds out of, I would like to know about it.

The facts are, we are going to borrow that money. Actually, the General Treasury will borrow $125 billion between now and the year 2002 to pay to the Medicare trust fund, which will in turn pay benefits. There is not a bank account which holds excess Medicare taxes from previous years. Not in First National, not in Chase, and not in City Bank. We are going to borrow the money to pay Medicare benefits. The fund is already broke.

But we have heard so much rhetoric, "Oh, we can't allow these Medicare spending cuts. This is going to cut Medicare recipients."

The facts are, if we do not reduce the rate of growth in Medicare spending we are going to have to raise payroll taxes. And I have not heard one of my colleagues yet who said, "Let's raise payroll taxes to save the Medicare system." If they think that is an option they should use, let them offer that as an amendment.

But if we do not do that, we must reduce the rate of growth of this program. Those are our only options.

As I mentioned before, the law precludes us from borrowing from other trust funds. And we should not do that anyway. That is playing a shell game. The Medicare tax right now is 2.9 percent on all payroll. That is a lot of money. The program has been growing in cost at rates that are not acceptable. These claims are not just from DON NICKLES. They come from President Clinton, and Mrs. Clinton, and Secretary Shalala, and the other trustees of the Medicare trust fund. All have said we have to reform the system.

And we can reform the system. We can do a better job of providing health care for senior citizens at lower rates of growth, at rates of growth that are right now a couple of times the rate of inflation. Right now, they are three times the rate of inflation. We are trying to say it should be no more than two times the rate of inflation.

Is that realistic? Yes, it is. Can it be done? Yes, it can. Actually, it has to be done or the fund is going to go broke. Then what are we going to do? In the year 2002, we are not going to pay the bill. We will tell people, "I'm sorry you went to the hospital. I know you owe money. But we can't pay you." That is not acceptable.

I will just mention that there is a lot of rhetoric on Medicare and a lot of demagoguery. I know a lot of people are trying to scare senior citizens, but I think they are smarter than that.

This chart shows that under current policy the rate of growth in Medicare is not sustainable. Under the plan that we now have in the budget before us, the growth rate of Medicare is a little over 7 percent per year. That will keep the fund solvent at least temporarily so we will not be bouncing checks.

This line represents a freeze on Medicare and Medicaid. I have heard a lot of my colleagues say, "Let's freeze all spending." That is what a freeze is. I doubt that we will long hear that argument.

I think it is vitally important, Mr. President, that we be responsible. I think it is vitally important that we say, no, we are not going to allow deficits to continue to increase, we are not going to take a deficit right now that is $177 billion and allow it to go up to $277 or $300 billion. That is not responsible. That is not leadership.

I looked at the current services budget and it just happens to track right along with President Clinton's figures. There are no changes. It is just like the President said, "Well, I've given up."

And I have heard other claims, "In 1993 we made a giant step toward real deficit reduction and we did this without Republican help. So too bad for you guys. You're going to have to do this one on your own."

There is a good reason why Republicans voted against the 1993 budget package. And I want to take issue with some of things that President Clinton and Mr. Panetta have said. They claim to have reduced the deficit by nearly $600 billion. I have heard that figure time and time again.

I am going to insert into the RECORD several tables which make my points.

One of these tables shows the source of deficit decline since President Clinton took office.

Tax and fee increases account for $262 billion of that decline. I will give the President credit for those. Yes, we know he passed the largest tax increase in history.

I might mention, it was a large tax on middle-income Social Security recipients and on low and middle-income people that buy gasoline.

As for his claims to cut spending, according to the Congressional Budget Office he has not yet cut any spending. In fact, he increased spending $4 billion in 1993, $9 billion in 1994, and $3 billion in 1995.

I might mention, the House has passed a rescissions bill, the Senate will pass a rescissions bill, in all likelihood, next week, and the President already said he would veto it. So we will have had a chance to cut 10 billion dollars' worth of spending and the President said he would veto that.

If you believe the assumptions for 1996, 1997, and 1998 he will have some spending reductions totaling $88 billion.

The remainder of the deficit reduction since 1993 is attributable to technical, economic, and other changes. In other words, $213 billion of the deficit decline is in no way attributable to this administration.

So if you add all those figures together, yes, CBO says there is a $500 and-some-billion deficit reduction from the amount they have estimated in January 1993 compared to January 1995. But the truth is there are no real spending cuts. The truth is we have not had a spending cut yet all the way through 1995. The truth is we have spending increases and big tax increases.

This administration likes tax increases a lot and they like to spend more money.

The PRESIDING OFFICER. The Senator is advised he has used 15 minutes.

Mr. NICKLES. I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. So the facts are, taxes under this President go up dramatically and spending continuing to rise even faster than it would have under normal pretenses. And then if you look at the President's budget for the next several years we continue piling up debt upon debt upon debt. That is not acceptable.

I am excited about the fact that now we have balanced budget plans in both the House and the Senate.

The House has their assumptions, and the Senate has theirs. There may be some changes. I know some people are thinking about making some changes on the tax side. Fine, as long as we get to zero. And I would like to get there sooner if we can. I would like to get to where we had to borrow as little as possible. But let us get there. Let us do it.

In all the other previous budget resolutions that I have seen and I have been involved in, we have talked about trading off how much we are going to reduce the rate of spending with how much we are going to raise taxes. We are not doing that in this package.

My friend from Massachusetts said we need more taxes on big corporations or we need more taxes on somebody else.

Republicans are not going to raise taxes. The problem is not that we are undertaxed. The problem is we are overspent.

So we are going to attack the problem. We are going to reduce the rate of spending. Spending under this proposal will grow at over 3 percent per year. Under business as usual, it would have grown at over 5 percent per year.

A lot of special interest groups are going to scream and say it is not fair. The Senator from Massachusetts criticized the Senate and the House for making a reduction in the CPI.

I hope we do follow the instructions of this resolution and have analysts give us a correct determination of what they think an accurate reflection of CPI is. If we are going to have cost-of-living adjustments, they should be accurate, and if there are savings to be made in that, fine, they should be accurate. When you have people like Alan Greenspan say the CPI is overinflated and has been for some time, that tells me we should make a change.

Finally, I know we are going to have a debate on earned-income tax credit next week, and I will save most of my remarks on that subject. But I heard my colleagues say that our proposal is a tax increase on the working poor. That is totally false. We ought to deal with the facts.

The earned-income tax credit is inappropriately named. Over 80 percent of the spending on this program is a direct handout to people with zero tax liability. And it is a program that is fraught with abuse. How in the world can our colleagues defend a program when the General Accounting Office says that they found 42 percent of the people receiving benefits received too much in benefits, and 32 percent of the people were not even eligible to receive benefits—32 percent. We do not have a program that I am aware of that is so open for fraud and abuse and it needs to be reformed.

Do we reduce the rate of growth of earned income tax credit? Yes, we do, and we should. We can get more than the savings we proposed if we just eliminate the waste and the abuse in the system. But the system has been enlarged and expanded to such an extent, people can receive such large annual lump sum payments that there is a great incentive for fraud. They can file fraudulent tax returns and they can get cash.

It is false to say, "Hey, this is a tax increase on low-income people," when only 20 percent of the people who receive this benefit have any tax credit whatsoever; 80 percent do not have tax liability. They get a lump sum cash payment at the end of the year and that payment this year is over $3,000 if you receive the maximum amount. It will grow up to about $4,000.

We allow it to grow under this budget; we just do not allow it to grow so much, quite so fast. Every year under our proposal, the EITC will grow in total amount, but it will not continue to compound at 55 percent per year as it has done in the recent past. We cannot allow a program where we are writing checks to be growing at such unbelievable rates. The program cost a few billion dollars a few years ago and now we are looking at a $25 and $30 billion program. It still grows to $30 billion under Senator DOMENICI's plan. We reduced the rate of growth in that program. We need to reduce the rate of growth in that program. We need to clean out the waste and abuse in that program. We ought to be ashamed of ourselves if we do not, and we are going to try to do that.

For our colleagues on the other side or others to say that is a tax increase on working poor, I beg to differ. I think they are entitled to their own opinion, but they are not entitled to their own facts.

I thank the indulgence of the Chair and my colleagues. I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I urge my colleagues to be serious when we take up this budget. It bothers me to see that it is so partisan. It bothers me to see that there are not more bipartisan efforts to get to a balanced budget. If there is a better idea—and there is bound to be a better idea because this is not a perfect plan—bring that plan forward.

When we took a vote on the balanced budget amendment a couple months ago, a lot of people said we should balance the budget whether we pass a constitutional amendment or not. We were serious, and now we are going to try to do it. It is going to take some votes from both sides to pass a reconciliation bill.

So I hope we will not get so polarized that we are not able to work together to make sure we quit piling up endless debts on our children and on our children's children. To me that is a vital question: Are we serious? Are we actually going to finally start living within our means? I remember going to a town meeting and somebody raising their hand: "Senator NICKLES, will we ever see a balanced budget in my lifetime?" The person was in their early twenties. I want that answer to be "yes." I think this Congress has a chance to make it yes, and I hope that we will during the course of next week. I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Thank you, Mr. President. I was listening to the debate earlier this afternoon about the pending amendment that restores some of the tremendous cuts to Medicare that occurred in this budget. I wanted to come over to the floor to just make a few points.

I heard many of my colleagues talk about the tremendous impacts that are going to occur to senior citizens as we cut Medicare in the budget that is pending. I, like many people, have two elderly parents, both of whom have chronic health care problems, and they are very concerned about the Medicare Program and they let me know about it. But I came over today to remind all of us that the impacts on cutting Medicare do not just hit the elderly, they hit the people I also care a lot about in this Nation—working families.

What we see happening here is cuts to Medicare that will no doubt cause premiums to be raised or seniors to be shut out of care or will gut quality. The impact of that will not only be felt on our seniors, but it will be felt on everyday working families.

I know those families well. I am one of them, raising two kids and taking care of my parents at the same time. I can tell you exactly what is happening in many working families across this Nation today.

We get up, we race our kids off to school, we worry about whether or not they are getting a good education, we get to work, we try to do a good job, we race home in time to get them to a baseball game, get food on the table and, at the same time, we worry that our parents are going to call and say, "I need to go to the doctor," or, "I need to go to the hospital," or "I have run out of medication." It is an added pressure to many working families in this Nation today.

If we cut the Medicare Program as drastically as is proposed, it will add to the pressure of those parents, those working parents, those everyday average working parents, because then they will worry that their parents will not go to the doctor because of the added cost, they will worry that they will not be taking their medication because their out-of-pocket expenses have increased, they will worry that their parents are not eating right because they are having to choose between whether or not to go to the doctor, buy a prescription, or put food on the table.

These cuts to Medicare will have a tremendous impact on everyday average working families who are just trying to make it every day raising their own kids and worrying about their parents as well. But it will also have an economic impact because, I assure you, if we just cap the costs of Medicare that we pay out, we are not going to see hospitals reduce their costs, they are going to shift that to somebody else. Guess who that is going to be? People who are going to work every day and paying their taxes and paying their insurance. Working middle-income families will see their insurance rates rise, their out-of-pocket medical care costs rise in order to pay for seniors who go to the hospitals and to the doctors and who no longer are being paid back by the Medicare Program.

This will create a tremendous pressure on families and a tremendous cost shift to families. That is why it is absolutely critical that we do not reform health care within this budget by just cutting costs to Medicare and Medicaid, but we go back to understanding that we have to do health care reform in totality, look at the entire picture, figure out how much we are going to spend on health care in this Nation and impact all ends of the age spectrum and life spectrum, or we are going to put tremendous burdens on a few people. I urge my colleagues to remember that Medicare cuts will dramatically impact working families across this Nation.

I have heard over and over that these budget cuts to Medicare are being done to save it. I have to tell you that makes no sense to me. If we care about our seniors, if we care about our families who are going to work every day, then we also should care that we have a moral responsibility to ensure the well-being of our citizens, and frankly, this budget says just the opposite to me. It says we care about the rich, it says we care more about the Pentagon than people, but it says we do not care about those working-class families.

This budget will have a tremendous impact on working-class families. It will say to them: "We're going to cut your Medicaid. If your child has cystic fibrosis or severe asthma and you don't have the medical insurance to take care of it, Medicaid will be cut back and you may not be able to rely on that."

It says to parents, "Your children may not be taken care of if they are sick," a pressure to working-class families.

It says to working-class families that "Your child may not be able to get a loan to go to college."

It says to middle-class families that "Your education dollars will be cut," and it will mean eventually, as this gets passed on to the States and our local school districts, that class sizes will increase and our good teachers will go elsewhere for jobs that pay enough to keep them going.

And it says to low-income families, we are going to take away the earned-income tax credit. The one thing that they have, they go to work every day, they earn less than $28,000 a year and we are going to take away a small bit of cash they have just to help them make it by gutting the earned income tax credit. You bet this is a tax increase on those earning less than $28,000. It is absolutely a tax increase on them. I think it is unfair and wrong-headed.

Finally, let me just say, I talk to many teenagers day in and day out as a parent of two teenagers. And they fear, more than anything, that there is no hope for them in this world, that there is no opportunity out there. And this budget, I assure you, does not send a message of hope and opportunity.

I urge my colleagues to support the Lautenberg-Rockefeller amendment, to restore some of those cuts to Medicare, to give some hope back to middle-income, working families in this Nation and eventually to defeat the budget that is before us.

I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I appreciate the concern that everyone is showing here on the floor for Medicare and Medicaid and the desire that they have to keep these programs well and healthy and viable for the people who depend upon them.

Unfortunately, Mr. President, the desire to keep these programs healthy and well has been translated into a desire to keep them as they are. And life being what it is, if they stay as they are, they will be neither healthy nor stable for the people who depend upon them; indeed, they will ultimately disappear.

Let us talk about Medicare for just a moment and go through the history of that program. Although I am a newcomer to the Senate, I am not a newcomer, if you will, to this issue. Back in 1962, when my father was running for reelection to the Senate, I was his campaign manager, and this was an issue in his campaign. Yes, that is right, Mr. President, in 1962; it has been around that long. At the time, there was no Medicare. It was passed by the Congress after the 1962 election. There were all kinds of projections about how much it would cost and what it would do.

As we look back over this last 30-year period, we see that all of those projections were wrong, and they were wrong on the wrong side; that is, they were all too low. Medicare has been growing much more rapidly than its initial authors ever thought it would, and it has been costing the Federal Government an ever-increasing percentage of gross domestic product. There have been charts on that, and I will not repeat the charts because people have seen all of those.

However, when people talk to me about Medicare and how it must be preserved, I go back to the 1960's and my memory of that debate, and I make this point. I say Medicare is a wonderful program as it is currently structured and would work perfectly, indeed we could afford it, if people would just have the courtesy to die at the same rate they did in the 1960's when Medicare was established. And, indeed, if we went back to practice medicine the same way we did in the 1960's, they probably would.

But we practice medicine in a vastly different way now than we did in the 1960's. I have been told that 90 percent of the medicine we practice today did not exist in the 1960's. It has all been invented since that time. The treatments have changed, the equipment has changed, the facilities have changed. But the program by which it is financed has not changed. It is still built around the notions that we had when we watched that 1960's television program, "Marcus Welby," a single practitioner who operated out of a single facility set in an idyllic setting, assisted by the most caring, wonderful nurse in the world, Consuela. He would sit there and somehow figure out all of your ills, and not only take care of your medical problems; he would solve your divorce, take care of the teenage child that was in trouble, and counsel you in your employment problems. Well, Dr. Welby does not exist anymore. Medicine has changed. Our way of delivering it has changed. And the old notion of having a "Dr. Welby" who will be reimbursed from the Federal Government for all of his skill and all of his counsel has to change, too.

I am standing here in support of the underlying budget proposal not because I hate Medicare, not because I am heartless toward those in the aging population. I am not unfamiliar with those. I guess I am aging a little myself. But within the past year, year and a half, my wife and I have buried three of our children's four grandparents. We have had the Medicare experience with my father, my father-in-law, and my mother-in-law. The forms are incomprehensible. They create a regulatory thicket that virtually no one can plow through.

I have a constituent who tells me, "Senator, I have to take care of an aging mother. The idea that she would be able to understand any of the forms she gets from Medicare is on its face ridiculous. I am a college graduate, I am a successful business woman, and I think I know my way around, but I cannot figure out these forms, let alone my mother." So she said, "I wasted a lot of time trying to figure out what they meant until I finally adopted the following strategy. I realize it is high risk, but it is low stress. Every form from Medicare I throw away, and at the end of the month I call the Salt Lake Clinic and say, 'Do I owe you any money for my mother?' I let them do the bookkeeping and do not worry about the form that says 'This is not a bill' and is covered with numbers and that says we cover this percentage and you that percentage." She says, "I throw them all away, and once a month, I call the Salt Lake Clinic and I say, 'Do I owe you any money for my mother?' They say, 'Yes, according to our computers, you owe us *X* amount,' and I write out a check and do not pay any attention to the rest of it."

I hope the Salt Lake Clinic, for her sake, is keeping good books. That is the kind of program we have under Medicare. Is that what we want to preserve exactly as it is? Or do we want to say: Wait a minute; the time has come to restructure; the time has come to reform. And we are convinced if we do restructure and reform, the time has come to have a handle on the costs that make sense.

To repeat that which has been said here on the floor so many times—and it may be wearing out now, but it needs to be repeated—we are not talking about cutting Medicare below its present rate of reimbursement; we are talking about increasing Medicare above its present rate of reimbursement on the basis of roughly 7 percent per year compounded. Anybody who has been in the business world long enough to know the power of compound interest rates knows how powerful a 7-percent per year compounded increase can be in raising the benefits for Medicare.

Right now, the per capita spending is around $4,300 per person, and at the end of the 7-year period outlined in this bill, it will be $6,300 per person, and that rate of increase is roughly the same as the rate of increase for health costs in the private sector today. So we know that health care can survive, indeed thrive, with that rate of increase. What we need to do is say we are going to take the private rate of increase, lock it into the Federal circumstance so that it cannot grow any more rapidly and then, within those parameters, make the kinds of administrative changes necessary to make this thing work.

What is wrong with that? What is threatening about that? I assure you, as one who has had to deal with these forms and had to deal with aged parents and had to struggle with the medical challenge, and as an administrator, if you will, for my father and in-laws, I would welcome that kind of circumstance. I am not threatened by it. No one in our senior population should be threatened by it.

There is a saying that I learned in college. I wish I could quote it all. I do not have the photographic memory that the Senator from West Virginia possesses, so I will do my best. It is out of the literature that talks about King Arthur and Camelot. That should strike a chord somewhere around here. There are people that have talked about Camelot with respect to a past administration.

At the moment where Camelot is over, in the epic poem by Sir Walter Scott, there are those who mourn the loss of the Knights of the Round Table and say how terrible it is that this is gone. Then this phrase:

> The old order changeth, yielding place to new, lest one good custom should corrupt the world.

Mr. President, we are at that point in Medicare. The old order has been a good order. It has helped a lot of people. But if we try to preserve it absolutely as it was written and established and laid down over 30 years ago as we move into the next millennium, that one good custom will corrupt the world. The old order changeth, and we must change the law to go with it.

I repeat and summarize, Mr. President, I am not here in any sense to challenge the need of our senior citizens for the Federal Government to stay fully involved and fully committed to the notion that they are entitled—entitled, yes, I use the fatal word—they are entitled to support in their medical costs in their declining and retired years. I support that absolutely.

I stand here fully committed to a budget that will cause that support to increase at a rate of 7 percent per year compounded. But I say to those who want to keep the old system exactly as it is and keep pouring money down the black hole that it has become, those people are wedded to a mechanism of the 1960's while we are living in the 1990's and preparing for the new century and the new millennium.

When we do that, regardless of how pure the intent, we are doing our senior citizens no favor. We are doing them no benefit.

We must recognize that the old order and everything changeth, yielding place to new, lest one good custom should corrupt the world. With that attempt, Mr. President, to sound at least somewhat as classical as the Senator from West Virginia, recognizing that I could never truly approach him, I yield the floor.

The PRESIDING OFFICER. The distinguished senior Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I rise in support of the Rockefeller amendment to restore $100 billion in funding for Medicare and long-term care, to be offset by the funds which the committee bill would reserve for tax cuts.

This amendment coincides with my own philosophy on the matter of the budget. We must curtail spending and reduce the deficit, but we must do so by the most humane means. And we should not even think about tax cuts until we have achieved some kind of equilibrium between income and expenditures, and have done so without shifting the burden to those least able to bear it.

While there is no question that we must take seriously the recent report of the Medicare trustees which warns that—if we don't do something—the Medicare trust fund will go bankrupt in the year 2002, our efforts to fix the system should not be driven by our desire for deficit reduction. While reducing the deficit is a goal that we all share, it is not something that can be accomplished without affecting real people, who have real needs and real problems.

Let's look for a moment at the House Republican budget proposal. House Republicans propose to cut $286 billion from Medicare and to use the proceeds for deficit reduction and a $20,000 tax cut for the wealthiest Americans. In my view, this defies logic.

By paying these Social Security taxes, a portion of which goes to fund the Medicare trust fund for part A hospital benefits, the citizens of this country have a contract with the Government that this program, for which their hard-earned money is collected, will be used to provide them with health care when they are aged or disabled. Not to provide deficit reduction. And not to provide tax relief, especially to those who need it least.

And the Senate Republican budget proposal isn't much better. It proposes to cut $256 billion from Medicare solely for deficit reduction. This level of cut fails to recognize that—in future years—more and more people will reach the Medicare age of 65, will depend on its benefits, and will have to rely on a much smaller pot of funds to pay what are likely to be higher costs for the same care they are receiving now. So there is no comfort in the explanation that the proposed cuts are simply reductions in the rate of growth of the program.

These proposed cuts will clearly mean higher deductibles, higher out-of-pocket costs, and a greater burden on the family members of beneficiaries who cannot afford the increase. And with the proposed cuts in Medicaid which are also part of the Republican plan, any safety net for all but the very poorest Americans will be eliminated, offering no help at all to hard working, middle-income families.

Mr. President, the medical inflation rate and the changing demographics of our population are not the fault of our senior citizens. As Government leaders, it is our responsibility to anticipate our citizens' needs and to prepare for them. It is my strong view that neither the House nor the Senate Republican budget proposals do this. Rather, both proposals will cause a bad situation to become worse.

I have examined my own views and conscience on the matter of Medicare very carefully. I know that we must make changes—some of which may be very painful—in order to ensure that Medicare is there not only for today's senior citizens, but also for future generations of senior citizens. I believe that today's senior citizens understand that—and that, while they are deeply concerned about the cost of their own medical care—they truly want this fine system to be around when their children and grandchildren need it.

So I am prepared to take steps that are needed to cut costs, even if this causes some pain to current and future recipients. But I do not intend to balance the budget on the backs of senior citizens.

And I do not intend to support using Medicare trust funds, or making modifications in the Medicare Program, that do not go directly to the effort to strengthen the Medicare Program and ensure its long-term viability, unless it is part of more comprehensive health care reform that improves the overall health care system for all our citizens, including our seniors.

Mr. President, the problems plaguing Medicare today are the same problems that have plagued our health care system for some time: the rate of medical inflation, the increased use of expensive medical technology, and more hospital admissions—due in part to the aging of America. And while I recognize fully that the Nation may not be ready for the kind of comprehensive health care reform that was proposed last year, I believe that we cannot intelligently address the rising health care costs of one segment of the population—the elderly—without addressing the system as a whole and the fact that those who are not elderly today will—if they are lucky—be elderly tomorrow. So I certainly hope that we will revisit health care reform very soon and recognize that a crucial part of reform is the strengthening of the Medicare Program.

I hope that as the budget debate begins, we will be able to focus much more on what cuts the Medicare system can withstand and much less on the amount that Members believe they should cut to provide deficit reduction or tax cuts to the favored few. I believe that if Members of Congress pursue policy over politics, we will be able to pass legislation that will start us on the road to protecting and preserving Medicare's promise for future generations, while leaving room for future programmatic reform.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, will the Chair inform the Senator from Nevada if there are time constraints at this time in the proceedings?

The PRESIDING OFFICER. At this time both sides retain time on the bill. There are 16 hours 22 minutes remaining on the Republican side; 16 hours 51 minutes on the Democratic side.

Mr. REID. So there is no time agreement on this amendment?

The PRESIDING OFFICER. This amendment will not be voted on until Monday.

Mr. REID. Thank you, Mr. President.

The PRESIDING OFFICER. Whatever time the Senator may choose to take would come out of the overall time.

Mr. REID. I understand that. I thank the Chair.

Mr. President, I think it is appropriate to once again mention that we have heard far too many cries about how bad things are. I think it is important that we talk about how good things are in this country.

We, in the fall of 1993, passed a deficit reduction plan that was the largest deficit reduction plan in the history of this country. It passed, however, sadly, Mr. President, without any help from those on the other side of the aisle. We received no help in the House from the Republican Party or from the Republicans in the Senate. And that is too bad. It should have been a bipartisan effort to do a better job of handling the yearly deficits that have accumulated.

As a result of that bill that passed, the deficit reduction package that I talked about, we have reduced the deficit by over $600 billion. To be exact, the deficit will be $616 billion less, as a result of that action, over the 5 years from the time the bill passed. It will drop in half as a percentage of national income, from 4.9 to 2.4 percent. Because of the deficit reduction plan, the 1994 deficit as a percentage of GDP, as projected, is tied among the lowest for all G–7 countries. As a result of that plan, the unemployment rate is 5.8 percent, down from over 7 percent in 1992. There now are 1.4 million fewer people unemployed than at the start of this administration, a 15-percent drop. There are, as a result of the deficit reduction plan, 6.3 million more jobs than we had previous to that plan having passed. And keep in mind, these jobs that have been created are good jobs. For example, managerial and professional jobs make up 58 percent of the new jobs created since 1994.

In addition to that, 170,000 fewer people are working for the Federal Government than at the beginning of this administration. That is significant and it is important. The deficits have been reduced, and they have not been reduced enough, but interestingly this will be the third year in a row that there has been a declining deficit; for the first time in 50 years that has taken place in this country. That is significant.

According to the CBO, this deficit reduction package resulted in little more than 1 percent of the American people paying more in taxes. A significant number paid less in taxes. Inflation? We have the lowest inflation and the lowest unemployment since the years of John Kennedy. That is significant.

Home sales for 1994 amounted to almost 4 million. This is the largest total since 1978 and the second largest total ever. Consumer confidence is up by 78 percent.

Mr. President, the reason I mention this is I think we tend to dwell on the negative. We are doing extremely well as an economy. Certainly we would all agree that what we have to do is a better job of handling our deficit, and that is what we are here to talk about today. Can we do a better job? I believe the answer is yes, we can do a better job. But I think what we are going to talk about today is a matter of priorities.

There is no dispute that we are going to be on a glidepath to the year 2002 to have a balanced budget. The question is how should we arrive at that figure? There is a significant difference between how those of us on this side of the aisle feel and those on the other side of the aisle feel as to how we should arrive at that balance. This will make a distinction between the philosophy of the two parties. It is a matter of priorities.

We now have the long-awaited budget proposal that we received from the Budget Committee. What we are here to talk about today is not the fact that not only does the budget proposal we have received lower taxes for the wealthy, but it also increases taxes for people who work every day. People who make less than $28,000 a year will pay an average of $400 a year more in the way of taxes. That is their priority.

We do not believe, on this side of the aisle, that we should have a tax decrease for the wealthy until we get our fiscal house in order. And certainly we should not increase taxes for working people in this country, the people who make under $28,000 a year, so the wealthy can get a tax decrease. That does not make a lot of sense and it does not sound fair.

I am not going to talk today about the fact that the proposal we have received from the Budget Committee devastates many educational programs. The reason I am here today is to talk about Medicare. Why are we being asked to vote for a budget resolution that takes a bigger cut out of Medicare than it does anything else? Why are we being asked to do that? That does not seem fair.

These cuts will shift $900 a year in costs to the Medicare recipient. Every Medicare recipient will receive in effect a tax increase. Every senior citizen will pay $900 more in additional health care costs. This does not seem appropriate.

What really makes it significantly bad is that many of the costs are being shifted back to the State and local governments. They are going to have to pick up these costs. Throughout the debate that has surrounded these cuts, my colleagues on the other side of the aisle have consistently cited their concern about the Medicare trust fund and their commitment to solve the Medicare crisis. No one within the sound of my voice should be fooled that suddenly we have a Medicare crisis. We have had a Medicare crisis because Medicare is only part of the overall health care crisis that we spent days and weeks on last year.

When we started the debate on this floor saying there was a health care crisis, over 80 percent of the American public agreed there was a health care crisis. When we finished the debate, no one agreed there was a health care crisis. Why? Because the health insurance industry set out to try to confuse and frighten the American public. And they did a masterful job. It cost them about $200 million for their Harry and Louise ads and the other things they did to frighten and confuse the American public, but they were the champions. They were the only winner in the health care debate. There were lots of losers. They were the winner, and you have to hand it to them, they did a good job. Because, when we finished the debate nobody favored health care reform. Even seniors were frightened and confused, even though they would have done extremely well because they would have gotten a prescription drug benefit and a lot of other health care reforms which would have benefited them significantly.

The crisis has no more urgency this year than it did last year. The only reason it has more urgency this year is because all the cuts are taken from Medicare to finance a tax cut.

The rhetoric for Medicare reform is nothing but a smokescreen for the tax cuts for the wealthiest of Americans. In fact, despite earlier claims to the contrary, the budget resolution being debated in this body on this day does call for tax cuts. It is disguised. They are saying we are going to have these savings, and, therefore, the savings will be given to the Finance Committee. And what can the Finance Committee do according to the budget resolution? They can do one thing, and that is to give tax cuts. So we should not be fooled. The Senate resolution calls for tax cuts, and the House resolution calls for tax cuts of just a little bit more than the Senate version.

Let us be clear. What has been proposed in this budget resolution is taking more than $900 a year from every senior citizen in America on Medicare to pay for the $20,000 annual tax cut for Americans making over $350,000 a year. In fact, over half the tax cuts proposed will go to Americans with incomes well over $100,000. When the facts are filtered from this rhetoric, it is not the Medicare trust fund they are concerned about at all. If it were, the recommendations of the Finance Committee would be any savings we get should be to restore the cuts that have been made in this resolution to Medicare. It would be to divert the savings achieved from a balanced budget back to the Medicare program ensuring health coverage for our Nation's seniors.

Those on the other side of the aisle continue to mask their tax cut as Medicare reform. But there is no reform in this resolution. The Republican approach to reform contained in this resolution is the appointment of yet another Government commission to study the issue. The American public, and certainly we in this body, should understand when we call for a commission, when we call for a study, it is a way to camouflage the inability to make a decision. What we need now is the courage to implement change; that is, to go back and do some good, reasonable health care reform, reforms that will not decrease benefits or increase costs. But certainly we do not need the kind of slash and burn approach taken in this resolution.

I received, as we all do, letters regarding the Medicare proposal within this budget resolution. A letter that I have is quite clear and quite direct. It says:

> DEAR SENATOR: * * * We see and hear all around us stories of the wasteful spending by Government in this country—the Commissions that are obsolete, the entire Departments that are without a mandate (DOE comes to mind—how long has it been since there was a need to supply power to rural areas?) the graft that must be present if we are actually paying $10.00 for an item that can be bought in any hardware store for 80 cents, and the $350 vacuum cleaners that we pay $1350 for.
>
> Much of the above are things that the average citizen sees no need for at all, let alone at such inflated prices. Medicare is one thing that we get back from our years and years of paying taxes that we can see and understand. Granted there may be excesses. But why is this program singled out for dismemberment when programs that benefit other countries, or sadly, nobody but those on the Government payroll, are kept well beyond their usefulness?
>
> If you want to cut the cost of Medicare, you must phase it out over time. You must not yank the rug out from under those of us who earned our money in days when we earned less than half what people in our former positions earn today. Yet the inflation that brought their salaries up and affects the prices we all pay applies to us equally with them. It could mean the difference between living with dignity and living in abject poverty for those with medical problems.

Mr. President, I have another letter here which is dated April 12, addressed to me.

> DEAR SENATOR REID: I know you fought to save Social Security, but not a word about Medicare.

This is interesting because it is written from someone from Nevada.

> The Washington Post had an article February 28, 1995 citing that huge Medicare cutback foreseen by Packwood.
>
> I am not a rich Senior Citizen nor do I get enough for my money. I am not in the poor variety but a few dollars above. This is why we cannot reduce the balanced budget on the backs of the poor and the elderly. I want to be able to choose my own doctors for in my case I have trigeminal neuralgia which is uncurable. I need to find the best specialists around to help me. I don't want to be forced to go into any HMO's.
>
> As far as voting I go for the person and not the Party.
>
> I feel this way. If an encumbant or any candidate running for office does not care about me than I do not care about their future. I will not vote for him/her.

Remember the debate we had last year. We have to maintain choice. What we were going to do in health care reform, as you will recall, was have health cooperatives, which was the original idea where we would have a number of people go out and bid to get the best and cheapest coverage. We were criticized for that. But now that is being recommended.

Managed care is the word of the day, which is certainly a lot worse than anything we ever suggested because what we suggested was there was no middleman that would eat up all the money. Who are the highest paid executives in America today? Among the highest paid executives in America today are the people who run these health maintenance organizations, who run these managed care operations. They do not know how to spend all of their money.

I go on with the letter:

> As far as voting, I go for the person and not the party. I feel this way. If an incumbent or any candidate running for office does not care about me, then I do not care about their future.

Mr. President, in my office, like in your office, I receive phone calls when issues come up, whether it is on the gun control issue, abortion issue, or in this instance, cutting Medicare. We have received hundreds and hundreds of telephone calls in my Reno office, my Carson City office, the Las Vegas office, and the Washington office.

Here is a call we received from Dottie, living in Las Vegas, in an apartment.

> Opposed to Medicare cuts. If it were not for Medicare, you would not be talking to me today; three strokes and a car accident.

A note from Harry Decker:

> Don't cut Medicare irresponsibly. This will hurt people.

I can tell Harry Decker that, if this budget resolution passes, he will have his worst dream fulfilled because that is what is done in this budget resolution. We are cutting Medicare irresponsibly.

A call from Michael:

> Oppose cuts to Medicare. I am going to have to go on welfare. Making it very tough on seniors.

Another message from Robert:

> Don't cut Medicare until there is a plan in place. Do it correctly and less painfully.

I do not think he is being unreasonable. We do not have a plan in place.

Frank:

> Please don't cut our Medicare. The money just does not cover now what is needed.

These are just a few at random telephone calls and letters that I have received. If we all sorted through our mail, we would all find the same type of responses from the public.

Why, I repeat, is it fair to give tax cuts to the wealthy, tax increases to the workers making $28,000 a year, cuts in education, and then make the biggest cut of all, Medicare. This does not sound fair.

Mr. President, these letters that I shared with the Senate and the telephone calls are not just a few here and a few there. As we are speaking, my office is receiving lots of telephone calls. My staff is going through the mail. If these cuts are implemented, there are approximately 200,000 Medicare enrollees in Nevada who will pay an average of $1,080 more in the year 2002 alone and $3,620 more over these next 7 years.

It is interesting also that the burden will be the greatest for the one in four seniors; that is, the 25 percent of seniors who rely solely on Social Security, who do not get a penny from anyone else. This will hurt them more than anyone else. These recipients will be forced to use much more of their Social Security check to cover these out-of-pocket costs for health care.

This budget proposal is not only about seniors. It is also about American families because, if there is an impact on a senior, most of the time it affects that person's family. These drastic cuts in Medicare not only threaten the pocketbooks of seniors, but also those of their families.

Why do we have Medicare? Why do we have Social Security generally? We have it, Mr. President, to give independence to the seniors, to make people feel like they are somebody.

I related during the debate we had on the balanced budget amendment the story of my grandmother, Harriet Reid, born in England, citizen of the United States. I can remember as a little boy going to the post office and picking up my grandmother's old age pension check. I did not know it had a fancy name at the time, her Social Security check. That check gave my old grandmother independence. She had children, but she did not have to depend on her children for everything because she had her old age pension.

What we are doing with these cuts in Medicare is taking away the independence of people, of people like my grandmother. My grandmother, were she alive today, if this budget resolution passes, would become more dependent on her family, if in fact she was fortunate enough to have a family.

We can cart out all the charts and graphs showing how bad things are, but I ask everyone to go back again and realize how good things are in this economy today. For the third year in a row, we have had a deficit decline—170,000 fewer Federal employees, lowest inflation, lowest unemployment since the days of Kennedy, economic growth significantly high. We are doing very well.

And no one on this side of the aisle is saying we should not have a balanced budget. We believe that we should. And we are going to have an opportunity on a vote on a fair budget resolution. What we are saying is do not take the money out of the pockets of senior citizens, people who are going from hand to mouth with their Social Security checks.

We are saying it should not be tax cuts now. We want to give tax cuts just like everyone else would, but we want to do it when we can afford to give tax cuts. We want to get our budget deficit that comes every year under control. It is not fair, I say also, to raise taxes for people who work every day for a living making less than $28,000 a year. Why would we want to increase taxes for them in the same budget resolution and lower taxes for people making hundreds of thousands of dollars a year?

The burden will not only be felt by seniors directly, but it will be felt very significantly, strongly in rural America.

Nevada is the most urban State in the Union, I have been told, Mr. President; 90 percent of the people approximately live in the Reno and Las Vegas areas. In the huge State of Nevada, with 175 million acres, only about 10 percent of the people live outside of the metropolitan areas, but they are going to be hurt real bad. That 10 percent of the people of the State of Nevada also need health care.

We have a study by Lewin-VHI, a consulting firm. It recently unveiled an analysis of the impact these Medicare cuts that are in this Senate Budget Committee resolution would have on hospitals and beneficiaries. The study found that "by the year 2002, Medicare could pay hospitals only 89 cents on the dollar for the operating costs of delivering inpatient care to a Medicare patient." Today hospitals almost do not break even, but this would be even more drastic than that.

The study also found that every type of hospital would suffer under those reductions and that the average hospital in the year 2002 would lose almost $900 per Medicare patient. But I am particularly concerned about rural hospitals. We are having fewer and fewer rural hospitals in Nevada all the time. They cannot stay in business because, interestingly enough, Medicare pays them less than it does an urban hospital for the same procedure, and we need these hospitals in rural Nevada. We have areas in Nevada that are separated by hundreds of miles, and we need these little hospitals. They are very important.

Nearly 10 million Medicare beneficiaries, that is, 25 percent of the total, live where? They live in rural America. They live in rural Nevada where there is often only a single hospital in their county, if in fact you are lucky. We do not have a hospital in every one of our counties.

Significant cuts as in this budget resolution in Medicare revenues will most likely force many of these hospitals, which are already in financial distress, to close or turn where? Turn to local taxpayers for more money. And where will local taxpayers be asked to contribute? From property taxes, from other types of taxes that local governments will have to come up with if they want to have rural hospitals. This is a way to make State and local governments pay more if they want to have hospitals because we are bailing out; the Federal Government is saying we want no more. That is what this resolution says.

Mr. DORGAN. Mr. President, I wonder if the Senator from Nevada will yield to me for a moment for a question.

Mr. REID. I will be happy to yield for a question.

Mr. DORGAN. I will not take much time. I know others are waiting. I will come and speak on Monday morning on this subject, but I was interested to hear the Senator from Nevada speak on rural hospitals.

I listened to some of the debate earlier today and it is framed by some in this Chamber as a debate between those who want a balanced budget and those who do not.

That is not the debate we are having at all. The question is not whether. The question is how. We think we ought to balance the budget. We think we ought to balance the budget by 2002. The question is what route do you take to get there.

The Senator from Nevada is talking about rural hospitals. If someone says the route we ought to take to get there is to have a very substantial cut in Medicare and give a big tax cut to folks that have a lot of income, a $20,000 tax cut to those whose incomes are $300,000 a year; if someone says we can afford to do that but we cannot afford to provide Medicare sufficient to keep rural hospitals open, we on this side of the aisle disagree with the how. We believe in this country that it is important to keep rural hospitals open. We believe you can do that and we believe you can still balance the budget.

The point the Senator is making I assume is pretty much the same point that we have in my State. In North Dakota, many rural hospitals find that up to 80 percent of the people who walk through the front door are Medicare patients.

Mr. REID. Absolutely right. Same in Nevada.

Mr. DORGAN. A very high percentage of the people are on Medicare. If you just precipitously decide to lop off the money on the health care side, even as you are giving tax cuts to the very affluent and doing a lot of other things we do not need to do and taking it out of the hide of those to whom it means the most, what you end up with is closure of rural hospitals.

In North Dakota, I estimate at least a dozen rural hospitals will close rather quickly if we see these kinds of cuts in Medicare without some kind of a plan to reduce the price of health care in a thoughtful way that still allows us to keep a structure out there so we can keep rural hospitals up and open and operating.

That is the issue. The issue is how do we get to a balanced budget, not whether. And some in this Chamber want to stop their vehicles at different intersections. They want to stop and give a little tax break to those affluent people in the house on the hill, and then they want to stop at this little house down below and take Medicare funds away from the person who does not have much income, and they want to stop at the next house on that street and take a few dollars away from those who want to send their kids to college.

We just have a different system for the delivery truck to get to the destination. We would like to ask everybody to pay their fair share.

The point we are making about rural hospitals is a very important point. It applies not just to Nevada but it applies to every State in this country that is a rural State.

I appreciate the Senator yielding to me.

Mr. REID. I say to my friend from North Dakota, he is absolutely right. He very, very precisely laid out the program.

You can present all the charts on the budget, saying if we do not do something, we are going to be in big trouble, all these charts showing what has gone on in the past.

I have done a couple things, I say to my friend from North Dakota, here today. I pointed out, No. 1, the economy is doing great. But having said that, I recognize, as we all do on this side of the aisle, that to continue the economic growth and viability of this country we have to have a glidepath to a balanced budget. We all want a balanced budget. I do not know of anyone over here on this side of the aisle who does not want a balanced budget. We all want one. I say to my friend he is absolutely right. It is a matter of priorities.

And I would say, one of the things that I have talked about here also, we have talked about the tax cuts for the wealthy, the tax increases to people making less than $28,000 a year, but also disguised in all of this is a heavy burden on State and local governments because we have to keep those rural hospitals open. And the Federal Government, because it will not live up to its responsibility to the senior citizens of this country, will pass that burden to State and local governments. They are going to have to try to keep those hospitals open and they can only do it through taxation of people that live in those States.

So it is a disguised way of increasing taxes.

Mr. DORGAN. Will the Senator yield for 1 moment?

Mr. REID. I am happy to yield.

Mr. DORGAN. This is about priorities.

We have people who say, "Let's rebuild star wars." And we have people in the Contract With America saying, "Let's now start on a brand new, gold-plated weapons system called Star Wars. Let's build it now. Let's take money out of Medicare. Let's decide to freeze Head Start."

This is about priorities. Frankly, some of us do not agree with the priorities that have been brought to the floor.

It is not a disagreement about whether we have a balanced budget. It is a disagreement about priorities.

I think the Senator from Nevada is laying that out and I appreciate him yielding.

Mr. REID. Again, I thank my friend from North Dakota, who has done such an outstanding job during this entire debate on the balanced budget. There is never an example in this Chamber that I have seen more effectively used than the fact that this Senator from North Dakota, who had years of experience in the House of Representatives on the Ways and Means Committee—I congratulate and applaud him for using that experience to come here and help explain and make more apparent some of the things we are doing on budget matters here in the Senate.

Mr. President, again talking about rural hospitals and rural health care delivery, closing hospitals will ultimately result in the loss of jobs and loss of physicians and, of course, hospitals in these communities.

This is very troublesome for the health care of rural Nevadans because, even though we do not have a lot of people who live in rural Nevada, those people who live there, few in number, are as important to me as the people who live in the big cities.

I am from rural Nevada, born and raised in rural Nevada. Unfortunately, it appears that those who are in the majority here are not as concerned about rural Americans as the rest of us.

In Nevada, a health profession shortage is already there today. It is a fact of life. Thirteen of Nevada's seventeen counties are identified as health profession shortage areas; 11 counties are classified as frontier, meaning there are 6 persons or fewer per square mile and more than 45 miles between medical service sites. The distance between major towns averages 100 miles, with distances of 180 to 200 miles in more isolated areas.

So, Mr. President, as you can see, drastic Medicare cuts resulting in the closure of rural hospitals would be devastating to the delivery of health care in rural Nevada and rural America.

What it all boils down to, I repeat, as my friend from North Dakota stated, is a matter of priorities. We all believe there should be a balanced budget and it should be by the year 2002. But what we are saying is that we do not believe the budget should be balanced on the backs of those people in their golden years; that is, the senior citizens of this country.

It is interesting to note that the amount of money that is going to be cut from Medicare is almost the same amount of money that is going to be given in tax cuts. That is unfair.

I think it is important to repeat again, Mr. President, the fact that we also believe in a balanced budget. We are going to have a plan that we will offer that will not devastate Medicare and will allow education to receive its fair share, and we will not give tax increases to people making less than $28,000 a year, nor will we give tax decreases to the wealthy.

This amendment which is now before this body which calls for a realignment is something that should pass. We believe that $100 billion of money that is being taken from Medicare should be replaced with the money that is going to be generated in this package that is marked by the Budget Committee to go to the Finance Committee for tax cuts for the wealthy. In effect, $100 billion in tax cuts for the wealthy should be returned to Medicare.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. BROWN. Mr. President, I yield myself such time as I may consume from the Republican side.

I ask unanimous consent, since we have had two Democrat speeches in a row, that we might have two Republican speeches in a row.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Colorado is recognized.

Mr. BROWN. Thank you, Mr. President.

I know Americans listening in and those here must sometimes find Congress a puzzling place. There is no question that at times rhetoric is inspirational and at times it is less than that. But let me just say, anyone who has listened to this discussion very long will find all kinds, and I think at times will find it quite puzzling.

Sometimes they will hear cuts in spending described as increases, and increases in spending described as cuts. What is a person to think? Sometimes we will find people who avoided the draft giving glowing speeches about what vehement hawks they are in military affairs, and I guess vice versa. Sometimes those who consistently vote for higher deficits make the most eloquent speeches about balancing the budget. Indeed, this is a confusing place.

But, Mr. President, few things have equaled the millionaire lectures in this debate on class warfare. Let me be very specific. Throughout the last day, we have listened to those who went to private schools when they grew up lecture those of us who went to public schools about what it is like to be poor. Mr. President, they do not know what they are talking about.

Mr. President, we have listened to people who, when vacation time came in school, took their trips to the bay in Massachusetts or went to Florida for vacations, lecture those of us who worked when vacation time came.

Mr. President, we have listened to those who went to Ivy League schools, of which they are duly proud, lecture those of us who went to public schools.

We have listened to those who are millionaires and had their daddy buy everything they wanted at college lecture those of us who worked 30 and 40 hours a week to get through college. And when they lecture us, they tell us what it is like to be poor. They do not know what they are talking about.

Mr. President, I have listened to people on this floor who, when they got out of college, did not take advantage of the opportunity to serve our country in the Armed Forces, but had daddy pay for their trip around the world or a vacation or maybe they got a Government job, or perhaps they even started in business. But the chances are they started at the top, not the bottom. Those same people have turned to us who have served our country in the military when we got out of school, or began work and started at the bottom, and they have lectured us about what it is like to be poor and what it is like to be rich. These marvelous, inspiring speeches about class warfare have seen trust-fund liberal millionaires come to this floor and lecture people who are from working-class, conservative backgrounds about the class warfare that is in this budget.

Men and women, Democrats and Republicans, will understand that people of good conscience disagree over this budget and disagree over the implications of it. But I suspect most Americans will find themselves choke over the irony of trust-fund millionaires coming to this floor and talking about class welfare and lecturing those of us who worked our way through life.

Mr. President, this debate ought to be about facts. It ought to be about the truth. And let us cover it, because I think some frank words are appropriate.

The trust-fund millionaires have come to this floor and said this budget slashes Medicare. Mr. President, I do not care how rich your background is, I do not care what your father did, you ought to at least have the decency to come to this floor and be honest.

Now, what are the facts? The Medicare funds go up, not down. Let me repeat that. Under this budget, Medicare goes up $105 billion. Now, I do not care if you are a multimillionaire, $105 billion is an increase, not a cut. And no one in this country, no matter how rich they are or how liberal they are or how much they inherited, is entitled to come to this floor and misrepresent the facts. Medicare spending goes up every year. It goes up $105 billion, and that is not a cut. That is an increase. Medicare spending goes up 7.1 percent a year every year on the average.

Medicare spending per capita goes up from $4,950 to $6,400. Regardless of where you learned your math, that is an increase, not a cut.

To come to this floor and say we cut Medicare and imply that is class warfare is simply inaccurate. Tragically, Mr. President, I fear some of those who have done that know better.

One of the great ironies is these trust fund liberals have come to the floor with another story. They have said this budget involves tax cuts for the rich. One said it is tax cuts for the wealthy. One said it is a redistribution to help the wealthy. You are entitled to your view on whether you like this budget or not and you are entitled to dislike the idea you are going to go to a balanced budget—it is a change for America—but, Mr. President, to say this budget involves a tax cut for the rich is simply not true, is simply a reflection that they have not read it. You can be a Democrat or Republican or liberal or conservative, but you cannot come to this floor and say it with a straight face because it is a lie, it is not true.

Here are the facts: There is no tax cut in the Senate budget that came out of committee. There is a provision that says if we balance the budget, if we pass the reconciliation, and if there is a recalculation by CBO of the economies of this, that there could be a tax cut only with the money that comes from refiguring the numbers.

But, Mr. President, what it also says specifically—and it is a Democratic amendment that I cosponsor—it deals with any tax cut that could come about that way; that is, through a recalculation of the numbers. That amendment specifically addresses how any tax cut would be dealt with. That amendment specifically states it is the intent of the Senate and eventually the intent of Congress that 90 percent of any tax cut would go to working people who have incomes under $100,000.

You can say, "I don't agree with that policy," or you can say, "I agree with it," but to come and say that this budget is all about a tax cut for the rich is simply not accurate, it is not true. All you have to do is bother to read the budget.

Mr. President, I have heard others come here and say it penalizes the poor. That is interesting. That is interesting. This budget increases 3 percent a year, and the programs that go up the fastest are the ones that are aimed at the poor. The ones that are cut most dramatically fall in the category, in many areas, of corporate welfare.

To say this budget's net effect is to penalize the poor is simply not accurate. You can disagree with what the budget does, and it does many things, but to inaccurately describe it and misrepresent it, I think, detracts from the quality of the debate this Chamber ought to have.

I have heard people come to the floor and say, "This budget takes away the earned income tax credit." Others have said it savages it. Mr. President, this budget will leave the earned income tax credit higher when it finishes than when it starts.

Does it change current law? Of course, it changes current law. It does not allow the earned income tax credit to increase as much. You can disagree with that. You can say it ought to increase more. Honest men and women can disagree about that subject, but to say it wipes out the earned income tax credit is simply not accurate.

This budget recognizes the fact that the earned income tax credit had a problem. There were indications of fraud and abuse in excess of 30 percent of the claims. This budget suggests that you ought to take a look at that fraud and eliminate it, that you ought to correct the fraud.

I can understand how someone could say, even though an objective congressional body said there was fraud in it, "We do not agree." They are entitled to say that. I do not believe that is accurate, but I can understand they disagree with it. But they have not said that. They say this wipes out the earned income tax credit.

I can see how someone can come to the floor and say, "Look, even though it had fraud in it, I think it is still worthwhile and you ought to increase it the way it originally was done." I do not agree with that, but I think it would be an accurate statement. But to come and say this wipes out the earned income tax credit is not true.

I think what offends me most is those who have had the most in their life, who have been given millions and inherited millions come to the floor and lecture us on class warfare.

Mr. President, there are a couple things that I think are specific there that the American people ought to be aware of. For you as a Senator or any Member of this body to vote for endless and increasing deficits for our country, I honestly do not believe is a benefit to the poor of this Nation. That is what the President's budget is. It is an increase in deficits that continue on and increase. If there is someone who honestly believes that is a benefit to the poor, they have a different view of the world than I do. All you have to do is look at the burden of paying the interest on what we owe.

Some people have come to the floor, some of the millionaires have come to the floor and talked about how this involves tax increases on working people. Mr. President, those are exactly the same ones, or at least some of them are exactly the same ones that in prior Congresses have voted a tax increase on Social Security on working people, or people who had worked for those benefits. They are exactly the same ones who came, or at least there are as many of them that are the same, that voted for the tax increase on fuel who now come and decry tax increases on working people.

Mr. President, the fact is this: This country has the lowest net savings rate of any major industrialized country in the world. Young men and women who want an opportunity in this country depend on savings to give new investment and new jobs. One of the reasons that we have productivity increasing at a slower rate in this country is because as Americans we have not reinvested in our future and in our Nation.

I hope the level of debate will deal with the facts in this case, and I hope the level of the debate will be accurate because there are disagreements here and they are honest ones. But for trust fund liberal Democrats and trust fund liberal millionaires to come to this floor and lecture those of us who work for a living about class warfare I do not think contributes to the quality of debate.

For Members to come to this floor and misrepresent the facts of what this budget does I do not think contributes to this debate. Mr. President, I think what is more important is the working men and women of this country have an ability to see through the quality of rhetoric that has appeared on this floor about the budget. Most working men and women in this country understand that bankrupting this Nation is not to their benefit. Most men and women who work for a living in this country want a future for their children and they are willing not only to work for it but to sacrifice for it and to commit for it.

And most working men and women in this Nation understand, above all else, that there is not any gift of free things in this world; that ultimately what we have is what we work for, and that a politician who wants their vote by giving them handouts is not their friend nor their savior, and that someone who offers them a hand up, not a handout, perhaps offers them the greatest gift of all.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Does the Senator from Colorado seek to yield time?

Mr. BROWN. Mr. President, I yield to the Senator from Maine such time as she requires.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I thank the Senator for yielding and concur with the remarks that have been made by the Senator from Colorado in terms of being able to deal with the facts, because I think that this issue is far too important to ignore the realities of the problem that are facing this country for now and future generations, but also the facts with respect to the plan that is before this Senate.

First of all, as a member of the Senate Budget Committee, I certainly want to commend Senator DOMENICI as chair of the Senate Budget Committee for doing a magnificent job and providing the leadership necessary to bring forth a balanced budget plan.

What has been interesting about this debate so far as a member of the Senate Budget Committee and formerly as a Member of the House of Representatives in the last Congress—I also served on the House Budget Committee—at that time we were in the minority and we were challenged by the President and administration officials as a minority to bring forward our specific recommendations for budget cuts. The President put forward a plan and challenged Republicans to bring forward a plan. We did and it was rejected by the Democrats and it was rejected by the administration. But nevertheless, we put forward $433 billion worth of specific deficit reduction recommendations.

Now, here today, we are in the majority and we feel that we have a responsibility, as we promised the American people, to provide a balanced budget by the year 2002. Indeed, the first month of this Congress, we debated a constitutional amendment to balance the budget. We heard, time and time again, from many Members of the minority, who said, "I support a balanced budget. I think we should balance the budget. I think we should have a balanced budget by the year 2002, but I do not think a constitutional amendment is necessary." In fact, we passed an amendment instructing the Budget Committee, with a vote of 87 to 10, to come forward with a balanced budget plan.

What has happened in the interim is that we have had no alternatives from the minority as to how to balance the budget. What we have heard today here, and in previous debates, is attacking and criticizing the specifics of our plan. I do not doubt that we can find fault with a plan that attempts to balance the budget over the next 7 years, given the fact that it has been 26 years since this Nation has experienced a balanced budget. But the fact is that there has been no constructive contribution as to how we balance the budget.

I have two charts here, because I think it is important to illustrate the point. To my right, we have the balanced budget proposal before the Senate. You can see over 7 years, we find that in the year 2002 we put the budget back into the black. It is not perfect. There are a lot of things I do not like in it either. But we have to get to a bottom line, which is to balance the budget by the year 2002. It is in the interest of this country, in the interest of future generations to do just that.

Now the other chart I have is pretty much of a blank. It is the Democrat plan to balance the budget. There is nothing. We are not debating alternatives or competitive plans. We had a vote earlier today on the President's plan. The vote was 99 to zero against.

So the point is that the only plan before this Senate is a credible CBO-scored plan that says we can balance the budget by the year 2002. We have no other plans. We heard in the Senate Budget Committee, well, it is not really a balanced budget because we have not addressed the surplus of the Social Security trust fund. Again, I agree, that would be another approximately $700 billion that we would have to address beyond the $1.2 trillion. But I also would suggest that this plan gets us off the trust fund eventually and is the only plan to do so.

Now, if other Members have suggestions as to how we can take the trust fund off now with finding an additional $700 billion in cuts over and above the $1.2 trillion we have to find to balance the budget by 2002, we would welcome those recommendations. But you hear time and time again about attacking specifics of this plan and what we have done. But they do not talk about the positive benefits, which I will get into in a moment. They do not have an alternative. You do not hear about competing balanced budget plans here. We do not hear about constructive recommendations as to how we can do it differently.

All we are hearing is criticism and bickering about what is wrong with the plan. I think that those who support the principle of a balanced budget, and support it in reality, have an obligation to come forward with a specific plan and alternative if they cannot support this plan. They owe it to the American people. We can cite, as we did in committee time and time again, the fact that many Members made statements in the last few months saying how much they supported a balanced budget and they wanted to work together. But when we faced that reality in committee, we did not have any ideas forthcoming. They talked about spending a dividend that might or might not materialize at the end of 7 years, and the Congressional Budget Office has said if in fact we put in place a plan over 7 years that balances the budget, we can realize a dividend of $170 billion. But that will happen over 7 years, assuming that all we put in place happens. So what we faced in the committee were numerous amendments on how to spend the dividend. There were more than $500 billion worth of recommended increases in spending. But we did not get the corresponding reductions. We did not get recommendations as to how we could cut this budget and balance it by the year 2002.

So I think that people as they are watching these debates are going to understand the difference between those who are trying to do something for the future of this country and those who are not doing anything.

The President's budget, as I mentioned earlier today, did not address the issue of deficit reduction. In fact, the President's budget that was enacted in the last Congress, which represented the largest tax increase in the history of this country, only provided $88 billion worth of spending cuts over 5 years of a collective budget—over 5 years of perhaps $6 trillion. The budget that the President put forward this year actually only reduced Federal spending by $32 billion over 5 years which, again, represents over 5 years of collective budget of $6 to $7 trillion. And he only recommended $32 billion in that period of time.

One of the previous speakers said we have had 3 consecutive years of declining deficits. Yes, that was the good news. But the bad news is that the deficit is going back up. That is the whole point. That is the major problem facing this country, because the President's budget and plan from the past, as well as the one he recommended to Congress this year, add another $2 trillion worth of debt by the year 2002—another $2 trillion.

In fact, the deficit will be $100 billion larger in the year 2000 than what the President had predicted in the budget that he submitted to Congress this year. It will be $100 billion larger. That is not even taking into account, according to the Congressional Budget Office, high inflationary periods or a recession. That is assuming that everything goes well economically between now and the year 2000. So, in fact, that could be even a higher number, a higher number than the $100 billion more than the President had projected for the year 2000. So those are some of the facts that we are attempting to deal with.

I feel if people have constructive criticism, then they have to recommend ways in which to balance this budget differently. But that is the bottom line. If you believe the magnitude of the debt is going to seriously impair this country's ability to prosper and provide the kind of standard of living that the American people deserve, then you have to support this plan, because this is the only plan that is before the Senate.

I know some of the previous speakers also mentioned tax cuts, which is something that was in the House plan. Well, this is the Senate plan. We do not have tax cuts in this plan. We hear about tax cuts and other things that have no relationship to the plan that is before the Senate. And it is very, very important, I think, to make that distinction.

This plan before us today will balance the budget for the first time in 26 years in American history. The last time we had a balanced budget in this country is when America put a man on the Moon.

Our deficit and our debt have grown 1,250 percent since we last balanced the budget back in 1969. That is what we are talking about. There is no other way in which to face this problem other than to make some of the tough choices now. I think everybody agrees we have to make some of these difficult choices, provided it is fair and is responsible.

First of all, I should say that our plan saves Medicare. We have heard an awful lot about Medicare today. It is a very, very important program. So important that I would think that everyone would be concerned about the trustees' report which indicates without question that the hospital insurance trust fund will be insolvent by the year 2002.

It is the Medicare trustees—they are not Republicans—and it was not the Budget Committee who have predicted the insolvency or the bankruptcy of the Medicare Program in 2002.

Understand one thing: If we do nothing, if we do nothing about the Medicare problem, there will be no Medicare benefits for any of the 36 million Americans it serves after the year 2002. None. It will not exist. By law, the Government is prevented from providing any benefits if there are no assets in the insurance trust fund.

I would like to quote the Medicare trustees themselves, who stated the following:

> With the magnitude of the projected actuarial and hospital insurance program, the trustees urge Congress to take additional action designed to control the hospital insurance program costs. The trustees believe that prompt, effective and decisive action is necessary.

That is exactly what we do in our document.

Amazingly, the minority has no proposals, no ideas, to remedy the Medicare crisis. This, despite the fact that three of the Medicare trustees are actual Cabinet Secretaries, and they still refuse to admit there is a crisis. They say it has been mentioned before.

Well, we have 7 years in which to address the problem. As several of the trustees testified before the Senate Budget Committee recently, they said we have to take some action because it is going to take some time to have an impact on the revenues of the trust fund.

We cannot wait until the year 2002. We cannot wait until the year 2000. We cannot even wait until 1997. It has to be done now, in order to have a positive impact.

I, personally, think that the 36 million Americans who depend on this program—and more in the future because we will have more people retiring—is that they should have a sustainable health care program.

Now, we have one of two choices. We either attempt to address it this year or we ignore it. I, frankly, think we have a responsibility to address this problem.

So this is not a manufactured number. It is not a manufactured crisis. This is from a report that was done by the trustees of the Medicare system. This just came out. Three of the President's Cabinet Secretaries are on this board. They have said that there is a problem. I think that we do have an obligation.

Now, I think the President recognized that there has been a problem because in the past he has been quoted on several occasions, and I have these quotes on the charts because I think it is important to remind everyone that the President spoke about these issues as well when it came to Medicare and the growth and the problems we have in the future.

He said at one meeting, back in April 1994, "Then we'll be able to lower the rate of inflation—keep in mind, we do not propose to cut Medicare and Medicaid, Ma'am," in answer to a question at a town meeting. "Medicare and Medicaid under our proposal would go up at twice the rate of inflation, instead of three times the rate of inflation."

Then, back in October 1993, in speaking to the AARP, a very important organization that represents senior citizens in this country, he said, "Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation." Now, that is less than what we have in our budget. We have much more. "That is not a Medicare or Medicaid cut. Only in Washington do people believe that no one can get by on twice the rate of inflation, so when you hear all this business about cuts, let me caution you that is not what is going on. We are going to have increases in Medicare and Medicaid."

I think we owe it to the seniors of this country to begin to address this problem. In this proposal, we are recommending that we establish a bipartisan commission to recommend ways in which to address the insolvency of the program that will occur in the year 2002, according to the trustees, when they issue their report.

Now we heard many say it has to be done within the context of comprehensive health care reform. I think we ought to have health care reform. I think it is an imperative. Hopefully, we will be able to address that, as well, in this Congress.

We asked the trustees when they appeared before the committee as to whether or not we should have comprehensive health care reform in order to address this problem, or should we do it on a separate, legislative approach.

Mr. Ross responded,

> I, personally, believe there may well be a two-step process that is necessary, doing those things that can be done now to address things that can be affected in the short run, while setting up a process to deal in a more long-range and fuller basis with the problem in the context of broader health care reform.

The other trustee was asked, What are the alternatives if we do not address the problems? And Mr. Walker said, "Delaying will only serve to increase the difficulty and the severity of any related changes. In addition, failure to address the financial imbalance in the Medicare programs will likely have long-term adverse consensus on Social Security, since the Congress has had a history of redirection of funds for the relatively better financed," because none of these programs is well financed, "the relatively better financed programs in the short term in order to shore up the troubled programs."

What they were recommending is that we take action in the short term and, yes, then address some of the other issues in the context of health care reform for longer-term recommendations for the long-term stability of the program far beyond the year 2002.

The trustees also estimated that it would take an immediate 4-percent increase in the payroll tax or an immediate reduction in Medicare spending by 30 percent to deal with the insolvency issue if Congress does not make the changes in the system.

Obviously, we do not want that to happen. That is why, I think, that a commission on Medicare would be very, very, helpful. Our plan before the Senate today actually increases Medicare spending and saves the Medicare Program from going bankrupt in 7 years, as the Medicare trustees have predicted.

Our plan provides for overall cumulative spending for Medicare over 7 years of $1.6 trillion. Medicare spending will climb from $178 billion this year to an estimated $283 billion in the fiscal year 2002 under this proposal, an increase of $105 billion, or almost 60 percent above this year's outlays alone.

Moreover, per capita spending on Medicare under this measure will rise from $4,950 per Medicare beneficiary in 1995 to more than $6,400 per person in the year 2002, a 29-percent increase. That is an increase of over $1,500 in 7 years, or an extra $200 per person each year in Medicare spending.

Our plan also protects Social Security. That is why I am also amazed that so many here have said in their previous speeches that somehow this plan affects Social Security. They said that about the constitutional amendment to balance the budget, as well. But there is nothing more important to the Social Security trust fund than making sure that we get our house in order with respect to our Federal budget deficits. The more we spend in the red, the more we borrow from the trust fund.

It is paramount for Social Security recipients that we address the deficit issue and make every attempt to restrain the growth of our national debt. That is the real threat to the Social Security program. The fact is that no less than 10 percent of our Federal debt, much of which has been added over the last 2 years, is already owed to the Social Security trust fund. That is why it is so critical for us to balance the Federal budget. In fact, the former Commissioner, Robert Myers, of the Social Security Administration—he was Deputy Commissioner in 1981 and 1982, and he also, in 1982 and 1983, served as the Executive Director on Social Security reform—this is what he had to say:

> In my opinion, the most serious threat to Social Security is the federal government's fiscal irresponsibility. If we continue to run Federal deficits year after year, and if interest payments continue to rise at an alarming rate, we will face two dangerous possibilities. Either we will raid the trust funds to pay for our current profligacy, or we will print money, dishonestly inflating our way out of indebtedness. Both cases would devastate the real value of the Social Security trust funds.

Further quoting Mr. Myers:

> Regaining control of our fiscal affairs is the most important step that we can take to protect the soundness of the Social Security trust funds. I urge Congress to make that goal a reality.

So our plan preserves a secure legacy for future generations. We are not embracing the status quo. We do not want to condemn future generations to impossible choices on spending, which is what the administration's plan certainly offered, and certainly what the minority's plan has offered, which is no plan. So there are no choices here. And that is why this proposal before us today is so critical. Because this is the only plan that will address the indebtedness of this country, and to put us on a more stable path. You might ask, if we do nothing to end the rising tide of debts, what happens to the young people of today and to future generations? It is interesting to note, the National Taxpayers Union has estimated that a child born today will have to pay over $100,000 in extra taxes over the course of his or her lifetime in order to pay just the interest on the debt which will accumulate in the next 18 years. And for every $200 billion in new deficit spending, a child born today will need to pay an additional $5,000 in taxes, just to cover the interest charges.

Tax burdens are so enormous that projections are that a child born today will now have to pay between 90 and 100 percent—90 and 100 percent—of his or her income in order to pay for the expected spending. That is simply not a fair burden to place on future generations. It is morally reprehensible and financially disastrous.

On the contrary, our plan will relieve future generations from having to carry the yoke of debts and deficits by reaching a balanced budget by the year 2002. That is our gift to the next generation of Americans. And they deserve no less.

While much has been said recently about supposed tax reductions in our plan, I would like to make one thing clear once and for all. In our plan, deficit reduction and balancing the budget is our only priority. Lest we forget, it was this very administration which took great pride and effort to preempt the new majority in Congress last November after the election by issuing its own tax cut proposal to the American people of at least $69 billion.

As the majority of Americans in every income bracket have expressed in opinion poll after opinion poll, we understand that deficit reduction must be our first priority, our only priority in this budget plan and our first order of business. And that is exactly what you are going to find in this budget proposal. It is nothing more and nothing less.

Under our plan, the Federal Government spending will be slowed by $961 billion over the next 7 years, reducing Government outlays from a total of $12.8 trillion to $11.9 trillion. If we are going to lead by example, we should in deficit cutting, and we have in our budget. In fact, we place a strict 7-year freeze on all pay for Members of Congress because we think it is important that we do all that we can to make sure that we are contributing to deficit reduction. In fact, I think we should do more.

In addition to reducing Federal spending, our plan reduces the albatross of Federal bureaucracy. Our budget proposal reduces the size and scope of a Federal bureaucracy that has overtaxed, overregulated, and overextended itself over past years, hurting small businesses, middle-class families, and economic expansion.

Our plan eliminates dozens and dozens of Federal departments, agencies, and programs. It abolishes unnecessary bureaucracy, eradicates Government waste, terminates duplication, and consolidates and streamlines Federal programs to improve efficiency and prioritizes our very limited Federal resources. In short, our budget plan puts the Federal Government on a much-needed low dollar diet, and applies some fiscal therapy to our governing institutions.

What did the administration attempt to do? I remind you, the President, back in June 1992, said that he was going to have a 5-year plan for the American people to balance the budget. Of course, he never presented that to the Congress. He has never developed such a plan. But in his budget for fiscal year 1996 he eliminates just one Federal program, the Interstate Commerce Commission. That was the administrations's commitment to reducing the size of Government in Washington.

But I think it is important to look at the benefits of a plan to balance the budget by the year 2002. A balanced budget plan prepares America for future economic growth. It is right for America because the balanced Federal budget is good economics, good accounting, it is good for job creation, it is good for productivity, it is good for savings, it is good for reducing taxes, and it is very, very important in restoring the faith and trust that is essential for America to have between government and the people.

According to the General Accounting Office, if we balance the budget by the year 2002, the average American will have a real growth in income of 36 percent by the year 2020. Others predict that passage of a balanced budget will result in a 2.5-percent drop in interest rates, while the Wharton School of Business predicts a 4-percent drop. With a 2.5-percent drop in interest rates, our interest payments will be lowered by more than $600 billion between now and the year 2002.

Finally, it has been pointed out that when we do have a balanced budget, in the year 2002, interest rates will stay around 3.5 percent. For average homeowners this will mean a savings of $500 per month on their mortgage payments.

Another reason we must have a balanced budget set forth in our plan is because our Nation cannot continue to live in a fiscal condition where our standard of living is being continually challenged and lowered by the effects of annual deficits and increased debts. Without a balanced budget, America will become a second-rate economy with a second-rate standard of living.

We can no longer afford a gross interest payment on the debt of $339 billion this year and $372 billion next year. Within a few years—and this is an amazing statistic—the interest on the debt will consume 50 percent of all discretionary spending. In fact, since 1980 interest on the debt is the only area of the budget that has grown faster than entitlements, at a rate of 120 percent.

We can no longer afford a debt of $4.9 trillion, a debt so large that each person's share of the debt would have grown from $18,500 today to $23,700 per person, under the President's proposal, in 1999, a proposal, as I mentioned, we soundly rejected this morning by a vote of 99 to zero. So who says bipartisanship is nonexistent when it comes to recognizing a bad budget?

We can no longer afford to continue to allow the income of American families to deteriorate because of the Federal Government's fiscal ineptitude. According to the Concord Coalition, without the debt burdens imposed by recurring debts, the average family income would be $50,000 rather than $35,000.

The truth is, our plan for a balanced budget by the year 2002 is the right plan for America because, if it passes, it will be the very first balanced budget in more than a quarter of a century. Today, 26 years and a generation later, we have a chance to restore some fiscal equilibrium in our country. So now is clearly the time. Judging the trends, now is the time to act or we will quickly reach a dangerous and irresponsible point of no return.

In the 1960's, deficits in America averaged $6 billion per year. In the 1970's, deficits averaged $38 billion per year. In the 1980's, they averaged $156 billion per year.

So far in the 1990's they have averaged almost $260 billion per year. Clearly, signs are pointing to a worsening of economic conditions before we reach an improvement. That is why this is potentially our last rendezvous with history. We have tried different paths before. We have tried numerous legislative fixes, jump-starts, we have even tried statutory attempts like Gramm-Rudman-Hollings and the Rudman Act and the Byrd Act, and the Humphrey-Hawkins Act. We tried rescissions and freezes and spending caps, and some, like the administration, even resorted to onerous tax hikes to get the American people to pay for the Federal Government's inaction. But the fact is that the problem remains, and it has only gotten worse.

I think, Mr. President, that we can do better, and we must do better. This plan sets aside the gimmicks, and balances the budget and the old fashioned way with real budget priorities, spending reduction, and fiscal responsibility. It will allow us to start anew and to plan for a brighter future for our children as they pursue their own American dream. Our children's legacy is too priceless to be squandered.

Mr. President, I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Virginia.

Mr. ROBB. Mr. President, I do not know who is controlling time on this side. But I yield myself such time as I may use at this particular point.

The PRESIDING OFFICER. The Senator has to ask unanimous consent to use time.

Mr. ROBB. I ask unanimous consent to use such time as may be required.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia is recognized.

Mr. ROBB. Thank you, Mr. President.

Mr. President, as we continue our debate on the budget resolution, let us remember that this is the easy part. A budget resolution is not a budget any more than a balanced budget amendment is a balanced budget. It is easy to vote for a constitutional amendment to balance the budget, and it is relatively easy to vote for a nonspecific budget resolution. The hard part is actually producing a balanced budget.

Both a balanced budget amendment and a balanced budget resolution are in effect a commitment to make the really tough choices required to get to a balanced budget. The heavy lifting comes later. The pain will not really be felt, and the magnitude of the sheer sacrifice required will not truly become a reality until the authorizing, appropriating, and finance committees finish their work, and specific programs are cut by specific amounts and specific revenues are raised either by increasing tax rates or eliminating tax breaks. That formidable task still looms over the horizon even after this budget resolution is passed.

Those of us who voted for the balanced budget amendment and those who voted against the balanced budget amendment, because they did not believe we needed to change the Constitution to provide the courage required to make the tough decisions, have a special responsibility to work together to produce a balanced budget. The framework of this debate is how to get to a balanced budget by the year 2002.

We ought to acknowledge up front, however, that even the current Republican budget resolution does not actually get us to a true balanced budget by 2002 because it still uses the Social Security surpluses for the next 7 years to mask the size of the remaining deficit as we have been doing for many years in the past. Therefore, we cannot deny that, even if we fulfill the promise of the current budget resolution in 2002, we will still be spending $113 billion more than we take in.

Nonetheless, this resolution clearly moves us in the right direction, and the Republicans are to be commended.

President Clinton started us in the right direction in 1993 with a bold mix of spending cuts and income tax increases limited to the top 1.2 percent of the wage earners that gave us the largest deficit reduction package in our Nation's history. I had hoped for similar boldness in the administration's budget for this year. The political considerations apparently dictated otherwise, as they obviously did for the two previous administrations. Therefore, the Republicans get and deserve credit for keeping the momentum going.

Now in control of the Congress, the Republicans are struggling to make the tough choices. And it seems to me that it is critical that we work together to reach the agreed-upon goal by the year 2002.

We should applaud Senator DOMENICI and Representative KASICH for doing what they said they would do by developing budget resolutions that create an outline for how our budget can, if we count in the Social Security surplus, achieve balance by the year 2002. We do not have to agree on every suggested cut. But I hope we can be constructive in our criticism.

In all fairness, it is difficult to attack Republicans for advancing a faulty plan when we Democrats have not yet offered a better one. We should take advantage of this historic opportunity to lay out our different priorities for the Nation within the context of a balanced budget. And I can assure you that nothing that we are planning, Mr. President, to propose in the way of a amendment lessen our chances of meeting that goal in the year 2002.

Our parties have very different visions of government. We should debate these differences honestly and constructively. I applaud the strength of the convictions that drives my Democratic colleagues to fight for programs which help children, the elderly, and the disadvantaged. Protecting the defenseless and aiding the less fortunate have always been a hallmark of our great party. In my view, however, failing to balance the budget as soon as possible will ultimately harm precisely those we seek to protect.

We are on an unsustainable path that places our Nation's future at risk. Every dollar we borrow to fund a program today will have to be repaid with interest by our children tomorrow. And every dollar our children have to spend repaying interest on our debt is one less dollar for them to use to build schools, improve highways, pride health care, or fund law enforcement. In truth, we are paying today for past failures to address the upwardly spiraling national debt. This year, 15 percent of our annual budget is devoted to paying interest on the massive debt we began accruing in earnest during the 1980's. In fact, if it were not for the interest we are paying on this whole debt, our budget this year would be balanced.

In any event, we can no longer afford to use deficit reduction as a political hot potato. Now is the time for real leadership. We should begin providing that leadership by educating the American people on a bipartisan basis about the sacrifice that reducing the deficit requires from us all. We have a higher calling than current political passion. The temptation to tear down the other side is difficult to resist.

For the sake of the next generation, however, we should not allow ourselves to do to Republicans what they did to us when we made the tough decisions to reduce the deficit in 1993. When we were in the majority, we made the hard choices without a single Republican vote. Republicans then in the minority decided to exploit those tough decisions, and succeeded in the last election largely, as a result. The middle class was led to believe their income taxes had been raised when, in fact, we increased the income tax rate only on wealthiest 1.2 percent of Americans who could best afford it, and actually reduced taxes for the 16 percent least affluent working families who needed a break.

Likewise, people were led to believe that we did not cut spending. But the fact is that we cut $255 billion in Federal spending. The tactics deployed to attack the 1993 plan, however, are what make balancing the budget so difficult and which have kept us on the path to incomprehensible indebtedness.

If we seek revenge against the Republicans and resort to the scare tactics and distortions that so successfully ruined our efforts to achieve even greater deficit reduction in 1993, we will have abdicated our responsibility to protect future generations.

We need the courage to ignore the polls which suggest that, while a majority of Americans believe we should balance the budget, and even greater majority oppose cutting the programs that contribute the most to the deficit. And of course, no one wants a tax increase.

There are, however, only two ways to balance the budget. We either cut spending or raise revenues. And, in truth, we need to do both. We need to focus our efforts on cutting all the Federal spending that we can eliminate in good conscience. And we should not shy away from terminating departments, agencies or programs that do not make sense, even though they have a strong constituency. But, after we cancel all of the useless, inefficient, or unnecessary spending we can identify, if we still cannot balance the budget, we are going to have to have the political courage to raise taxes. Otherwise, we will be conceding that we are unwilling to live within our means.

Our job as leaders is to describe the choices, educate the people, and explain that we cannot get to balance merely by eliminating waste, fraud and abuse, cutting welfare, and stopping foreign aid. There is no line item for the former, and the latter each represent less than one percent of our current budget. And we cannot let the polls dictate our response. Our best judgment of what is right for America in the long run should be our guide. In the oft-repeated words of Edmund Burke, "[y]our representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion."

If, to gain political advantage, we pummel those who make the tough decisions to reduce the deficit, we will poison the atmosphere and sow the seeds of our own destruction. Balancing the budget will become impossible. As a result, we will have succeeded in being the first generation to leave the country in worse condition than we inherited. By arguing that painful cuts or tax increases are not necessary, we send a dangerous message to the people we serve. We simply cannot continue to tell the American people that it is possible to have it all without paying for it.

The fear of partisan attack, however, has already made this process more difficult. Knowing the power of various interest groups, both sides are afraid to recommend cutting sacred programs or raising needed revenues. Social Security accounts for 22 percent of our annual current budget, Medicare for 12 percent. If we do nothing, entitlements and interest on the national debt will consume every dollar the Federal Government receives by 2013. No program can be placed off-limits if we seek to balance the budget in the most even-handed manner possible. If sacrifice is spread broadly and fairly, we can succeed. Otherwise, we will fail.

Our guiding principle should be to provide Federal benefits only to those who truly need the Federal Government. We can no longer afford to do otherwise. Calls for limiting Federal benefits to those in need, however, should not be misconstrued as a battle cry for class warfare.

Democrats should be willing to admit that there is nothing wrong with wealth or economic success. Indeed, that is the rung on the economic ladder that most Americans are trying to reach. Republicans, on the other hand, should acknowledge that a progressive income tax, which is based on the fair notion that people should pay taxes according to their ability, and denying unneeded benefits to the well-off, is not class warfare. It is merely a recognition that we do not have the money to pay $30 billion in entitlements each year to families who make over $100,000 annually. In short, Federal revenues should go only to those who need and deserve our help.

Given this fiscal crisis, I believe it is sheer folly to even be considering a tax cut at this time. Indeed, we play a dangerous game when we pander to those who say "it's our money, and we want it back." Tax revenues pay for governmental functions that benefit all of us, such as national defense, highways, schools, and law enforcement. We are bound together as a community of individuals who support a social contract. We can support that social contract either out of compassion, believing that we have a moral obligation to each other, or we can support the social contract out of fear, knowing that if we fail to help those truly in need, a feeling of sheer hopelessness will eventually lead them to believe that they have no choice but to take by force what they believe they need to survive.

I support the bold efforts of those who seek to balance the budget by 2002. The longer we wait, the more difficult the task becomes. If the events of the last week are an indication, however, we are at risk once again of making deficit reduction a pitched political battle. If we do so, the primary casualties will be the children of the next generation, defenselessly caught in the crossfire. Madam President, I thank the Chair and I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Virginia.

Mr. WARNER. Madam President, I join my distinguished colleague from Virginia in our endeavor to support a balanced budget.

I am not sure I fully understood his final comments about the children in the crossfire, but it is clear to me that children will shoulder this debt, which is growing constantly, unless we join together, as my colleague said, Republicans and Democrats, in resolving this budget problem.

Madam President, I will have further detailed remarks on this issue early next week; but I wanted at this time to close out the debate today with an appeal for all Senators to examine the impact of the Senate budget proposal on our national defense.

Both my junior colleague and I are privileged to serve on the Senate Armed Services Committee, and he knows full well that defense has been declining, Madam President, for every fiscal year for a decade; for a full decade.

This morning, I say to my colleagues, this article appeared in the newspapers in Virginia's Tidewater area, where we are privileged to have the world's largest naval base, in Norfolk. It states: "Naval Reserve Jets Activated for Duty in Bosnia Combat." If I may ask my colleagues to bear with me while I read one or two paragraphs.

> "Special reserves" are being used during downsizing. For the first time—

I repeat, for the first time.

> since the Vietnam War, a squadron of Naval Reserve warplanes is being activated and sent to the Mediterranean to join military operations over Bosnia.
>
> The deployment is part of the Pentagon's plan to rely more on the "select reserves" during the military's downsizing, officials said.

I ask unanimous consent that, at the conclusion of my remarks, the entire article, together with another one, appear.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. I thank the Chair.

Now, there is clear documentation of these 10 consecutive years of downsizing of the U.S. military—10 years. And the Senate Armed Services Committee, indeed the Republicans under the leadership of Chairman THURMOND, have been addressing this issue. And under the leadership of the chairman and Senator MCCAIN, there will be forthcoming proposals to address what I regard as a very serious problem, namely that the House Budget Committee proposal for defense spending, which is $267.3 billion and adopted by the House just yesterday, falls in the area which I hope, and others hope, to achieve for the Senate.

The Senate bill is the same as the President's submission and considerably less than the House bill. And therein lies the difference that I, together with others, will ask the Senate to address next week. It is a very serious problem.

Also appearing in the news today is a second article, from the Washington Post, that concerns me greatly, Madam President. And that is entitled, "Clinton Administration Trades Military Modernization for Readiness."

I ask my colleagues to indulge me in reading a paragraph or two:

"In avoiding a short-term problem with military readiness, the Clinton administration has created a long-term headache over modernization of weapons and equipment.

"It has cut procurement of weapons systems to the lowest level"—I repeat, the low lowest level—"in nearly a half-century in order to sustain training, maintenance and other readiness spending at robust levels."

Madam President, I am not faulting the Secretary of Defense. He is given only so much money to deal with. He does the very best he can—indeed, Secretary Perry is one of the finest to have ever held that office—the very best he can to project the Department's expenditures over each of the fiscal years. He comes from the research and development area of the private sector. He knows full well the danger of this course of action.

I have discussed this very problem with him, as have other Members of this Chamber, and we realize he really has no alternative.

All of this to say, Madam President, that early next week I hope the managers of this bill provide the Armed Services Committee an opportunity to address this issue in greater detail and to focus the attention of the entire Senate on the very significant difference between the House approach and the current Senate proposal now before us. It is my hope that the Senate will make some adjustments. But I leave the details as to how it is to be done until the opening remarks by our chairman of the committee, together with Senator MCCAIN, and I hope to join them in this effort.

I thank the Chair and I yield the floor.

EXHIBIT 1

NAVAL RESERVE JETS ACTIVATED FOR DUTY IN BOSNIA COMBAT

(By Jack Dorsey)

For the first time since the Vietnam War, a squadron of Naval Reserve warplanes is being activated and sent to the Mediterranean to join military operations over Bosnia.

The deployment is part of the Pentagon's plan to rely more on the "select reserves" during the military's downsizing, officials said.

Two EA-6B Prowler jets and about 30 personnel from Tactical Electronic Warfare Squadron 209, based at Andrews Air Force Base near Washington, left Thursday for the Norfolk-based carrier Theodore Roosevelt.

The Roosevelt, currently in the Red Sea, is heading toward the Adriatic Sea off the coast of the former Yugoslavia to assist NATO and United Nations personnel taking part in Operation Deny Flight.

In this instance, the jets will augment an active-duty squadron of four or five Prowlers assigned to the carrier. The reserves will rotate pilots and crews from the U.S. every 30 to 60 days for six months.

The deployment of reserves also is a result of the military's "right-sizing," said Capt. John Kistler, deputy chief of staff for the Naval Reserve Command, headquartered in New Orleans.

While some reserve units were called up during the Desert Shield and Desert Storm operations, no reserve tactical jets were needed aboard carriers, Kistler said. The military refers to its "tactical" aircraft as those capable of waging combat, such as fighters and bombers.

"Until right-sizing started, we had an air wing for every carrier," Kistler said. "There was always plenty to go around.

"Now, when they need to make up a different configuration for a better scenario like they did for this one, we believe they will be increasing their reliance on reserves to finish out a carrier (air wing) to whatever size they want it to be."

The next deployment may require more helicopters, for example, he said. A Naval Reserve squadron of H-60 helicopters out of Norfolk was ordered to Haiti last fall for six weeks.

All of the reservists volunteered for the Haiti assignment, Kistler said.

"It is very exciting for them. They have always known they could do the job well and this is another chance to prove it. We didn't have to ask anyone to go. It was all volunteer."

The Navy Prowlers are four-seat, twin-engine jets equipped with anti-radar missiles that home in our enemy ground radar. The jets also carry pods that contain high-powered electronic jamming equipment that can be used against enemy air defenses.

While the fighting forces in Bosnia have relatively few aircraft: possibly two or more Soviet-built MiGs—land-based mobile missile launchers on the backs of trucks.

The Prowlers can jam electronic signals, including communications and missile commands.

Each jet has a pilot, navigator, electronic warfare operator and missile operator.

A unit of Air Force EF-111 Ravens currently performing similar duties out of Aviano Air Base in Northern Italy is ready to rotate back to the United States.

The Navy Prowlers will take their place, operating primarily from the carrier but out of Aviano during periods of poor weather.

CLINTON ADMINISTRATION TRADES MILITARY MODERNIZATION FOR READINESS

(By Bradley Graham)

In avoiding a short-term problem with military readiness, the Clinton administration has created a long-term headache over modernization of weapons and equipment.

It has cut procurement of weapons systems to the lowest in nearly a half-century in order to sustain training, maintenance and other readiness spending at robust levels.

So far, this trade-off has paid off politically and operationally. Pentagon officials largely have silenced earlier congressional allegations of a readiness crisis, citing the able performance of U.S. forces in Haiti and the Persian Gulf region. The military chiefs have supported assertions by the Defense Department's civilian leaders that no immediate readiness problem exists.

But Defense Secretary William J. Perry acknowledges his spending plan is open to attack for shortchanging modernization in the near term.

"If you're looking at an area where this budget can be criticized," Perry told members of the House Budget Committee recently, "I think that this is the area where it is most vulnerable."

Indeed, Perry is coming under fire from some in Congress for the gross imbalance between readiness and modernization. "This shortsighted strategy puts at risk our future military capability," Rep. Floyd Spence (R-S.C.), chairman of the House National Security Committee, told the service secretaries at a recent hearing.

For all their concern, however, congressional Republicans have not put forward a formula for maintaining both readiness and modernization giving existing budget constraints and troop levels.

GOP leaders had hoped to bolster the procurement accounts by boosting overall defense spending, but that objective has become subordinate to the imperative of reducing the deficit. Rather than attempt any major re-balancing of President Clinton's program, Congress appears inclined to add little if anything to the administration's plan.

Perry has been committed since taking charge of the Pentagon early last year to keeping readiness high during the draw-down of U.S. forces. He wants to avoid the deterioration in performance and morale that marked defense cutbacks under President Jimmy Carter. He also makes the point that the numerous demands being placed on the military to respond to hot spots around the world require a high state of preparedness.

When anecdotal reports of eroding readiness started emerging last autumn, followed by official confirmation in November that the readiness ratings of three Army divisions had fallen, congressional Republicans accused the administration of military mismanagement.

The administration blamed the problem instead on lack of funding for unplanned operations in Somalia, Rwanda, Bosnia, Haiti and elsewhere; to compensate, the services siphoned money from readiness accounts. With a fresh infusion of operational funds from two supplemental appropriations in the past eight months, the Pentagon was able to raise its flagging readiness indicators—and political controversy shifted to the depressed state of military modernization.

A panel of retired four-star officers concluded in a recent report to Congress that the administration was "failing utterly" to invest adequately in the nation's military future. "Our legacy to the next generation is likely to be 45-year-old training aircraft, 35-year-old bombers and airlifters, 25-year-old fighters, 35-year-old trucks and 40-year-old medium lift helicopters," said the report by Air Force Gen. Charles A. Gabriel, Marine Corps Gen. Alfred M. Gray, Adm. Carlisle A.H. Trost and Army Gen. Robert W. RisCassi.

The administration has requested $39.4 billion in budget authority for procurement in fiscal 1996, which adjusted for inflation would be a decline of 71 percent from a peak in 1985 and the lowest level since 1950.

For the Army, this means no major equipment orders beyond several dozen Black Hawk helicopters, only upgrades of Apache helicopters, Bradley vehicles and Abrams tanks. For the Air Force, which is pouring billions of dollars into development of the new F-22 fighter to supplant the F-15, there is little money left to replace aging squadrons of F-16s. And for the Navy, orders for new ships are to dwindle to three next year; naval planners also are concerned about possibly running out of planes in the next few years to put aboard aircraft carriers as A-6 aircraft are retired early.

The administration's five-year budget plan envisions a 47 percent increase in modernization spending between 1996 and 2001, but much of that is not projected to materialize until the turn of the century—and depends on the uncertain realization of substantial savings from military base closings and acquisition reforms being instituted.

In the meantime, the administration is gambling that high-tech upgrades can extend the useful lives of existing military hardware. And it is betting that the nation's military-industrial base still will be there when needed again.

Further, the wholesale deferment of many modernization projects risks creating a "bow wave" of future procurement that some defense experts warn may prove too large and costly to manage. Rather than cancel acquisition programs, the Pentagon for the most part has opted for stretch-outs and deferrals of such items as the Army's Comanche helicopter, the Air Force's F-22 fighter, the Navy's DDG-51 destroyer and New Attack Submarine and the Marine Corps' V-22 aircraft and new amphibious vehicle. Other programs are slated for cuts in planned production rates.

"Generally, the most efficient way to achieve savings in the procurement budget is to cancel outright a relatively small number of programs, rather than to stretch out or defer production of a large number of programs," noted a report by the Defense Budget Project, an independent think tank. "Unfortunately, the administration appears to be taking the latter approach."

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Madam President, I rise to discuss the issue of Medicare and Medicare reform.

The two Medicare public trustees, in the 1995 annual report, have stated: "We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term."

As a newcomer to this body, I see these words as a physician who has taken care of thousands of Medicare patients. I want to speak for those patients and say that we have an obligation to respond.

I have seen the great advantages of the Medicare system which has served millions, almost 38 million people currently, who are senior citizens and individuals with disabilities. I have seen the very great aspects of the program and I have seen the deficiencies. I have seen the need for improving the Medicare system. And I can tell you that such improvements are required to guarantee the future of the program.

These very same trustees have stated that Medicare part A, the hospital part of Medicare, will be bankrupt in 7 years unless we act.

Our elderly population will continue to grow faster than other segments of the population and they will continue to live longer. Medical innovations will continue—innovations that literally transform health care as we know it today. We need to deliver high-quality health care at a lower aggregate cost. But that does not mean that maintaining the current rate of spending growth or even adding more money to the Medicare system will get to the driving source of the problems, the challenges we face today in Medicare.

My hope, in part, in coming to the Senate was to be able to share my expertise and perspective, my experience as a physician, with my colleagues. As the only physician in the Senate today, I want to share some of the realities of the Medicare system that we have today—realities that go far beyond the talk of billions of dollars or percentage of rates of growth, realities that will help put it in perspective.

Let us think for a moment of Medicare as a patient. Let us say Medicare is a man in his early sixties. He visits his doctor because of chest pain. The patient is 40 pounds overweight, smokes too much, drinks too much, does not exercise. The doctor explains in very clear terms that the patient is at high risk of a heart attack.

The doctor tells him very clearly that he must change his diet, cut back on alcohol, cut back on smoking, exercise more. All of these things will reduce the risk of a heart attack in the short run. Moreover, he will lose weight and improve his long-term health and life expectancy. This will give his family greater security, as well.

"But, Doctor," the patient asks, "I don't care about my weight. Just tell me what I can do to fix my chest pain." The doctor again explains to him that when he changes his behavior to save his heart, he will also lose weight, feel better, achieve a better quality of life, and live longer. Weight reduction will result from the actions he will take to protect his heart. It is not the reason he is engaging in this program of exercise and diet to lose weight, but by losing weight that is what will happen.

I hope the analogy is clear. The public trustees have told us that the patient—Medicare—is at high risk of a heart attack. The diagnosis has been made for us. It is crystal clear. They tell us if we do nothing, Medicare simply will not be with us in 7 years. We need to change Medicare to preserve Medicare, to prevent bankruptcy. In the long run, we will have to look at structural reforms to improve Medicare well into the 21st century. We are going to have to look at how to improve Medicare so that it can live a long and prosperous life.

The program changes made in the short term to slow the rate of growth are very similar to the heart patient's exercise regime. No one wants to do it, but it has to be done. Some short-term pain, yes, but for significant long-term gain. It is hard enough to lose 40 pounds, let alone to put it off until all of a sudden you are up to 80 pounds. At 80 pounds, it becomes next to impossible.

As we see in this proposed budget, when we save Medicare from a short-term heart attack, the deficit will come down as a necessary byproduct. We must change Medicare to save it. And when the deficit comes down, we should look on all this as a good thing because it will produce significant benefits for our entire economy in the same way that our Medicare patient losing weight will benefit his health. But the primary reason we are changing Medicare is to preserve and protect Medicare, just as the patient is losing weight to prevent that heart attack.

Earlier today my distinguished colleague from West Virginia said he has not heard a single complaint or a single problem about Medicare lacking choices. I have lived within Medicare. I have heard the complaints, as well as experienced the benefits. There is much we can do—much we can do—to improve Medicare, to save it.

My last heart transplant that I performed was on December 13, 1993, a wonderful fellow, Bob Meadows. Bob is doing well now. He has a new heart. He is feeling great. He is on top of the world. However, he wrote me a letter recently talking about a problem that very specifically aims at Medicare.

He and I have been through a lot together. His problem is that he is going to be 65 years old on June 23, a month from now. At that point, he will be eligible for Medicare. So what is the problem? Bob will give up his current insurance that he has, which is pretty good, and move into the Government-run Medicare Program. He has no choice today. Should Bob not have a choice? He had a choice when he was 64 and 63 years of age. He has no choice when he is 65 years of age. Should he be forced to leave his current plan just because of a birthday, because he is entering the Medicare Program?

To improve Medicare we should allow choice, we should give him that opportunity to stay with his previous plan. We should have him direct Medicare, to direct his Medicare dollars and to use as he best determines for himself, given his own medical needs, rather than have Medicare direct him.

When we talk about reforming Medicare or improving Medicare, we must stress the importance of having choice in our Medicare system, choice which simply does not exist today, choice similar to the choice that I had in coming to this body 5 months ago. I had a choice of a variety of health plans. Our seniors do not have that choice. I had a choice in the Federal Employees Health Benefits Plan. Seniors do not have that type of choice, but we can give them a structure of similar choices to improve the system.

Bob had a choice before I did his heart transplant. He will not have a choice next month. Some of our colleagues have told us that people like Bob, senior citizens, individuals with disabilities, do not deserve a choice once they go into the Government-run Medicare system, or others say they do not know if these plans will be good for seniors, and others simply say that seniors are not capable of making the choice of what is best for them. I disagree.

Bob, because he is a heart transplant recipient, is discovering very quickly that Medicare is going to be so inflexible that it will not meet his needs. Bob has enormous prescription drug costs because he is required to take medicines, drugs, immuno-suppressive agents on schedule everyday for the rest of his life. If he misses it, the heart that I put in will stop, and he will die. His heart will be rejected. It will result in longer hospitalizations, increased costs to the taxpayers.

His prescription costs are high, almost $2,000 per month during this first year. Luckily his insurance has been covering these costs, but next month, when Bob joins Medicare, he will not have access to a plan that will give him affordable coverage for these drugs. His drug costs will continue, continue very high, more than $10,000 each year.

Bob has been doing all the right things. He has been shopping around for supplemental coverage. Almost 90 percent of patients getting Medicare today have some type of supplemental coverage, but the supplemental medigap models, they are called, only provide for limited prescription drug coverage. Bob, even with medigap coverage, will have to pay more than $7,000 a year for his immuno-suppressive medicines. In Medicare today, unlike most private plans, there is no limit to out-of-pocket expenditures. Yes, there are things we can do to improve Medicare today, to give choice to our senior citizens.

Bob will be joining Medicare. If he fails to do so promptly, he is going to be penalized if he tries to join at a later date. Bob will have to find supplemental coverage and will ultimately look into having to be declared what is called medically needy by the State of Tennessee so that he can then access Medicaid funding to help pay these bills. Again, there is room to reform and improve the Medicare system.

Bob and his wife planned for retirement, but his health status, which he did not ask for, straddles him with enormous medical costs. Now Medicare is going to straddle him with extraordinary reliance on a program that is not flexible. We, together, would serve Bob better, far better, if we improved, reformed Medicare to give him the opportunity to choose from among a variety of health plans that would better serve his individual needs.

The Republican balanced budget plan will allow Medicare's rate of spending to increase by more than twice the rate of inflation. At the same time, we must update Medicare, bring it into 1995 and to the 21st century to allow people like Bob continuity of health care by permitting them to keep the same plan that they had when they were 64 years of age. Our senior citizens deserve it. Our senior citizens must be given the security that Medicare will be here 7 years from now, security that they do not have unless we act.

Bob's new heart that I put in last year will be going strong in 7 years, but will Medicare? Not unless we act. We must pass the balanced budget plan. We must establish the bipartisan commission which is part of that plan to make recommendations on true Medicare improvements, Medicare reform, and we must ensure that Bob and other senior citizens truly will have a Medicare system that will be preserved and of which they can be proud over the next decade.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I thank the Chair.

Madam President, as far as this Senator knows, we have no further speakers for today. I have some remarks that I would like to make on the matter at hand and then advise the Senate briefly what amendments we intend to take up and what those amendments are about that we have scheduled on our side, recognizing that we will be going back and forth on the amendments.

But first, Madam President, we will be talking more about this on Monday.

What we are going to be talking more about Monday is to try and explain to America the deep cuts that are being provided for in the Republican budget with regard to Medicare.

I hear a lot of comment about the concern for America. I have heard a lot of talk about the Democrats that want to spend. I simply say to the Senate again that the Democrats, once again, have not offered an amendment in committee, we have not offered an amendment on the floor of the U.S. Senate that raises the deficit, the violates the 2002 date suggested in the Republican budget which this Senator and several Democrats happen to agree with.

Once again, on this amendment, and others that we are going to be offering, we are simply going to be dipping into the reserve of $170 billion that is specified eventually likely to be available for a tax cut, to alleviate the extraordinary hits—not eliminate them—but to relieve the extraordinary hits on some programs that we just do not think are capable of accepting those kinds of hits.

So let us make it clear once again, despite the theatrics that I have heard from those on the other side of the aisle today, that this is a terrible spending program that the Democrats are about, that the Republicans are trying to save money, they are trying to balance the budget and they are the only good guys because those bad Democrats on the other side of the aisle, you see, want to take this money and throw it away, I guess.

In this particular case, and on other amendments we will be offering, we are not throwing money away. We are not going out and saying, "Here, wind, take these hard earned tax dollars and let it blow into the Potomac."

No, what we are saying, Madam President, is that we just have different priorities than our Republican brethren. We are simply saying that we do not agree with the priorities that have been set on that side of the aisle.

We are not trying to eliminate the 2002 date for balancing the budget. We are not trying to raise the deficit. We are certainly not trying to raise the national debt. What we are talking about is whether or not we can move without violating the basic principles that have been laid down to reach a balanced budget that this Senator ascribes to, as evidenced by the fact that I voted in favor of the constitutional amendment to balance the budget. We are for these things.

I emphasize once again, Madam President, that what we on this side of the aisle are attempting to do is to say, let us get our heads screwed on right with regard to priorities. And with regard to the devastating Medicare cuts, I would simply say—and I will be addressing this in a few moments—as to how unfair these would be—not only unfair but devastating to the rural health care delivery system in my State of Nebraska. What I say about Nebraska and the facts that I will use to back that up can be said for many other States in the Union that have a substantial portion of rural population.

Madam President, the Medicare cuts in the Republican budget are grossly unfair to the average senior citizen. But rural America will, once again, bear the brunt of the storm of deficit reduction. What we are saying is we want to alleviate some of that by dipping into the money set aside for a tax cut in the Republican budget. And I remind all, once again, that not only is a $170 billion set aside, the $170 billion is specifically set aside for one thing and one thing only—a tax cut. Now, we are for cutting taxes, too, if we can provide that tax cut in a form that does not primarily benefit the wealthiest people in the United States of America, as clearly the plan offered and passed yesterday in the House of Representatives does. We are against that. We happen to believe that, in the case of the amendment presently before the Senate, to dip to the tune of $100 billion into the $170 billion kitty that is in the Republican Senate budget, to alleviate by that amount of money, $100 billion, the unfair and tremendous hit in the area of $250 billion that is scheduled over the next several years by the Republican budget.

It does not mean that it is not going to be cut. It simply says it would be fair and probably acceptable to most of us on this side of the aisle if we just did not hit those senior citizens on Medicare right between the eyes, as clearly the Republican budget does, notwithstanding the protests of those on that side of the aisle. They are wrong. I think they are wrong on the numbers, I think they are very sincere. But I hope that possibly we can pick up enough Republican votes on this very reasonable amendment to allow it to pass.

Madam President, cuts in Medicare and Medicaid could lay siege to small rural hospitals, which often serve a much greater share of the elderly and low-income patients. Nearly 10 million Medicare beneficiaries—10 million, which is one-fourth of all beneficiaries—live in rural America, where there is often one hospital per county. Many times, that one hospital serves many counties, more than just one. Nebraska is a perfect example of rural America's health care crisis that is going to be driven into a more serious crisis if eventually we accept anything close to the cuts suggested in the Republican budget for Medicare.

Let me lay out a few of the statistics. Nearly one-third of Nebraska, or 1.6 million citizens, live in rural areas. More than 38 of our ninety-three counties have elderly populations in excess of 20 percent. Nineteen of Nebraska's 93 counties have no hospitals. Here is the kicker: Medicare patients account for 68 to 70 percent of hospital administration admissions. Cuts in Medicare will cause many of our remaining rural hospitals simply to close. The downturn spiral has already begun. Ten percent of all rural hospitals closed during the 1980's. Medicare cuts will only accelerate that decline. Unlike urban and suburban hospitals, shifting costs to the private sector is not an option. It is not an option when the majority of rural patients are on Medicare and many others are uninsured.

Madam President, I ask at this time, because it is particularly pertinent to the remarks that I am making, that at the conclusion of my remarks a letter that I introduced in the RECORD last night from the head of the hospital association substantiating my figures be printed again in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Big cuts in Medicare will cause many of these remaining hospitals no other option but to close. In 1993, Nebraska hospitals lost $383 per case caring for Medicare patients. Let me repeat that. In 1993, Nebraska hospitals lost $383 per case caring for Medicare patients. Based on the Republican budget, they would lose an average of $1,370 per case in the year 2000. That is a pretty devastating figure. And that would be only if the hospitals are still open. How can our hospitals respond to cuts of this magnitude? Several hospitals in my State are teetering on the brink of insolvency, and these cuts may put them over the edge. They are forced to slash wages, lay off employees, cut back on services, or simply close their doors. Once they close, Madam President, physicians leave our small rural communities and they never, ever will come back. The hospitals are gone forever, and so are the doctors.

Hospitals should not close simply because they serve a large population of Medicare patients. And that is what the Republican budget does. The No. 1 health priority for rural areas is increasing the supply of primary care physicians for our 22 million rural Americans. The Republican budget takes us in the direct opposite direction. More than 75 percent of Nebraska's counties have been designated medically underserved. Up to 25 percent of the rural doctors will retire or relocate within the next 5 years. More than 2,000 practitioners are needed to even begin to meet the rural needs of America.

Madam President, in recent years, a variety of Federal grants have been awarded to States with large rural-urban populations to help them develop new and innovative ways of delivering health care to our rural areas and we have appreciated that. Rural States like Nebraska have formed consortiums among their schools, churches and clinics, in order to pool resources and reach out to vulnerable residents. They have formed regional emergency care networks and organized training programs for their emergency volunteers. They have used physician assistants and nurse practitioners, and they have been a godsend. Telemedicine grants that help connect rural and urban hospitals through the information highway show real promise in improving quality and access to care for our rural elderly who cannot travel the long distance to urban hospitals.

Rural America got the short end of the stick in the Republican budget. These and other programs critical to the health care of our rural communities were left to wither on the stalks.

I have heard time and time again today the phrase that has been used over and over again that the Republicans have worked so very, very hard to fashion a budget that is going to save America, that is going to balance the budget by the year 2002, that will make these hard choices; that those on the Democratic side of the aisle want to change all that, not give a tax cut, and they want to increase spending.

Obviously, from all of the extensive polling that they have done with GOPAC and all of those other good organizations, they have found good buzzwords. They know that "spending" is a good buzzword that catches a lot of attention. So when we say the Democrats are trying to spend more, it rings a bell that they hope will fool the people of America into believing that we are—we as Democrats—offering this amendment that I emphasize, once again, does not change the balanced budget by 2002, and does not increase the deficit. It keeps it the same as outlined in the Republican budgets. It does not raise the national debt.

The only way that we can interpret this as spending would be to say, since we want to keep hospitals open in rural Nebraska and elsewhere, by not eliminating the cut, but softening the cut that has been suggested in the Republican budget, somehow we are big spenders.

Well, if that is the definition of being a big, wild-eyed spender, this conservative deficit hawk, as Governor of Nebraska for 8 years and having the privilege of representing them, this is my 17th year, with a record of trying to reduce spending, with that background, I say if I am going to be labeled as a big spender because I am trying to help out the most fragile parts and sections and individuals in our country, those senior citizens living in rural America, alleviating just a little bit the tremendous hit that they are going to be taking as a result of the budget submitted by the Republican majority, then I stand convicted. I stand convicted, Madam President, of being a big, wild-eyed spender. I simply say that the record speaks for itself.

Madam President, I would like for the purpose of clarification to know where we think we should be going on this side. For the information of my friend and colleague, the Senator from New Mexico, as we bring this week's debate on the budget resolution to a close, I just want to lay out the content of the amendments on this side of the aisle that we will be pursuing after we vote Monday afternoon on the measure before the Senate.

At that time, I assume that we, therefore, will go to the other side of the aisle for the next amendment. As I stated earlier yesterday and then again today, we on this side plan a series of deficit-neutral amendments that seek changes in priorities in the Republican budget. Each and every one of the amendments that we will be offering fall exactly within the guidelines that I have just enunciated with regard to the amendment before the Senate.

All of these amendments, and any that I know of, maintain the Senate path as outlined in a Republican budget to a balanced budget, that is basically the underlying principle of the budget resolution.

The first amendment that we offered that is pending now is referred to as the Rockefeller-Lautenberg amendment on Medicare. That amendment seeks to trim back—not eliminate, but trim back—the tax cut in the Republican resolution and devote more of those savings to alleviating the hits in the Medicare Program that we think are unreasonable.

The amendment following that, when we on this side have an opportunity to offer our next amendment, will be an amendment to offer to trim back the tax cuts just some, a little bit further, and debate those savings, to reduce the cut and the hit on education.

Now, Madam President, we will be making the very similar case and following generally the same roads of reasoning as to why we think the Republican budget that came unanimously out of the Republican-controlled Budget Committee does the same thing to education as their figures on Medicare do to Medicare recipients and hospitals that primarily serve Medicare patients.

There will be a very similar amendment. I suspect that the debate will be very similar, perhaps, to what we are having today. That is the amendment that will follow.

Following that, the next amendment that we contemplate would trim back those Republican tax cuts just a little further, and devote those savings once again to eliminating the tax increase in the Republican budget on working families making less than $28,000 a year. Generally, that is referred to as the earned income tax credit. It has come up on several occasions during the debate in the last several hours.

Taken together, those amendments that I have just offered constitute a different vision for America. A different vision—again, not violating the basic principles of the budget brought by the Republican majority.

This Senator has commented previously—not only commented, but complimented especially Senator DOMENICI, who I know has worked very hard and very long on this proposition. I simply say to my good friend, "You have done an overall very good job." Just please reason with this side and allow changes within the budget that has been submitted.

If we can come to that, we are going to have a much stronger bipartisan budget as it leaves the U.S. Senate than we would have had otherwise.

Our vision puts a higher priority on seniors—not eliminating any cuts but reducing the cuts. It does the same for working families. It does the same for education.

Together, these amendments define the difference, I suggest, the difference in the two parties with regard to priorities. As Harry Truman once said, "With us as Democrats, the people come first." I wish we could do more, but we cannot. I believe the people of America are willing to join to make some very hard choices and to take some very painful cuts.

Once again, I emphasize in closing, Madam President, that all we are trying to do is to do some surgery on the Republican budget. Not violating, obviously, the basic principle; not violating balancing the budget by the year 2002; not violating the overall goals with regard to spending, the totals; not increasing the national debt. What we are trying to do in all good faith is to be joint partners, as the minority party, in making some changes that will allow many of us, with a lot of thought and consideration, to simply say to Senator DOMENICI and our friends on that side of the aisle: We will join with you in making these very painful choices, because we realize, we recognize, and we think it is a must to make some dramatic changes in what has taken place with wild-eyed spending and very high deficits over the last few years, starting back basically with the election of President Ronald Reagan as President of the United States.

So I simply say that we recognize the fault for this is not all on the Republicans, and it is certainly not all on the Democrats. We are in this boat together. I hope we can work in consort, in a bipartisan fashion, to begin to work our way out of it.

We do not believe any of the amendments we have offered thus far, or the amendments we will be offering before we go to the final debate and vote on the resolution itself, are anything other than reasonable priorities that we would like to reset and make some changes in, as advanced by the Republicans when they brought this budget to the floor of the U.S. Senate.

I thank the Chair and I yield the floor.

EXHIBIT 1

NEBRASKA ASSOCIATION OF
HOSPITALS AND HEALTH SYSTEMS,
May 10, 1995.

Hon. J. JAMES EXON,
U.S. Senate, Washington, DC.

DEAR SENATOR EXON: On behalf of the 94 acute care hospitals in Nebraska, I wish to call your attention to a serious potential problem.

Clearly, the United States must work its way out of debt. To do that, Federal spending must be cut. It is my understanding that the Senate Budget Committee Chairman's mark is set at an overall reduction of $1.5 trillion by the year 2002. I further understand that in order to achieve a savings of that magnitude, Medicare is targeted for $256 billion reduction in spending over the same seven-year period.

Here's the problem. For fiscal year 1993 (FY '93) (the most current completed year), Nebraska hospitals had a net operating margin of −7.5 percent for care rendered to Medicare recipients. Based upon the Chairman's mark for Medicare spending, in the year 2000 Nebraska hospitals would have a net operating margin of −23 percent for Medicare patients. This figure is expected to improve by the year 2002 to a net operating margin loss of only 14.5 percent, because the reductions are "front loaded."

Putting this into financial terms, in FY '93 Nebraska hospitals lost $383 per case caring for Medicare patients. Based upon the Chairman's mark, in the year 2000 they would lose on average $1,339 per case and in 2002 they would lose $983 per case caring for Medicare patients. This is all compounded by the fact that Nebraska is a state with a higher proportion of elderly citizens in its population.

How can hospitals respond to the cuts of this magnitude? Hospitals are caught in a catch-22. They can: (1) shift more costs to the private sector—this is no longer a viable option in today's managed care environment; (2) slash wages and lay-off employees; (3) cut back on the scope of services provided—all of which threatens the quality of care, will close rural hospitals and restrict access. It is a lose-lose situation for community hospitals. Reimbursement reductions of this magnitude in a state with a disproportionate share of the elderly population, a state in which Medicare patients account for 60 to 70 percent of hospital admissions, clearly threatens the health care system upon which all of us depend.

Medicare needs to be fixed. There is an opportunity for Congress to change Medicare, but the change must be driven by sound health care policy, not budgetary or political imperatives. The Senate Budget Committee's proposed Medicare reductions would crush Nebraska hospitals.

As always, Nebraska's hospitals look to your leadership.

Sincerely,

HARLAN M. HEALD,
President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, is the Chair personally on some serious time impediment at this point?

The PRESIDING OFFICER. No, the Senator may proceed.

Mr. DOMENICI. I will not take very much time. I have five or six unanimous-consent requests. I assume my colleague has cleared those?

Mr. EXON. I believe these requests have all been cleared.

I would like to ask, as long as we are in this, we are scheduled to come in at 8:30, is it, Monday?

Mr. DOMENICI. Right.

Mr. EXON. If I understand it right, when we close the business today there has been a joint agreement that we would either have used or have agreed to use 10 hours, is that right, today?

Mr. DOMENICI. Yes. Ten yesterday and ten today—twenty.

Mr. EXON. So when we start debate Monday morning we will have 30 hours left on the budget resolution, is that correct?

Mr. DOMENICI. Correct.

Mr. EXON. I thank my colleague.

Mr. DOMENICI. Madam President, let me just put in perspective where we are. It is amazing. I am not saying this is Senator EXON, but let me just see if I can put in perspective that side of the aisle, and what we have heard all day long and what we are going to hear for the next couple of days, on this side of the aisle.

Frankly, any time you try to reduce spending in any major area which is bankrupting the Government, you hear that you surely should not do that one because that is terribly important to everybody.

I am going to make an assumption for this RECORD, just to put in perspective where we are. First, we know Social Security is off this budget. It is going to continue and get its cost of living.

Let me assume that since Medicare, which is growing at 10 percent—there are many who say it should keep on growing at 10 percent, and I am sure in spite of the amendment that says we will take a little less than that, which is the Democrat amendment, there is an overwhelming number of Democrats who would say leave it like it is. It is very important. You cannot touch it. It has to grow at 10 percent.

Let it grow at 10 percent.

And then there are those who say, welfare? You can reform welfare but you are not going to save any money. OK, so we take that off. If we are not going to save any money, there is no use talking about it in the budget, right?

Then there is education. Even though we say wait until we debate it, Pell grants have been on this floor with three different speakers saying we abolish them. Madam President our assumption is that Pell grants go up $6.6 billion during the 7 years. How much is enough when you are bankrupt? How much is enough when you are $300 billion in debt here, in just a few years? That is the issue. What can you afford? Not what you like. Not what would be wonderful. Not what would be sensational for our people. Not what you can go home and brag to people we protected you.

Who protects the millions and millions of Americans and the young people from this debt that keeps going up? So we take out welfare. We cannot save any money. That is kind of the theory from the other side.

Earned income tax credit? We are destroying, we are cutting —raising people's taxes. Earned income tax credit, the fastest-growing program in the Tax Code, it is going to go up 40 percent in this budget. How much can we afford? Is 40 not enough? How much should it go up, 70? Why is that the case, when the country is borrowing the money to pay it back to people? Where do we stop? What is affordable?

And then, no offense but there are some who say we should not cut agriculture. Look, it is not a giant program and I am not saying Senator EXON said no cuts. But I am guaranteeing there is a very large contingency on that side that would say you cannot touch agriculture.

I am just going to do, for the Senate, in rough numbers, and for the people listening, I am going to take all those things off budget. OK? And I am going to try to get a balanced budget. So I am going to take off Medicare. I am going to take off Medicaid. We have heard an argument about Medicaid. Medicaid, 4 years ago, Madam President, because we changed the law and States found out rather quickly how to harvest the program—some say cheat, but some say harvest the program— so they found out how to harvest the program. Guess how much it went up? Twenty-seven percent. The following year we were still at it out there in the States, 26-percent increase. And then it came down to 8, and then it went back to 10 and there it is.

Frankly, we have to leave that there because many on that side see as ruinous for America if you do not leave that program just like it is. But nobody says who is paying for it, right? We just sit around here and say we really need that. So that is another one.

I have added them up as best I can and here is where we would be. You have to pay the interest on the debt, I assume. OK? So we put that in.

I think we have, then, what is left on the table. I was almost going to say nothing, but I have to be honest. What is left on the table is $390 billion out of a $1.6 trillion deficit. So that is how this goes. We take one off but we only take it off because we argue it is so great. We do not understand how do you stop borrowing the money from our kids, taxing them without representation. We do not figure out how we do that. We just say we must keep this.

My staff has gone through and said, Senator, if there is $390 billion left, to get to balance what might we have to do? If people are worried about doing some draconian things, here is our best guess. Eliminate the Department of Defense, for starters. Eliminate the Department of State, Department of Justice, Department of Transportation. NASA is complaining. We did not cut NASA as much as the House in our recommendation, but they disappear under this scenario. Oh, actually, we do not think there is even a Department of Veterans left under this.

So the point is, no matter what you try to eliminate, no matter what you try to change, no matter what you try to reform, there are those who want to keep it all and at the same time say we are for a balanced budget.

You just cannot do it. And I have given an example today, rough as it is, do not hold me to it to the exact millions, but just hold me to it as a pretty good workmanlike approach to where we are. That is where we would be.

Now, I forgot to mention something. After we did all that, senior citizens, Medicare is on the road to bankruptcy, right? Because we just left it like it is. And leaving it like it is we are doing all these nice things that nobody wants to change, but it is going bankrupt.

So that is even an additional one to add to what we have done. Shame on us. Shame on us. As we say we are helping senior citizens, we want to leave it like it is. Many here want to leave it like it is because to try to find some way to reform it, manage it better, give seniors choice, somehow or another we are going to harm them, we are going to hurt them. To tell you the truth, what is really going to harm and hurt Americans is if we do not figure out some way to stop borrowing money. That is what is going to hurt America.

Now, my last observation about all of this is also something that I would like to quickly make. How many Americans are going to be harmed by our incessant borrowing of money? I believe the number is in the millions, for I believe they have already been hurt. I believe the huge debt we have today has already harmed the standard of living, the real paycheck of millions and millions and millions of Americans.

So one might say, who is really worried about the people? Is it those who talk about Federal programs that are worried about the people? Or is it those who talk about Federal programs that we could not pay for so we borrowed money so all the people get hurt? Who is for the people? I believe I know where I am, and I am very comfortable with it. I believe this budget is for the people of this country.

Now, my last observation about all this is just let us take an analysis of where our Democratic brothers are going to be Monday with their vote and in three successive votes after that. Let us just take a look for a minute. The Republicans produce a balanced budget. Here it is. Here it is, the Republican balanced budget. No help from the President. We produce it. No help from the Democrats. We produce it. We say to the American people we want to be leaders for making some hard choice. They do not. We do.

Now, what happens when we get it finished? The Congressional Budget Office says there is a high probability that when you get that done, you get an economic dividend. Some people are choosing to call it on this side the Domenici dividend, double D. I do not know what it is, whose it is, but it is reality. There is a benefit from balancing the budget. It is $170 billion more or less depending upon how it all turns out.

In a sense, it is looked at this way. After you balance the budget, interest rates come down, and they are down over the whole 7 years and you have a little dividend. Now, the entire package of Democratic amendments which you heard about today and you are going to hear about next week turns right around and says now that you have the dividend, spend it. That is the issue. Now that you have the dividend that may be there, turn right around, after all this effort, and take this contingency and start spending it again. And would that not be nice for the seniors if we really made Medicare solvent in the process?

But we have not. But we have not. But we are going to spend it again with no new plan for Medicare. Just put the issue off. Just put off the issue of rural hospitals, put off the issue of older hospital beds all across this Nation that we are not going to have one way or another in a few years because we have many hospitals at 50 percent occupancy, and we are kidding ourselves that they are going to be here for 5, 10, or 20 years.

So essentially, just so we put it all in perspective, these are the amendments of the Democratic Party. Spend the dividend that you earned for Americans, spend it, put it back in this ever-growing Federal budget that got us in this jam.

Republicans say something very different. We say if that occurs, if that benefit is forthcoming, that dividend, if it is forthcoming, we would like to give it back to the American people by way of a tax cut. It will be there only if we get a balance.

Frankly, I am convinced that at that point the American people earned it. They paid for all this budget. Middle-income Americans paid for most of it. And we in our budget say give back middle-income Americans a modest tax cut, perhaps the $500 per child tax credit. That may fit. Now, frankly, I believe that is a good game plan.

I want to just close. Again, there is nothing mean about this budget. There is plenty, plenty mean about saying we do not care about our children. We want to tax them without representation. It does not matter about the deficit because it is mean not to give the American people programs that we cannot afford. That is mean. To say to Americans we cannot afford the program, and therefore we must ask you to sacrifice, that is mean? I do not think so.

I think what is mean is not to ask that of our seniors, to not to ask that of Americans and to then say somebody else pays for it all. We are not quite sure who, but somebody else pays for it.

Frankly, the chairman of the Budget Committee in the House yesterday had it right. His one and only closing prop was a nice big picture with about 50 little children on it. That is what we ought to hold up here when we start voting on this and say, who is worried about them? Who is worried about them and their standard of living? And when they start working, that $100,000 of their income that has to come back to America to pay interest on the debt during their lifetimes, who is worried about that?

We welcome the debate. It will be a good debate next week. We will have some good amendments, too. And we will have some disagreements on our side of the aisle. Republicans are not all out of one mold. We will have some disagreements. But in the end, this is the year to make it right and we will do that.

Now, Madam President, I have a few unanimous-consent requests. First, I ask unanimous consent that when the Senate resumes consideration of the concurrent resolution on Monday, May 22, there be 30 hours of debate remaining under the statutory time limit.

Mr. EXON. No objection. We agree to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DOMENICI. I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Is there an objection?

Mr. EXON. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. But I will not object with this caveat, that the Senator from Nebraska, when we have finished the wrap-up procedures, would like to reserve 2 or 3 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Will the Senator close the Senate down for us?

Mr. EXON. I will be happy to, Madam President.

Mr. CRAIG. Mr. President, I rise in support of Senate Concurrent Resolution 13, the fiscal year 1996 congressional budget resolution, as reported by the Senate Budget Committee.

What does this budget resolution do? More importantly than anything else, it provides for a balanced budget in 7 years.

This is the first-ever 7-year budget resolution, with the first-ever 7-year reconciliation instructions. It will produce, when it occurs in fiscal year 2002, the first balanced budget in 33 years. The last two balanced budgets were in 1969 and 1960.

In fiscal year 2002, under this budget, the accumulated national debt will be almost $1 trillion lower than under current law—or, less than $6 trillion, instead of more than $7 trillion.

That last fact is sobering—it reminds us that this budget is a good start, not the final victory, against the staggering debt load crippling our economy and stealing our children's future.

What does this budget resolution do? It reduces the rate of growth in Federal spending. Under this budget, spending still grows an average of 3-percent a year, down from the current 5.4 percent a year.

Only special interest groups and liberals inside the Capital Beltway can say a 3-percent raise is really a draconian cut.

Under this budget, total Federal spending in fiscal year 2002 will be $382 billion more than this year—fiscal year 1995.

Only in Washington, DC, does anyone claim that a $382 billion increase is really a $229 billion cut.

What does this budget resolution do? It delivers on the promise of the balanced budget amendment and those of us who supported it.

Back in January and February, some opponents—and a few supporters—of the balanced budget amendment said they wanted to see a plan for exactly how to balance the budget.

Well, here's our plan: Some of my colleagues may have a different plan, and I invite them to bring it forward. This may not be everyone's favorite plan, but it gets the job done in a fair, equitable way.

Now that those who demanded, "Where's your plan?" have been given a plan, I expect that 67th Senator should come forward and finally help us pass the balanced budget amendment.

What does balancing the budget mean in people terms? It means restoring the American dream of economic opportunity, starting now and extending to the next generation.

We're going to hear moans and complaints about budget cuts, but the cruelest cut of all is the cut in every American's living standard that has occurred because of Government's failure or refusal to balance the budget.

The damage done by the borrow-and-spend status quo must be undone. The Concord Coalition estimated that, without the Federal deficits and debt run up to date, the average family's income would be $50,000, instead of the current $35,000.

A study by the Federal Reserve Bank of New York showed that America lost 5-percent growth in GNP and 3.75 million jobs from 1978–89 because of deficits and debt.

Balancing the budget by fiscal year 2002 means a better future. The econometrics firm DRI/McGraw-Hill said it means: 4 to 5 percent more nonresidential investment; 2.5 million new jobs; a GDP that is 2.5 percent higher, and another $1,000 in the pocket of the average household.

GAO's 1992 report estimated that balancing the budget would raise our children's standard of living between 7 and 36 percent by the year 2020.

What does this budget resolution do? It fully protects Social Security. This budget makes absolutely no changes in the old age, survivors, and disability insurance [OASDI] trust funds, consistent with a number of current law protections, and consistent with the Dole motion passed during debate on the balanced budget amendment and the Kempthorne amendment adopted as part of S.1—the Unfunded Mandates Act.

This budget in no way loots Social Security. It protects it by reducing the pressure of future debts, and it strengthens our ability to keep promises to seniors.

It takes us two-thirds of the way to balancing the non-Social Security budget by fiscal year 2002. The Committee budget produces deficit reduction of $229 billion below current law in fiscal year 2002; the OASDI trustees project a $112 billion Social Security surplus for fiscal year 2002. Getting two-thirds of the way there is a lot better than the status quo.

If we just stay on the glide path established by this budget, we can go on to balance the non-Social Security budget by about fiscal year 2005. That's exactly the timing and the glide path suggested by Senator NUNN and others back during debate on the balanced budget amendment.

What does this budget resolution do? It reforms and rescues Medicare. Under this budget, Medicare increases an average of 7.1 percent a year—more than twice the rate of inflation. It defies common sense to call that a draconian cut.

Under this budget, Medicare spending will be $105 billion more in fiscal year 2002 than in 1995. Where are the slash and burn cuts?

Nothing here cuts services or drives up needy patients' costs. It calls for Medicare reform—that more choice and market competition and consumer information will slow down the runaway costs we see now. That's an appropriate goal to put in a budget resolution.

A vote for this budget is a vote to rescue Medicare. Under the status quo, that system goes broke in fiscal year 2002. Who says so? The Medicare Board of Trustees that includes three of President Clinton's Cabinet Secretaries, the Commissioner of Social Security, and two public trustees.

The trustees also said, in their April 3, 1995, report:

> The trust fund does not meet the trustees' short-range test of financial adequacy * * * It fails to meet the trustees' test of long-range close actuarial balance * * * by an extremely wide margin * * * Congress must take timely action to establish long-term financial stability for the program.

Mr. President, I also rise in strong opposition to the Lautenberg-Rockefeller amendment that would raid Medicare. The amendment would take $100 billion of the $170 billion economic dividend created by lower interest rates resulting from deficit reduction and add that back to Medicare spending.

Make no mistake, this amendment is the proposal that would raid Medicare. All it does is spend down the Medicare trust fund faster than the committee's budget.

This amendment is another example of status quo tunnel vision. The committee's budget assumes that we fix Medicare, reform it. That means seniors who need Medicare won't be hurt, they'll participate in an improved system.

This amendment assumes there is no alternative to the current policies that are rapidly driving Medicare bankrupt. The House's majority whip, Representative DELAY, said it well the other day: It's like one side is talking about a cure for cancer and the other side can't think about anything but chemotherapy.

We want Medicare to continue to be there and to start working better for seniors today and tomorrow. If we do what's best for Medicare and for our seniors, the numbers will come out the way the committee's budget says.

We still need the balanced budget amendment to the Constitution. The budget resolution currently before us provides for a balanced budget in 7 years. That gives some Members of Congress and the special interest groups 6 years and three elections to try and knock us off track.

Can we balance the budget without the balanced budget amendment? The first Republican Congress in 40 years is proving we can, but "can" is no guarantee. If future Congresses continue on the path set out in this resolution, the result still will be only one balanced budget in 33 years.

Hitting a target once in 33 years that we ought to hit in all but the most extreme circumstances, is not an endorsement of life without the balanced budget amendment.

IN MEMORY AND IN HONOR OF FALLEN ARIZONA LAW ENFORCEMENT OFFICERS

Mr. KYL. Mr. President, this year's National Law Enforcement memorial service had great meaning and was filled with sadness for the citizens of Arizona. Over the past year, four Arizona law enforcement officers were killed in the line of duty. The seventh annual memorial service and candlelight vigil held here in Washington, DC, this week provided an opportunity to remember these dedicated officers and the contributions they made to the people of Arizona.

I had the privilege of visiting with two of the families of these men this week. The loss they have experienced is still very painful for them. But, they know that the death of their loved ones was not in vain. They died to ensure that others could live—safely. These men provide an example of the dedicated service that all other law enforcement officers in Arizona should strive to achieve.

Each of them made a unique contribution to Arizona. They all played a significant role in working toward a safer and stronger State and Nation.

Mesa Police Officer Steven Paul Pollard died on November 27, 1994, when he was struck by a car and killed while conducting a DUI traffic stop in the emergency lane of U.S. 60 in Mesa. As Steve stood by the driver's door of his vehicle, a motorist traveling eastbound apparently fell asleep and drove his vehicle off the roadway striking Steve and the police vehicle. He died instantly.

Steve was born July 5, 1968, in Phoenix to Steven and Ida Garcia. He went to Starlight Elementary, Estrella Junior High, and Trevor Brown High School. He graduated in 1986. Steve had worked for the department of corrections before joining the Mesa Police Department. That was the career he wanted all of his life, and he died doing the job he always dreamed of doing. Steve is remembered as man who would go beyond the call of duty to help others. No job was ever too big or too small for Steve.

Steve is survived by his mother and father, Richard and Ida Pollard; his brother and sister, Ruben and Angie; and his wife and daughter, Kimber and Celine.

Wildlife Manager Estevan Escobedo, who had been with the Arizona Game and Fish Department for 9 years, was killed in a fiery helicopter crash near Coolidge Dam on January 4, 1994. He and three other officials, who survived the crash, were on a routine assignment to count javelina in a rugged canyon near Winkelman. The area was part of Estevan's district, based in Globe. Estevan was the first law enforcement officer killed in the line of duty in 1994. It was the first aircraft accident involving a fatality for the department since 1980.

Estevan graduated from Westwood High School and Arizona State University. Away from his duties as a wildlife manager, Estevan participated in rodeo events such as calf roping. He was a partner, confidant, and adopted brother to his rodeo buddies.

Estevan is survived by his mother and a twin brother. He is remembered as a carefree, joyous brother, son, and friend, equipped with a playful sense of humor and a sense of duty that led him to give lovingly of his time and energy. Those who knew him say that Estevan had a smile that will last forever in the memories of those whose lives were touched by him.

Sergeant Patrick (Pat) Riley died on March 11, 1994. He was struck by a truck while directing traffic at a construction site. He died approximately 2 hours later.

Pat joined the Maricopa County Sheriff's Office as a detention officer in 1983. A year later, he applied for and was accepted as a deputy sheriff. He spent 4 years in various positions as a deputy, ranging from a beat deputy to detective, culminating his assignment to major felonies as a homicide detective. During this period, he was nominated for the "Deputy of the Year" commendation in 1990. He received the B.P.O.E. "Americanism Award" in 1991, which was presented by Gov. Rose Mofford. Pat was promoted to sergeant in September 1992 and served in assignments at the general investigations division, detectives, and in patrol. He also received the highly coveted "Distinguished Service Award" in 1994.

Pat was one of the lead investigators in the Temple homicide case, in which eight Buddhist monks and two apprentices were murdered.

Pat married Laurie Davis in February 1987. After a courtship of love, he leaves behind his wife and no children.

Sergeant Patrick Devon Thompson died on September 2, 1994. While on duty, Sergeant Thompson lost control of his police vehicle, collided with an oncoming car, and died instantly.

Sergeant Thompson served with the Santa Cruz County Sheriff's Office since 1978. He is remembered by colleagues as honest, loyal, reliable, caring, and trustworthy. He was also very generous with his time, especially with the youth of Santa Cruz County. They respected and admired him. He was near death in 1991, but had a tremendous will to live, and he survived. A second chance can be a wonderful gift, and Pat realized this and approached his life with a new vigor, a new determination. His last 3 years were dedicated to undertaking new challenges and to helping children, especially through the D.A.R.E. Program. Pat encouraged the D.A.R.E. kids to live a clean and healthy life.

Sergeant Thompson is survived by his mother, wife, sons, and daughters.

Mr. President, it is an honor for me to remember Sergeants Thompson and Riley, Officer Pollard, and Wildlife Manager Escobedo. They served their organizations with distinction and with honor. We will never forget their sacrifice; we will always remember their spirit.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, on the evening I learned I had been elected to the Senate in 1972, one of the commitments I made to myself was that I would never fail to see a young person or a group of young people who wanted to see me. It was certainly beneficial to me that I did because I have been inspired by the estimated 60,000 young people with whom I have visited during the nearly 23 years I have been in the Senate.

Most of them have been concerned about the magnitude of the Federal debt that Congress has run up for the coming generations to pay. The young people and I always discuss the fact that under the Constitution, no President can spend even a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I have been making these daily reports to the Senate since February 22, 1992. I want to make it a matter of record precisely the size of the Federal debt which as of Thursday, May 18, stood at $4,885,256,391,108.42 or $18,544.52 on a per capita basis.

What Congress has already done to future generations is immoral.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–919. A communication from the Acting Director of Central Intelligence, transmitting, a draft of proposed legislation to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence.

EC–920. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report pursuant to the Intelligence Surveillance Act for calendar 1994; to the Committee on the Judiciary.

EC–921. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Agency's report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–922. A communication from the Acting Assistant Attorney General, transmitting, a draft of proposed legislation to disapprove sentencing guideline amendments relating to cocaine base and money laundering; to the Committee on the Judiciary.

EC–923. A communication from the Vice President of Government and Public Affairs, Amtrak, transmitting, pursuant to law, a report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–924. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Department's annual report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–925. A communication from the Freedom of Information Officer, Environmental Protection Agency, transmitting, pursuant to law, the Agency's report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–926. A communication from the Chairman of the Farm Credit System Insurance Corporation, transmitting, pursuant to law, the Corporation's annual report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–129. A resolution adopted by the House of the Legislature of the State of Alaska; to the Committee on Foreign Relations.

"HOUSE RESOLVE NO. 8

"Whereas the International Maritime Organization (IMO), an organization under the auspices of the United Nations, is currently drafting proposals for an international treaty adopting and expanding insurance indemnity provisions for seaborne commodities; and

"Whereas, in contrast to existing maritime classifications and the policies and regulations of the United States Department of Transportation and the United States Coast Guard, the IMO proposes classifying coal as a hazardous and noxious material; and

"Whereas there is no rational reason or precedent for classifying coal as a hazardous or noxious material and the current maritime insurance has, without exception, adequately provided insurance indemnity for seaborne coal shipping; and

"Whereas action classifying coal as a hazardous or noxious material could significantly increase insurance rates and the delivered cost of coal to the benefit of competing fuel sources; and

"Whereas this action would dramatically reduce the competitiveness of coal as an import fuel and reduce the amount of exported coal from countries such as the United States; and

"Whereas this action would reduce the potential for the export of Alaska coal; and

"Whereas the National Coal Association, the United States Coal Exporters Association, and the Alaska Coal Association, together with labor organizations, adamantly oppose the IMO proposal; and

"Whereas it is critical that United States Government representatives to the IMO convention oppose the classification of coal as a hazardous or noxious material; be it

"*Resolved*, That the House of Representatives respectfully urges the United States Senate not to ratify a Hazardous and Noxious Substance Convention proposed by the International Maritime Organization that includes coal as a designated hazardous or noxious material.

"Copies of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Bob Dole, Majority Leader of the U.S. Senate; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM–130. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Foreign Relations.

"HOUSE CONCURRENT RESOLUTION 2004

"Whereas, since 1949, China has been a divided nation, with the government of the Republic of China on Taiwan and the People's Republic of China on the Chinese mainland exercising exclusive jurisdiction over separate parts of China. The government of Taiwan further acknowledges that two equal and distinct political entities exist within the divided China. United Nations General Assembly Resolution 2758, which in 1971 restored to the People's Republic of China its seat in the United Nations while expelling the Republic of China on Taiwan, does not provide a complete solution to the issue of China's seat in the United Nations that resulted from this division of China; and

"Whereas, Taiwan's twenty-one million people enjoy a multiparty, democratic form of government, the policies of which conform to those of other democratic nations; and

"Whereas, during the past decade, Taiwan has assumed regional and global responsibilities in international development programs and humanitarian relief operations. Taiwan often has closely coordinated its efforts in responding to international disasters and crises and in undertaking programs of assistance for less-developed nations with those of the United States. Taiwan clearly has shown its willingness to assume a direct role in contributing to the well-being of the global community; and

"Whereas, Taiwan has joined several important multilateral organizations in recent years, including Asia/Pacific Economic Cooperation (APEC) and the Asian Development Bank. The United States has supported the admission of Taiwan into these organizations; and

"Whereas, Taiwan is currently the fourteenth largest trading nation in the world and its gross national product is the world's twentieth largest. Its annual per capita income exceeds ten thousand dollars in United States currency, its foreign exchange reserves exceed eighty billion dollars in United States currency and it has become the world's seventh largest outbound investor; and

"Whereas, the government of Taiwan has initiated a campaign to pursue a seat in the United Nations without threatening the current position of the People's Republic of China in this organization. Several other countries have expressed their support of Taiwan's efforts in this capacity by urging the United Nations to consider the exceptional situation of Taiwan in the international community. Taiwan's membership in the United Nations would conform with the established pattern of parallel representation by divided countries as well as with the principle of universality, whereby all people can be represented in this world organization. Furthermore, the participation of Taiwan in the United Nations would contribute to the peace and stability of the Pacific region and therefore to the interests of the United States; and

"Whereas, the fifth-largest foreign market for Arizona products in 1993, Taiwan enjoys a friendly commercial relationship with the state of Arizona and last year received $477 million in Arizona exports. Recognizing the importance of trade with Asia and particularly with Taiwan, the Arizona Department of Commerce established the Arizona Asian-Pacific Trade Office in Taipei, Taiwan to help Arizona's exporting companies conduct business in Asia and to strive to increase foreign investment in this state. Arizona is strongly committed to encouraging awareness of both the commercial and cultural benefits of Taiwan, as demonstrated by the recent Multi-State Trade Days mission, in which the Arizona Department of Commerce recruited companies to promote their products in such overseas locations as Kaohsiung, Taiwan, and the activities of the Phoenix Sister Cities Commission, established in 1975 to help promote student exchanges and cultural and business ties with sister cities such as Taipei, Taiwan: Therefore, be it

"*Resolved by the House of Representatives of the State of Arizona, the Senate concurring:*

"1. That the Members of the House of Representatives express their support of the broader participation of Taiwan in the United Nations and in the international community, and in so doing, encourage the people of this state and country to recognize the mutual benefits of our ongoing commercial relationship with Taiwan.

"2. That the Secretary of State of the State of Arizona transmit a certified copy of this Resolution to the Speaker of the United States House of Representatives, to the President of the United States Senate, to the Secretary-General of the United Nations, to the United States Trade Representative and each member of the Arizona Congressional delegation."

POM–131. A resolution adopted by the Senate of the Legislature of the Commonwealth of Massachusetts; to the Committee on Foreign Relations.

"SENATE RESOLUTION

"Whereas, the extermination of the more than one and one-half million Armenians by the Ottoman Turks and the forced deportation of countless others has been remembered every year on April twenty-fourth since Nineteen Hundred and Fifteen as Armenian Martyrs Day; and

"Whereas, eighty years ago Armenians were forced to witness the slaughter of their relatives and the loss of their ancestral homeland; and

"Whereas, modern Turkey continues to deny and distort the facts of the genocide and honors the perpetrators of the crime against humanity as national heroes; and

"Whereas, the continued denial of the Armenian genocide by the present-day Turkish Government deprives the Armenian people full recognition of this tragic chapter in their history; and

"Whereas, the Armenian people have not received reparations for their losses; and

"Whereas, ancestral Armenian lands have not been returned to the Armenian people; Now therefore be it

"*Resolved*, That the Massachusetts Senate hereby joins in commemorating this eightieth anniversary of the Armenian genocide on April twenty-fourth, Nineteen Hundred and Ninety-Five and urges the citizenry of the Commonwealth of Massachusetts to do the same; and be it further

"*Resolved*, That the Massachusetts Senate respectfully calls on the President of the United States to request the Turkish Government to acknowledge the genocide perpetrated against the Armenians in 1915-1923; and be it further

"*Resolved*, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States."

POM-132. A concurrent resolution adopted by the General Assembly of the State of Indiana; to the Committee on Foreign Relations.

"HOUSE CONCURRENT RESOLUTION NO. 71

"Whereas, China has been a divided nation since 1949, and the governments of the Republic of China on Taiwan (hereinafter cited as "Taiwan") and the People's Republic of China on Mainland China (hereinafter cited as "Mainland China") have exercised jurisdiction over separate parts of China;

"Whereas, Taiwan has the 19th largest gross national product in the world, strong and vibrant economy, and one of the largest foreign exchange reserves of any nation;

"Whereas, Taiwan has dramatically improved its record on human rights and routinely holds free and fair elections in a multiparty system, as evidenced most recently by the December 3, 1994 balloting for local and provincial officials;

"Whereas, The 21 million people on Taiwan are not represented in the United Nations and their human rights as citizens of the world are therefore severely abridged;

"Whereas, Taiwan has in recent years repeatedly expressed its strong desire to participate in the United Nations;

"Whereas, Taiwan has much to contribute to the work and funding of the United Nations;

"Whereas, Taiwan has demonstrated its commitment to the world community by responding to international disasters and crises such as environmental destruction in the Persian Gulf and famine in Rwanda by providing financial donations, medical assistance, and other forms of aid;

"Whereas, The world community has reacted positively to Taiwan's desire for international participation, as shown by Taiwan's continued membership in the Asian Development Bank, the admission of Taiwan into the Asia-Pacific Economic Cooperation group as a full member, and the accession of Taiwan as an observer at the General Agreement on Tariffs and Trade as the first step toward becoming a contracting party to that organization;

"Whereas, The United States has supported Taiwan's participation in these bodies and indicated, in its policy review of September 1994, a stronger and more active policy of support for Taiwan's participation in other international organizations;

"Whereas, Taiwan has repeatedly stated that its participation in international organizations is that of a divided nation, with no intention to challenge the current international status of Mainland China;

"Whereas, The United Nations and other international organizations have established precedents concerning the admission of separate parts of divided nations, such as Korea and Germany; and

"Whereas, Taiwan's participation in international organizations would not prevent or imperil a future voluntary union between Taiwan and Mainland China any more than the recognition of separate governments in the former West Germany and the former East Germany prevented the voluntary reunification of Germany. Now, therefore, be it

"*Resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

"Section 1. Taiwan deserves full participation, including a seat in the United Nations, and the government of the United States should immediately encourage the United Nations to establish an ad hoc committee for the purpose of studying membership for Taiwan in that organization and its related agencies.

"Section 2. The Principal Clerk of the House of Representatives is directed to transmit a copy of this resolution to the President of the United States, the Speaker of the United States House of Representatives, and the United States Senate Majority Leader."

POM-133. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on the Budget.

"HOUSE JOINT MEMORIAL 4029

"Whereas, A safe and efficient national transportation system is essential to the nation's international competitiveness; key to domestic productivity; and vital to our quality of life; and

"Whereas, despite the transportation investments promised in the enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA), Congress has yet to fully fund the authorizations it contains for highways and transit; and

"Whereas, The current levels of federal funding for the nation's highway and public transportation systems are inadequate to meet rehabilitation needs, to ensure the safety of the traveling public, to begin solving congestion and rural access problems, to conduct adequate transportation research programs, and to keep America competitive in world economy; and

"Whereas, The Federal motor fuel tax and aviation fuel tax have traditionally been regarded as user fees paid by transportation users, the proceeds of which are and will continue to be required to help meet America's transportation requirements; and

"Whereas, The action to divert transportation user fees from documented transportation needs was taken by Congress despite strong support for placing the revenue in the Highway Trust Fund from the National Governors' Association, the United States Conference of Mayors, and the American Association of State Highway and Transportation Officials, in addition to many industry and transportation user organizations; and

"Whereas, Use of the transportation fuel taxes for deficit reduction purposes places the burden of reducing the deficit on industry and individuals based predominantly on how many miles they travel, without taking into account their ability to pay; and because of the long distances that must be driven by many people and industries in some states as opposed to other states, great inequities are inherent in any proposal to utilize motor fuel taxes for deficit reduction purposes; and

"Whereas, Including of the transportation trust funds in the Unified Federal Budget subjects transportation programs to arbitrary expenditure ceilings, despite the fact that trust fund expenditures are fully financed by users, and do not contribute to the federal deficit; and

"Whereas, In recent years the imposition of such budgetary limitations has resulted in a substantial build up of revenue in the trust funds, while states and local agencies have received less federal funding than authorized and available, and as a consequence, the nation's transportation needs are being inadequately addressed: Now, therefore,

"Your Memorialists respectfully urge Congress to:

"(1) Invest the resources in the nation's transportation system needed to enable economic competitiveness and job creation, as a minimum by fully funding at the earliest possible time the ISTEA highway and transit authorizations;

"(2) Recognize and reaffirm the traditional user-fee principle that has sustained the development of the national transportation system for more than 70 years, by reserving the transportation user fees now being collected for deficit reduction solely for future transportation purposes; and

"(3) Act expeditiously to remove the Highway Trust Fund and Airport and Airway Trust Fund from the Unified Federal Budget, be it

"*Resolved*, That copies of this Memorial be immediately transmitted to the President and the Secretary of the United States Senate, to the Speaker and the Clerk of the United States House of Representatives, and to each member of this state's delegation to Congress."

POM-134. A concurrent resolution adopted by the General Assembly of the State of Iowa; to the Committee on Commerce, Science, and Transportation.

"SENATE CONCURRENT RESOLUTION NO. 11

"Whereas, Amtrak, the national railroad passenger corporation providing national railroad passenger service, is energy efficient and environmentally beneficial, consuming about half as much energy per passenger mile as an airline and causing less air pollution; and

"Whereas, Amtrak provides mobility to citizens of many smaller communities poorly served by air and bus services and to those persons with medical conditions which prevent them from flying; and

"Whereas, Amtrak is nine times safer than driving a motor vehicle on a passenger mile basis, and operates even in severe weather conditions; and

"Whereas, Amtrak travel rose forty-eight percent from 1982 to 1993 and Amtrak dramatically improved coverage of its operating costs from revenues; and

"Whereas, expansion of Amtrak service by using existing rail rights-of-way would cost less and use less land than new highways and airports and would further increase Amtrak's energy efficiency advantage; and

"Whereas, federal investment in Amtrak has fallen in the last decade while it has risen for airports and highways; and

"Whereas, Amtrak pays a fuel tax that airlines do not pay; and

"Whereas, Amtrak workers and vendors pay more in taxes than the federal government invests in Amtrak: Now therefore, be it

"*Resolved by the Senate, the House of Representatives concurring*, That the President of the United States and the Congress are urged to do the following:

"1. Maintain the current level of Amtrak funding.

"2. Exempt Amtrak from paying fuel taxes that airlines do not pay.

"3. Include a strong Amtrak system in any plans for a national transportation system: be it further

"*Resolved*, That copies of this Resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representations, and members of Iowa's congressional delegation."

POM-135. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"SENATE RESOLUTION NO. 21

"Whereas, H.R. 602, Title III, if enacted, would grant the State of Hawaii concurrent jurisdiction over Baker Island, Jarvis Island, Johnston Atoll, Kingman Reef, Howland Island, the Midway Islands, and Palmyra Atoll, to the same extent as and in the same manner that such jurisdiction applies to all other areas within the State of Hawaii; and

"Whereas, all of these areas have historical links to the State of Hawaii, the Territory of Hawaii, and the Kingdom of Hawaii, and are either part of the Hawaiian Archipelago or are within the same relative distance as the distant islands of the State; and

"Whereas, no rights or liabilities of title or ownership are transferred to Hawaii as a result of this Act; and

"Whereas, the people of Hawaii have demonstrated, by their wise governance and stewardship of the ocean resources of the Hawaiian Archipelago, both living and non-living, their desire to insure wise management and careful preservation of the ocean environment; and

"Whereas, Hawaii's political, economic, and social destiny has been linked, historically, to the ocean environment and its resources, and Hawaii's people, from the early Polynesian voyagers who discovered these islands nearly two thousand years ago, to Hawaii's present-day citizens, represent one of the great oceanic societies of the globe; and

"Whereas, Hawaii's future, now as in the past, is linked to its surrounding seas and its freedom to make wise use of them; and

"Whereas, the joint exercise of concurrent jurisdiction over these islands and atolls will undoubtedly devolve to great benefit to the strategic interests of both the State of Hawaii and the United States of America; and

"Whereas, the Omnibus Territories Act, H.R. 602, grants the Governor of the State of Hawaii authority to accept or refuse jurisdiction over these areas, with no time limitation imposed on this decision: Now, therefore, be it

"*Resolved by the Senate of the Eighteenth Legislature of the State of Hawaii*, Regular Session of 1995, that the United States Congress is respectfully urged to enact H.R. 602 as it pertains to allowing Hawaii to assume jurisdiction over these islands and atolls; and, be it further

"*Resolved*, That certified copies of this Resolution be transmitted to Hawaii's Congressional Delegation, the Speaker of the United States House of Representatives, and the President of the United States Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 101. A bill to transfer a parcel of land to the Taos Pueblo Indians of New Mexico (Rept. No. 104–85).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Eugene Branstool, of Ohio, to be a member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

Karl N. Stauber, of Minnesota, to be Under Secretary of Agriculture for Research, Education, and Economics.

Karl N. Stauber, of Minnesota, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. THURMOND, from the Committee on Armed Services:

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the RECORDS of March 23, March 30, April 3, April 24, and May 2, 1995, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 23, and 30, April 3, and 24, and May 2, 1995, at the end of the Senate proceedings.)

*Lieutenant General Billy J. Boles, USAF to be general (Reference No. 200)

*Vice Admiral Donald F. Hagan, USN to be placed on the retired list in the grade of vice admiral (Reference No. 203)

*Major General John C. Griffith, USAF to be lieutenant general (Reference No. 264)

*Lieutenant General Charles C. Krulak, USMC to be Commandant of the Marine Corps and for appointment to the grade of general (Reference No. 266)

**In the Army there are 53 promotions to the grade of major (list begins with John A. Adams) (Reference No. 276)

**In the Marine Corps there are 510 appointments to the grade of major and below (list begins with David F. Allen) (Reference No. 277)

*Major General Lloyd W. Newton, USAF to be lieutenant general (Reference No. 282)

**In the Air Force there are 6 appointments to the grade of second lieutenant (list begins with Robert D. Curry) (Reference No. 289)

**In the Army there are 6 promotions to the grade of lieutenant colonel and below (list begins with Russell R. Moores, Jr.) (Reference No. 290)

**In the Navy there are 41 appointments to the grade of lieutenant (list begins with Vanita Ahvja) (Reference No. 291)

**In the Navy there are 767 appointments to the grade of ensign (list begins with Charles S. Abbot) (Reference No. 292)

**In the Navy there are 1,271 appointments to the grade of ensign (list begins with Ryan D. Aaron) (Reference No. 293)

*Major General Leonard D. Holder, Jr., USA to be lieutenant general (Reference No. 299)

**In the Air Force Reserve there are 21 promotions to the grade of lieutenant colonel (list begins with Bradley C. Andreesen) (Reference No. 301)

**In the Air Force Reserve there are 22 promotions to the grade of lieutenant colonel (list begins with Jose T. Aguinega) (Reference No. 302)

*General Charles G. Boyd, USAF to be placed on the retired list in the grade of general (Reference No. 311)

*General John M. Loh, USAF to be placed on the retired list in the grade of general (Reference No. 312)

*Lieutenant General John S. Fairfield, USAF for reappointment to the grade of lieutenant general (Reference No. 315)

*Lieutenant General Carl G. O'Berry, USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 316)

*Major General Eugene D. Santarelli, USAF to be lieutenant general (Reference No. 317)

*General Dennis J. Reimer, USA to be Chief of Staff of the Army and for reappointment to the grade of general (Reference No. 319)

*General Gordon R. Sullivan, USA to be placed on the retired list in the grade of general (Reference No. 333)

*Lieutenant General Marvin L. Covault, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 334)

*Major General Robert E. Gray, USA to be lieutenant general (Reference No. 335)

*Lieutenant General John E. Miller, USA for reappointment to the grade of lieutenant general (Reference No. 336)

*Major General William G. Carter III, USA to be lieutenant general (Reference No. 337)

**In the Air Force Reserve there is 1 appointment to the grade of colonel (James C. Ingram, Jr.) (Reference No. 340)

**In the Army Reserve there are 20 promotions to the grade of colonel and below (list begins with James W. Clevenger, Jr.) (Reference No. 342)

**In the Marine Corps there are 125 appointments to the grade of second lieutenant (list begins with Stephen J. Acosta) (Reference No. 361)

Total: 2,860.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROCKEFELLER (for himself and Mr. SIMPSON):

S. 831. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of certain contributions made pursuant to veterans' reemployment; to the Committee on Finance.

By Mr. GRAHAM:

S. 832. A bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that medicare beneficiaries who receive services from medicare dependent hospitals receive the same quality of care and access to services as medicare beneficiaries in other hospitals, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. DOLE, Mr. CAMPBELL, Mrs. FEINSTEIN, Mr. COHEN, Mr. COCHRAN, Mr. KYL, Mr. BENNETT, Mr. CRAIG, Mr. D'AMATO, Mr. BURNS, Mr. ROCKEFELLER, and Mrs. BOXER):

S. 833. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Finance.

By Mr. FAIRCLOTH (for himself, Mr. DOLE, Mr. LOTT, Mr. BROWN, Mr. BURNS, Mr. CRAIG, Mr. HATCH, Mr. HELMS, Mr. KEMPTHORNE, Mr. MCCONNELL, and Mr. THURMOND):

S. 834. A bill to restore the American family, reduce illegitimacy, and reduce welfare dependence; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 835. A bill to provide for the operation of laboratories to carry out certain public-health functions for the region along the international border with Mexico, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. EXON:

S. 836. A bill to authorize appropriations for pipeline safety for fiscal years 1996, 1997, 1998, and 1999, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WARNER (for himself and Mr. ROBB):

S. 837. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER (for himself and Mr. SIMPSON):

S. 831. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of certain contributions made pursuant to veterans' reemployment; to the Committee on Finance.

THE VETERANS' REEMPLOYMENT RIGHTS ACT OF 1995

• Mr. ROCKEFELLER. Mr. President, I am today introducing, with the cosponsorship of my good friend from Wyoming, AL SIMPSON, chairman of the Senate Committee on Veterans' Affairs, legislation that involves a matter related to the Uniformed Services Employment and Reemployment Rights Act of 1994 [USERRA], Public Law 103–353. This landmark rewrite of a 1940's law, which provides employment protections to returning servicemembers, was derived from legislation reported by the House and Senate Veterans' Affairs Committees. There was one issue, however, related to USERRA which falls under the jurisdiction of the Finance Committee, a committee on which AL SIMPSON and I also serve. It was not possible to get this issue resolved last year before final passage of the USERRA legislation, and the bill we are introducing today would accomplish that goal.

Mr. President, the matter in question relates to provisions in USERRA which address a returning servicemember's rights to participate in the employer's pension plan and, more specifically, to the relationship between USERRA and the Internal Revenue Code. Under USERRA, it is possible that a pension plan, by seeking to comply with USERRA, could have to make payments on behalf of now returned servicemembers that could cause the plan to go out of compliance with the Internal Revenue Code [IRC] because of the total amount of payments made by the plan in a given year. Obviously, this is a result that is not intended and which should be avoided. The appropriate remedy—an amendment to the Internal Revenue Code—is in the jurisdiction of the Finance Committee, and thus the matter must be resolved in legislation developed by that committee.

Mr. President, so as to allow time for an amendment to the IRC to be considered, USERRA provides a 2-year period before compliance with the pension provisions in the new law would be required. As I noted during Senate debate last September on the final compromise of the USERRA legislation, it was my intention, which I communicated at the time to Senator MOYNIHAN in his then-role as chairman of the Finance Committee, to take the lead in the Finance Committee in proposing the appropriate amendment to the Internal Revenue Code as part of the first appropriate tax bill. I also indicated to Senator MOYNIHAN that, should such an amendment not be in law as the 2-year window provided in USERRA nears its end, I would work to amend USERRA so as to provide for a further delay in the effective date of the pension provisions.

Mr. President, our introduction of this bill today is the initial step in seeking to fulfill the pledges made last fall. I look forward to working with Senator SIMPSON and all the members of the Finance Committee on this legislation.

Mr. President, I ask unanimous consent that the text of the bill we are introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN CONTRIBUTIONS MADE PURSUANT TO VETERANS' REEMPLOYMENT RIGHTS.

(a) IN GENERAL.—Section 414 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(u) SPECIAL RULES RELATING TO VETERANS' REEMPLOYMENT RIGHTS.—

"(1) TREATMENT OF CERTAIN REQUIRED CONTRIBUTIONS.—If any contribution is made by an employer under an individual account plan with respect to an employee and such contribution is required by reason of such employee's rights under chapter 43 of title 38, United States Code, resulting from qualified military service—

"(A) such contribution shall not be subject to any otherwise applicable limitation contained in section 402(g), 403(b), 404(a), 408, 415, or 457, and

"(B) such plan shall not be treated as failing to meet any requirement of this part or section 457 by reason of the making of such contribution and such contribution shall not be taken into account in applying the limitations referred to in subparagraph (A) to other contributions.

For purposes of the preceding sentence, any additional elective deferral made under paragraph (2) shall be treated as an employer contribution required by reason of the employee's rights under such chapter 43.

"(2) REEMPLOYMENT RIGHTS WITH RESPECT TO ELECTIVE DEFERRALS.—

"(A) IN GENERAL.—If an employee is entitled to the benefits of chapter 43 of title 38, United States Code, with respect to any plan which provides for elective deferrals, such employer shall be treated as meeting the requirements of such chapter 43 with respect to such elective deferrals if such employer—

"(i) permits such employee to make additional elective deferrals under such plan (in the amount determined under subparagraph (B)) during the period which begins on the date of the reemployment and whose duration is the lesser of—

"(I) 5 years; or

"(II) 3 times the period of qualified military service which resulted in such rights; and

"(ii) makes a matching contribution in respect of any additional elective deferral made pursuant to clause (i) which would have been required had such deferral actually been made during the period of such qualified military service.

"(B) AMOUNT OF MAKEUP REQUIRED.—The amount determined under this subparagraph is the maximum amount of elective deferrals that the individual would have been permitted to make under the plan during his period of qualified military service if he had continued to be employed by the employer during such period and received compensation at the rate computed in accordance with section 4318(b)(3) of title 38. Proper adjustment shall be made to the amount determined under the preceding sentence for any elective deferrals actually made during the period of such qualified military service.

"(C) ELECTIVE DEFERRAL.—For purposes of this paragraph, the term 'elective deferral' has the meaning given to such term by section 402(g)(3); except that such term shall include any deferral of compensation under an eligible deferred compensation plan (as defined in section 457(b)).

"(3) LOAN REPAYMENT SUSPENSIONS PERMITTED.—If any plan suspends the repayment of any loan made to an individual for the period while such individual is performing qualified military service, such suspension shall not be taken into account for purposes of section 72(p).

"(4) QUALIFIED MILITARY SERVICE.—For purposes of this subsection, the term 'qualified military service' means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter 43, with respect to such service.

"(5) INDIVIDUAL ACCOUNT PLAN.—For purposes of this subsection, the term 'individual account plan' means any defined contribution plan and any eligible deferred compensation plan (as defined in section 457(b)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 2, 1974, and shall apply to plans as if such amendment were enacted on such date as part of section 414 of the Internal Revenue Code of 1954.•

By Mr. GRAHAM:

S. 832. A bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that Medicare beneficiaries who receive services from Medicare-dependent hospitals receive the same quality of care and access to services as Medicare beneficiaries in other hospitals, and for other purposes; to the Committee on Finance.

THE MEDICARE DEPENDENT HOSPITAL RELIEF ACT OF 1995

• Mr. GRAHAM. Mr. President, I introduce timely legislation that addresses the problems of a special class of institutions—Medicare-dependent hospitals—that have Medicare patient loads of 60 percent or more. These hospitals, both rural and urban, have significantly higher Medicare losses and lower overall margins than other hospitals. This problem, particularly in light of Medicare payment reductions in this year's forthcoming budget reconciliation package, threatens the viability of these hospitals and the access to and quality of services to Medicare beneficiaries.

The legislation I am introducing in conjunction with my good friend, Florida Congressman CLAY SHAW, is called the Medicare Dependent Hospital Relief Act of 1995. The bill would simply require that the Prospective Payment Advisory Commission [ProPAC], in addition to its recommendations on payment rate updates for all hospitals, makes a separate recommendation on updates for Medicare-dependent hospitals. This recommendation would be required to be budget neutral.

In addition, the bill would require ProPAC's annual report to Congress to include recommendations ensuring that beneficiaries served by Medicare-dependent hospitals retain the same access and quality of care as Medicare beneficiaries nationwide.

The need for this legislation is rather simple. In 1992, ProPac estimates that Medicare payments were $11 billion below the level needed to fully cover the cost of treating Medicare beneficiaries. For the Nation's 1,400 Medicare-dependent hospitals, their high Medicare patient loads limits their ability to cost shift to other payors. In those hospitals with 80 percent Medicare patients, this is particularly difficult—if not impossible.

As the March 1995 ProPAC report notes:

> The ability to use cost shifting to fill the revenue gap where Medicare cost increases exceed payment increases varies across hospitals. Facilities that treat larger shares of Medicare, Medicaid and uninsured patients have a lesser ability to cost shift to the private sector. In view of growing price competition in the marketplace, these facilities will face a greater risk of declining margins, which eventually could threaten their financial viability and their ability to care for Medicare beneficiaries.

According to 1992 cost reports, profit margins for hospitals ranged from positive margins as great as 12 percent to losses of 17 percent. Medicare-dependent hospitals, on average, have margins 3 percent below the average Medicare margin. In effect, these hospitals would seem to pay a penalty for their service to the elderly.

In fact, due to low margins, limited ability to cost shift and payments from all payors ratcheting down, Medicare-dependent hospitals will have to either close or reduce services. In either case, the ultimate losers will be the Medicare beneficiaries these hospitals serve.

I urge my colleagues to support this legislation and ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Dependent Hospital Relief Act of 1995".

SEC. 2. DEVELOPMENT OF SEPARATE APPLICABLE PERCENTAGE INCREASES FOR MEDICARE DEPENDENT HOSPITALS AND OTHER HOSPITALS BY THE PROSPECTIVE PAYMENT ASSESSMENT COMMISSION.

(a) DEVELOPMENT OF SEPARATE APPLICABLE PERCENTAGE INCREASES.—

(1) IN GENERAL.—The Prospective Payment Assessment Commission established under section 1886(e)(2) of the Social Security Act (42 U.S.C. 1395ww(e)(2)) (in this section referred to as the "Commission") shall, in accordance with paragraph (2), develop for fiscal year 1997 and each fiscal year thereafter separate applicable percentage increases described in section 1886(b)(3)(B) of such Act (42 U.S.C. 1395ww(b)(3)(B)) for medicare dependent hospitals and subsection (d) hospitals which are not medicare dependent hospitals.

(2) EQUALIZATION OF MEDICARE MARGINS.—The Commission shall develop separate applicable percentage increases under paragraph (1) such that, if such increases were in effect, the estimated average annual medicare margins of all medicare dependent hospitals in furnishing inpatient hospital services to medicare beneficiaries in such fiscal year would be equal to the average annual medicare margins of all subsection (d) hospitals which are not medicare dependent hospitals in furnishing inpatient hospital services to medicare beneficiaries in such fiscal year.

(3) BUDGET NEUTRALITY.—The Commission shall provide that the separate applicable percentage increases developed under paragraph (1) would, if in effect, not result in aggregate payments under section 1886 of the Social Security Act (42 U.S.C. 1395ww) to medicare dependent hospitals and subsection (d) hospitals which are not medicare dependent hospitals for the furnishing of inpatient hospital services in a fiscal year in excess of the aggregate payments under such section to such hospitals in such fiscal year if such increases were not in effect.

(b) REPORTS.—

(1) IN GENERAL.—Beginning in March 1996, the Commission shall, in each of the Commission's March reports to the Congress required under section 1886(e)(3) of the Social Security Act (42 U.S.C. 1395ww(e)(3)), include—

(A) the separate applicable percentage increases developed by the Commission under subsection (a)(1) for the upcoming fiscal year; and

(B) recommendations on methods to ensure that medicare beneficiaries who receive services furnished by medicare dependent hospitals have the same access and quality of care as medicare beneficiaries who are furnished services by subsection (d) hospitals which are not medicare dependent hospitals.

(2) ANNUAL REVIEW OF MEDICARE MARGINS.—The Commission shall develop the recommended methods under paragraph (1)(B) after annually reviewing the average medicare margins in medicare dependent hospitals and the impact of such medicare margins on the medicare dependent hospitals' overall profit margins.

SEC. 3. DEFINITIONS.

In this Act, the following definitions apply:

(1) MEDICARE BENEFICIARY.—The term "medicare beneficiary" means an individual who is entitled to benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).

(2) MEDICARE DEPENDENT HOSPITAL.—The term "medicare dependent hospital" means any subsection (d) hospital—

(A) that is not classified as a sole community hospital under section 1886(d)(5)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(D)); and

(B) for which not less than 60 percent of its inpatient days were attributable to medicare beneficiaries during 2 of the last 3 preceding fiscal years for which data is available.

(3) MEDICARE MARGIN.—

(A) IN GENERAL.—The term "medicare margin" means for a fiscal year the ratio expressed as a percentage equal to—

(i) the difference between all medicare revenues paid to a hospital for the operating costs of inpatient hospital services in a fiscal year and all medicare program eligible expenses for such operating costs for such fiscal year (as shown by each hospital's HCFA 2552 report submitted annually to the Health Care Financing Administration); divided by

(ii) all medicare revenues paid to the hospital for the operating costs of inpatient hospital services for such fiscal year.

(B) OPERATING COSTS OF INPATIENT HOSPITAL SERVICES.—The term "operating costs of inpatient hospital services" has the meaning given such term in section 1886(a)(4) of the Social Security Act (42 U.S.C. 1395ww(a)(4)).

(4) SUBSECTION (D) HOSPITAL.—The term "subsection (d) hospital" has the meaning given such term in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)).●

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. DOLE, Mr. CAMPBELL, Mrs. FEINSTEIN, Mr. COHEN, Mr. COCHRAN, Mr. KYL, Mr. BENNETT, Mr. CRAIG, Mr. D'AMATO, Mr. BURNS, Mr. ROCKEFELLER, and Mrs. BOXER):

S. 833. A bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment; to the Committee on Finance.

THE SEMICONDUCTOR INVESTMENT ACT OF 1995

Mr. HATCH. Mr. President, I rise today to introduce the Semiconductor Investment Act of 1995. I am joined by Senators BAUCUS, DOLE, CAMPBELL, FEINSTEIN, COHEN, COCHRAN, KYL, BENNETT, CRAIG, D'AMATO, BURNS, ROCKEFELLER, and BOXER. This bill is designed to help the American semiconductor industry compete globally by shortening the depreciable life of semiconductor manufacturing equipment from 5 years to 3. Congresswoman NANCY JOHNSON of Connecticut has introduced identical legislation in the House of Representatives.

The U.S. semiconductor industry employs more than 200,000 Americans, sells over $40 billion of products annually, and currently controls 40 percent of the world market. Its products form the foundation of practically every electronic device used today. The American semiconductor industry is a success story because it has invested heavily in the most productive, cutting-edge technology available, and currently spends a full 25 percent of its revenues on capital investment. Unfortunately, Mr. President, our semiconductor industry is threatened.

While the equipment used to manufacture semiconductors has a useful life of only about 3 years, current tax depreciation rules require that cost of the equipment be written off over a full 5 years. The Semiconductor Investment Act would correct this flaw, Mr. President, by allowing equipment used in the manufacture of semiconductors to be depreciated over a more appropriate 3-year period. Given the massive level of investment in the semiconductor industry, accurate depreciation is critical to industry success.

The key reason for this 3-year depreciation period is that the equipment used to make semiconductors grows technologically obsolete more quickly than does other manufacturing equipment. Mr. President, recent research indicates that semiconductor manufacturing equipment almost completely loses its ability to produce sellable products after only 3 years. Today's 5-year period simply doesn't reflect reality. A quicker write-off period would help semiconductor manufacturers finance the large investment in equipment they need for the next generation of products.

The National Advisory Committee on Semiconductors reinforced this conclusion. Congress founded the committee in 1988, and it consisted of Presidential appointees from both the public and private sectors. In 1992, the committee recommended a 3-year depreciation period and stated that the shift from a 5-year to a 3-year schedule would increase the industry's annual capital investment rate by a full 11 percent.

By comparison, Japan, Taiwan, and Korea employ much more generous depreciation schedules for similar equipment, and all three nations provide stiff competition for America's semiconductor manufacturers. For example, under Japanese law, a company can depreciate up to 88 percent of its semiconductor equipment cost in the first year, while United States law permits a mere 20-percent depreciation over the same period. When multinational semiconductor firms are deciding where to invest, a depreciation gap this large can be decisive.

This legislation will help ensure that America's semiconductor industry retains its hard-earned preeminence, a preeminence that yields abundant opportunities for high-wage, high-skill employment. Mr. President, my home State of Utah, provides an outstanding example of the industry's job-creating capacity. Thousands of Utahns earn their living in the State's flourishing semiconductor industry. Firms such as Micron Technology, National Semiconductor, and Varian have reinforced Utah's strong position in high-technology industries. With the fair tax treatment this bill brings, all Utahns can look forward to a more secure and prosperous future.

Mr. President, the Semiconductor Investment Act of 1995 will help level the playing field between U.S. and foreign semiconductor manufacturers, and provides fair tax treatment to an industry that is one of the Nation's greatest success stories of recent years. I hope that my fellow Senators will join me in supporting this legislation. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Semiconductor Investment Act of 1995".

SEC. 2. 3-YEAR DEPRECIABLE LIFE FOR SEMICONDUCTOR MANUFACTURING EQUIPMENT.

(a) IN GENERAL.—Subparagraph (A) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to classification of property) is amended by striking "and" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", and", and by adding at the end the following new clause:

"(iii) any semiconductor manufacturing equipment."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 168(e)(3) of the Internal Revenue Code of 1986 is amended by striking clause (ii) and by redesignating clauses (iii), (iv), (v), and (vi) as clauses (ii), (iii), (iv), and (v), respectively.

(2) Subparagraph (B) of section 168(g)(3) of such Code is amended by striking the following:

"(B)(ii) .... 5"

and inserting the following:

"(A)(iii) .... 3".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to equipment placed in service after the date of the enactment of this Act.

By Mr. FAIRCLOTH (for himself, Mr. DOLE, Mr. LOTT, Mr. BROWN, Mr. BURNS, Mr. CRAIG, Mr. HATCH, Mr. HELMS, Mr. KEMPTHORNE, Mr. MCCONNELL, and Mr. THURMOND):

S. 834. A bill to restore the American family, reduce illegitimacy, and reduce welfare dependence; to the Committee on Finance.

THE REAL WELFARE REFORM ACT OF 1995

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control government spending programs that have put our country on the path to a fiscal disaster.

Of all the spending programs implemented by the Federal Government, I do not know of a group that has been a bigger failure than those collectively known as welfare. President Johnson's War on Poverty, although launched with good intentions, has failed. And in many ways it has made the plight of the poor worse instead of better.

The problem is not a lack of spending. Welfare spending has cost taxpayers $5.3 trillion in constant 1993 dollars since 1965, when the War on Poverty began. Currently, the Federal Government runs approximately 76 means-tested welfare programs, at a cost in 1994 of $350 billion. And this amount is projected to reach $538 billion by 1999 if current trends continue.

A simple commonsense principle has gotten our Nation and the poor into the present fix: You get more of what you pay for. And for the past 30 years we have subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration.

This explosion in entitlement spending has fueled an entitlement mentality. Millions of Americans live day after day, month after month and year after year on paychecks from the government and give nothing in return—except their assurance that they will stay poor, and continue to fuel the government poverty machine.

What is needed is a dramatic change, a reversal of the trends of the last 30 years.

Today, I intend to re-introduce a welfare reform bill similar to one which I introduced last year with Senator GRASSLEY and Senator BROWN. The bill has three central purposes: to reduce illegitimacy, promote work, and control the growth of welfare costs.

The bill will convert 67 means-tested welfare programs into a single block grant to the States. Spending on this block grant, and several other Federal programs, will be subject to an aggregate cap of 3 percent per year.

This single block grant will give States the flexibility to design programs which meet the specific needs of their poor citizens. If one State has had particular success with the Head Start Program, for example, and the State wanted to double the Head Start budget or triple it, they could do so, as long as the aggregate cap held growth to 3 percent.

Welfare should no longer be a one-way handout which destroys the desire of able-bodied people to work. Real reform would tansform welfare into a system of mutual responsibility in which welfare recipients who can work would be required to contribute something back to society in return for assistance given.

My proposal will require able-bodied welfare recipients to work in return for their benefits. By 1997, the second year after enactment, half of all welfare beneficiaries will be required to do community service or to work in public or private sector jobs in return for their benefits.

This bill would target work requirements first on the most employable welfare recipients: single, able-bodied males, married couples receiving benefits, and single mothers of older children. The last group effected would be the least employable recipients: single mothers of preschool children. This avoids the extremely high cost of child care associated with putting these young mothers to work.

One of the most insidious aspects of the welfare system is its destructive effect on the family. Our welfare system tells a young unwed mother, in effect, that she can collect up to $15,000 per year in benefits as long as she does not work or marry an employed male. Under such conditions, it makes more sense to remain unmarried. Welfare has transformed the low-income working husband from a necessary breadwinner into a net financial handicap.

When the Great Society antipoverty programs were instituted in 1965, the out-of-wedlock birth rate in the United States was 7 percent. Thirty years later the rate has jumped to 30 percent. At this rate of growth it is projected to reach 50 percent by the year 2015, an alarming prospect by anyone's standards. Fifty percent, Mr. President. That means that, within just 20 years, half of all American children could be born to single women.

Real welfare reform must discourage destructive behavior and encourage constructive behavior. Starting prospectively 1 year after enactment, the bill would eliminate direct welfare subsidies—except medical aid—to unmarried women under age 21 who have children out of wedlock. State governments may use Federal block grant funds to develop alternative strategies for assisting children born out of wedlock. The bill also encourages marriage by providing a tax credit to low-income married couples with children where at least one parent is employed.

We all recognize the need, and share the desire, to reverse the corrupting incentives in our current welfare system. Welfare recipients must work for their benefits, and must not have children that they cannot support. This is the foundation on which real welfare reform rests, and welfare legislation that does not address both of these issues does not represent true reform.

Finally, the Senate will soon take up welfare reform, and we must be willing to make the kinds of tough decisions necessary to reduce illegitimacy and promote work, or we will condemn yet another generation to the crippling effects of welfare dependency. The current state of our welfare system demands that we take immediate action, but we must do so with a clear purpose, in mind.

By Mrs. HUTCHISON:

S. 835. A bill to provide for the operation of laboratories to carry out certain public-health functions for the region along the international border with Mexico, and for other purposes; to the Committee on Labor and Human Resources.

SOUTHWEST PUBLIC LABORATORY ACT

• Mrs. HUTCHISON. Mr. President, I introduce legislation that is critically needed along our southern border. The Southwest Public Health Laboratory Act was approved by the Senate last year as part of S. 1569, the Disadvantaged Minority Health Improvement Act. Unfortunately, Congress never completed action on S. 1569 and consequently the grave health and environmental risks along the United States-Mexico border continue to spread.

This legislation will allow for the establishment and operation of State health and environmental labs along the United States-Mexico border. The grants made available by this act will support and leverage the important laboratory work our border States are already providing. Currently, all the border States suffer from a critical shortage of environmental and occupational health monitoring. The laboratory services provided by this legislation will support both local and State health and environmental agencies. As population and commerce increases along the border as a result of our commitment to hemispheric free trade, the need for state-of-the-art laboratory capacity will only increase.

We have all seen the media accounts from California to New Mexico to Texas spotlighting the deplorable environmental conditions along the border. Beyond those television reports are millions of border residents, primarily minority, who are subject to health risks incumbent to these conditions.

We are already aware of some of these risks, such as polluted water sources, untreated sewage, and pesticides, but there are others we may not be aware of simply because there are not enough facilities to analyze them.

Let me give you an example of this problem from my home State of Texas. In the Lower Rio Grande Valley of Texas, researchers obtained samples of fish from nearby waterways, a regular staple of many local diets, and it was determined that the edible tissue of the fish contained an unacceptable amount of the highly toxic chemical PCB. After further analysis, the Texas Department of Health promptly issued an advisory strongly recommending that fish taken from the waterways and reservoirs in the area may not be eaten.

Of course, this discovery and analysis was given prompt attention. However, there are many potential risks along the border that are going unchecked. There simply is more work of that nature in the United States-Mexico border area than there are facilities to do it. There is an intolerable potential cost—the health of the citizens in the border area. So Federal support will mean badly needed improvement in the border States' abilities to respond to the health and environmental risks facing all citizens.

I urge my colleagues to support this important legislation that is critical to the health of citizens not only along the southern border but also across the United States. The health and environmental problems along the border do not check with customs or immigration before crossing the border. The Southwest Border Health Laboratory is an essential component in battling these risks before they have a chance to spread beyond the border.•

By Mr. EXON:

S. 836. A bill to authorize appropriations for pipeline safety for fiscal years 1996, 1997, 1998, and 1999, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PIPELINE SAFETY ACT OF 1995

• Mr. EXON. Mr. President, I am pleased to introduce by request the administration's proposed pipeline safety bill.

This legislation builds on a continuing record of success that administrations of both parties and the Congress have made in ensuring the safe operation of America's vast network of natural gas, petroleum, water, and other types of pipelines.

Pipeline safety is one of the lesser known, but more important responsibilities of the Senate Commerce Committee. As a former chairman of the Senate Surface Transportation Subcommittee I am proud of the progress we have made in advancing safety. With this legislation, the Congress can open a new chapter of safety.

This legislation gives the Secretary of Transportation authority to make grants to States to encourage the adoption of effective comprehensive one-call legislation. It also authorizes the Secretary to enter into cooperative agreements with the private sector to bring new efficiencies to pipeline safety research, risk assessment, and mapping.

In a time of tight budgets, the bill also introduces the concept of risk management to pipeline safety activities. With fewer dollars available the Congress must be certain that we get the most bang for the buck or more appropriately, in the area of energy pipeline safety, we need to get no bang for the buck.

Mr. President, as a member of the subcommittee with jurisdiction over this important legislation, I want to mention some areas of concern which I would like our committee to address. In the area of mapping of pipeline locations, the Congress must assure that public and private funds are not wasted on duplicative efforts. The Government's mapping needs must be better coordinated with the private sector and existing mapping operations within the U.S. Government. There is no need to reinvent the wheel when it comes to pipeline mapping.

I am also concerned about the way pipeline safety user fees are calculated for natural gas suppliers in rural areas. The Federal Energy Regulatory Commission [FERC] maintains a fee schedule for their activities which more fairly takes into account the risk, volume, and economics of serving rural areas. I have urged the Department of Transportation to consider the FERC schedule and its appropriateness for their operations.

Finally, Mr. President, I am committed to enacting a meaningful comprehensive one-call bill. Last year I was pleased to propose a compromise and work with Senators BRADLEY and LAUTENBERG to enact comprehensive one-call legislation. Meaningful call-before-you-dig programs will save lives, dollars, and productivity. I would certainly support the addition of the Bradley-Exon bill to this legislation. That bill represents the one-call compromise worked out last year.

Mr. President, I look forward to the swift enactment of pipeline safety legislation this year and ask unanimous consent that the text of the bill and a section-by-section analysis prepared by the Department of Transportation be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pipeline Safety Act of 1995."

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—PIPELINE SAFETY AMENDMENTS

SEC. 101. RISK MANAGEMENT.

Chapter 601 is amended by adding at the end the following new section:

"§ 60126. Risk Management

"(a) The Secretary shall, based on information collected and maintained by the Secretary, conduct an assessment of the risk to public safety and the environment posed by pipeline transportation. The assessment shall—

"(1) rank the risks identified by the Secretary in terms of their probability of occurrence and their likely consequences, and any other factors the Secretary considers relevant;

"(2) identify, in priority order, technically feasible and economically justified actions that should be taken to lessen the risks identified; and

"(3) address, at a minimum, the following subjects:

"(A) Inspection by internal instrumented devices.

"(B) Hydrostatic testing.

"(C) Installation of emergency flow restricting devices, including leak detection systems, for natural gas and hazardous liquid pipelines.

"(D) Inspection and burial of underwater pipelines.

"(b) Notwithstanding any other provision of this chapter, if the Secretary determines that rulemaking regarding a subject listed in subsection (a)(3) is not practicable, appropriate, or reasonable, the Secretary shall transmit to Congress, not later than 60 days after the date of such determination, an explanation of the reasons for that determination.

"(c) Not later than 18 months after the date of enactment of the Pipeline Safety Act of 1995, the Secretary shall transmit to Congress a report including the assessment required under subsection (a) and a plan setting forth the actions proposed by the Secretary to address each risk identified in the assessment. Within 30 days after any substantive change to the action plan, including the addition or deletion of any subject or action in the plan, the Secretary shall inform Congress in writing of the reasons for the change.".

SEC. 102. ONE CALL NOTIFICATION SYSTEMS.

Section 60114 (relating to one-call notification systems) is amended by striking subsections (b) and (d), and redesignating subsections (c) and (e) as (b) and (d), respectively.

SEC. 103. INTERNATIONAL UNIFORMITY.

Section 60117 (relating to administration) is amended by adding at the end the following new subsection:

"(k) INTERNATIONAL UNIFORMITY OF STANDARDS.—

"(1) PARTICIPATION IN INTERNATIONAL FORUMS.—Subject to guidance and direction from the Secretary of State, the Secretary of Transportation may participate in international forums that establish or recommend pipeline safety standards for transporting natural gas and hazardous liquids.

"(2) CONSULTATION.—The Secretary of Transportation may consult with interested authorities to ensure that, to the extent practicable, regulations the Secretary prescribes under this chapter are consistent with standards related to pipeline safety transportation adopted by international authorities.

"(3) DIFFERENCES WITH INTERNATIONAL STANDARDS AND REQUIREMENTS.—The section does not require the Secretary to prescribe a standard identical to, less stringent than, or more stringent than a standard adopted by an international authority or otherwise limit the Secretary's discretion in issuing standards.".

SEC. 104. GENERAL AUTHORITY.

Section 60117 (relating to administration), as amended by section 103, is further amended by adding at the end the following new subsection:

"(l) FUNDING AUTHORITY.—To carry out this chapter, the Secretary may enter into grants, cooperative agreements, and other transactions with any person, agency, or instrumentality of the United States, any unit of State or local government, any educational institution, and any other entity to further the objectives of this chapter, including the development, improvement, and promotion of one-call damage prevention programs, research, risk assessment, and mapping.".

SEC. 105. ANNUAL REPORTS.

Section 60124 (relating to annual reports) is repealed.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

Section 60125 (relating to authorization of appropriations) is amended—

(1) by striking "gas:" and all that follows in subsection (a) and inserting "gas, $16,450,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, and 1999.";

(2) by striking "liquid:" and all that follows in subsection (b) and inserting "liquid, $10,968,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, and 1999.";

(3)(A) by striking the heading of subsection (c) and inserting in lieu thereof "STATE PIPELINE SAFETY GRANTS.—";

(B) by striking "title:" and all that follows in subsection (c)(1) and inserting "title, $15,000,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, 1999.";

(4) by striking subsection (d) and inserting the following:

(d) OTHER TRANSACTIONS.—Not more than the following amounts may be appropriated to the Secretary to carry out section 60117(l) of this title: $5,000,000 for the fiscal year ending September 30, 1996, and such sums as may be necessary for fiscal years 1997, 1998, and 1999."; and

(5) by adding at the end the following new subsection:

"(g) SPECIAL PROJECTS.—For each of fiscal years 1996, 1997, 1998, and 1999, not more than $500,000 or 0.5 percent of the amount appropriated annually to carry out chapter 601, whichever is less, may be appropriated to the Secretary to fund special projects undertaken jointly with other offices within the Department to improve the administration of transportation safety programs.".

SEC. 107. TECHNICAL CORRECTIONS.

(a) Section 60105 is amended by inserting "PIPELINE SAFETY PROGRAM" after "STATE" in the heading.

(b) Section 60106 is amended by inserting "PIPELINE SAFETY" after "STATE" in the heading.

(c) Section 60107 is amended by inserting "PIPELINE SAFETY" after "STATE" in the heading.

(d) Section 60114(a)(9) is amended by striking ", 60122, and 60123" and inserting "and 60122".

TITLE II—AVIATION TARIFF AMENDMENT

SEC. 201. AVIATION TARIFF AMENDMENT.

Section 40114(b) (relating to reports and records), is amended—

(1) by striking "The Secretary" in the second sentence and inserting "With the exception of tariffs, the Secretary; and"

(2) by inserting "The Secretary shall ensure that tariff records are available to the public on a permanent basis." after the second sentence.

TITLE III—HAZARDOUS MATERIALS AMENDMENTS

SEC. 301. HAZARDOUS MATERIALS AMENDMENTS.

(a) Section 5107(j)(4)(A) (relating to employee training requirements) is amended by striking "section 5127(c)(3)" and inserting "section 5127(b)(1)".

(b) Section 5116(j)(4)(A) (relating to supplemental training grants) is amended by striking "subsection (g)" and inserting "section 5115".

(c) Section 5110(e) (relating to retention of shipping papers) is amended—

(1) by striking the heading and inserting the following:

"(e) Retention of Shipping Papers.—"; and

(2) by striking the first sentence and inserting "A person required to provide a shipping paper to a carrier and a carrier to which a shipping paper is provided shall retain, at or accessible through its principal place of business, a paper or electronic image copy of each shipping paper for one year from the date the shipping paper has been provided to the carrier.".

SECTION-BY-SECTION ANALYSIS

TITLE I. PIPELINE SAFETY AMENDMENTS

Sections 101 and 102. These sections contain the short title for title I of the Act, and clarify that references in title I to amendments of sections or other provisions are considered to be amendments to title 49, United States Code.

Section 103. This section would incorporate in the pipeline safety statute a framework for risk management that would facilitate the introduction of risk-based decisionmaking into the pipeline safety program. Basing pipeline safety and environmental decisionmaking on risk management principles assures that the safety investments of pipeline operators can be directed to those risks that pose the greatest threat to the public and the environment.

Both the Department and pipeline operators have been working diligently to develop national standards for pipeline system risk assessment (the tool) and risk management (the safety program). In order to accommodate this new approach to safety and environmental decisionmaking, the traditional regulatory program framework, which focuses almost exclusively on regulations to address every risk, would be changed. This proposal has the benefit of facilitating a determination before a rulemaking or other action is begun as to what is the best risk-reduction action. In addition, the proposal supplies the means for determining among identified risks which ones should be addressed in what order and with what resources.

Section 104. This section removes the provision authorizing grants to States for development of one-call systems. The grant authority would be consolidated in 49 U.S.C. 60117(l) (discussed in section 106 of this bill).

Section 105. This section would allow the Secretary to participate in international forums that establish pipeline safety standards for transporting natural gas and hazardous liquids. The Secretary would be authorized to consult with international authorities to ensure that, to the extent practicable, United States regulations are consistent with international standards. The Secretary would not be required to adopt identical standards and would not be prohibited from adopting more, or less, stringent standards.

Section 106. This section provides the Secretary with general authority to enter into grants, cooperative agreements and other transactions with States, industry, non-profit institutions, and other entities to support activities that will achieve the objectives of the statute. These activities include, but are not limited to, one-call notification, research, risk assessment, and mapping.

This section would expand the Secretary's current authority to make grants to state pipeline safety agencies, by allowing the Secretary to make grants to other State agencies, operators of one-call notification systems, and non-profit organizations to actively promote the use of one-call notification systems. Prevention of damage to underground facilities such as pipelines, water and sewer lines, fiber optic cables, and electric lines represents one of the Nation's most important and relevant safety initiatives. Damage to pipelines from excavation and other powered equipment is the leading cause of pipeline failures. The best opportunity to avoid damage to underground facilities is through use of one-call systems whereby excavators can receive information, before they dig, from a single source about all underground facilities at risk from the excavation. However, the effectiveness of state laws and programs and one-call centers themselves varies widely throughout the country, and the need for uniformity is great as many underground facilities, and the excavators that threaten them, operate in many states and localities.

Grants provided for in this provision could be used to establish, modify, improve, and promote the use of one-call systems, including publicizing the risks involved in pipeline transportation and the benefits of one-call systems in addressing those risks.

This authority is central to execution of the Department's pipeline safety risk management program for it will enable the agency to obtain the data it will need continually to determine risks, quantify and rank those risks, adopt strategies and solutions to meet those risks, and identify available and new technologies necessary to keep pace with safety needs. This authority resides in other Federal agencies, and offers excellent opportunities to leverage Federal resources with other entities who have a role to play in risk management and accident prevention.

Section 107. This section would repeal the requirement that the Secretary report annually on pipeline safety activities conducted under 49 U.S.C. chapter 601. The information required in this report, and more, is provided at least annually to Congress during the appropriations process, as well as to the authorizing committees on a periodic basis. In addition, widespread dissemination of pipeline safety data is made to our state partners, and is the subject of an increasing number of requests under the Freedom of Information Act. The time spent to compile the report has resulted in the report being at least two years out of date by the time it is issued. The Department's new data capabilities enable it to provide up-to-date information on an "as requested" basis in response to routine requests for information. This capability meets the needs of our stakeholders, while not requiring the resources to assemble what, under the best of circumstances, is outdated information for the annual report.

Section 108. This section would authorize appropriations for the Department of Transportation to carry out the pipeline safety provisions of 49 U.S.C. 60101 *et seq.* For fiscal year 1996, this section would authorize $16,450,000 for gas, $10,968,000 for hazardous liquid, and $15,000,000 for State grants. This provision also authorizes $5,000,000 in fiscal year 1996 to fund activities conducted under section 60117(l) (see discussion under Section 106 of the bill), and such sums as may be necessary for fiscal years 1997, 1998, and 1999. Finally, for fiscal years 1996 through 1999, this section authorizes not more than $500,000 or 0.5% of the amount appropriated annually to carry out chapter 601, whichever is less, to fund special projects. This provision is intended to provide a small amount of funding for projects undertaken jointly with other agencies within the Department to improve the administration of transportation safety programs.

Section 109. The first three subsections amend the titles of three sections to clarify their applicability. Subsection (d) corrects one of the requirements for qualified state one-call programs by deleting the reference to state adoption of Federal criminal sanctions. The reference was inadvertently added to the list of requirements when the pipeline safety laws were enacted into positive law in Pub. L. No. 103-272.

TITLE II. AVIATION TARIFF AMENDMENT

Section 201. This section would amend section 40114 of title 49, United States Code, which sets out the requirements for maintaining as public records those materials filed with the Department on aviation matters, including voluminous international passenger fare tariff filings. Currently, section 40114 requires the Department to maintain physical custody of tariff filings.

In the spirit of reinventing government, the Department has reexamined the manner in which it performs its tariff custodianship function and found that the costs of the system greatly outweigh the benefits. The Department has concluded that the custodianship requirement, which was first enacted in

1938, has outlived its usefulness to the public, the airline industry, and the Government.

In 1989, the Department instituted a system by which air carriers may file international passenger tariffs electronically as an alternative to filing paper tariffs. To be eligible for the benefits of automated filing, a carrier is required to accept responsibility for maintaining a secure and accessible on-line tariff database. The major air carriers responded to this opportunity by contracting with tariff publishing agents to manage these electronic filing functions. Currently, the agents' on-line databases store over 95 percent of all tariffs. The Department strictly regulates these databases. Filers are required to keep the databases available for public and departmental access at no cost, secure against destruction, alteration, or tampering, and open to inspection by the Department to ensure security and integrity. The amended section would ensure continued public access to historical tariff data contained in the database currently used by the Department.

Although the Department has met its custodianship requirement by mandating a daily tape from the on-line tariff databases, it stores this data in a fashion that allows very limited flexibility in retrieving it. In contrast, the agents' databases are modern, flexible, and freely accessible to Department officials. As a result, the departmental archive serves no purpose except to comply with the statutorily-mandated custodianship requirement. Removing the statutory requirement that copies of the tariffs be preserved in the physical custody of the Department would enable the Department to cease its duplicative archival efforts and realize a savings.

TITLE III. HAZARDOUS MATERIALS AMENDMENTS

Section 301. This section amends 49 U.S.C. 5107(e) and 5116(j) to correct cross-references. This section also amends 49 U.S.C. 5110(e) to specify that the one-year retention period for a shipping paper begins when the shipping paper is provided to a carrier instead of when transportation is completed, because it would be very difficult for the originator of a shipment to determine when transportation of that shipment has been completed.•

By Mr. WARNER (for himself and Mr. ROBB):

S. 837. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison; to the Committee on Banking, Housing, and Urban Affairs.

THE JAMES MADISON COMMEMORATIVE COIN ACT

Mr. WARNER. Mr. President, I rise today with my good friend, Senator ROBB, to introduce legislation to establish an endowment to be a permanent source of support for Montpelier, the life-long home of James Madison, the fourth President of the United States and the Father of the U.S. Constitution. President Madison was the third generation of his family to live on this extensive estate located in the lush Piedmont of Virginia. Montpelier was settled by James Madison's grandparents in 1723 and prospered under the ownership of his parents, James (Sr.) and Nelly Conway Madison. In 1794, James Madison, a 43-year-old bachelor, met and fell in love with Dolley Payne Todd, a 26-year-old widow and mother. They were married later the same year. After the completion of his second Presidential term in 1817, the Madisons retired to Montpelier, where their legendary hospitality kept them in touch with world affairs. At his death in 1836, Madison was buried on the estate. Dolley Madison later returned to Washington where she died in 1849.

Following Madison's death, the contents of the house were auctioned off. Montpelier then changed hands six times, until it was purchased in 1900 by William and Anna Rogers duPont. The National Trust for Historic Preservation received the property in 1983, and opened it for public tours in 1987 as part of the celebration of the bicentennial of the U.S. Constitution. Today, under the stewardship of the National Trust, Montpelier is beginning a long-term research and preservation process. Unfurnished and as yet unrestored, Montpelier is the focus of a major archaeological and architectural research effort.

The legislation which I am introducing today would authorize the U.S. Mint to produce a commemorative coin to honor the 250th birthday of James Madison. After recovery of minting and production costs, the proceeds from the sale of the James Madison Commemorative Coin, conservatively estimated at $5 to $10 million, will be used as the core of a capital campaign to establish an endowment and preserve Montpelier. This campaign will assure the full preservation and restoration of Montpelier and the development of all of the related programmatic activities.

Mr. President, an intensive effort must be mounted to achieve the goal of securing the future of Montpelier. I am committed to making my colleagues in the House and Senate aware of the benefits to be derived from the minting of a coin to honor James Madison, and I am confident that this support can be secured. Our national legislature, indeed, our Nation, owes a great debt to the vision of James Madison. Throughout his life, Montpelier helped shape Madison's character and values. This legislation is an important step toward bringing all Americans closer to this great man.

ADDITIONAL COSPONSORS

S. 240

At the request of Mr. DOMENICI, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 240, a bill to amend the Securities Exchange Act of 1934 to establish a filing deadline and to provide certain safeguards to ensure that the interests of investors are well protected under the implied private action provisions of the act.

S. 245

At the request of Mr. COHEN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 245, a bill to provide for enhanced penalties for health care fraud, and for other purposes.

S. 338

At the request of Mr. DASCHLE, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 338, a bill to amend title 38, United States Code, to extend the period of eligibility for inpatient care for veterans exposed to toxic substances, radiation, or environmental hazards, to extend the period of eligibility for outpatient care for veterans exposed to such substances or hazards during service in the Persian Gulf, and to expand the eligibility of veterans exposed to toxic substances or radiation for outpatient care.

S. 388

At the request of Ms. SNOWE, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 388, a bill to amend title 23, United States Code, to eliminate the penalties for noncompliance by States with a program requiring the use of motorcycle helmets, and for other purposes.

S. 456

At the request of Mr. BRADLEY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 456, a bill to improve and strengthen the child support collection system, and for other purposes.

S. 560

At the request of Mr. DASCHLE, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 560, a bill to amend section 6901 of title 31, United States Code, to entitle units of general local government to payments in lieu of taxes for nontaxable Indian land.

S. 628

At the request of Mr. KYL, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 628, a bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

S. 647

At the request of Mr. LOTT, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 647, a bill to amend section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 to require phasing in of certain amendments of or revisions to land and resource management plans, and for other purposes.

S. 694

At the request of Mr. KYL, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 694, a bill to prevent and punish crimes of sexual and domestic violence, to strengthen the rights of crime victims, and for other purposes.

S. 738

At the request of Mr. THOMAS, the name of the Senator from Oklahoma

[Mr. NICKLES] was added as a cosponsor of S. 738, a bill to amend the Helium Act to prohibit the Bureau of Mines from refining helium and selling refined helium, to dispose of the U.S. helium reserve, and for other purposes.

S. 758

At the request of Mr. HATCH, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 758, a bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

SENATE JOINT RESOLUTION 31

At the request of Mr. HATCH, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of Senate Joint Resolution 31, a joint resolution proposing an amendment to the Constitution of the United States to grant Congress and the States the power to prohibit the physical desecration of the flag of the United States.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

ROCKEFELLER (AND OTHERS) AMENDMENT NO. 1112

Mr. ROCKEFELLER (for himself, Mr. LAUTENBERG, Mr. KENNEDY, Mr. DASCHLE, Mr. WELLSTONE, Ms. MIKULSKI, and Mrs. BOXER) proposed an amendment to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the spending aggregates shall be revised and other appropriate budgetary allocations, aggregates, and levels shall be revised to reflect up to 59 percent of the additional deficit reduction achieved as calculated under subsection (c) in budget authority and outlays for legislation that reduces the adverse effects on medicare and medicaid of—

"(1) increased premiums;

"(2) increased deductibles;

"(3) increased copayments;

"(4) limits on the freedom to select the doctor of one's choice;

"(5) reduced quality of health care services caused by funding reductions for health care providers;

"(6) reduced or eliminated benefits caused by restrictions on eligibility or services; or

"(7) closure of hospitals or nursing homes, or other harms to health care providers.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed 59 percent of the additional deficit reduction specified under subsection (d).".

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of 3 days of field hearings in Alaska before the full Committee on Energy and Natural Resources regarding the implementation of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act.

The first hearing will take place on Wednesday, May 31, 1995, beginning at 1:30 p.m. in the auditorium of the Anchorage Museum of History and Art, 121 W. Seventh Avenue, Anchorage, AK 99501. The committee will receive testimony on the regulation of the use of Federal lands by inholders, miners, guides, tour operators, hunters, fishermen, and others who had access and use rights protected by the Alaska National Interest Lands Conservation Act.

The second hearing will be held on Thursday, June 1, 1995, beginning at 12:30 p.m. at the Elks Club, Wrangell, AK. Testimony will be received on the impact of administration of the Tongass National Forest on the timber dependent communities and opportunities for economic recovery.

The third hearing will be held on Friday, June 2, 1995, beginning at 1:30 p.m. in the Pioneer room of the Carlson Center, 2010 Second Avenue, Fairbanks, AK 99701. Testimony will be received on the regulation of the use of Federal lands by inholders, miners, guides, tour operators, hunters, fishermen, and others who had access and use rights protected by the Alaska National Interest Lands Conservation Act.

Because of the limited time available for the hearings, witnesses may testify by invitation only. It will be necessary to place witnesses in panels and place time limits on oral testimony. Witnesses testifying at the hearings are requested to bring three copies of their testimony with them on the day of the hearing. Please do not submit testimony in advance of the hearing.

The hearing record will remain open for 2 weeks following each hearing. If you wish to submit a written statement for the hearing record, please send one copy of your statement to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding the hearings, please contact Andrew Lundquist or Mark Rey at 202-224-6170.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on Forests and Public Land Management to review the Forest Service's reinvention proposal and the proposed national forest planning regulations.

The hearing will take place on Thursday, June 8, 1995, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements, should write to the Subcommittee on Forests and Public Land Management, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please contact Mark Rey at (202) 224-6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, May 19, 1995, at 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts and Humanities of the Committee on Labor and Human Resources be authorized to meet for a hearing on the role of business in vocational education, during the session of the Senate on Friday, May 19, 1995, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE DEPARTURE OF THE HONORABLE NORA SLATKIN, ASSISTANT SECRETARY OF THE NAVY FOR ACQUISITION

• Mr. DODD. Mr. President, I want to take a moment to pay tribute to an outstanding public servant who will be leaving the Department of Defense today to continue her contributions to the Nation at the Central Intelligence Agency. This dedicated and thoughtful servant needs no formal introduction to those familiar with the complexities of our Nation's defense budget. I am of course speaking of Assistant Secretary of the Navy for Acquisition, Ms. Nora Slatkin.

In the years preceding her appointment to the Department of the Navy, Ms. Slatkin served as a senior staff member and adviser to Les Aspin, then chairman of the House Armed Services Committee. During her tenure with the committee, Ms. Slatkin often staffed the most difficult of hearings involving not only current program acquisition, but research and development investments for the future. She is truly one of our Nation's brightest stars in defense policy.

As Assistant Secretary of the Navy, Ms. Slatkin has presided over some of the most difficult procurement decisions before the Department in recent decades. Her tenure has been marked by sound, articulate judgment and careful analysis. More importantly, she has further strengthened her reputation for honesty, integrity, and fairness—qualities often desired but not always achieved.

Ms. Slatkin truly deserves our thanks for her service to the Nation and the Navy. I wish her well and much success in her new position at the Central Intelligence Agency.•

NATIONAL DEFENSE TRANSPORTATION DAY

• Mr. WARNER. Mr. President, today, as we celebrate National Defense Transportation Day, I rise to recognize the important contributions that the people who serve in military transportation specialties, as well as those who work in the U.S. civil transportation industry, have made to the security of our Nation.

As our military increasingly becomes a U.S.-based, power projection force, our transportation assets become an even more crucial element of the national defense. Without possessing the ability to rapidly and efficiently move our service personnel and their equipment into an overseas theater of operations, all of the money we have spent and all of the effort we have put into building the strongest armed force in the world would be for naught.

I am sure that we all can vividly recall the Herculean effort our military and civilian transporters made during Operation Desert Shield in moving large numbers of people and massive amounts of materiel from two continents into the Persian Gulf region, in record time. As our military leaders can attest, that transportation capability served as a combat multiplier, and played a significant role in our decisive victory.

Today, the many people involved in U.S. defense transportation continue the long tradition of excellence in service to the Nation. Whether military or civilian; manufacturers or operators; air transporters, sea transporters, or ground transporters; these Americans represent the very best our Nation has to offer. I commend them for their hard work and their many contributions to national security.

I would also like to take this opportunity to recognize the National Defense Transportation Association [NDTA], headquartered in Alexandria, VA. Within a membership of over 8,000 people, configured into 70 chapters within the United States and overseas, the NDTA has served as a catalyst in building the critically important military-private sector partnership for defense transportation. In this, its 51st year, NDTA continues to play a vital role in keeping the American defense transportation capability the best in the world.

Mr. President, I trust my colleagues will join me today in saluting the NDTA, and all Americans working in defense transportation, on National Defense Transportation Day.•

THREE CHEERS FOR THE RHODE ISLAND GEOGRAPHY BEE

• Mr. CHAFEE. Mr. President, I would like to commend all the students who participated in the Rhode Island finals of the 1995 National Geography Bee that took place at Rhode Island College on April 7.

The competition included eight preliminary rounds. The top 10 winners of the semifinals then competed in the final round. These students received a medallion from the Rhode Island Social Studies Association for their performance.

The third place winner was Matthew Lawrence from Hugh B. Gain Junior High School. He received $50, a book from National Geographic, and an inflatable globe. Matthew Price of Riverside Junior High School was the second place winner. He received $75, a book from National Geographic, and an inflatable globe.

The first place winner was Mitchell Malachowski of Western Hills Junior High School. As well as receiving $100, an atlas, and an inflatable globe, he will compete in the national finals at National Geographic Headquarters here in Washington, DC. His teacher, Mr. William Morris, will travel with him. Western Hills Junior High School was presented with a plaque.

Even more important than the books and plaques that these students received, is the knowledge of geography they obtained during preparations for the competition. As our world grows smaller through the advances in technology, communications, and transportation, the study of geography becomes increasingly significant.

This achievement is an exceptional feat. Geography is a very important subject. All the participants have demonstrated exceptional knowledge in the field. My heartiest congratulations to them all.

I ask that a list of these students be printed in the RECORD.

The list follows:

CONTESTANTS IN THE RHODE ISLAND FINALS—1995 NATIONAL GEOGRAPHY BEE

GROUP A

Jonathan Greer, Winman Junior High School; Joseph McDonough, Portsmouth Middle School; Sumon Datta, James H. Eldredge School; Paul J. Ring, Mount Saint Charles Academy; Matthew Lawrence, Hugh B. Bain Jr. High School; Timothy Garceau, St. Cecilia School; Matthew Price, Riverside Junior High School; Bradley Schoultz, Thompson Middle School; Michael Hirth, St. Rose of Lima School; and Andrew Watts, George Hanaford School.

Mark Roll, Northern Lincoln Elementary; Melissa Tamke, St. Anne's School; Jessica A. Scholl, Stony Lane School; Syed Rizwan Latif, Samuel Slater Jr. High School; Nicholas Rubano, Gallagher Jr. High; Kenneth Virgil Ward Brown III, Alice M. Waddington School; Michael McManus, N. Cumberland Middle School; Johanna Anderson, St. Philip School; Justin Shilad, Lincoln Central Elementary School; and Michelle Beauregard, Wickford Middle School.

GROUP B

Amy Tibbetts, The Wheeler School; Michael Broomhead, Barrington Middle School; Adina Shafner, Providence Hebrew Day School; Adam Hommeyer, Archie R. Cole Jr. High School; Lauren De Sillier, Babcock Middle School; Jake Cahalan, John F. Deering Middle School; Katelain Kelly, St. Mary Academy Bay View; Seraph Townsend, Aldrich Jr. High; Brendan Carroll, Burrillville Middle School; and Michael Haskell, Fallon Memorial.

Kevin Remillard, St. Joseph Intermediate School; Matthew P. Celeste, George J. Peters School; Timothy Larson, N. Smithfield Elementary School; Carey J. Gaughan, The Prout School; Jim King, W. Kingston Elementary School; Stacy Thompsen, Myron J. Francis Elementary; Michael Crittenden, Tiverton Middle School; David Tuetkin, Raymond C. LaPerche School; Nelson Cordeiro, St. Paul School; and Noah Leclaire-Conway, Wakefield Elementary School.

GROUP C

James Rowe, N. Smithfield Junior-Senior High; Shaun Russell, Wickford Elementary School; Justin Holmander, Tiogue Elementary School; Matthew S. Gaudette, Our Lady of Consolation School; Brandon Cone, Oak Haven Elementary School; Kelsey M. Squire, William J. Underwood Elementary School; Michaela Hamill, Ponaganset Middle School; Adam Pimenta, Colt-Andrews Elementary School; Jason Clavet, Lincoln Junior-Senior High; and Rebekah Ann Charron, Good Shepherd Middle School.

Matthew Heffernan, Daniel D. Waterman School; Peter Francis Jones, St. Pius X School; Jill Muratori, Halliwell School; Michael L. Corsi, John Brown Francis School; Elizabeth Moniz, St. Luke School; Mitchell Malachowski, Western Hills School; Alyssa Menissian, Park View Jr. High School; Nathan Lapierre, Moses Brown School; Brian F. Houle, James R. D. Oldham School; and Paul Kuras, Central Falls Junior-Senior High School.

GROUP D

Brian Marandola, Conventry Middle School; Christopher J. Fuller, Cranston Johnston Catholic School; Matthew McKeever, Davisville Middle School; Brian Killoy, Narragansett Pier School; Matthew Shahlund, St. Matthew School; Emily S. Wasser, Garden City Elementary School;

Matthew Blanchette, Rocky Hill School; Nathan Smelser, Old Country Road Elementary; Benjamin Totushek, Barrington Christian Academy; and Patrick Hughes, Kent Heights School.

David DuBois, Nicholas A. Ferri Middle School; Kathleen O'Connor, Msgr. Matthew Clark School; Gregory Baker, Kickemuit Middle School Guiteras Cmp.; Daniel F. Geary, Cedar Hill Elementary School; David Baich, Jr., Western Conventry School; Brianna Marshall, Bernon Heights Elementary School; Synthia Tonn, Joseph H. Gaudet Middle School; John Neubauer, St. Pius V School; Michael LeFort, Lonsdale Elementary School; and David Brigada, Charlestown Elementary School.

GROUP E

Erik John Chaput, St. Leo the Great School; Roger Diebold, Hampden Meadows School; Eric Rueb, Martin Jr. High; Thomas Ensign DuBois, Our Lady of Mount Carmel School; Christine Grinavic, Cumberland Middle School; Ryan Mullen, Gorton Junior High School; John Noyes, Sisters of St. Joseph of Cluny; Matthew Twomey, Matunuck Elementary School; Heather Jordan, Potowomut School; Joseph Apollonio, Notre Dame Regional.

Iran Anderson, Hope Valley Elementary; Andrew Payne, Jamestown School; Christopher McGuire, Hope Highlands Elementary; Ariel Mae Lambe, The Gordon School; Mark Scott, Oak Lawn School; Kelly Duchesne, St. Matthew Notre Dame School; Anthony Izzo, Scituate Middle School; Michael Gagne, Woonsocket Middle School; Gregory Nannig, Hamilton School; and Sean Brislin, Calcutt Middle School.

CONTRIBUTORS

Rhode Island College; Rhode Island Social Studies Association; Rhode Island Federation of Teachers; National Education Association of Rhode Island; and Rhode Island Geography Education Alliance.

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TRIBUTE TO SERGEANT MAJOR OF THE ARMY RICHARD A. KIDD

● Mr. FORD. Mr. President, today I wish to congratulate Sergeant Major of the Army [SMA] Richard A. Kidd, who will retire on June 30, 1995. SMA Kidd's service to our Nation spanned more than 33 years during which he distinguished himself as a soldier, leader, mentor, spokesman, and adviser to the Chief of Staff of the Army. Let me briefly recount to you the career of this dedicated and professional soldier.

A native of Morehead, KY, and product of a military family, SMA Kidd enlisted in the U.S. Army in March 1962. During his more than three decades of loyal service to the Nation, he has held and served in every infantry enlisted leadership position from squad leader to command sergeant major. He is a combat tested leader with two tours in Vietnam where he served with the 1st Cavalry Division (1966–67) and returned as an infantry adviser with the United States Military Assistance Command-Vietnam (1970–71). SMA Kidd has also had multiple tours in Korea and Europe. Before becoming the ninth Sergeant Major of the Army, he was command sergeant major of I Corps, America's Corps, and Fort Lewis, WA. He has served as command sergeant major of numerous organizations including the 9th Aviation Battalion, Fort Lewis, WA; 2d Battalion, 2d Infantry, South Korea; Commandant, 1st Armored Division NCO Academy, Katterbach, Germany. After his tour in Germany, he returned to Fort Lewis where he served consecutively as command sergeant major of the 4th Battalion, 23d Infantry Regiment; 3d Brigade, 9th Infantry Division [Motorized]; and 9th Infantry Division [Motorized].

When SMA Kidd was selected to become the Army's senior enlisted representative in July 1991, the cheering Americans and victory parades welcoming home the victors of the Persian Gulf war were but a faint memory. Two short years earlier, the Berlin Wall had fallen, signaling America's triumph in the 50-year-old cold war and the Army was in the midst of a drawdown efforts to reduce its size by a third. The biggest challenge facing SMA Kidd was communicating the Army's strategy to make cuts while, at the same time, maintaining a quality trained and ready Army. He focused on providing soldiers and their families with accurate and timely information so that they could make educated and informed decisions about their future in a shrinking Army. That was achieved through regular interviews with both internal and external communication print and electronic mediums. In so doing, he established a reputation, trust, and rapport with soldiers and their families as a caring leader who listened and truly represented soldiers.

SMA Kidd's distinguished 33-year career epitomizes the consummate professional soldier—one who loves being a soldier and being around other soldiers, is technically and tactically proficient, dedicated, motivated, physically fit, mentally alert, and morally straight. But above all, he is a loving and caring husband and father whose service was enhanced by his wife, Sylvia, and their two children, Shelly and Ryan. To them, too, the Nation owes its gratitude.

SMA Kidd, a professional and proud infantry soldier—on behalf of the Congress of the United States and the people we represent, I offer our sincere thanks for your service.●

RIVER BEND NEIGHBORHOOD ASSOCIATION, DES MOINES

● Mr. GRASSLEY. Mr. President, with the seemingly never-ending stories of urban decline, I thought it would be a welcome change to tell about a community that has bucked this downward trend. River Bend Neighborhood Association is a community on the north side of Des Moines, IA. River Bend is unique in that it has taken control of its own future. Of course, there have been helping hands along the way, but the true reason behind their success is the desire and motivation of the community members to attain a better life.

The background of River Bend will sound familiar to many. The neighborhood consists of approximately 4,000 residents and the average household income is $11,880. Increasingly, River Bend was succumbing to the problems of crime, drugs, disinvestment, and abandoned property. Businesses were moving out, and corruption started to take over.

The key to halting this decline was the formation of the Designated Neighborhood Action Plan. The goal of the plan, which was started in 1990, is to better meet the needs of Des Moines' communities, with the emphasis on housing and infrastructure. The logistics are the tricky part. The plan involved the Des Moines government, Polk County government, and the financial services industry to invest in the Neighborhood Finance Corporation, the NFC for short. Due to this investment, the NFC is able to provide mortgage capital at low rates and planning services to keep private investment in local communities. This allows for low income families, even families earning as low as 30 percent of median income, to own their own homes, a goal most Americans share.

To date, over $35 million in private capital has been raised by the NFC—all from the local financial services industry. One notable figure is The Principal Financial Group, which has provided investments of over $3 million, continuing funding for operating costs, and leadership to keep the NFC in the right direction. Financial institutions like the Principal and others in Des Moines make it possible for communities such as River Bend to become productive and attractive.

Mr. President, I think the example of River Bend is an important one. The successes of River Bend are tangible: the fact that 161 homes have either been constructed or salvaged and new families are moving into these homes, the fact that crime has decreased, and the fact that over $4 million has been invested in the area. These successes are proof that something like the Designated Neighborhood Action Plan can work if it is given a chance. The key is to make more urban communities aware of such possibilities, and show that these goals are indeed within reach. State and local governments need to support partnerships like that of River Bend and the financial institutions of Des Moines. Having cleaner, safer, and more productive neighborhoods is beneficial to everyone in a large urban area, and this is the necessary common denominator that makes these partnerships work.●

STATUTORY REFERENCES TO APPLICABLE COMMITTEE OR OFFICER OF THE HOUSE OF REPRESENTATIVES

Mr. DOMENICI. I ask unanimous consent that the Senate proceed to immediate consideration of H.R. 1421, just arrived from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1421) to provide that references in the statutes of the United States to any committee or officer of the House of Representatives the name or jurisdiction of which was changed as part of the reorganization of the House of Represenatives at the beginning of the One Hundred Fourth Congress shall be treated as referring to the currently applicable committee or officer of the House of Representatives.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOMENICI. I ask unanimous consent that the bill be considered, deemed read the third time, passed and the motion to reconsider laid on the table; that any statements relating to the bill be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H. R. 1421) was deemed to have been read the third time and passed.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR MONDAY, MAY 22, 1995

Mr. DOMENICI. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 a.m. on Monday, May 22, 1995; that following the prayer the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PROGRAM

Mr. DOMENICI. For the information of all Senators, the Senate will resume consideration of the budget resolution on 8:30 Monday morning. By a previous order, there will be a rollcall vote on the Lautenberg-Rockefeller Medicare amendment at 3:15 p.m. on Monday. Senators can expect further rollcall votes during Monday's session of the Senate, and the majority leader has indicated he would anticipate a late session on Monday in order to make progress on the budget resolution.

ORDER FOR RECESS

Mr. DOMENICI. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess following the remarks of Senator EXON.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

DEBATE ON THE BUDGET RESOLUTION

Mr. EXON. Madam President, I thank the Chair and I thank my friend and colleague, the chairman of the Budget Committee.

Just 2 or 3 minutes of closing remarks. I would agree.

I would agree with my friend and colleague from New Mexico that during debate on the Senate floor there may have been some overstatements of the facts by Senators on this side of the aisle.

I was here today, though, and I heard several statements on the Republican side of the aisle that I interpreted also as overstatements. We do get carried away sometimes in debate.

This Senator, both in the Budget Committee and on the floor of the Senate, has tried to make a case as I saw it in a responsible, honest manner.

I just want to say, once again, that I spoke a few moments ago about one of the greatest overstatements that I keep hearing on the floor of the Senate on this matter, despite the fact that the Democrats have not offered an amendment and as far as I know will not during this debate that violates the very principles that the Senator from New Mexico emphasized was part and parcel of the budget, to protect the kids of the future, to eliminate the ever skyrocketing deficit and grossly increasing national debt.

But, once again, I feel, when somebody on this side of the aisle or somebody on that side of the aisle gets up and says something about overstatements by someone on the other side, they better be careful that they are not throwing rocks at their own glass houses.

My friend from New Mexico went right after one of the very basic tenets of the remarks that I made, I think in a reasonable fashion, just before we went into the closing procedures, and that was that I have heard the statement, certainly an overstatement, once again, from the chairman of the Budget Committee that the Democrats want to take this money and spend it. Well, I think that is a good buzzword and I think the Republicans have researched that well in their extensive polling.

I want it clearly understood that this deficit hawk, this conservative Democrat, is not for spending in the context that the Republicans continue to use during this debate, accusing the Democrats of spending when we are not spending. We are reducing the hits. We are reducing the significant reductions in hits in a whole series of programs that even the Republicans concede are very heavy and very difficult.

I simply say, Madam President, once again, I hope that we can continue a legitimate debate on Monday, to debate the legitimate issues in proper form and with proper respect for all Members of the Senate that I have great respect for, but I recognize that all of us, from time to time, make some overstatements.

I just hope, because every time I hear the Republicans talking about spending, I wish that they would better define that word. We are not spending money. We are trying to alleviate what we think are more onerous cuts in budgets of the most needy of our citizens, especially our senior citizens, and especially our young people who were relying on Government loans to get their education. We will continue the debate on Monday next.

I yield the floor.

RECESS UNTIL 8:30 A.M., MONDAY, MAY 22, 1995

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess.

Thereupon, the Senate, at 6:44 p.m., recessed until Monday, May 22, 1995, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 19, 1995:

DEPARTMENT OF JUSTICE

ANDREW FOIS, OF NEW YORK, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE SHEILA FOSTER ANTHONY, RESIGNED.

EXPORT-IMPORT BANK OF THE UNITED STATES

MARIA LUISA MABILANGAN HALEY, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 1999. (REAPPOINTMENT.)

DEPARTMENT OF TREASURY

JOHN D. HAWKE, JR., OF NEW YORK, TO BE UNDER SECRETARY OF THE TREASURY, VICE FRANK N. NEWMAN.

CENTRAL INTELLIGENCE

GEORGE J. TENET, OF MARYLAND, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, VICE ADMIRAL WILLIAM O. STUDEMAN.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

GEN. JAMES L. JAMERSON [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. HUBERT G. SMITH [redacted]

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTIONS 3385, 3392, AND 12203(A):

To be major general

BRIG. GEN. CRAYTON M. BOWEN [redacted]
BRIG. GEN. JAMES D. DAVIS [redacted]
BRIG. GEN. ROBERT J. MITCHELL [redacted]
BRIG. GEN. JOHN E. PRENDERGAST [redacted]
BRIG. GEN. ROBERT E. SCHULTE [redacted]
BRIG. GEN. WALTER L. STEWART, JR. [redacted]
BRIG. GEN. CARROLL THACKSTON [redacted]

To be brigadier general

COL. LANCE A. TALMAGE, SR., [redacted]
COL. ROBERT A. MORGAN [redacted]
COL. JOHN E. BLAIR [redacted]
COL. PHILLIP O. PEAY [redacted]
COL. ROBERT D. WHITWORTH [redacted]
COL. RONALD W. HENRY [redacted]
COL. VANDIVER H. CARTER [redacted]
COL. TROY B. OLIVER [redacted]
COL. DON C. MORROW [redacted]
COL. SMYTHE J. WILLIAMS [redacted]
COL. WILLIAM W. AUSTIN [redacted]
COL. JEAN A. ROMNEY [redacted]
COL. JAMES T. DUNN [redacted]
COL. PAUL T. OTT [redacted]
COL. REID K. BEVERIDGE [redacted]
COL. BERTUS L. SISCO [redacted]
COL. JIM E. MORFORD [redacted]
COL. WILLIE A. ALEXANDER [redacted]
COL. STEVEN P. SOLOMON [redacted]
COL. JERRY V. GRIZZLE [redacted]
COL. JAMES V. TORGERSON [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

RICHARD F. ANDERSON [redacted]
JOSEPH J. CHAVES [redacted]
PETER F. COHEN [redacted]
AGUSTIN P. DUENAS [redacted]
FOREST B. DUNNING [redacted]
JOHN A. ILLARMO [redacted]
ARTHUR A. JACKSON [redacted]
WILLIAM J. KELLEY, JR. [redacted]
JOSEPH A. LAGROW [redacted]
WILLIAM R. MALONEY [redacted]
JOHN R. SCALES [redacted]
THOMAS J. SULLIVAN [redacted]
ROBERT L. WALKER [redacted]

ARMY NURSE CORPS

To be colonel

CAROL A. BROWN [redacted]

CHAPLAIN CORPS

To be colonel

MARVIN T. MILBURY, [redacted]

MEDICAL CORPS

To be colonel

JOHN D. PERRINE [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

THOMAS W. ACOSTA, JR. [redacted]
THOMAS G. ALLEN [redacted]
KEITH J. BUCKLEW [redacted]
TIMOTHY R. GOODWIN [redacted]
CECIL E. GREEN [redacted]
MICHAEL A. GRUET [redacted]
ROBERT E. LANDSTROM [redacted]
DENNIS J. MC COY [redacted]
RITA A. PRICE [redacted]
CHARLES W. RHOADS [redacted]
ROBERT H. SIMPSON [redacted]
LAWRENCE B. SMITH [redacted]
WARRINGTON O. TYSON [redacted]
JAMES L. VANNAMAN [redacted]
EDWARD J. VERGA [redacted]
CARL R. WEBB, JR. [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

GARY L. MOORE [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

IGWEKALA E. NJOKU [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

RONALD C. BREDLOW [redacted]
JOHN E. EASTER II [redacted]
PAUL P. GLEASON [redacted]
BARRON L. GOFF [redacted]
STEVE A. HATTEN [redacted]
CARL R. HENDERSON, [redacted]
CLAY A. HINDERLITER [redacted]
THOMAS D. JOHNSON [redacted]
THOMAS E. LITTLE [redacted]
DON M. PREWITT [redacted]
JOHN F. PUGH, JR. [redacted]
DENNIS M. RYAN [redacted]
WILBUR D. SAULTERS, JR. [redacted]
JAMES C. SPROULL IV [redacted]
JOHN M. TYSON [redacted]
FREDERICK L. WARD, JR. [redacted]
TERRY G. WILKERSON [redacted]

CHAPLAIN CORPS

To be colonel

PAUL L. GRANT [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

EVERETT T. WOHLERS [redacted]

MEDICAL CORPS

To be colonel

REGINALD A. ALEXANDER [redacted]
BRIAN T. NOLAN [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

RICHARD P. ANDERSON [redacted]
CARL R. BARTELL [redacted]
JIMMIE H. CHAPMAN [redacted]
ARTHUR R. DIAZ [redacted]
GERALD L. ERICSSON [redacted]
MICHAEL L. FALCONER [redacted]
HERBERT P. FRITTS [redacted]
GREGORY B. GRIFFITH [redacted]
BILLY J. HUTTON, JR. [redacted]
BRADLY S. MAC NEALY [redacted]
BLANCHE A. MC CLURE [redacted]
ROBERT T. MC CORMICK [redacted]
MICHAEL P. MURRAY [redacted]
ROBERT M. PUCKETT [redacted]
AGUSTIN RIVERA [redacted]
GARY D. SADLER [redacted]
MARK J. SLAWINSKI [redacted]
DONALD K. TAKAMI [redacted]
JOHN N. TOBIN [redacted]
MICHAEL K. WEBB [redacted]

DENTAL CORPS

To be lieutenant colonel

JOHN R. HERRIN [redacted]

ARMY NURSE CORPS

To be lieutenant colonel

KAY F. STANTON [redacted]

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

CHAPLAIN CORPS

To be lieutenant colonel

JAMES E. AGNEW [redacted]
HANSON R. BONEY [redacted]
WILFRED J. BREWSTER [redacted]
WILLIAM F. CAREY [redacted]
*FREDRICK S. CARR [redacted]
SCOTT DAVIES [redacted]
RICHARD L. EVANS [redacted]
JOSEPH A. GIBILISCO [redacted]
LARRY J. GOODWILL [redacted]
HENRY A. HAYNES [redacted]
JAMES HIMMELSBACH [redacted]
JOHN C. HOLZ [redacted]
MICHAEL A. HOYT [redacted]
DWIGHT C. JENNINGS [redacted]
IRVEN W. JOHNSON [redacted]
*JERE R. KIMMELL [redacted]
JOHN E. KULP [redacted]
CLARKE L. MC GRIFF [redacted]
JOHN H. MC RAE [redacted]
*ANTHONY J. MEDAIROS [redacted]
DANIEL K. NAGLE [redacted]
JAMES H. NEELY [redacted]
DAVID R. PENLAND [redacted]
JOHN J. PRENDERGAST [redacted]
JAMES E. RAYBURN [redacted]
WILLARD RICHARDSON [redacted]
FREDERICK ROBINSON [redacted]
LARRY D. ROBINSON [redacted]
RICHARD P. ROGGIA [redacted]
ELENITO B. SANTOS [redacted]
REES R. STEVENS [redacted]
DONALD E. TROYER [redacted]
REINALDO VELEZ [redacted]
GORDON D. WALTERS [redacted]
JEFFREY M. YOUNG [redacted]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

DWIGHT P. ROBINSON, OF MICHIGAN, TO BE DEPUTY SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE TERRENCE R. DUVERNAY, SR., RESIGNED.

IN THE NAVY

THE FOLLOWING-NAMED TEMPORARY LIMITED DUTY OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT IN THE LINE AS LIMITED DUTY OFFICERS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5589(A):

LIMITED DUTY OFFICERS, LINE (PERMANENT)

To be lieutenant

ABALOS, CAMILO L. [redacted]
ADAMS, DUANE S. [redacted]
ADAMS, JOHN, W. [redacted]
ALDRIDGE, JOSEPH M. [redacted]
ALLMON, GEORGE A. [redacted]
ANDERSON, CLIFFORD A. [redacted]
ANDERSON, LAURENCE G. [redacted]
ANDERSON, RANDALL E. [redacted]
ASHBY, CLINTON P. [redacted]
AVENANCIO, DANIEL [redacted]
BAHRS, PAUL J. [redacted]
BARKER, JIMMY M., JR. [redacted]
BARSALEAU, JOANNE M. [redacted]
BATEMAN, RONALD B. [redacted]
BEAR, MICHAEL S. [redacted]
BEAUDRY, JAMES S. [redacted]
BELL, JOHN T. [redacted]
BENNETT, JAMES L. [redacted]
BENNETT, RANDAL D. [redacted]
BERNLOEHR, GEORGE R. [redacted]
BILLINGS, JERRY W. [redacted]
BINDEL, WILLIAM E. [redacted]
BOSTRON, GARY E. [redacted]
BRENNAN, GARY F. [redacted]
BRIGHAM, SCOTT H. [redacted]
BRYAN, LLOYD D. [redacted]
BUCKLEY, JAMES P. [redacted]
BUCKMASTER, MARK C. [redacted]
BUNNELL, JAMES P., II [redacted]
BURROWES, PAUL S. [redacted]
CALLESEN, RICHARD O. [redacted]
CANFIELD, STEPHEN T. [redacted]
CANTERBURY, TEDDY D. [redacted]
CARMODY, KENNETH J. [redacted]
CARR, JOHN A. [redacted]
CARRINGTON, THOMAS D. [redacted]
CARTER, CHRISTOPHER J. [redacted]
CASTLEBERRY, ARTHUR D. [redacted]
CHANDLER, FRANK L. [redacted]
CHAUNCEY, TERYL E. [redacted]
CHIDESTER, WYATT N. [redacted]
CILIA, BEVERLY R. [redacted]
CLAIBOURN, GREGORY [redacted]
CLOSE, MEGAN E. [redacted]
CONRAD, LORELEI A. [redacted]
COOK, KAREN G. [redacted]
COOPER, RONALD W. [redacted]
COUSINS, WILLIAM D. [redacted]
CRAWMER, JOHN S. [redacted]
CROCKETT, JESSIE D. [redacted]
CURIA, JOHN G. [redacted]
CURLING, LINDA S. [redacted]
DAILEY, BARNEY B. [redacted]
DALTON, KENNETH W. [redacted]
DAVIS, STEPHEN P. [redacted]
DELHERY, VINCENT J. [redacted]
DIBLASI, CARL N., JR. [redacted]
DIFFELL, JAMES C. [redacted]
DILLOW, ROBERT G., JR. [redacted]
DONALDSON, ROBIN E. [redacted]
DOTY, WILLARD E., JR. [redacted]
DOWNING, SANDRA D. [redacted]
DOYLE, SHANNON D. [redacted]
DRAKE, JOSEPH A. [redacted]
DUFFY, TIMOTHY W. [redacted]
EDGE, REGINALD D. [redacted]
EMBERTON, TERRY L. [redacted]
ENOS, TIMOTHY D. [redacted]
EPPARD, ELWOOD G. [redacted]
ERICKSON, RANDAL L. [redacted]
ERNST, MICHAEL L. [redacted]
ESSENMACHER, RICHARD J. [redacted]
EVANS, JOHN D. [redacted]
FARMER, HELEN E. [redacted]
FINLEY, CHRISTOPHER D. [redacted]
FISH, SHAREE E. [redacted]
FRANKS, STERLING L. [redacted]
FREDETTE, JAMES A., JR. [redacted]
FRIDLEY, DALLAS E., JR. [redacted]
GAGE, MICHAEL B. [redacted]
GALLOP, MICHAEL L. [redacted]
GARREN, WILLIAM A. [redacted]
GARTNER, GEORGE A. [redacted]
GILLEY, JERRY A. [redacted]
GILLMAN, BERT A. [redacted]
GITHER, HUGH D. [redacted]
GLOVER, JANET F. [redacted]
GOLDINGER, ROBERT L. [redacted]
GOMEZ, DAVID [redacted]
GREENE, STEVEN E. [redacted]
GRIFFIN, MARY L. [redacted]
GRIFFITH, ALLEN M. [redacted]
GRIGGS, BONNIE R. [redacted]
GROSSMAN, MICHAEL D. [redacted]
HANSEN, CHRISTOPHER L. [redacted]

HANSEN, ERIC R. [redacted]
HARDEN, PHILLIP W. [redacted]
HARRISON, TIMOTHY L. [redacted]
HAWKINS, ANITA M. [redacted]
HAYNIE, MICHAEL A. [redacted]
HEAD, RAYMOND O. [redacted]
HERLUGSON, GERALD C. [redacted]
HERNAN, EDWARD J. [redacted]
HETH, RANDY F. [redacted]
HILL, THEODORE R. [redacted]
HILTON, JEFFREY R [redacted]
HOGAN, EDWARD F. [redacted]
HORST, EDWARD [redacted]
HOWARDELL, STEVEN R. [redacted]
HUDGINS, STEPHEN R [redacted]
HUNTER, DEREK B. [redacted]
INGRAHAM, RALPH M. [redacted]
INMAN, DANIEL E. [redacted]
JACOBS, BRIAN K. [redacted]
JACOMO, RAYMOND G. [redacted]
JAGUSCH, ROBERT C. [redacted]
JEHLE, GLENN E [redacted]
JOHNSON, BRIAN L. [redacted]
JOLLY, JAMES M. [redacted]
JONES, HAROLD W., JR. [redacted]
JONES, RODNEY A. [redacted]
KANE, KEITH W. [redacted]
KEATING, PATRICK E., JR [redacted]
KELLY, DAVID J. [redacted]
KESSLER, MELVIN P [redacted]
KINNUNEN, RUSSELL J [redacted]
KRAIZA, KATHLYNE D. [redacted]
LABARGE, GLENN T. [redacted]
LABEDZ, DAVID D. [redacted]
LANEY, MILLARD, JR. [redacted]
LATOSKY, DAVID A. [redacted]
LAW, CALVIN C. [redacted]
LEMIRE, KEVIN M. [redacted]
LEPINE, BRIAN M. [redacted]
LOKER, KENNETH R. [redacted]
LOMBARDO, CARLO D. [redacted]
MACDONALD, MICHAEL F [redacted]
MAGUIRE, ROBERT E. [redacted]
MANNING, KENNETH D., JR. [redacted]
MANTO, LEON H., JR. [redacted]
MARKER, WILLIAM A. [redacted]
MASON, KEVIN B. [redacted]
MATHES, JEFFREY G [redacted]
MATTSON, DEBRA L [redacted]
MCCAIN, WILLIAM S. [redacted]
MCCLOSKEY, MICHAEL G. [redacted]
MCCLURE, KENNETH D. [redacted]
MCDONALD, EDWARD W. [redacted]
MCDONALD, TODD [redacted]
MCDOWELL, ANTHONY L. [redacted]
MCFARLAND, MICHAIL R. [redacted]
MCGRORY, MICHAEL S. [redacted]
MCNEARNEY, CHRISTOPHER L. [redacted]
MEADE, CLYDE D. [redacted]
MEDINA, JUAN G. [redacted]
MINERVINO, STEPHEN T [redacted]
MITCHELL, DENNIS W. [redacted]
MOORE, JERRY [redacted]
MOORE, JOSEPH N. [redacted]
MORDUS, DONALD R. [redacted]
MORRIS, ERNEST S. [redacted]
MOSELEY, ROBERT E. [redacted]
MOYERS, BRYAN M. [redacted]
MURPHY, SHAWN P. [redacted]
NEIS, STEFANO B. [redacted]
NEWSON, TYRONE L. [redacted]
NICKELL, SCOTT W. [redacted]
NIXON, CHARLES K. [redacted]
NOEL, WILLIAM E. [redacted]
NORTON, TIMOTHY W. [redacted]
NUSBAUM, MICHAEL S. [redacted]
OLIVAS, ABEL [redacted]
ORTIZ, ROBERTO S. [redacted]
OSWALT, JAMES S. [redacted]
PAFFORD, ROBERT E., JR [redacted]
PATCHES, ERIC W. [redacted]
PAULEY, SHIRLEY A. [redacted]
PEDRO, PAUL, JR [redacted]
PEPPLER, STEPHEN G [redacted]
PETERSON, DAVID L. [redacted]
PHELPS, JAMES R [redacted]
PIET, MARCEL J [redacted]
POLLARD, DANIEL T. [redacted]
POOLE, RODNEY C. [redacted]
POORE, THOMAS C. [redacted]
POREDA, MICHAEL J. [redacted]
PRICE, BOBBY R. [redacted]
PULLIN, BOBBY R. [redacted]
QUINTANILLA, OMAR [redacted]
RABCHENIA, WILLIAM [redacted]
RAMOS, JOSE R. [redacted]
REDDAWAY, TERRY A. [redacted]
REEVE, GEORGEANN [redacted]
REINMUELLER, MARK R [redacted]
REYNOLDS, FARLEY K. [redacted]
RICE, JERRY L., JR [redacted]
ROBINSON, CHARLES E. [redacted]
RODENHIZER, BARRY G. [redacted]
RODRIGUEZ, JOSEPH A [redacted]
ROSE, JAMES S. [redacted]
ROTH, JULIE K. [redacted]
RUTLEDGE, WILLIAM R., JR [redacted]
SANTIAGO, JORGE T. [redacted]
SCHMITT, MARK J. [redacted]
SEEFRIED, OSCAR E. [redacted]
SEITZ, GARY R. [redacted]
SHARP, LONNIE J. [redacted]
SHELLEY, DANIEL M. [redacted]
SHOCKLEY, SAMUEL R [redacted]
SHORTRIDGE, DONALD C. [redacted]
SKIPWORTH, DAVID W. [redacted]
SLATON, JOHN J. [redacted]
SLOAN, CHARLES L. [redacted]
SMITH, BRENT W. [redacted]
SMITH, DONALD A. [redacted]
SMITH, ERIC L. [redacted]
SMITH, JOHNNYE L. [redacted]
SORUKAS, ROBERT V. [redacted]
SPANKA, DAVID W. [redacted]
SPOONER, WILLIAM P. [redacted]
STANCLIFF, KEITH J [redacted]
STAPLETON, DEAN A. [redacted]
STEVENS, RICHARD D. [redacted]
STOKES, DAVID L. [redacted]
STREIBLE, CLYDE L [redacted]
STUBBLEFIELD, MICHAEL [redacted]
SULLIVAN, ROBERT S. [redacted]
THOMAS, CHARLES S. [redacted]
THOMPSON, GEORGE N. [redacted]
THOMPSON, JAMES H. [redacted]
THOMPSON, ROLLINGS G., JR [redacted]
TIMMONS, CHARLES S. [redacted]
TREM, DANIEL T. [redacted]
TUCKER, RAE M. G. [redacted]
VIGER, DAVID M. [redacted]
VILLA, FELIPE J., JR [redacted]
VINCENT, BRYAN K. [redacted]
WALAWENDER, WILLIAM J. [redacted]
WALDEN, WILLIE A. [redacted]
WALLACE, BRUCE J. [redacted]
WESTON, TOM P. [redacted]
WHITAKER, BILLY H. [redacted]
WHITE, RONALD L., JR [redacted]
WILLIAMS, RICHARD L. [redacted]
WOOD, JOHN W. [redacted]
WOODFORD, JOSEPH E. [redacted]
WORLEY, GREGORY K. [redacted]
WRIGHT, WILLIAM D. [redacted]
YOHNKE, MICHAEL, R. [redacted]
YOUMANS, DAVID D. [redacted]
YOUNG, GERALD N. [redacted]

THE FOLLOWING-NAMED TEMPORRARY LIMITED DUTY OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT IN THE SUPPLY CORPS AS LIMITED DUTY OFFICERS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5589(A):

LIMITED DUTY OFFICERS, SUPPLY CORPS

(PERMANENT)

To be lieutenant

BRESSMAN, ERIC K. [redacted]
CARSTEN, DIANA J. [redacted]
CORNELIUS, WANDA A. [redacted]
DARIENZO, JUANITA M. [redacted]
DOWHY, MARK E. [redacted]
KAUFMAN, KURTIS V. [redacted]
KLODNICKI, CHESTER A. [redacted]
NEGRON, JOSE A. [redacted]
PETERSON, CRAIG C [redacted]
PITTMAN, ANNABELL [redacted]
SEXTON, CHARLES P. [redacted]
SWAIN, ALVIN L., JR [redacted]

THE FOLLOWING-NAMED TEMPORARY LIMITED DUTY OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT IN THE LAW PROGRAM AS LIMITED DUTY OFFICERS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5589(A):

LIMITED DUTY OFFICERS, LAW PROGRAM

(PERMANENT)

To be lieutenant

MASON, JOSEPH K., JR [redacted]
THOMPSON, CHARLOTTE A. [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. *. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

MEDICAL SERVICE CORPS

To be major

*ROBERT T. AARHUS [redacted]
*GLADYS M. ALEMAN [redacted]
JOHN G. ALVAREZ [redacted]
RANDALL G. ANDERSON [redacted]
DACOSTA E. BARROW [redacted]
JOSE A. BETANCOURT [redacted]
DAVID A. BITTERMAN [redacted]
*STEPHEN V. BOWLES [redacted]
*ANDREW M. BOYD [redacted]
*MARILYN D. BREW [redacted]
MITCHELL E. BREW [redacted]
*DENNIS C. BROWN [redacted]
DAVID P. BUDINGER [redacted]
*KYLE D. CAMPBELL [redacted]
*THERESA O. CANTRELL [redacted]
MARC L. CAOUETTE [redacted]
VINCENT C. CARNAZZA [redacted]
KENNETH E. CASHWELL [redacted]
*ROLANDO CASTRO, JR [redacted]
*WILLIAM C. CHAMBERS [redacted]
*JACQUELINE B. CHEN [redacted]
*TYRONE P. CHERRY [redacted]
SCOTT W. CHILDERS [redacted]
*LORETTA J. CLARK [redacted]
*KELLIE A. COLE, [redacted]
LAWRENCE B. CONNELL [redacted]
*LUCIOUS COOPER, JR [redacted]
WILLIAM M. CORSER [redacted]
JEFFREY S. COUCH [redacted]
MARCUS W. CRONK [redacted]
RICHAR CROUTHARMEL [redacted]
*ALAN D. CUSHEN [redacted]
THERESA L. CUTLER [redacted]
MUSTAPHA DEBBOUN [redacted]
*MARY J. DOOLEY [redacted]
*FREDRICK G. DUBOIS [redacted]
*TIMOTHY M. DUFFY [redacted]
*JASON D. DUNAVANT [redacted]
*RAYMOND F. DUNTON [redacted]
*RICHARD C. EDWARDS [redacted]
GREGORY D. EVANS [redacted]
LAWRENCE E. FINLEY [redacted]
*TERRENCE FLANAGAN [redacted]
RALPH A. FRANCO [redacted]
*WILLIAM G. FULLER [redacted]
*JOHN M. GAAL [redacted]
*EDNA GARCIAPENA [redacted]
*MICHAEL P. GRIFFIN [redacted]
*JEFFREY A. HAFFA [redacted]
*JOHN P. HAGEN [redacted]
*MARY E. HALLMARK [redacted]
BRUCE E. HASELDEN [redacted]
*JOSEPH L. HEPNER [redacted]
*DAVID J. HILBER [redacted]
*VINCENT B. HOLMAN [redacted]
KENNETH R. HORNE [redacted]
*REGINALD D. HOSKINS [redacted]
*LAURENCE T. HUNTER [redacted]
CHARLES HUNTSINGER [redacted]
*DONALD H. HUTSON [redacted]
*ANTHONY INTREPIDO [redacted]
*CHRIS D. JENKINS [redacted]
*KENNETH D. JOHNSON [redacted]
*MATTHEW D. KINSER [redacted]
BERTHONY LADOUCEUR [redacted]
CYNTHIA M. LAMB [redacted]
*NACIAN A. LARGOZA [redacted]
*WILLIAM S. LEHMAN [redacted]
*ERICH K. LEHNERT [redacted]
*IRWIN M. LENEFSKY [redacted]
*KATHLEEN S. LESTER [redacted]
*SAMUEL G. MACK [redacted]
RODGER K. MARTIN [redacted]
VAL J. MARTIN [redacted]
*BENITA A. MCLARIN [redacted]
JOSE MELENDEZ, JR [redacted]
*WILLIAM H. MILLAR [redacted]
*DEBRA L. MILLER [redacted]
*STEVEN W. MORSE [redacted]
*VICKI L. MORSE [redacted]
ROY E. MULLIS [redacted]
ERNEST L. NELON [redacted]
*NEWT OLIPHANT, III [redacted]
CHARLES P. OLIVER [redacted]
MICHAEL R. PANKRATZ [redacted]
*PHILLIP PEMBERTON [redacted]
*LIVIA I. PEREZ [redacted]
*KRISTIN PETTIGREW [redacted]
*GREGORY S. PORTER [redacted]
*GUILLERMO J. QUILES [redacted]
*JUDITH D. ROBINSON [redacted]
*RUPERT J. ROCKHILL [redacted]
LINDA C. ROSS [redacted]
*JESUS H. RUIZ [redacted]
*JERALD W. RUMPH [redacted]
*JEFFREY R. RYAN [redacted]
PATRICK D. SARGENT [redacted]
*WILLIAM L. SHEPLER [redacted]
*JEFFREY M. SLOAN [redacted]
*MICKIE D. SMITH [redacted]
*ROBERT L. SMITH [redacted]
*TODD N. SMITH [redacted]
*ANGELO J. ST, II [redacted]
RICHARD L. STEPANEK [redacted]
REGINALD L. STEWART [redacted]
*ALAN K. STONE [redacted]
*ANDREW A. STOREY [redacted]
*GUY S. STRAWDER [redacted]
*JOHN A. STUART [redacted]
*EDWIN C. SUPPLEE, [redacted]
*KIMBRELL SWINDALL [redacted]
*TIMOTHY R. SWINGLE [redacted]
*LINDA S. THOMAS, [redacted]
*PHILLIP B. THORNTON [redacted]
*NATHANIEL TODD [redacted]
*SALLI O. TOLK [redacted]
*IGNACIO R. TORRES [redacted]
*THOMAS C. VANCOTT, [redacted]
*HELEN B. VISCOUNT [redacted]
JAMES T. WALSH [redacted]
PETER A. WEBB, JR [redacted]
DEBORAH B. WESLOH [redacted]
KEVIN M. WESLOH [redacted]
*DONNA S. WHITTAKER [redacted]
THOMAS B. WILLIAMS [redacted]
ROBERT C. WREN [redacted]
*DAVID A. WRIGHT [redacted]
*PAUL D. WUERDEMAN [redacted]
*WILLIAM P. WYETH [redacted]

MEDICAL SPECIALIST CORPS

To be major

*MICHAEL K. CAVANAGH [redacted]
ANDREA S. EIGEL [redacted]
*PETER A. FORSBERG [redacted]
*TIMOTHY J. GANGEL [redacted]
*CYNTHIA L. HARTMAN [redacted]
*KAROLINE D. HARVEY [redacted]
*TERESA M. KEMMER [redacted]
*EUGENE P. KISTLER [redacted]
*RODERICK KUWAMOTO [redacted]
*JAMES M. OGLETREE [redacted]
*CHRISTINE N. PARKER [redacted]
*BEVERLY D. PATTON [redacted]
*MICHAEL ROBERTSON [redacted]
*LEANNE M. SPARROW [redacted]
*BARBARA A. SPRINGER [redacted]
*THOMAS G. SUTLIVE [redacted]
*RAFAE VARGASMORENO [redacted]
*RONALD R. WERNER [redacted]
*LYNN D. WILKINSON [redacted]

VETERINARY CORPS

To be major

*DUANE A. BELOTE [redacted]
*TERRELL BLANCHARD [redacted]
MARK E. BOHANNON [redacted]
*TERRY K. BUSHE [redacted]
*TERRI R. CLARK [redacted]
*PAUL H. DAKIN [redacted]
JIMMY B. DAVIS [redacted]
*TERRY L. GOSCH [redacted]
*BRADFOR HILDABRAND [redacted]
DANIEL E. HOLLAND [redacted]
*THOMAS LARSEN [redacted]
*ASTRID J. MIRANDA [redacted]
JOHN C. SMITH [redacted]
*KEITH E. STEELE [redacted]
*CYNTHIA R. THACKER [redacted]
*KELLY G. VEST [redacted]
NAN VINCENT-JOHNSON [redacted]
ROBERT L. VOGELSANG [redacted]
*NEAL E. WOOLLEN [redacted]

ARMY NURSE CORPS

To be major

*CYNTHIA J. ABBADINI [redacted]
*BARBARA J. ACSELROD [redacted]
*BETHANY ALEXANDER [redacted]
*ANN M. ALTMAN [redacted]
*KELLY M. AMBROSI [redacted]
*YVONNE L. ANTHONY [redacted]
*RACHEL A. ARMSTRONG [redacted]
*WANDA E. ARNOLD [redacted]
*JEFFREY S. ASHLEY [redacted]
*JAMES R. AYLOR [redacted]
*SHERRI L. BAKER [redacted]
*BARBARA L. BALLARD [redacted]
*MONA O. BINGHAM [redacted]
*JOY D. BLACK [redacted]
*JULIE A. BLANKE [redacted]
*JOHN C. BLOWER [redacted]
*ANN M. BLUNT [redacted]
*JUDITH A. BOCK [redacted]
*LINORE S. BOUSKA [redacted]
*STEPHEN P. BOYCHUCK [redacted]
*DEBRA D. BOYKINS [redacted]
*JEANNE M. BRUMMITT [redacted]
*ARTHUR K. BRYSON [redacted]
*JAMES F. BYRNE [redacted]
*IRVIN H. CARTY [redacted]
*TODD A. CHAMBERS [redacted]
JAMES R. CHARLES [redacted]
*CAROLYN R. CHASE [redacted]
*GERALYN K. CHERRY [redacted]
*LAUREN S. CIERI [redacted]
*ROSA J. CLARK [redacted]
*MARY B. COTY [redacted]
*NANCY M. COX [redacted]
*BEVERLY A. CROSBY [redacted]
*LUISA E. CRUZ [redacted]
*KAREN J. CULBERTSON [redacted]
*THOMAS A. DARISSE [redacted]
*NANCY C. DAVENPORT [redacted]
*SUSAN E. DAVIS [redacted]
*FLAVIA D. DIAZHAYS [redacted]
*THOMAS C. DILLON [redacted]
*STEVEN R. DRENNAN [redacted]
*MADELINE DUNNIHOO [redacted]
*RENE C. DZIENKOWSKI [redacted]
*RHONDA L. EARLS [redacted]
*SUSAN E. EDGETTE [redacted]
*JOHN E. EILAND [redacted]
*PAULA J. FRATZKE [redacted]
*HEIDI A. FUERY [redacted]
*MARILUZ GONZALEZ [redacted]
*TAMMY S. GONZALEZ [redacted]
*PETRA GOODMAN [redacted]
*WILLIAM J. GORMAN [redacted]
*JUDITH A. GRAHAM [redacted]
*BRADLEY C. GREGORY [redacted]
*MARY C. GUNTER [redacted]
*TODD R. GUSTAFSON [redacted]
*JOAN HANDLEY-RILEY [redacted]
*COLLEEN M. HART [redacted]
*PAMELA J. HAVENS [redacted]
*BROOKE A. HEALY [redacted]
*DONNA M. HEIMER [redacted]
*STEVEN R. HENDRIX [redacted]
*WALT HINTON [redacted]
*THERESA A. HORNE [redacted]
*ANN A. HUSSA [redacted]
*NORA D. HUSSEY [redacted]
*DORIS L. JOHNSON [redacted]
*PATRICIA A. KELLY [redacted]
*DANIEL O. KENNEDY [redacted]
*DONNA J. KENT [redacted]
*NORMA E. KING [redacted]
*CHRISTINE B. KNOTT [redacted]
*KAREN L. KRAKOWIAK [redacted]
*CHRISTINE KUBIAK [redacted]
*LISA M. LATENDRESSE [redacted]
*CHRISTINE M. LEECH [redacted]
*TAMARA J. LUTZ [redacted]
*LAURA A. MARTIN [redacted]
*JAMES MASIONGALE, I [redacted]
*ELIZABETH A. MCGRAW [redacted]
*DARLENE M. MCPHEE [redacted]
*FRANKLIN J. MCSHANE [redacted]
*CHRISTINE M. MERNA [redacted]
*MICHAEL J. MEYER [redacted]
*ELIZABETH P. MILLS [redacted]
*STEVEN R. MORSE [redacted]
*PENNY M. MOUREAU [redacted]
*GERTRUDE F. NEILL [redacted]
JIMMI OWENSOSBORNE [redacted]
*DIANA M. PARHAM [redacted]
*JOE D. PENA [redacted]
*IRMA S. PENNINGTON [redacted]
*ALLYSON A. PETERSON [redacted]
*KRISTIN B. PHILLIPS [redacted]
*NANCY L. PIERCE [redacted]
*CYNTHIA L. PORTER [redacted]
*KATHY K. PRUEOWENS [redacted]
RITZA REESE [redacted]
*SHARON E. REESE [redacted]
*MARTHA H. RENNAKER [redacted]
ENRIQUE RIVERA, JR [redacted]
PRI ROBINSON-SMALLS [redacted]
*MARJORIE E. RODDY [redacted]
DOUGLAS RUTKOWSKI [redacted]
*MAUREEN L. SCHAFER [redacted]
*DIANE D. SCHERR [redacted]
CHRISTINE SCHILLER [redacted]
*BRUCE A. SCHONEBOOM [redacted]
J. SMARTHTALIAFERRO [redacted]
*KIMBERLY K. SMITH [redacted]
*MARC A. SMITH [redacted]
CYNTHIA SPEARS [redacted]
*SHARON L. STERLING [redacted]
*MICHELE R. STONE [redacted]
*JANE A. SUBLETTE [redacted]
*MARY E. ULRICH [redacted]
*BARRY A. VANCE [redacted]
*DONALD L. VANDAM [redacted]
*PAULA M. VARNEY [redacted]
*MIMI E. VELOSO [redacted]
*MICHAEL D. WEGNER [redacted]
*MELODY J. WELDON [redacted]
*JEFFREY H. WHITE [redacted]
*RUTH V. WHITE [redacted]
*DIANE M. WINFREY [redacted]
*THOMAS G. WINTHROP [redacted]
*ANNETTE L. WUEST [redacted]

HOUSE OF REPRESENTATIVES—*Monday, May 22, 1995*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. KIM].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 22, 1995.

I hereby designate the Honorable JAY KIM to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are thankful, O gracious God, that we have been given responsibility for our lives and times and are accountable for the way we use our talents and the resources of the land. We know that people in every place and in every age have obligations to lead and protect the gifts that have been given them as individuals and as a nation. We pray this day, O God, that Your Spirit would focus our hearts and minds on how we can be faithful in our tasks, trustworthy in our work, and enthusiastic about the issues of justice and mercy. May Your blessing be with us and all Your people, now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Florida [Mr. GOSS] come forward and lead the House in the Pledge of Allegiance.

Mr. GOSS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1421. An act to provide that references in the statutes of the United States to any committee or officer of the House of Representatives the name or jurisdiction of which was changed as part of the reorganization of the House of Representatives at the beginning of the 104th Congress shall be treated as referring to the currently applicable committee or officer of the House of Representatives.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 184. An act to establish an Office for Rare Disease in the National Institutes of Health, and for other purposes.

The message also announced that pursuant to section 9355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Mr. BURNS, Mr. KEMPTHORNE, Mr. HOLLINGS, and Mr. EXON to the Board of Visitors of the U.S. Air Force Academy.

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Mr. COCHRAN, Mrs. HUTCHISON, and Mr. REID to the Board of Visitors of the U.S. Military Academy.

The message also announced that pursuant to section 6968(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints Mr. HATFIELD, Mr. MCCAIN, Ms. MIKULSKI, and Mr. SARBANES to the Board of Visitors of the U.S. Naval Academy.

TRIBUTE TO LES ASPIN

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, last night America lost a great military thinker and I lost a friend. The death of Les Aspin, former Democratic Congressman from Wisconsin and Secretary of Defense, shocked our Nation. Les Aspin was my friend. I enjoyed my association with him while we worked together in the House Armed Services Committee and later while he was Secretary of Defense.

He was a genuine defense intellectual who understood military and strategic issues. More important, he recognized the threats we face in a dangerous and unstable world. As chairman of the Committee on Armed Services, he helped fashion the Goldwater-Nichols Department of Defense Reorganization Act of 1986. He also supported the use of American arms to bring an end to the regime of Manuel Noriega in Panama in 1988 and to eject Saddam Hussein from Kuwait in 1991.

He shaped the Bottom-Up Review which is the framework of today's force structure and our national strategy.

I was active in his campaign, his election, and reelection as chairman of the House Committee on Armed Services. While chairman, he was kind enough to appoint me to head the military education panel which examined all 10 of America's war colleges.

I shall miss him. We shall miss him. America has lost an outstanding expert in military and national security. And I have lost a good friend.

LES ASPIN

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I come to the well this morning for the same reason the gentleman from Missouri [Mr. SKELTON] did, to say that this weekend our Nation has lost a very stalwart son and a good friend of ours. To many of us here, he was an especially good friend.

Les Aspin's untimely death at the age of 56, after suffering a massive stroke on Saturday, underscores both how much he accomplished and yet how much more he could have done. In the days ahead we are going to be reminded of those accomplishments as we seek to send sympathy and comfort to his family and those close to him. I am sure that important and caring leaders in many places around the world will remember to say, I knew Les, what a great job he did for this country for so many years. Equally, many just plain folks who knew Les around town here or back in his longtime Wisconsin congressional district or wherever it was will say, I knew Les. What a great guy.

Mr. Speaker, as a classmate and a friend for many years at college and as a colleague here in Congress for a while and finally as a member of the Commission on Intelligence Roles and Capabilities, which is better and properly known simply as the Aspin Commission, which he was chairing at the time of his death, I had the privilege and the fun of knowing Les and working with him. I think the statement that I read this morning of his cardiologist and the news accounts says it best: It says

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

simply, Les was an extraordinarily fine man. For those of us who knew him in this body, that vote is unanimous.

TRIBUTE TO A GOOD FRIEND AND GREAT AMERICAN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHROEDER. Mr. Speaker, I, too, rise to pay tribute to my good friend Les Aspin. This is a man who was never about power or never about pretense. He was about public service and the highest quality of public service. He truly gave it his all, every single day he got out of bed. No taxpayer could ever complain that Les Aspin did not put his whole self into what he was doing, no matter what it was.

We have really, indeed, lost a great mind, a very energetic person, and a person who did not come with a certain ideology but came, instead, to listen to the facts and try and do what was right.

One of the things that he did as Secretary of Defense that probably will go unnoticed but should not go unnoticed is he was brave enough to start putting some of the rhetoric aside and open the doors for many of America's young women who had been waiting outside that door to serve more fully in the armed services. Les was the kind of guy who would look at the studies, who would look at the performance ratings, who would look at the tests, and who would say, of course, they can.

There is absolutely no reason except bias and prejudice that they cannot move forward. He opened those doors, and many of the young women proudly serving today in America's military can be looking to Les Aspin and saying, thank you, because he was the one who put aside many of those superstitions and moved that forward.

But that was the kind of person who he was. We will miss that kind of person very desperately and I will miss him as a friend.

IN MEMORY OF LES ASPIN

(Ms. HARMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, "HARMAN, how ya' doing?"

That was Les Aspin's upbeat greeting each time we spoke.

His tennis game was not much, but he sure was.

Loyal always to his beloved Wisconsin. A man who loved the House and excelled at the legislative function. A big thinker on defense issues who probably contributed more to conceptualizing our modern defense policy than anyone else. And a true friend.

He was certainly there for me as I laid my plans to run for public office for the first time in my middle age.

He helped me strategize, he reviewed issues, he gave me credibility, and he personally came to California to campaign for me.

After I won, he was there for counsel. And I tried to be there for him too in some tough times.

Through it all, he was upbeat. Scarcely a week after his pacemaker was inserted in 1993, Defense Secretary Aspin testified for a marathon 10 hours before his beloved House Armed Services Committee. Near the end, this freshman was temporarily in the chair. When he saw me, he laughed. "Oh," he said, "when they said there was reform up here, I had no idea it would go this far!"

Aspin, I will miss you.

MEDICARE BUDGET CUTS

(Mr. FORD asked and was given permission to address the House for 1 minute.)

Mr. FORD. Mr. Speaker, I rise today because I am receiving a number of letters from my constituents back home in addressing the budget cuts in the Medicare budget, cuts as being proposed by the new Republican majority in this Congress. As I read through all of the letters that my constituents are sending to me, they do not feel that it is fair in America for the elderly to add on an additional $1,000 in costs and additional premiums for Medicare.

It is true that we must do something about the huge deficits that we are faced with, but we know that we ought to share that responsibility among all Americans. For the Republicans to think that children and the elderly population of this Nation should bear that brunt, it is wrong.

Just to share a few things with you that I am receiving in the mail, senior citizens are saying the need to fix Social Security and Medicare can no longer be denied. They acknowledge the fact that we can no longer deny it. They say it can be done. And we as Republicans and Democrats in this House can work together in a bipartisan spirit to do so.

I do not think that we ought to say to the wealthy and the rich of this Nation, yes, just for your $350 billion tax cut, we are going to increase and cut the Medicare Program in a fashion that will cause burden and undue harm to the elderly population of this country.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TERM LIMITS RULING BY SUPREME COURT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, as many people know, the Supreme Court just came down with a five to four decision on terms limits, saying that the States could not impose term limits on Federal officeholders.

I think it is a very interesting day to look at that decision, which I think was the correct answer, on the very same day that we are here memorializing Les Aspin. Had term limits been in effect, be they 8 or 12 years, Les Aspin, who spent 22 years in this House, would not have been able to do the things that we were talking about today in which he contributed so much to this great Nation.

I think also as we look at term limits, we look at something that is going to be coming up this week that concerns me a lot, about whether we do not jump into some things too fast and do not have people able to really understand some of the unintended consequences of policies that come in front of us. There may be a reason, Mr. Speaker, that some of us with gray hair are needed around here.

I guess that is what I am doing today, as I salute the Supreme Court's decision and say, I think that we do need some people who have been around more than 8 years or 12 years to kind of guide this great ship of state and to have a little corporate memory.

One of the things I particularly would like to address that I will be talking about later this week when we get to the foreign aid bill that will be coming to the floor is that the provision in that bill, I think, is very dangerous. I certainly hope it will be struck.

There is a provision in that bill that I think on first blush sounds wonderful, as so many things do. But then let us examine it more carefully. The provision I am talking about is the provision that says, people in the world who live in a country that has a population policy that they think is oppressive can come to America. This is the new way to get to that Great Golden Gate in America and come in and become an American.

Now, I certainly do not approve of immigrant bashing, and I do not approve of doing those kinds of inflammatory things, but let me say, are we really serious about this and have Americans thought about where this policy would lead if we put it into effect.

In essence, what we are really targeting with this provision is China. People are saying that China and their one-child policy is very oppressive and that people who want to have more children or people who do not like the one-child policy, under this provision, if it becomes law, can then make themselves an immediate qualifier for immigration status to the United States.

Now, the real problem is, I am sure, there are people who do sincerely feel very repressed and there will be other people who will find that these are magic words that you can utter and then you get to come to America.

Let us be perfectly honest, thank goodness this is still a wonderful country where everybody wants to come. So we are talking about a country that has a population of a billion two, a billion two.

Over the Easter break, I happened to be in China. I was there with the Committee on the Judiciary talking about the intellectual property issues, because, as you know, China has been ripping off many of our very important assets, such as movies, such as CD's, and so forth. They signed an agreement on intellectual property, and we were there to test the enforcement and see what was happening.

But in being there, one of the things that transpired was I got to talk to many of our folks over there and many people on the ground, and they were very concerned about this policy that we are going to vote on this week. They were saying they were seeing any number of people getting ready to apply for this new immigration status should it appear, that large families were coming in and saying, because they had had a large family, they felt discriminated against in their village. Single people were coming in saying they might want a large family, just the very fact that that family, that one-child policy was in effect was there, they might want to come in. All of these people were lining up and beginning to line up, and the rumble was going on to come line up soon if this passed and this is how you get to come to America.

We remember just a few years ago when many Chinese came here on boats illegally because they wanted to come so desperately.

I as an American, and I am sure every other American is terribly flattered that people want to come to this country, but I think Americans who are here wonder how many can we let in reasonably and keep America at the same standard.

I hope all of us take this very seriously when it comes to the floor, think about the unintended consequences and salute the Supreme Court who today said maybe some of us here with gray heads should remain to keep talking about these issues and make sure we do not get off the road.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 12 o'clock and 20 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. SOLOMON] at 4 o'clock p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1561, AMERICAN OVERSEAS INTERESTS ACT OF 1995

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104-129) on the resolution (H. Res. 155) providing for consideration of the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

AMMONIUM NITRATE FERTILIZER

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Louisiana [Mr. TAUZIN] is recognized for 60 minutes as the designee of the minority leader.

Mr. TAUZIN. Mr. Speaker, I take this special order this afternoon to report to you and to the American public on a hearing that was just completed by the Commerce Subcommittee of the Committee on Commerce, a hearing designed to explore the possibility that may have existed as long as 25 years or more ago to render ammonium nitrate fertilizer insensitive to its use as a bomb material in America.

I hold in my hand a patent that was issued by the U.S. Patent Office on January 20, 1968, a patent developed by Mr. Sam Porter in Arlington, VA, here, that literally details how a simple addition of diammonium phosphate to ammonium nitrate fertilizer in the manufacturing process could, in fact, desensitize the product so that it cannot be turned into a bomb, much like the bomb which may have been used to detonate the Murrah Building in Oklahoma City.

My interest in this subject matter goes back a long time. It was in 1970 that a Mr. Bob Colbert of Kansas was in Louisiana, building, in fact, or helping in the construction of an ANFO plant. An ANFO plant is a plant that takes industrial grade ammonium nitrate and converts it into blasting material.

He was in the State on behalf of his company, and my father and uncle were doing electrical work for him in the construction of that facility. I came to know him. As a young practicing attorney in the State then many years ago, he requested and I performed for him an incorporation of a company known as DEFGAN for desensitizing fertilizer grade ammonium nitrate.

The company was incorporated, in fact, to own and to market the Sam Porter process that was patented in the patent I just described to you.

As a result of that incorporation, Mr. Colbert and Mr. Porter and their colleagues tried in Louisiana and Wisconsin and other places to interest the fertilizer industry in using that process. They did so because they were concerned, as we should all be concerned, with the ease in which ammonium nitrate fertilizer in large quantities available very cheaply on the marketplace can and has been converted into bomb material used in terrorist acts and the ease in which in fact under some improper storage conditions ammonium nitrate can cause a great accident and damage to people and property.

In 1947, for example, a shipload of ammonium nitrate fertilizer being loaded aboard a ship in Texas City exploded accidentally, killing over 500 people and I believe injuring as many as 3,000 people as it almost devastated the entire community.

Similar accidents in Europe, leading to the deaths of not hundreds but thousands of people, have led many European countries to require that ammonium nitrate fertilizer be desensitized with certain additives before it is put on the marketplace.

The Sam Porter process is simple, the simple addition of about 5- to 10-percent diammonium phosphate, which is another fertilizer, the simple addition of that fertilizer to ammonium nitrate fertilizer in the manufacturing process. When the stuff is trilled down in granular form, it creates a single fertilizer process and product with the integrated crystaline structure that is not easily separated, we are told, may not be easily separated, we are led to believe, and may, in fact, produce a process for making sure that ammonium nitrate fertilizer, sold commonly in feed stores and garden stores across America, cannot be turned by a terrorist into bomb or blasting material.

Now, how much of this ammonium nitrate fertilizer is on the marketplace today? We are told that in 1993, 2.2 million tons, that is 4.4 billion pounds, of ammonium nitrate fertilizer grade product was sold commonly in America, across the counter in fertilizer, farm, and garden stores. The bomb material used in Oklahoma City lightly comprised about 5,000 pounds out of this 4.4 billion pounds that is sold and marketed in our country.

That does not include another several million tons of industrial grade ammonium nitrate that is produced and is unregulated by any Federal agency until it is converted into ANFO for blasting material purposes.

What a huge volume of ammonium nitrate is manufactured and sold in America, unregulated, not desensitized as it is in other foreign countries and available for terrorists or anyone to turn into a bomb. I do not have to remind Americans that today the Internet is filled with kitchen formulas for turning that material into bombs, that in Ohio today on the AP wire two children were, in fact, suspended for 3 days for carrying to school formulas for changing this ammonium nitrate fertilizer into a bomb. The material is widely distributed today, widely understood and known today. The material is easily available and easily converted into a bomb.

So we had this hearing today. We had Mr. Sam Porter there. We had Mr. Colbert there. They told the story how in the late 1960's they tried to encourage one chemical company after another to get interested in this process only to be turned down at every turn. They told a story how in 1970, I was able to get a bill introduced in the State legislature by a Senator friend of mine who is now deceased, Senator Harvey Belchate, Jr. How that bill was easily defeated in the State senate in Louisiana. How a similar bill introduced in Wisconsin had a hearing but was also easily defeated by the chemical lobby who had decided to spend whatever it took to make sure that they were never required to use this process.

Let me tell you what we learned today in the hearing. We learned, one, Mr. Porter's patent has to be studied further and that it deserves additional study. We learned from the Office of Technology Assessment that a study lasting no more than 3 to 4 weeks could determine for us whether or not this process was, in fact, as good as it appears to be and whether or not, in fact, the process could be easily reversed. Mr. Porter tells us he thinks it cannot be easily reversed. We need to study it to find out.

We do know that Mr. Porter conducted enough research to obtain a patent. We do know that Atlas Chemical produced several tons of his product and did some tests that confirmed Mr. Porter's primary claims that his process desensitized ammonium nitrate fertilizer so that it could not be made into a bomb.

We do know that all of the witnesses testifying today, all of them, including Mr. Porter, Mr. Colbert, representatives of the ATF, and the OTA, as well as the fertilizer institute, which communicated with us via letter, have all indicated support for more study on the Porter process as required, by the way, in the President's domestic antiterrorism bill, H.R. 1635, which has been filed in this House.

Statistics indicate to us, we have also found out, that the number of fertilizer bombs used in the United States has been relatively small, but the numbers are increasing, as many as 27 in the last 6 years, and that the Oklahoma City bombing where ammonium nitrate fertilizer was probably used was the most extensive use of that material in a bombing.

We were also told that the size of that bomb could easily be doubled and tripled and multiplied with exponential results as easily as that bomb was likely produced.

We do know that it is easy to obtain information on how to make these bombs and that in other European countries, particularly Spain and Northern Ireland, homemade fertilizer bombs are the preferred option for terrorists. According to OTA's testimony, studying Mr. Porter's product is important for no other reason than it may hold some promise for decreasing the possibility of accidental detonations of large stores of ammonium nitrate fertilizer and industrial grade ammonium nitrate.

Large amounts, indeed, are being sold in America as we speak. Large amounts are out there in storage in America as we speak. We were told that it would take as much as 10 years to get rid of the shelf life of all the ammonium nitrate fertilizer that is currently available in nondesensitized form.

There are economic and technical issues about Mr. Porter's product that deserve study today. Certainly the cost of manufacturing the product is important. We were told today that the cost of ammonium nitrate fertilizer is about $180 a ton; the cost of diammonium phosphate is in the range, we think, of about $250 a ton. The addition of 5- to 10-percent diammonium phosphate to the ammonium nitrate fertilizer would not likely increase the cost of the product desensitized by more than about 2 or 3 percent.

Is that extra cost worth the margin of safety? Is that extra cost worth having a product that cannot easily be turned into a terrorist bomb? I suggest to you we ought to know those answers.

We need to know if there are any agricultural or agronomic reasons why Mr. Porter's product would not work. He has told us and others have confirmed to us that the addition of diammonium phosphate to the ammonium nitrate fertilizer may product a better product, not, indeed, a product in any way less important as the fertilizer to America's farmers.

Finally, there are other technical issues that deserve serious analysis, such as whether the process can be reversed chemically and if so, how easily it could be reversed and whether the effectiveness of the Porter process can be circumvented by simply coming up with one of these reversal processes.

We know there is no silver bullet for preventing terrorist attacks in America, but we also know that there is something fundamentally wrong about closing off Pennsylvania Avenue, about going into a bunker mentality here in America. How many more streets will we have to close up? How many more public buildings will we turn into virtual bunkers because of this product out there that is so easily converted into a major bomb?

How far do we go out of fear into this bunker mentality? How will Americans, in fact, resist this temptation to be held hostage to that kind of fear? We suggest that America will not be hostage to that fear, that solutions such as the Porter process may, in fact, be available, may have been available for 27 years and certainly cannot be ignored today.

Even if Mr. Porter's process is completely effective, as he intended, we know that ammonium nitrate can be chemically produced relatively easily instead of purchased. There are many other ways to make an explosive, other than using fertilizer in our country. In fact, according to ATF statistics, most criminal explosives in the United States involve something other than fertilizer and there would need to be effective compliance by fertilizer manufacturers worldwide if we are going to get control of this problem.

So I do not want to leave the impression that ammonium nitrate fertilizer is in and of itself a present and clear danger to the public. It can safely be used and stored; in fact, it is. The bottom line is that experts have concluded that it should be relatively easy to look at the technical and economic issues regarding Mr. Porter's patent developed and issued in 1968 and that it is highly desirable for us to conduct those studies not in the near future but in the very near future.

□ 1615

In light of the commonly available information on fertilizer, its low cost, the commonly available information on how this common fertilizer can be converted into this huge bomb material, as well as the tragic incidents we have seen, when, in fact, someone has become so insane as to do what we saw in Oklahoma City, it would be irresponsible for us to fail to follow up on the work Mr. Porter conducted 30 years ago.

Thirty years ago, 28 years ago, 25 years ago, this Nation and the fertilizer industry were asked to take this issue seriously. Today, can we fail, after having seen what happened in Oklahoma City, after having seen how easy it is for that to happen again anywhere in America, if someone is insane enough to conduct that kind of terrorist attack upon public or private buildings, can we not take it seriously today? Do not Mr. Porter and Mr.

Colbert deserve our attention to that issue today?

Mr. Porter appeared today after his patent has long expired, after he has no financial interest whatsoever in this process, he appeared today to urge us to take it seriously.

Mr. Colbert came from Kansas City on his own nickel to fly to Washington, DC, without a financial interest left in this issue, to come and tell us to take it seriously. Can we not heed their advice? Can we not heed, I am sure, the message of Oklahoma City and take seriously what may be one of the answers, not all of the answers, to making this country a little more safe, to ending some of this fear which causes us to close down avenues like Pennsylvania, and to shut ourselves up into some kind of bunker mentality?

Mr. Speaker, I urge those within near reach of this special order to encourage this Congress, to encourage all who have something to say about what may be done in the next several weeks or months, to study this issue to make sure that it is not ignored in 1995 the way it was ignored in the late 1960's, the way it was ignored in 1970 and later on in Wisconsin when lawmakers had a chance then to visit this issue seriously and do something about the problem.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 184. An act to establish an Office for Rare Disease Research in the National Institutes of Health, and for other purposes; to the Committee on Commerce.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. SCHROEDER) and to include extraneous material:)

Mr. SERRANO in three instances.

Mrs. SCHROEDER.

Mr. STARK.

Mr. LANTOS.

Mr. OWENS.

Ms. KAPTUR.

(The following Members (at the request of Mr. GOSS) and to include extraneous material:)

Mr. TALENT.

Mr. MARTINI.

Mr. PORTMAN.

Mr. SHAYS.

Mr. SHUSTER.

Mrs. JOHNSON of Connecticut.

ADJOURNMENT

Mr. TAUZIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 17 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 23, 1995, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

889. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

890. A letter from the Secretary of State, transmitting a letter expressing his concerns with regard to H.R. 1561, the American Overseas Interests Act; to the Committee on International Relations.

891. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-51, "Toll Telecommunication Temporary Amendment Act of 1995," pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform and Oversight.

892. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-52, "Emergency Assistance Clarification Temporary Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

893. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-53, "Merit Personnel Early Out Retirement Revisions Temporary Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

894. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-54, "Revolving Credit Account Late Fee Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

895. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-55, "Budget Implementation Exemption Temporary Amendment Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

896. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-56, "Foreign Trade Zones Act of 1995," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

897. A letter from the Agency Freedom of Information Officer (1105), Environmental Protection Agency, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

898. A letter from the Chairman, Federal Trade Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSS: Committee on Rules. House Resolution 155. Resolution providing for the consideration of the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for U.S. foreign assistance programs for fiscal years 1996 and 1997, and for other purposes (Rept. 104-129). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Pursuant to the order of the House on May 18, 1995, the following report was filed on May 19, 1995]

Mr. GILMAN: Committee on International Relations. H.R. 1561. A bill to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, with an amendment; referred to the Committee on Judiciary for a period ending not later than May 20, 1995, for consideration of such provisions of the amendment recommended by the Committee on International Relations as fall within the jurisdiction of that committee pursuant to clause 1(j), rule X (Rept. 104-128, Pt. 1). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of Rule X the following action was taken by the Speaker:

[The following action occurred on May 20, 1995]

H.R. 1561. The Committee on the Judiciary discharged.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 70: Mr. RIGGS.

H.R. 104: Mr. JACOBS.

H.R. 218: Ms. KAPTUR, Mr. RAHALL, and Mr. GILMAN.

H.R. 359: Mr. MEEHAN and Mr. JOHNSON of South Dakota.

H.R. 390: Mr. EHRLICH, Mr. WELDON of Florida, Mr. HAMILTON, Mr. KING, Mr. CAMP, and Mr. LUTHER.

H.R. 497: Mr. HERGER, Mr. STENHOLM, Mr. BROWDER, Mr. STOCKMAN, Mr. COLLINS of Georgia, Mr. SOLOMON, Mrs. SEASTRAND, and Mr. HOEKSTRA.

H.R. 682: Mr. KLECZKA and Mr. MORAN.

H.R. 782: Mr. LEWIS of Georgia, Mr. MFUME, Mr. SOLOMON, Mr. HOYER, and Mr. MCDERMOTT.

H.R. 788: Mr. HOKE.

H.R. 972: Mr. BILIRAKIS and Mr. EMERSON.

H.R. 1103: Mr. GEKAS.

H.R. 1118: Mr. BUNNING of Kentucky.

H.R. 1299: Mr. MARTINEZ.

H.R. 1383: Mr. EWING.

H.R. 1425: Mrs. SEASTRAND.

H.R. 1448: Mr. PETERSON of Florida.

H.R. 1496: Mr. LEWIS of Georgia and Mr. ACKERMAN.

H.R. 1533: Mr. BEREUTER and Mr. CHABOT.

H.R. 1555: Mr. COX.

H.R. 1611: Mr. STUMP.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1561

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 3: In section 2104(a)(1(A) (relating to authorizations of appropriations for migration and refugee assistance) strike "$560,000,000" and insert "$590,000,000".

In section 2104 strike subsection (a)(4), subsection (b), and subsection (d).

In section 2104 redesignate subsection (c) as subsection (b).

H.R. 1561

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 4: In section 3241 of the bill strike all and insert the following.

Section 204(a) of the Agricultural Trade Development and Assistant Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1)(E), by striking "for fiscal year 1995" and inserting "for each of the fiscal years 1995 through 1997, is not less than 2,050,000 metric tons"; and

(2) in paragraph (2)(E), by striking "for fiscal year 1995" and inserting "for each of the fiscal years 1995 through 1997".

H.R. 1561

OFFERED BY: MR. BROWNBACK

AMENDMENT NO. 5: In section 2101(a)(1) (relating to the Diplomatic and Consular Programs) strike "$1,676,903,000" and insert "$1,656,903,000".

In section 2101(a)(2) (relating to the Salaries and Expenses) strike "$355,287,000" and insert "$335,287,000".

In section 2101(a)(4) (relating to Acquisition and Maintenance of Buildings Abroad) strike "$391,760,000 for fiscal year 1997" and insert "$376,760,000 for fiscal year 1997".

In section 2101(a)(7) (relating to the Office of the Inspector General) strike "$23,469,000 for fiscal year 1997" and insert "$21,469,000 for fiscal year 1997".

In section 2101(a)(8) (relating to the Payment to the American Institute in Taiwan) strike "$14,710,000" and insert "$13,710,000".

In section 2102(a) (relating to the Assessed Contributions to International Organizations) strike "$867,050,000" and insert "$828,388,000".

In section 2102(b)(1) (relating to the Voluntary Contributions to International Organizations) strike "$302,902,000" and insert "$290,680,000".

In section 2102(c)(1) (relating to Assessed Contributions for International Peacekeeping) strike "$345,000,000" and insert "$300,000,000".

In section 2102(d)(1) (relating to the Voluntary Contributions to Peacekeeping Operations) strike "and $68,260,000 for fiscal year 1997" and insert "and $62,260,000 for fiscal year 1997".

In section 2102(e)(1) (relating to International Conferences and Contingencies) strike "$6,000,000" and insert "$5,000,000".

In section 2106(1) (relating to Salaries and Expenses) strike "$428,080,000" and insert "$407,080,000".

In section 2106(3(A) (relating to Fulbright Academic Exchange Programs) strike "$113,680,800" and insert "$93,680,800".

In section 2106(3)(F) (relating to Other Programs) strike "$87,341,400" and insert "$67,341,400".

In section 2106(4)(A) (relating to International Broadcasting Activities) strike "$286,191,000" and insert "$256,191,000".

In section 2106(5) (relating to Radio Construction) strike "$67,647,000" and insert "$57,647,000".

In section 2106(9) (relating to the Center for Cultural and Technical Interchange between East and West) strike "$10,000,000" and insert "$8,000,000".

In section 2106(10) (relating to the National Endowment for Democracy) strike "$34,000,000 for fiscal year 1997" and insert "$32,000,000 for fiscal year 1997".

In section 2107(1) (relating to the Arms Control and Disarmament Agency) strike "$40,500,000" and insert "$39,500,000".

In section 3101 (relating to the Foreign Military Financing Program) strike "$3,240,020,000" and insert "$3,226,020,000".

In section 3201 (relating to the Economic Support Fund) strike "$2,283,478,000" and insert "$2,248,478,000".

In section 3221(a)(1) (relating to the Development Assistance Fund) strike "for each of the fiscal years 1996 and 1997" and insert "for fiscal year 1996 and $745,000,000 for fiscal year 1997".

In section 3221(a)(2) (relating to the Development Fund for Africa) strike "for each of the fiscal years 1996 and 1997" and insert "for fiscal year 1996 and $614,214,000 for fiscal year 1997".

In section 3221(a)(3) (relating to the Assistance for Independent States of the Former Soviet Union) strike "$650,000,000" and insert "$625,000,000".

In section 3221(a)(5) (relating to the Inter-American Foundation) strike "$10,000,000" and insert "$7,000,000".

In section 3221(a)(6) (relating to the African Development Foundation) strike "$5,000,000" and insert "$4,000,000".

In section 3232(3) (relating to the Operating Expenses of the Office of the Inspector General) strike "$31,685,000" and insert "$30,685,000".

In section 3261 (relating to the Peace Corps) strike "for each of the fiscal years 1966 and 1977" and insert "for fiscal year 1996 and $215,000,000 for fiscal year 1997".

H.R. 1561

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 6: At the end of title XXXIII (relating to regional provisions), add the following new section:

SEC. 3314. ASSISTANCE FOR INDIA.

(a) FINDINGS.—The Congress finds the following:

(1) In India, tens of thousands of political prisoners, including prisoners of conscience, are being held without charge or trial under special or preventive detention laws.

(2) The special and preventive detention laws most frequently cited by human rights organizations are the Terrorist and Disruptive Activities (Prevention) Act (TADA) of 1987, the National Security Act of 1980, the Armed Forces (Punjab and Chandigarh) Special Powers Act of 1983, the Armed Forces (Jammu and Kashmir) Special Powers Act of 1990, and the Jammu and Kashmir Public Safety Act of 1978.

(3) These laws provide the military and police forces of India sweeping powers of arrest and detention with broad powers to shoot to kill with virtual immunity from prosecution.

(4) These laws contravene important international human rights standards established under the International Covenant on Civil and Political Rights, to which India is a party, such as the right of liberty and security, the right to a fair trial, the right to freedom of expression, and the right not to be subjected to torture or arbitrary arrest and detention.

(5) Throughout India, political detainees are often held for several months, and in some cases a year, without access to family, friends, or legal counsel.

(6) Throughout India, the torture of detainees has been routine, and scores of people have died in police and military custody as a result.

(7) Throughout India, scores of political detainees have "disappeared" and hundreds of people are reported to have been extrajudicially executed by military and police forces.

(8) In Punjab, the Punjab Government encouraged extrajudicial executions by offering bounties for the killing of militants and paid over 41,000 such bounties between 1991 and 1993.

(9) Abuses by the military and police forces of India are particularly widespread in the states of Punjab, Assam, Manipur, Nagaland, and the portion of the disputed territory of Jammu and Kashmir under the control of the Government of India.

(10) Many victims come from underprivileged and vulnerable sections of society of India, particularly the scheduled castes and tribes.

(11) The establishment of the National Human Rights Commission by the Government of India is an important first step toward improving the human rights record of India.

(12) However, many human rights organizations are deeply concerned about the severe limitations placed on the powers, mandate, and methodology of the National Human Rights Commission.

(13) In 1994, the decision by the Government of India to allow the International Committee of the Red Cross to provide limited humanitarian assistance in the portion of the disputed territory of Jammu and Kashmir under the control of the Government of India was an important first step in providing international humanitarian organizations greater access to troubled areas of India.

(14) However, in 1994, the Government of India continued to prohibit several international human rights organizations from conducting independent investigations in the portion of the disputed territory of Jammua and Kashmir under the control of the Government of India and provided only limited access to such organizations to other states such as Punjab, Assam, Manipur, and Nagaland where significant human rights problems exist.

(15) In India, armed opposition groups have committed human rights abuses.

(16) Several human rights organizations have called on such armed opposition groups to respect basic standards of humanitarian law which require that individuals not taking part in hostilities should at all times be treated humanely.

(b) LIMITATION ON DEVELOPMENT ASSISTANCE.—

(1) LIMITATION.—The President may not provide development assistance for India for any fiscal year unless the President transmits to the Congress a report containing a certification for such fiscal year that the Government of India meets the following requirements:

(A) The Government of India has released all prisoners of conscience in India.

(B) The Government of India ensures that all political prisoners in India are brought to trial promptly and fairly, or released, and have prompt access to legal counsel and family members.

(C) The Government of India has eliminated the practice of torture in India by the military and police forces.

(D) The Government of India impartially investigates all allegations of torture and deaths of individuals in custody in India.

(E) The Government of India has established the fate or whereabouts of all political detainees in India who have "disappeared".

(F) The Government of Indian brings to justice those members of the military and police forces responsible for torturing or improperly treating prisoners in India.

(G) The Government of India permits citizens of India who are critical of such Government to travel abroad and return to India.

(H) The Government of India ensures that human rights monitors in India are not targeted for arrest or harassment by the military and police forces of India.

(I) The Government of India permits both international and domestic human rights organizations and international and domestic television, film, and print media full access to all states in India where significant human rights problems exist.

(2) REQUIREMENT FOR CONTINUING COMPLIANCE.—Any certification with respect to the Government of India for a fiscal year under paragraph (1) shall cease to be effective for that fiscal year if the President transmits to the Congress a report containing a determination that such Government has not continued to comply with the requirements contained in subparagraphs (A) through (I) of such paragraph.

(3) WAIVER.—The limitation on development assistance for India contained in paragraph (1) shall not apply if the President transmits to the Congress a report containing a determination that providing such assistance for India is in the national security interest of the United States.

(4) DEFINITIONS.—As used in this section:

(A) DEVELOPMENT ASSISTANCE.—The term "development assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).

(B) INDIA.—The term "India" includes the portion of the disputed territory of Jammu and Kashmir under the control of the Government of India.

(5) EFFECTIVE DATE.—The prohibition contained in paragraph (1) shall apply with respect to the provision of development assistance beginning 9 months after the date of the enactment of this Act.

H.R. 1561

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 7. At the end of title XXXIII (relating to regional provisions), add the following new section:

SEC. 3314. ASSISTANCE OF PAKISTAN.

Section 620E(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2375(e)) is amended—

(1) by striking "No assistance shall be furnished to Pakistan and" and inserting "(1) Except as provided in paragraph (2),";

(2) by striking "assistance is to be furnished or"; and

(3) by adding at the end the following new paragraph:

"(2) The prohibition on the sale or transfer of military equipment or technology contained in paragraph (1) shall not apply with respect to military equipment or technology sold to Pakistan pursuant to agreements between the United States and Pakistan entered into before September 30, 1990.".

H.R. 1561

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 8. In paragraph (1) of section 3221(a) (relating to authorization of appropriations for development assistance fund), strike "$858,000,000" and insert "$650,000,000".

H.R. 1561

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 9. In section 3231 of the bill (in section 667(a)(1) of the Foreign Assistance Act of 1961, as proposed to be amended by such section 3231; relating to operating expenses of the United States Agency for International Development), strike "$465,774,000" and insert "$396,770,250" and strike "$419,196,000" and insert $396,770,250".

H.R. 1561

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 10: In paragraph (3) of section 3417(d) (relating to prohibition on assistance to countries that consistently oppose the United States position in the United Nations General Assembly), insert after the matter preceding subparagraph (A) the following new subparagraph (and redesignate subsequent subparagraphs accordingly):

(A) chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance),

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OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 11: At the end of chapter 3 of title XXXII (relating development assistance), add the following new subchapter:

Subchapter C—Personnel of Agency for International Development

SEC. 3236. LIMITATION ON NUMBER OF PERSONNEL.

On and after February 28, 1997, the number of individuals authorized to be employed by the Agency for International Development (excluding temporary and intermittent employees), as determined on a full time equivalent basis, and the number of individuals serving with such Agency under a personal service contract, shall not exceed 7,054.

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OFFERED BY: MR. LANTOS

AMENDMENT NO. 12: After section 3211, insert the following new section:

SEC. 3212. CENTRAL ASIAN ENTERPRISE FUND.

Notwithstanding section 201(d)(3)(A) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(d)(3)(A)), the Central Asian-American Enterprise Fund may, in lieu of the appointment of citizens of the host countries to its Board of Directors, establish an advisory council for the host region comprised of citizens of each of the host countries or establish separate advisory councils for each of the host countries, with which such Fund shall periodically consult with respect to the Fund's policies and proposed activities. Such host country citizens shall satisfy the experience and expertise requirements set forth in section 201(d)(3)(A) and (d)(3)(C) of that Act.

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OFFERED BY: MR. LIVINGSTON

AMENDMENT NO. 13. Strike section 348(e); strike section 2101(a)(1)(B); strike section 2101(a)(2)(B); strike section 2102(b)(2)(A); strike section 2102(b)(2)(B); strike section 2102(b)(2)(C); strike section 2102(b)(2)(D); strike section 2102(b)(2)(E); strike section 2102(b)(2)(G); strike section 2106(4)(B); strike section 2106(4)(C); strike section 3222; and strike section 3227.

AMENDMENT TO H.R. 1561, as Reported

OFFERED BY: MR. MCINNIS OF COLORADO

AMENDENT NO. 14. In section 2644 (relating to further steps to promote United States security and political interests with respect to North Korea) by striking paragraph (1) and inserting the following:

(1) action by the Government of North Korea to engage in a North-South dialogue with the Government of the Republic of Korea to facilitate progress toward—

(A) holding a North Korea-South Korea Summit;

(B) resuming North-South joint military discussions regarding steps to reduce tensions between North and South Korea;

(C) expanding trade relations between North and South Korea;

(D) promoting freedom of travel between North and South Korea by citizens of both North and South Korea;

(E) cooperating in science and technology, education, the arts, health, sports, the environment, publishing, journalism, and other fields of mutual interest;

(F) establishing postal and telecommunications services between North and South Korea; and

(G) reconnecting railroads and roadways between North and South Korea;

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OFFERED BY: MR. MCINNIS

AMENDMENT NO. 15 Strike chapter 2 (relating to the United States—North Korea Agreed Framework) of title XXVI (relating to foreign policy provisions) and insert the following:

CHAPTER 2—NORTH-SOUTH DIALOGUE ON THE KOREAN PENINSULA AND THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK

SEC. 2641. FINDINGS.

The Congress makes the following findings:

(1) The Agreed Framework Between the United States and the Democratic People's Republic of Korea of October 21, 1994, states in Article III, paragraph (2), that "[t]he DPRK will consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula".

(2) The Agreed Framework also states "[t]he DPRK will engage in North-South dialogue, as this Agreed Framework will help create an atmosphere that promotes such dialogue".

(3) The two agreements entered into between North and South Korea in 1992, namely the North-South Denuclearization Agreement and the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation, provide an existing and detailed framework for dialogue between North and South Korea.

(4) The North Korean nuclear program is just one of the lingering threats to peace on the Korean Peninsula.

(5) The reduction of tensions between North and South Korea directly serve United States interests, given the substantial defense commitment of the United States to South Korea and the presence on the Korean Peninsula of United States troops.

SEC. 2642. STEPS TOWARD NORTH-SOUTH DIALOGUE ON THE KOREAN PENINSULA.

It is the sense of the Congress that—

(1) substantive dialogue between North and South Korea is vital to the implementation of the Agreed Framework Between the United States and North Korea, dated October 21, 1994; and

(2) together with South Korea and other concerned allies, and in keeping with the spirit and letter of the 1992 agreements between North and South Korea, the President should pursue measures to reduce tensions between North and South Korea and should facilitate progress toward—

(A) holding a North Korea-South Korea summit;

(B) initiating mutual nuclear facility inspections by North and South Korea;

(C) establishing liaison offices in both North and South Korea;

(D) resuming a North-South joint military discussion regarding steps to reduce tensions between North and South Korea;

(E) expanding trade relations between North and South Korea;

(F) promoting freedom to travel between North and South Korea by citizens of both North and South Korea;

(G) cooperating in science and technology, education, the arts, health, sports, the environment, publishing, journalism, and other fields of mutual interest;

(H) establishing postal and telecommunications services between North and South Korea; and

(I) reconnecting railroads and roadways between North and South Korea.

SEC. 2643. REPORT TO CONGRESS.

Beginning 3 months after the date of enactment of this Act, and every 6 months thereafter, the President shall transmit to the appropriate congressional committees a report setting forth the progress made in carrying out section 2642.

SEC. 2644. DEFINITIONS.

As used in this chapter—

(1) the term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives;

(2) the term "North Korea" means the Democratic People's Republic of Korea; and

(3) the term "South Korea" means the Republic of Korea.

H.R. 1561

OFFERED BY: MS. MCKINNEY

AMENDMENT NO. 16. After chapter 5 of title XXXI of the bill, insert the following new chapter (and redesignate the subsequent chapter accordingly and make other appropriate conforming amendments):

CHAPTER 6—ARMS TRANSFERS CODE OF CONDUCT

SEC. 3174. SHORT TITLE.

This chapter may be cited as the "Code of Conduct on Arms Transfer Act of 1995".

SEC. 3175. FINDINGS.

The Congress finds the following:

(1) Approximately 40,000,000 people, over 75 percent civilians, died as a result of civil and international wars fought with conventional weapons during the 45 years of the cold war, demonstrating that conventional weapons can in fact be weapons of mass destruction.

(2) Conflict has actually increased in the post cold war era, with 34 major wars in progress during 1993.

(3) War is both a human tragedy and an ongoing economic disaster affecting the entire world, including the United States and its economy, because it decimates both local investment and potential export markets.

(4) International trade in conventional weapons increases the risk and impact of war in an already over-militarized world, creating far more costs than benefits for the United States economy through increased United States defense and foreign assistance spending and reduced demand for United States civilian exports.

(5) The newly established United Nations Register of Conventional Arms can be an effective first step in support of limitations on the supply of conventional weapons to developing countries and compliance with its reporting requirements by a foreign government can be an integral tool in determining the worthiness of such government for the receipt of United States military assistance and arms transfers.

(6) It is in the national security and economic interests of the United States to reduce dramatically the $1,038,000,000,000 that all countries spend on armed forces every year, $242,000,000,000 of which is spent by developing countries, an amount equivalent to 4 times the total bilateral and multilateral foreign assistance such countries receive every year.

(7) According to the Congressional Research Service, the United States supplies more conventional weapons to developing countries than all other countries combined, averaging $14,956,000,000 a year in agreements to supply such weapons to developing countries since the end of the cold war, compared to $7,300,000,000 a year in such agreements prior to the dissolution of the Soviet Union.

(8) In recent years the vast majority of United States arms transfers to developing countries are to countries with an undemocratic form of government whose citizens, according to the Department of State Country Reports on Human Rights Practices do not have the ability to peaceably change their form of government.

(9) Although a goal of United States foreign policy should be to work with foreign governments and international organizations to reduce militarization and dictatorship and therefore prevent conflicts before they arise, during 4 recent deployments of United States Armed Forces—to the Republic of Panama, the Persian Gulf, Somalia, and Haiti—such Armed Forces faced conventional weapons that had been provided or financed by the United States to undemocratic governments.

(10) The proliferation of conventional arms and conflicts around the globe are multilateral problems, and the fact that the United States has emerged as the world's primary seller of conventional weapons, combined with the world leadership role of the United States, signifies that the United States is in a position to seek multilateral restraints on the competition for and transfers of conventional weapons.

(11) The Congress has the constitutional responsibility to participate with the executive branch in decisions to provide military assistance and arms transfers to a foreign government, and in the formulation of a policy designed to reduce dramatically the level of international militarization.

(12) A decision to provide military assistance and arms transfers to a government that is undemocratic, does not adequately protect human rights, is currently engaged in acts of armed aggression, or is not fully participating in the United Nations Register of Conventional Arms, should require a higher level of scrutiny than does a decision to provide such assistance and arms transfers to a government to which these conditions do not apply.

SEC. 3176. PURPOSE.

The purpose of this chapter is to provide clear policy guidelines and congressional responsibility for determining the eligibility of foreign governments to be considered for United States military assistance and arms transfers.

SEC. 3177. PROHIBITION OF UNITED STATES MILITARY ASSISTANCE AND ARMS TRANSFERS TO CERTAIN FOREIGN GOVERNMENTS.

(a) PROHIBITION.—Except as provided in subsections (b) and (c), beginning on and after October 1, 1996, United States military assistance and arms transfers may not be provided to a foreign government for a fiscal year unless the President certifies to the Congress for that fiscal year that such government meets the following requirements:

(1) PROMOTES DEMOCRACY.—Such government—

(A) was chosen by and permits free and fair elections;

(B) promotes civilian control of the military and security forces and has civilian institutions controlling the policy, operation, and spending of all law enforcement and security institutions, as well as the armed forces;

(C) promotes the rule of law, equality before the law, and respect for individual and minority rights, including freedom to speak, publish, associate, and organize; and

(D) promotes the strengthening of political, legislative, and civil institutions of democracy, as well as autonomous institutions to monitor the conduct of public officials and to combat corruption.

(2) RESPECTS HUMAN RIGHTS.—Such government—

(A) does not engage in gross violations of internationally recognized human rights, including—

(i) extra judicial or arbitrary executions;

(ii) disappearances;

(iii) torture or severe mistreatment;

(iv) prolonged arbitrary imprisonment;

(v) systematic official discrimination on the basis of race, ethnicity, religion, gender, national origin, or political affiliation; and

(vi) grave breaches of international laws of war or equivalent violations of the laws of war in internal conflicts;

(B) vigorously investigates, disciplines, and prosecutes those responsible for gross violations of internationally recognized human rights;

(C) permits access on a regular basis to political prisoners by international humanitarian organizations such as the International Committee of the Red Cross;

(D) promotes the independence of the judiciary and other official bodies that oversee the protection of human rights;

(E) does not impede the free functioning of domestic and international human rights organizations; and

(F) provides access on a regular basis to humanitarian organizations in situations of conflict or famine.

(3) NOT ENGAGED IN CERTAIN ACTS OF ARMED AGGRESSION.—Such government is not currently engaged in acts of armed aggression in violation of international law.

(4) FULL PARTICIPATION IN U.N. REGISTER OF CONVENTIONAL ARMS.—Such government is fully participating in the United Nations Register of Conventional Arms.

(b) REQUIREMENT FOR CONTINUING COMPLIANCE.—Any certification with respect to a foreign government for a fiscal year under subsection (a) shall cease to be effective for that fiscal year if the President certifies to the Congress that such government has not continued to comply with the requirements contained in paragraphs (1) through (4) of such subsection.

(c) EXEMPTIONS.—The prohibition contained in subsection (a) shall not apply with respect to a foreign government for a fiscal year if—

(1)(A) the President submits a request for an exemption to the Congress containing a determination that it is in the national security interest of the United States to provide military assistance and arms transfer to such government; and

(B) the Congress enacts a law approving such exemption request (including a law containing an approval of such a request); or

(2) the President determines that an emergency exists under which it is vital to the interest of the United States to provide military assistance and arms transfer to such government.

(d) NOTIFICATIONS TO CONGRESS.—

(1) IN GENERAL.—The President shall submit to the Congress initial certifications under subsection (a) and requests for exemptions under subsection (c)(1) in conjunction with the submission of the annual request for enactment of authorizations and appropriations for foreign assistance programs for a fiscal year and shall, where appropriate, submit additional or amended certifications and requests for exemptions at any time thereafter in the fiscal year.

(2) DETERMINATION WITH RESPECT TO EMERGENCY SITUATIONS.—The President shall submit to the Congress at the earliest possible date reports containing determinations with respect to emergencies under subsection (c)(2). Each such report shall contain a description of—

(A) the nature of the emergency;

(B) the type of military assistance and arms transfers provided to the foreign government; and

(C) the cost to the United States of such assistance and arms transfers.

SEC. 3178. SENSE OF THE CONGRESS.

It is the sense of the Congress that the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate should hold hearings on—

(1) controversial certifications submitted under section 3177(a)'

(2) all requests for exemptions submitted under section 3177(c)(1); and

(3) all determinations with respect to emergencies under section 3177(c)(2).

SEC. 3179. UNITED STATES MILITARY ASSISTANCE AND ARMS TRANSFERS DEFINED.

For purposes of this chapter, the terms "United States military assistance and arms transfers" and "military assistance and arms transfers" means—

(1) assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to military assistance), including the transfer of excess defense articles under section 516 of that Act;

(2) assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training); or

(3) the transfer of defense articles, defense services, or design and construction services under the Arms Export Control Act (excluding any transfer or other assistance under section 23 of such Act), including defense articles and defense services licensed or approved for export under section 38 of that Act.

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OFFERED BY: MR. MICA

AMENDMENT NO. 17: At the end of division A insert the following new title:

TITLE VI—REORGANIZATION OF UNITED STATES EXPORT PROMOTION AND TRADE ACTIVITIES

SEC. 601. PLAN FOR REORGANIZATION OF UNITED STATES EXPORT PROMOTION AND TRADE ACTIVITIES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Supporting American businesses overseas and assisting United States exporters to identify market opportunities is of increasing importance to America's economic health and competitiveness, and to the well-being of American workers.

(2) At least 18 different government-sponsored organizations or agencies spending over $3,300,000,000 exist to provide support to American exporters and international businesses. In the past, poor coordination among these organizations and a lack of accessibility often hindered the effectiveness of the Government's trade promotion activities.

(3) Recent efforts to improve coordination between many of these organizations and to increase their availability to exporters around the country were begun through the Trade Promotion Coordination Council. These efforts appear to have generated some improvement in the Government's trade promotion capabilities.

(4) Broader governmentwide reform efforts and future funding questions currently being addressed in Congress may affect different trade promotion organizations to varying degrees.

(b) REPORT REQUIRED.—In order to fully assess the organizational structure, capability, and spending levels of United States Government trade promotion organizations, the President, not later than March 1, 1996, shall submit to the Committee on International Relations of the House of Representatives, the Committee on Foreign Relations of the Senate, and to other appropriate committees of jurisdiction, a report detailing what steps are being taken to improve accessibility and coordination among all trade promotion organizations and agencies, what additional measures should be taken to further improve the efficiency of and reduce duplication among these organizations and agencies, and any suggested legislative actions that would further improve the Government's export and trade promotion activities.

(c) CONTENT OF REPORT.—The report required by subsection (b) shall—

(1) identify the name, number, function, and budget of all Government organizations or agencies with some responsibility for supporting, advancing, or promoting international trade or United States exports;

(2) assess the amount of exports directly generated by the activities of each organization or agency;

(3) describe the overall impact of the Government's trade and export promotion programs on increasing exports and overseas market share;

(4) identify areas where increased cooperation and interoperability would improve United States export promotion efforts;

(5) identify areas where greater efficiencies can be achieved through the elimination of duplication among the organizations and agencies included in paragraph (1);

(6) identify ways to improve the audit and accountability mechanisms for each organization or agency, with particular emphasis on ensuring independent oversight capabilities for each organization;

(7) assess the trade and export promotion activities of the major trade partners and competitors of the United States, including amounts of tied aid and export subsidization provided by the governments of those grade partners and competitors; and

(8) provide a plan to reorganize the United States trade and export promotion organizations and agencies, with legislative requirements if necessary, in order to more efficiently promote trade, increase organizational assessability, organize bureaucratic effort, and expend public resources in support of American exporters and international business.

H.R. 1561

OFFERED BY: MR. SMITH OF NEW JERSEY

AMENDMENT NO. 18. In section 2104(a)(1)(A) (relating to authorizations of appropriations for migration and refugee assistance) strike "$560,000,000" and insert "$590,000,000".

In section 2104(a)(4) (relating to authorizations of appropriations for the resettlement of Vietnamese, Laotians, and Cambodians) strike "There" and all that follows through "who—" and insert "Of the amounts authorized to be appropriated for fiscal year 1996 under paragraph (1) there are authorized to be appropriated such amounts as are necessary for the admission and resettlement, within numerical limitations provided by law for refugee admissions, of persons who—".

At the end of section 2104 add the following new subsection:

(e) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to require or permit an increase in the number of refugee admissions for fiscal year 1996 from the numerical limitation for refugee admissions for fiscal year 1995.

H.R. 1561

OFFERED BY: MR. SMITH OF NEW JERSEY

AMENDMENT NO. 19: In title XXI (relating to authorization of appropriations for Department of State and certain international affairs functions and activities) insert at the end the following new chapter.

CHAPTER 2—GENERAL LIMITATIONS

SEC. 2121. PROHIBITION ON FUNDING FOR ABORTION.

(a) IN GENERAL.—

(1) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to be available for any private, nongovernmental, or multilateral organization that, directly or through a subcontractor or subgrantee, performs abortions in any foreign country, except where the life of the mother would be endangered if the fetus were carried to term or in cases of forcible rape or incest.

(2) Paragraph (1) may not be construed to apply to the treatment of injuries or illnesses caused by legal or illegal abortions or to assistance provided directly to the government of a country.

(b) LIMITATION ON LOBBYING ACTIVITIES.—

(1) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to be available for any private, nongovernmental, or multilateral organization that violates the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited,

or that engages in any activity or effort to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

(2) Paragraph (1) shall not apply to activities in opposition to coercive abortion or involuntary sterilization.

SEC. 2122. PROHIBITION ON FUNDING FOR COERCIVE POPULATION CONTROL METHODS.

Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act are authorized to be available for the United Nations Population Fund (UNFPA), unless the President certifies to the appropriate congressional committees that—

(a) the United Nations Population Fund has terminated all activities in the People's Republic of China; or

(b) during the 12 months preceding such certification there have been no abortions as the result of coercion associated with the family planning policies of the national government or other governmental entities within the People's Republic of China. As used in this section the term "coercion" includes physical duress or abuse, destruction or confiscation of property, loss of means of livelihood, or severe psychological pressure.

In section 2102(b)(2)(F), delete subsections (iii), (iv), and (v).

H.R. 1561

Offered By: Mr. Solomon

Amendment No. 20. In section 2201, add the following at the end:

Use of Earnings From Frozen Assets For Program.—

(1) Amounts to be made available.—Two percent of the earnings accruing, during periods beginning October 1, 1995, on all assets of foreign countries blocked by the President pursuant to the International Emergency Powers Act (50 U.S.C. 1701 and following) shall be available, subject to appropriations Acts, to carry out section 36 of the State Department Basic Authorities Act, as amended by this section, except that the limitation contained in subsection (d)(2) of such section shall not apply to amounts made available under this paragraph.

(2) Control of funds by the President.—The President shall take possession and exercise full control of so much of the earnings described in paragraph (1) as are made available under such paragraph.

SENATE—*Monday, May 22, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 8:29 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

Lord of history, we gain perspective on the perplexities of the present by remembering how Your power has been released in response to prayer in the past. We think of Washington on his knees, of Franklin asking for prayer when the Constitutional Convention was deadlocked, of Lincoln praying for wisdom in the dark night of our Nation's divided soul. Gratefully, also we remember Your answers to prayers seeking Your strength in struggles and Your courage in crises. Most of all, today we remember those times when Your guidance brought consensus out of conflict, and creative decisions out of discord.

In the midst of the continuing discussion and debate over the budget, once again we need Your divine intervention and inspiration. Watch over this Senate during this strategic week. May the Senators be united in seeking Your best for the future of our Nation. Give them strength to communicate their perception of truth with mutual respect and without rancor. We are of one voice in asking for Your blessing on this Senate as it exercises the essence of democracy in this vital debate. You have been our guide over the 206 years of the history of the Senate of the United States, and we trust You to lead us forward today. In Your holy name. Amen.

RESERVATION OF LEADERSHIP TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 13, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

Rockefeller amendment No. 1112, to reduce the tax cut and apply the savings to Medicare and Medicaid.

The PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDENT pro tempore. The distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, does the Senator from Wyoming desire to speak on the pending amendment or the resolution?

Mr. THOMAS. Yes, I do wish to speak on the pending amendment.

Mr. DOMENICI. How much time would the Senator like?

Mr. THOMAS. Ten minutes.

Mr. DOMENICI. I yield 10 minutes to the Senator.

The PRESIDENT pro tempore. The Senator from Wyoming.

Mr. THOMAS. Thank you, Mr. President. I appreciate the opportunity to talk some about the budget considerations that we will have this week. We have had a good deal of discussion about it prior to now, both in the discussion of a balanced budget amendment and more specifically on the budget resolution that is before this Congress. We have talked, of course, in great detail and should and will continue to do that.

Mr. President, I think it is also useful perhaps to take a moment during the course of this discussion and go back to the real basic issue, and that is the question of whether or not it is morally and fiscally responsible for this Congress and this country to operate under a balanced budget, whether or not we can continue to go forward with endless budgets that are $200, $250 billion in arrears.

So, Mr. President, I would just like to talk a minute about the basic issue. Americans, it seems to me, quite clearly voted in 1994 for change. They voted for many changes. I think they voted with the notion that this Federal Government is too large and costs too much. I do not think there is any question about that. I think they also voted in terms of change for a balanced budget. We have not had a balanced budget for a whole generation, 25 years at least.

So I think people say, why should the Government not be fiscally responsible as we are expected to be in our families or in our businesses? Americans voted for change in 1994 and they want us to be fiscally responsible. Some say, "Well, the deficit does not matter, it is just a small percentage of the total." It does matter. It does matter to each of us. It matters to us currently. It matters to us in terms of the cost of interest which will soon be the largest single line item in the budget, interest on a budget that will soon be expanded to $5 trillion, and each of us each day must pay the interest on that debt.

It matters because it takes dollars out of the economy to finance this debt, dollars that could otherwise be spent for investments in business and in jobs to strengthen the economy. So it does matter.

It matters to us in that what we do now has great impact on our children and on our grandchildren and who is going to pay the bill. Our credit card is maxed out and we are passing it on to somebody else to pay for the things that we want now. Those are the large questions that are there. We can have a smaller, less expensive Government, and to me that is the most exciting part.

Of course, the dollars are the issue, the budget is the issue, but the exciting part is we have an opportunity for the first time in many years to really take a look at how Government functions, what functions the Government is involved in, how we might better provide those services in a more economic, more efficient way, and I do not think anyone would argue with the fact that most of the services could be delivered more efficiently.

We have an opportunity for the first time in a long time to move Government closer to people, to move it closer to the States where you and I as citizens have more input into the decisions made, where the programs that are designed to be used over the country are applied differently in Cheyenne, WY, or in Greybull, WY, than in Pittsburgh and they should be and we need to have the flexibility to do that.

For the first time, we have a chance to do that. For the first time, frankly, in my memory—I came from the House where one party had been in charge for 40 years and there were not many opportunities to evaluate programs and to change programs. If a program was not working, the solution was to put more money in there, put more money in the program, that will fix it. Of course, it does not fix it. You have to go in and see if there are some other kind of changes. For the first time in a very long time we have an opportunity to do that. That is all part of this budget issue.

So it is time to keep our promises. I am talking about a basic concept, and

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

it is tough. It is tough. No one suggests balancing the budget is an easy matter, no one suggests it is not going to cause pain. No one suggests that all of us are going to have to make some sacrifice or, indeed, some change, and change is not easy. But that is what it is all about.

I hope we do not forget the bottom line, and that is the real goal is to become financially and fiscally responsible, and that is what we are seeking to do. The goal is to change Government so that, indeed, we can continue to carry out those functions that are proper for the Federal Government, but carry them out in a manner that is efficient and effective and, indeed, goes to providing services.

The problem, of course, is runaway spending. Spending is much easier than reducing spending. It is great fun to spend. In our State in the late seventies and early eighties, we had a great economic boon with the oil industry and the mineral industry.

Being in the Wyoming Legislature was great fun. When we had a problem, we just gave them more money, tons of money. That has changed, of course. I went in the legislature in the mid-eighties. It was not nearly as much fun. I was on the Appropriations Committee and instead of saying, "Oh, yes, we can fix your problem, here is more dough, we can do that," we had to say, "I am sorry, we have to set some priorities and we do not have bucks for everything that everybody would like to have." But we did well and continue to do well and continue to have to set those priorities and decide what we think are the most important things that Government should do. I think that is even more important at the Federal level. It is awfully easy to move away from those things that most people would agree are fundamental to the Federal Government and move into things that more properly belong somewhere else.

So the question will be, as we hear it in just a few years, where will we be as we go into the next century, the new millennium? Will we have increasing debt out as far as we can go? Or will we be able to say to ourselves in 5 or 7 years that, yes, it was tough, but we were able to change the course of the Federal Government and the spending patterns to where we are moving or have attained a balanced budget? Will we be able to say we are doing what most people seem to think is reasonable, that is, not to spend more than we take in. You do that on your allowance, with your earnings, and in your family. Of course, there are times you borrow and you repay. Of course, there are times for special things. But, overall, you have to keep your spending where your income is.

If we do not do something, the projected deficits will be in the neighborhood of $275 billion—more than they are now—out as far as we can see. Is that what we want to happen?

By the year 2000, if we do not do something, we will have a $7 trillion debt. So we need to do it. We need to stand up now and we need to say come to the snubbing post and make some decisions. There are always reasons not to act. You have heard over the last few days, and listen to the next 3 days, the litany will be that we are all for a balanced budget. Yes, I want to balance the budget. But we will go through 10 or 12 reasons why you cannot do it this way or that way. The political reason, of course, is to be able to stand up and say that I am for that thing everybody is for—in this case, balancing the budget—but then have a number of reasons to justify voting no. And that is what you will hear all week.

Now is the time to stand up and say, yes, the basic issue is that we have to become fiscally responsible. How do we do it? Sure, there is a legitimate argument as to how you do it, a legitimate set of priorities for argumentation, and I understand that. But the fact is that you have to do it. It is one of those things that is morally and fiscally responsible to do. We are not asking for draconian changes. We are asking that instead of increasing spending at 5.5 percent over time, to increase spending at 3.2 percent over time. Only in Washington would that be considered a cut.

Unfortunately, the Clinton administration and the other side of the aisle do not address the problem. They simply say, yes, we want to balance the budget. We do not like what you are doing, but they do not have a solution. So we need to move forward and commit ourselves to the notion that we can balance the budget—and we can. We can do that over a period of time, and we can do that in 7 years, as proposed—a 7-year glidepath to balancing the budget and fixing things like Medicare.

There is not really a question as to whether we have to do something with Medicare. The point is, you do something or it goes broke. In 2 years, it begins to pull out of reserves, and in 7 years it is broke. The basic question there is, do we want to continue a program like Medicare to have health care for the elderly? Of course, we do. But in order to do that, you have to make some changes. Medicare has grown at a rate of 10 percent a year. We are suggesting that, as in the case of the other medical programs of delivery, we can make it more efficient. This weekend, I met in Cheyenne with the TriCare group. It is health care for active duty military or retired military and their dependents. They are changing TriCare, their program, which includes managed care; they are changing the way they have delivered the system. We have done that in the private sector. For the first time, health care costs have stabilized and in some cases have gone down—everywhere except Medicare and Medicaid. We can do that not by taking away benefits but by changing the delivery system and continuing to grow at 7.1 percent instead of 10 percent. Some will say there is growth in numbers. Keep in mind that this projected spending goes from now $4,600 per capita in Medicare, approximately, to $6,400 per capita. That takes into account the growth. So we are talking about fixing something that each of you wants to continue to go forward with.

So, Mr. President, first of all, I congratulate the chairman of the Budget Committee for his very tough work and leadership in bringing forth a proposal. Is it perfect? Of course not. Does it get us there? Yes. Does it solve the basic issue of balancing the budget? Yes. We have to keep our eye on the ball and say what is most important to us over time, to be fiscally responsible or to argue about the details? We can argue about details but we should not. I hope we are committed to changing the course of this Government, that we are going to make the changes that the voters asked for and bring forward to the Appropriations Committee a balanced budget amendment which will put us on a glidepath in 7 years to financial and fiscal responsibility.

I yield the floor.

Mr. President, I suggest the absence of a quorum, the time to be charged to the Republican side.

The PRESIDING OFFICER (Mr. DOMENICI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

Mr. DOMENICI. As manager of the bill and controller of the time, I yield to the Senator from Arizona, who is now on the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, let me speak for a few minutes as well. Mr. President, I noted with interest your comments of just a little while ago using some Wyoming phraseology to explain why we need to get on with this job. I think that is the thinking of most people in this country that kind of wonder why back here in Washington, DC, the people who have the responsibility for managing our financial affairs of the U.S. Government cannot quite see it the way they do, the way they have to manage their lives every day.

During the Easter recess, I traveled all around my State of Arizona, and I talked to people just like the folks you were referring to. They get up early in the morning, get their kids off to school, work hard all day long, come home tired, and they wonder why the Federal Government is asking them to give more and more of what they have earned to the Federal Government so that people back here in Washington can make decisions about how that money should be spent. They wonder why the Federal Government cannot balance its budget like they have to balance their own families' budgets every day.

They understand that the Government is different than an individual or a family. They understand that there are tough decisions, that from time to time we are asked to spend money on things that have large political constituencies. They understand those things.

However, they have also come to the conclusion that by and large Government is not a really great buy. That all of these years they have been asking Government to do things for them they have, in effect, hired the Government to solve problems, it has not been a very good buy.

We have spent $5 trillion on welfare, and we have more people who are below the poverty line today than we did when the Great Society began, and a host of problems that clearly the welfare system has not solved.

They see a Federal debt that is now approaching numbers that no one can even comprehend—approaching $5 trillion, a number that none of us can really comprehend. They see annual deficits, and they wonder why after the politicians a couple of years ago promised them that we would achieve a balanced budget, at least the budgets would be submitted that would get America on a path to achieving a balanced budget, they see the President's budget this year that does not even try. It just gives up. It says, I understand that the American people want a balanced budget, but President Clinton says I am going to be spending, or recommend that the Congress be spending, about $200 billion each year more than we take in. So at the end of his 5-year budget we have added $1 trillion to the national debt.

They ask why this cannot stop, why the Congress cannot get its act together. In the very last election on November 8, I think they sent a very strong message which has been responded to in both the House and the Senate, at least by the Republicans. In the House, just about 5 days ago, a budget was passed which achieves balance in 7 years, the same amount of time that was called for under the constitutional amendment that failed by only one vote.

It says that by the year 2002 we will have a balanced budget, and at that time we begin actually paying off our national debt. It is too much of a task to be resolved in 1 year. It would be like asking people to pay off their home mortgage in 1 or 2 years. It is too big for that. But over 7 years, we can restrain the growth in spending to such a degree that even though most programs will continue to grow, it will grow at a slower rate, enabling the Government to save enough money, about $1 trillion over that 7 years, that by the end of the 7 years we will be in balance.

What does this mean to the average American? They know instinctively it has to be done. They know what happens when they do not balance their budget. They realize that their standard of living, and more importantly, their children's and grandchildren's standard of living is being threatened as a result of this huge deficit.

One of the problems, of course, caused by the deficit, is that it raises interest rates. By crowding out the market for money, interest rates go up. We have estimates that if we could get the budget balanced it would reduce interest rates by about 2 percent. Think what a reduction of 2-percent interest rates would mean on the average home mortgage or the car purchase, or anything else that we buy on time.

Of course, having a big deficit requires citizens to pay more in taxes. For one thing, we have to pay $200 to $300 billion interest on the Federal debt every year. Until we begin to pay that debt off, we will continue to have the interest expense every year. Not only is that more taxes we have to pay, but it is money that we cannot spend on other things that people would like Government to spend on.

There have been a lot of speeches particularly on the other side of the aisle during the last week that say, look what will happen if we pass this budget. Look what will happen if we balance the budget.

Mr. President, look what will happen if we do not balance the budget. That is the question. It reminds me of the true story one of my colleagues was telling me about. An oil rig was burning in the North Sea. It was 1,200 feet from the rig down to the North Atlantic. It was pitch black, except for the fact there was oil burning on the surface of the water. One of the people who was working on the rig jumped off of that platform, over 1,200 feet into the water. He survived.

A television person interviewing him in the hospital asked him the question, Why, knowing that it was 1,200 feet down, you could not see anything, it was pitch black except for the oil that was burning on the water, why did you jump in the water? And his answer was, of course, because there was so much fire at my back, I knew that if I did not, I would be burned alive.

In other words, the question was not might something bad happen to me if I jump off; the question is, most certainly something bad will happen to me if I do not.

The question is not, will something bad happen if we pass the balanced budget; the question is, what will happen to this country if we do not?

I think almost everyone recognizes that while there may be some concerns about the restraining of the growth in spending if we do pass this balanced budget, that the alternative is far worse, an alternative that relegates our future generation to a lower standard of living than we have been able to enjoy in this country. That is why we have to pass the balanced budget.

Now, Mr. President, one of the concerns that I have had is that we have not gotten a lot of leadership on the other side. There is no alternative budget. We put the President's budget on the floor last Friday, and said what about this? Do any Members think this is a good idea? Nobody did. It failed, 99 to 0. One of the reasons, of course, was that it did not even attempt to restrain spending and achieve a balance. Instead, it has deficits at the rate of about $200 billion each year, for the next 5 years.

Right now, the national debt is approaching $5 trillion. It is $4.8 trillion to be exact. That is about $18,500 for every man, woman, and child in the country. I just had a new grandchildren born about 12 days ago. His share of the national debt, right now, is $18,500. That is unfair to him.

In the last election, people were saying it is important we do something about the debt, because they saw for the first time in history that future generations did not have the same opportunity that we did, that the American spirit of optimism that each succeeding generation would do better than the last was not necessarily going to come true.

When they gave that message, they also gave a mandate to do something about it, to eliminate that $18,500 of debt for every man, woman, and child in the country. That is an average of about $74,000 of debt for the average family of four.

Even if Congress balanced the budget this very moment, the average American family would still be stuck with that bill of $74,000. Of course, that rivals the mortgage on most homes in this country. In order just to pay the interest on that, the average family will have to pay about $5,000 a year annually.

Mr. President, stop and think about that for a moment. What we are saying is, just to pay the interest on the debt, every family has to pay about $5,000 in taxes. This is one of the reasons we have to get the debt down, and why balancing the budget will help the average American people, because every year that that debt remains at the level it is that $5,000 in taxes goes to pay the interest on the debt. It cannot be used for other expenditures and we cannot reduce the tax burden. At least it said we cannot reduce the tax burden, because, obviously, the interest on the debt has to be paid.

Now, this $5,000 in taxes annually is about $430 a month, just in interest payments. That assumes no other payment. So, that is what the average American family is spending every single month with the debt we have today.

As I said, put this into perspective for every year in which the Federal Government runs these $200 billion deficits. The average young person will pay an additional $5,000 in taxes over his or her lifetime. Right now, a child born this year will pay about $187,000 in taxes because of this debt. That is what my brand-new grandson is relegated to if we cannot get this debt under control.

This $5,000 in taxes, increased taxes for every year that we run these deficits, is not only a fiscal matter, Mr. President, but it is a moral matter. I think we can get bound up in all the numbers but we have to realize what we are doing to future generations. It is immoral to be spending money in our generation and not be willing to pay for it. It is as if we were running up credit card debt, and as we exit the scene we hand that debt to our children and say, "Will you please pay the bill for the excesses during our lifetime."

The $1 trillion in new debt that is proposed by President Clinton's budget over 5 years represents an additional $25,000 in taxes for every family, or I should say for every individual. That is $25,000 for every young man, woman, and child in this country. There is not a whole lot, Mr. President, that we can do worse for the future generations than to continue to run up this debt, because it guarantees a lower standard of living for future generations.

So, as we discuss the plans for achieving balance over the course of the next 5, 6, 7 years we have to examine the arguments pro and con that are being made here. A lot of arguments against this balanced budget from the other side expressed concerns about what will happen if we do not do it. They attack particular parts of the budget. They represent no alternatives.

The amendment that is pending on the floor right now, as a matter of fact, accepts the fact that we are going to achieve balance, and it says with the $170 billion that we are going to save as a result of that because of reduced interest rates, the so-called dividends that will result by doing the job we are supposed to do, the amendment on the other side says we will spend that money. We have a way of spending that money. So not only do many of the Senators on the other side of the aisle here object to balancing the budget by the year 2002 and raise arguments against balancing the budget by the year 2002, but they are very willing to take the savings that result from what we are willing to do by biting the bullet here, and spend that money before it has even been saved.

That is not being very constructive about solving these problems when we know we have a big deficit, we know we have to solve it, the President's budget was defeated by 99 to 0, there is no alternative budget on the other side, all that the Senators on the other side, most of them, have done is to carp about the fact that some segment of our society is not going to get quite as much money as they have been getting over the years if we balance the budget by the year 2002. Notwithstanding the fact that spending is going to go up in most categories, it will simply go up at a lesser rate than it would otherwise, the arguments are that somebody is going to suffer because they will not get quite as much money as they otherwise would have gotten; just negative criticism of what we are trying to achieve.

And, at the same time that negative criticism is coming out with no constructive alternative, the amendment on the floor now says, "By the way, with the money you are going to save by what you are willing to do, we would like to spend $100 billion of that."

That is not very constructive to this debate. So, as I said, during the next 3 days as we debate this and we consider the arguments back and forth, I think the primary thing we have to consider is the future of our grandchildren and our children. That is why it is important for us to accomplish this. It is important because of the savings, it is important because of what we can do with that money today, but more important, what it means to their future, what it means to the future prosperity of this country and the opportunity to create a better living in this country for those future generations.

If we do not accomplish our goal of achieving balance in our budget within the next 7 years, we will not deserve the title of Senator. We will not deserve to be serving in this body because we will have failed in our obligation to those future generations. And that ultimately is why most of us sought election in the first place and are so privileged to serve in this body.

The PRESIDING OFFICER (Mr. LUGAR). The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, my understanding is that by prior unanimous agreement, at 9:15, Democrats were to speak; is that correct? If not—is there no such understanding?

The PRESIDING OFFICER. The Chair states there is no agreement to that effect.

Mr. WELLSTONE. The Senator from Florida wants to speak now and that is absolutely fine with me. I just ask unanimous consent, after the Senator from Florida speaks, that the Senator from Minnesota have up to half an hour to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

Mr. KYL. Mr. President, at this time, let me yield to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, during the next several days, as during the past few days, we are going to hear a lot of discussion about the numbers within the budget and a lot of statistics in the debate about economics. But the underlying reality of what we are debating is not really economics, and it really does not directly relate to numbers. What we really are talking about is the future of this great Nation. We are talking about the futures of our children and our grandchildren. We are talking about the futures of our moms and dads and our grandparents. And we are talking about the futures of working men and women in this country.

This comes to my mind, frankly, because over this weekend I had the opportunity to speak both to my mom and dad and to my grandchildren. My dad is 82 years old. My mother is 80. And I had the opportunity, believe it or not, to speak to the youngest of my grandchildren, who is 2 years old.

I thought about this earlier this morning. Some things never change. Because my little grandson said to me as we were chatting on the phone, "I am going to go watch baseball." You can imagine that out of a little 2-year-old, he said—"I am going to go watch baseball."

Talking with my mom and dad and to my daughter and my grandchildren over the weekend made me realize that what we are focusing on is the future of our Nation and the people of this great country of ours. My dad still volunteers over at one of the hospitals in my community—if you can imagine that—at the age of 82. He helps lift people out of their hospital beds, and puts them on a stretcher to take them down to the X ray or to the operating room. People from all over my hometown come up to me and tell me that my dad helped them when they were over at the hospital. The interesting thing is my dad just got out of the hospital a few weeks ago. My mother just returned from some 3, 3½ weeks in a nursing home.

In a sense, they represent the elderly of our Nation and their reliance on health care. Virtually every family in America experiences the same kind of thing I am talking about—the need of our elderly to look to health care. And the question we must consider is what their future going to be like if we do not address the question of Medicare.

The trustees of the Medicare trust fund have said now for 2 years in a row that Medicare is going to be bankrupt in the year 2001 or the year 2002, depending on what set of economic assumptions one uses. How will other folks' moms and dads and grandparents be able to rely on Medicare if we do not act? Frankly, this is not a Republican problem. This is a problem for the entire Nation. This is one where the

President of the United States should be taking the lead. There should be a bipartisan plan.

Frankly, when you look at the trustees' report and you see the hesitancy on the part of our colleagues on the other side of the aisle, and the President, to lead, we do not have any choice than to take the lead ourselves. We must act because 6 or 7 years from now there will not be a Medicare fund capable of paying the beneficiaries. We cannot allow that to happen. So I am proud to be part of this effort to solve the overall budget crisis and to address the question of Medicare, because we have to preserve Medicare for others in the future.

As I said, this is an American problem. It is one to which there ought to be a bipartisan response. Let me share some of the numbers which suggest the extent of the problem. Some of the reports indicate that the average retired couple today will receive back in benefits from the Medicare health system $126,700 more than they pay in. Common sense suggests this cannot continue. Common sense suggests that as long as you do have a system like that, it makes sense that it could go bankrupt. And that is exactly what the trustees have said.

Our response has been to recognize that we need to slow down the rate of growth in the Medicare system. It is growing now at over 10 percent per year. We are suggesting its growth should be slowed to 7.2 percent. What does this mean to the average beneficiary? Today, that average beneficiary is receiving about $4,800 per year from Medicaid. Under the proposal, it would go up to somewhere in the neighborhood of $6,800 to $7,000 per year. Certainly, we ought to be able to put together a Medicare system that can operate with those kinds of numbers. And that growth, by the way, is still 1½ times faster than the private sector. Certainly we can find a way to accomplish this task. And in the end what will we have done? We will have improved, protected, and preserved the Medicare system.

I think frankly the people in the country want this to happen. I would much rather this be a bipartisan effort. But, frankly, we cannot wait for the other side, if they are not going to be involved in solving the problem with respect to Medicare.

I mentioned earlier about trying to put this discussion within the framework of real people, and I know we have heard a lot from our colleagues on the other side of the aisle about the tragedy that will occur if some proposal like this budget resolution is put together. As a matter of fact, I heard over the weekend that Laura Tyson, Chairman of the Council of Economic Advisers to the President, said, if this balanced budget plan were to go into effect, that it would create a larger divide between those who have and those who do not have. She states that cutting down on education we will deprive the next generation of education benefits which will widen the gap.

Mr. President, I think most people in this country clearly understand that education is the responsibility of the local communities. In fact, most could make the claim that the larger the Government role in education, the worst off the education system in this country has gotten. And, our children are not receiving the kind of education that is necessary to enhance their ability to be able to compete in the 21st century.

I think that this comment by the Chairman is incredibly misleading, and I think it is important that we focus on what the benefits really are.

Let me talk for a moment about the kinds of people for whom this budget was drafted. I am thinking about the couple that gets up at 4:30 in the morning to begin their commute to work, whether that be by train or by car. Both work all day long, and by the time they get back home at night in the dark they are exhausted. And they do that 5 days a week, some 6. What about them? How much more are we going to ask them to provide to Washington to fund a set of programs that frankly they feel, and I feel, have failed us?

If one could make the argument that all of these programs have worked and have improved the lives of so many people, that would be a different story. But what do we see? We see the number of people who are relying on these programs is growing year after year, which is an indication, frankly, that we have failed to provide them opportunities. What we have done is to develop a trapdoor of dependency, and that needs to change. We ought to start thinking about those families whose moms and dads are working all day long struggling to take care of themselves and their children, to provide for their future. It is these families, frankly, who are getting tired of seeing more and more of their income taxed away by a Federal Government that continues programs that have proven to be a failure.

I also think about the young family, married couple with a young child, the husband has two jobs, works all week long at those two jobs, comes home for the weekend, and takes care of the child while the wife and mother goes to her job over the weekend. What about their future? What about developing a society and economy that provides them a future, one filled with opportunity and hope? Nobody seems to talk about those. All we hear about is the harm that may be caused by proposals that are put forward.

I ask my colleagues to think about those hard-working men and women who have been taxed year after year after year. Those are the kind of people on whom I think we ought to keep focused; or the family whose husband has to be away from home 3 or 4 or maybe 5 days a week traveling around his sales territory while his wife is at home. Many such wives having to manage a job and having to raise the children as well.

So, again, Mr. President, I say there is a debate which is much more about people and their futures as opposed to just hard statistics and cold numbers.

But we do have to talk about numbers. I would like to relate a story about the first budget hearing that I attended as a Member of the Congress. It occurred back in February 1982 during the Reagan administration. Stockman, Regan, and Feldstein, Director of OMB, Secretary of the Treasury, and Chairman of the Council of Economic Advisers all came to the Congress in February 1983 and told the Congress that if we did not change the spending patterns of this Nation that we would see deficits out into future as far as one can see—$200 billion plus.

Frankly, Mr. President, this Congress, controlled by the other party, that entire time did nothing to address their spending habits. Their response to a continuing deficit over and over and over again was to say to those families that I have just spoken about that you just are going to have to give up a little bit more of those hard-earned dollars for which you have been working. Well, frankly, in November of this past year the people of this country said enough is enough. And they supported the ideas of less taxing, less spending, less Government, and more freedom. That is what this debate is about as well.

Again, for the last 12 years, after being told we were going to see deficits of $200 billion plus out into the future, nothing was done by the Congress of the United States.

So what did we get from the President of the United States for his budget proposal? We got a budget that was referred to by a member of the administration at the time as a source of shame. Frankly, he was right. It is a source of shame. And I suspect that is why our colleagues on other side of the aisle—every single one of them—ran from it, would not vote, not one as far as I can recall, not one voted for the President's budget proposal.

That is an abdication of leadership. I would say that our colleagues find themselves, frankly, in somewhat of an embarrassing position. I mean, after all, they told us during the debate for the balanced budget amendment they were for a balanced budget. Many said that they really believed that we ought to get to a balanced budget just not with a constitutional amendment.

I think that the President's actual words were something like "We don't need the balanced budget amendment, all we need is will." We are still waiting to see that will.

We know that they are opposed to our plan. We now know that they are opposed to the plan put forward by the President. But we see no plan at all from the other side; no plan at all when we are talking about the future of this Nation and the future of our children and our grandchildren. I can understand why they did not support the President's plan because, frankly, in today's environment, today's debate, it was not serious. It simply was not serious. In fact, it did not even stand up to the objectives that were established by the administration itself.

The one economic argument that Laura Tyson placed on why that was a good proposal was that, over a period of 5 years, it was showing a reduction in the deficit as a percentage of GDP. And after all, that was a worthwhile economic goal, and, frankly, a number of economists around the country support the concept that a reduction of the deficit as a percentage of GDP is a good goal. But guess what happened?

As a little interesting side comment here, I remember in the State of the Union Message a couple of years ago the President of the United States saying to us we are not going to use OMB to establish our budget numbers, the economic data. We are going to use the CBO, the Congressional Budget Office. We do not want anyone to say we are recalculating our way out of this deficit.

So we started out in 1993 and 1994 using the Congressional Budget Office. But now that we have entered into this debate about this budget, the President has moved back to the Office of Management and Budget, to use the numbers from the OMB. And when the CBO recalculated the President's budget, guess what happens? It is not a national $200 billion deficit for the next 5 years. It grows from $177, or $176 billion, to something like $276 billion.

In other words, it is a growing deficit, not a deficit that is staying still or declining. It is a growing deficit. And by their one measure, that is, as a percentage of GDP, the Congressional Budget Office says it goes from 2.5 percent of GDP up to 3.1 percent. So by their own measure, their own budget does not meet that target.

And so I think it is very unfortunate that we find ourselves in a situation where a budget has been proposed by Republicans without the help or support of our colleagues from the other side of the aisle. Frankly, I think that this budget is based on courage, commitment, and conviction and I am proud to be a part of that effort, to get us to a zero deficit in the year 2002. And again I think it is unfortunate that an alternative approach has not even been offered by our colleagues on the other side of the aisle.

We ought to ask ourselves the question, what happens if we do not act? I remember I made some comments during the balanced budget amendment debate a few months ago about the potential consequences for not acting. I have often thought it was quite interesting, as I listened to my constituents in the State of Florida and my colleagues here in the Congress, that there is an attitude which honestly believes the United States is so powerful and we are so right we would never have to pay the consequences associated with bad economic policy.

If you recall, the debate on the balanced budget amendment was taking place about the time that Mexico was going through some very difficult times. There was this feeling that somehow or another the United States would never have to pay for the consequences of bad economic policy, and I think that is fundamentally wrong. I would encourage people to take a look at what happened to the value of the U.S. dollar when this body defeated the balanced budget amendment.

I would also say take a look at what has happened to the U.S. dollar since this administration has come into power: a whole series of misdirected economic policies—higher tax rates, more regulation, more Federal spending, no constraint. People around the world have lost faith in U.S. currency.

Now, some people say, why should I worry about the value of the dollar? If I go to a local store, does that dollar not buy me the same thing? The drop in the value of the dollar, if it affects me in my purchasing power, does it not affect the value of the product as well? I do not see anything that has happened to me as a result of it.

Think of the currency of our country as being the common stock of our country, and what has happened in the last 2 years is we have lost one-third of the value of our common stock of this country because of failed economic policy.

There is an opportunity here to change that devaluation of our currency. Just to give you again an idea of what the consequences are for not acting, when interest rates, for example, go up by half a percent with the FHA fixed-rate mortgages, applications drop 27 percent. A half a point change, a 27-percent decline in the applications for FHA mortgages. In the conventional mortgage, we saw that where interest rates moved up 1.5 percent, somewhere around 200,000 to 300,000 people no longer could afford to buy a home.

Job creation: The rate of growth in job creation in this recent recovery is roughly half of what it has been in previous recoveries, and statistical data indicates to us that probably for the fourth year in a row we are going to see a decline in real median income earnings of America's families. And that will just continue to get worse, not better, if we do nothing. It appears this is what is being proposed by our colleagues on the other side of the aisle, or would result if we were to follow the plan that has been put forward by the President.

Now, we have some conflicting feelings with respect to what will happen economically. Again Laura Tyson tells us that it would be a tragedy to balance the budget. But Chairman Greenspan has said—and he has said this many times in the past—he never really has to worry about the Congress coming up with too much in the area of spending cuts. Chairman Greenspan has, in fact, embraced what we are doing. If I have to make my choice about which one of those economists to focus on and pay attention to, I think it is pretty obvious it would be Chairman Greenspan over Laura Tyson.

So again, the consequences are dramatic. We have an opportunity here to do something to change the direction of this Nation. We have an opportunity to provide for more jobs, more business formation, and greater opportunity for our children and our grandchildren if we pass this budget proposal. I would ask my colleagues to cast a vote in favor of this budget resolution.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I was going to ask my colleague from Florida to yield while he was speaking, but I did not want to break into the flow of what he had to say, so some of what I say in my remarks will be a response to my colleague from Florida. I do not know whether he will be able to stay or not, but I wish to let him know.

Mr. President, sometimes we do not know what we do not want to know. And as I was listening to my good friend from Florida speak, it occurred to me that that was an example of not knowing what he did not want to know.

There actually is a proposal out on the floor right now, and I will talk more in this overall debate about deficit reduction as I go forward with my remarks today, and that particular proposal is a Democratic amendment to restore some of the funding to Medicare and Medicaid using money that is currently slated to pay for tax cuts for, in the main, wealthy and high-income people. That is the proposal. We are not quite clear how much on the Senate side yet, but on the House side it is about $350 billion.

(Mr. MACK assumed the chair.)

Mr. WELLSTONE. So there is a proposal in the Chamber right now. And I would say to the Presiding Officer, as I was saying earlier before he was presiding, I did not want to break up the free flow of his remarks, and I was hoping he would respond while he was in the Chamber. But he is in the chair, and I will be kinder because he will not be in a position to debate me. I do not want to go after my good friend since he has no chance to respond.

There is a proposal and there will be a number of alternative proposals over the next few days to this budget resolution. The Democratic amendment is to restore funding to the Medicare and Medicaid Programs using the money currently slated to pay for tax cuts for, in the main, wealthy, high-income citizens. It is that simple.

Mr. President, as I was listening to my colleague, the Presiding Officer, I thought to myself how ironic that those who fiercely blocked health care reform and took cost containment off the table in the 103d Congress now are willing to slash Medicare and Medicaid to pay for tax cuts for the wealthy and to balance the budget on the backs of elderly, low income, and, I would argue, students. And later on in this budget debate we will be talking about the very working families about which my colleague spoke.

Mind you, in this proposal there is no focus on all of the subsidies, tax breaks, loopholes, and deductions that go to some of the largest corporations of America. There is a commitment to several hundred billions of dollars of tax cuts for the wealthy. Some of the largest Pentagon contractors are not asked to tighten their belts. But when my colleague talks about the future of our children, let me just tell you that slashing some of the nutrition programs or saying to students you will not get an exemption on the interest that you pay on your loans while you are in school—though, by the way, many of us did—does not strike me as being a very wise investment in the future of our country.

(Mr. LUGAR assumed the chair.)

Mr. WELLSTONE. Mr. President, as long as medical inflation increases at a faster pace than general inflation, health care costs are going to continue to be the challenge for us, continue to be the Pac Man of both household budgets and the Government's budgets. That was precisely the problem we were trying to address last year.

And that is the flaw in my colleague's analysis—I am sorry he is not on the floor now to respond to this—that the President had no proposal, the Democrats had no proposal.

Mr. President, we have yet to hear exactly how the Medicare Program is going to be restructured to generate more than $250 billion in savings over the next 7 years. Actually, we have not heard anything in specifics. And the reason we have not heard anything in specifics is that there is no way to make these current cuts, massive cuts, easily and quickly without causing the current system to unravel. The public knows it, businesses know it, and the providers of our care know it, as do many elderly and other recipients.

Similarly, we have yet to hear whether or not the formula for Medicaid funding will adjust for population growth or how it is going to be divided among the States.

Two-thirds of Medicaid expenditures pay for long-term costs for the elderly and the disabled—two-thirds. So what we do know is that these cuts will be most devastating for the frailest of our citizens.

Mr. President, again my colleague says there is no proposal on the floor. Sure, there is a proposal on the floor. We have an amendment that says do not go forward with massive tax cuts flowing disproportionately to the wealthiest, highest income citizens of America. Instead, take that money and use that money to make sure that we continue to provide adequate funding for Medicare and for long-term costs through Medicaid. That is the tradeoff.

I have been a little bit dismayed about the debate, because I do not think we need to get into sound bites. I think we can get into sound policy analysis. Let me talk a little bit about some of the numbers that have been put out here on the floor, and I will be as rigorous as possible in my analysis.

When we hear about "No, no, no, we are not cutting; we are going to limit it to 5 percent of overall growth," what is misleading when we are talking about this, when we are talking about Medicare and Medicaid, since most of those Medicaid expenses go to nursing home expenses for the frailest and poorest of our elderly citizens, is that these projections that we are hearing on the floor do not take into account population growth.

In case anybody has not noticed the demography of our country, more and more people, citizens in the United States of America, are 65 years of age and over. And more and more of our elderly are 85 years of age. That is why the costs continue to go up. There are more and more people that are elderly.

My colleague said these programs have been a failure because more and more people are dependent on them. Of course, more and more people are dependent on Medicare and, for that matter, Medicaid expenses for nursing home expenses, because the program has been a victim of its own success. More and more are dependent because more and more people, thank God, live to be 65 years of age and over and our policy goal is not to make sure that fewer people live to be 65 years of age or older. I mean, it is sort of a preposterous argument. By definition, more people are eligible for Medicare because we have a larger percentage of our population that are elderly, and that is what I think we desire.

That has been one of the real pluses of having the Medicare Program, that we have been able to provide health care assistance to elderly people, whereas before 1965—please remember, Mr. President, this is not a price on each senior's head. This is not some sort of check we give people and say, "Go out wherever you want and purchase care."

We know all the problems the elderly people have with preexisting conditions. We know what happened prior to 1965; when people were retired, they did not have health care coverage.

This is a benefits program. This is an insurance program. Why not ask the Medicare recipients and ask their children and ask their grandchildren. It has made the United States of America a better country.

So, Mr. President, let us just look at the demography and the figures.

On Medicare, the current system—and I am talking about per person growth rates, CBO figures—the current system, with the private health insurance coverage, is going up 7.2 percent per person and Medicare 8.3 percent per person. These are budget proposals, Republican proposals, between now and 2002. I do no damage to the truth. I am willing to debate anybody on the floor on these figures. With the Republican proposal, the private will go up 7.2 percent and Medicare will go up 5.8 percent per person.

That is what you have to look at. That is what you have to look at.

By the way, there is an interesting point to be made. Since we are covered under the private health insurance plan, that means that we make allowances to make sure that our per person expenditure for each Senator goes up 7.2 percent but, for those people over 65, it is 5.8 percent. I may have an amendment to address that inequity later on in this debate.

But with Medicaid—I said this to my colleague from New Mexico last week, and I am still waiting for a response—these figures about, "Oh, no; it is going up 5 percent," I say to my colleague from North Dakota, these figures are a bit misleading because these figures do not take into account the number of individuals, as you just look at the demography, who will be eligible.

More and more a percentage of our population are aged. I do not know why colleagues are surprised about this.

Now with Medicaid, we are looking at Medicaid, and now unfortunately we see not only this related to an explosion of people that are over 65 years of age, but also the poor and the children. What we have here, although, again, two-thirds of Medicaid expenses are for nursing homes, the current system, private per-person coverage 7.2 percent, been going up; Medicaid, 7 percent.

Now, again, using the CBO baseline Health Care Financing Administration projections with the Republican proposals, private goes up 7.2 percent, Mr. President, and 1.4 percent—1.4 percent—per person under Medicaid.

Mr. President, I would just like to ask this question: What does that translate into in human terms? If you are going to limit between now and

2002 the increase of Medicaid reimbursement to a 1.4-percent increase per person, what is going to be that impact on those elderly citizens who receive Medicaid assistance for catastrophic care? And what will be that impact on those people who struggle with disability?

Mr. President, my colleague from Florida spoke about some of his meetings back home. On Friday night, Jill and I went to a ball that was a wonderful celebration with the developmental disabilities community. I met a man—I can barely read the type—Robert Gregory. He cannot speak but, through new technology, he was able to type this out for me. And what he wrote out for me was this: "Please, will you tell the Republicans, don't set the disabled back 18 years. We are happy at how far we have come."

Now, the Chair cannot respond, and I know that he would respond because I know he has a real commitment to the community, but I have to say—and I am waiting for someone to respond in debate, and I will be back later on today—if you are going to limit per person, that is the only way you can be rigorous in these figures; do not give me all these aggregate figures. They do not take into account the dramatic increase in the number of citizens that will be 65 years of age and over.

If you are going to limit it on Medicaid—which is frail, low-income elderly nursing home expenses, in the main, and also key to men and women and children with developmental disabilities—to 1.4 percent, and you are not doing a darn thing to control medical inflation systemwide, what happens to these people? That is my question. And so far in the debate, the silence has been deafening. What happens to these people?

Now, are fewer of them going to be, let us take, first of all, the disabilities community. Are fewer people going to be eligible? Less reimbursement for personal attendance? Where are you going to make the cuts? How are you going to do it?

I say to my colleague, somebody, somewhere, sometime, someplace, tell me. Come out here on the floor and tell me in debate how you intend to make these kind of cuts and limit per person expenditure to 1.4 percent a year without devastating consequences for some of the most vulnerable citizens in the United States of America and I will vote with you. You just come out here, be rigorous, and present the evidence.

Mr. President, there are no specifics about $250 billion in restructuring Medicare because it cannot be done. Well, I mean you could do it in a couple of different ways. You can, of course, provide less reimbursement for the providers, but right now the reimbursement is, roughly speaking, 58 percent of what is in the private insurance reimbursement.

Mr. President, I ask unanimous consent to have a number of statements from a number of different citizens and caregivers in rural Minnesota printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A couple from Detroit Lakes, Minnesota write: DEAR SENATOR WELLSTONE: My husband and I are concerned about Medicare cuts! When we reached 65 we were advised to sign up for Medicare—so we did, also taking out Medigap insurance. We pay over $3,000 for Medigap insurance plus the Medicare that is withheld from our social security * * *. Medicare is a great help to decent tax-paying people * * *. The GOP have a contract for the American people—we feel that social security and Medicare is also a contract with the American people.

A woman from Coon Rapids writes: We paid into both Social Security and Medicare all the working years of our life. Reducing the deficit must be done in a fair and balanced way * * *. They did not ask our wealthiest citizens and corporations to share the burden by giving up their tax loopholes.

And finally, a woman from Watertown, MN: I am writing to you about the proposal to cut Social Security and Medicare. I hope you will say "no" to these unfair and irresponsible cuts. I am 86 years old. My husband and I worked hard all our lives. He died eight years ago after being in a nursing home for 5 years. That took all of our savings. I receive $489 a month from Social Security and think I have saved enough for my funeral. We never wanted to be a burden to our children or anyone else. I recently had to go on medical assistance. I have enjoyed good health and am a foster grandparent to a child care center 3 mornings a week. We never missed voting and really worked hard for conservation and the betterment of our country. I hope this has not inconvenienced your time. Perhaps you never did find time to read it, but I surely hope you will vote "no" on that proposal.

Mr. WELLSTONE. Mr. President, I will just tell you something right now, if you are going to cut down on reimbursements, which, of course, you will have to do with Medicare, let us get real and honest about it, two things will happen. Either, I say to my colleague from North Dakota, the providers will be in a position to just simply transfer the cost, shift the cost, in which case—the Presiding Officer knows health care policy well—in which case then what happens is private health insurance premiums go up and then what happens is businesses either no longer can afford to cover employees or the premiums of everybody go up, and then what happens is we get into what is called a death spiral, which means premiums go up and yet fewer people are covered.

Every year, 1 million people less in the United States of America are covered by employment-based insurance. That is what you are going to set off. Get real. Let us debate health care policy. Our legislative proposals have consequences in people's lives. Do not give me these aggregate budgets unless you can explain to me what you, in fact, intend to do. For any colleague to come out on the floor and say the President has no proposal, the President has no alternatives, Democrats do not have any alternatives, welcome to health care reform. The reality of it is staring you in the face. We need to do systemwide cost containment, and let us do that, but for God's sake, let us not target the elderly, the poor, and the disabled.

Now, Mr. President, if the providers cannot shift the cost, which will be the case all too often in rural America, in greater Minnesota and in North Dakota, then many of them will go out of business. It is that simple. Do not take my word for it. Just ask the caregivers—nurses, doctors, you name it—all across rural America what the consequences of these cuts will be. Or you can just simply raise the cost of this for seniors. But please remember—I do not have the figures right in front of me—but please remember, I say to my colleagues, that right now elderly people 65 years and older are paying four times out of pocket already than citizens under 65 years of age. And please remember, I say to my colleagues, that about 85 percent of Medicare expenses go to households with incomes of under $25,000 a year.

So do not have the illusion that these benefits are going to people who have a lot of income. Please remember, I say to my colleagues, that the median income for a male 65 years of age and over is about $15,000 and the median income for a woman is about $8,500. So do not have any illusions that you can put this cost back on many of the senior citizens within this country.

Again, the real question on the Medicaid front is here we have a situation in our country where every year 1 million less citizens have employment-based coverage, and the only reason we have been able to do better on some of the statistics on infant mortality, the only reason we have been able to cover some of our citizens, many of whom are working poor who do not receive that coverage, is through the expansion of Medicaid, much less the ways in which we cover the way people who are elderly and ultimately wind up in nursing homes. If you want to get serious about the cost, do something about home-based care. Let us get back to health care policy. Now we are going to cut this 1.4-percent per person?

Mr. President, Minnesota is in a particularly precarious position when it comes to Medicare and Medicaid cuts or, what my colleagues like to call, capping the rate of growth of the programs.

HMO's that enroll Medicare beneficiaries in Kings County, NY, get $646 per month per enrollee, whereas HMO's in Hennepin County, MN, get $362 per month per enrollee. We have already kept our costs down. We do not get the high payments that other States get.

So a slash-and-burn approach for States like Minnesota that have done an admirable job of already keeping costs down ends up punishing us. We do not have any fat in our system. We are already penalized by the current reimbursement system. And now for recipients, they will be facing about $3,200 more in copayments and deductibles and premiums over 7 years; about $1,028 more in 2002.

By the way, I am assuming that in order to make up these cuts, there will be a 50–50 split between what older people will have to pay out of pocket and further cuts in reimbursement for the caregivers. Mr. President, after all we have heard on Capitol Hill lately about Medicare costs, it would be very easy to forget what the Medicare Program is all about. It is a health insurance program established in 1965 to provide benefits to those who need them the most. It is not a right to a certain dollar amount. It is not just a price tag on the head of every senior, and it is not a check to go shopping.

This Medicare Program provides the foundation of our health care system, especially in rural areas, and it provides support and protects those populations that would have the most trouble purchasing coverage in the private insurance market. Mr. President, I smile when I hear some of the proposals about vouchers and then go out and purchase health insurance. We have preexisting conditions. It has gotten to the point where you have to prove to the private health insurance companies in this country you will never use it in order to obtain it. And my colleagues think that elderly people who are sick, struggling with different illnesses, are going to go out with vouchers and purchase health insurance from these companies? Welcome to health care policy. Let us get substantive.

When Medicare was enacted 30 years ago, most elderly citizens were uninsured. They lost their health insurance coverage when they retired, and currently even with Medicare coverage, as I said before, seniors spend about four times as much out of pocket as individuals under 65. As I said before, 85 percent of Medicare expenditures pay for care for seniors with household incomes of less than $25,000.

Mr. President, I just simply do not understand how my colleagues intend to restructure to the tune of $250 billion on the Medicare and $150 billion, or whatever, on Medicaid without doing serious harm to many citizens in the State of Minnesota and all across this land.

So then the question, and it is a fair question to ask, is why is Medicare so costly? And the simple answer—as a matter of fact, this answer is so simple that the evidence is irrefutable and irreducible, and I would be pleased to debate any colleague on this proposition—the simple answer is that Medicare is costly because it covers very sick people and because health care costs for all Americans, whether privately insured or covered by Medicare or Medicaid, have risen rapidly over the last two decades. And increasing enrollment—I cannot say this too many times, because sometimes we do not know what we do not want to know. My colleagues on the other side of the aisle turn their gaze away from this truth. Increasing enrollment, especially for the over-age 85 population, and the renal-diseased beneficiaries, and increasing medical inflation account for the bulk of the Medicare's Program's increasing costs. It is simple—kidney transplants, dialysis, people living to be 85 years of age—people need more assistance. What is the policy proposal? To have fewer people living to be 85? Of course not. Nobody proposes that.

So, Mr. President, since Medicare is a victim of its own success and we cannot do anything about more and more people living longer lives, all of which I think we are grateful for—and we hope it for ourselves and for our parents and grandparents and other citizens—then what we ought to do is focus on medical inflation, systemwide.

Medicaid provides a safety net for pregnant women, children, as well as critical long-term services for the elderly. Already, as I pointed out, it is projected per person to grow at a slower rate than the private sector. What are we going to do about these citizens, Mr. President? You know, they do not have as powerful a constituency. But what do we intend to do? Women who are expecting children, and children, and elderly, who, by definition, have to go to the poor house, figuratively, to become eligible for Medicaid assistance, to receive nursing home coverage, and we are going to make draconian cuts in per-person expenditures—draconian.

I challenge any of my colleagues on this proposition. What is going to happen to those citizens? Is North Dakota going to pick up the cost? Is Minnesota? It is a shell game. We are not going to walk away from them. So nobody should have any illusion. I hear my colleagues say how we are going to reduce expenditures and let us get fiscally responsible. Yes, let us control costs systemwide. This simply shifts the costs. In this particular case, it is back to the States and local communities.

Mr. President, I am waiting for a discussion about health care policy. I will make two proposals. Colleagues do not have to accept them, but both are important. One proposal in the last Congress was that if you put some limit on insurance company premiums, as you remember the Congressional Budget Office said, by the year 2002, I say to my colleague from North Dakota, we would have saved $100 billion, in 1 year alone. That is systemwide. Maybe it is too controversial for colleagues. Sure, insurance companies are very powerful. Maybe that is not the proposal. But you have to contain the cost systemwide. You cannot just pick out one segment of the population. You target them, you hurt them, you shift costs, you do irreparable damage to some of the underserved communities, including rural America; you do not provide the assistance that we now provide for teaching hospitals; you do not provide the necessary assistance for the disproportionate share of payments for those hospitals who treat the poor citizens in this country. It does not work at all. You just shift costs. Someone pays for it. You make it a shell game if you do not do it systemwide. So let us get real and do it systemwide.

That is how you really begin to get some handle on the Medicare and Medicaid costs. If you do not do that, you scapegoat all too many citizens in this country.

Mr. President, the other thing that you can do, if you are serious about substantive policy—not just slash-and-burn, not just cut, cut, cut—invest in home-based care. For God's sake, why should elderly people not—I had a mother and father with Parkinson's disease. We lived this. Why should elderly people or people with disabilities not be able to live at home in as near as normal circumstances as possible, with dignity? Last Congress, we were debating health care policy. We wanted to expand home-based care. We wanted to control costs systemwide. We wanted to have more of a focus on primary care, preventive care out in the communities. But this Congress it is slash and burn.

Where is the voice of my colleagues who, when we talked about cost containment systemwide last Congress, we talked about rationing and limiting choice, and now they want to ration and limit choice among elderly, low-income, disabled people, and there is not a word? Their silence is deafening. Why are you not out on the floor talking about rationing and limiting choice now? We have an alternative. Our alternative is—there is no credibility to broad-based tax cuts going in the main to the wealthiest citizens of the United States of America while you proceed with a slash and burn approach toward the Medicare and Medicaid programs. Believe me you, we will have alternatives dealing with loopholes and deductions in corporate welfare. We will have a whole lot of other alternatives on the floor.

Mr. President—and I will conclude—again, my colleague from Florida is not on the floor right now, but the debate is not about deficit reduction—going toward deficit reduction. The debate is about where is the standard of fairness. The debate is about responsible economic policy. Some colleagues think

2002 is the date. I have always felt that was a political date, not a realistic date.

As a matter of fact, Mr. President, I heard so many of my colleagues in the course of this debate over the last several months say, "We will balance the budget by 2002. We will have broad-based tax cuts, and we will increase the Pentagon budget." Some of it is on record. I heard colleagues say that, "We will not make any cuts in Medicare. Do not worry, veterans, do not worry students, we will pay the interest on the debt and we will do all of it." Well, Mr. President, I do not think it turned out to be credible. So we are not arguing about deficit reduction, but what we are arguing about is where is the standard of fairness. Mr. President, there is no standard of fairness to the tax cuts for the wealthy and these kinds of cuts in Medicare and Medicaid.

Mr. President, I will conclude by saying we have 2 days of debate on the budget. I think we finish up Wednesday night. But as far as I am concerned, this debate just begins. My good friend from Florida said that people in the last election voted for change. They did. But it begged the question, what kind of change? Did people vote for this kind of slash-and-burn approach, not based on substantive, I think, policy analysis about what we need to do in health care reform in the Medicare and Medicaid area? Did people vote for these kinds of cuts? We will have a debate about the role of Government. And I will conclude with the remarks made by a great Senator from Minnesota, Hubert Humphrey. I have said it before on the floor of the Senate. I think I am going to say it over and over and over again. Senator Humphrey said: "The test of a society is the way in which we treat people, dawn of life children"—I will have an amendment about children—"the way we treat people in the twilight of their lives, the elderly, and the way we treat people in the shadow of their lives, struggling with a disability, people struggling with an illness and people who are needy or people who are low-income."

By that standard, I think this budget proposal falls way short of the mark, and we can do better.

I yield the floor.

Mr. DOMENICI. Mr. President, we will be going into this kind of speaker rotation, their side and ours. Senator COHEN will speak for 15 minutes, and I understand Senator DORGAN seeks to speak after that.

If we establish it now, Senator COHEN will be followed by Senator DORGAN, who will have 30 minutes, and of course if he needs more, his side can yield it to him, and we will find a Senator who desires to speak immediately after Senator DORGAN. We will continue down that line.

I will leave Senator COHEN in charge of the floor for the next 15 or 20 minutes and follow along the lines just agreed to here.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I yield 15 minutes to the distinguished Senator from Maine, Senator COHEN.

Mr. COHEN. Mr. President, I thank Senator DOMENICI for yielding me these 15 minutes.

Mr. President, last week I had occasion to listen to the Senator from Nebraska, Senator ROBERT KERREY. I thought he made a very passionate and thought-provoking presentation.

He called for the return of some sense of civility during the course of the debate on this budget issue. Frankly, I find myself in great empathy with what Senator KERREY had to recommend. I think things have gotten out of control. Certainly they have around the country, in terms of the rhetoric we are hurling at one another, back and forth, not only across political aisles, but indeed, between regions and interest groups.

I took Senator KERREY's call for return to civility and responsible discourse to heart. I think he is quite on the mark. I think we would all do well to follow his example.

In that light, I would like to commend Senator DOMENICI from New Mexico. Frankly, Mr. President, I do not know a more decent human being, certainly in the Senate and maybe this country, than PETE DOMENICI.

I have heard charges leveled against him that as chairman of the Budget Committee he wants to wreak havoc against the elderly, he wants to plunder their savings, he wants to deprive them of hospital and medical attention.

I doubt very much whether many people in this Chamber, or indeed the other Chamber as well, could claim the kind of support that he has enjoyed over the years from our senior citizens' communities. I doubt very much whether many Members have, in fact, the kind of compassion that he has demonstrated over the years toward those who are less fortunate than ourselves.

He is concerned about senior citizens. He is concerned about the middle aged, certainly. But also he is concerned for children. He is concerned deeply about children. He has eight of his own. In fact, I think one is going to be married this coming Saturday.

I think if we look at what PETE DOMENICI has been focusing upon—this spiraling debt—and it affects all the age groups from the very young, to those who are aspiring business men and women, to the labor force, to those in middle age, and to our elderly community.

I really think that we do a great disservice to him when we see the kind of attacks leveled against his efforts by saying that he is simply out to finance tax cuts for the rich by pulling money out of the pockets of the elderly and the poor. I think it does a tremendous disservice to him and also to the entire debate surrounding this issue.

I remember reading a column a couple years ago that David Broder wrote for the Washington Post. He is a respected syndicated columnist. He said he had just finished reading President Clinton's budget. There were two figures—after going through that 1,400-page document—that Mr. Broder thought were missing: The number of $1 trillion and the second number of 58 cents. He looked throughout that entire, massive document and could find those two numbers nowhere in the document.

He said the $1 trillion figure came from the fact that if we were to grant President Clinton's assumptions in the budget, that is, that we have sustained growth during his 4 years in office, that we have low inflation, and that the recommended tax increases and budget cuts play out as budget analysts had projected—assuming all that were to occur—at the end of that first term, we would have increased the national debt by $1 trillion.

That is the rate at which we are adding to the debt in this country. Give President Clinton the benefit of the doubt. Assume everything will work out as he projected, and we were still going to add another $1 trillion to the national debt.

That is a number which, I think, should prove frightening to most people. It means that we are going to be sacrificing the future for the present, that we are going to encumber our children with debts for which they have not been responsible. We are going to tie a ball and chain around their necks, as such, and throw them off into this void of trillion dollar debt increases every 4 years.

Then the other number that was missing from the budget was 58 cents. The projection was that 58 cents of each $1 that we as individuals pay—everybody in this Chamber, and the citizens who are watching from the gallery and from around this country—58 cents out of every $1 paid in personal income taxes would go not for the defense of the country, not for education in the country, not for Medicare or Medicaid, not for highways and bridges, not for science and technology, not for Superfund, not for any of these programs—but rather exclusively to pay interest on the debt.

Since interest on the debt compounds, that will climb exponentially in the coming years unless we do something dramatic to reduce that escalating debt.

Those two figures, I think, should be recalled. They are precisely what Senator DOMENICI, as chairman of the Budget Committee, has tried to come to grips with. It is time, I think, for us to stop politicizing the debate to such an extent that we camouflage the issues and the importance of what those issues mean to the American people.

More recently, the same columnist, David Broder, wrote another piece in the Washington Post, now, some 2 years later. He said really this debate is all about what Government should do in today's society.

Americans are starting now to reevaluate exactly what Government should do on behalf of its people. Not only what should it do, but at what level should Government act. Should it be at the local community or municipal level? Should it be at the State level? Or should it be here in Washington?

These are legitimate issues that we have to work our way through. There is a reassessment taking place through the country. People are not too sure. They have an anger, we are told. Certainly, a high level of anxiety about political events and political policies. There is, as we have witnessed, a good deal of anger that can in fact prove to be explosive in this country. We saw it in what one writer called Beirut, Oklahoma: a form of domestic terrorism taking over that I think poses a severe threat to our security in the coming months and years.

So, this is a legitimate issue for us to debate and, in fact, come to legitimate disagreements. But let us not resort to the kind of class warfare that we see taking place here in this Chamber. Time and time again, every time the Republicans try to come to grips with the budget those on the other side of the aisle accuse Republicans of being miserly, of being mean-spirited, of being cruel, of being heartless because we are trying to protect the future for future generations.

I recall the debate several years ago when the then-majority offered an amendment to tax and somehow punish the rich. We passed a luxury tax. It sounded great. We were really going to go after those people who had the money to buy luxury cars, furs, jewels, and boats. We imposed a luxury tax on boats.

Do you know what it did? Do you think it hit the rich? It was aimed at the rich. It did not hurt the rich. It hit the pocketbooks of the middle class. People of my State got hurt. The workers, the craftsmen, the people who build these boats, these luxury boats, were put out of work.

The same thing will take place as long as we try to wage class warfare. The attack is: Republicans are only concerned about the rich, the wealthy. They could not care less about the middle class. They could not care less about the poor.

Those are unfounded charges. I think they are outrageous charges. And I think all that these charges have done is to pollute the atmosphere in which we have to conduct this debate to such a degree that the American people are confused about the issues and simply are responding out of fear.

So let us not engage in class warfare. There are some legitimate differences of opinion in terms of how we go about trying to achieve a balanced budget. It may be that those on the minority side do not care about balancing the budget. It may be that the debt is an issue too abstract for the American people to grasp, and therefore they see no political benefit in joining in this effort. Not all, but some, may try to exploit this issue. Back in 1981–82—President Reagan had just come into office in 1981—the trustees of the Social Security System came to Congress and said the Social Security System was in trouble. Payments out to the beneficiaries were exceeding its revenues. Unless Congress took action, it would become bankrupt relatively soon.

I recall at that time President Reagan came into office and he made some recommendations for changing the Social Security Program. I, frankly, did not think it was a wise course of action. We supported the President because it was an effort made to reform the system, to save it and make it solvent. I also understood the risks that were involved politically. Whenever you talk about Social Security, that has been described as the hot rail of politics. Touch it and you invite your own mortality, at least politically speaking.

Nonetheless, we voted to reform that system in 1981, and guess what happened. During the 1982 elections, prominent members of the Democratic Party went on television. They held up a facsimile of a Social Security card and they said, "Here is the card. Here is your Social Security card right here. Do you know what Republicans want to do? They want to just tear it up. That is what they want for your Social Security card."

It proved to be dynamite politically. It was very effective. We lost elections at every level of government all across the country, from State legislatures to gubernatorial races, to House and Senate races. It was very, very effective. So they exploited the issue during the 1982 campaign. And then what happened? Guess what happened. Immediately after the elections were over the same people who were tearing up the facsimile of a Social Security card came back and said, "Do you know something, we have a problem. Social Security is in trouble. Why do we not form a bipartisan commission to see if we cannot fix it?" And that is precisely what happened. We formed a bipartisan commission to fix it, after the politics were taken out of it by the election.

It seems to me the same line of argument is being offered right here today and will be offered throughout the debate on this budget. The Medicare trustees have advised us that Medicare is going broke; that the revenues coming in will be less than the payments going out; that by the year 2002, a short time away—6½ years—there will be no money at all left in the trust fund to pay for anyone's hospital or doctor bills. The system will be absolutely broke at that time; nothing will be paid.

In either today's paper or yesterday's paper, a front-page article in the New York Times said, "Those in the heartland are worried about Medicare, what this budget might do to Medicare."

It is ironic. Of course people are worried about what is going to happen to Medicare. But if we do nothing it is going broke. There will be no money in 6½ years. No one will receive payments, no hospital, no community health service, no doctors—none of them will receive anything. And all the people who will need assistance at that time will be left to look at their Government and say, "Why did you not do something about it? Why did you wait these 6½ years? Why did you wait until after the 1996 elections were over before you came forward and said let us work together to try to save the Medicare System?" But that is what is going on right now.

We have not heard one single proposal during the deliberations in the Budget Committee on how the minority would like to see the trust fund protected and preserved and saved. Not one. All they can do at this point is point to the Republicans and say, "Look, you are trying to gut the Medicare Program." We are trying to save it. It is growing at a rate of 10 or 10.5 percent a year. We cannot sustain 10.5 percent a year growth in the Medicare Program. President Clinton recognized this. When he submitted his health care reform proposal he said we cannot sustain this. Mrs. Clinton did, too. They said we cannot sustain 10.5 percent growth each and every year.

The PRESIDING OFFICER. The 15 minutes of the Senator from Maine has expired.

Mr. COHEN. I ask I be permitted an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. So, on the one hand we had the President and the First Lady talking about the need to reduce the growth rate in Medicare. And I have taken pains over their 2½ years in office to praise them in their effort to focus attention on health care reform. I think we need it. It is as necessary today as it was 2 years ago. It will be even more important tomorrow than it is today. As a matter of fact, I have introduced health care reform legislation on three occasions so far this session. So I think they were right in trying to focus our attention on the need to reform the health care system.

I did not agree with the solution they proposed but they deserved credit for putting it on the front burner. Once this budget resolution debate is over, we will put it back on the front burner where it belongs.

But you cannot have it both ways. You cannot say on the one hand we cannot sustain 10-percent annual growth and then, on the other hand, criticize Republicans for saying you are right, we are going to try to sustain a 7- or 7.5-percent growth. To label that as a savage cut when, in fact, that is precisely what they themselves had in mind for their own reduction in the growth of Medicare, seems to me to be rather outlandish.

I believe there is a moral dimension to the argument we are having here today, the debate. I think there is a moral imperative to resolving the dispute on the national debt, on the annual deficits of $200 billion. Right now we are spending roughly $235 billion a year just in interest payments on the debt. Soon that sum will exceed what we spend for our entire national security effort. Interest payments are likely to climb well above $300 billion, $325, $340 billion a year if we do nothing.

So I think there is a moral dimension to this entire debate. There is a moral imperative that we take action that is responsible, that is not filled with smoke and mirrors, as has been done in the past; that we look to Senator DOMENICI, a man, as I indicated, of great decency and courage, for putting forth a budget blueprint which will put us on the road to a balanced budget by the year 2002. Maybe there are some who do not want that. Maybe there are some who say just let us continue doing what we have been doing because it pays political dividends. That is the way you stay elected in this country, just keep saying yes. Just say to every group that comes in, you want more? How can we help you? Rather than dealing with the future of this country.

We have had Jefferson quoted many, many times. One of my favorite quotes of his that I call upon is this: he said, "Whenever one generation spends money and then taxes another to pay for it, that first generation is squandering futurity on a massive scale."

What we have been doing is squandering the future of our children on a massive scale and the time has come for us to reverse this. The time has come for us to stop borrowing from our children, to start paying our own debts, to have something for them available for a better way of life than we are leaving them if we continue on this course.

I also recall the words of Walter Lippmann, who spoke on a different subject some years ago. It was in 1940, on the eve of our involvement in World War II. He was giving, I believe, a speech to his classmates on the 30th anniversary of their graduation from Harvard. What he said at that time, I think, has relevance to what we are doing here today.

Lippmann was concerned about how the country had allowed itself to degenerate into a slothful, wasteful, cowardly Nation, that we had failed in our responsibilities to measure up to the great heritage we had at that time, that we were squandering the present, and certainly the future, because we took the easy way out whenever there was a hard choice to make.

Lippmann said at that time:

> Upon the standard to which the wise and honest will now repair, it is written. You have lived the easy way; henceforth, you will live the hard way * * * you came into a great heritage made by the insight and the sweat and blood of inspired and devoted and courageous men; thoughtlessly and in utmost self-indulgence you have all but squandered this inheritance. Now only by the heroic ventures which made this inheritance can you restore it again.

It is written:

> You took the good things for granted. Now you must earn them again * * * for every right you cherish, you have a duty which you must fulfill. For every hope you entertain, you have a task you must perform. For every good you wish to preserve, you will have to sacrifice your comfort and your ease. There is nothing for nothing any longer.

Mr. President, that is precisely what the chairman of the Budget Committee has said to all of us. "There is nothing for nothing any longer." He deserves our support for the effort he has undertaken.

I yield the floor.

Mr. DORGAN addressed the Chair.

Mr. DOMENICI. Mr. President, will the Senator from North Dakota yield for 1 moment?

I yield myself 1 minute. Then I understand it is Senator DORGAN's turn.

Mr. President, I want to thank Senator COHEN for his excellent remarks. I think he is right on with the notion of shared sacrifice now that we are in this position. It kind of weaves its way through his remarks.

But I also want to thank him particularly for the kind remarks he made about the budget that I have worked for for a long time on numerous task forces; a lot of them. A lot of people participated, and I think it is a good and fair, well-rounded budget.

I thank him for his compliments.

The PRESIDING OFFICER (Mr. HATCH). Who yields time?

Mr. EXON. Mr. President, I yield 30 minutes to the Senator from North Dakota.

Mr. DOMENICI. Mr. President, I designate Senator JUDD GREGG to manage the time on our side until I return to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me begin, as my colleague from Maine did, by complimenting the Senator from New Mexico, Senator DOMENICI, and complimenting my colleague, the Senator from Nebraska, Senator EXON.

Senator DOMENICI has a long and distinguished career in the Senate, as does the ranking minority member of the Budget Committee. I view the work of both of them as very good work for this country, and I think that they are among the two most trusted Members of this body, as a matter of fact. They bring to the floor of the Senate different views about how you achieve the same objective.

There is no disagreement I think in this Chamber about whether the objective of a balanced budget is a worthy objective. Of course, it is. And it is not only an objective. It is in my judgment a priority. The question then is not whether; the question is, how do we achieve a balanced budget?

The Senator from Maine, Senator COHEN, indicated that he agreed with the previous speaker about the need for more civility in our discourse here in the Senate and in the country. I certainly agree with that. We need to debate ideas. We need to be respectful of disagreements and differing viewpoints. There has been a tendency in recent years in this town to try to tear things down, to tear people up.

I have stood on the floor several times and read the list of words that one Member of Congress suggested to members of his party that they should use against their opponents. He said, "When you are running against somebody, use the word 'traitor' to define your opponent. Call your opponent 'pathetic'. Use the word 'lie.' Use the word 'sick.'" Again, "Use the word 'traitor.'"

That kind of counsel is counsel that demeans politics in our country. We must turn away from all of that. Our democratic system is better than that, and our politics should be better than that.

BUDGET PRIORITIES

As we debate this budget resolution, I am going to be critical of some part of Senator DOMENICI's budget. But I will do so with respect. I am going to talk about its impact. He probably disagrees with how I assess the impact of parts of the budget, but I do not do this with malice. I do this because I think this is precisely where we ought to have a vibrant, spirited debate about what we believe the priorities of this country should be.

If 100 years from now historians could look back at us and try to evaluate what we stood for, what we found important, what we held dear, they would almost certainly be able to look at the Federal budget. And by determining what we invested in, or what we spent our money on, they could determine what our priorities were. This is the time and the place for a spirited debate about what we believe is important.

Some years ago I was with a couple of my colleagues traveling in Central America. I think I have told my colleagues this before. I was on a helicopter that ran out of gas in the mountains near the border of Honduras and Nicaragua. When you are in a flying machine that runs out of gas, one of the immutable laws of the air is you will be landing soon. And we did.

We were out of radio contact, sort of in a jungle clearing area where we came down. And the campesinos from around the region came walking up to find out who had landed there. We were not injured at all. Hours later we were hauled out by other helicopters that found us. But as the people walked through the underbrush, the campesinos, to find out who had landed in this mountainous terrain near the border of Nicaragua and Honduras, I was able to talk with some of them through an interpreter.

I found what I have found in every other region of the world. You talk to people about what their life is like, and what their hopes and dreams are. Almost universally, they say they would like to come to the United States of America. Almost all over the world you will find people that answer. "We would like to come to United States of America." When you ask why, they say, "Because the United States of America provides hope and opportunity." You will find that all over the world.

I simply say that today because I think sometimes we lose sight of the advantages and the strengths in this country. We spend so much time debating the problems that we sometimes forget the strength of this country.

The problem we are talking about today is a problem with respect to the Federal deficit. Year after year we spend more than we take in, and it adds to the Federal debt, and the Federal debt requires us then to pay interest on the debt each year. Those interest payments consume an ever-growing portion of the Federal budget.

I would observe with some measure of interest that the Republicans in this Chamber always win a debate they have with themselves. Even then it may take a little while. But they always win a debate that they are having with themselves. Now they say, "We are for a balanced budget because we know it is good for America, but we are not so sure any Democrats are for a balanced budget." Just to put all of their minds at ease, I know I am not alone on this side of the aisle in saying that many of us believe it is a priority. The question is not whether. It is how?

What priorities do we choose? Where do we cut spending, and how do we raise revenue? Who are the winners and who are the losers? In other words, who gains, and who does not? When we talk about that, it is not class warfare. Do not ever let me hear people say it is class warfare when we talk about who are the winners and who are the losers under these budget proposals, because that is nonsense.

The proposal that is brought to the Senate floor has provisions in it that I support in many, many areas. Senator DOMENICI, for example, would choose to cut spending in a range of areas that I would absolutely agree with. I support them. They make a lot of sense. But some of the larger choices in this budget I do not support, and I think there are alternative ways of achieving the same goals with different results.

I have a couple of charts on the floor that describe this budget, not from my perspective, and not from the perspective of the Senator from Nebraska, Senator EXON or others, but from the perspective of Kevin Phillips, a Republican author and columnist, a person of some note.

He wrote a wonderful book incidentally about the 1980's, but I wish to share with my colleagues what Kevin Phillips has to say about the Republican budget proposals. One could hardly say that Kevin Phillips is some liberal, pointy-headed Democrat who is trying to undermine Congressional Republicans. I do not know Kevin Phillips hardly at all, but I am interested in his comments because as I looked at this budget in terms of who wins and who loses, I sensed the same thing that Kevin Phillips does.

Let me read some excerpts of an address that Kevin Phillips gave on the radio last week. Again, a Republican political analyst says the following about this budget.

> Spending on Government programs from Medicare and education to home heating oil assistance, is to be reduced in ways that principally burden the poor and the middle class, while simultaneously taxes are to be cut in ways that predominantly benefit the top one or two percent of the Americans.

That is not me. That is a Republican, who says the fact is the losers are the folks on Medicare, people who need help for education, home heating assistance, and so on. And the winners, well, those are the top 1 or 2 percent of Americans. But he went on.

> If the budget deficit was really a national crisis instead of a pretext for fiscal favoritism and finagling, we'd be talking about shared sacrifice, with business, Wall Street and the rich, the people who have the big money, making the biggest sacrifice. Instead, it's senior citizens, the poor, students and ordinary Americans who'll see the programs they will depend on gutted, while business, finance and the richest one or two percent, far from making the sacrifice, actually get new benefits and reductions.

Again, Kevin Phillips, says:

> In short, aid to dependent grandmothers, children, college students, and city dwellers is to be slashed, while aid to dependent corporations, stock brokers, generals, and assorted James Bond imitators survives or even grows.
>
> If the deficit is substantially reduced under a program like this, there will be a second stage of further upward income redistribution from upper bracket profits in the stock and bond markets.

And finally again from Mr. Phillips' remarks last week:

> If the U.S. budget deficit problem does represent the fiscal equivalent of war—and maybe it does—then what we are really looking at is one of the most flagrant examples of war profiteering this century has seen.

Maybe Mr. Phillips overstates it. Let me go to a previous chart where he talks about winners and losers, because that is the purpose of my discussion today.

The first chart I showed you indicates Mr. Phillips' analysis of this budget is that the burden on the poor and the middle class will be increased substantially, while taxes shall be cut in ways that predominantly benefit the top 1 or 2 percent of the American people. That is why I began saying this is really a debate about priorities. The question in this budget is who wins and who loses, who gains and who does not. And that is why we ought to have a full and thorough debate and then make our own individual choices about how we balance this budget, not whether but how we balance this budget.

MEDICARE AND MEDICAID

There has been a substantial amount of discussion about Medicare and Medicaid especially because they represent the recommendations for the largest proposed reductions in the budget plan.

Now, if you divide the question some: Should we be controlling the rate of increase or the rate of growth in spending on Medicare and Medicaid? The answer clearly is yes. Everyone in this Chamber has known that is a requirement for some long while. It was widely discussed last year and will be even more widely discussed this year, I am guessing. But the budget proposal comes to the floor with a giant cut in both Medicare and Medicaid with no plan for dealing with its impact on the most vulnerable in our society. And we are told by some—the Speaker of the House among others—that the Medicare cut will be painless.

That is an interesting assertion, but it does not contribute much to this discussion because everyone knows the Medicare cut will not be painless. The proposed cuts Medicare and Medicaid in this budget will mean higher health care costs and lower quality of care for the elderly and the poor.

In fact, recently we heard some testimony before the Senate Finance Committee from the new head of the Congressional Budget Office, who was just appointed by the Republican leadership. She was asked: As a result of these cuts, what will happen to quality of health care?

The head of the Congressional Budget Office said:

> What is provided by the Government within this amount is not likely to be the same level of quality.

Let me read that again because it kind of reminds me of the op-ed piece in today's Post that says, "Beltway Babble."

> What is provided by the Government within this amount is not likely to be the same level of quality. To maintain similar quality—

Dr. O'Neill said—

> seniors will pay more for it.

Stripped away, the question is, if we have this kind of a budget cut in Medicare and Medicaid, will you have the same kind of health care quality? The answer is no. Will health care cost more for the elderly and the poor? The answer is yes.

Now, what are the other consequences? Well, the other consequences will be that we will see rural hospital closings across rural America. In my home State of North Dakota, you will see I think a dozen rural hospitals close. You will see the elderly with chronic health problems, who are struggling now with respect to access to health care, struggle even more.

All of us have talked to the 80-year-olds at town meetings who tell us they have heart problems and diabetes, and the prescribed medicine for these life-threatening problems they cannot afford, so they take half the dosage so it lasts twice as long. That is the only way they can do it because they cannot eat and pay the rent and buy the medicine. They do not have the money. All of us understand that. That is what is happening today and that problem will be exacerbated by these cuts.

Now, the budget also says we ought to make substantial cuts in education. It says let us raise some revenue by asking college students to pay interest that begins accruing immediately when they get a college student loan. The effect of this is to significantly increase the payments they will be required to make especially from low- and moderate-income households. So, through this budget, we are saying to people, we want to make it harder for you to send your kids to school.

Well, it seems to me that the first investment you make, if you care about the future, is the investment in your kids. The first investment is an investment in education. What investment in this country pays bigger dividends than the investment in kids? None. There is not one.

I told my colleagues before about walking into the office of the oldest Member of Congress when I came here, Claude Pepper from Florida, a wonderful gentleman. He was then in his late eighties. He had come during Franklin Delano Roosevelt's term in office. He was a bright, interesting guy. On the wall behind his chair he had two pictures. One was Orville and Wilbur Wright making the first airplane flight, autographed to him by Orville Wright: "To Congressman Claude Pepper, with deep admiration," and beneath it an autographed picture of Neil Armstrong standing on the Moon.

What does that mean? What is the difference between those two pictures? Massive investment in education and the enormous dividends that education yields in technology and progress. It is from the ground to the air to the Moon. That is what education is. It is about our future. It is about dividends.

And this budget says, "Well, let's decide that that is not a priority. Let's decide that we cannot afford the full, good-quality health care for the elderly and the poor, and we cannot afford the full measure of investment in education for our young people."

Now, why can we not afford to do that? Because we have designs on giving tax relief. Kevin Phillips says it—the burden on the poor and the middle class increases, while simultaneously taxes are to be cut in ways that predominantly benefit the top 1 or 2 percent of Americans.

Why can we not provide a full measure of help to somebody that wants to send their kids to college? Because they want to give tax cuts. Oh, it is cleverly placed in this budget. It is sort of off to the side as a footnote. But they have reserved $175 billion specifically for the Finance Committee specifically for a tax cut so that what is done on this side will mirror what was done in the other body in its Contract With America.

Now, the tax cut is called a middle-class tax cut. The tax cut, at least in the House of Representatives, does the following: It says, if you are a family with under $30,000 of family income, you get a whopping $124-a-year tax cut. But if you are a family with over $200,000 in family income, God bless you, we are going to give you a big old tax cut of $11,200 a year, because you are important to us, they say.

They want the delivery truck to stop at the middle-class home where they are going to send their kids to college and pick up some money from them, because they said we need a little money from you. Then they want the delivery truck to stop at some home for the elderly and pick up some of their money and some of their Medicare benefits. Another few stops collects money from low-income families health assistance and education assistance, because we cannot afford that any more.

Then what does the Republican delivery truck do with all that money? It makes other stops in Hometown, USA after picking up all that money from all those folks. Yes, it drops the money off at the banker's house and the big businessman's house. And the driver says: You know something? We've been making the rounds here in our hometown. We've gathered up some money from the folks here—the folks who were going to use it to send their kids to school, going to use it to heat their house in the winter, going to use it because they were poor and needed health care. And we gathered up all that money and now we are knocking on your door because we think you, the richest man in our town, really deserves a little more.

So we are going to drop these bags off at the front door and hope you do a good thing for our community. We hope you will go out and spend it, and spend it here at home, if you will, so that all that money somehow will trickle down to all these folks and that family that wanted to send their kids to school might someday see some small dividend from your wild spending spree as a result of this tax cut.

Well, that is sort of putting it in a hometown context. If this were a hometown decision instead of a country, do you really think we would do that? Do you really think we would say to the families: "You're having trouble sending your kid to school, so let's make it harder and let's use the money to give a tax cut to the richest person in our town"? I do not think so.

Class warfare, my colleagues say. Is it class warfare to talk about the priorities, if you think the priorities are wrong? I do not believe that is class warfare. I believe it is appropriate to quote even a Republican commentator who says this is a massive shift of income from the poor and middle-income families to the rich and the big corporations.

Did you know, as we are talking about all these choices and priorities, that the other body, in its Contract With America tax bill, they decided they wanted to eliminate the alternative minimum tax for corporations? This is the device by which we prevented big corporations from making billions of dollars in profits and paying zero in taxes.

Without the AMT, a corporation can make $3 billion in net profit and end up paying zero in taxes. Meanwhile, somebody gets up in the morning and goes out and works hard 8 hours a day digging ditches or hard manual labor and pays a tax on it because they cannot get out from under it. They have to pay a tax on the work they do; that is what people do. Businesses in the past would make several billion dollars and pay zero, so we decided to stop that. We created an alternative minimum tax so that profitable corporations still have to pay something in taxes.

This is what the other body has just repealed. It means $4 billion for 2,000 corporations. In other words, 2,000 corporations get $2 million each in tax benefits at the same time that we are saying as a matter of priority that education somehow does not count, education does not rank near the top of what this country thinks is important.

We are also told in recent debate here on the floor of the Senate that the budget proposal to cut Medicare will actually save Medicare from insolvency.

Now, I must say this is kind of a disingenuous argument. It is not new to understand the trustees' report that says that Medicare will at some point face a very serious problem. The year now is 2002. Twenty-three times in the past 25 years the Medicare trustees have issued their report projecting the insolvency of the Medicare part A trust fund. So this is not new.

In 1972, the trustees projected insolvency in 1976, and Congress took action to solve it. In 1982, they projected insolvency by 1987, and Congress took action to solve it. In 1993, the trustees projected insolvency by 1999. And, of course, it was the President's 1993 budget—which I voted for and not one Member of the Republican Party voted for—that extended the solvency another couple of years until the year 2002.

So this insolvency issue is an interesting one. They apparently have just discovered that somehow Medicare is going to be insolvent. We must make Medicare changes. But it seems to me those who suggest let us make Medicare changes in order to create large savings from which they can give big tax cuts to the rich, they run into a priority problem with some of us who did not decide they wanted to serve in the Senate in order to accomplish that.

I would like to, while I am on my feet this morning, ask a couple of questions. In making some observations, I would refer to page 7 of this budget resolution, Senate Concurrent Resolution 13. I have heard, I guess, a dozen members of the majority party say this is a balanced budget. And I am going to ask a few of them when they talk about that later today about how they reach that point.

Again, I refer back to the op-ed piece in the Washington Post this morning, entitled "Beltway Babble." Only that can explain the moniker of "balanced budget" attached to Senate Concurrent Resolution 13. Let me refer my colleagues to page 7, which is the page on which deficits are annotated.

And the deficits—I will not read them all—go from 1996 to the year 2002. And in 2002, the deficit is $113 billion. Now if it is a balanced budget in the year 2002—and I have seen charts in fact brought to the floor in which they say 2002 it is zero. In 2002, it is a $113-billion deficit.

The only way that one could get to zero with a chart would be to take from the Social Security trust fund that money which is dedicated for Social Security purposes only and use it to show a zero.

But, of course, they do not do that in this budget resolution because the law prevents them from doing that. This is not a balanced budget, should not be called a balanced budget, and in calling it a balanced budget it is not accurately described.

It is a budget document that in the year 2002 leaves a $113 billion budget deficit, and I hope to ask some of my colleagues about that in the coming days. I will ask if they will join me. I have some additional recommendations for them, of some revenue increases and some spending cuts that will make a truly balanced budget, and I intend to offer them.

If you want to bring to the floor a product you call a balanced budget, why do you bring to the floor a budget document that on page 7, when it talks about deficits for the year 2002, has a $113 billion deficit? I am guessing we will vote in 48, 50, 60 hours from now on the budget amendment. Between now and then, if the majority side continues to describe this as a balanced budget, perhaps they can find the $113 billion to make it a balanced budget and, if not, I hope to offer them some recommendations to try to be of some help.

Mr. President, how much time is remaining on the 30 minutes?

The PRESIDING OFFICER. The Senator has 2 minutes left.

Mr. DORGAN. Mr. President, my party has had both the burden and the joy over the years of constructing and building a lot of things that are important to this country. Medicare is a very important program for this country. It has contributed to the lives of a lot of Americans in a very important way.

It is true that it takes considerably less skill to destroy than it does to build. Someone who was asked once if you had two houses and one you were to build and one you were to tear down, what kind of people would you hire to do each? The answer is clear. To tear down, you hire unskilled people; to build, you hire people with skills.

We have been builders over the years, and some of that which we have built in this country, I am enormously proud of, and on some we have probably gone too far. But I think what makes this country a good country, a wonderful country and a compassionate country is still worth fighting for.

I mentioned on the floor a month or so ago about Stanley Newburg, who died in New York City recently. I did not know him, but I read the newspaper report. He died in his eighties. They opened his will.

Stanley was a young man when, with his family, he fled Austria and the persecution of the Jews by the Nazis. He came to New York and walked with his daddy on the lower east side peddling fish. They peddled fish. They did well. Stanley went to school, college, found a job with an aluminum company. He did so well, he ran the aluminum company, and did so well he bought the aluminum company. He died recently around 80 years old. They opened his will and he left $5.7 million to the United States of America, with deep gratitude for the privilege of living in this great country.

This is a wonderful place for a lot of reasons, and many of them represent the priorities that we are going to debate on the floor of the Senate around the circumstances of this budget resolution.

Yes, let us be critical from time to time, but let us also understand what makes this a good country and a great country, the kind of things that make America a great place in which to live.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. I yield 10 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I thank the able Senator for his kindness.

Mr. President, for the first time in many years, this Senate has before it a blueprint for balancing the budget and reducing the national debt. What a refreshing contrast this budget resolution is to the budgets proposed over the past 2 years by the President. Those budgets called for the largest tax increase in history, continued deficits, a significant increase in the debt, substantial growth in nondefense Government spending, and dangerous reductions in national defense spending.

Mr. President, I support the overall direction of the proposed Senate budget resolution. I commend the chairman and members of the Senate Budget Committee for their efforts in bringing a resolution to the floor which controls entitlement spending, restrains the growth of Government, and eliminates annual deficits.

The next step, while maintaining zero deficit budgets, is to reduce spending levels in order to lessen the tax burden on families and businesses of this Nation. If we are to have sustained economic growth, Government spending must be restrained. A balanced budget amendment and line-item veto authority would do much to bring about fiscal responsibility. While earlier this year the Senate failed to pass the balanced budget amendment, I am hopeful that the Senate will pass that amendment this year.

Mr. President, at the beginning of this debate, I stated that we have the greatest nation on Earth. It provides Americans more freedom, more justice, more opportunity, and more hope than any nation has provided any people in the history of the world. I repeat, this great country of ours will be in jeopardy unless we do at least two things. First, we must provide an adequate defense to protect ourselves against the enemies who would destroy democracy and freedom. Second, we must put our fiscal house in order.

With regard to the level of defense spending in this budget resolution, I want to point out a few basic facts. The Budget Committee recommendation endorsed the President's budget submission for Defense. I remind my colleagues that the President's budget proposal was unanimously rejected by the Senate in an earlier vote. Discretionary funding for defense is reduced by $8 billion from 1995 to 1996 and continues on this downward slide through fiscal year 1998. It is only by fiscal year 2002 that the defense budget is brought back to its 1995 level. I am concerned that this reduced level of spending will not support the force structure or preserve our national security interests. The most recent request for defense supplemental appropriations should be an indication that the proposed budget will not support the required level of training, maintenance, operations and modernization.

A part of our national defense requirement is to provide for those veterans who have served their country. Those who have fulfilled their obligation of citizenship must not be deserted. I am satisfied that this budget protects veterans' benefits and health care.

I recognize that total nondefense discretionary spending is reduced in this budget resolution. However, I would submit to my colleagues that providing for the common defense of this Nation must be our highest priority. Other Senators may have different views on spending priorities. I can assure you that I will have more to say about defense spending, and I look forward to that debate in the near future.

Further, Mr. President, this budget resolution is a good step in the effort to put our fiscal house in order. It provides for restrained growth in overall Government spending. Because spending grows at a lower rate than projected revenue increases, the deficit will be reduced each year, and will be finally eliminated in fiscal year 2002.

This budget resolution provides for real deficit reduction without raising taxes. American families and businesses have carried a heavy tax burden to support the appetite of the Federal Government. Under present tax policies, Mr. President, capital investment is punished, earnings of senior citizens are penalized, consumption is favored over savings, and America's families keep less and less of their earnings. This resolution says "no" to balancing the budget by additional taxes.

Mr. President, critics of this budget continue to claim the resolution contains a tax cut for the wealthy paid for by cuts on the aged and poor. I will emphasize what has been stated many times on this floor—this resolution does not contain a tax cut. A reserve fund is established to protect what has been called the fiscal dividend. That fund can only be made available for tax reduction after passage of the reconciliation bill. In addition, the Congressional Budget Office must certify the amount of the dividend available for tax reduction.

Mr. President, I am hopeful that there will be a dividend to apply to tax reduction and reform. Our tax system is not only an economic burden, but also an administrative nightmare. The aggravation level of the taxpayers of this country continues to rise. After bringing our budget into balance, we must work toward a fair and simplified tax structure.

Mr. President, I would like to comment on this budget's treatment of various programs which I would categorize as economic security items. This resolution provides for increased spending for Medicaid, Medicare, other health programs, various income security programs, and Social Security. It does not abandon this Nation's longstanding tradition of helping those who are truly in need or cannot care for themselves.

Finally, funding for administration of justice also increases in this budget. Additional funds are provided for the violent crime reduction trust fund and other Federal law enforcement functions.

Mr. President, the Framers of our Constitution clearly established the priorities of our National Government. While we have adapted to meet current needs and circumstances, the underlying principles remain constant—to provide for our common defense, establish justice, and promote the general welfare. While this budget resolution is not perfect, it puts us on a course to reap the promises of this Nation: liberty for ourselves and our posterity. As Thomas Jefferson once said, "And to preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude." Mr. President, the choice for us is clear—let us choose economy and liberty. I thank the Chair and yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 6 minutes to the Senator from Nevada [Mr. BRYAN].

Mr. BRYAN. I thank my friend, the Senator from Nebraska.

I rise to support the Democratic leadership's amendment to restore funding to the Medicare Program.

I believe it is imperative and in the national interest that we balance the budget. I have supported a balanced budget amendment to our Constitution since first embarking on elected public service as a member of the Nevada Legislature in the 1960's. I continued that support as the attorney general of my State and later as Governor, and on at least two occasions as a Member of the U.S. Senate.

In my view, balancing the budget is critical for our economy to remain viable at home and for us to become internationally competitive abroad. Mr. President, this budget proposal that we are dealing with fails the most fundamental of tasks, and that is a task of fairness.

It is rather ironic that it is this month—Older Americans Month—and the month in which the Fourth White House Conference on Aging was held, that the Senate is considering cutting Medicare to the magnitude of $256 billion over 7 years. It is the same month in which the other body already passed $280 billion in Medicare cuts. In my view, Mr. President, this is an unconscionable way to address Medicare reform.

Seniors have always been willing to help our country out when asked to shoulder the responsibility. They do not want their children and grandchildren to carry the burden of the financial deficit. They are willing to share it, but not unfairly bear the burden of needed revenue cuts to balance the Federal budget. Let us be clear, Mr. President, these are Medicare cuts, and the impact will be devastating.

But under this budget resolution, the burden is not being fairly shared. Seniors are taking a disproportionate hit, and for what? To help pay for tax cuts to benefit those in our society who are among the most affluent in our country—those citizens making up to $200,000 a year.

Seniors throughout this country are dependent upon Medicare to ensure access to the health care services they need. I can certainly understand, and I think my colleagues will understand, that their real fear is that the health care system upon which millions rely may be gutted as a consequence of this budget resolution.

In 1993, when Medicare faced a significant cut, I introduced an amendment to the budget reconciliation package of that year to eliminate a large part of the additional proposed Medicare cuts by repealing section 936 of the Internal Revenue Code, the so-called pharmaceutical tax benefit, which provides a tax cut for companies operating and hiring workers in U.S. possessions. The amendment failed. The story was the same. Seniors were asked to suffer an unfair portion of the burden.

Let us not fool ourselves. Seniors understand very well how these massive proposed Medicare cuts are going to directly affect them. They understand health care cost shifting. They know how increases in copayments, deductibles and monthly premiums hit their pocketbooks. They know how Medicare health care access can decrease after cuts are implemented.

And, most importantly, they know these changes will mean that they are going to pay more to get less health care coverage.

Seniors also understand, Mr. President, that Medicare costs must be reduced and cuts can be made. We all know there is still a significant amount of fraud and abuse in the Medicare system that siphons off funds from legitimate health care. Changes can be made in Medicare to achieve information savings. No doubt, there are ways to contain explosive Medicare's growth, but in a much less devastating way than the proposal before us.

In Nevada, I hear poignant stories from many seniors, particularly those living on fixed and limited incomes, where only Medicare can ensure health care access. For seniors, the fear is very real that Medicare will be impacted to such a degree by these proposed cuts that they may no longer be able to afford their Medicare deductibles, copayments and premiums. These cuts translate into about $900 per year per senior by the year 2002 in higher premiums, copayments and deductibles. Over the 7 years until 2002, this means an additional cost of $3,200 for a single senior, $6,400 for a couple.

My State of Nevada is impacted most severely. Nevada is the fastest growing State in the Nation. It has also just been named the first choice of seniors seeking a retirement location. Nevada's nearly 200,000 Medicare recipients will soon be joined by thousands more seniors. Nevada leads the Nation with the growth projection of 122.7 percent for the number of seniors age 65 and over from 1993 to the year 2020.

Many Nevada seniors have already experienced the difficulty in finding a physician willing to take new Medicare patients. The growth in the number of seniors seeking medical care coupled with these proposed Medicare cuts will certainly impact their access to Nevada's health care system even further. This will not be a problem unique to Nevada but one seniors across the Nation will face.

Mr. President, Medicare celebrates its 30th anniversary this year. What an anniversary present some Members of the Senate are providing for the Nation's seniors. For 30 years, seniors have had health care services and have not had to fear that an illness will devastate their personal finances. But now, 30 years later, they have much cause to worry about whether Medicare is going to continue to be there for them when they need it, or whether they are going to be able to afford the cost.

We all want to assure that seniors in our States will continue to have health care coverage. We can do that if we take a more reasoned and rational approach to reforming Medicare to sustain its financial viability. I urge my colleagues to support this amendment and to restore $100 billion of the proposed Medicare cuts as a step for a better approach. Our seniors deserve no less from us.

I yield the floor and thank my distinguished colleague, the Senator from Nebraska.

Mr. EXON. Mr. President, I have been listening with great interest and appreciation to the remarks by my colleague from the State of Nevada, another former Governor, who understands what is going on in the States, who understands the relationship between the State and the Federal Government, and above everything else, recognizes and realizes the obligation that we have to act fairly in our deliberations, discussions and bill-passing here in the U.S. Senate.

Previous to the remarks of the former Governor from Nevada, now Senator from Nevada, we heard an excellent presentation by my colleague from the State of North Dakota.

The Senator from North Dakota is a former tax commissioner of that State. He knows that State. He knows rural America very, very well. Since he has come to the U.S. Senate, we have come to appreciate and respect the dedicated talents that he has with regard to the relationship between the Federal Government and the State government.

Certainly, I thought that the excellent presentation he made with regard to the statements about the budget submitted by the majority in both the House and the Senate deliberations are absolutely a travesty. Kevin Phillips, a noted Republican columnist and spokesman, hit it right on the head.

I have some remarks I would like to make, but I recognize that we are trying to move evenly back and forth. I certainly ask the managing Republican on the Senate side now whether or not he is waiting to speak, or is it his desire that the Senator from Nebraska continue on his remarks that I would like to make?

Mr. GREGG. Mr. President, I do intend to speak, but I am happy to have the Senator from Nebraska proceed, and I will speak after the Senator from Nebraska has completed his statement.

Mr. EXON. I see the Senator from Washington is on the floor. He will seek recognition, is that correct, at an appropriate time?

Mr. GORTON. At an appropriate time.

Mr. EXON. I simply say to my colleague, it would only be fair for him to proceed at this time, and I will follow. Then he has the disposition on his side for the next speaker, to keep it in the regular order.

Mr. GREGG. If that is the wish of the Senator from Nebraska, that is certainly acceptable to me. I appreciate his courtesy.

Mr. President, I want to address a couple of comments that have been made here relative to both Medicare and also to tax elements of this budget because I think there have been attempts to address the issue, but I do not think they have been accurate in their reflection of exactly what is going to happen.

The Medicare trust fund is the issue. Its solvency is the issue. Now, the definition of solvency within the Medicare trust fund was not created by myself or members of the Budget Committee, but created by the trustees of the trust fund.

They have testified, and there have been charts on this floor reflecting this fact, and there has been discussion of this, that the Medicare trust fund could well be insolvent and is going to go insolvent as of the year 2002.

What have we received as a response to this insolvency from the other side of the aisle? Essentially, we have seen nothing—no proposals at all. We have seen them, however, attack with rather significant enthusiasm the proposals coming from this side of the aisle. They have attacked the number which we are proposing to address in this budget in order to try to correct the trust fund problem as being an outrageously high number, a number they have never heard of, a number they cannot conceive of, $256 billion over 7 years.

I think we need to put that number in some context. If we look at the trustees' report, the trustees of the Medicare trust fund, ironically, four of whom happen to be members of this administration, including the Secretary of HHS and the Treasury Secretary, that trustees' report says that in order to maintain the solvency of the trust fund on an actuarial basis of 25 years, which is the minimum that they suggest, an adjustment in the trust fund must occur of approximately $262 billion, not over 7 years but over 5 years.

We are talking about $256 billion over 7 years. We are coming in at a level which is significantly below, significantly below, what the trustees are saying—the trustees being Donna Shalala and Secretary Rubin—is necessary to obtain actuarial solvency of the trust fund.

What does that mean, actuarial solvency? It sounds like a big name, a technical phraseology. What it means, quite simply, is if the senior citizens of this country are going to have the ability to have health care insurance, they have to have a health care trust fund which is solvent.

The trustees have said, as of the year 2002, there will be no more insurance trust fund because there will be no money in the trust fund. In order to have money in the trust fund and to have it for a period of 25 years, they need to have an adjustment of $262 billion over 5 years.

So the number that we have put forward as our goal for adjusting the trust fund is a very reasonable number and is one this is absolutely necessary at a bare minimum to assure that the senior citizens of this country actually have health insurance, something which the other side seems to be just ignoring.

They come down here and say we cannot take this money and transfer it to that account, and this money from that account. But nobody mentions that the trust fund is going broke. The President's people have said that in their report.

What does this number mean, again, in terms of the overall context of the Medicare Program? Does it mean the Medicare Program is being cut? That we are talking about adjusting the trust fund, the funds flowing into the trust fund, and talking about adjusting Medicare by this amount of $256 billion, does it mean the Medicare Program is being cut? That is a big number. It sounds like it might be. No, it does not mean that at all. It does not mean that at all.

What we are talking about with that number is allowing the spending on Medicare payments in this country to increase by 7 percent over the period of that 7-year period.

A Medicare beneficiary who today receives $4,350 per beneficiary will, in the year 2002, be receiving $6,300 per beneficiary. There is no cut there.

In fact, in the year 2002, the amount of money that we will spend on the Medicare System in this country will be $96 billion more than what we are spending today. What we are talking about here is the fact that the Medicare trust fund and the spending for Medicare is increasing so fast—10½ percent annually—that we simply cannot afford it. It is bankrupting itself. As a result, there will be no insurance for senior citizens.

So what we are suggesting is we take the rate of growth of Medicare spending and reduce it to something we can afford. We are not talking about cutting it. We are not talking about even reducing it to the rate of growth of health care in the private sector, which last year premiums dropped by 1.9 percent in the private sector. We are talking about allowing an annual increase of 7 percent in the Medicare trust fund, which works out to a huge amount of increased spending on Medicare over the next 7 years.

It works out to a solvent Medicare System, one that is not insolvent, one where seniors will actually be getting Medicare and have dollars available for Medicare rather than not be getting dollars available for Medicare, because the trust fund would be insolvent if it continues to grow at its present rate.

So this discussion of the attempts by our side to address the Medicare trust fund by putting it into balance and by reducing the rate of growth of the Medicare spending in this country and in this Government is purely political. In fact, it is so political that if we look at the President's own statements from a year ago, we realize that he agreed with Republicans, and today his party and his administration does not seem to any longer give credence to what they said just a year ago.

The President said a year ago today, Medicare and Medicaid are going up three times the rate of inflation. We propose to let it go up at two times the rate of inflation.

My goodness gracious, that is exactly the Republican proposal. We took the President at his word last year. We took his proposal, and we have a rate of growth of Medicare which is two times the rate of inflation.

But suddenly it is a horrible event. Not only did the President say that, but even Mrs. Clinton said that. She said that the rate of growth was too much and that we had to reduce it. More importantly, she said that cutting the rate of growth was not a cut in Medicare. She agrees with this side. Even Ira Magaziner agreed with.

Mr. GORTON. Will the Senator yield for a question?

Mr. GREGG. I yield for a question, sir.

Mr. GORTON. Mr. President, I say to my friend from New Hampshire that I find these arguments intriguing and, of course, persuasive.

He and I have talked in private about this for some time, but I wonder if he would, for a moment, take the other half of the question. We have a very specific amendment in front of the Senate, a $100 billion amendment, coming out of the dividends which we firmly believe and the CBO says will arise out of balancing the budget because we have a better economy in the United States.

Now, the proponents of the amendment do not want a balanced budget. They have not come up with a proposal for a balanced budget. But they do want to spend most of that dividend in the form of this amendment, some $100 billion, dividing it among part A and part B of Medicare—part A the hospital insurance portion being that portion which will go bankrupt in the year 2002.

Let us assume, I ask the Senator from New Hampshire, that half of that money, $50 billion, just comes in the form of a cash infusion into part A of Medicare but without any other changes because we have not heard of any other changes the other side proposes. What would that do with respect to the projected bankruptcy of Medicare part A in the year 2002?

Mr. GREGG. I think the Senator from Washington has raised a very valid point. What the Senator from Washington is pointing out is, first off, the other side of the aisle has no budget, no proposals at all in the area of entitlement reform. Second, what they are proposing is to take what will be basically a dividend as a result of interest rates dropping and just take money and throw it at the system, a system which is fundamentally flawed, a system which is growing at twice the rate of inflation, and a system which cannot maintain itself.

So the practical implications of what they are proposing is it will have no significant impact on the solvency of the trust fund because it will put into place no attitudes or reforms which will reduce that rate of growth of the trust fund. And what the trustees told us when they testified before the Budget Committee, of which the Senator from Washington is a member, and I know he is an active participant at these hearings, was there had to be fundamental reform of the trust fund, in the way we deliver health care, in order to get it into actuarial balance.

Mr. GORTON. I ask the Senator from New Hampshire, is it not true that the trustees said, "You can either make changes in the rules with respect to eligibility or, alternatively, you can increase the payroll tax?" Am I correct in feeling that they really did not talk about a one-time general funded infusion into the system of cash money, without any reforms on the other two scores at all?

Mr. GREGG. The Senator from Washington is absolutely correct. They did not talk about a one-time cash infusion of, say, $50 billion into the fund because they recognized that will do nothing to correct the problems which they were highlighting to us. They were saying there was an urgent need for fundamental reform of the manner in which the trust health care is delivered under the Medicare system, in order to get this into actuarial balance. And a one-time cash payment is not going to solve the problem. That is basically, I presume, why they never conceived of the idea, because they are charged with correcting the problem, not with just the political response to the problem.

Mr. GORTON. So the proposal we have before us at the present time will not cure any of the ills of Medicare part A? And may very well unbalance the budget, because it is a contingent amount of money, contingent on our balancing the budget, and certainly will help prevent any kind of dividend in the form of lower taxes to middle-class working Americans; is that not correct?

Mr. GREGG. The Senator from Washington is absolutely correct in all those statements and assumptions, in my opinion.

Mr. ROCKEFELLER. Will the Senator from New Hampshire yield?

Mr. GREGG. I yield to the Senator from West Virginia for a question.

Mr. ROCKEFELLER. It will be a question.

Taking off from what the Senator from Washington has indicated, does it not strike the Senator, in looking at the amendment of Senator LAUTENBERG and myself, that we are not in any way pretending that this $100 billion is going to cure the trust fund problem? What we are trying to establish is a matter of priorities. Obviously $100 billion is not going to solve the problem, but neither does the Republican budget resolution before us; $100 billion kept in Medicare, kept in health care funds, is a statement of what is important as opposed to putting it into some reserve fund which I believe most people in this Chamber believe is going to be used for tax cuts for the wealthy.

So would the Senator not agree that by putting $100 billion back into health care, we are not so much saying this is going to solve the problem, because obviously it is not—neither does the Republican budget resolution—but is it not a matter of keeping the money in Medicare and not spending it on other uses?

Mr. GREGG. I would have to say to the Senator from West Virginia I would have two concerns about that representation.

The first is this: I do not think, and I believe the numbers prove this to be accurate, that you can get our budget under control, that you can get the budget of the Federal Government under control, unless you address and fundamentally reform the health care function of Federal spending. Because 55 percent of entitlement spending, independent of Social Security which we are not going to address, is health care driven. And, thus, I do not happen to think that you resolve this problem unless you take a hard look at it and you do the work and you produce a reform that is going to change the rate of growth of Medicare spending from 10.5 percent that it presently has in Medicaid, from the 10.5 percent which it presently has, to a rate of growth which we can tolerate which is about 7 percent in Medicare and probably about 5 percent in Medicaid. And those numbers are the numbers that we use in this budget resolution and I think they are reasonable for that reason.

The second part of the Senator's assumption would be, "Well, even if those numbers are reasonable, we should still put this money into Medicare and Medicaid, if it is available, if you can obtain it without doing the reform"—which I do not think you can. In other words, I do not think you can get the 2 percent savings in interest rates which comes from getting a balanced budget, unless you address the health care function which produces the balanced budget.

But even if you get that transfer, what you are saying is that extra $100 billion should go in there and we should have it on top of the reform, of what would occur from reform. So you are talking about actually encouraging a rate of growth in the health care accounts which would exceed what I think we have to have as a rate of growth in order to have balance in the budget.

The second reservation I would have about the Senator's point is this. There has been all this talk. I think every person on that side who has gotten up has said we are going to take this $170 billion, which we are told we are going to get. We are not sure we are going to get it. CBO says they will score this if we get to a balanced budget glidepath and it results from the fact that interest rates go down. It is not a result of any cut in spending. It results from interest rates dropping. We are going to take this $170 billion and we are going to transfer it back to the taxpayers. We are going to say this is your money to begin with. You ought to get to keep it. You ought to get some benefit out of us balancing the budget.

Everybody has gotten up on that side and said that is a benefit for the rich. You are taking from some group—whether it has been—one group has been children, one group has been unwed mothers and pregnant mothers, and another group has been the elderly—and you are giving it to the rich.

This resolution says that 90 percent of any tax cut—90 percent of any tax cut—has to go with people with incomes under $100,000.

Maybe there he has a new definition of wealthy in this country, but people with incomes under $100,000 I do not find, definitionally, as wealthy. So I believe first we should make the tax cut if we get this dividend, because I think it will run to the benefit of people who are today paying the price of running this Government, which is out of control. And, second, since 90 percent of it is going to go to people with incomes under $100,000 I do not happen to believe that is a transfer to the wealthy.

Mr. ROCKEFELLER. I would say again to the Senator from New Hampshire, what he is suggesting is that we take Medicare money, $256 billion, and cuts in Medicaid, and use those health care cuts to pay for tax cuts.

Both the Republican CBO Director and the past Democratic CBO Director had a common view on this. The only way to achieve short term savings of this magnitude is to cut doctor and hospital payments and make seniors pay more. Up to half of a senior's Social Security cost-of-living increase would be used to pay for this increase in the cost of Medicare. So you are not only getting them on Medicare but you are getting them on Social Security. Is that not correct?

Mr. GREGG. No. I would say to the Senator from West Virginia that is not correct.

First, as the Senator from West Virginia knows, the manner in which these savings are going to be accomplished—remember our savings rate of growth is not cut—is up to the Finance Committee. But let me suggest some of the ideas we put forward, those of us working in this area, the Medicare area, would have affected not the poor senior but would have affected the wealthy senior.

I, for example, have a great deal of problem with the fact that under the part B premium you have a 75-percent subsidy of the rich in this country by the poor and the moderate-income individuals in this country. Under the part B premium, as the Senator from West Virginia knows, a person who is working 60 hours a week, he or his wife or both of them working at, say, the local restaurant, they have to pay into the general fund with their taxes. And then a person, say the top 500 retirees from IBM last year, they opt for the part B premium.

They only pay 25 or 30 percent, depending on the year of the cost of that premium. And the other 75 or 70 percent is covered by general funds. So John and Mary Jones, who are working 60 hours a week down at the local restaurant, are paying into the general fund, and then their money is being taken to pay for the top 500 retirees last year from IBM who opted for part B premium.

I happen to think that is wrong. I think we should affluence test the part B premium. Yes, that means some senior citizens are going to pay more. But I happen to think there are some folks in the senior citizen community who are doing quite well, who are quite wealthy, and who under the part B premium, should be paying a fair share.

So there are a lot of different ways that the adjustments in rate of growth can be accomplished.

I also happen to support something which I call choice care where we encourage seniors to move into a managed care, PPO-type of environment where I think we can get a fixed rate of cost on the rate of inflation in the health care system. In that system, I think seniors are going to get more in the way of health care probably for less, and in the process I believe we can get some controls over health care.

But I did want to address one other point. I know the Senator from Nebraska wants to get started on his speech.

Let me mention quickly this tax issue which I think is very important to point out, which is that under this resolution—you can talk about the House resolution. We are not going to vote on the House resolution right now. Maybe we will in the conference. I do not know what will happen in the conference. I am for the Senate position. I think Senator DOMENICI has done an exceptional job with the budget that leads us to balance for the first time in 25 years.

But under our resolution it says that 90 percent of any tax cut benefit will go to people with incomes under $100,000. So I think we should have an end to all of this discussion of, "Oh, this is just a transfer to the wealthy" because that is a flawed definition of wealthy if the other party is going to suddenly assume that everybody under $100,000 is wealthy. Then we have a new definition of wealthy in this country.

But what I wanted to end up on is the reasons we need to have this balanced budget amendment. We have heard a lot about it. We have heard it from all sorts of scenarios around here.

But I would like to just refer people to an individual who I consider to be the leading historian of our time, a man named Paul Johnson. I think he teaches at Oxford. I know he is an English historian. He has written a number of really extraordinary histories of the 20th century, including "Modern Times," "Birth of the Modern," and a variety of just extraordinary pieces that are incredibly insightful. He wrote a piece for the New York Times, some of which I agree with and some of which I do not agree with. But the basic thrust of it was incredibly thoughtful, as he often is on what is wrong with this country if we continue to run up this debt.

Let me just quote a little bit from this.

> The United States is running the most costly welfare state in history, as well as acting reluctantly, not consistently but certainly expensively, as the world's policeman, and even to eliminate the deficit, let alone reduce the debt, the spending will have to fundamentally be reformed. This will mean, among other things, ending the welfare state as it exists today. It may not be as hard as some people think. After all, it is scarcely a generation old.

The theme of his piece here is if the United States continues to run its present debt, it will collapse or it will be in a horrendous situation.

He points out that we are now ready to act as a country. He finds this unique, and it is a special time, and the time to do it is right now.

He says there are two things that reflect the fact that he thinks we are ready to act. The first is sufficient congressional support, and that has already been achieved, he says. And the second is a prerequisite of popular consensus. Looking at the United States from England, he is determined that is the case, and he is a very astute fellow. Like de Tocqueville, maybe he has a better sense of where we are historically than we have ourselves.

> Congress is ready for reform, and so are the people. But history shows that neither means much without a dedicated leader.

I am quoting here:

> Normally, one would expect such leadership to come from the President. In the past, the White House has shown a much greater concern for financial probity than Capitol Hill. When Congress passed Mr. Clinton's deficit reduction package during his first year in office, it did so with hardly a vote to spare in both Houses. But Mr. Clinton is not a leader, though he can sometimes be persuaded that it is in his interest to be an energetic follower. No leadership will have to come—

From the Congress. That is paraphrasing, "the Congress." He uses another phrase.

The fact is that we as a Congress have the obligation to do this now. We have the obligation to step up and put forth and present, as we have in the past, the budget resolution to come to a balance.

I want to congratulate again Senator DOMENICI for having done that, and I believe fervently in doing this we will also reform fundamentally the Medicare system so that it will be solvent, and so that our senior citizens will be assured of first-class health care insurance—not for the next 7 years, but for as far as the eye can see.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield such time to myself as I may need.

Mr. President, I have been listening with keen interest, of course, to this entire debate which we started last week and again this morning. The same theme keeps coming through time and time again.

Once again, I would like to correct the impression that my friends on that side of the aisle seem to be giving, or not giving, depending upon your point of view, to what is the majority opinion of those of us on this side of the aisle.

Listening to the rhetoric from the Republican side, you would tend to believe that we were against any balanced budget; that we do not want to be players in the game; that we simply do not seem to realize that the Republicans have stepped up to the plate, and they have by bringing forth a resolution that I agree took some courage. I have said that time and time again in the Budget Committee and on the floor of the U.S. Senate.

The problem that I have with the spin that the Republicans are trying to give to this entire proposition is that they and they only are the only ones that care about balancing the budget of the United States of America. I think the record clearly shows that there are many of us on this side who have been trying to do that for a long, long time and we are simply trying to make some improvements, some improvements, some fine tuning, some minor surgery, if you will, with regard to the document that has been presented to us by the majority through the might and power of the majority in the Congress of the United States.

I, therefore, emphasize once again—let me make this statement that I do not think has been made before, and I do not propose to speak for all on this side of the aisle—that I believe that the Republican steamroller, the Republican majority has rejected every one of even the minor changes that we offered in the Budget Committee, and have every indication of saying no, no, no to anything that we even suggest here. They might be surprised if they would simply realize and recognize what we are constructively trying to do on this side of the aisle despite their protestations to the contrary.

What we are saying is that we recognize some significant cuts have to be made, but we simply say to our Republican colleagues, who are in control, why not reason together? Why not come out with a bipartisan budget so that we all have to share in the pain, if you will, of making some cuts in many programs that otherwise we would not like to cut.

To put it another way, Mr. President, I believe, if the Republicans would accept the amendments, the constructive, well-reasoned, well-thought-out amendments not to eliminate the cuts but just to redistribute the cuts within their framework, within their totals, without disturbing the goal of 2002 to balance the unified budget, without making any major changes to get to that end result, we might be willing to support their budget. We Democrats are simply saying why not listen to us and listen to what we are saying, especially about Medicare.

Now, the hit that Medicare is taking is unconscionable when you recognize and realize the results of what it will do. I have heard time and time again from that side of the aisle, and I heard it again this morning, there has been no proposal from this side. That is simply not true. Time and time again in the Budget Committee and on this floor—and you are going to see more of it in the next couple of days—we have had a whole series of amendments.

What we are basically saying, Mr. President, is that the Republicans should recognize and realize, with all of the difficulty, with all the cuts that we are going to have to make to reach that balanced budget by the year 2002, there is no way that any reasonable person, whether they figure with a red pen or a blue pen or a black pen or whatever colored pen, can come to any logical way to balance the budget by the year 2002 and have a tax cut. There is no way to make all the painful cuts we are going to have to make—and we are ready to stand in support of some of those—if you are going to have a tax cut. And the tax cut is the tail that is wagging the dog on this Republican budget.

I do not wish to call the Republican budget a dog because there are some good things in that budget. I simply say that we can make it a whole lot better if you will simply listen to the reasoned approach and proposals we are making.

Putting it another way, you cannot have your cake and eat it, too. You cannot reach that deficit reduction proposal and balance the budget by the year 2002 if you are going to have the massive tax cuts passed in the House of Representatives. It is a sham. It will not work. Anybody who knows anything about the budget knows it will not work. And even if it should work by the year 2002, which it cannot in my opinion, because of the magnitude of the huge tax cut passed in the House of Representatives that benefits the wealthy we would immediately unbalance the budget in the next 2, 3, 4, or 5 years beyond that.

My colleague from North Dakota pointed out very well what Republican commentator Kevin Phillips had to say about these two Republican budgets, one in the House and one in the Senate. The question that he asked is, who are the winners and who are the losers?

Well, we are all going to be winners if we get to a balanced budget by the year 2002, but there obviously are going to be some losers, and although some of those losers are the traditional part of society that the Democratic Party has shepherded and protected to some degree, we are willing to make those sacrifices.

I simply say to my Republican colleagues on that side of the aisle, if you would take the $170 billion you have in that kitty for a tax cut—and despite the newspaper stories and commentators to the contrary, there is a tax cut in the Domenici package. Senator DOMENICI himself in the Budget Committee deliberations in public said the $170 billion that likely will come along sometime later as a dividend, if you will, from the cuts that are being made can be used and used only for a tax cut. It is not in the budget right now, but it is in the budget on down the line and it is so identified. I simply say to those on that side of the aisle, if you would come to reason, if you would try to work with us, if you would give up the $170 billion, or most of it, to not eliminate but alleviate what we think is an unfair cut on many programs that affect the most fragile of our society, then you would be surprised how many votes there would likely be when this budget resolution passes the Senate. I would say 60, 65.

But I simply say that absent that, absent the ability of the Republicans to give, absent the ability of the Republicans to keep their house in order and to keep their votes in line, maybe they dare not change the dotting of a single "i" or the crossing of a single "t." I appeal once again as I did when we started this debate. Let us try harder on a nonpartisan position.

And then I have heard, Mr. President, this talk about, oh, there is nothing wrong with giving the people a $170 billion tax cut as a reward, I guess, for the sacrifices that they have to make to balance the budget. I think that is a simple direct case of wanting your cake and eating it, too. We should not have to reward the people of the United States, and I do not believe the people of the United States—Democrats, Republicans, independents, call them what you will—believe they need to be bought off by a promised tax cut to make the hard choices to balance the budget by the year 2002. That is a case which I think has not been made well by those on that side of the aisle, but they say it so many times some people may begin to think they really are saying something important.

There has been a lot of talk about Medicare. Medicare and the hit Medicare is taking is of much concern to those of us on this side of the aisle. There has been lots of talk as evidenced by the recent exchange between the Senator from West Virginia and the present manager on that side of the aisle.

The basic point seems to be that you have to go along with their recommendations, with their numbers in their fashion because otherwise the Medicare trust fund is going to go broke by the year 2002.

We have to do something about it. We all recognize that it is a problem. But if you will look into the details, or lack thereof, of what the Republican majority is proposing, you will see that even if we would accept their proposal lock, stock, and barrel, the solvency of the Medicare trust fund would only be extended to the year 2005, or 3 more years.

And yet to listen to their rhetoric you would believe, if we accept their budget proposal lock, stock, and barrel, that we would solve that problem as well. We do not have enough figures to know whether or not if their proposal was enacted, because it is so lacking in details, it would continue to make the Medicare trust fund solvent to the year 2005, 3 years beyond the date that it otherwise is expected to be insolvent.

I simply say that no specifics are available to us. But I wish to emphasize once and for all, if I can, the fact that even if we accept the Republican budget we have not solved the long-term solvency of the Medicare system.

Why are we suggesting, Mr. President, without violating the 2002 date to balance the budget without raising taxes, without doing anything else that the Republicans would generally think would be harmful, why are we saying that the $250 billion to $280 billion cut in the next 7 years would be so devastating? And why is it that those of us on this side are saying we recognize some reductions are going to have to be made in the Medicare and Medicaid Programs but we are simply saying you are going at this without thoroughly thinking it through?

You are going to cause devastation to the system in a whole series of areas, primarily in the rural areas of America which, in this Senator's opinion, have too few representatives in this body and certainly too few in the House of Representatives.

To bring this point home, I would like now to read an excellent article that was referred to originally this morning earlier in debate by the Senator from Maine. It was a New York Times article of yesterday, May 21, 1995, under the byline of Robin Toner.

I want to read this into the RECORD because it basically proves, beyond any question of a doubt, that the point that myself and others—Senator ROCKEFELLER is included in that; and the Senator from New Jersey has been very active—are trying to say as to what is wrong with the indiscriminate slashing or crushing of the Medicare and Medicaid proposals without having thought through just exactly what we are doing.

The referenced article that I will now read is headlined "Medicare Talk Brings Anxiety to the Heartland."

> To Mike Brown, who runs a tiny county health care center about an hour's drive from here, the $250 billion or so in Medicare savings that Congressional Republicans want to achieve over the next seven years is more than an abstract figure in a Washington budget battle.
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> Like many rural hospitals, his center, Saunders County Health Services, ministers to a population that is largely elderly and exceedingly dependent on Medicare. The health insurance program for the elderly accounts for about 40 percent of hospital revenue nationally but for more than 80 percent of the hospital revenue at the Saunders County center.
>
> As a result, Mr. Brown said one cool spring morning this week, he fears that new spending controls on Medicare would have a significant impact on his 30-bed hospital. It lost money last year, hopes to break even this year and has been struggling since the mid-1980's, he said.
>
> In a little burst of feeling amid the dry policy talk, he argues that his center has "real value" for its aging population, often cared for by aging children, for whom the drive to Lincoln or Omaha for regular treatments would loom large.
>
> When planners and politicians talk about potential "disruptions in the health care delivery system" from the new Republican budgets, they are often talking about hospitals like this one. But even in Omaha, in the high-rise temples of medicine that dwarf the one-story Saunders County hospital, the Medicare policies being created in Washington instill anxiety and frustration.
>
> Hospital administrators say that they are not trying to preserve or defend the status quo and that they recognize the need for restructuring of the Medicare program. But they say they have already taken numerous steps to control their costs, and they bristle at the idea that there is still a great deal of easily identifiable fat to be quickly wrung from the system. Even here in Omaha, a comparative latecomer to the competitive new world of managed care, hospitals say they have felt increasing cost pressures from private payers in recent years.
>
> Given all these forces in play, and the expectation of new constraints on Medicaid at least as tough as those proposed for Medicare, several hospital administrators here

said they feared that Congress was moving too far, too fast.

"I'm confident that we can come up with a better system for caring for Medicare patients and doing it in a more economical fashion," said Charles J. Marr, president and chief executive officer of Immanuel Medical Center, a nonprofit hospital sponsored by the Lutheran Church of America. "But they shouldn't throw us into a tailspin and force that change over a short period of time."

John M. Fraser, chief operating officer of Methodist Hospital, across town, noted more than once during an interview that he is a Republican and said both deficit reduction and a Medicare overhaul were valid issues.

"But you don't do this in six months on Capitol Hill," he added.

Republicans, of course, maintain that extracting these savings from Medicare is essential to insuring the continued solvency of the 30-year-old program. Under their plans, they note, spending on Medicare would continue to grow, just at a slower rate than the current average of about 10 percent a year.

Representative Jon Christensen, a Republican freshman who represents Omaha, and who voted for the House Republican budget this week, declined an interview request. But he issued a statement defending the plan.

"The simple fact is that Medicare is going bankrupt," he said. "Would it hurt Nebraska's hospitals less to let the Medicare program collapse?"

Many health planners dispute Mr. Christensen's argument that this level of reduction projected spending is necessary for the sake of the Medicare system. Democrats, for their part, assert that Republicans are simply using Medicare as a piggy bank to pay for their political promises of a balanced budget and a tax cut.

Nobody yet knows how these spending reductions will be achieved or how much they will affect payments to hospitals; that will be resolved later this summer.

What is clear, away from Washington, is not only how enmeshed Medicare is in the health care system but also how vulnerable that system is to large-scale changes in the program.

Here in Nebraska, state officials say, it is the rural health care system that is most "fragile," as Dr. Mark Horton, the state director of health, put it. Eighteen percent of Nebraska's rural population is over 65; many of the hospitals in rural areas, and many of the primary care physicians there, are exceedingly reliant on the Medicare program. Tinkering with its complicated reimbursement system, which some hospital officials say already makes it hard for them to recover the cost of rendering care, can thus have a major effect on the overall health system, officials say.

"You could argue that maybe some of these hospitals should close," said Dr. Horton. On the other hand, he added, these small community hospitals are often the most cost-effective places to treat common ailments like pneumonia.

Mr. Brown's center, which also depends on a county levy, includes a small attached nursing home, an outpatient clinic and a home health care agency. Its hospital beds are generally filled with patients suffering from pneumonia and other heart and lung ailments that afflict the aged, he said. There is little flexibility in his budget. "When you don't have any private paying patients to speak of," he said, "there's no place to shift the cost to."

Harlan M. Heald, president of the Nebraska Association of Health Systems, said of the expected round of spending reductions, "The more Medicare patients you have in your mix, the more it's like that old Nebraska farm joke: if you're not making back your costs, you're not going to make it up in volume."

C. Edward Schwartz, chief executive officer of the University of Nebraska Medical Center, works at the opposite end of the spectrum from Mr. Brown. Mr. Schwartz runs an academic medical center that prides itself on its liver, bone-marrow and pancreas transplant programs. Yet he too describes Medicare as "absolutely crucial" to his institution's future, in part because the program recognizes and helps subsidize the cost of medical education at such centers.

Mr. Schwartz argues that the people who should be most alarmed about new controls on Medicare are private employers, because of the prospect that hospitals will be driven to renewed cost shifting. "We have to be honest with ourselves," he said, adding, "I thought business was well past the point of wanting to pay the taxes Congress didn't want to collect."

The great debate over Medicare, in short, looks decidedly less abstract at the grass roots, a fact that opponents of the Republican proposal are counting on in the months to come.

Diana Smalley, chief executive officer of Midlands Community Hospital, a 208-bed center south of Omaha, said she was looking forward to putting together a health forum for Representative Christensen, whom she met at a recent function of the local Chamber of Commerce. As head of the chamber, Mrs. Smalley is more than able to brief her Congressman on the importance of her hospital to the community's economy. It is the largest civilian employer in the county, she noted.

"I'd rather work with him if I can," she said. "I admire, I guess you could say, the zeal that we see to get things done. I just worry about the time frame."

That is the end of that excellent article which sums up the disastrous effect that the size of the Medicare cuts, as recommended by the Republicans, would have not only on Nebraska but every other State in the Union that has a sizable rural population.

Mr. President, I will have other things to say with regard to what I think is an ill-advised policy. I offer, again, to try and sit down with the Republicans and work something out. I think it would be far better if we had a bipartisan compromise that embraced many of the hard choices that the Republicans are making.

I will simply say that if the Republicans can come and reason with us together, even though we are in the minority, if the Republicans will renounce lock, stock, and barrel any kind of a tax cut until we actually balance the budget in the year 2002 then we would take a giant step toward a true bipartisan and a tough budget that is going to hurt.

I appeal once again for the Republicans simply to recognize and realize that the proposals we are making in the amendment before us do not eliminate the cuts to the Medicare system. The amendment simply reduces those cuts and makes them barely palatable by alleviating $100 billion of those cuts and taking that money from the $170 billion tax cut kitty that is clearly represented in the Republican budget.

I thank the Chair, and I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Washington.

Mr. GORTON. Mr. President, I am authorized to yield myself such time from Senator DOMENICI's time as I may use.

First, by direction of the leadership, I ask unanimous consent that the vote now scheduled for 3:15 p.m. be advanced to 3:10 p.m.

Mr. EXON. Mr. President, we have no objection to that and agree to that on this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, too far too fast. That now is what we hear. We are going too far too fast in our quest to balance the budget and to save the Medicare trust fund.

Only here, this budget, if passed and enforced, promises a balanced budget in the year 2002. As I count, that is 7 years from now, but too far too fast, we are being told. Better perhaps the proposal of the President for budget deficits of $200 billion to $300 billion a year, all the way through the year 2002, with no promise of any reduction? That, presumably, is not too far too fast.

But, Mr. President, it is too disastrous for our country and too immoral for the children and grandchildren who will have that bill loaded on their backs.

Too far too fast to save a Medicare trust fund for hospital insurance scheduled to be bankrupt in the year 2002? Too far too fast to do that now? Will it be easier next year or 3 years from now or when the bankruptcy actually arrives?

This amendment is consistent with the view that we are going too far too fast. This proposes to cut $100 billion out of the reduced spending growth in one particular program, and then it will be followed by amendments to cut back on spending reductions or a slowing in spending growth of additional tens or perhaps hundreds of billions of dollars, all consistent with the view that we are going too far too fast. That while a balanced budget may be desirable someday, please, Lord, do not let it take place in our day, send that responsibility on to someone else.

This particular amendment is of a rather interesting nature, because this $100 billion of spending over what would be authorized by this budget resolution is not balanced by increasing the amount of money going into the hospital insurance trust fund from payroll taxes at all. In fact, we do not know how much of it would be used to stave off this bankruptcy of that fund.

If we assume, however, that half of it would go for that purpose, it would postpone that bankruptcy by about 6 months, Mr. President—6 months of time during which presumably there would be no attempt to deal with the fundamental causes of that bankruptcy, no attempt to deal with the 10.5-percent increase in expenditures for Medicare each and every year.

This money simply comes out of a reserve fund. What is the reserve fund, Mr. President? The reserve fund is the economic dividend for balancing the budget. We are told by our Congressional Budget Office that at least this year, we are all using its figures and estimates—we are told by the CBO that if we put laws in effect which reform the spending patterns of the assistance, which preserves that Medicare trust fund, among other things, but which get us to balance in the year 2002, the economy of the United States will react so positively and so affirmatively, interest rates will go down, people will be better off, that we will actually be $170 billion ahead.

So we have said in this budget resolution that if in fact we take this hit, if a number of programs do spend less money—no question about that—the American people ought to be entitled to a dividend, a modest tax reduction, 90 percent of which will go to middle-class working Americans under the provisions of this budget. Oh, no, the other side says, we could not possibly do that. We have to spend it. But, of course, they are spending it before they get it. If you put another $100 billion of spending back into this budget, you do not get to a balance. I presume under CBO's figures, you do not get the reserve fund of the dividend at all. So we are spending money not only before we get it, but before there is any assurance that we are going to get it at all. That is the nature of the proposal that we have before us right now.

Now, there is no way that I can fault the sincerity or devotion of the senior Senator from Nebraska to a balanced budget. He was one of a relatively small number of Members of his party who voted for a balanced budget amendment which, Mr. President, would have required the budget to be balanced by the year 2002. We could not have argued too far, too fast had that amendment been a part of the Constitution. But most unfortunately, he seems to speak for very few Members on his side of the aisle. Even by his own estimate, we only get 54 votes on this side of the aisle and 60 votes if we do it his way. That assumes that everyone on this side agrees to forego even the remote possibility of any tax cut for a 7-year period, even for middle-class working Americans.

But as we have listened to debate on this specific amendment, it has not been limited to a complaint that we should spend more than the budget resolution authorizes on Medicare. Oh, no. We have heard it on money for agriculture, not just for Medicare but for Medicaid, for education, for veterans, and for other health programs. Lord knows, I have been here all the time, perhaps for all kinds of other programs, as well. We could spend that dividend three or four times, Mr. President, and not have satisfied the spending desires of the great bulk of the opponents to this budget resolution.

So I ask myself, should we pass this amendment? Will we suddenly have a budget resolution supported by a wide range of Members on the other side? Will it suddenly become almost unanimous? Not from what we have heard so far, Mr. President. This will be only the beginning. There is no way that we will be able to satisfy the desire for spending and have a balanced budget without having a very large increase in taxes, which I may say to this point has not been proposed.

Now, my good friend from West Virginia says that this amendment is really just a symbol, a symbol of our need for health care. I agree that it is a symbol. But I believe with what is going to follow on with it that it is a symbol for the need to spend far more money on a wide range of programs than can possibly be accommodated, not only in this budget resolution but in any budget resolution which leads us to a balance by 2002. So "too far, too fast" really is the slogan that we are hearing from the other side during the course of this debate.

But this amendment goes at our very desire to put Medicare on a path under which spending will increase not only overall in Medicare, but for each individual beneficiary by close to 50 percent—35 to 50 percent—during this 5- to 7-year period. And also it will result in this country's getting all of the dividends from the point of view of greater opportunities, more jobs, higher incomes, that will come out of the fact that we balanced the budget.

The trustees of the Medicare health insurance system have told us that it will go bankrupt. They have told us that we need to do something about it. They have not suggested that we just take more money out of the general fund, which does not have any more money, and put it into it. They have told us we need to do something. We propose in this resolution to do exactly that.

Yet, Mr. President, even that is not a totally consistent view from the other side. We have had one of the Senators from North Dakota here in the course of the last couple of hours bringing up that argument that was made, and ultimately defeated the balanced budget amendment, that we are not really balancing the budget at all because we are counting Social Security trust funds and expenditures as a part of a unified budget, and that we will still be more than $600 billion out of balance.

Now, it may be that the Senators from North Dakota have promised us a budget resolution which will save another $600 billion in some respect or another, though we have not seen it yet. I can only say at this point that when that position was first put forth by the Senators from North Dakota, the Washington Post columnist Charles Krauthammer said this:

> In my 17 years in Washington, this is the single most fraudulent argument I have heard. I don't mean politically fraudulent, which is routine in Washington in a judgment call anyway. I mean logically, demonstrably, mathematically fraudulent, a condition rare in Washington and not a judgment call at all.

Why does he make that point? He makes it for the simple reason that from the perspective of this country and society as a whole, a budget deficit is a very simple proposition. It is the amount by which the number of dollars expended by the Federal Government in any year for any purpose exceeds the number of dollars that are brought in by taxes or fees or anything else. That difference is the amount of money that must be borrowed by the Federal Government for one purpose or the other. That is the amount of money that drives up, or if it goes down, will lower interest rates. That is the amount of money that is taken out of the savings of the country as a whole.

Under that definition, with a perfect security for the Social Security trust fund, this budget, the budget which is before us now, will by its best figures lead to a balance in the year 2002. It will prevent the bankruptcy of the Medicare health insurance trust fund by the year 2002. Appropriate reforms will see to it that it can go on indefinitely. That, Mr. President, is why this budget resolution has already had positive impacts on the value of the American dollar and on lowered interest rates, and why it will have far more if it is actually passed and enforced.

Without changing, that will turn it from something that is real to something which is a mere fiction.

Mr. ROCKEFELLER. Would the Senator from Washington yield?

Mr. GORTON. The Senator from Washington will be happy to engage in a conversation with the Senator from West Virginia on his time.

Mr. ROCKEFELLER. Mr. President, just a short minute.

I would have to say to my good friend from the State of Washington that he did mischaracterize what I said. I think it is important for the RECORD that the mischaracterization be straightened out.

I did not at all suggest $100 billion was symbolic. What I suggested was that we were not obviously going to be able to create a solution to the long-term trust fund problem by the $100 billion, but that we sure as heck are not, as is the case in the budget the Senator proposes, doing this massive cut in Medicare, thus causing seniors to have to pay out of pocket and dip into their Social Security cost-of-living adjustment.

In no sense did I mean it was symbolic. It is anything but symbolic. We would be bringing relief to senior citizens, and for that matter also to Medicaid.

I really must object to the use of the word symbolism because I never did say that. I used the word priorities. It is a question of priorities. I want the RECORD to be clear on that.

Mr. GORTON. Mr. President, I stand corrected by my friend from West Virginia. I understood him to say that the amount of money was symbolic of the problems that he felt this budget resolution created. Symbolic in the sense that even were it restored, it would not solve all of the problems the Senator from West Virginia saw in the health care portions of this budget.

I am delighted to have him characterize his position in his own way.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I yield myself 10 minutes from the time controlled by the Senator from Nebraska [Mr. EXON].

Mr. EXON. Mr. President, I yield 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, I rise to support the amendment that is offered by my colleagues from West Virginia and New Jersey, Senators ROCKEFELLER and LAUTENBERG, and in doing so, as the debate here in this Chamber goes from side to side, I want to point out what may be missed in all of this, which is that there is remarkable—some might say historic; I would say necessary and appropriate—agreement between and among the various parties to this debate about the problems we face and the need to take action.

The Budget Committee proposal brought up under the chairmanship of the Senator from New Mexico—we use the word cut but what we really mean here is slowing the growth in spending for Medicare and Medicaid by $431 billion.

This amendment, offered by Senators ROCKEFELLER and LAUTENBERG, will diminish that slowing of the rate of increase in spending on these two health entitlements by $100 billion. The result, if the amendment should be passed, would be that the increase in spending on Medicare and Medicaid would be cut by $331 billion.

Now, Mr. President, as the debate goes back and forth I think it is critically important that all Members stop and appreciate the consensus that is found here.

I would guess that very few in this Chamber would have predicted a year ago that we would be here debating whether to cut $331 billion from the increase in growth of Medicare and Medicaid, or $431 billion. Those are numbers well beyond what was thought to be politically possible. But not well beyond what most experts and what most Members in this Chamber certainly acknowledged privately was fiscally and governmentally responsible if we were to save the Medicare and Medicaid programs, certainly save Medicare from the bankruptcy that has been predicted, in 2002, by the fund's own trustees. And in that sense, to protect the Medicare benefits of millions of Americans, including about half a million that live in the State of Connecticut.

I give the Senator from New Mexico, the Budget Committee chairman, a lot of credit for shaping this debate both on the question of the need to take hold of the Medicare program, to save it; and second, on the overall national imperative to bring our books into balance by a date certain.

It is interesting that all of the amendments put in by the Democrats here still accept the goal of a balanced budget by a date certain, which in this case is 2002.

Mr. President, it is not only fiscal necessity and the desire to avoid the bankruptcy of the Medicare trust fund, certainly part A, and the deprivation of health insurance benefits for all those who benefit from that fund, but it is the acknowledgment—and I need not speak at length on this but just to note—the acknowledgment that the health entitlements are growing out of proportion to the rest of our public spending, have experienced double-digit increases in spending.

In a very real way, they are threatening to swallow up—if we let this growth go unchecked—so much of what we consider to be the Federal Government, and not just to swallow it up but to make it impossible for Members and those who follow the debate here in Congress and the White House to deal effectively with the Nation's problems, and putting in jeopardy—because we simply will not have the money—our ability to provide for our Nation's security, with an adequate defense abroad, and a decent, tough, and comprehensive war against crime here at home. Making it impossible to invest in our future through programs of education, basic research, child development, training, job creation. Making it ultimately very difficult, if not impossible, to reform the welfare system, because most people who have looked at this acknowledge we cannot do that without investing a little money in getting people off of welfare.

This growing bipartisan consensus, which may be lost as the debate shifts back and forth on these amendments, is real and is based on a bipartisan understanding that unless we grab ahold of entitlement spending we are not only going to lose the benefits that these programs provide, we will lose our ability to provide for the future of our country, the future of our children, and the future of our work force.

However, Mr. President, I think it is very important, acknowledging the historic steps that we have taken on both sides to try to control the growth in Medicare spending, to say that this simply cannot become a debate of numbers, a debate of accountants.

If all we are talking about, and all we are arguing about, is how much we are going to cut Medicare, the growth in Medicare spending, we will have not fully carried out our responsibility. If all we do is to cut the existing system, we will not have dealt fundamentally with our problem and we will, in fact, create severe difficulty for the beneficiaries of these programs and for the providers.

People have talked about three ways to achieve reductions in increases in the Medicare program: increase payments for the fund by, for example, increasing premium contribution for wealthier Americans; we can decrease payments to providers for their services; or we can reform the basic structure of the Medicare system so that it delivers care more cost effectively.

That, Mr. President—reforming the basic structure—is what I hope the majority in this Chamber will be committed to. That is the road to truly protecting and saving the Medicare system and saving the rest of the Federal Government that will be eaten up by health entitlements, as will the future of our children and our Nation.

There are interesting ideas around about reform. Some, for example, have suggested that we make preferred provider plans available to Medicare recipients and that such plans can deliver care more efficiently while maintaining choice.

Others are discussing more dramatic changes. I must say these are the ones that appeal to me most, such as moving toward a voucher system in which the Government provides a fixed amount of money by way of a voucher to those who are eligible for Medicare, enabling them to go out into the private markets and purchase their own health care coverage. That is the way to truly empower the recipients, to break them free from a lot of the complexities of the current system and to bring competition into the Medicare Program, which is so significant a part of our health care apparatus, just as competition is coming in so effectively to the rest of our health care system.

The pace of change to the Medicare Program should be determined by our ability to maintain: confidence in the program; the credibility of the program financially; and, the quality of the services delivered under the program to those who are the beneficiaries.

Let me talk briefly about two comments that have been offered, two positions taken, as to how to proceed down the road to reform. The Budget Committee majority has proposed establishing a bipartisan commission to advise Congress on how best to meet the level of cuts set forth in the budget. Some of my colleagues, on the other hand, have argued that we simply should not pursue Medicare reform outside of the context of broad-based health care reform.

I am not truly comfortable with either of these positions. It may be in the end that a commission is necessary to deal with these problems. But it takes time, and I believe we know what our options are now. I would sure like to see this Congress, led in this Chamber by our Finance Committee, take a first crack at seeing whether we can, not just cut Medicare spending increases, but whether we can reform the fundamentals of the program.

When it comes to the argument that Medicare reform must be part of overall health care reform I would say this: in the best of all worlds that would be the way to proceed. But if we learned any lesson from the futile attempts to adopt universal and comprehensive health care last year, it is that if we wait to reform the Medicare system until we can have overall health care reform we will not have Medicare reform, and we will probably not have overall health care reform either. We simply should not postpone Medicare reform because the problems facing Medicare are too critical for us to delay.

The fact is, recent innovations in health care delivery in the private market have created a revolution without governmental direction and paved the way for new approaches to deliver care to the elderly through Medicare reform. We should take advantage of those private sector innovations and try to apply them to the Medicare Program. The private sector reforms that are going on now are driving change. It would be a strange result indeed if the private markets reform themselves to more efficiently and cost-effectively deliver health care and the governmentally operated health care programs are left to run without the benefit of competition and without the benefit of reform.

So it is with these thoughts in mind that I will be supporting the amendment offered by Senators ROCKEFELLER and LAUTENBERG, acknowledging and expressing some appreciation for the consensus that is here beneath the debate. We are on the road to a balanced budget by a date certain. We all acknowledge that we have to limit the growth in health entitlement spending to save those programs for the beneficiaries.

Finally, I hope we will come to a similar consensus that cutting the growth just in dollar accounting terms is not enough. We have to reform the fundaments of the program to save it, empower the beneficiaries of the program, and take full advantage of the marketplace competition that is being so productive and beneficial to people in the private sector today.

Mr. President, I thank the Chair for the opportunity to address the amendment and I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, with the consent of the majority leader and at the suggestion of the manager of the bill on the other side, I ask unanimous consent the period of time in this debate between 2 p.m. and the vote at 3:10 p.m. be equally divided and be under the control of the Senators from Nebraska and New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, looking for leadership on the budget from the opposition these days is a little like playing "Where's Waldo?"

If you look long and hard, you may eventually spot it, but there is not much there and it is certainly not easy to find.

This important debate over this year's budget resolution very clearly demonstrates my point.

For years, the Democrats have passed budgets which increased taxes, increased spending, and gave us the massive deficits which have dragged this Nation nearly $5 trillion in debt.

In 1993, President Clinton continued that trend, and even went a step further. His budget contained the largest tax increase in history, $275 billion, and spending increases, and more deficits.

But the Democrats praised it up and down. "It is going to take this country in the correct direction, in a good direction, in the right direction," said one of my Democrat colleagues.

Over and over again, the President and the Democrats in Congress challenged Republicans to offer up an alternative.

Listen to the words of my good colleague, Mrs. BOXER, the junior Senator from California:

> So I say to my fellow Republicans: Where is your budget? Show it to us. I want to see it. Don't give me amendments that do something here and there, because that is not constructive.

We delivered an alternative budget—one which reduced the deficit through spending cuts, not tax increases.

I, in fact, drafted an alternative of my own—Families First—which I introduced in the House and which was carried here in the Senate by my distinguished colleague, Mr. COATS of Indiana.

Our budget not only cut spending, it cut taxes for families and moved the Federal Government in an entirely new direction.

Away from the Washington Beltway, Families First was praised by the taxpayers.

But here on Capitol Hill, with the Democratic majority in charge, it never had a chance.

In August 1993, under the leadership of the President and a Democrat House and Senate, the largest tax increase was passed into law.

Now the tables are turned. Under the guidance of our distinguished budget chairman, Republicans have offered up an historic plan which would balance the budget within the next 7 years.

I am proud of the work of the Budget Committee.

Yet, those same Democrats of 1993 who called so loudly for a Republican budget alternative, have failed to offer up any alternative of their own this time around, just a lot of little amendments that do something here and there.

In fact, the only Democrat to offer up an alternative is President Clinton, and he is required to do that by law. But the President's budget was so far from what the people called for in November that not one Senator voted for it—Democrat or Republican.

That is some serious back-peddling. Two years after passing the largest tax increase in history—and boasting they reduced the deficit without a single Republican vote—Senate Democrats joined Republicans in rejecting the President's fiscal policies by a vote of 99 to 0.

Unlike Mr. DOMENICI's balanced budget, the President's budget would never balance. In fact, his budget plan calls for another $1.2 trillion in deficit spending over the next 5 years.

Under the President's budget, the deficit will continue to rise every year, until it reaches nearly $300 billion in the year 2000.

Kings can abdicate their thrones, generals can wave the white flag of surrender, a chess player who gets backed into a corner can forfeit the game, but the President of the United States is not supposed to just throw in the towel when the going gets a little rough.

Times have changed. So if President Clinton is not serious about reducing the deficit and balancing the budget, I ask the Democrats here in the Senate the very same question they asked us 2 years ago, using their very own words: "Where is your budget? Show it to us. I want to see it."

In 1993, Republicans did put up alternative budgets that we did support and that we did vote for. But it is not the case this year.

The distinguished Democrat leader says he accepts the goal of producing a balanced budget by 2002. But he is not willing to actually do anything about it, because, and I quote, "We don't have the votes, so there's no point for us to lay out a comprehensive substitute." We did not have the votes in 1993. But we did lay out a comprehensive substitute alternative budget.

Well, I certainly hope we can count on his vote for Mr. DOMENICI's balanced budget.

I ask my colleagues on the other side of the aisle: how do you plan to improve, preserve, and protect the Medicare Program from going bankrupt, as it would under the President's plan?

If you are intent on spending as wildly as you have in the past, how do you plan to balance the budget within 7 years? With new taxes? If so, which taxes are you going to raise? The people have a right to know.

Mr. President, the Democrats may find that it is easy to complain about the Republican's budget, but you cannot beat something with nothing. And that is what the Democrats have given us: nothing. It is clear, Mr. President, that they do not want to tell us how they are going to balance the budget without tax increases, because they have absolutely no intention of ever doing it. So I make one suggestion to my colleagues on the other side of the aisle. Being in the minority does not give you license to simply gripe and complain. It does not free you from the responsibility of representing your constituents.

If you vote no on the budget resolution, then you had better find something on which you can vote yes for. We did it in 1993. Or else, the voters will have every reason to vote no themselves when you turn to them in November.

Thank you, Mr. President.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, how much time does my friend and colleague from Nebraska seek?

Mr. KERREY. Fifteen minutes.

Mr. EXON. I must tell the Senator that I have nine Senators who wish to speak between now and 2 o'clock. I am cramped for time. How about 8 minutes?

Mr. KERREY. Eight minutes will be fine.

Mr. EXON. I thank the Senator.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 8 minutes.

Mr. KERREY. I thank the Senator from Nebraska.

May I ask the senior Senator from Nebraska, does he intend, on the time he controls, to respond to the statement of the junior Senator from Minnesota just made earlier that there are no Democrats willing to participate in deficit reduction; that this whole problem was created by wasteful spending on the part of Democrats?

I intended to come to the floor to talk about something else, to try to say some things that might forge a bipartisan consensus. But I find myself being provoked by the comments of the junior Senator from Minnesota. I am wondering if the Senator intends to respond.

Mr. EXON. I certainly say to my good friend from Nebraska that I assumed he was here to talk about the amendment at hand. Maybe he is not. I simply say I would really appreciate it if he could make whatever comments he feels disposed to make at this time. I have been answering the charges that has been made over and over again that were just echoed like an echo chamber by the Senator from Minnesota.

Would it be possible for the Senator to make those appropriate remarks now, and then after the vote today, we could use additional time for going into some other things that I suspect he might have on his mind?

Mr. KERREY. I will be pleased to. I will confine my remarks to the amendment at hand, Mr. President.

Mr. President, I must say, I have some difficulty with the amendment at hand because it seems to me what we are basically saying is we want to take the $170 billion that probably will not materialize. In order to get $170 billion in savings, this Congress would have to come together in a bipartisan fashion for 7 straight years, and each committee reconciling out and voting the savings. We would have to follow the 7-year blueprint before the money appears. I must say, I feel somewhat uncomfortable, to say the least, taking savings created from cuts that I do not like anyway to mitigate the impact of cuts that I do not like.

So what I choose to do instead is talk again about one of the fundamental weaknesses that I see in this budget resolution, because it is nonbinding and because, as I see it—I have added a couple without the use of the calculator, so I may have this wrong—$519 billion of the reconciliation instructions go to the Finance Committee.

So I will have, as well as others, the opportunity to go to the Finance Committee and challenge some of the underlying assumptions, not the least of which is that we are not going to do anything about retirement this year.

I appreciate the difficulties that the Budget Committee had in putting together this set of nonbinding instructions.

So those of us who, like Senator SIMPSON, believe that retirement should be on the table, that unless and until we have addressed that, it is going to be difficult for us to actually get our budget balanced, we will have that opportunity to do it at some later date.

The Senator from Washington earlier made the point, when apparently the distinguished Senator from North Dakota was down on the floor earlier talking about this problem. I alert colleagues again: I think the effort on the part of both the chairman and the ranking member to produce this document is quite an extraordinary accomplishment.

I point out, nonetheless, that inside the budget document, it calls for the deficit to go from $240 billion down to $114.9 billion, if I can read my own writing, in the year 2002.

What we do is basically use what the law says. The law says we use the unified budget. The Social Security revenues are separate. But in terms of adding everything up, we bring Social Security into the equation. It is only because Social Security generates some $48 billion in surplus this year to a $114 billion surplus in the year 2002.

Again, I have not run the numbers on this. But I guess since we go to 2013 and start paying out more than we are taking in, my guess is that may be the peak; that $114 billion may be the peak. It may start declining after that, which is going to put additional pressure on all domestic spending.

I say to my colleagues that one of the things which has stayed constant in this town obviously is not political rhetoric. That blows hot and cold. But the one thing that stays constant in a very impressive fashion throughout all the imaginations about taxing is not enough, too much; that except for World War II and Vietnam, we have pulled from the United States economy about 19½ percent of GDP in the form of taxes. It stayed relatively constant over that period of time.

The underlying thing on our budget, and driving larger and larger, are these mandated items. They include retirement, they include health care, they include both the means-tested programs, such as AFDC and food stamps, as well as the non-means-tested programs, such as the agriculture program which, I might point out, is a relatively small amount, Medicare, Social Security, and other kinds of retirement programs.

The law says, as a consequence of either contribution or deciding that eligibility is deserved, you pay it out and you do not have to come to the floor of the Senate and vote on it.

What is happening is that mandated account, plus that interest, is driving higher and higher. And, I regret, it may be that the Democrats were not as aggressive as we should have been. It may have been that it is too controversial. As we obviously see, it was retirement. But I regret that we do not see a change in that in the budget resolution.

The budget resolution requires us to go to about 25 percent discretionary spending in the year 2002 down from 34 percent today.

I note with interest that the senior Senator from Oregon has an amendment to come down and restore some costs and protect NIH. I notice the Senator from Iowa has an amendment to do the same in education.

The problem is that little amendments to the budget resolution will not fix this problem. When the senior Senator from Oregon came to the U.S. Senate, 70 percent of the budget was controlled by the Appropriations Committee; 70 percent was appropriated, 30 percent was mandatory spending, and then interest. This year, as I indicated, it will be 34 percent. By the time a baby born this year is a senior in high school, it will be zero, even with this budget resolution passed.

So I urge my colleagues, regardless of how this resolution shakes out, I hope that the alternative that a group of us will present, as I indicated in a previous speech, will be accepted because I think we are going to need a lot of bipartisan support not just this year but the next year and the year after to explain to the American people what needs to be done to bring the cost of these mandated programs in line.

I heard it said that these cuts in Medicare are going to have a terrible impact. Indeed, I suspect they could, depending upon how the Finance Committee wrote the legislation. But I say to those who are really alarmed by the prospects of those cuts, according again to the document—I unfortunately have read Senate Concurrent Resolution 13, which is relatively small—we start with budget authority this year of $171.9 billion for HI, and $61.2 billion for supplemental medical.

So I have $230 billion this year, growing to $370 billion. We will have $370 billion authorized in the year 2002.

So, if anything, one has to, even with this budget resolution, take a look at overall health care spending and say, "My gosh, yes." The Budget Committee has been very bold and very gutsy in putting this number out. But, if anything, Mr. President, we may not have gone far enough.

I do not suggest that we need to necessarily cut any more, but I do think we have to ask ourselves the question, are we subsidizing people who do not need to be subsidized? We will have $230 billion this year in Medicare. We will have another $80 billion in Medicaid. That is $310 billion. We have $90 billion going out in the form of tax deductions.

I notice that when people get really excited about going after tax entitlements and I come and say, let us look at the deductibility of health insurance, they get sort of pale and drop that off their list. With another $15 billion going out to the VA, another $15 billion going out to Army, Air Force, and Navy health care, a substantial amount of expenditures, well in excess of $400 billion, going out for health care, I do not think the problem here is that we are not spending enough. I think one of the biggest problems we have is whether or not we have the courage to say to those who do not need to be subsidized, you may need to pay some more.

I noted earlier that one of my colleagues—I saw the dueling charts go on back here, and I saw in the Democratic Cloakroom the chart showing the comparative analysis between what Members of Congress get in the way of health care and what Medicare beneficiaries get in the way of health care, the suggestion being that Medicare beneficiaries already get less than what Members of Congress do.

If somebody wants to bring an amendment striking Congress down to the level of Medicare, I would vote for it. But the problem is we have a lot of employees we have hired on and we are looking to try to provide them with health care benefits, and it is their health care benefits we are talking about here.

If anybody wants to come and say that people ought to pay according to capacity to pay, I am ready to vote for that. I do think one of the most difficult things that we have going with health care today is that we may have 20 million or so people in the work force going to work, sometimes working two or three jobs, doing all they possibly can, but they are not generating enough output to get paid enough to be able to afford high-quality health care. We have subsidies in place for people who can afford it.

So when the Finance Committee gets down to looking at the reconciliation of numbers, I think there will be plenty of opportunity even with the money allocated for us to do the right thing. The question is, are we going to have the capacity either politically or in our own guts to come to the American people and say that this is not going to be an easy thing; it is not a free lunch involved.

I say in conclusion, I appreciate very much the leadership particularly of the senior Senator from Nebraska who over the years has been voting with Republicans, has been doing the right thing when it comes to deficit reduction. This has not been somebody who comes down with knee-jerk votes against every single spending cut. This is a man who has been down here for the entire 18 years that he has served the people of Nebraska, as the distinguished Senator from New Mexico has as well. I think we are fortunate to have them leading us on this budget debate. We have a lot of very difficult decisions to make if we are going to reduce the size of this deficit and get it in balance and get us to a point where we not only restore the confidence of the American people in us as an institution but do as we all say we want to do, which is to provide a better economic future for our children and for our grandchildren.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank very much my friend and colleague from Nebraska for his kind remarks with regard to not only myself but our mutual friend, Senator DOMENICI, chairman of the Budget Committee. This is a very difficult task. I think the Senator from Nebraska, my colleague, knows very, very well we have been reaching out. I appreciate very much the dedicated leadership he has provided in a whole series of areas with regard to deficit reduction.

Senator GRAHAM is in the Chamber. I will yield to him.

Mr. GRAMS. Mr. President, we have no one on our side requesting time at this particular moment so I would like to yield the floor back to the Senator from Nebraska.

Mr. EXON. Yes, that side would be next. I simply might say, if I can at this time, there are several Senators who had indicated they did wish to address this matter on the Senate floor before we vote. We are quickly running out of time, and if there are any Senators who wish to make remarks up to 5 minutes, their staffs should advise them we are quickly running out of time.

I yield the floor.

Mr. GRAMS. As I said, Mr. President, I have no one on this side who requests time at this moment, so I will yield the floor back to the Senator from Nebraska.

Mr. EXON. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. GRAHAM. I thank the Chair.

Mr. President, I should like to make two points in the time available to me. The first is the context in which this debate over the specifics of Medicare and Medicaid should take place and then, second, some particular concerns about the proposal that is before us in those two areas.

There is no golden road to budget balance. There are many means by which to get to that common destination. We are going to be discussing today one aspect of a proposal to get to a balanced budget and the consequences of selecting that particular route. But I want no one who hears this debate to be misdirected that we are not as committed to the goal of getting to a balanced budget by a date certain, ideally with a bipartisan consensus of the Congress and the American people.

There is a word that appeared on the chart we have just seen which I think is important to this context, and that is sustainability.

Frankly, Mr. President, I do not believe that cuts of the level being proposed in Medicare and Medicaid are sustainable. They might have enough energy to get through this round of the budget process. That is, they may be able to appear in the final budget resolution. I think they will encounter significant difficulty when they reach the Ways and Means Committee and the Finance Committee, and these large amorphous numbers, $256 billion out of the Medicare Program in the next 7 years, $175 billion from Medicaid in the next 7 years, when those are converted into the specific impacts on people, they will encounter significantly greater difficulty.

I believe that even if they should get past that hurdle, the chances of these cuts lasting the full 7 years as they are converted into services, cost shifting, impact on States, impact on the private sector, is very unlikely. So I am concerned as to whether the path that has been laid out for us, which is clearly not the only path, is a path that has the staying power to get to the destination of a balanced Federal budget.

Let me talk about some of the implications of the proposal for a $256 billion cut in Medicare, the program that provides health care financing for older Americans, and $175 billion of cuts in Medicaid, the program that provides funding for indigent Americans, which I might say, Mr. President, includes a substantial number of older Americans, older Americans who thought they had made adequate provision for their retirement years and find that because of some unexpected cataclysmic health collapse, they have used up their resources and they become medically indigent Americans.

Let me just discuss what the implications of this will be first on beneficiaries. The materials which have been provided indicate that one of the first means of financing this $256 billion cut on Medicare will be cost shifting. Hearings before the Senate Finance Committee indicated that speaker after speaker who supported cuts of this level, when asked where would you propose to go in order to achieve this, gave as their first answer to increase the share of cost paid by beneficiaries.

It is estimated that the increased cost to a couple, man and wife, in my State between the year 1996 and the year 2002 will exceed $9,000. That represents, for instance, Mr. President, about half of what that couple would anticipate to receive in cost-of-living adjustments over the period from 1996 to the year 2002. So the real implication of this is that they will not be able to maintain their standard of living against increased cost of living because such a high share of their income will now be going to meeting the additional cost of paying for their health care.

Another important area of Americans who will be adversely affected will be the providers of health care services.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. EXON. I yield 5 more minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for an additional 5 minutes.

Mr. GRAHAM. I thank the Chair. I appreciate the generosity of my colleague from Nebraska, the ranking member of the Budget Committee.

According to the Prospective Payment Review Commission, a commission established by Congress to consistently analyze Medicare programs, the commission states and I quote:

> The ability to use cost shifting to fill the revenue gap where Medicare cost increases exceed payment increases varies across hospitals. Facilities that treat a large share of Medicare, Medicaid and the uninsured patients have a lesser ability to cost shift to the private sector. In view of growing price competition in the marketplace, these facilities will face a greater risk of declining margins, which eventually could threaten their financial viability and their ability to care for Medicare beneficiaries.

Mr. President, it is not surprising in my State, which has the largest proportion of persons over the age of 65 in the country, that there are some 87 hospitals in our State where the Medicare patient days exceed 60 percent of total patient days, which is to say that in States like mine and particularly in rural areas such as those represented by the Senator from Nebraska, the risk of a serious collapse of the health care system, not just for Medicaid and Medicare recipients but for the total population, is a very real one, a collapse because those facilities are so dependent upon the Medicare and Medicaid patient that, if the Federal Government does not provide adequate resources with which to at least pay the costs of provision of direct services, those institutions will face the prospect of either a sharp decline in the quality of service for their Medicare beneficiaries or closure.

(Mr. KYL assumed the chair.)

Mr. GRAHAM. Another area at risk is State government. We are proposing to take the Medicaid Program, the program that delivers services for indigent Americans, take the current formula of distribution of funds, convert that into 50 block grants—51 block grants, actually, since the District of Columbia will also participate—and direct the money to those 51 political entities. There is a suggestion of an annual cost-of-living increase but no increase based on demographic changes. What are the consequences of that?

According to the CBO baseline study, currently the Medicaid Program is providing a 7 percent increase per capita for Medicaid beneficiaries. That, I might say, compares to a 7.2 percent increase in spending per capita in the private health care system. Medicaid today is slightly below, on a per capita basis, the rate of increase of the private sector, in spite of the fact that Medicaid is treating some of the most vulnerable of our population, including children at risk and the elderly at risk.

Under the proposal that we are debating, the increase per capita will not be 7 percent, Mr. President, but it will be 1.4 percent as against a projected continued 7.2 percent in the private sector. That is the consequence of a system which purports to create greater flexibility to the States by giving them only a constrained 5 percent increase with no recognition of the tremendous demographic shifts in States such as that represented by the Presiding Officer and in States such as mine which have a fast-growing population, particularly a fast-growing population of older Americans. This is a prescription for disaster for the beneficiaries affected and for the State governments which will be asked to pick up a bigger and bigger share of paying these costs.

Another area which will be adversely affected will be children. It is projected that 5 to 7 million children currently lack insurance coverage and unless States can find a way to make up that difference, there will be either a denial of health insurance coverage for those young Americans or another major cost shift, an unfunded mandate directed at the States to pick up a cost which in the past has been a shared responsibility through Medicaid of the States and the National Government.

The PRESIDING OFFICER. The Senator is advised that his 5 minutes have expired.

Mr. GRAHAM. Mr. President, our manager is not here. I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Before the Senator does that, might I say that immediately following the Senator from Florida, I would like to yield to Senator BENNETT to speak for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida will have 2 additional minutes, and when he has concluded, the Senator from Utah will be permitted to speak for 15 minutes.

Mr. GRAHAM. Thank you, Mr. President.

I quoted a moment ago from the Prospective Payment Review Commission, and I do so again from their March 1959 report, which states:

> Medicare and the private sector account for approximately equal shares of hospital spending, 40 percent and 39 percent in 1992. Consequently, every percentage point of Medicare cost increase not reimbursed by the Medicare payment increase will, all else equal, translate into a percentage point of additional revenue needed from the private sector.

So we are facing the prospect by carving out these two programs—Medicare and Medicaid—and treating them as if they were in isolation from the rest of the health care system. We are about to construct a system in which there will be significant cost shifting to the private sector resulting in increased costs for private employers, private individuals, for the providers of health care services because they will be underfunded.

Mr. President, I believe in the importance of reaching the goal of a balanced Federal budget, and I believe that the date of 2002, while difficult, is not an unreasonable standard. I would go further by saying that we should have as our goal reaching, as soon after the year 2002 as possible—and I would suggest 2005 or 2006 —a balanced Federal budget which does not depend upon the masking of the Social Security surplus in order to reach a balanced budget. But we must do so in a pattern which will be politically and publicly supportable and sustainable over the next 10 years that will be required in order to reach a balanced Federal budget without relying on Social Security.

It is my considered judgment that the impact that this approach on Medicare and Medicaid, as has been suggested, will have on the beneficiaries, particularly the old and the young, on providers, on States, and on the private sector, will be so severe that it will not be sustainable and that we will face the prospect of losing this opportunity to achieve that goal of a balanced Federal budget.

So I urge the adoption of the amendment which is before the Senate at the present time, which I think brings reasonableness to this process. And I urge the Senate's serious consideration of a comprehensive amendment which will be offered later this week which will achieve the goals of a balanced Federal budget without relying on these savage cuts in Medicare and Medicaid.

Thank you Mr. President.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I had the pleasure and opportunity of being in the Chamber when the Senator from Florida began his presentation, and I would like to rise and comment on it.

I think the position the Senator has taken with respect to Medicare is entirely correct if you make one assumption, and that is that the delivery of services under Medicare would not change in its estimate or in the way they are paid for. If there is no change in the way Medicare is administered and no change in the way these services are paid for, the Senator from Florida is exactly correct. Unfortunately, from my point of view, however, Mr. President, that is the problem; that is, the assumption that there will be no change in the way Medicare is administered.

The Senator from Florida says these cuts will have to be converted into service cuts, they will have to be converted into cost shifting, they will have to be converted into increases in premiums that are not sustainable over the long term. And, again, if there is no change in the way Medicare is administered and no change in the way it is paid for, the Senator from Florida is entirely correct.

The thing I hope we will address as a body is this fundamental question of Medicare as it is currently constituted and recognize that the word which the Senator from Florida picked out, "sustainable," is, indeed, the key word because what we are learning as we get into this circumstance is that the present system of Medicare is not sustainable regardless of what we do.

We could take all of the money that we are talking about cutting out of the rate of increase and leave it as it is, and what would happen to Medicare? It would go broke. The trustees have told us that. The present system is not sustainable. We could say, "All right, let us add money." Where is it going to come from? We will leave that aside for a minute, but let us add money to the present system to prevent it from going broke, and all we do is delay the inevitable for a few more years, and then we will be back on the floor of the Senate, or our successors will be, debating the same issue.

I have an analogy, Mr. President, that helps me understand this. I will do my best to lay it out in a fashion that might be clear to some others, because some people, when I start, say, "Oh, that doesn't have to do with anything." But bear with me. This is an analogy that I think illustrates the point.

Back in the 1960's, when we first started—we as a nation—discussing Medicare, my father was in the Senate and I was acting as his campaign manager. I have mentioned this here before. At the time, if I wanted to talk to my father from the campaign headquarters in Utah, I would pick up a telephone and dial zero. Yes, you had to dial; there were no touch-tone phones. An operator would come on the phone and say, "What number, please?"

I would say to her, "I want 224-5444." It happens to be the same number that connects you to my office now.

She would say, "Do you want person-to-person or station-to-station?"

If I wanted absolutely to talk to my father, I would say, "Person-to-person." If I was willing to talk to anybody on the staff, I would say, "Station-to-station," and then I would wait there on the phone while she placed the call.

If I had said person-to-person, she would say, "Is Senator Bennett there?"

And they would say, "Just a moment, we'll find him." And then when they found him, when he came on, then and only then would she go off the line and I could start to talk to my father.

The system worked great. It was simple, certainly easy for me to understand, certainly convenient. All I had to do was tell her what I wanted and let her handle all of the details of placing the call.

There was one problem with it, however, Mr. President. As the demand for long distance service grew in this country, we reached the point very quickly where there were not enough operators in the country to handle all the calls. Indeed, if you projected it out into the future, we would be looking at a point where there were not enough people in the world to handle all of the telephone calls that people would make requiring an operator to come on, listen to the request, and handle it. We were forced, whether we wanted to or not—we wanted to—whether we wanted to or not, we were forced by the rising demands to leave a system that was working well and invent a new one. Now, of course, we have a new one where the number of operators handling long distance calls has gone down and the number of long distance calls has exploded exponentially.

This, frankly, Mr. President, is the problem we are facing with Medicare. The number of people on Medicare is going up and going up continually and inevitably. I say somewhat facetiously, Medicare, as presently constituted, will work just fine if the elderly would only cooperate by dying at the same rate they died in 1960, when this was created. But I do not want the elderly members of my family to cooperate in that fashion, and I am sure that is true of everyone else here. So Medicare has to be restructured around the new realities, and the new realities say it can no longer be, as it is now, the last bastion of fee-for-service indemnity insurance for the United States. There has to be some changes and the changes have to be cost driven.

As chairman of the Republican health care task force, I got a lot of people calling on me and giving me information. They inaccurately assume I hold a legislative power in this circumstance and can do something beyond recommend, but it makes for a great education.

I had a session with a number of the Nation's leading employers, and we were talking about health care. They said, "Fee-for-service indemnity insurance will be gone within 5 years as an option for America's employees." I was a little startled at that prediction. I had not been prepared for that.

One of them said, "We put in a series of options for our employees about 3 years ago, and fee-for-service was one of the options. Roughly 50 percent of our employees accepted that option. The others picked a form of HMO or PPO, some kind of managed-care circumstance."

He said, "Fifty percent fee-for-service indemnity insurance, 50 percent some sort of managed care. Without any pressure from us," he said—this is the employer speaking—"we have watched the marketplace take hold. Today, just 3 years later, 15 percent of our employees choose the fee-for-service option." He said, "We have cut our health care costs"—not Washington-style cuts, where you simply grow more slowly than you did before; real cuts, where you spend less than you spent before by providing these options—"and our employees, in terms of the questionnaires they give us back, are happier with their health care options than they were 3 years before."

So, Mr. President, what we are really talking about, if we can take the big view here, is restructuring Medicare around the new reality and saying, "What will the numbers be to make Medicare rational from the standpoint of those who are paying for it," those who are paying for it being the taxpayers. And we are saying we are going to allow Medicare to continue to grow, indeed we are going to allow the individual contribution per year to go from $4,400 per year, roughly, to $6,300 per year.

We are going to allow this thing to go up almost 50 percent in that period, but that is the number that those of you who are involved in figuring out how to restructure it have to shoot at.

I am not on the Finance Committee. As I say, I have no legislative authority to do this. But I am on the health care task force, and we are looking at these options. We are confident, Mr. President, that we can come up with a restructuring of Medicare around this new reality that will ultimately go back to the lesson learned in long-distance phone calls—that is, that something can be created around the information and the experience we are getting out of the private sector that says to us we can provide better service for our elderly within the price constraints that we are looking at. But if the option is to not try to change the system, just pay for it, whatever it costs, then we are in the black hole that the Senator from Florida so accurately pointed out to us.

So I hope that as we conduct this debate, we will do so with the understanding that we, as a Congress, have a great deal of unfinished work to do with respect to Medicare, and it is in the restructuring of the system around the new realities. And I am one who believes we can meet that challenge.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. BENNETT. Yes.

Mr. DOMENICI. I first want to compliment the Senator on his very enlightening remarks. I hope he continues with his level head and good reason as the chairman of the task force.

Some are suggesting that we have to wait around for entire reform of the health care system, that which the President recommended last year, which failed rather overwhelmingly in both Houses of the Congress. Is it the Senator's opinion, based on what he knows, that we have to wait around for that day—which I do not know will ever come—when the U.S. Government reforms—so-called "reforms"—all of the health care system before we can do the restructuring to give our seniors choice and a delivery system that will meet their needs for less taxpayer money?

Mr. BENNETT. I thank the Senator for his question. It is my opinion that restructuring the entire health care system in this country with a single bill in a single Congress proved in the 103d Congress to be an impossible task. To attempt to do it again and again would be to say to the world that we had learned nothing from our experience in the 103d Congress, we are just going to go back to the same mistake that Congress made—in all good faith. I do not accuse anybody of approaching that task in bad faith in the previous Congress. But the experience just told us that to try to do everything simultaneously ultimately meant we did nothing. I believe we should break it up—the President himself used the phrase in his State of the Union Message, "a step-by-step approach"—break it up into acceptable components, and the one that is the most pressing and the most urgent is the restructuring of Medicare around the new realities.

Mr. DOMENICI. Will the Senator yield for another question?

Mr. BENNETT. I am happy to.

Mr. DOMENICI. The senior citizens of the United States have two distinct benefits with reference to health care. One is the health care trust fund, the so-called HI fund, the hospital fund, which is the one that is entrusted, that the workers of America, the men and women pay into with wage withholding, which is supposed to be for hospitals. That is one of the delivery systems. The other is part B, where the seniors of America are the only ones that the Federal Government pays a significant portion of an insurance policy for their primary care; that is, everything except hospital is the way I would define that.

Mr. BENNETT. The Senator is correct.

Mr. DOMENICI. I do not find people in America buying a hospital insurance policy and saying, well, I am covered for hospitals, and then having another company insure them for doctor visits and treatment that they may need if they do not have to go to a hospital but they break their leg or get asthma, or whatever it may be. So we have these two that are kind of the result of the way it started. We started one, and then under Eisenhower we started another.

Mr. BENNETT. The Senator is correct. This is a relic of the 1960's and not consistent with the way health insurance is offered in the private sector today.

Mr. DOMENICI. Now, when the Senator spoke of restructuring, inherent in that and part of that thinking would be that we would look at both of these coverage systems together in an effort to give the seniors a better, more compatible with modern times system; is that correct?

Mr. BENNETT. Correct. Restructuring would have to address part A and part B. It is actually time for a clean sheet of paper and to say, we have approximately $5,000—we will take a median figure—per person per year to spend on health care for our elderly. Now, what is the best way to spend that $5,000 to produce the greatest possible benefit for the elderly and avoid the evils of cost shifting and tax increases that the Senator from Florida was talking about?

Mr. DOMENICI. I thank the Senator. Once again, I compliment him for his remarks.

I yield the floor.

Mr. BENNETT. I also yield the floor, Mr. President.

Mr. GRAHAM. I know the Senator just yielded the floor. Would he retake the floor for the purpose of a question?

Mr. EXON. Mr. President, I yield 5 minutes to the Senator from Florida for that question.

Mr. GRAHAM. I would like the Senator from Utah to take the floor for the purposes of a question.

Mr. BENNETT. I will be happy to respond in any fashion on the time of the Senator from Florida.

Mr. GRAHAM. I think the Senator's analogy of the telephone system is a superb one. I would draw, in addition to the conclusion he did, another conclusion, and that is the importance of having an integrated, strategic approach to the structure of change for our communication systems in America. If, for instance, in Hialeah, FL, they were still using the system you described of the dial phone, whereas other parts of the country were using push button phones, and if there had not been an organized, consistent movement in an industry which has many providers, we would not have arrived so rapidly at the benefit the Senator has just described.

My concern is that what we seem to be about here is saying that each sector of the health care system can be looked at as if it were an airtight compartment and changes made there did not have to take into account changes in the rest of the system. I am concerned that we are about to make a judgment that over the next 7 years, we can restrain Medicaid increases to 1.4 percent per capita against a history in which they have been running in excess of 10 percent per year per capita and where the projection is that the private sector is going to be increasing at 7.2 percent per capita, in spite of the deficiencies you have outlined. Yet, we do not seem to have a specific plan of how we are going to achieve changes of that magnitude, cuts of $175 billion in Medicaid, the health care program for the indigent, and $256 billion in cuts in Medicare, a program for the elderly. Are you not concerned that we are reaching the end result without, from the bottom up, having a clear plan of how we are going to do it, particularly how we are going to do it in a way that will be compatible with the rest of the health care system, just as there was concern for the rest of the communications and telephone systems when we made those kinds of changes?

Mr. BENNETT. Responding to the question, I point out that the slowing of the rate of growth in the health care costs that we are talking about for Medicaid and Medicare is already going on in the private sector, and there is much we can learn from the private sector. It is the attempt to turn the public programs into an airtight compartment where they are immune from the kinds of changes that are occurring in the private sector that has produced some of this.

I would suggest that the Senator take a long look at what has happened in the State of Tennessee. He mentioned Medicaid. In the State of Tennessee, as I understand the numbers from the Governor of Tennessee who called on me, Medicaid costs were increasing at the rate of 20-percent per year for over 8 years running. The then Governor of Tennessee, a member of the Senator's party, decided that that would bankrupt the State and something had to be done about it.

Tennessee, as of January 1, 1994, moved to a system more compatible with that which is normal in the private sector, and in calendar 1994, instead of increasing at 20-percent per year, Tennessee increased their Medicaid costs at .12 percent—less than 1 percent. Almost .1 of 1 percent.

The TennCare solution in Tennessee has problems. I will not stand here on the floor and say it does not. But it has demonstrated very clearly that moving toward the solutions already tried in the private sector can, and in that State's case, has produced a significant cost difference.

When I talked to the current Governor of Tennessee, who happens to be a member of my party, building on the actions of his predecessor, he said, if we are allowed continued waivers from the Federal guidelines, which waivers were granted to his Democratic predecessor, we can prove that we can keep the growth of Medicaid in our State within the constraints that are outlined in this budget resolution.

There are examples out there of how these changes are occurring in the private sector. As the Senator says, not in isolation. They can move into what has been the watertight compartment of Medicare and produce the same results if we work together for that.

The PRESIDING OFFICER. The Senator from Florida has consumed 5 minutes.

Mr. GRAHAM. I appreciate the Senator from Utah responding to my questions. I hope that this will be just one phase of a continuing dialog. We all share in the awareness that this is a critical issue in achieving not only health care objectives, but also the fiscal objectives of a Federal Government that we in our future generations can afford.

The question that we are debating here is one of method and the degree in which this can be accomplished within individual programs, as opposed to requiring a more comprehensive approach in order to achieve those results without unintended adverse consequences.

Mr. BENNETT. Mr. President, I am more than happy to continue the dialog after I vote for the budget resolution.

Mr. DOMENICI. Mr. President, I know we will return now to the Democratic side.

While Senator GRAHAM is on the floor, could I comment about the Tennessee plan. I am clearly not the Senator from Tennessee. Senator Frist obviously knows a lot more about it than I do, and we are very proud of having him on our side as one of America's most renowned surgeons.

Essentially, I went to a full 3-hour field hearing, Senator. Just to mention some of the facts that this transition in their State yielded, they have 12 or 14 competing major HMO's in the State of Tennessee that now cover all of the Medicaid people in the State.

Some of those HMO's have a small part, some have a big part. There are some where they overlap. There are some that do rural, and have merged rural with urban to get a delivery system.

As Senator BENNETT said, it is not a utopia yet and it may never be, but interestingly enough, those people that run HMO's came to the hearing. At least the leaders of about five of them. They said it is working. We are competing. The prices are not going up. They have leveled. In fact, in some instances, they are coming down.

They also indicated that more people are being covered for the Medicaid funding than ever before. And we stand worried about telling the States precisely who to cover. We have heard that debate.

Should we put all the strings on because we are worried about Governors? When we send them Medicaid we are saying, will they take care of children, pregnant women, those that have mental illness? Some want to go back with the same list of specificity, and Governors are saying "We will do that. We will match what we have been paying and we will do that."

I think it was a very good dialog. Maybe when there is an amendment on Medicaid we can have more discussion about what is in this budget versus what are savings. Some are saying we should have assumed that Medicaid could grow at 10 percent every year ad infinitum. They say we will have less Medicaid money, must be assuming the program would go unchanged, or perhaps a couple more decades.

I believe we would never have been able to afford that. I think we would have changed it one way or another. Now we are changing it in sort of an orderly manner as part of this process.

I thank the Senator for his questions. I yield the floor.

Mr. EXON. Mr. President, I have listened with great interest to the interesting dialog that just took place. I simply say to all within the sound of my voice that exactly what has been said is exactly what many people on this side of the aisle are trying to get done.

That is, simply to say that while we think the general direction is acceptable, we happen to feel that the cuts are excessive, especially when we keep hearing about the possibility of a tax cut.

With that, I yield 5 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, I think that generally across the country, particularly here in Washington, people if they are not careful often tend to lose the forest for the trees.

I am afraid that might be what we are doing just now on Medicare. The previous discussion was on Medicaid, low-income health program that is a joint program financed by Washington, DC, and by the States. I would like to focus my remarks on Medicare, the medical program for senior citizens.

As we look at the budget proposal, Mr. President, with its unprecedented reduction in health services for senior citizens, I think we should start by remembering what life was like for older Americans before Medicare.

The fact is before we created Medicare our senior citizens lived in fear. Everyone over 60 knew that private insurance was shaky and expensive at best, and would cost them more every year. A serious illness or even a common ailment that required treatment but did not threaten life was not only a health problem but something that could reduce a whole family to poverty.

Today, Medicare has removed that fear from our lives. Those with those memories have forgotten it ever existed. This month I visited the senior citizens center in Great Falls, MT. The people at that center know exactly what Medicare and Social Security mean to their lives. It means a little financial security, some faith that illnesses will be treated, and that families will not be wiped out by costs.

Mr. President, 125,000 Montanans are eligible for Medicare, out of a total population of 856,000. Each knows exactly what Medicare means.

Listen to Margaret and Frank Jackson of Billings, MT, who wrote me this statement last week:

> Social Security and Medicare are not only necessary, they are absolutely essential to our survival in Montana. Higher costs such as higher property tax, increases in school levies, fuel in a cold climate, and medicine

take a toll. There is just too much mouth at the end of our money. Needless to say, additional cuts would put a great burden on us.

The leadership now proposes something like $250 billion in Medicare cuts. It is staggering. This will reduce Medicare services nearly a quarter by the year 2002—reduce services by a quarter by the year 2002. To add insult to injury, the House of Representatives would do it, in part, to pay for tax cuts for Americans who are already very wealthy. Think of it, Mr. President, a 25-percent cut in services to the elderly to pay for tax cuts for Americans who are already very wealthy. Some in the Senate would do the same and go even further.

What would it mean if this happens? Montana Medicare beneficiaries would pay up to $900 more a year in premiums, copayments, and deductibles. This will come out of their own savings and from their children, who are now scraping for money to send their children to college and to pay property taxes.

We would see thousands of operations and hospital stays put off. Thousands of people would decide to go without home health care. All that means, of course, is that they will suffer more serious, more painful, more expensive illness later on that early care could have prevented.

EFFECTS ON RURAL HOSPITALS

And, as the Federal Government cut reimbursement, more rural hospitals would be pushed to the edge.

Some Montana hospitals will be forced to choose between serving their patients and remaining solvent. Others will simply close. Two Montana hospitals get nearly 80 percent of their revenue from Medicare, and many are at 60 percent. This plan would hit them like a wrecking ball, costing jobs and forcing people who need care to make long winter drives to the cities. We have vast distances out in the country, and this will be a big burden on them.

So overall, we can already tell what this plan would mean. It is simple: less access to health care for senior citizens; for people with disabilities; for Montana and all of rural America.

Now, it may well be that we need to make changes in the Medicare Program. We must be realistic.

The answer is not, however, to simply approach Medicare reform as a budget-cutting exercise, because we are talking about preserving essential health services for 125,000 senior citizens in Montana and 30 million seniors across America. We are talking about good, middle-class Americans like the Jacksons. And above all, we must not use Medicare as a piggy bank. Do not take money that buys health care for senior citizens and use it for a tax break for rich individuals and big corporations. That is disgraceful.

Perhaps some changes lie ahead. But if they do, they should be made for one purpose, preserving essential health services for senior citizens and people with disabilities. That is where we must draw the line.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to take a moment to thank the Senator from Montana for his remarks and also, previous to him, the Senator from the State of Florida, the former Governor of Florida, who basically as a Governor understands the matter of choosing fairness, equal sacrifice, shared sacrifice—call it what you will.

Certainly the Senator from Montana has simply emphasized very vividly and very well, in my opinion, the remarks that this Senator made earlier about the tremendous hit that this extraordinary cut in Medicare and Medicaid will have on rural America. Rural America needs to be heard, too.

I have heard a great deal in this Chamber during the budget debate about shared sacrifice. We have to do this, and we have to do it in a fair manner of shared sacrifice. So that supposedly that term embodies the thought that everyone is sharing and sharing equally in the reduction in spending to get us to the balanced budget by the year 2002. I think earlier today, in the remarks made by the Senator from North Dakota with regard to what Republican commentator Kevin Phillips thought of fairness—who are the winners and who are the losers in this proposition?—Kevin Phillips, as well as any other national spokesman, highlighted the unfairness of the Republican budget that is being attempted to be sold here as an instrument of shared sacrifice.

How fair is it and how fair are the sacrifices? I submit the Republican budget gets a total of $431 billion in cuts from Medicare and Medicaid. Let me repeat that. Under this shared sacrifice budget we are being asked to approve and we will be asked to vote on upcoming, we will be asked to vote down the reasonable proposal to make relatively small changes in the Republican budget, not changing balancing the budget by the year 2002, I emphasize, and not changes with regard to raising any taxes. We are simply saying since the Republican budget is not an instrument of shared sacrifice we should at least alleviate a portion of the hit on Medicare and Medicaid—and only a portion of it—in the interests of shared sacrifice.

I repeat, the Republican budget gets a total of $431 billion in cuts from Medicare and Medicaid. That is two-thirds of the Republican cuts in all entitlements. That is nearly 40 percent of the total spending cuts that the Republicans make in all programs.

Essentially being repetitious, the proposals by the Republicans that are being described here as necessary shared sacrifices are being shared primarily by our senior citizens and our least fortunate on Medicare, including those being adequately provided for in our nursing homes.

I again repeat, the shared sacrifice we are being asked to approve here, shutting out even reasonable proposals to reduce the hit on Medicare and Medicaid by $100 billion over 7 years, and taking that $100 billion out of the $170 billion tax cut pot that is part and parcel of the Republican budget that everybody likes to continue to ignore, that is not equally shared sacrifice. That might be shared sacrifice, but it is not equally shared sacrifice.

I appeal once again to Members on both sides of the aisle to recognize the proposal made by the minority is a reasonable one. It makes a major step toward true shared sacrifice rather than meaningless words that have been used here to allude to the Republican budget in this regard.

I yield 5 minutes to my colleague from the State of Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, the Republican budget now before the Senate makes severe cuts in some essential programs. I would like to direct your attention to, first, the cuts in Medicare.

Medicare, of course, is the health insurance program that is provided for our senior citizens. The Republican plan cuts $256 billion from this program. This cut is three times larger than any other Medicare cut in history, without any attempt to reform the health care system which drives up the cost of Medicare.

What does this Republican cut mean to the average senior citizen who is on Medicare? It will mean about $900 per year in higher premiums, copayments and deductibles—$3,200 over 7 years. For a senior couple that totals an extra $6,400 in out-of-pocket costs. There are 641,000 Medicare enrollees in Alabama. Over the 7-year GOP budget, Alabama would lose around $6 billion in Medicare funding.

Medicaid is different from Medicare. Medicaid is the program that provides health care services to the poor and also provides nursing home care for those who are not able to pay for it. The Republican plan would cut $175 billion in Medicaid funding. Without Medicaid money families could face nursing home bills of between $20,000 and $45,000 a year. It is estimated that without Medicaid funding nursing home bills would average $38,000 per year.

The Republican budget would raise taxes on low-wage, working families by increasing the average of such families' taxes by $1,400 a year. There are 12 million working families that would be hit by this Republican tax increase. This tax increase affected what is known as the earned income tax credit. Former

President Ronald Reagan once called the working family tax credit program the "best pro-family, the best job-creation measure to come out of the Congress."

This tax increase would affect 309,328 working families in Alabama. Next, the Republican budget severely affects educational programs. It would cut $1 billion in aid to fight guns, drugs, and violence in schools, known as the Safe and Drug-Free School Program; 39 million students and 94 percent of all school districts benefit from the Safe and Drug-Free School Program. One million college students per year would lose their financial aid or have their aid cut dramatically—40 percent—under the Republican plan to freeze Pell grants, the basic opportunity educational grants.

The Republican budget would increase college loan costs for 4 million students each year. The average student could pay between $3,000 and $4,900 more for his or her education, depending on how long it takes to repay the loan. Graduate and professional students likely would be paying as substantial amount, on average for their advanced education. In Alabama the Republican cuts in college loans would affect 55,778 students.

I am working with several Senators on alternatives to the Republican budget proposal. We can reduce spending and balance the budget in the same timeframe the Republicans have targeted—the year 2002—by freezing most programs at 1996 levels and cutting less essential programs than Medicare, Medicaid, education, and other essential programs. A balanced budget can be achieved without having such a dramatic tax increase on those families in America that earn less than $28,000 a year.

I point out that the budget on the Republican side has $170 billion in the fund which is reserved for tax cuts. I do not feel that we can sacrifice the senior citizens, those in need of education, and the working poor at the expense of a proposed tax cut that is coming down the road at some later time.

Mr. EXON. Mr. President, I thank my friend and colleague from Alabama for once again stating the concerns that many of us on this side of the aisle have. Once again, his knowledge of the system, his understanding of what we should and should not do, and his dedication to make shared sacrifices means something fair was well taken.

Mr. President, I am about to yield to my friend and colleague, the cosponsor of the amendment before us, the Senator from New Jersey.

I remind all that in 5 minutes, or thereabouts, we will be going into controlled time per the previous agreement.

So I yield at this time 12 minutes to the Senator from New Jersey, with whatever time he uses after 2 o'clock within those limits be charged to the time allotted to this Senator.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Thank you, Mr. President. I thank my friend and colleague from Nebraska.

Mr. President, on Friday I had some comments to make about the amendment that is pending before us and the budget resolution generally.

I am privileged to sit on the Budget Committee, and the distinguished chairman of the Budget Committee is on the floor. As I said before, while we do not always agree, I always respect his intellect and his commitment to try to do what he sees is right.

We have now a difference on approach, because I understand also that after my comments it was suggested that I want to divide this country, and that perhaps my tactic is along those lines. I would raise a question. I mean, why is someone who takes one position harmonious and for a unified approach, and someone who takes another position out to divide? There are sides in this debate. The question about whether or not we are going to cut spending is long past. It is a question of how we are going to cut spending, and who is going to win and who is going to lose. Whose side will Government be on? It is a fair question, it is a reasonable question, because there are choices being made.

One only need look at what is proposed by the House Republicans, and intimated by my friend in the Senate on the Republican side that someone is going to get a tax benefit, a lot of tax benefit, especially if you are in the substantially higher income brackets. So someone is going to have to pay for it, we know that, whether it is education, or housing, or Medicare, as the discussion currently develops.

The Republican budget reflects a party philosophy, and a constituency. The Republicans generally believe the answer to society's problems is to make sure that the powerful have enough power, and more money goes to millionaires. That is evidenced by the fact that, if you make $350,000 in a year, you get a $20,000 tax reduction. That is pretty hefty.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. LAUTENBERG. I would like to finish, and then I will be happy to yield.

It is reflected here in this chart. It says the winners, $20,000 tax break; corporate subsidies still protected. I come out of the corporate world, and I respect and appreciate what corporations have done by way of helping this country build, my corporation as well. But if you look at the earnings statements around the country these days, they look pretty good. If you look at the stock market, it is pretty good. It does not look as if the corporations are starved for profits. Look at the automobile companies. But we are protecting subsidies for oil and gas and others. And tax loopholes are still protected.

So even as we do this, we are asking those who are Medicare recipients and those who, because of a situation in life, may be subjected to having Medicaid, a program for the poor, be the only device by which they can get medical attention.

So what we look at is on balance, and we have heard the debate about reducing the growth and not cutting the programs, reducing the growth. The fact of the matter is that, if there is to be a similar level of service with the same options preserved, it is going to cost $6,400 for a senior couple over the next 7 years as we pursue a balanced budget; $6,400 may not be a lot to the guy who makes $350,000, but to the average couple, 75 percent of the senior citizens who are making $25,000 a year, whose income is $25,000 a year or less, $6,400 is an awful lot of money, and especially when on top of the—may I have the Chair's attention; thank you—especially on top of the fact that the average senior citizen is also paying over 20 percent of their income for health care needs that are not provided by Medicare.

We know that there is a cut in education funding, that it is going to cost those who have to borrow to go to college substantially more as a result of the cuts there and the elimination of the earned income tax credit. And it is going to be a terrible penalty for families making $28,000 a year or less—$28,000. Why, that is almost as much as, slightly more than the refund that someone earning $350,000 is going to get by a lower tax rate.

So that is the situation. That is what we are looking at—a tax increase for working families, more cost to go to college, senior citizens being burdened with extra costs on programs for which they have paid and paid handsomely for a lot of years.

There is no getting around the concept that there are winners and losers in this resolution. And the American people have a right to know how they will be affected. But some Senators on the other side of the aisle obviously do not like a discussion of winners and losers. Some even suggested, as I said earlier, that somehow the Democrats are trying to divide the country. It is an outrageous charge and has to have a response.

Mr. President, the way to unify this country is to treat everybody fairly. It is not to take away quality health care from our senior citizens and use it to pay for tax cuts for the rich.

The way to unify the country is to relieve the financial burdens wherever possible on working families. It is not to increase taxes on these families and then again to give it to the wealthiest.

The way to unify the country is to give all Americans a chance to get an education. It is not to increase costs for students to pay for tax cuts for the rich.

If our country is going to pull together, Government must stand with ordinary Americans even if they are not rich, even if they do not have lobbyists representing them and even if they do not have the strong political connections.

When our friends on the Republican side say we are trying to divide the country, I suggest they take a look in the mirror and see whether or not trying to take from one group that can least afford it to help relieve the tax burden on the wealthier group is unifying. I do not think so.

It is obvious that ordinary Americans, already furious at the Government, think they are being ignored. They think Government does not care about them. Some even see the Government as an enemy. To reverse this disturbing trend, Government has to do a better job of standing up for ordinary Americans.

That is what we Democrats are trying to do. We want Government to stand with middle-class families, with seniors, and with our young people. If we invest in our young, we are investing in the next century, trying to provide the leadership that is going to make this the competitive Nation we once were. It is going to give us a health care standard we once had that led the world. We are not among the top few nations with longevity. We are not among the top few nations with health care facilities that deal with mental illness. We are not where we used to be. And that is what we are trying to do, we the Democrats. We want Government to stand with middle-class families, with seniors, and with our young people. These are the people who are the backbone of this great country of ours. To a great extent they are the country, and it is time for them to be treated that way by their Government and in this debate.

Mr. President, the pending Rockefeller-Lautenberg amendment reflects this approach. Its message is simple. It says let us eliminate tax cuts for the rich and apply the savings to Medicare and Medicaid. And once again I remind my colleagues who benefits from Medicare: 75 percent of the beneficiaries have incomes of $25,000 or less; 35 percent of them, $10,000 a year or less; 25 percent of those people rely solely on their Social Security checks. On top of this, Medicare recipients pay 21 percent of their income in out-of-pocket health care costs—21 percent. So if an average income is $25,000, they are paying over $5,000 in out-of-pocket health care costs. They have worked their entire lives, these senior citizens, and paid into the Medicare Program. In turn, they have been promised health security through Medicare.

The budget resolution breaks that promise, and it does so, again, to make sure that it is balanced off with tax cuts on the other side.

The final chart rather sums it all up. Senior couples on fixed incomes get a $6,400 tax increase for every senior couple, and on the other side it is a $20,000 tax break for people earning $350,000 a year.

Mr. President, it is not fair to our Nation's seniors. It is also unfair to millions of middle-class families, and as we all know, there are millions of working parents in America who help out their own parents who are retired. These parents are struggling hard enough to make ends meet for their own children. And this budget will shift another heavy financial burden on their shoulders. They will have to pay more of their hard-earned money for health care expenses for their parents. It is not right.

We have heard a lot of denials from the other side of the aisle.

The PRESIDING OFFICER (Mr. GRAMS). Time yielded to the Senator has expired.

Mr. LAUTENBERG. May I ask the manager for another minute, please?

Mr. EXON. I will be glad to yield a minute. I say to all of my colleagues, for every moment that I yield, you are taking time away from the 10 minutes for which the minority leader has asked, but I yield 1 additional minute.

Mr. LAUTENBERG. One minute, and I will be finished.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, it is pretty simple. The Republicans cannot have it both ways. They cannot claim the budget resolution is going to balance the budget when it leaves out the Social Security trust fund, but we are not in that debate right now.

Well, if so, then it also will provide for the tax cuts. If some now claim the resolution does not include a tax cut, they must be saying that it will not really balance the budget.

For all practical purposes, this resolution does include a tax cut, a tax cut that will almost certainly provide disproportionate tax breaks for millionaires and other wealthy individuals.

Nobody ought to be fooled by these denials.

Mr. President, this is what my Democrat colleagues stand for. It is the right thing to do for our country, and I urge my colleagues to support the amendment.

With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. My recollection is that there were two Democrat Senators who spoke in a row. I wonder if I might do that now. I will just speak for 4 minutes and then I will yield 10 minutes, 15 minutes to the Senator.

Mr. EXON. I think that is fair.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the distinguished Senator from New Jersey said you cannot have it both ways. I think he was referring to us, the Republicans. But, as a matter of fact, it is better referring to the Democrats and in particular the distinguished Senator from New Jersey. He cannot have it both ways, either. They cannot have it both ways.

Now, the theme song is we are all for balancing the budget. We are all for balancing the budget. The days are long past when we are worried about balancing the budget. We are all for it, right. But any time we propose something that will get us there, it is not the right way.

Where is their way? Where is the way of the distinguished Senator from New Jersey? He does not want to touch Medicare, I assume. He does not want to touch Medicaid, I assume. He does not want to touch anything we touch, I assume. Where is their balanced budget? You cannot have it both ways.

Mr. President, in addition, let me suggest these are the facts about Medicare. What the distinguished Senator from New Jersey is talking about in Medicare is somebody's set of facts, somebody's assumptions. Somebody, somewhere, somehow—probably the White House or the OMB—who is against this budget, they have come up with all these scare numbers for the senior citizens.

But senior citizens, Americans—not just senior citizens—Americans, we want to preserve the Medicare system. We want to preserve it for you who are on it, for seniors yet to come, and for hard-working, middle-income people who are 45 years old. And, yes, if we could, we would like to protect it for our children.

And so we recommend that we fix it precisely the way the trustees—four of whom work for the President, two of whom are citizens—told us we ought to do it. No more, no less. No Republican inventions, just pure, basic facts as given to us by six trustees who say it will not be here for long unless we fix it.

Now, unless you want to cross America and go to every senior citizen center and say, our plan is to preserve it for the next 3 or 4 or 5 years and we just do not know what is going to happen after that, but for now we are against what Republicans are doing because we want to scare you to death, well, if that is the case, more rhetoric of the type we are hearing today may do it, excepting seniors have caught on.

They have even caught on to mailings that this group, formerly known as the Roosevelt Group, the

Committee for the Preservation of Social Security and Medicare—if you have ever seen a scandal sheet, look at that. Do you know what they do, Mr. President? They wait for us to say we need to fix something for seniors and they say, "We found a big, big bank account. We will send these pretty papers out," $10 a head for seniors. "Man, send it in. We'll save you."

Do you know how much they are apt to get just from that little thing—2 million Americans at $10? Just do the arithmetic. How much is that? Twenty million dollars—while they feed and prey on American seniors.

Well, we are not going to do that. We are just going to tell you that you cannot have it both ways. You cannot have it both ways, the Senator from New Jersey; you cannot have it both ways, the Senator from West Virginia; you cannot have it both ways, Democrat Senators. You either tell us how you will fix this budget—unless you decide it is not worth fixing, $275 billion deficits are OK, let our kids pay for it, let our salaries suffer, let our standard of living suffer, but we will not take a stand on anything that is difficult.

Now, these are the facts: Medicare per capita growth rates in the Senate budget resolution, per capita Federal Medicare spending, will grow from about $4,350 in 1995 to about $6,300 in 2002. I say to my friend from New Hampshire, my arithmetic says that is a 50-percent increase. No. Well, no, let us be right, a 49-percent increase, an average per capita growth of 5.4 percent.

Under current law, Medicare spending will grow from about $4,350 in 1995 to $7,800 in 2002. This is a 7-year increase of 80 percent, while we think we can deliver health care to seniors with a 50-percent increase. I do not think that is a cut. And, frankly, all those numbers cited both by my distinguished and dear friend, Senator HEFLIN from Alabama, and Senator ROCKEFELLER on how much each senior is going to pay is pure, utter speculation. I would call it worse than that, but I understand the Senate rules, so I will call it speculation. Because it is not necessarily the case. We have had Senator after Senator that are informed on this explain why it is not the case, why it does not have to be the case.

Now, frankly, let me close by saying, you cannot have it both ways, I say to the Senator. You said, how are we going to cut is the real issue. And I say, "How are you going to cut?" That is the real issue. Not how we are going to cut; how you are going to cut.

So to just stand here and talk about what we are doing and at the same time try to confuse the American people that you are for a balanced budget just will not work. I am sure the American people will not buy it.

I yield the floor.

Mr. GREGG. Mr. President, has the Senator from New Mexico yielded?

Mr. DOMENICI. I yielded 15 minutes to the Senator.

Mr. GREGG. Mr. President, first, I want to compliment the Senator from New Mexico on his summary of the debate and especially the arguments made on the other side, because it really is a they-want-it-both-ways argument that they have been making here and, unfortunately, in the process they have left the senior citizens holding the bag.

Because, as the trustees have pointed out to us and as the Senator from New Mexico pointed out, this is what we are worried about. This is the bankruptcy of the Medicare trust fund. It occurs. It occurs as a result of the fact that we will be taking more out of the fund than is being put into the fund or that the benefits are increasing, the costs of it are increasing so fast that we cannot maintain the fund in its present structure. And we have to address this if we are going to address the solvency of the trust fund and if we are going to have the senior citizens of this country have an insurance plan.

Now, the proposal from the Democratic Members is to take $100 billion of projected interest savings that we may get as a result of getting to a balanced budget, which they will not vote for, and somehow just throw this back at the plan. Well, that has not worked in the past.

The trustees told us rather specifically that if you are going to get the trust fund into solvency, you have to fundamentally reform the Medicare health care system. We can look at the history of these various let's-tinker-at-the-edges approaches of throwing money at the present proposal.

Under the Democratic proposal we see that this line here, which is the chart of spending under Medicare as compared to the estimated savings that we would get from different action than has been taken over the years. We have not in any way limited the rate of growth of spending in the Medicare trust fund. The Medicare trust fund continues to expand after we do this "let's-throw-some-more-money-at-it" proposal such as the Democrats have proposed today.

The fact is, unless you control the rate of growth of spending in the Medicare trust fund by fundamentally reforming the way that health care is delivered for seniors and giving seniors more choices in the area of health care, you are never going to get to this chart, which is the chart that we are concerned about, where the line levels out so that it does not go into bankruptcy.

And that has been told to us not by Republicans or Democratic Members of the Senate but by the trustees of the trust fund speaking to us about their concern about where the trust fund is going.

And this leads to the second point that I want to make, which is that the reason the Medicare trust fund is in such trouble is because of the fact that Medicare is a 1960's health care system going into the year 2000 and beyond. It is not relevant any more to the way that health care is efficiently and effectively delivered, with quality, in this country. That is shown by this chart which reflects the fact that amongst the private sector where health care costs have stabilized and in fact the health care premium costs have come down, 64 percent of the private sector individuals today are now in managed care; whereas, 94 percent of senior citizens remain in fee for service.

Well, that is reasonable from a cultural standpoint, because seniors grew up with fee for service. They grew up with the concept of having a specific doctor that they could go to. In the fifties and sixties, that was the only type of health care delivered in this country.

But as we move through the nineties, as we move through the years 2000 and beyond, it is very clear that health care delivery, to be efficient and to be of high quality, is shifting gears in this country, and in the private sector the people are opting into a fixed-cost system where they go to a provider, either a group of doctors or a consortium, an HMO or PPO, and, as a result, the cost of health care has dropped dramatically, as is shown by this next chart.

We have seen that in the private sector, as HMO's and the managed care, fixed-fee cost insurance approach have been pursued by the private sector and increased in participation, as was shown earlier, the cost of health care has dropped precipitously in the private sector by more than 50 percent.

We are not talking about cuts here again. We are not talking about taking the Medicare Program and cutting anything, as the Senator from New Mexico pointed out so eloquently. We are talking about dramatic increases in the Medicare system, but what we are talking about is less dramatic increases than are projected. We are talking about a system that is now growing at 10.5 percent annually and trying to get its rate of growth down to 7 percent annually.

What does it mean in dollar terms? It means this year on a per capita basis, a Medicare recipient will receive $4,300. In the year 2002, it will be $6,300. Those are significant increases. And $96 billion more will be spent on Medicare in the year 2002 than is being spent in this year. So we are not talking about cutting anything. We are talking about slowing the rate of growth of Medicare.

What we have seen in the private sector is by going into managed care proposals, they have slowed the rate of growth. They have gotten their inflation rates down dramatically just in the last 3 years.

Will we realize those types of savings in the Medicare system? No, obviously not. But will we realize significant savings, significant enough to get that 3-percent difference that we are looking for from 10 percent rate of growth down to 7-percent rate of growth? Yes, we will, by going through the reform programs we are talking about.

On our side, we are not talking in generalities and we are not talking in terms of politics, we are talking in terms of substance, substantive reforms in the Medicare system to ensure its solvency, and we are making proposals in this area, something we are not hearing from the other side of the aisle.

As we just saw on that last chart, we see that the premium costs as a result of going into HMO have dropped dramatically so we can realize that 7-percent cut. They dropped from a 10.5-percent rate of growth of premiums in the private sector in 1992 down to a minus 1.2 percent last year in the private sector. What a huge drop. We do not have to go that far in the public sector, we just have to get the 10-percent line down to 7 percent and we have a solvent system and a responsible system, and we will have made the savings and will have given seniors some opportunities they do not have today in the area of health care.

Some people say, "Well, if seniors go into managed care, they are going to be treated more poorly." As a practical matter, the history is actually managed care is doing a better job of some of our chronic illnesses than fee for service is. Right here, managed care is doing a better job in diabetes, a better job in heart conditions, a better job in high blood pressure, a better job in high cholesterol, a better job in weight problems. Why? One of the things is in a managed care atmosphere, they look very hard at preventive and wellness programs and seniors can benefit significantly from these types of programs.

What we are going to say to seniors is you do not have to go into HMO's, PPO's or managed care. We are not going to say they have to go that route. We are going to create what is known as an economic incentive, market incentive. For some on the other side, the concept of marketplace is an anathema, and they do not want to hear it in relation to health care.

If we use the marketplace, we can encourage seniors who are traditionally in fee for service to move from fee for service into HMO's and PPO's and get better health care in the process and get the lower cost for the Federal Government in the process, a double win as we go down that road.

This, I think, reflects the fact that we have also heard a lot about, "Well, if seniors go into the managed care system, you are going to find that they have more difficult problems, that they have more significant problems than the population generally and therefore the system will be skewed and you can't do it."

Well, that is old numbers, No. 1. That is old, old numbers before HMO's that they are using to cite those, before HMO's were effective and used a lot. Today, if we look at the current numbers we are seeing that the HMO enrollees are diagnosed at an earlier stage than the people who are in the fee-for-service system and in addition, that HMO enrollees generally have the same type of breakout of health care problems as fee-for-service people.

So you do not have the creaming concept that you hear of this argument where HMO's are only going to take people who are well and all the sick people will stay in fee for service. Our plan does not allow adverse selection, period, so it is not an issue. The fact is the numbers are now showing us HMO systems are not adverse selecting anyway. So as a practical matter, that is not a problem.

So what we are suggesting is that, No. 1, look at the trustees' report. Look at the trustees' report. It says that this system is fundamentally broke and that it has to be reformed, that you can no longer take the Band-Aid approach and that you certainly can no longer take a whole bunch of money and throw it at the system, as is proposed by our colleagues on the other side of the aisle by this amendment, that it needs fundamental reform.

Second, what we are saying is we are proposing such reform. We are not proposing such reform in the context of just budget savings, we are proposing such reform in the concept of delivering better care to our senior citizens by giving them the opportunity to have the same type of plans that we as Members of Congress have.

That is basically what it comes down to. By saying to them we will give you the opportunity to go out and purchase a fixed-cost plan, an HMO or a PPO and move out of fee for service and if you do that we are actually going to give you a percentage of the savings that you obtain for yourself, let you keep it and, as a result, we are going to reduce the cost, in the long run, to the Federal Government from 10 percent down to 7 percent, a very attainable goal.

More importantly, we are going to make the trust funds solvent and we are going to give our seniors choices which they do not have today and, at the same time, we are going to give them the opportunity to go out in the marketplace and find health care in a variety of ways which the private sector is now using which helps us control costs.

So we are talking substance here is what it comes down to and, regrettably, on the other side of the aisle they are talking politics. We are talking about reforming the Medicare system so it is solvent, they are talking about politics of the next election. It is unfortunate, but that is the way it is broken out.

We are talking about balancing the budget so that our children are not stuck with a country which is bankrupt, they are talking about politics. These are our answers and our proposals and they are substantive. We await and hear a deafening silence for the proposals coming from the other side, either on how you balance the budget or how you correct the Medicare insolvency. We wait.

Mr. President, I yield the remainder of my time back to the Senator from New Mexico.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I will hold my time now.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President I think we heard just an amazing discussion. Obviously, the shared sacrifice provides and directs the senior citizens into HMO's whether they want to be there or not. This side of the aisle will not vote for that kind of a proposition.

I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the ranking member of the Budget Committee.

Mr. President, I rise today to continue my comments on the need to make intelligent reforms to Medicare as part of an overall strategy not only to keep the Medicare hospital insurance fund solvent, but also because of the impact Medicare has on our Federal budget deficit.

I very much want to participate in a bipartisan effort to balance our Federal budget by 2002, and as I said a few days ago, I believe Medicare must be on the table as we seek ways to reach that goal.

In my comments, I listed a number of Medicare reforms that I would be willing to consider as part of a balanced package, and indicated I would certainly be willing to look at other reforms as well.

Mr. President, it bears repeating that if we are to achieve a balanced budget by 2002, or indeed by any target year, we need to make changes to Medicare.

Put even more directly, the failure to include Medicare as part of a budget package almost certainly dooms such an effort to failure, if not in the short term, then certainly in the long run.

As I also noted, I strongly prefer to make significant changes to Medicare as part of a broader effort to reform our health care system.

In that larger context, not only could we make more significant progress in stemming the increasing costs of the program, we would be far better able to address the underlying forces that are increasing the costs of health care both in the public and private sector.

But, Mr. President, we do not have that luxury.

We apparently will not be debating and passing comprehensive health care reform in the near future, and the failure to do so is not only a tragedy in human terms, it is also a lost opportunity for significant deficit reduction.

Nevertheless, Mr. President, we must still make changes to Medicare, even without comprehensive health care reform.

Deficit reduction and a balanced budget require it.

However, Mr. President, two features of the proposed Medicare cuts put any effort to balance the budget at risk.

The first is an issue on which I commented a few days ago, namely the failure to deal honestly with the American people on this subject.

This is being done in a number of ways—for example, by minimizing the potential impact of the cuts or by suggesting that the proposed savings can largely be achieved simply by moving to a managed care approach.

But a deliberate deception that is particularly troubling to me is the representation that the reason we need to make changes to Medicare is to keep the program solvent.

The clear implication that is intended by that description is that any savings realized from cuts to Medicare will remain in the program.

Mr. President, that is a deliberate misrepresentation.

Yes, we need to make changes to Medicare, and yes part of the reason is that the trust fund that pays for one part of Medicare—the hospital insurance program, known as part A—will be insolvent in 2002.

But that is not the whole story.

Changes are also needed to Medicare because of the impact that program has on the entire Federal budget.

Mr. President, this country is ready to sacrifice to reduce our deficit.

In fact, I am struck by the willingness of so many to forgo so much.

There is almost a physical need to do so.

I have seen this in the widespread opposition to the proposed tax cuts that both parties have offered.

And with respect to Medicare, I have seen it in the recognition by seniors that reforms are needed.

But, Mr. President, that willingness to sacrifice will evaporate if we do not deal honestly with the American people.

We need to be straight with the American people, and especially our seniors as we ask them to support changes to Medicare.

If we do that, we will have that support.

Mr. President, the other feature of the proposed Medicare cuts that troubles me is the potential for harm to one of the most vulnerable groups in this country—the frail elderly.

Mr. President, to the credit of this body and our colleagues, for the most part we have not heard the greedy geezer arguments made as a rationale for cutting Medicare.

But that argument is certainly made by some.

And it is true that there are retirees who are well off.

After a lifetime of hard work, there are seniors who have acquired significant savings, and have comfortable pensions.

Some of their assets come from equity in their homes, which they have lived in for decades.

But that is not the whole story. Millions of elderly are among the poorest of our country.

The median income of elderly households is less than half that of nonelderly households.

According to the Public Policy Institute, in general incomes rise from age 15 to age 50, and then decline steadily.

And incomes for the oldest old are by far the lowest of any age group.

Households headed by someone aged 75 or older had annual median incomes of less than $13,622 in 1992—$4,000 lower than the next lowest income group, those of households headed by people between age 15 and 24.

And over one-fourth of the elderly households have incomes of less than $10,000 per year.

Mr. President, while the elderly are disproportionately poor, they also spend far more on health care as a group than anyone else, and this should not surprise us.

What may be surprising to some, however, is just how much our seniors do pay already even with the coverage provided by Medicare.

In 1995, the average older beneficiary will spend about $2,750 out-of-pocket for premiums, deductibles, copayments, and for services not covered by Medicare.

I might add, Mr. President, that these costs do not include the potentially crushing costs of long-term care which can total nearly $40,000 in some areas for nursing home care.

Over the next 7 years, it is my understanding that even without the Medicare cuts being proposed as part of this budget resolution, Medicare beneficiaries can expect to spend more than $25,000 out of pocket for health care costs.

This budget proposal before us could add $3,200 more to the total.

Mr. President, Medicare has done much to improve the lot of seniors.

According to the Public Policy Institute, prior to Medicare, only about half of older Americans had any health insurance compared to 75 percent of those under 65.

Employer-provided health coverage was the exception, and most of those with that coverage lost it once they retired.

If you wanted to buy private insurance, you were often denied coverage on the basis of age or pre-existing conditions.

And those policies that were available were often unaffordable.

Without coverage, many simply did not seek care even when they needed it.

With the passage of Medicare in 1965, that picture changed dramatically.

The Public Policy Institute reports that the share of the elderly population not seeing a physician in a given year dropped from 32 percent in 1958 to 21 percent in 1976.

And there was a significant increase in access to hospital services.

Let me say a few words about this issue of shared sacrifice, which the Senator from New Hampshire was just addressing.

Even with Medicare, though, for the average senior citizen, often an older woman living alone, health care is still very costly.

Our seniors spend about four times as much out of pocket on health care as their younger relatives.

And those out-of-pocket costs consume an enormous portion of their income.

For the average older American, out-of-pocket costs still use up $1 in every $6 of income.

And for those over age 85—the fastest growing segment of the population—$3 of every $10 of their income goes toward the cost of their health care.

Mr. President, if we did not have Medicare today, and older Americans were forced to buy health care coverage from insurance companies, they would have to pay much higher premiums.

The Public Policy Institute estimates that premiums for those aged 65 to 74 would range from $6,400 to $8,500, or, on average, up to half of their annual income.

Mr. President, the numbers that describe this issue are so impressive that it is easy to frame our arguments around them.

But as many of my colleagues have noted, there is a human side to those numbers, and as important as they are, they do not tell the whole story.

I have received hundreds of letters on the proposed Medicare cuts.

Mr. President, they are not from well-to-do, retired corporate executives.

Many are older women, often living alone.

One older woman wrote to me from Merrill, which is in the northern part of Wisconsin.

Her letter is typical of many I have received.

She told me that she lives alone, and gets $573 per month from Social Security.

With that she pays the taxes and insurance on her home, as well as the other costs of day-to-day living. She told me that she just does not have enough money left over to pay for more health care.

For that woman, across-the-board increases in premiums or copayments, Mr. President, will be brutal. She will be forced to make terrible choices. She may have to ask herself if she can afford to pay for prescription drugs or food. What about repairs to her home, like fixing a leaky roof? What about the heating bill, Mr. President? Mr. President, you know as well as I do, being from the northern part of this country, it gets very cold in Merrill, WI, and that is a brutal choice to have to make.

Another older woman wrote to me. She lives in Milwaukee. She explained that her memory is impaired because of various illnesses. She is sick and totally dependent on Medicare for health care. She did not say what her income is, but if she is average, it is about $17,000 per year.

At the level proposed here in the Senate, the cuts to Medicare could mean that she will pay another $3,200 in out-of-pocket costs over the next 7 years, nearly $500 per year in additional health care costs on top of the $2,500 she now pays. Mr. President, this was reflected as well when I met with a delegation from Wisconsin at the White House Conference on Aging. We visited about a number of items, including the absolutely critical importance of long-term care reform. We talked about the prospects of cuts to Medicare. Mr. President, those delegates to the White House Conference on Aging agreed that we do need to make some changes to Medicare. They agreed, though, that we need to "cut smart" but not "cut mean."

Mr. President, the risk with this level of Medicare cuts is that we will "cut mean," and those who are the least able to afford it, the most vulnerable of our adult population—the frail elderly, will be asked to carry the bulk of our deficit reduction load.

Mr. President, I am willing, as I have said many times, to participate in a bipartisan process of which the primary goal will be to actually produce a balanced budget by the year 2002, or earlier. Some Medicare cuts should be part of that process; indeed, they have to be part of that process.

But, Mr. President, I cannot support a plan that weakens the health safety net for our poorest and frailest elderly—the very safety net Medicare was designed to provide.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

Mr. EXON. Mr. President, I yield 14 minutes to the cosponsor of the amendment, the Senator from West Virginia, and the remaining time following that to the minority leader for closing our section of the debate when his turn comes.

Mr. ROCKEFELLER. I thank the Senator from Nebraska.

Mr. President, let us review the record, the whole record.

When reckless Wall Street unrestraint brought this Nation to the edge of financial ruin, Republicans insisted that an "invisible hand," Adam Smith's invisible hand, would help families, and restore their jobs, their homes, their children and their savings. But alas, the "invisible hand" was very much invisible. Unemployment lines snaked blocks long, banks went belly-up, plants were boarded up, homes and farms went on the auction block. Bad times, hard times—nowhere harder than in my State of West Virginia.

After the crash, Democrats took action to repair the all too visible damage done by the Republican's stubborn refusal to address the needs of working families. Democrats worked to undo neglected banking regulation, disinvestment in education and training, lack of emphasis and lack of attention to national infrastructure building, to unstick stagnant wages, and pay down the staggering mountain of debt.

I could be talking about Franklin Roosevelt's redress of Herbert Hoover's wrongheaded economics. But, no, I am recalling the reckless excesses of the 1980's and the work we Democrats began in the last several years to undo that horrible damage done by the Republicans.

Our colleagues across the aisle have spent the last few days wringing their hands and gnashing their teeth over the debt that now hangs over our children. Oh, no curse ever visited upon the human race is worse, to listen to them talk one after the other. You cannot have it both ways. They talk about the depletion of the Medicare trust fund, about the need for pain and sacrifice.

I wonder how they failed to see the danger during the 1980's, when massive tax cuts for the wealthiest fraction of the Nation tripled the national debt. I will say that again—when massive tax cuts for the wealthiest fraction of the Nation, corporate and private, tripled the national debt. "You cannot have it both ways," they said. They sure tried in 1980, when billions were borrowed against the next generation to finance savings and loan bailouts. Did they forget about that one? A little oversight on the part of the Republicans. And we are still paying for it. People out there do not forget about that. It is a Republican legacy. When tax loopholes were opened for junk bond binges, where was their concern about the debt being passed on to the next generation all during that period?

I think the greatest scandal of my time in Congress was the S&L bailout period, courtesy of the other side. Talk about passing on debt to future generations. I never heard a word about that in the 1980's or early 1990's, or even up until last year. I wonder where the urgency and concern last year and the year before was when Democrats were cutting the first trillion off of that deficit. The first deficit reduction in decades, and not one Republican in either House voted for it. You cannot have it both ways, they say. Not one Republican was for lifting a trillion dollars in debt off of the next generation.

I wonder where was the passion and the compassion for the next generation when we had a chance last year to pass health care reform. We had a chance to stop cost shifting and all of the things that have exploded our health care system out of sight. The Republicans could not even wait to savage that one, because it was put forward by Bill Clinton. They called it socialized medicine and Government medicine. We heard it all the time. I will not pull out my Blue Cross/Blue Shield card like I usually do. But Blue Cross/Blue Shield coverage, which is what most Members of Congress have, is not a Government-run health program. But we are paying the price now. They overwhelmingly condemned health care reform. Where were they then? Health reform that would have reined in costs without slashing services and quality.

Instead we heard all of those passionate speeches denouncing price caps, which they now propose. "You cannot have it both ways," they said. Denouncing limits on choice of a doctor, which they now are ready to force on seniors. Oh, yes, if seniors pay more, it will be different. Those who can afford it, will have a choice. Those who can not afford the extra costs will not be able to keep their lifelong doctor. But the fee-for-service system which the Republicans so glorified last year, they could not stop talking about the glory of choice, the glory of choice, it will not be available to all seniors under their Medicare budget. The glory of choice. We do not hear it this year. You have to pay more for it, if you are a senior.

They talk about 90 percent of their tax cuts going to families earning less than $100,000. I would like to bring up a point on that. They talk about $100,000 and where their tax cut would go once they have the $170 billion left over, after this is all over. I would like to point out two things: First, the average West Virginia senior has an income of about $10,700 per year. To him or her, $100,000 is rich. Real rich.

Second, and I hold up the Republican bill here, there is not anything written into a bill. It is a sense of the Congress. A sense of the Congress that 90 percent of the recipients of any tax cuts—think that means something—"any tax cuts?" Think they are thinking about tax cuts for the rich which must go to the middle class?

A sense of the Congress. Mr. President, you and I both know that anything that is a sense of the Congress or a sense of the Senate is not worth the paper it is written on.

But most of all, I wonder how anyone can look at this budget proposal and call its authors courageous? A budget scheme which asks everything of seniors, of students, of children, and the disabled, and gives more, and so much more, to the most secure, the most well off, the biggest companies and the most powerful interests.

Mrs. BOXER. Would the Senator yield for a very quick question?

Mr. ROCKEFELLER. The Senator will complete his remarks.

Mrs. BOXER. I have a question.

Mr. ROCKEFELLER. I would say to the Senator from California that I have only 14 minutes, and I have a lot to say.

Mrs. BOXER. This is so fast. I wonder if the Senator would yield, because he has just hit such a strong point.

Mr. ROCKEFELLER. Please proceed.

Mrs. BOXER. Mr. President, I went home and met with my seniors in hospitals.

And when we say, whose side are you on, this is the question of the moment. They looked at me and they said, Senator, this is where my question comes in, did we not have a consensus, an agreement, in the national Government, that we wanted to make sure our elderly were treated with respect and dignity, and we would not have bag ladies walking around the streets? And we would not have sick people, elderly people, because we, in fact, respected them.

So when the Senator asks, whose side are you on, I ask my friend this question: Does this Republican budget not repeal a national consensus that we should treat our elderly with dignity and respect and not force them to choose between buying food and going to the doctor?

Mr. ROCKEFELLER. It not only does that, it not only repeals that national compact, but I have here the Social Security law. These are the Social Security laws.

If we turn to page 625 of the Social Security law, title 18, Medicare is called "Health Insurance for the Aged and Disabled." Senior citizens are going to have to pay out of their Social Security COLA the increased costs of Medicare because of what the folks on the other side of the aisle are proposing.

They say it has nothing to do with Social Security. This is a Social Security cut, because they will not be able to spend it on anything else but higher Medicare costs. This is the Social Security law. This is the health insurance for the aged and the disabled. That is called a cut in Social Security in any West Virginians' home who is elderly, that I know of.

Mrs. BOXER. Thank you, I say to my friend.

Mr. ROCKEFELLER. I thank the Senator from California.

How can it be courageous to ask those with the least to pay the bills racked up by those who already have so much?

Yes, we all want to balance the budget. Yes, we all want to balance the budget. And, we have offered amendments that would still balance the budget by 2002. This amendment does not subtract one single thing—not one dime—from the effort to balance the budget.

In 1993 we went to bat when we were in charge. Now they are in charge. Let them go to bat, but not take the bat and crush so many vulnerable people in our country.

We have seen this before. Economic voodoo that asks working families in places like West Virginia to shoulder the load while providing a windfall for the well-heeled.

Mr. President, I would just insert and would ask this be included in the RECORD the piece of paper, which we have not talked much about, Medicaid. This has been a Medicare debate. But Medicaid is included in this amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> Who loses if Medicaid is dismantled into a block grant?
>
> Low income children. About 18 million of them will lose their health insurance coverage.
>
> Low income women. About 8 million of them will lose their health insurance coverage.
>
> Low income disabled. About 6 million of them will lose their health insurance coverage.
>
> Low income elderly. About 4 million of them will lose their health insurance coverage.
>
> Community spouses. The wives or husbands of nursing home patients covered by Medicaid will no longer be protected against impoverishment.
>
> Private practice (fee for service) physicians. States will no longer have to pay for physician services at rates that give Medicaid patients access to private physicians. Instead, states will channel all of their payments for physician services to managed care plans, which may or may not contract with physicians now servicing Medicaid enrollees, and which may or may not pay the physicians with whom they contract adequately.
>
> Community health centers and rural health clinics and their workers. States will no longer be required to reimburse them for their costs of treating Medicaid patients. Instead, states will channel all of their payments for outpatient services to managed care plans, which may or may not contract with these clinics, and which may or may not choose to pay adequately those with whom they do contract.
>
> Teaching hospitals and their workers. States will no longer be required to pay them at "reasonable and adequate" rates for treating Medicaid patients. Instead, states will channel all of their payments for hospital care to managed care plans, which may or may not choose to contract with teaching institutions, and which may or may not choose to pay adequately those with whom they do contract.
>
> Children's hospitals and their workers. States will no longer be required to pay them at "reasonable and adequate" rates for treating Medicaid patients. Instead, states will shift all of their payments to managed care plans, which may or may not choose to contract with children's hospitals, and which may or may not choose to pay adequately those with whom they do contract.
>
> Public hospitals and their workers. States will no longer be required to pay them at "reasonable and adequate" rates for treating Medicaid patients. Instead, states will shift all of their payments to managed care plans, which may or may not choose to contract with these hospitals, and which may or may not choose to pay adequately those with whom they do contract.

Mr. ROCKEFELLER. The Republicans are clearly headed toward a Medicaid block grant. On Wednesday in the Finance Committee we are meant to be marking up a welfare reform bill that will be all block grants. It will all be block grants. They will say it is not, but it is. They are all for it. Some of them who were not last year are this year.

Let me list a few of the consequences of a Medicaid block grant. No longer will 18 million children have a guarantee of health insurance. No longer will 8 million low-income women have a guarantee of health insurance. Sure, some States may do it, other States will not. About 6 million low-income disabled will lose their health insurance coverage.

Moving back to Medicare. Medicare is a critical element of a senior's Social Security. Millions of seniors depend on their monthly Social Security checks to buy food, to pay the rent, to buy prescription drugs, and pay their utilities.

Those same Social Security recipients depend on the Medicare Program for health insurance coverage, Medicare coverage that they contributed to all of their working lives.

Now we are going to say that seniors who worked hard all their lives, and planned their retirements taking into account their Social Security and Medicare benefit, that we will pull the rug out from under them.

We cannot have it both ways, they say. Boy, are they making a case against themselves.

Republicans have promised not to touch Social Security.

In fact, before last year's election, the Republicans also said they had no intention of cutting Medicare benefits. I quote Majority Leader DOLE:

> President Clinton and Vice President Gore are resorting to scare tactics * * * falsely accusing Republicans of secret plans to cut Medicare benefits.—Washington Post, November 6, 1994.

And from the head of the Republican National Committee, Haley Barbour:

> The outrage, as far as I'm concerned is the Democrats' big lie campaign that Contract with America would require huge Medicare cuts. It would not.

Republicans were not going to cut Medicare. That is what they said. But that is certainly not what they are doing. The Senate budget resolution cuts Medicare by $256 billion and the Contract With America budget resolution cuts Medicare by $270 billion.

And, because of the way they plan to cut Medicare benefits—by shifting health costs to seniors—seniors are going to see their Social Security COLA's reduced by half. My colleague from Massachusetts, Senator KENNEDY, referred to this last Friday as a stealth Social Security cut. And, I could not agree more.

We do not yet know how the Senate Republicans plan to cut Medicare, but we do know what the House Republicans are thinking about. I will outline just a few of their ideas to cut Medicare by making seniors pay more. These proposals are all taken directly from the House Republican Budget Committee document.

First, there is a mandatory managed care proposal. Under this proposal, seniors would have to pay more if they went to a hospital or doctor that was not in the Medicare network. Under this plan, seniors would not have a choice of signing up for managed care. Their enrollment in this Medicare managed care program would be automatic and mandatory.

Another Republican proposal would increase premiums for new Medicare beneficiaries who choose fee-for-service. New Medicare beneficiaries would pay a part B premium that is $20 a month higher if they choose Medicare fee-for-service.

Under another Republican proposal, the Medicare deductible for physician services would be doubled, from $100 to $200 and then indexed for inflation.

And, there has been a lot of talk about handing out Medicare vouchers. Under the Republican plan, Medicare would be capped and vouchers handed out. The Government would make a standard contribution and seniors would have to make up any price differences between the Government voucher and the price of their health insurance. The House Budget Document says "Medicare could continue to offer the traditional Medicare benefit plan * * * [but] most likely, the beneficiary would have to pay an amount in addition to the voucher."

Next, the Republicans want to require new copayments for home health care, lab services, and skilled nursing home care.

Finally, the Republicans favor an across-the-board hike in every senior's part B premium which is currently $46.10 a month.

Day after day, the Republicans have come to the Senate floor and denied that they are cutting Medicare.

Mr. President, when I talk to seniors in West Virginia about the above proposals and the increased costs that they are going to have to pay, they understand that their Medicare benefits are going to be cut. They see cuts in their Social Security benefits.

The Republicans can talk about the billions of dollars that they are going to allow Medicare to increase by, but I want to talk about the average West Virginia senior getting by on a fixed income of about $10,700 a year.

Under the Republican budget resolution, seniors living on fixed incomes are going to see half of their Social Security COLAs get eaten up by new Medicare charges—that is a cut.

When half of the seniors in West Virginia who live in rural areas risk having their rural hospital shut its door—that is major cut in services.

Mr. President, my colleagues on the other side of the aisle have tremendous discipline when it comes to staying on message. They can repeat, and repeat, and repeat that these Medicare cuts are not really cuts at all. They can say over and over and over again that there are no tax cuts in their budget resolution. But anyone who reads this budget resolution will see the $170 billion that has been set aside for tax cuts and the $256 billion cut in Medicare and the $175 billion cut in Medicaid.

My amendment will put money back into the pockets of senior citizens. My amendment says that we are not going to balance the budget and pay for tax cuts by gutting Medicare and making seniors pay more.

This amendment is about setting priorities. If this amendment was adopted, the budget resolution would still achieve balance by 2002. This amendment says that health care and long-term care for seniors, and health care for children and the disabled, should not be destroyed so that we can hand out tax cuts to the wealthy. This amendment would make sure that millions of working families and retirees who depend on Medicare and Medicaid for their health care and long-term care needs would not be left out in the cold and swamped with huge health bills.

Mr. President, I urge my colleagues to vote for my amendment and tell the American people loud and clear that we in the Senate have our priorities right.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired. The 8 remaining minutes has been given to the minority leader.

Mr. ROCKEFELLER. I yield the floor.

Mr. DOMENICI. Mr. President, I yield 4 minutes to the distinguished Senator from Indiana, Senator COATS. I assume that would be followed by the minority leader with his time, and I would wrap up with the remainder of the Republican time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I think the Senate's debate on the balanced budget amendment a few moments ago was a turning point in this session of Congress—perhaps and hopefully, a turning point in the economic affairs of our country. It was important not for its disappointing final vote but for the issues that it clarified.

During that debate, opponents of the balanced budget amendment again and again challenged those who supported it: If we really want a balanced budget, they would say, propose one. One Member of this body put it like this: "Let Senators get to work, to show Americans we have the courage this amendment presumes that we lack."

Opponents of the balanced budget amendment pressed that argument as hard and as far as they could. They threw down a gauntlet before a watching Nation. Mr. President, this week, Republicans have picked it up. And those who made that challenge have fled from the field—proposing nothing of their own. They revealed that their point in the balanced budget debate was not a conviction but an alibi.

It is a terrible, disturbing thing, to have your bluff called before an entire country. That is precisely what has happened to the Democrats. Their bluff has been called. Their call for "Go ahead and propose one," was taken up by Republicans. We have proposed one.

Thanks to the Republican 7-year budget, we can now see our way clear to a balanced budget. After 40 years of wandering in the desert of deficit spending, we are finally destined for the promised land of balanced budgets.

There is courage in this budget—courage we have not seen for decades. Courage that makes this a historic moment. But, if we are honest, it is courage without alternatives. The status quo may be comfortable, but it is not sustainable. Because the road we are on, while it may seem wide and easy, ends with a cliff, and the fall will be disastrous for our economy, disastrous for our people, including our seniors, disastrous for our children and for the Nation's future.

Mr. President, we have come to the beginning of the end of deficit spending in America. We have come to this place because there is no alternative. Two decades of promises, two decades of rhetoric, budget proposals, budget deals, tax increases, unfulfilled promises, and spending cuts, all these have failed. This is the best argument for a balanced budget amendment, defeated for the moment by just one vote.

So we turn to this effort, this courageous effort, let me say to the Senator from New Mexico, the only effort, the only game in town is the Republican budget proposal.

No one has proposed anything different. If you do not like this, you are walking away from the debate. The President has abdicated his leadership on this most critical of all issues facing our Nation. Likewise, Democrats have abdicated leadership on this, the most critical of all issues.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

The minority leader is recognized for 8 minutes, the time remaining.

Mr. DASCHLE. Mr. President, I listened carefully to the words of the distinguished Senator from Indiana. If you listened, you heard one thing that is completely unrelated to what is addressed in this amendment. To listen to the Senator from Indiana, you would think that this amendment was going to add somehow to the deficit; that it was going to somehow change the parameters of this budget resolution; that somehow it was going to move back the date of the balanced budget goal to a time beyond 2002.

Mr. President, that has nothing whatsoever to do with what we are now considering in this amendment. There is no disagreement on a balanced budget. There is no disagreement, at least for most of us, on what date we ought to set for a balanced budget. But there are fundamental disagreements.

The President has laid down his budget. The Republicans, as is their right now, have laid down an alternative. These two budgets are 60 percent the same. But there is a fundamental difference in priorities in the remaining 40 percent of this budget. This amendment and, indeed, this entire debate, is about modifying this budget to reflect those priorities. It is about a fundamental difference in how and where we ought to invest our resources.

What the Republicans are suggesting is that, if we do the things the chairman has proposed, somehow there will be a $170 billion pool from which to provide a tax cut at a later date. There is no doubt about that. Everyone has acknowledged that is what we are talking about, a tax cut that will substantially benefit those at the upper end of the income scale.

We are saying that we cannot accept that tradeoff. We are saying that it is wrong for seniors to pay $6,400 per couple in additional out-of-pocket health expenses to finance a tax cut for upper income Americans. We are saying that it is wrong for working families to pay $1,400 more for this tax cut. We are saying that it is wrong for students to pay $3,000 more over the course of their college careers to pay for a tax cut. These are the issues our amendment addresses.

The people who are the hardest hit and who are going to feel it the most are the senior citizens. A $256 billion cut in Medicare over the next 7 years will affect 37 million people, resulting in $900 a year more in additional health care expenses per beneficiary, $3,200 over the course of the 7 years. For what? So that the wealthiest 1.1 million people in this country can get a $20,000-a-year tax cut. Those people making more than $350,000 a year will get $20,000 back in taxes.

This graph says it clearly. We are not talking about increases in the debt. We are not talking about altering the glidepath or our balanced budget goal. We are talking about the fact that the Republicans want to provide a tax cut for wealthy citizens, while the Democrats are concerned about paying for that tax cut with Medicare cuts. This is the essence of the difference between their approach and our approach, especially when you consider the fact that 97 percent of those who are dependent upon Medicare make less than $50,000 a year.

We cannot accept that Medicare cuts will pay for tax cuts for affluent Americans. The $256 billion Medicare cut, resulting in a $900-a-year increase in out-of-pocket costs to beneficiaries, is especially troubling when you see how limited most seniors' economic resources are. Nonseniors, people under the age of 65, only spend about 8 percent of their income on health care. Seniors, on the other hand, pay 21 percent of their income on health expenses. In other words, they pay almost three times more each year on health care than nonseniors.

There is a lot of debate about how we are affecting the growth of Medicare spending. Let's be clear about this. The Republicans say they are allowing Medicare costs to increase—that all they are doing is cutting back on the program's growth. I hope everyone understands the effect their proposal will have on the Medicare program. It is very important that everyone appreciate the reasons for Medicare's explosion in costs. There are two basic reasons.

First, the demographics of our country continue to change in positive ways. We are seeing more and more people over the age 65, more and more people who are living long enough to enjoy their retirement. Therefore, more and more people are relying on Medicare. That is not some management problem. This represents a tremendous new opportunity for our older Americans to enjoy the benefits of their retirement years. And more Medicare beneficiaries are living longer and longer. The over age 85 group is the fastest growing population of Medicare beneficiaries.

Second, more and better health care technology is allowing people to live longer and healthier lives.

The Medicare program is expected to grow about 8.3 percent per year, taking into account these demographic trends, new technology, and general increases in the cost of living. In the private sector, which has a younger, healthier population that needs fewer health care services, we see slightly lower total growth in health care costs. What the Republicans would like to do through this budget is dramatically cut back the growth in Medicare while private sector health care costs continue to grow at a rate of 7.2 percent.

The impact that will have on seniors could not be more clear. Millions of seniors today depend upon Medicare for their health care and can now walk into a hospital or clinic with the confidence that they are going to be treated when they are ill. Under this budget, they will no longer have the confidence that Medicare will be there when they need it. A lot of people are not going to have the care they deserve, in large measure because of the dramatic reduction in the availability of resources for Medicare. We simply cannot allow that to happen.

The situation is much the same with respect to Medicaid. The demographic trends and new technology affect Medicaid much as they affect Medicare. I think we all have to realize that, unless we are really prepared to tackle meaningful health reform and address the proliferation in technology, the ramification of these demographic trends in our Nation, and the explosion in general health care costs, it is extremely difficult to do anything meaningful to produce the kinds of savings that the Republicans are proposing.

The bottom line is this. Whose side are we on? Are we on the side of senior citizens? Are we on the side of kids? Are we on the side of working families? Or are we on the side of those who want to raise more money so we can cut taxes for the wealthy by $20,000?

This could be one of the most, if not the most, important votes on health care in this session of Congress. The decision we will make in less than 10 minutes is about whose side we are on, about whether or not senior citizens are going to be confident in their ability to get the kind of health care they need for as long as they live.

I yield the floor.

The PRESIDING OFFICER. The remaining time for debate is now in the control of the Budget Committee Chairman.

Mr. DOMENICI. Mr. President, what time are we scheduled to vote?

The PRESIDING OFFICER. At 3:10, in 12 minutes.

Mr. DOMENICI. Mr. President, I yield myself the remaining time.

First of all, I do not expect an answer, but it would be good to know whether the distinguished Senator from West Virginia, Senator ROCKEFELLER, who spoke with such passion on this subject and talked about how wonderful his amendment is for seniors, I wonder if we might find out someday whether he would vote for a budget resolution if this amendment passed? I have serious doubts the Senator from West Virginia would, for putting back $100 billion into Medicare seems to me to be far less than that which he and many on the other side of the aisle really have in mind. Essentially, they have found this contingent fund of $170 billion so they can now start spending it; so this is another effort to paint us one way when they do not really have a solution.

But let me just talk about what is going on, in terms of the Republicans, what we are suggesting.

Whose side are we on? Make no bones about it. We are on the side of all Americans. There are those in politics who would like to make us choose sides.

They would like to split the United States of America as if all Americans are not interested in America's future.

Whose side are we on? We are on the senior citizens' side because we want to make the trust fund that pays for their health care solid, improve it, make it better, and make sure that it is there for them for a long time.

We are on the side of the working men and women in America who are paying that bill because they, too, would like to know that when it comes their turn to get Medicare, it will be there. We propose that it will be there for them.

We are on the side of the children of America, the young children that we so much love, that we have so much affection for. We are on their side, too.

Because, Mr. President, and fellow Americans, if we do not fix the Federal budget where it stops hemorrhaging at $275 billion a year, all Americans—seniors, children, middle-aged Americans, young couples who are just entering the work force, with one child, or two children, or just married and starting their life—we are on all their sides, because we would like the fruits of their work to give them a good paycheck, not a deflated paycheck that goes down while it sounds like it is going up because they are paying incredible amounts of what they work for to the Federal Government to pay our bills.

I believe the seniors in America want a future for their children, for their children who are out there working, and their grandchildren that they are hoping will get an education and benefit and prosper in America.

So we answer that question. Whose side are we on? We are on every single American's side. We are for helping every American have a better life and asking that some sacrifice now so that there will be a better life, especially for our children.

What are we saying about Medicare? Let us talk about it again. There is no need—nonetheless, we cannot prevent it—to frighten Americans. The Medicare system is bankrupt. That is not Republicans talking. It is six trustees, four of whom work for the President. They said you ought to reform it. And they told us how much was needed to reform it short term. They said $163 billion over 5 years.

We have asked the committees in the U.S. Congress to make it solvent over 7 years by finding a way to reform, to add opportunities to senior citizens, to change the system that is essentially about 30 years old, and, say, let us modernize it and make it better for seniors, and in the meantime let us save money. Instead of 10 percent growth, let it grow at 7.

Who is the principal advocate of the proposition that when you let something grow at 7 percent instead of 10 that you are not cutting it? Let me ask one more time who the best advocate of that is. I will quote quickly. October 5, 1993, President Clinton speaking to the AARP:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation.

That is the President saying that. He proposes in the yellow on this chart:

> That is not a Medicare or Medicaid cut . . . only in Washington do people believe that no one can get by on twice the rate of inflation.

And then there is some laughter.

> So, when you hear all this business about cuts—

Said the President,

> let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Exactly the same thing happening, except it is the Republicans proposing that we do it and do it now and carry it out over a 7-year period.

Now the Republicans, the President, and the Democrats said let us leave Social Security off the table, with some exceptions. Some have said you ought to reform it, too. But that has been the basic proposal. We even hear on the floor of the Senate today that we are not living up to that commitment because we are trying to reform Medicare.

Let me remind everyone that the current law with reference to Social Security checks and Medicare payments holds seniors harmless from any cut in their Social Security. If Medicare premiums were to go up, you hold them harmless; they cannot have a cut in their Social Security. We stated the same thing in this budget resolution, and those who are familiar with the hold harmless law know that. And to now say we are cutting Social Security, when everybody understands it has been written about, it has been promulgated across this land that we took it off, we let it stand on its own as many said we should.

Mr. President, let me say that the minority leader was wrong on a couple of things. He said the President's budget and the Republican budget are going in the same direction, they are about 60 percent alike. Nothing could be further from the truth. The President's budget goes in one direction, perhaps south; the Republican goes north, or vice-versa. The President's budget would let the deficit go back up to $275 billion and reforms no entitlement program which is breaking the bank for our people for years to come. We get it into balance in 7 years, and we do address entitlements that we could not afford to pay for, and everybody knows we cannot afford to pay for them. We are saying reform them. We are asking for a commission to help us reform them. And we will get on with the task of answering the question. Who are we for? We are for every single American. We are for the dream of a senior citizen that their children succeed in life. And we think we are going to make that dream come true.

We are for a senior who says, "I want Medicare to be around in 10 or 15 years. I do not just want it right now." We are for seniors who are saying, "We would even like for it to be around for our son or daughter, who is 45 or 50 years of age." We are for that senior, too. We are for that 22-year-old couple, 26-year-old, or as this weekend I will have a new couple in my family, that 28-year-old couple. We are for them because we want their paychecks to grow. We want their standard of living to go up.

What will prevent it? What is the most objective way of preventing our children from having success? Let the deficit continue to roar, put more and more taxes on the next generation, and on the 28-year-olds, and the 20-year-olds across America—taxation for the children without representation, for they are not even able to vote and we are putting huge taxes on them. Yes. Huge taxes, as we ask them to pay our bills out of their work and their effort. That is what it is all about.

And, Mr. President, finally, every time an opponent of the Republican plan in the U.S. Senate puts up a chart, they cannot resist talking about we are going to give tax cuts to the rich. We are going to give $20,000 to somebody earning $320,000 or $350,000.

Mr. President, it is particularly—particularly—offensive to this Senator when a member of the Budget Committee comes to the floor and says that. It is offensive because by a vote of 21 to 1 the Budget Committee proposed in this budget resolution an amendment by Senator BOXER and Senator BROWN of Colorado. What did it say? It said, if we have a tax cut—if we have a tax cut - 90 percent of it shall go to the American people earning $90,000 or less. Even in that score we are for middle-income Americans. We are for the working Americans.

What does this amendment try to do? This amendment says from that side of the aisle—and let me pay my friend, Senator EXON, a compliment for his hard work. Nonetheless, when he finishes saying that I have been successful with my hard work, he then proceeds to tell me what I have done wrong.

So, let me just suggest for all his hard work here is the essence of the Democrat plan. First of all, there is no plan. But this particular amendment says after you balance the budget with cuts that we do not want—Democrats speaking—with cuts that we do not want, after you finish doing that, and we have not helped you a bit, then we suggest that whatever economic dividend there is for the American people, we are suggesting that we tell you how to spend it. For today, they are saying to us, take $100 billion of the hard-earned economic dividend that we say, if it occurs, we want to go back to middle-income Americans as a moderate tax cut, they would now say we did not help you with it, the cuts are not cuts we want—we have heard that all day long, they are not the cuts we want—but now we would like to tell you how to spend it. We would like you to spend it—this one will be Medicare, then there will be one on education, and then there will be one on something else.

Essentially, I hope the American people see through all that, and I hope that overwhelmingly the amendment is turned down.

I yield the floor.

Mr. LEVIN. Mr. President, we are more than 20 hours into the debate on the budget resolution. By midweek, the Senate will likely approve a budget which projects a balanced budget in the year 2002, although the Republican budget continues to rely on the Social Security trust funds. However, the proposed budget resolution which is before the Senate and even more so the resolution approved by the House are not balanced in another even more important way. In an effort to reach a balanced budget by the fixed target of the year 2002, while keeping the Pentagon's budget off the table, providing for an ill-advised, and if the House's proposals are any guide, inequitable tax cut, the resultant budget blueprint represented here penalizes the middle-income working families, neglects the need to invest in our Nation's future, and penalizes our senior citizens, all while providing for a tax reduction which will benefit mostly the wealthiest of Americans.

The Rockefeller amendment which we are now considering takes a critical step in the right direction by providing additional funding for Medicare while cutting back the funding for an ill-timed, and inequitable tax cut for the most well-off Americans for which the budget resolution before us reserves $170 billion.

The tax cut laid out by the House provides more than half of its benefits to people making more than $100,000 a year and gives a $20,000 tax break to those who make $350,000, while the budget takes the largest bite out of the Medicare Program relied upon by older Americans; 78 percent of those who receive Medicare benefits are making less than $25,000 a year. Those dependent on Medicare will experience the largest cut in Medicare's history costing on average by 2002, a $900 per year increase in premiums, deductibles and copayments, approximately $3,200 over the next 7 years—$6,400 for couples by the time 2002 rolls around.

Several of my colleagues over the past several days have quoted Republican commentator Kevin Phillips, but his recent public remarks sum up the problems with the Republican budget proposal very well. He said:

> Spending on government programs—from Medicare and education to home heating oil assistance—is to be reduced in ways that predominantly benefit the top 1 or 2 percent of Americans.

Mr. Phillips goes on to say:

> If the budget deficit were really a national crisis instead of a pretext for fiscal favoritism and finagling, we'd be talking about shared sacrifice, with * * * the people who have the big money making the biggest sacrifice. instead, it's senior citizens, the poor, students, and ordinary Americans who'll see programs they depend on gutted while * * * the richest 1 or 2 percent—far from making sacrifices—actually get new benefits and tax reductions.

Mr. Phillips says it all, Mr. President. The debate is not really about whether we should be moving to a balanced budget. It is about how we attempt to get there over the next 7 years. It is basically about fairness. The Rockefeller amendment is a first step toward making this budget more equitable.

Mr. GRASSLEY. Mr. President, we have to keep our eye on the problem. The problem is that the Medicare Program is going broke. And this means that out-of-control spending in the program must be addressed. We cannot address out-of-control spending by spending more.

Medicare spending is growing rapidly. The part A Program, which pays for the hospital care of beneficiaries, will grow 8.3 percent annually for the forseeable future. Part B, which pays doctor bills, will grow at 14.1 percent per year. The overall program will grow at 10.5 percent per year.

Evidence of the difference between income to the program and spending by the program is the pending bankruptcy of the part A program. Under current estimates, this program will not be able to pay its bills in the year 2002. The trustees of the fund, the Secretaries of the Treasury, Labor, and Health and Human Services recently addressed the financing shortfall of the trust fund. They said: "the projected year of exhaustion for the HI Trust Fund is 2002."

The situation is really no better, probably worse, for the part B program. The part B program doesn't present the crisis aspect that the part A program presents, but only because 70 percent of the funds for the program come from general revenues. Surely we cannot tolerate 14 percent annual growth in a program of this size.

The public trustees of the Medicare Program have tried to bring the situation facing the Medicare Program to the attention of the Congress and the general public. The public trustees serve as trustees of the program together with the Cabinet Secretaries I mentioned a moment ago. One is a Democrat, one a Republican. Their terms have just expired. They have no axe to grind. They both have long experience in government. They worked in leadership positions in agencies with responsibility for retirement programs. They are substantial people, whose views must be taken seriously.

They said, in the 1995 Trustees' Report, that "the Medicare program is clearly unsustainable in its present form * * * it is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative". The administration officials serving as trustees, the Secretaries of Treasury, Labor, Health and Human Services, together with the Commissioner of Social Security and the Health Care Financing Administrator, said in the 1995 Report that "the trustees urge the Congress to take additional actions designed to control HI program costs." They also said that "the trustees believe that prompt, effective, and decisive action is necessary."

The budget resolution we are considering attempts to address the serious problems in the Medicare Program identified by the trustees. In this budget, the Medicare Program will continue to grow at 7.1 percent per year. Over the 7 years covered by the budget resolution, the program will grow 59 percent from $161.1 billion in 1995 to $256.7 billion in 2002. This will be a per capita increase of 49 percent. The average annual per capita growth rate is 5.4 percent. This is a real per capita increase of 2.4 percent per year.

Some have argued that the real per capital change in spending must be calculated using the medical CPI. And it is true that, were we to use this index to measure the change in per capita Medicare spending, there would be a real decrease in that spending. Yet, the Congressional Budget Office stopped using the medical CPI several years ago. They concluded that that measure was seriously flawed. Among other things, it cannot adequately account for the increases in quality of health care services. In addition the index uses list prices rather than actual transaction prices. And, these days, list prices have little to do with the actual cost of services.

I am not trying to argue that the spending slowdown will not be difficult and painful. As a Senator representing a rural, Medicare-dependent State, with high-quality and relatively low-cost medical care, I realize this all too well.

But, there are two additional steps in the budget process during which the impact of the Medicare spending slowdown on vulnerable areas of the country can be cushioned. First, the resolution calls for a Commission to suggest how this spending slowdown might best be achieved. I am confident that this Commission will take into consideration the special circumstances of vulnerable regions and vulnerable groups when they develop their recommendations.

Second, the Committee on Finance, of which I am a member, will make the critical decisions about how to change the Medicare Program so as to realize savings. As a member of that committee, I intend to work hard to ease the impact of the spending slowdown on the most vulnerable. Medicare expenditures in rural areas are considerably smaller than are expenditures in nonrural areas. For instance, the part A expenditure in rural areas is only about 13 percent of total part A expenditures. Total program payments in nonmetropolitan statistical areas is about 23 percent of total program payments. In the past, this difference has made it possible to cushion the impact of reconciliation bills on rural areas. Thus, I think that it should be possible to cushion the effects on rural areas of the spending slowdown without adverse effects on other areas. Mr. President, I am concerned about the Medicare Program and all those who depend on it. I do not believe that this budget resolution, with all the sacrifice it calls for, will jeopardize the health care services on which older people depend. I am concerned, Mr. President, that if we do not act to put the Medicare Program on a sound footing, Medicare-dependent States like my own will suffer the most when the day of reckoning ultimately comes.

I am also concerned about the future of our country. If we do not act, we will be faced with Federal deficits into the indefinite future. If we do not act, interest on the national debt will reach $300 billion annually be the end of the decade. That is larger than the Defense budget. That is larger than the Medicare Program. That is larger, in fact, than any item in the Federal budget except the Social Security retirement program.

Surely, Mr. President, we cannot go on like this.

THE FUTURE OF MEDICARE AND MEDICAID

Mr. HATFIELD. Mr. President, the American public became well versed during last year's debate on the health care system and the need to stem rising health care costs. In the last year or so, we have seen the health care market begin to change and costs beginning to go down. Unfortunately, in the two largest Federal health care programs, Medicare and Medicaid, this has not been the case. Annual costs continue to rise by nearly 10 percent. As we attempt to balance the Federal budget, we simply cannot continue to sustain this rate of growth in our Federal health programs.

The pending amendment would take the savings or economic dividend expected from a balanced budget in 2002 and apply it to Medicare and Medicaid. While I am reluctant to even support a broad-based tax cut using these savings, at this time I do not believe these anticipated savings should be used to increase Medicare and Medicaid funding without addressing fundamental reforms in these two programs. After all, the savings are anticipated and may or may not be there when the budget is balanced in 2002. By using these anticipated funds to get us to a balanced budget or to sustain the Medicare and Medicaid Programs, we are kidding ourselves and reverting to budget tricks used during the 1980's. Therefore, I will oppose the Rockefeller amendment.

The recent report by the Medicare trustees describes the crisis we will face as a nation if we continue to allow costs to grow at their current rate. The Medicare Hospital Insurance Trust Fund will be bankrupt in 2002. Yes, we have known about this for a number of years but the day of reckoning is upon us. As soon as 1997, Medicare expenditures will exceed incoming revenues.

Before we begin to pour money into the trust funds, we must look at the substantive problems with the program which lead us down the road toward insolvency. Allowing Medicare expenditures to continue to grow at their current rate by applying the projected balanced budget savings to the trust funds will merely extend the insolvency date a few more years. Instead we must recognize that changes must be made to guarantee the long-term solvency of the program. That is why I have cosponsored legislation introduced recently by my colleague from Oregon, Senator PACKWOOD, to require the Medicare trustees to provide Congress with their recommendations for solving the short-term and long-term Medicare solvency issues.

Some States, including my own State of Oregon, are far down the road toward building cost efficiency into our health care system. A recent study of hospitals nationwide concluded that if the 1993 U.S. average hospital expenditures per capita had been the same as Oregon's age adjusted expenditures per capita, the United States would have saved over $66 billion of its $267 billion in hospital expenditures that year. We must continue to look at States like Oregon as we grapple with reforms in both Medicare and Medicaid. There are innovative reforms underway in our States which can provide concrete examples of how to reduce costs without adversely impacting access to quality health care services.

Balancing the budget will not be easy but it is necessary. It will require a shared sacrifice by all Americans. In order to assure that this is accomplished we must be willing to address inefficiencies in programs such as Medicare which simply could not be imagined in the 1960's when the program was originally passed. I will work with my colleagues in the Senate to assure that this occurs.

Mrs. FEINSTEIN. Mr. President, I rise in support of the proposed Medicare and Medicaid amendment, and would like to take a few minutes to explain my reasons for taking this position.

We all know that Medicare and Medicaid spending cuts are necessary.

There is no argument that Medicare and Medicaid must be reformed, that the Medicare trust fund must be restored to balance, and that entitlement spending must be slowed. Let me give you just a few examples of the need for reform:

The current cost of Medicare alone is a staggering $176 billion, and the program increases about 10 percent annually.

At over $803 billion, Medicare, Medicaid, and other entitlement programs already eat up over 50 percent of our annual budget.

The current Medicare Program pays out much more in benefits than it is taking in from premiums and payroll contributions.

Without reform, Medicare will continue to grow out of control. Costs for new technologies and procedures continue to increase rapidly, there are about 1 million additional Medicare participants each year, and managed care efforts for Medicare and Medicaid participants have not yet yielded significant savings to the Federal Government.

For those reasons, I have supported deficit reduction efforts and changes in Medicare in the past, and believe that we must all be willing to enact health care reform legislation, including measures such as means-testing the Medicare part B premium, raising the age of eligibility for new Medicare enrollees over time, and expanding a competition-based managed Medicare Program.

However, $400 billion in cuts from Medicare and Medicaid is a huge amount, which goes too far, too fast, without any assurances that our health care system won't be significantly undercut.

The real questions are how much to cut, how to make sure the cuts are distributed fairly, and how to make sure the cuts can work?

The proposed resolution cuts over $400 billion out of Medicare and Medicaid over the next 7 years—almost a third of the entire $1.3 trillion in cuts. These health care cuts include $256 billion from Medicare and $176 billion from Medicaid, along with cuts in other public health areas.

What exactly do health care cuts of this size really mean? Well, no one really knows, but health care experts tell us that the options for cuts of this size are few, and estimates by the Health Care Finance Agency, which runs these programs, have projected these fiscal impacts:

First, $256 billion in Medicare cuts will almost certainly increase seniors' out-of-pocket health care costs for premiums, deductibles, and copayments.

This will lower seniors' Social Security checks, because that is where the Medicare part B premium is deducted. Medicare premiums and Social Security checks are linked together because under the integrated Social Security check-issuing system, Medicare premiums are automatically taken out of Social Security checks. An increase in the Medicare premium leads directly to a decrease in the Social Security check.

Second, in addition, $176 billion in Medicaid cuts will force States to spend more, undercut the efforts of our safety net hospitals, increase the numbers of uninsured persons, and shift even more costs to the private employer-based health care system.

Do we really want to cut Medicare and Medicaid by $400 billion, based upon what we know about the effects of these cuts?

The impact of these cuts on would affect California enormously—more than almost every other State.

California will be particularly affected by these cuts because it has a large and growing population of 31 million residents, a high—20 percent—Medicaid rate, a high—23 percent—uninsurance rate, an extremely large—2 million—population of illegal immigrants, and high health care costs despite the spread of managed care and the tremendous success of group purchasing alliances.

For California, $256 billion in Medicare cuts could cause $34 billion in total cuts to California hospitals and patients over the next 7 years, according to the Health Care Finance Administration. Despite having only 9.5 percent of the Nation's Medicare population, California would pay for over 13 percent of the Medicare cuts.

These cuts could include a $4,300 increase in out-of-pocket costs—premiums, deductibles, and copayments—to each of the 3.6 million Medicare recipients in California, according to the Health Care Finance Administration.

Out-of-pocket costs are a critical issue for Medicare recipients, who already pay an extraordinary 23 percent of their incomes on health care—compared to an average of 8 percent for those under 65. This increase would be 40 percent higher for Californians than cost increases to the rest of the Nation.

For California, $176 billion in Medicaid cuts could cause $15 billion in lost Federal funding—12 percent of the total cut, second only to New York, which can afford to spend thousands more than California on each Medicaid patient.

In reality, cuts of this size are only necessary to help pay for a Republican tax cut.

The Congressional Budget Office estimates that balancing the Federal budget will create an economic dividend of $170 billion.

If the budget is balanced and the dividend is certified by the CBO, Republicans plan to use this dividend for tax cuts. Over $345 billion in tax cuts have already been included in the House version, and a similar proposal will soon be debated here in the Senate.

But the dividend could equally be used to soften the cuts in Medicare and Medicaid, which is what the Rockefeller amendment proposes, and how I believe it should be used.

This amendment would direct the Finance Committee to restore $100 billion, of the proposed $400 billion cut, to Medicare and Medicaid programs in order to ensure that 36 million Medicare recipients, our system of world-class hospitals, and those who still have their own private insurance are not adversely or disproportionately affected.

Here is the impact of the Rockefeller amendment on California:

While the budget resolution is projected to cut $34 billion in Medicare from California seniors and hospitals over the next seven years, the Rockefeller amendment would restore roughly $13.4 billion of that $34 billion.

While the budget resolution is projected to increase each of California's 3.6 million Medicare recipients' out of pocket costs as much as $4,300 per person over the next seven years, the Rockefeller amendment would specifically direct the Finance Committee to lower those increases.

While the budget resolution would cut $15 billion in Medicaid payments to California, the Rockefeller amendment would protect the most vulnerable populations, lessen the burden on state resources, and support the safety net of California hospitals.

Medicaid funding is included not only because it protects poor women and children, but also because so many seniors receive long-term health care and other supplemental "safety net" services from Medicaid, along with doctor and hospital coverage from Medicare.

This amendment is fully paid for. It does not lessen the deficit reduction in the budget, and still leaves significant cuts in Medicare and Medicaid. It is paid for out of the same bonus that Republicans would use for a tax cut. If CBO does certify a $170 billion bonus when the budget reconciliation bill goes through, then those funds would go back into Medicare, not into tax cuts.

Without this Medicare and Medicaid amendment, the budget resolution makes huge amounts of cuts, with no real assurance that they can be achieved in 7 years without destroying our health care system or imposing a crushing burden on seniors. Therefore, I urge my colleagues to support this amendment.

Ms. MOSELEY-BRAUN. Mr. President, I rise today in support of my colleague from West Virginia's amendment on Medicare. This amendment would take $100 billion from the reserve fund that my friends on the other side of the aisle have reserved for tax cuts, and put it back in Medicare and Medicaid. This is an important amendment because millions of Americans depend on Medicare and Medicaid to help them shoulder the burden of an increasingly expensive health care system.

This amendment is about fairness and shared sacrifice. It will still put us on a glide path toward a balanced budget but it will put less of the burden on the Medicare and Medicaid Programs. This amendment is needed because the budget resolution is Draconian and unfair. This body should consider a budget that restores fiscal discipline and balances not only the numbers on each side of the ledger but also the priorities of this Nation. Unfortunately, this budget does not accurately portray the Federal budget or the interests of the American people. This budget resolution is about numbers. I guess some believe the end justifies the means. Unfortunately, the human side of the equation has been all but ignored. The last time I looked, this Government still had an obligation to serve all of its citizens. That includes the old, the sick, the young, and the poor—not just the prosperous.

Let us take a moment to discuss what $256 billion in cuts to Medicare and $175 billion in cuts to Medicaid really mean.

It means 1.6 million Illinoisans who are covered by Medicare would have to pay an additional $2,770 over 7 years in out-of-pocket costs. Already the elderly spend nearly 21 percent of their income on health care, compared to 8 percent for nonseniors.

It means Illinois would lose $9.3 billion in Medicare funds over the next 7 years and over $6 billion from Medicaid—a 30-percent cut.

It means payments to providers will be cut. And as June O'Neill, Director of the CBO, said recently "no pain, no gain". Well it is true that we must share the sacrifice as we say, but let us take a look at that pain. And then let's consider whether or not we need the invasive and expensive, in terms of human costs, prescriptions ordered by Dr. Domenici's committee.

Cuts of this magnitude implemented this quickly will:

Close rural and inner-city urban safety net hospitals. These hospitals bear a disproportionate share of the cost of uncompensated care. They do not have the ability to cost shift and large cuts hit their bottom line directly. In Illinois we know of at least 10 hospitals that would close, most of them in areas that are already designated as health professions shortage areas.

It means medical education will suffer. Academic health centers that now train this Nation's residents will have to reduce the number of residents trained and the quality of that training may suffer. Remember, each and every one of us benefits from well-trained physicians.

It means hospitals and doctors will no longer treat Medicare patients, because it will be cost prohibitive to do so. And this means seniors lose choice and access to quality care.

Large cuts in Medicaid funding are no less devastating.

It means more babies will be born without prenatal care and will not receive well baby care. One-third of all births are funded by Medicaid.

It means between 5 and 7 million kids would lose coverage and the phase-in of coverage to the children of the working poor would be jeopardized.

It means millions would lose benefits. This means the loss of benefits not only for poor children, but for the elderly and disabled too. What many forget is that two-thirds of Medicaid costs go to provide services for the indigent elderly and severely disabled.

HHS estimates that all preventive and diagnostic screening services for children, home health care, hospice, and dental services would be eliminated.

It means more middle-class families will be responsible for paying for costly nursing home care for their elderly parents. Nursing home care averages $38,000 per year.

Clearly, changes to Medicare and Medicaid are needed. These programs are costly entitlements that gobble up more and more of our Federal budget and contribute more and more to our Federal deficit. We must not be resistant to change. Change is inevitable if we are to ensure that Medicare remains a viable program not only for our generation but for our children. But as Secretary Shalala recently cautioned the finance committee: "Don't kill Medicare to save it."

Changes to Medicare and Medicaid must be made in the context of health care reform. The budget resolution does not propose a solution to reduce health care inflation. Not only does it raise the cost of health care to older Americans—83 percent of Medicare users have an annual income of under $25,000—but it will reduce access and choice. On top of that, it will produce a big cost shift onto the rest of us. HHS estimates that if only one-third of Medicare cuts are shifted to other payers, businesses and families would be forced to pay a hidden tax of $40–$50 billion. We have difficult choices to make, but this budget fails. It is time to try again.

We can balance the Federal budget, but we have to set some priorities here. We cannot, indeed must not, balance the budget on the backs of children and the elderly. It is not right and it is not the American way. This amendment seeks to reduce the burden of this budget on those who need it most. I offer my wholehearted support.

Thank you Mr. President.

REPUBLICAN BUDGET PLANS AND MEDICARE CUTS

Mr. LEAHY. Mr. President, I believe the current debate in Congress on the budget is the most important action Congress will take this year. The Republican budget proposals are indeed monumental. The debate over how we balance our Federal budget will have repercussions to State and local governments for years to come.

I agree with several things in the Republican budget plans. I agree we need to continue to reduce the deficit and achieve a balanced budget. The Federal deficit and its resulting interest payments on the growing national debt put a heavy drag on our economy. In 1990 and 1993, I cast politically unpopular votes that cut about $1 trillion from the projected deficit. Since 1992, the deficit has been reduced from $290 to $176 billion this year—a drop of one-third. And more savings must be made.

But as Ross Perot would say: "The devil is in the details." How we balance the Federal budget is just as important as balancing it.

I am extremely disappointed that the Republican budget would reduce Medicare spending by the largest amount in history—$256 billion in the Senate version and $288 billion in the House.

These numbers are big, but what do they really mean to Vermonters? Under the Senate Republican budget proposal, the average Medicare spending per Vermont beneficiary would be reduced from today's level by over $4,000 over the next 7 years.

Over the next 7 years, Vermont will lose $339 million in Medicare funding, $79 million in the year 2002 alone. If this loss of funds is split 50–50 between Medicare recipients and providers, in the year 2002 Medicare beneficiaries will be paying about $500 in increased copayments, premiums, and deductibles. Hospitals, doctors, and other health care provides will be receiving $500 less from each Medicare recipient.

These reductions result from slowing the projected growth of Medicare to 7 percent a year instead of the projected increase of 10 percent a year. Some claim that these reductions are not really cuts. I fail to understand that logic.

For the 83,000 Vermonters on Medicare and in particular the 12 percent of Vermont seniors who live below the poverty level, does it make any difference what we call these reductions? Over the next 7 years, Vermont seniors, or the hospital, or the doctor will have to come up with over $4,000 to maintain their current level of benefits.

Ask the elderly couple that is retired and living on a fixed income if they can afford this slowing of growth? Ask the family down the road that has a grandparent who was just diagnosed with Alzehiemers whether they will be able to afford this slowing of growth? Ask the rural doctor who is already having trouble covering costs whether he or she can afford this slowing of growth?

Ask the typical rural hospital that currently receives only 91.5 cents on the dollar for the cost of each Medicare participant whether it can afford this slowing of growth. Ask the Vermonter with private health insurance that is currently paying that remaining 8.5 cents on every dollar on hospital costs alone due to cost shifting whether they can afford this slowing of growth?

The scariest part about the Senate Republican budget resolution is that it ignores the fact that it is not just Medicare costs that are rising. All health care costs are rising. And by just cutting Medicare—and Medicaid for that matter—a huge cost-shift of medical expenses will result and make sure that all Vermonters pay more for health care.

Vermonters need to realize that the magic number of $256 billion in the Senate and $288 billion in the House will do nothing for the long-term solvency of the Medicare trust fund. It extends the trust fund's life another 3 years from the current projection of it going broke in 2002. Since the first trustees' report in 1970, there always has been a date certain for the trust fund's insolvency. It is interesting to note that last year the insolvency date was projected at 2001, yet Republicans at that time saw no such urgency in shoring up the trust fund or dealing with the real problem of overall health care costs.

The Republican Medicare cuts are short-sighted. Simply cutting Medicare does not make its problems go away. To reduce Medicare costs, we must reduce health care costs throughout the system, which can only be achieved by true health care reform. But the Republicans have no plan to curb Medicare costs except to cut the program.

I hope in the coming months that Members from both sides of the aisle hammer out a plan to deal with the issue of comprehensive health care reform. But in the meantime, simply cutting Medicare is not the answer.

Mr. BIDEN. Mr. President, this Republican budget sets the wrong priorities. The goal is right—steady movement toward a balanced budget—but how the Republicans propose to get there is wrong. More than half of all the cuts in this budget come from just two programs—Medicare and Medicaid. Specifically, the Republican budget would cut $256 billion from Medicare over the next 7 years and another $175 billion from Medicaid, about $58 billion of which would come from long-term care for the elderly. This would be, without a doubt, the largest Medicare cut in history—three times larger than any previous cut.

This was not part of the Republican Contract With America. In fact, some have forgotten about an earlier contract—the contract we made with the senior citizens of America—those who worked hard and played by the rules. Cutting health care for those who are at an age when they need health care the most is simply wrong. To cut Medicare as much as the Republicans are proposing violates the long-standing contract with America's seniors.

And, why? So that the wealthy can be guaranteed a tax cut and so that rich billionaires can continue to renounce their U.S. citizenship in order to avoid paying taxes.

I believe we should have a tax cut—one that is targeted to middle-class families for the cost of education. And, I will discuss that issue in more detail later. But, the Republicans in the House have already passed their tax cut. Families making less than $30,000 would get a tax cut of $124—less than 50 cents a day—while families making over $200,000 would get a tax cut of over $11,000.

I am not saying we should raise taxes on the wealthy. And I am not saying that we should give a tax cut to everyone but the wealthy. But, Mr. President, do our richest 1 percent, or 5 percent, need a tax cut more than our retirees on a fixed income need protection against skyrocketing health care costs. I do not think so. I do not think we should provide a tax cut for guys like me—and I am the poorest one around this place—while we are increasing my mother's health care costs. And, I certainly do not believe that billionaires who renounce their American citizenship should have priority over the seniors who gave so much to this country.

I know what the Republicans are saying. They are claiming that they are not cutting Medicare and Medicaid—only reducing the rate of increase. Technically, true. But, for those seniors whose costs go up because Medicare pays for less, is that not a cut? For those seniors who have less access to health care services because Medicare providers refuse to take new Medicare patients, is that not a cut? For those seniors who may no longer qualify for Medicaid nursing home care because Medicaid payments to States are restricted, is that not a cut? Call it what you want. The fact is, seniors will pay more—much, much more.

Assuming that half of the Medicare cuts will come from seniors themselves, this Republican budget means that the average senior citizen will pay between $800 and $900 more in out-of-pocket costs—premiums, deductibles, and copayments—in 2002 than they would otherwise pay. Over the course of the next 7 years, the elderly would have to pay a total of about $3,200 more in out-of-pocket costs. That is on top of the average senior already expecting to pay about $25,000 in premiums, copayments, and deductibles for Medicare between now and 2002. The Republican budget would result in a 13-percent increase in out-of-pocket Medicare payments by America's seniors. And, on average, seniors already pay 21 percent of their income on health costs.

I know what else the Republicans are saying. They are claiming that we need to cut Medicare in order to save it. They argue that Medicare will go bankrupt in 2002, and they just want to protect the program for posterity. Mr. President, this budget does not reform Medicare; it cuts Medicare. Not one single proposal has been offered to save Medicare. Instead, the budget establishes an arbitrary number of $256 billion and says that is how much is going to be cut regardless of the actual cost of medical services or the total number of people who qualify. Between now and the year 2002, the number of seniors eligible for Medicare will increase by 4 million—15,000 in my State of Delaware. The Medicare funds will not keep pace. Someone gets cut.

If the Republicans were interested in saving Medicare, they would attack the causes of why Medicare is going bankrupt. But, they do not. If the Republicans were interested in saving Medicare, they would come to the table with the goal of saving Medicare. Instead, they want Democrats to come to the table after they have pulled an arbitrary number out of thin air.

And, where have the Republicans been? We have known since 1985 that the Medicare trust fund would become insolvent near the turn of the century. And, yet, for 7 years, Republican Presidents Reagan and Bush never proposed saving Medicare from bankruptcy. In 1993, not one single Republican in either the House or the Senate voted for President Clinton's proposal to shore up the Medicare trust fund. And, last fall, Republicans were so concerned about saving Medicare that they forgot to include it as part of the Contract With America.

Let us stop the charade. Republicans are cutting Medicare to balance the budget and to provide tax cuts to the wealthy. That is their priority. They are wrong. Democrats have alternatives that will achieve the same goal—a balanced budget in 2002—without taking this much from Medicare. For example, Senators ROCKEFELLER and LAUTENBERG have an amendment to return part of any economic dividend that results from a balanced budget back to the Medicare and Medicaid Programs. We ought to adopt the Democratic amendments and fulfill the original Contract With America—the contract with America's seniors.

Mr. BINGAMAN. Mr. President, I rise in support of the amendment offered by my distinguished colleague from West Virginia, Senator ROCKEFELLER, to restore $100 billion of the $426 billion proposed cuts in the Medicare and Medicaid programs over the next 7 years.

Mr. President, virtually everyone—Members of Congress, the President, program administrators and even current beneficiaries of the Medicare and Medicaid Programs—agree that changes, including slower spending, need to be made to the current system. The cost of health care is growing too fast and too high. Medicare, for example, currently is expanding by more than 10 percent per year, or three times CPI. These escalating costs simply are unsustainable.

President Clinton and many of us here in Congress spent 2 years trying to deal with this problem in a responsible, comprehensive way. Had we been successful, the Medicare Program would be more secure and access to affordable health care would have been a reality for all Americans, young and old alike. But at the time, my colleagues on the other side of the aisle were not interested in working with us to help make the Medicare Program secure. We heard repeatedly that there was no crisis, no need for Congress to act.

So here we are, with the Medicare Program in real trouble and the chairman of the Senate Budget Committee proposing to save it by cutting the program $256 billion over 7 years. Along with the Medicare cuts are $170 billion in cuts to the Medicaid program, which often serves as a long-term care safety net for seniors and the disabled.

My first question is "What do cuts of this magnitude mean to my homestate of New Mexico?" Unfortunately, Mr. President, States like New Mexico are going to be hit especially hard. This is due to a combination of factors:

First, New Mexico has a growing senior population.

Second, New Mexico has a high poverty rate; a high rate of seniors living in or near poverty; and low per capita income level.

Third, New Mexico's hospitals and providers are heavily dependent on Medicare and Medicaid revenue, more so than most other States.

SENIOR POPULATION—DEPENDENCY ON MEDICARE

In New Mexico, more than 212,000 seniors, disabled children, and disabled adults currently depend on Medicare. By 2002, more than 257,000 New Mexicans are anticipated to be eligible for the program. Looking at seniors alone, New Mexico's over-65 population grew by 37.8 percent between 1980 and 1990. The senior population is expected to grow by another 11 percent by 2000—to 204,000—and by more than 21 percent by 2010—to 247,000. Our over-65 growth rate, which is currently at 11 percent, is one of the highest in the country.

What do the proposed cuts mean to these seniors? According to an AARP study, to the average Medicare beneficiary in New Mexico it means $3,237 more in out-of-pocket expenses over the next 7 years, or $462 per person per year. This is $462 per person more in higher premiums, higher deductibles, higher copays, and more services not covered.

SENIORS IN POVERTY—TIE BETWEEN MEDICARE AND MEDICAID

A cost shift of this type is especially tough on New Mexico's seniors and their families because so many in my State are living at or near poverty. In fact, at 22.4 percent, New Mexico has one of the highest poverty rates in the country. One in every five New Mexicans—including about 26,000 seniors—lives in poverty.

Mr. President, the majority of my constituents are barely making ends meet today. And then along comes the majority in Congress with an significant increase in the obligation of beneficiaries—all beneficiaries, regardless of income level—to pay more out-of-pocket for their health care. How can poor, elder New Mexicans possibly come up with an additional $3,200 for their health care? The simple answer is that they will not be able to.

Through the Medicaid Program, the State typically would pick up the extra cost. But to do so, the State must raise additional revenue, either by cutting services elsewhere or by raising taxes. Under the budget plan before us today, the situation is even more grim for the States: before even beginning to address the new costs they will face, States must first come up with revenue to cover the initial shortfall they will face from the $170 billion in proposed cuts to the Medicaid Program itself.

If New Mexico or any other State will not or cannot raise the revenue needed to keep the safety net in place without Federal assistance, the results will be tragically clear: hundreds of seniors will have to go without health care; and hundreds of families will be forced to shoulder even more of the costs and burdens of providing long-term care for an elderly parent or relative. Those least able to afford it and most vulnerable among us—the very poor, frail elderly—will be hurt most.

The very bad news does not end there, however. I want to turn for a moment to the situation facing seniors with income levels above the poverty line. In New Mexico, our per capita income is $14,709, or more than $5,000 below the national average. Per capita income for New Mexico's seniors is even lower, estimated at around $12,000 per year by AARP, with between 20–25 percent being spent on health care.

If Senator ROCKEFELLER's amendment does not pass, the message to New Mexico's seniors will be that they will have to spend even more on their health care. The Senate will be telling New Mexico's seniors that they must spend more of their $12,000 to $14,000 annual income on health care. To many, this will simply be impossible.

I have just described the impact of the proposed Medicare cuts on New Mexico's Medicare beneficiaries. The adverse impact on our State does not stop there. Just as the cuts hurt New Mexico seniors more than seniors in many other States—because many of our seniors are living at or near poverty and our per capita income level is low—the cuts will also hit New Mexico's hospitals and health care providers harder than hospitals and providers in other States.

NEW MEXICO'S HOSPITALS AND PROVIDERS

The proposed Medicare and Medicaid cuts will be tough on our hospitals and providers, particularly in rural areas, because they are disproportionately dependent on Medicare and Medicaid for their revenue. Most NM hospitals/providers depend on the programs for 70 to 80 percent or more of their revenue. Nationally, 60 percent or less of all revenue comes from Medicare and Medicaid.

A hospital with a 60 percent or lower Medicare revenue share can compensate for lost Medicare-Medicaid dollars by cost-shifting to private insurers. NM hospitals and providers cannot. They depend on reimbursement from Medicare and Medicaid. Even a slight cut to rural providers could represent a serious financial threat to the providers and a very real threat to health care for rural New Mexicans.

Mr. President, I believe we can find a more equitable way to achieve the kind of savings and fiscal accountability we need. We can agree, for example, that we can develop ways for fairly changing many variables contributing to higher health care costs. Fraud, waste, and inefficiency can all be identified, targeted, and changed. We can improve case management, increase use of cost-effective, quality managed care where appropriate, and focus more on prevention and early detection.

I believe the amendment put forth by Senator ROCKEFELLER represents a more equitable, more reasonable approach to the challenges we face. I will support it, and I urge my colleagues to do likewise.

Mr. KENNEDY. Mr. President, in crafting this budget resolution, the Republican majority has made a great show of its pledge to protect Social Security. But when the American people look behind the rhetoric, they will find that the Republican budget plan is a sneak attack on Social Security, and a violation of our Government's compact with its citizens.

As every senior citizen knows, the Medicare part B premium is deducted directly from their Social Security check. When that premium goes up, Social Security benefits go down. The Republican budget will raise those premiums and reduce Social Security checks by more than $1,750 per senior over the life of this budget plan. For an elderly couple, the reduction in the Social Security check will be $3,500. Next year alone, as a result of this Republican budget, seniors will see a premium increase of $134 compared to current law. In effect, that will eliminate more than half the average COLA increase of $237. Lower income seniors will lose 83 percent of their COLA.

Senior citizens rely on their annual cost of living adjustments to pay for the increased costs of food, housing, fuel, and clothing that they face every year. But under this Republican budget, the majority of that COLA will be stolen to pay for tax cuts for the wealthy. The last time the Republicans tried to cut the Social Security COLA they were forced to back down. Now they are trying to do it by stealth—but it is not going to work.

It is not only through the increase in the Medicare premium that the Republicans are attacking Social Security. In the House budget, the Republicans have arbitrarily assumed an unprecedented, unilateral reduction of the CPI of .6 percent. That change is designed to cut Social Security COLA's by another $23 billion over the next 7 years.

At the most basic level, the harsh cuts in Medicare contained in this budget resolution are a repudiation of our historic commitment to Social Security, because the distinction between Medicare and Social Security is a false one. Medicare is part of the same compact between the Government and the people as Social Security. That compact says "Contribute during your working years, and we will guarantee basic income and health security in your retirement years."

Any senior citizen who has been hospitalized or who suffers from a serious chronic illness knows that there is no retirement security without Medicare; the cost of illness is too high. A week in an intensive care unit can cost more than the total yearly income of many senior citizens.

It is the low- and moderate-income elderly who will suffer most from these Medicare cuts. Eighty-three percent of all Medicare spending is for older Americans with annual incomes below $25,000; two-thirds is for those with incomes below $15,000.

How can any budget plan that purports to be part of a Contract With America break America's contract with the elderly? It is bad enough to propose these deep cuts in Medicare at all. It is even worse to make these cuts in order to pay for an undeserved and unneeded tax cut for the wealthiest Americans.

The cuts in Medicare are unprecedented—$256 billion over the next 7 years. By the time the plan is fully phased in, the average senior citizen is likely to pay $900 more a year in Medicare premiums and out-of-pocket costs. An elderly couple would have to pay $1,800. Over the life of this budget, they have to pay $6,400 in additional costs.

The part B deductible could double under this Republican plan, raising the amount a senior citizen would have to pay before they can see a doctor by an additional $100.

A typical senior citizen needing home health services could have to pay an additional $1,200. Anyone who is sick enough to need the full home care benefit could have to pay $3,200.

Seniors could lose the freedom to select their own doctor, or face unaffordable costs if they refuse to give up their family physician.

The fundamental unfairness of this proposal is plain. Because of gaps in Medicare, senior citizens already pay too much for the health care they need. Average elderly Americans pay an astounding one-fifth of their income to purchase health care—more than they paid before Medicare was even enacted 30 years ago. And the reason we enacted Medicare then was because the elderly faced a health care crisis then.

Lower income, older seniors pay even more than a fifth of their income for health care. Medicare doesn't cover prescription drugs. Its coverage of home health care and nursing home care is limited.

Unlike private insurance policies, Medicare doesn't have a cap on out-of-pocket costs. It doesn't cover eye care or foot care or dental care. Yet this budget plan piles additional medical costs on every senior citizen—while the Republican tax bill that has already passed the House gives a tax break of $20,000 to people making more than $350,000 a year.

It is interesting to compare the generous benefits that the authors of this resolution enjoy under the FEHBP plan available to every Member of Congress to the much less adequate benefits provided by Medicare to senior citizens. Medicare has no coverage at all for outpatient prescription drugs, but they are fully covered under Blue Cross-Blue Shield Standard, the most popular FEHBP plan. The combined deductible for doctor and hospital services under Blue Cross/Blue Shield is $350. For Medicare, the combined deductible is $816. Blue Cross/Blue Shield covers unlimited hospital days with no co-payments. Under Medicare, seniors face a $179 per day copayment after 60 days and $358 after 90 days. After 150 days, Medicare pays nothing at all. Medicare covers a few preventive services, but it does not cover screening for heart disease, colorectal cancer, and prostate cancer—all FEHBP benefits. Dental services are covered for Members of Congress—but not for senior citizens. Members of Congress are protected against skyrocketing out-of-pocket costs by a cap on their total liability, but there is no cap on how much a senior citizen has to pay for Medicare copayments on deductibles.

Members of Congress earn $133,600 a year. The average senior's income is $17,750. For the limited Medicare benefits they receive, seniors pay $46.10 a month, but for their comprehensive insurance coverage Members of Congress pay a grand total of $44.05 a month—$2.00 less than seniors must pay out of incomes one-eighth as large.

The Republican sponsors of this resolution do not seem to understand that the average senior citizen has an income of only $17,750 a year. Because of this budget, millions of elderly Americans will be forced to go without the health care they need. Millions more will have to choose between food on the table, adequate heat in the winter, paying the rent, and paying for medical care. These proposals are cruel—and they are unjust. Senior citizens have earned their Medicare benefits, they have paid for them, and they deserve them. Yet our Republican friends would deny them.

How do they explain this to senior citizens? This is a budget that Marie Antoinette would love—let them eat cake.

The Medicare cuts in this resolution harm more than senior citizens. These proposals will strike a severe blow to the quality of American medicine, by damaging hospitals and other health care institutions that depend heavily on Medicare.

These institutions provide essential health care for Americans of all ages, not just senior citizens. Progress in medical research and training of health professionals depend on the financial stability of these institutions. Academic health centers, public hospitals, and rural hospitals will bear an especially heavy burden. As representatives of the academic health centers that guarantee our world-renowned excellence in health care said of this budget, "Every American's quality of life will suffer as a result." Health care providers from the American Hospital Association, to the American Medical Association, to the Catholic Health Association have warned of the devastating effects of these cuts on the quality of care.

In addition, these massive cuts will inevitably impose a hidden tax on workers and businesses, as the National Association of Manufacturers has warned. The private sector will face increased costs and higher insurance premiums, as physicians and hospitals shift even more costs to the nonelderly. According to recent statistics, Medicare now pays only 68 percent of what the private sector pays for comparable physicians' services; for hospital care, the figure is 69 percent. The proposed Republican cuts will widen this already ominous gap.

During the course of this debate we have heard a number of arguments that attempt to defend this fundamentally indefensible proposal. We heard them over and over again during the course of this debate—as if repetition would somehow make them right.

The first argument is that deep cuts are needed to save Medicare from bankruptcy. The hypocrisy of this claim is astonishing. Just a few weeks ago—before they began to feel the political heat on Medicare cuts—the Republicans passed a tax bill through the House that took almost $90 billion in revenues out of the Medicare hospital insurance trust fund over the next 10 years—and brought it that much closer to insolvency. We did not hear a word then about the impending bankruptcy of Medicare.

We also did not hear about it when last year's Medicare trustee's report was issued. Republicans were too busy last year blocking health reform and pretending there was no health care crises at all.

This year's trustees report actually shows the Medicare trust fund to be in a stronger financial position than last year. The newfound Republican concern for the solvency of the Medicare trust fund is a sham—a convenient pretext to rob Medicare to pay for tax breaks for tycoons. Medicare is nowhere near as bankrupt as Republican priorities.

It is true that the April 3 report of the Medicare Trustees projects that the Medicare Hospital Insurance Trust Fund will run out of money by 2002. But few if any Republicans would be talking about Medicare cuts of this magnitude, absent the need to finance their tax cuts for the wealthy. As the Medicare Trustees themselves noted in their report, modest adjustments can keep Medicare solvent for an additional decade—plenty of time to find fair solutions for the longer term.

Similar projections of Medicare insolvency have been made numerous times in the past, but adjustments enacted by Congress were able to deal with the problem without jeopardizing beneficiaries. Now is no different. For example, an estimated 20 percent of all Medicare hospitalizations could be avoided with better preventive services and more timely primary and outpatient care. As much as 10 percent of all Medicare expenditures may be due to fraud, and could be reduced or eliminated by better oversight. A simple technical change that would shift primary responsibility for home health services from the Hospital Insurance Trust Fund to the Supplementary Insurance Fund would keep the Hospital Insurance Fund solvent until 2008, without reducing benefits or increasing Government costs. This single adjustment would actually keep the Trust

Fund solvent a year longer than all the draconian Republican cuts put together.

Some Republicans have accused Democrats of attempting to scare America's senior citizens. Senior citizens do have reason to fear what this budget resolution will do to their Medicare benefits. But the real fear-mongers are those who attempt to cloak their unfair, misguided budget in phony dire warnings about the bankruptcy of Medicare.

We don't have to destroy Medicare in order to save it. Congress will never allow the Medicare Trust Fund to become bankrupt. I know it. The Members on the other side of the aisle know it. And the American people know it.

Another false Republican argument in defense of Medicare cuts is that they are not really a cut, because the total amount of Medicare spending will continue to grow. The fact is that the Republican plan calls for spending $250 billion less on Medicare that the Congressional Budget Office says is necessary to maintain the current level of services to the elderly.

Every household in America knows that if the cost of your rent, the cost of your utilities, and the cost of your food go up—and your income stays the same—you have taken a real cut in your living standard.

Only in Washington could someone contend with a straight face that making senior citizens pay $900 a year more for their medical needs is not a cut in their benefits. Every senior citizen understands that.

Republicans speak of a cut in defense, even though defense spending has stayed stable. Apparently, the same Republican logic doesn't apply to senior citizens that applies to spending on guns and tanks. Well, I say to them—a cut is a cut is a cut—whether it's in Medicare or Social Security or national defense.

To try to defend their no cut argument the Republicans have even resorted to quoting President Clinton speaking in favor of his health reform plan. This plan included a reduction in Medicare growth as part of an overall reform that slowed cost growth throughout the system. What they have conveniently ignored is that the Clinton plan put every dollar taken out of Medicare back into expanded benefits to senior citizens. This Republican budget takes money from senior citizens to fund tax cuts for the wealthy. And under the Republican budget, the already dangerous gap between what Medicare pays and the private sector pays for comparable services will continue to widen, while under the Clinton plan total Medicare spending would actually have increased at a faster rate than private sector spending.

The third specious Republican argument is that Medicare costs can be cut by encouraging senior citizens to join managed care. True, such care may help bring Medicare costs under control—in the long run. Enrollment by senior citizens in managed care is already increasing rapidly. it is up 75 percent since 1990. But no serious analyst believes that increased enrollment in managed care will substantially reduce Medicare expenditures in the time frame of the proposed Republican cuts.

In fact, according to the General Accounting Office, Medicare now actually loses money on managed care, because the healthiest senior citizens tend to enroll in managed care and the payment formula is too generous. This kind of problem can easily be worked out, and will help to restore the fiscal stability of the program. But the only way to save serious money in the short-term on managed care is to penalize those who refuse to join. This option has already been suggested by the Republican health task force in the House of Representatives.

But I say right now to my Republican colleagues—it is wrong to force senior citizens to give up their freedom to choose their own doctors and hospitals. It is wrong to penalize them financially if they refuse to enroll in managed care.

The American people will never accept a policy that tells senior citizens they have no right to go to the hospital and doctor of their choice, or that puts unfair financial pressure on senior citizens to give up that right.

The fourth Republican argument is that deep cuts in Medicare are necessary to balance the budget. That argument refutes itself. All it proves is that Republican priorities are wrong. Democrats favor a balanced budget, and under President Clinton, we had been making real progress toward that goal. There is a right way to balance the budget, and a far-right way. And unfortunately, the Republicans have picked the latter.

It is true that we need to bring health care spending under control. But that applies to all health spending, not just Medicare and Medicaid. As President Clinton told the White House Conference on Aging last week, 40 percent of the projected increase in Federal spending in coming years will be caused by escalating health costs.

But what this Republican budget fails to recognize is that the current growth in Medicare spending is a symptom of the underlying problems in the entire health care system—not a defect in Medicare.

In fact, Medicare has done a better job than the private sector in restraining costs in recent years. Since 1984, Medicare costs have risen at an annual rate that is 24 percent lower than comparable private sector health spending. As a result, Medicare now pays only 68 percent of what the private sector charges for comparable physicians' services; for hospital care, the figure is 69 percent.

Slashing Medicare unilaterally is no way to balance the budget. It will simply shift costs from the budget of the Federal Government to the budgets of senior citizens, their children, and their grandchildren. That is not a real saving.

Moreover, senior citizens will also face greater discrimination from physicians and hospitals less willing to accept them as patients, because Medicare reimbursements are already much lower than the reimbursements available under private insurance. Previous cuts in Medicare have already led to serious cost shifting, as physicians and hospitals seek to make up their reduced income from Medicare patients by charging higher fees to other patients. The result has been higher health costs and health insurance premiums for everyone, as cost shifting becomes a significant hidden tax on individuals and businesses.

The right way to slow rising Medicare costs in the context of broader health reforms that will slow health cost inflation in the economy as a whole. That is the way to bring Federal health costs under control, without cutting benefits of shifting costs to working families. In the context of broader reform, the needs of academic health centers, rural hospitals, and inner city hospitals can also be met. Unilateral Medicare cuts alone, by contrast, could reduce the availability and quality of care for young and old alike.

The President has said that he is willing to work for bipartisan reform of the overall health care system, but the Republicans have said no. The only bipartisanship they seem to be interested in is the kind that says, "Join us in slashing Medicare." That is not the bipartisanship the American people want or the elderly deserve.

The cuts in Medicaid proposed in this budget are equally unfair—a total of $175 billion over 7 years—a devastating 30-percent reduction from the current spending levels. The double whammy of huge Medicare cuts and huge Medicaid cuts will hit hospitals and other health care providers even harder than Medicare cuts alone. Struggling State governments and State and local taxpayers will also face heavy burdens. Massachusetts would lose $4.4 billion in Federal matching funds over the next 7 years. By the year 2002, we would need to increase State spending by 26 percent to maintain current program levels.

Other States with higher Federal matching rates would be hit even harder. New Mexico would lose $1.3 billion, and would have to increase program spending by a massive 87 percent. Nationally, State and local taxpayers would have to increase program spending by 35 percent by the year 2002 to maintain program levels.

States cannot afford these huge increases. And the impact of these arbitrary cuts on real people is even more disturbing. Medicaid is a key part of the safety net for senior citizens, the disabled, and children. Two-thirds of all Medicaid spending is for senior citizens and the disabled. If an elderly American becomes sick enough to need long-term nursing home care, Medicaid is the only source of funding after personal savings are exhausted. Cuts in Medicaid will mean that needed care for senior citizens is denied. Heavy additional burdens will be imposed on their children and grandchildren.

Children also depend on Medicaid. Eighteen million children—more than a quarter of all children in our country—receive health care under Medicaid. More than half of these children are members of working families. Their parents work hard—most of them 8 hours a day, 40 hours a week, 52 weeks a year. Without Medicaid's help, all their hard work will not buy their children the health care they need.

We often hear that the reason to balance the budget is for America's children. A budget that denies health care to millions of children is the wrong way to express concern for their future.

The recent V-E Day ceremonies reminded us that today's senior citizens have stood by America in war and peace. America must stand by them now. Senior citizens have worked hard. They've played by the rules. They contributed to Medicare. They have earned their Medicare benefits, and they deserve to have them. Yet this Republican budget proposes to take those benefits away.

The amendment we are offering will restore a large part of these unfair cuts. I urge the Senate to adopt it.

Mr. DODD. Mr. President, I hope all of my colleagues will take a step back from this debate and examine what these cuts in Medicare and long-term care would mean in real terms for real people. I believe that these reductions are simply wrong. They violate our American values of fairness.

These are not just numbers on a page. We are talking about injecting fear into the lives of people who deserve to spend their retirement years in peace. The cuts seem all the more callous given that they are being made to finance tax cuts for the most affluent Americans.

Let us talk about people, not programs, for a moment. The people we are discussing fought the wars, paid the taxes and built the wealth that all of us here have enjoyed. We just marked the 50-year anniversary of V-E Day. Many of the people who won that war for us are now on Medicare. The least they deserve is to live their last years in dignity. In their twilight years, they deserve better than this budget gives them.

There is no way these cuts would not hit people of modest means. Medicare is not a program for the rich. Today, Medicare serves 35 million seniors, who have a median income of $17,000. Seventy-eight percent earn less than $25,000 a year. The typical senior already spends 21 percent of his or her income on out-of-pocket health costs. That compares to 8 percent for nonseniors. Should we really be jacking up those out-of-pocket costs to pay for a $20,000 tax cut for people making over $350,000 a year?

CUTS WOULD BE PAINFUL

Despite all the rhetoric on the other side of the aisle, these cuts would be painful. This is what Robert Reischauer, the highly respected former director of the CBO, had to say about the reductions:

> There's no way to do this without imposing real sacrifice and real pain, and both beneficiaries and providers will feel it. The notion that this can be squeezed out of the system with greater efficiencies is wishful thinking.

Taking a hacksaw to medicare, as this budget proposes, would be devastating. Recipients of care would pay $3200 more over the next seven years. That is an enormous hardship for seniors living on modest, fixed incomes.

Businesses and workers who have private insurance would be hurt, too. Without overall reform, cutting medicare would not necessarily cut the actual cost of visiting a doctor or hospital. So doctors and hospitals would in all likelihood try to shift costs of $40 to $50 billion from medicare patients to privately insured businesses and workers. That is nothing but a hidden tax that private businesses and their employees neither deserve nor can afford.

LONG-TERM CARE

The cuts in this budget resolution would also decimate the long-term care protection that Medicaid provides seniors. Working families with a parent who needs long-term care would face nursing home bills of an average of $38,000 a year without Medicaid's long-term care protection. Where will our seniors who have spent down all their savings and now rely on Medicaid to pay for their nursing home care go without such protection?

IMPACT ON HOSPITALS

These cuts would particularly hit rural and innercity hospitals with large concentrations of elderly and low-income patients. In my own State of Connecticut, home to many urban hospitals, Medicare makes up 40 percent of all hospital revenue. Half of the hospitals in Connecticut are teaching hospitals, which rely heavily on Medicare to train tomorrow's physicians.

Many of these hospitals already operate on the edge: some may have to close their doors if such an important source of financing is slashed. Nearly 10 million Medicare recipients live in rural America, where there is often only one hospital serving a county. Draconian Medicare cuts like those proposed by the Republicans could force many of those rural hospitals out of business.

A DIFFERENT COURSE

We must do something to control Medicare spending, but we cannot do it in isolation. The problems of Medicare are the same problems facing the entire health care system. To focus only on Medicare puts its recipients at risk and would have unintended consequences for the rest of the health care system.

We need honest, thorough health care reform, and I invite our Republican colleagues to begin a dialogue with us on this important subject. But I also ask them to step back from the draconian cuts in Medicare and long-term care. I hope my colleagues will support the pending amendment.

Mr. BRADLEY. Mr. President, I come to the floor today to express my very serious concerns about the cuts to Medicare and Medicaid which are contained in the budget resolution.

Mr. President, my colleagues across the aisle have stated repeatedly that they are not touching Social Security. But at the same time over a third of the cuts which they have proposed, including over 40 percent of the cuts in the year 2002, come from Medicare and Medicaid. Mr. President, I would like to spend a few minutes discussing what the proposed Medicare and Medicaid cuts will mean to our most vulnerable citizens. As I discuss these impacts, I would like my colleagues to ask themselves how they can credibly claim that this budget does not reduce these people's security.

Let me start with Medicare. This budget cuts spending for the Medicare program by $256 billion over 7 years. I would like to spend a minute discussing what these numbers mean in human terms. They mean that seniors will have to find an average of $3,447 more to pay for their health care over the next 7 years. In my home State of New Jersey, seniors will have to come up with an additional $932 in the year 2002 alone just to pay for the additional Medicare costs which this budget imposes on them. For many seniors across the country, these new costs will be extremely difficult to bear. In 1992, the median income of seniors in this country was only about $17,000 a year, and about a quarter of elderly households had incomes under $10,000. Of these incomes, seniors already spend more than one of every five dollars on medical costs. For the millions of seniors across the country who live on fixed incomes, finding an additional $3,447 over 7 years will mean having to give up something else which is important to them. It is estimated that there are already nearly 8 million seniors nationwide who are forced to choose each month between paying for their medications and paying for food. I can't help wondering how many millions more seniors will be faced with this horrible choice once the proposed cuts go into place.

An increased financial burden on seniors is only one of the negative consequences which will result from the proposed Medicare cuts. Along with having to pay more, seniors will likely find that their ability to choose their own doctor is restricted—perhaps not explicitly, but because financial limitations leave them with no choice but to join a managed care plan. Also, doctors, hospitals, and others providers are all likely to face reduced payments. They already receive far lower payments from Medicare than from private insurers, and if Medicare rates are reduced much further some may find that they can no longer afford to take Medicare patients. Those who do keep accepting Medicare will be forced to shift even more costs onto their privately insured patients, creating a hidden tax on employers and individuals.

And that's just Medicare. In addition, this budget cuts Medicaid by $175 billion. That's an 18 percent cut, relative to what spending would be if there were no change in law. I think it is very important that we all understand exactly who these cuts will affect. Medicaid now insures about one of every four American children. It pays for roughly one of every three births in this country. And it pays for over three-fifths of the people who need long-term care services, either in nursing homes or at home. Over half of Medicaid funds go for persons who are either elderly, blind, or disabled. Most elderly recipients of Medicaid are people who spent their whole lives as members of the middleclass. But when faced with nursing home costs averaging almost $40,000 a year, it doesn't take long for their entire life savings to disappear. Once they reach this point, these people have nowhere else to turn. Thank goodness Medicaid has been there to provide a safety net for them.

This resolution caps Federal Medicaid spending at an average annual growth rate of 5 percent. We all know that Medicaid spending is expected to grow much faster than that in the future. By setting a 5 percent cap, the Federal Government is essentially saying to the States: "It's all your problem now. We can't figure out how to deal with the growing number of uninsured and the rising costs of health care, so you do it. We wash our hands of any responsibility to help you deal with these critical needs." But, if we are honest with ourselves, we must admit that States can't cope with these problems alone.

So, Mr. President, let me tell you what is expected to happen once these proposed Medicaid cuts go into effect. By the year 2002, the number of uninsured children in America is predicted to rise by more than 6 million. By that same year, there will be an additional 3 million persons who need—but can not get assistance with—the costs of long-term care. These will be people who will be required to leave nursing homes, or will never be able to enter one, despite the fact that they need more care than their family and friends are able to provide, either financially or physically. As I stated earlier, many of these people are now members of the middle-class, but the astronomical costs of long-term care will impoverish them rapidly. For those persons who are able to enter and remain in nursing homes the picture is not much brighter. Medicaid now pays significantly less than the private sector for long-term care. When Medicaid cuts these payments even further—as it will have to do in response to the budget cuts—nursing homes will have to do even more with less. This means that staff will be stretched even thinner, and each resident will receive even less personal attention. The proposed cuts will mean that the quality of life of nursing home residents will deteriorate even further.

Mr. President, I hope that my remarks have helped put a human face on all the numbers which have been floating around the floor of this chamber the last few days. I recognize that reducing the deficit will require painful choices. But in making these choices, we can not ignore how these decisions, will impact the persons whom we have been elected to represent. My colleagues across the aisle claim that they are concerned about the impact of deficit reduction on our oldest and most vulnerable citizens. They have stated repeatedly that Social Security is "off the table" — that it has not been cut. To them I respond: Medicare and Medicaid are vital parts of our Social Security System. They provide security at a time when people are most vulnerable—when they are sick. To take over a third of your proposed cuts out of Medicare and Medicaid is to deny security when it is most needed.

Mr. SARBANES. Mr. President, I rise to express my strong support for the amendment offered by my colleagues, Senators ROCKEFELLER and LAUTENBERG, to restore critical funding to the Medicare Program.

In order to provide a significant tax cut to the very wealthy, Senate Republicans have proposed a budget resolution which includes draconian cuts in many important programs, including a substantial cut in Medicare. In my view, drastic cuts on the spending side, in order to create room for a tax cut, are not appropriate and do not reflect the priorities of this Senator. I oppose the Senate Republican budget proposal and feel very strongly that the resolution before us directly threatens the health and well-being of our Nation's seniors citizens.

Over half the people who receive Medicare are older Americans with incomes below $15,000 a year. The Republican budget with its deep Medicare cuts lay the basis for tax cuts for the very wealthy. This is the situation before us.

The proposed Senate Republican budget resolution would cut Medicare by $256 billion over the next 7 years. I know it is asserted that the actual dollar amounts for Medicare will not drop, but rather will increase gradually over the next 7 years. However, if the proposed dollar increases are not proportional to increases in Medicare enrollees and increases in the costs of medical care, the end result is massive cost shifting and cuts in services for beneficiaries.

Mr. President, in my view, it is essential that we recognize that Medicare is not a system unto itself. The Medicare Program is, instead, a large component of our Nation's health care system and it is illogical to assume that isolated cuts in Medicare will not adversely effect all Americans.

First and foremost, these ill-conceived cuts would harm our senior citizens. The Health Care Finance Administration [HCFA] estimates that Medicare payments account for 45 percent of health care spending by our Nation's elderly. Under the GOP budget plan, out-of-pocket costs to seniors are expected to increase by an average of $900 per person per year by the year 2002. Over a 7-year period, the typical beneficiary would pay an estimated $3,200 in additional out-of-pocket costs. While this might not sound like much to some, these numbers become more significant when you factor in statistics which indicate that 60 percent of program spending was incurred on behalf of those with incomes less than twice the poverty level, and 83 percent of program spending was on behalf of those with annual incomes of less than $25,000.

Clearly, when we talk about Medicare recipients, we are not talking about our Nation's wealthiest citizens. Many seniors live on fixed incomes. In fact, a large number of Medicare recipients depend on Social Security benefits for much of their income. According to HCFA, about 60 percent of the elderly rely on Social Security benefits for 50 percent or more of their income and 32 percent of the elderly rely on Social Security for 80 percent or more of their income. It is also estimated that as many as 2 million seniors can expect to see the value of their Social Security COLA's decline as increased Medicare costs consume 40 to 50 percent of Social Security COLA's by 2002. Requiring these individuals to pay more for their health care will directly undercut their standard of living. In my view, it is simply unacceptable to create a situation where more and more seniors will see their resources stretched to the degree that they will have to choose between food and health care.

As a result of the proposed cuts in the Republican budget resolution, seniors may also end up paying more for the services they currently receive. The number of Medicare recipients is expected to increase over the next several decades just as the baby boomer generation reaches retirement age. The Republican budget proposal fails to account for this projected growth. Therefore, in order to make ends meet, hospitals and other health care centers will have to shift costs to other payers or cut valuable services which are supported, in part, by Medicare reimbursements. According to the American Hospital Association, costly but crucial services like trauma care units, burn units and intensive care units would have to be closed in many hospitals. Teaching hospitals, which receive a higher rate of reimbursement for Medicare patients than nonteaching hospitals, will suffer losses in revenue certain to impact the fiscal integrity of these institutions. Reductions in funding to such institutions will result in less support for services, research, and education. Such consequences impact us all and illustrate clearly the danger of arbitrarily cutting this critical program.

In addition, businesses and working Americans could see increased health care costs and higher premiums as health care providers and institutions shift a larger portion of costs to the nonelderly in an attempt to cover rising medical costs and provide quality services with limited resources. Communities could also see increases in State and local taxes in order to assist financially strapped hospitals and health care providers.

Mr. President, the Medicare Program does not operate in a vacuum. Cuts of the magnitude being proposed by the Republicans will impact us all. I am not suggesting that the Medicare system does not need to be reformed. What I am suggesting is that there is a right way and a wrong way to make changes in the system and how we go about doing so provides a clear picture of what kind of society we are going to be.

In his 1941 message to Congress, Franklin Roosevelt articulated a second bill of rights which established a basic standard of security and prosperity for all Americans. Among these rights is "the right to adequate medical care and the opportunity to achieve and enjoy good health." The proposed Republican budget resolution seriously threatens this basic standard and I urge my colleagues to join me in support of the Rockefeller-Lautenberg amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Are the yeas and nays requested?

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1112. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] and the Senator from Texas [Mr. GRAMM] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. FAIRCLOTH] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—52

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Frist
Gorton
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Faircloth
Gramm

So the amendment (No. 1112) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATING JAMES R. KETCHUM AS CURATOR EMERITUS OF THE U.S. SENATE

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 122) designating James R. Ketchum as Curator Emeritus of the United States Senate.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 122) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 122

Whereas James R. Ketchum will retire from the United States Senate after 25 years as Senate Curator, and 35 years of Government service;

Whereas he has dedicated his Senate service to preserving the works of art, history, and traditions of the Senate;

Whereas he has contributed immeasurably to the restoration of the Old Senate Chamber, the Old Supreme Court Chamber, the President's Room, and other historic rooms in the Capitol;

Whereas he has developed exhibitions and educational programs detailing the rich heritage of the Senate for all to enjoy;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection, and esteem of the United States Senate: Now, therefore, be it

Resolved, That, effective July 1, 1995, as a token of the appreciation of the Senate for his long and faithful service, James R. Ketchum is hereby designated as Curator Emeritus of the United States Senate.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RETIREMENT OF GERALD A. HACKETT

Mr. DOLE. Mr. President, I send a resolution to the desk relating to the retirement of Gerald Hackett and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 123) relating to the retirement of Gerald A. Hackett.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 123) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 123

Whereas Gerald A. Hackett will retire from the United States Senate after 33 years of service, the last 29 years as Executive Clerk;

Whereas his dedication to the United States resulted in the computerization of the nomination and treaty processes, and the online publishing of the Executive Journal;

Whereas he has performed the duties of his office with remarkable diligence, perseverance, efficiency, and intelligence;

Whereas he has faithfully performed his duties serving all Members of the Senate with great professional integrity and dedication; and

Whereas Gerald A. Hackett has earned the respect, admiration and esteem of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate commends Gerald A. Hackett for his long, faithful, and exemplary service to his country and to the Senate.

SEC. 2. The Secretary shall transmit a copy of this resolution to Gerald A. Hackett.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RETIREMENT OF FREDERICK R. BROOMFIELD, SR.

Mr. DOLE. Mr. President, I send a resolution to the desk relating to the retirement of Frederick R. Broomfield and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A resolution (S. Res. 124) relating to the retirement of Frederick R. Broomfield, Sr.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 124) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 124

Whereas on June 30, 1995, Frederick R. Broomfiled, Sr. will retire from service as a member of the Department of Office Services staff within the Office of the Secretary of the Senate after almost 20 years;

Whereas he has upheld the high standards and traditions of the Office of the Secretary of the Senate with abiding devotion; and

Whereas he has gained the trust, confidence, and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate expresses its deep appreciate and gratitude to Frederick R. Broomfield, Sr., for his years of faithful and exemplary service to his country and to the United States Senate.

SEC. 2. The Secretary shall transmit a copy of this resolution to Frederick R. Broomfield, Sr.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 1116

(Purpose: To express the sense of the Senate regarding losses of trust funds due to fraud and abuse in the Medicare program)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 1116.

Mr. COHEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 94, after line 21, add the following new section:

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the medicare program under title XVIII of the Social Security Act during fiscal year 1994 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to financial crises of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and, if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

Mr. EXON. Will the Senator yield for a question?

Mr. COHEN. Yes, I yield for a question.

Mr. EXON. The Senator from North Dakota has a bill that he would like to proceed to introduce, as in morning business, and take 10 minutes to talk about it. It has nothing to do with the measure at hand. After the conclusion of the opening remarks on the offering of his amendment, I would appreciate that side accommodating the Senator from North Dakota, if that is satisfactory, and the time will be charged to us.

Mr. DOMENICI. Mr. President, might I inquire, the Senator said it is unrelated to the budget?

Mr. EXON. Yes, unrelated to the budget.

Mr. DOMENICI. We have a similar request, Mr. President. Did the Senator from Wyoming wish some time? Did he not want to introduce a bill?

Mr. THOMAS. Three minutes, if I may.

Mr. DOMENICI. May we have, immediately following, 3 minutes for the junior Senator from Wyoming?

Mr. EXON. I assume the Senator from Maine would want to go ahead and offer his amendment at this time.

The PRESIDING OFFICER. The Senator from Maine offered the amendment.

Mr. EXON. I thank the Senator from Maine and the chairman of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered. We will proceed with the Senator from North Dakota, followed by the Senator from Wyoming for 3 minutes, and then the Senator from Maine.

Mr. CONRAD. I thank the Chair.

(The remarks of Mr. CONRAD pertaining to the introduction of S. 840 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. Under the previous order, the Senator from Wyoming is recognized.

Mr. LOTT. Will the Senator yield?

Mr. THOMAS. Yes.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that a vote occur on or in relation to the Cohen Medicare fraud amendment, to be followed immediately by a vote on or in relation to the Democratic education amendment, at 7:15 p.m. this evening, with the first vote limited to the regular 20-minute time limit, and the second vote limited to 10 minutes in length. I note at this point that this has been cleared with the Democratic side of the aisle. I further ask that no points of order be considered as having been waived by this agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that no second-degree amendments be in order to either amendment, and that the time between now and 4:30 be equally divided for consideration of the Cohen amendment, and the time from 4:30 p.m. to 7:15 p.m. be equally divided on the Democratic education amendment, and that following the two back-to-back votes, Senator ABRAHAM be recognized to offer an amendment relative to education.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Maine is recognized.

AMENDMENT NO. 1116, AS MODIFIED

Mr. COHEN. I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right.

The amendment is so modified.

The amendment (No. 1116), as modified, is as follows:

Strike all after the word "section" and insert the following:

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the medicare program under title XVIII of the Social Security Act during fiscal year 1995 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to the financial crises of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

In addition, the Senate assumes that funds recovered from enhanced anti-fraud and abuse efforts be used to fund health care anti-fraud and abuse enforcement efforts, reimbursements to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for losses due to fraud and abuse, and deficit reduction.

Mr. COHEN. The focus of debate today has been on what to do about Medicare. I think all of us share the concern over the grim news that the Medicare trustees announced a few weeks ago, namely, that the Medicare trust fund is going bankrupt.

I support the budget resolution that calls for a bipartisan commission to devise a plan to basically pull Medicare out of its financial crisis. Just as we restored public confidence in the Social Security system over a decade ago through a bipartisan panel, the only way to fix Medicare is also through a bipartisan panel.

The amendment I am offering today for myself, Senators DOLE and BRADLEY, urges the bipartisan commission to give high priority to a problem that is costing the Medicare Program, senior citizens, and taxpayers across the country billions of dollars every year: health care fraud in Medicare.

For the past 3 years, the staff on the Senate Special Committee on Aging has been investigating the explosion of fraud and abuse throughout the U.S. health care system. Nearly a trillion dollars is spent on health care each year, and roughly 10 percent is lost through abusive practices and fraudulent activities.

Over the past 5 years, the estimated losses from health care system fraud total $418 billion. That is four times the amount lost to the savings and loan crisis—all those scandals, four times the amount just in the past 5 years.

A major victim of this health care fraud is the American taxpayer. In 1993, spending on Medicare and Medicaid totaled some $272 billion, or over 30 percent of all the moneys we spend on health care in this country. The Federal Government loses as much as $30 billion a year due to fraud in the Medicare and Medicaid systems and as much as $44 billion from fraud when we take into account all of the Federal health care programs.

Taxpayers are losing $44 billion a year today through health care fraud. I think this only represents a tiny fraction of the problem. These are the ones that we know about, the ones that are being caught and prosecuted. I think they represent a tiny fraction of the level of fraudulent activity taking place in this country.

Mr. President, it is shockingly simple to defraud the current system. The payors are running as fast as they can to process the over four billion claims that are filed every year, and law enforcement simply is lacking in the resources necessary to really detect and prosecute this fraudulent activity.

Recently the Aging Committee heard, I think, some compelling testimony on the extent of the fraud in this country. FBI Director, Louis Freeh, testified "We see cocaine dealers turning into health care fraud entrepreneurs" because that is where the money is big—but enforcement is little.

Director Freeh also told the committee about how the Russian mafia and other organized criminal groups from every corner of the globe are now engaged in creative schemes to siphon off money from the Government and private health care funds.

Mr. President, padding claims and cost reports, charging the Government beneficiaries outrageous prices for unbundled services, and billing Medicare for program costs that have nothing to do with patient care are but a few of the schemes that are currently ruining our system.

The Medicare system is the one that is being targeted because of its sheer size and complexity. At our hearing, the Aging Committee heard testimony that we are experiencing "a feeding frenzy" on the Medicare and Medicaid Programs, equivalent to "unprecedented white collar wilding in which wave after wave of multimillion dollar frauds have swept through nursing homes and hospitals, clinics and pharmacies, durable medical equipment, radiology and labs, and more recently, home health care."

I would like to share with my colleagues just a few examples of how Medicare is being exploited and how fraudulent providers are draining Medicare, siphoning off these precious dollars from the Medicare trust fund and increasing the costs for senior citizens.

A chain of health home care companies were discovered by Medicare auditors to have been billing Medicare for over $16,000 in alcoholic beverages at conferences, over $9,800 in personal travel for the owner's family, and over $3,200 in golf shop expenses. The home care companies also allegedly charged the Medicare Program for over $100,000 in promotional items given to doctors and others to encourage them to use the company's home health care, including $85,000 in gourmet popcorn provided to doctors. Let me repeat that: $85,000 for gourmet popcorn going to doctors to promote the use of these home care companies.

Mr. President, it is difficult to call on our senior citizens to bear cuts in Medicare when they learn that their Medicare taxes and premiums are being used to pay for gourmet popcorn.

It is not limited to gourmet popcorn and golf shop fees. Let me give a couple of other examples of the costs that are driving Medicare close to bankruptcy.

We have the case of a phantom laboratory allegedly cheating Medicare out of $300,000 for lab tests that were never performed. The so-called lab submitted the bills that were really no more than a rented mailbox and a Medicare billing number.

We had a medical equipment supplier billed Medicare close to $1,300 apiece for wheelchair pads that cost about $50 to $100 to manufacture, representing a markup of roughly 2,500 percent.

We have an equipment supplier that allegedly billed Medicare for $4,000 apiece for compressors used to treat swelling. The devices cost less than $500 each.

We have a chiropractor and his wife who defrauded Medicare and private insurers by billing for services never provided. One time bills were submitted for 169 patients supposedly treated in a single day.

We had four companies who peddled liquid nutritional supplements by offering "free medical milk." These companies then billed Medicare for over $14 million for the supplements that were not medically necessary, and that were often not even delivered to the Medicare patients.

While I want to emphasize that by far most health care providers are honest professionals with only the best interest of patients and Medicare beneficiaries in mind, without a doubt there is fraud in each segment of the health care industry. The cases I have mentioned are just a small example of the kinds of rip-offs that are being perpetrated day in and day out in our Medicare Program, and indeed, throughout the entire U.S. health care system.

Mr. President, we cannot wait any longer. I have tried for the past 2 years to introduce legislation that would deal with Medicare fraud. Each time it has been blunted. On the one hand, the Senate passed an amendment to the crime bill containing some of the provisions of my legislation, only to have the House strip them out saying that this anti-fraud legislation does not belong on the crime bill. It belongs on health care reform. Of course, we did not have health care reform last year.

I tried every single way to attach the health care fraud legislation to appropriations bills last year, including the D.C. appropriations bill, but others sought to amend it, because they wanted to load down this amendment with other issues.

Mr. President, as a result of this, we have had to wait for health care fraud reforms. What we are doing is we are losing roughly $11.5 million to health care fraud every hour. That is precisely what is being lost through fraud. We are losing $11.5 million an hour, $275 million a day, $100 billion a year.

Mr. President, this legislation that I have introduced the past 2 years was included in virtually every health care bill that was circulating last Congress: The Dole bill, the President Clinton bill, the so-called Mainstream Coalition bill. These provisions in the legislation that I have introduced had the support of the Justice Department, the Director of the FBI, and the Department of Health and Human Services' inspector general. I believe the White House is now also advocating health care fraud enforcement measures.

Now is the time to move forward with the bill. It has been introduced and will be considered as separate, free-standing legislation, hopefully in the very near future. In the meantime, what we have to do is at least go on record as saying we have to put a stop to the level of fraud taking place in our health care system today, particularly in Medicare and Medicaid.

This resolution calls upon the bipartisan panel to look at ways in which we can reduce the perpetration of fraud against our system, that those moneys can be saved. Perhaps we will not be able to recover all the dollars lost to health care fraud in Medicare, but we will be able to recover some of these billions that are now being lost to fraud and abuse. Hopefully, the amounts recovered will be used to increase our health care fraud enforcement efforts, to reduce the deficit, and to apply to the Medicare trust fund itself. It seems to me that would be an appropriate recommendation for the trustees of the Medicare trust fund to endorse.

I am hoping that we will use the same sort of bipartisan commission to restore public confidence in the solvency of Medicare that was formed in the wake of the declaration over a decade ago that Social Security was going broke.

I mentioned this morning during my remarks that the issue was exploited by the Democratic majority at that time. They waited until after the 1982 elections were over and exploited the issue and then came back in and said, "Let us form that bipartisan panel."

We did. The Social Security trust fund is solvent at least until the year 2020 or 2030. We need to do precisely the same thing now. We have to call together a bipartisan panel to look at what is taking place in our health care system. The FBI has identified areas of fraud. We can look at the New York Times on Sunday's edition and find another example of the kind of scams that are being perpetrated against our elderly—not confined just to health care, but scams that target the elderly in general—and we have to put a stop to it. We have an opportunity to take a big step toward cracking down on scams targeting the elderly and programs serving the elderly by passing legislation that will give the tools and resources necessary to law enforcement officials to accomplish that end.

There should be no political disagreement on this issue. This cannot be delayed another day, another week, another year, or else the very people that we are trying to help who are now facing the prospect of having their Medicare trust fund go broke within a 6½ year period of time will be the ultimate losers. We will be the ultimate losers.

We have an opportunity to prevent that from taking place through reforms contained in the budget resolution itself, which Senator DOMENICI as chairman is calling for so we do not see the growth of 10.5 percent but rather 7 or 7.1 percent. In that 7.1 percent, we can save billions of dollars by adopting the legislation that everyone says that we need.

Mr. President, I will not take a great deal of time today since time has now been limited. Let me say that this is an important resolution. Hopefully, it will enjoy bipartisan and perhaps even unanimous support, so we can all go on record as in favor of giving this panel an opportunity to consider ways to shape legislation to prevent the kind of fraudulent activity that is robbing our senior citizens of their trust funds and driving up the costs of Medicare and the entire health care system.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER (Mr. CRAIG). If neither side yields time, the time is charged equally.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I ask unanimous consent that we go into a quorum call and that both sides be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1116, AS FURTHER MODIFIED

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment presented at the desk by Senator COHEN be modified. I send a copy of the modification to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1116), as further modified, is as follows:

On page 94, after line 21, add the following new section.

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the Medicare program under title XVIII of the Social Security Act during fiscal year 1994 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to the financial crisis of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and, if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social

Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

In addition the Senate assumes that funds recovered from enhanced antifraud and abuse efforts be used to fund health care anti-fraud and abuse enforcement efforts, reimbursements to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for losses due to fraud and abuse, and deficit reduction.

Mr. HATCH. Mr. President, by most estimates, the costs of health care in the United States approach $1 trillion annually. By the turn of the century, the figure will exceed $1.5 trillion, consuming up to 16 percent of the Nation's gross domestic product.

Since health insurance experts, the FBI, and other agencies agree that fraud and abuse can account for as much as 5 to 10 percent of these costs, any effort to rein in health spending needs to address this problem. That is why I commend my colleague from Maine for bringing his amendment to the floor.

Still, I must raise some concerns about the language my colleague proposes which would have the Senate go on record in support of using health care fraud related fines and penalties to finance our investigative efforts in this area.

Frankly, I feel it is a dangerous precedent. We need to carefully contemplate whether such a financing mechanism will taint our anti-fraud effort.

Historically, Congress has frowned on financing law enforcement activities through criminal and civil fines and penalties. Yet, this amendment—as did most of the major health care bills last Congress—suggests that our Nation's antifraud efforts should be funded through fines, penalties, and damages collected.

I believe this sort of a system will create an incentive for Federal investigators to forgo prosecution or exclusion where warranted—or pursue civil actions where unwarranted—in favor of large civil penalties that will provide additional funding for investigators. Year after year, Federal agencies associated with such a program will be motivated by their immediate fiscal needs. I think this is a serious issue.

Americans have witnessed how civil forfeiture and the resultant dash for cash by law enforcement has, in some cases, inappropriately driven law enforcement investigations. We must be sure that we do not compromise the priorities and integrity of our law enforcement officials.

I also have concerns about taking one penny which could be used to replenish the Medicare trust funds and dedicating it to law enforcement purposes. According to the Congressional Budget Office, in fiscal year 1994, Federal spending for the Medicare Program totaled an estimated $162 billion, or over $440 million a day. CBO estimates that, in less than a decade, Medicare spending will more than double from $181 billion in 1995 to $463 billion in 2005.

Even by the most conservative estimates, billions of dollars are being lost to waste, fraud, and abuse and that is a luxury we cannot afford. However, Medicare's hospital insurance trust fund is going bankrupt; in fact, its balances will dip into the red next year. We should use any recoveries from illspent Medicare funds to put back into the trust funds, not for new purposes.

As I stated earlier in my remarks, I have strong concerns regarding the use of health care fraud related fines and penalties to finance investigative efforts in this area. Moreover, it seems to me that any funds recovered should be used for their original purpose which is to provide health care to Medicare beneficiaries.

I support the spirit with which my colleague offers this broadly crafted amendment. But, I have serious reservations about the so-called bounty hunter provisions contained in the second part of this sense-of-the-Senate amendment.

Nevertheless, I will support the Cohen amendment, but reserve my rights to debate this matter further on the floor should legislation in this area be considered.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. In suggesting that, does the Senator suggest that the quorum be divided equally?

Mr. GREGG. I ask unanimous consent that the time be charged equally with the time running against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak on the Harkin-Hollings amendment during the remainder of this time between now and the beginning of the debate on that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I do not think anybody disagrees that we need to reduce dramatically the portion of our revenues that we expend on interest on the national debt. There is no disagreement that the current level of debt which was built up particularly in the 1980's and early parts of this decade needs to be brought under control. The interest on that debt is robbing us of the ability to invest in our children and in our future. We need to bring our annual deficits down to zero. We need to start to reduce the underlying debt in order to ensure that our children are not saddled with the interest burden that we bear today.

Mr. President, we can go about this task in a shortsighted way by just cutting programs, including education and training programs and investments in our future, and reducing taxes at the same time—that is essentially what the Budget Committee has proposed. It said we shall cut programs, we shall take the savings from those cuts and reserve them for a tax cut . Or we can take the responsible and long term and comprehensive approach that the Harkin-Hollings amendment will propose. That amendment restores funding to the function of the budget that provides for education and training, including student loans.

If we free our children from the burden of the Federal debt only by depriving them of the education and training they will need to compete and succeed in the global and technologically driven economy of the next century, then we have not been responsible. All we have done is trade one burden, which is debt payments, for another, which is inadequate skills. The budget resolution which has been presented does just that. It is antiworking-families and antiseniors and antifuture.

What the Harkin-Hollings amendment does is to take the $170 billion the committee has identified and earmarked for a tax cut, and applies $40 billion of that to restore some of the funding that has been cut by the Republican budget in the areas of education and training. The $40 billion is still far short of what we should be restoring to that vital function, but it will help significantly.

When given the choice of a tax cut, which will go largely to wealthy taxpayers—at least the blueprint that the House has announced clearly intends that—or reinvestment in education and training for working citizens and for our neediest children, I do not think we should hesitate for a moment to forego the cut in taxes and seek the longer term benefit that we will reap from educating our children.

Let me make one thing very clear. The Budget Committee resolution does drastically cut education and training programs. I have heard various proponents for the budget say that all they are doing is restraining the growth in spending and not really cutting. That argument does not apply to the budget for education. The GOP budget does provide for less funding in 1996 than we are spending in 1995. It provides for a decreasing amount thereafter. Over 7 years, 25 percent is taken out of the level of funding for these programs, the level that they receive today, when you measure that in constant dollars.

Furthermore, the GOP figures make no adjustment for the fact that the population is growing. There will be 9 percent more children of school age in the next 7 years in this country. In my home State of New Mexico, the estimate is there will be 12 percent more children in school. But the GOP budget does not take into account that increase in the school age population. So the effect of the budget is to make States stretch dollars with a shrinking value over an increasing number of students.

Let me be specific. My State of New Mexico has the third highest rate of child poverty of any State in the country. More than one in four children in my State live in families with incomes below the poverty line. One-third of the students in New Mexico's schools have limited proficiency in English. Our school-age population has grown tremendously. It has grown much faster than the school-age population in most parts of the country, and that growth is anticipated to continue.

Against this background, we are facing actual decreases in funds for the programs that serve our students.

The title I program, formerly known as chapter 1, provides about $850 per disadvantaged student to help them meet high standards in math and in reading. That is the 1995 number, the current fiscal year, before the rescission that we have voted on and that the President has indicated he will veto.

The Budget Committee chairman has expressed an intent, expressed in this budget resolution, that title I funds not be cut but instead be frozen. If that intent is carried out by the appropriators and title I in fact is not cut the way that other education programs will be cut, the result for New Mexico is not that we will enjoy "level funding" of the program; no, it will mean that we receive the same number of dollars each year for the program. Those same number of dollars will buy less and less as the 7 years progress and the costs of education—supplies, teacher salaries, and energy costs—all increase.

So even if our population did not grow, we would be facing a decrease in the real buying power of the Federal dollars for education. But, of course, the population is growing. It is expected to grow over 12 percent in the next 7 years. So instead of 88,000 children being eligible for title I services in my State, as is the case today, there will be almost 99,000 eligible students by the year 2002. Today we serve 73 percent of the students eligible for title I. In 2002, that percentage will decline considerably to near 50 percent. That will mean almost 50,000 poor children from New Mexico who will not receive the services they need to meet high standards that we are setting for our children.

It is clear that if the funding is frozen to 1995 levels, then almost 4 million needy children will be denied assistance nationwide. If programs are cut at even 25 percent across the board, then title I would leave another 1 million children unserved.

What I just described assumes that title I will not be cut and that that proposal to not cut title I is carried out. If that assumption is correct, then all of the other programs will have to be cut drastically in order to achieve the overall decrease in the budget category that this budget requires.

What are some of those other programs? Technology is one of the programs. The current programs which are attempting to bring technology to the classroom will have to be cut. Mr. President, these programs are very, very limited at the present time. In 1995, we have committed $40 million to this effort, assuming the rescission bill does not pass. But even that would be seriously jeopardized if this budget resolution is adopted.

The Star Schools Program, again, would face a drastic cut. Obviously, we cannot tell just what the appropriators will do. The Star Schools Program tries to bring distance learning, technology-based education to our neediest schools, especially those in isolated rural areas, and those funds will likely be cut as well.

Because of the nature of Federal programs—which are usually targeted to the neediest students—withdrawal of Federal aid will hurt those States that are least able to make up the shortfall themselves. New Mexico is one of those States.

Let me talk for just a moment about higher education funding, Mr. President. The budget includes a $14 billion cut in student loan aid and an undetermined cut in Pell grants.

Mr. President, Pell grants are critical to students in my State. I noted above that the poverty rate in my State is among the highest in the Nation. The way out of poverty is education. Yet many of our citizens are not able to afford that education. They depend upon Pell grants. They depend upon work-study and Stafford loans and State aid to pay for the increased cost of higher education.

The GOP budget says that the Pell grants will remain at current funding—at least that is the apparent intent—but what does it mean? It means that the total Pell grant funding will remain at 1995 levels with no cuts or increase through the year 2002. That would mean that real funding, measured in constant dollars, would decline by reason of the growth of student population and by reason of inflation.

Today, about 33,000 students in New Mexico receive Pell grants. I think it is pretty obvious that this budget is going to either cut the amount these students receive in Pell grants or result in a much smaller percentage of our young people who are eligible to apply and receive those Pell grants.

It is clear to me that the budget is going to have a profound impact on students in my home State, even if you look just at the students who receive these Pell grants. When you look at other programs, you have to come to the same conclusion.

The Federal work study program provides about $5.4 million in grants to 6,300 students in our State.

The Federal supplemental opportunity grant program serves 6,500 students in our State.

Perkins loans serve over 5,000 students in New Mexico.

The numbers they have provided in this budget resolution point in one direction, Mr. President. The numbers indicate that the Stafford program will not be impaired, but if, in fact, we are going to save the $14 billion that is contemplated in the budget resolution, we are going to have to cut that program. We are going to have to charge interest to those students from the time they take those loans just as the House has proposed to do.

Mr. President, the proposal before us has as its purpose to cut the deficit. Clearly, we need to accomplish that. I am proud of the deficit reduction we have accomplished in the last 2 years. I am sorry we did not have the same zeal for deficit reduction by many of my colleagues when those votes were being cast in the last few years.

But cutting investment in education and training for our children is not the right way to accomplish deficit reduction. If this Nation is to remain the world leader in the 21st century, we cannot cut investments in our most important resource; that is, in our children.

The effect of this amendment that Senators HARKIN and HOLLINGS are offering would be to reduce the size of the proposed tax cut by $40 billion so we can return some reasonable level of support for education and training. It is an amendment that makes excellent sense for the future of America.

I urge my colleagues to support it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under a previous order, amendment No. 1116 is temporarily set aside.

Under the previous order, it would now be in order for a Democratic amendment regarding education.

Mr. EXON. That order had been agreed to previously; is that correct?

The PRESIDING OFFICER. It has.

Mr. EXON. Then the Chair will be recognizing the Senator from Iowa; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. EXON. I thank the Chair.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Senator HARKIN.

AMENDMENT NO. 1117

(Purpose: To restore funding to education by using amounts set aside for a tax cut)

Mr. HARKIN. Mr. President, I send an amendment to the desk on behalf of myself and Senator HOLLINGS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. HOLLINGS, proposes an amendment numbered 1117.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $28,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on education and $12,000,000,000 in budget authority and outlays for legislation that reduces the adverse effects on direct spending for education.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, discretionary spending limits under section 201(a) of this resolution, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (a).".

Mr. HARKIN. Will the President please advise the Senators as to the timeframe now for debate on the education amendment?

The PRESIDING OFFICER. The time until 7:15 this evening is to be equally divided, with Senator BINGAMAN having asked unanimous consent and spoke using some of the time allocated to the Democratic side.

Mr. HARKIN. So between now——

The PRESIDING OFFICER. Right now the Senator has 72 minutes.

Mr. HARKIN. Mr. President, I join with Senator HOLLINGS in offering this amendment. I believe this amendment really does set the stage for what we are talking about in terms of priorities and choices. We all agree we need to get the deficit down and balance the budget, but what we have all talked about is in terms of reducing the deficit and what it does to help future generations of Americans. There has been a lot of talk about our responsibility to balance the budget for the sake of our children and their future, and that is true.

But what this budget does is it cuts off the very fountain of life and funding that ensures that our children and future generations will be able to have a better life in our country because of the devastating cuts that this budget makes in education.

We have seen report after report after report, study after study telling us about the importance of investing in education. I am reminded even of the group of CEO's that was brought together by President Reagan. These were not social planners and thinkers, these were CEO's of our major corporations, charged with the responsibility by President Reagan of determining what we needed to do in our educational system. They met, they filed their reports, and what they said basically is that we have to fund education, we have to fund early intervention programs, and we cannot back off on the Federal commitment to education.

The President of the United States, President Bush, convened the Governors, and in 1989 they set up the national education goals, agreed upon by a Republican President, by Republican and Democratic Governors, by the U.S. Congress—by the Senate and by the House—what our goals were in education by the year 2000.

Mr. President, we do not need any more reports. We know what needs to be done. We know how critical education and training is to competing in the world economy. We know that investing in education will save us money in the long run. We know that we are falling behind our competitors. We know that it is more difficult for middle-class families to pay for college education today. How many more reports do we need to tell us what we already know? We do not need any more reports.

We know that slashing education by the largest level ever is wrong. Taxing millions of college students with more debt is wrong. Denying Head Start to hundreds of thousands of young Americans is wrong. The amendment I am offering with Senator HOLLINGS will do what is right: It will keep us on the right path, the right course.

Our amendment restores $40 billion for education and training programs. Our amendment restores $12 billion for student loans, $28 billion for discretionary spending. It restores common sense by investing in education.

Mr. President, this is an anxious time for our Nation's students. They will soon be getting their report cards and, I must say, it is an anxious time for parents who are funding our kids in college. We want to see those report cards, too. We want to see how they have done in the classroom. I asked my daughter today if she got her report card from college. No, she did not have it yet.

I think it is time for us to look at a report card to see how this budget would do in our Nation's classrooms. Let us see if this budget that we have before us passes or fails, what kind of a grade it gets.

So let us look at the different assignments, Mr. President, and I have it here on the report card. Let us look at the different assignments that the people of this country have given to us, the national education goals, what they have set out. Let us see how this budget does on a report card.

Our first assignment was to make college affordable for students and for working families. How does this budget do? It cuts student loans and reduces PELL grants by 40 percent. It cuts $5 billion from other grant and loan programs. It increases the personal debt of college students by anywhere from 20 to 48 percent.

What that means is a lower income college student going to college borrowing money will have his or her debt increased by anywhere from 20 percent minimum to 48 percent maximum. The maximum increase, of course, falls on the poorest students because they borrow the most money, and so they will have the biggest debt to pay back. Just the opposite.

What kind of a grade do we give this assignment? It cannot be anything more than an F. It flunks at making college affordable for students and working families.

Our next assignment: Make sure all children will start school ready to learn. Mr. President, the No. 1 goal of the President's Conference on Education set up by President Bush, agreed upon by Republican and Democratic Governors in 1989, the No. 1 goal: All children will start school ready to learn.

What does this budget do? It freezes Head Start funding so that by the year 2002, 350,000 to 550,000 fewer children will be served. It freezes Head Start. Fewer children will be served. Another F.

Another assignment: Improve student achievements so that U.S. students will be best educated. Another one of our goals, by the way. What does the budget do? It freezes title I funding so that by 2002, 2 million fewer children will be served. Right now, Mr. President, the Federal Government provides about 6.6 percent of funding for local school districts. In 1980, that was 11 percent. It is now down to 6.6 percent, and that includes the school lunch program. So if you take out the school lunch program, it is even a lot less than that. Education right now is 2.2 percent of the Federal budget—2.2 percent. In 2002 under this budget proposal, it will fall; 1.4 percent of the Federal budget will go for education.

What does that mean? That means that if our local school districts and our States want to continue a high level of education and input, it can only mean one thing: Hang on, your property taxes are going to go through the roof. And so this budget fails in improving student achievement so that they will be the best educated.

The next assignment, making sure that all schools will be safe and drug free, another one of our goals, to make our schools safe and drug free.

This program funds things like the DARE Program that we are all so familiar with and I am sure we hear about in our States when we go back there and how successful the DARE Program is. This budget cuts over $1 billion from the Safe and Drug Free Schools Program. Ninety-four percent of school districts will lose funding from it, affecting over 39 million children. So on keeping our schools safe and drug free, this budget, another F.

Another assignment we have is to increase the Federal commitment for funding of special education and reduce the costs to local school districts.

Mr. President, this Congress in 1975 passed legislation for the education of all handicapped. It is called now IDEA, Individuals with Disabilities Education Act. The commitment of Congress in 1975, and in every Congress since then, has been to pick up 40 percent of the costs of special education for our school districts—40 percent. Do you know what it is now? Eight percent; 8 percent.

We are not talking about something that local schools can do or cannot do at their will. There is a constitutional obligation on our local school districts that if they provide a free and appropriate public education for nonhandicapped students, they have to do it for handicapped students. Constitutional requirement. We have said that we will come in and help local school districts meet that constitutional requirement by helping fund special education. Five-and-a-half million students with disabilities. Over the next 7 years, under this budget, school districts will lose over $5 billion in Federal funding for special education. And again, these school districts cannot say: OK, now we have lost the Federal funding, so all you disabled kids, out, we are not going to give you the kind of education that is comparable to other students. They cannot do that. The Constitution of the United States commands that they have to do that.

So what it means, again, is hang on to your hat in your local school districts, Mr. President. Property taxes will go up through the ceiling to pay for special education, because we, in this budget, are saying we are not going to fund it. So another F on that assignment.

Another assignment is to make the United States first in the world in math and science—another goal—by 2000. In an international assessment of eighth graders on math in 1992, the United States ranked 13th out of 15 countries. This budget cuts $700 million in teacher training for math and science teachers—400,000 fewer teachers will receive training and retraining.

So in trying to make our country first in math and science, another F.

Another goal is to improve technology to prepare students for the 21st century. We are saying we have to get better technology in the schools: Up-to-date computers, fiber optics and interaction, and get on the superhighway, get all this technology, Star schools, we are all for it. We have to do it if our kids are going to be competitive in the future. Over the next 7 years under this budget $175 million will be cut from Star schools and education technology. Another F.

Well, lastly, I think our overall assignment, is it not, is to ensure a better future for our children. Is this not really why we are here? Is this not why we take time on the Senate floor to debate and offer amendments? Is this not why our constituents put us here, to ensure a better future for our children? This is the largest education cut in the history of this Congress, the largest education cut in history. How, I ask, is that ensuring a better future for our kids?

So, Mr. President, in test after test, this Republican education budget fails our children. It fails them in the earliest times, getting them ready for school, and it fails them later on when they go to college. It fails our future. As a parent, I would be upset if my daughter brought home a report card with nothing but F's, and if she did, she would have to go back to school and do it all over again. That is what we are trying to do with our amendment. We are saying: Go back to school, those of you on the other side that want this budget. You have failed. So Senator HOLLINGS and I are saying, we will make it right and we will send you back to school. We will send you back with this amendment so we do not fail our kids. We want them to pass and we want to invest in education. The way to do it is to restore these cuts and restore some common sense back in the budget.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield time to the Senator from South Carolina?

Mr. HARKIN. Yes, I yield whatever time the Senator may wish to consume.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska, Senator EXON, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, One of the most distinguished forefathers, James Madison, said that "a popular Government without popular information or the means of acquiring it is but a prologue to a farce or a tragedy, or perhaps both." He said that in a letter to John Adams, and Adams wrote back that "The whole people must take upon themselves the education of the whole people and be willing to bear the expense of it."

Coming up to Horace Mann's day, he referred to the Northwest ordinance where we laid the groundwork to develop Iowa—and it is a distinct pleasure to be associated with Senator HARKIN. Those States in the Midwest were set up in 6 mile by 6 mile blocks, and the middle block—number 16—was reserved for public education.

Horace Mann said:

> This law laid the foundation of the present system of free schools. The idea of an educational system that was at once both universal, free, and available to all the people, rich and poor alike, was revolutionary. This is the great thing about America. No other nation ever had such an institution. Three centuries later, it is a stranger to the bulk of the people of the world. The free public school system, which Puritans conceived, has been in large measure the secret of America's success. In these classrooms children of all races, nationalities and tongues learn the common language and became imbued with one central idea—the American conception that all men are created equal, that opportunities are open to all, that every minority, whether respected or despised, has the same guaranteed rights as the majority. Parents who landed here often brought with them the antagonisms, the rivalries and suspicions of other continents. But their children became one and united in the pursuit of a democratic ideal.

Mr. President, this idea was brought up-to-date, this observation of Horace Mann, just Sunday before last, on May 14, at the graduation exercises at the College of Charleston in my hometown which, incidentally, was founded in 1767. It is the fourth-oldest liberal arts college in the United States and the oldest municipal college in the United States, now having become a State university. Our distinguished colleague from Kansas, the Senator from Kansas, Senator NANCY KASSEBAUM, was the graduation speaker. As Dr. Alexander, our greatest of great presidents there, spoke and introduced the program, he said this, and I think it should gain the attention of everyone:

> A few more than 900 soon-to-be graduates are seated behind me. If I ask each of them to stand who had attended college on a grant from the Federal Government, 405 of them would stand. If I then asked those to stand who had received a Government loan, an additional 198 would stand. If I then asked all those to stand who had received a scholarship which included at least some Government involvement, an additional 120 would stand. Eighty percent of today's graduates would then be standing. Of course, all the rest, as well as those who are standing, had a part of the expenses at the college paid for by the State of South Carolina.
>
> So while our graduates are thanking their families and friends, they might do well to also thank the Government. At the College of Charleston, we do not think of the Government as our enemy. It is not possible to love the College of Charleston and hate the Government. In the American democracy, the Government, in the phrase of Lincoln, is

"of the people, by the people and for the people." Speaking for myself, I do not think it is possible to love America and hate the Government.

So my plea this afternoon is if we can set aside partisanship momentarily and get some bipartisanship back on track for the general good, let us look at this amendment and realize that we have to move forward.

This particular amendment has what aim? Is it our aim to streamline the Government and cut out the fat? Or is it our aim to hack away indiscriminately, to tear down Government, to cut out not just the fat but also the muscle? Quite frankly, I look at the unprecedented education cuts in the budget resolution and this is what I see—not an efficiency inspired streamlining, but ideologically-driven amputation.

I am reminded of the Florida doctors down there who recently went into the operating room to amputate a foot, when the patient awoke, he discovered that the doctors had amputated his healthy foot.

That is exactly what is occurring here in this particular budget resolution. We are not talking here, Mr. President, about highway demonstration projects and more subsidies and the usual litany of Government waste. To the contrary. We are talking about Government at its best. Government at its most cost efficient.

We are talking about proven programs—Head Start, Title I, assistance for educating disabled people, and college loans for low-income people. These are programs that demonstrably work, and work for our neediest citizens.

By the most conservative estimate, Mr. President, every $1 spent on Head Start translates into $2 in later cost savings and educational benefits. One investigation, the famous Perry Preschool Study, determined that there are $3 in benefits for every $1 spent on Head Start.

We see an even greater return from Title I programs. For every poor child, thanks to Title I intervention, who does not have to repeat a grade, Mr. President, we save $7,000. For every child who, thanks to Title I, does not drop out of school, we save potentially tens of thousands of dollars in welfare costs.

Mr. President, the cuts proposed in the budget resolution give rise to a broader question: How in the world did we allow education to become a partisan issue? How in the world did we reach a point where virtually every Republican is reported ready to vote for radical cuts in the education budget, and virtually every Democrat is ready to vote against the cuts.

I will never forget the bipartisan move over the years with the distinguished Senator from Vermont, Bob Stafford. We had been Governors together and worked on education and the education amendments. Thanks to the success of Senator Stafford, we had equally wonderful bipartisan support and leadership.

We used to have two rules for nonpartisanship around this place: One rule was politics stop at the water's edge; the other rule was that politics stops at the schoolhouse door. I deeply regret in the rush to dismantle Government we are willy-nilly throwing away our consensus on education.

Mr. President, I come to the floor to plead for a restoration of that consensus, to plead with my colleagues on the other side of the aisle to join in support of the amendment. Republicans have spoken very passionately about the need for people to pull themselves up by their own bootstraps, to stand on their own feet, to get out of the wagon, and help pull the wagon.

The distinguished Speaker of the other body has made a compelling case for what he calls "conservative opportunity society," a society which, he says, should guarantee equal opportunity but not equality of results. Fine. How can we credibly talk about equality of opportunity at a time that we are making radical cuts in education? How can we tell poor and disadvantaged persons that we believe in equal opportunity at the same time we are cutting the dickens out of Head Start, Title I, and other programs whose entire purpose is to make opportunity less unequal?

Indeed, Mr. President, if the cuts proposed in the budget resolution are allowed to stand without modification we will deal a devastating one-two punch to poor Americans.

First, we will shred the social safety net by enacting cuts in child nutrition, health care, job training and so on. Sixty percent of the $961 billion in budget cuts planned over the next 7 years will come from programs for poor and elderly. By hacking away at education, we cripple the ability of poor children to get a decent start toward literacy and other skills that they will need to stay off welfare and survive in the new economy.

I see a common thread, Mr. President, running through this budget resolution. The more needy a person is the more deeply they get cut. This is true not just of children but of States as well. Cutbacks in the budget resolution will hit hardest in the States that are most dependent on Federal aid.

These States tend to be small, they tend to be poor, and, yes, they tend to be Southern. Consider the following States and how much they depend on Federal assistance in their education budgets: Mississippi, 17 percent; New Mexico, 12.4 percent; Alaska, 11.5 percent; Alabama, 11.4 percent; South Dakota, 11.1 percent; North Dakota 11.1 percent; Louisiana, 10.8; Arkansas, 10.8; Kentucky, 10.1 percent; my own State of South Carolina, 9 percent.

The main program cut back by the resolution is Title I for the disadvantaged. We now serve, Mr. President, about 6 million children under the program, and projecting the same across-the-board cut to education, the Department of Education says that we will be serving only 4 million children when that particular cut has become law.

Taken together, the cuts in the budget resolution make a mockery of any notion of an opportunity society. This budget resolution tells poor people to pull them themselves up by the bootstraps, and then it takes away the boots.

It strikes me strongly that those who would make deep cuts in the social safety net have a special obligation, a special moral obligation, to at a minimum maintain the Federal Government's current level of investment in education. The bottom line, of course, is education equals opportunity.

The income and opportunity gap is already striking. Between 1973 and 1989, the annual earnings of black male high school dropouts in their twenties declined by fully 50 percent.

Consider this, Mr. President: Kids whose parents are on the top quartile of income have no trouble going to college. A whopping 76 percent of them earn Bachelor's degrees. But for kids whose parents are on the bottom quartile, a shockingly different story. Only 4 percent of these lower-income kids receive a Bachelor's degree.

Mr. President, we are limited on time here this afternoon and many of our distinguished colleagues are interested in addressing this particular problem.

Let me just say these are exactly the kids who are most at risk in underachieving, flunking a grade or dropping out. Take away Head Start and Title I and we are yanking the rug out from under the kids.

We have to get real. We cannot claim to favor an "opportunity society" at the same time we enact savage cuts in education. The opportunities of society should not be for those who are born on third base; rather, we also need an opportunity society for poor children who are born stuck in the batter's box with a two-strike count.

Yet by cutting deeply into Head Start, Title I, and the other education programs for the disadvantaged, we are heading in exactly the wrong direction. It is too late, now, Mr. President, to reconsider the priorities set forth in the budget resolution. To that end, therefore, I urge a strong bipartisan vote in favor of this amendment. If we are serious about opportunity for everyone, then we should be boosting our investment in education, not busting it.

Mr. HARKIN. I thank Senator HOLLINGS for his support and for his cosponsorship of this amendment and his long-time support for education in our country.

Mr. President, I ask unanimous consent to add the following as cosponsors:

Senator JEFFORDS, Senator KENNEDY, Senator PELL, Senator DODD, Senator BINGAMAN, Senator SIMON, and Senator MURRAY as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I yield 8 minutes to the Senator from Washington.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Washington.

Mrs. MURRAY. Mr. President, of all the pain in this budget, nothing will hurt our Nation more than the draconian cuts to education.

Education allows Americans to pull themselves up by their own bootstraps. And I know this first hand. I am one of seven children from a family in a small town in Washington State.

My parents taught us the most important lessons in life. They taught us that everyone can make a difference. They showed us the bright promise of the American dream.

And, they taught us that education was the key to success.

That's why my parents—like many—are watching this debate closely. They understand what's at stake—because they know the difference education made in their children's lives.

Every one of my brothers and sisters, every one of us went to college. Every one of us has been able to follow our dreams—and one of us—my twin sister—is now a teacher herself.

When I stand here in this debate, I think of my sister, Peggy, in her classroom in Bellingham, WA. I know the challenges she faces as a sixth grade teacher.

Peggy tells me how class size will grow if these types of cuts are made. If we just shift costs from the Federal to local level in this way, the quality of education in her classroom will decrease.

I know she is watching this budget debate—like teachers all across this Nation—and she is expecting us to keep education funding a top priority.

Peggy instills the same hopes and dreams in today's children our parents and teachers instilled in us.

And, she knows that the priorities in this budget are misguided. Taxes on working families. Drastic cuts to Medicaid and Medicare. Slash-and-burn education cuts.

It frankly amazes me that we are seriously considering a budget which cuts education so severely.

The fundamental goal of any economic policy should be to raise the standard of living, and increase opportunity for all Americans.

You achieve this by strengthening education at all levels.

Last year, I worked with some of my colleagues from across the aisle in a bipartisan fashion to help expand educational opportunities for all Americans. Unfortunately, it seems—in this budget—that spirit has now collapsed.

This year, we are taking giant steps backward. In this budget, education is targeted for some of the largest cuts.

I have stated many times that I am all for deficit reduction. However, it is irrational to cut investments in our children and in our workers—and then turn around and say these cuts are good for our future. How is cutting education good for our future?

The American people have the right to know what's in this budget. Let's look at the specifics:

Head Start, one of the most effective early nutrition and education programs, in cut by $3 billion. This draconian cut will deny as many as 100,000 low-income children the benefit of a pre-school education. That makes no sense.

K through 12 education programs also take a big hit. This budget would eliminate Goals 2000, which supports the efforts of schools and communities to raise academic standards in their areas. That makes so sense.

Training programs are cut. The School-to-Work Program ensures that all young people attain the skills they need to enter the workforce. Some of our colleagues want to eliminate this program. That makes no sense.

Finally, I am truly concerned about the absence of student financial aid funds in this budget. Nationally, the costs for higher education have increased at twice the rate of family income over the past decade. Without financial aid, college has simply become unavailable to the middle class.

I would have never even thought of college if it were not for financial aid. Neither would any of my six brothers and sisters. This budget says to young Americans "you have to be rich to go to college." Again, that makes no sense. Again, this is the wrong message to our young people who far too often feel today there is no hope and no future for them.

We can not expect to retain our position as a leader in innovation, research, and production—unless we continue to invest in education.

At a time when Americans are fearful of losing their jobs; when Americans need training; when our high school seniors lack the funds for college; at this time, it makes no sense to turn our backs on them.

Every day, I hear my distinguished colleagues—who were captains of industry—talk about what private industry and big business need in this budget.

I do listen to leaders in industry. They tell me how important education is to American competitiveness. High tech companies and manufacturing firms need well-trained, high skilled work force. So, I do listen to them. And, I also listen to Americans who do not have rich, powerful lobbyists behind them.

Let us listen to America's displaced workers who need to be retrained. Let us listen to America's teachers. Let us listen to America's schoolchildren. Let us remember the common sense our parents taught us. Let us remember how each and every one of us got to this Senate.

I urge my colleagues to vote for this amendment and restore these education cuts, restore some hope to our children's faces, and restore some common sense to this budget process.

Mr. HARKIN. Mr. President, I yield 10 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank my colleagues, Senator HARKIN, Senator HOLLINGS, Senator MURRAY, and others who have made such a strong presentation on an issue which is of such fundamental importance to all Americans as the priority of education for the young people of this country.

What this amendment to the budget proposal is doing is restoring in a dramatic way support for higher education.

If there has been one extraordinary success story in the postwar period in the United States, it has been higher education. Of the 140 great world universities, 127 of them are in the United States of America. That is not an accident. Our higher education is the envy of the world. We are doing it right.

How has that come about? One reason is because you have participation of individuals that is not simply based on their ability to pay; another is government support for research, and finally, we have a system that attracts the best academic minds in the world. Overall, higher education has been an extraordinary success.

Mr. President, we have many problems in this country. We have many problems around the world. One problem that is growing increasingly serious is that access for the sons and daughters of working families to higher education is becoming more difficult. The escalation of costs has become a serious problem.

The universities, the teaching hospitals, the schools of this country are the envy of the world, and we have to ask ourselves in this budget resolution, as we are looking to the future: Why are we putting them at risk? And we are putting them at risk by the reduction of $30 billion in education funding over the next 7 years. That is the very basic and fundamental question. In a minute, I will come to the same question in terms of what we are doing in primary and elementary education, as well.

I would like to review for all of our colleagues the figures about what people earn when they achieve higher education—this chart can be viewed by our colleagues. The chart is self-evident, but fortunately, or unfortunately, we have to remind our colleagues and remind the American people.

The chart shows average annual earnings by level of education. If you do not finish high school, the average income is $12,000. If you complete high school, the average over the lifetime is $18,000. If you have some college but do not complete 2 years, it goes up to $19,000. It is $24,000 if you get an associate's degree from a 2-year college, and up to $32,000 if you graduate from a 4-year college. It goes on. For a master's, $40,000; a doctorate, $54,000; for a professional degree, $74,000 individually.

Our older brothers and sisters and parents understand it because they had the GI bill. Generally, borrowers under the GI bill repaid $8 for every $1 that was expended. Student loans work. Higher education works in the United States of America.

What did we do in the last Congress? In the last Congress, because of the concern about increased cost of education and the costs of loans to the Government—we moved toward a direct loan program to try to recapture some of the funding that was going to banks in the guaranteed loan program. We moved to phase in a direct loan program. We moved in a moderate way. There were some who believed we ought to go to a full direct loan program immediately. There were some who said, "Senator KENNEDY, Senator SIMON, and Senator Durenberger, since we have the best in terms of higher education, why do you risk the system by going to a direct loan program when we do not really know?"

We said, "Fine." We worked out a compromise, Republicans and Democrats alike, to move into a direct loan program in a moderate way. The direct loan program is now being managed by the Department of Education effectively. We have a direct loan program going on with competition with the guaranteed loan program, and we have reduced the losses that were coming from failure to repay student loans from $2.7 billion down to less than $1.2 billion—a dramatic reduction.

It is so interesting to hear Mr. Bennett talking about the Department of Education and we ought to abolish it. I wish he had been as good a manager as Dick Riley in recapturing the billions of dollars that were lost during his tenure. If he knows so much about the Department, where did not he recapture the funds?

So we have a situation now where we are doing well in implementing a direct loan program. We are also lowering the basic fees, reducing those the initial fee students have to pay.

We have also adopted national service as an additional way to get young people to go to college because we know that our Nation's future depends upon education.

Now we have before us the dramatic changes proposed the Republican budget to the Pell grants. This chart shows what is going to happen to these grants even though the chairman of the Budget Committee is telling us he is going to hold them harmless. You can hear all the statements that you want, but if you want to know what is going to happen to costs for students as we follow through the years of this budget, look at this chart. The bottom line shows what the value of the Pell grant will be in the year 2002—$1,501. The other line shows the average cost of going to State universities across the country—$8,026. Right now, the Pell grant is worth $2,590 and the average cost at a State university is $5,314. That shows you pretty clearly what is going to happen to students.

It is interesting that in 1965, when the Aid to Education Program was passed, we had three-quarter grants, one-quarter loans. Why? Because we set the economic challenge to the young person by figuring out what that young person could bring to their education, what they could earn over the course of the summer and during the year. But we did not want to encumber that individual and that family far into the distant future. If they were eligible on the basis of need, we intended that they were going to be able to get a grant and only a quarter was going to be a loan. Twelve years later, three-quarters are loans and one-quarter grants. What do our friends on the other side say? They are going to make the loans even more expensive.

So they are going to indenture the young people of this Nation. We hear all these speeches by our Republican brothers and sisters saying we are doing the young people a favor because we are going to keep the next generation out of debt. Instead, they are putting them in debt, putting them in debt by what they will have to pay for college to say nothing of what they will have to pay for graduate school.

I see our distinguished friend and a distinguished doctor presiding now. He can certainly tell us about what happened with his own classmates at medical school and the indebtedness of those individuals.

Whatever help and assistance we are providing in terms of the young people is going to be heavily undermined with this particular proposal. There is no other way about it. You can say, "Well, we are going to hold them harmless. We are going to provide the services." If you one program harmless, then you are going to find the further emasculation of some other program such as the chapter I program, the title I program, about $6.8 billion that goes to the neediest children, or you are going to emasculate others like the Head Start programs that depend upon the same pot of funding. It makes no sense. It makes no sense for the young people that are going to go through this system. It makes no sense for the universities and, most importantly, it makes no sense for the country. We have something that is working, and we are putting it at serious risk at the present time.

Mr. President, this amendment moves us dramatically back into a sane and rational position by restoring some $40 billion to education.

Mr. President, if we look where we are in primary, elementary, and secondary education, the fact of the matter is all of us who have supported the various programs understand that education is a local responsibility. I hear so much about what we need to do is get parents back in the school system and I agree that we do have to do that. I hear what we have to do is let teachers make changes in the curriculum and that is also true.

As the Senator from Iowa and the Senator from South Carolina know, and others know, only about 7 cents out of every dollar is provided by the Federal Government. But they are important dollars. Just look at the special needs children that were never being taken care of prior to the program that was developed in a bipartisan way under Senator Weicker, Senator HARKIN, and many of the members, Republican and Democrat, on the Human Resources Committee and on the Appropriations Committees. Education is not just a Democratic effort. I daresay that Senator Weicker had as much to do with increasing the commitment of this Nation to special needs children as any Member here. This has been a Republican as well as a Democratic effort.

We have often listened to our colleagues talk about how migrant children and illegal children have settled in various States and schools, and how they need some help and assistance. But if you take out the nutrition programs, and the special needs programs, if you take out Star schools, take out technology, take out the TRIO program, what do we have left? These are programs that have been tested, evaluated, challenged, and worked. Those are the programs they are emasculating.

What happened last year? We had a bipartisan commission that was set up to review what had happened in Head Start. In the 1980's and into the early 1990's, there was some increase in funding, to the credit of President Bush. But the problem was there was not quality control. You had continued turnover in programs without insisting on quality provisions for the teachers that were involved.

So there was a real question about the quality of the Head Start Program. We had a very good bipartisan panel, and their recommendations were reported out with only one dissenting vote on the Human Resources Committee, Republicans and Democrats alike.

I am not going to quote many of our colleagues on that side talking about the changes in the Head Start Program, how we were at last getting this on track, how important that was because I do not have the time, but we made important changes. Then we went ahead and took a look at the chapter I program because of the various challenges that were suggested by many for that program. We reviewed and had hearings as did the House as well. Those changes were supported overwhelmingly by the Republicans and Democrats. We dealt with the changes that were taking place with different kinds of poverty impacting local communities and the growth of poverty in some of the rural areas. We went through that. We did not do all the things that everybody would have wanted, but we worked together and made great progress, Republicans and Democrats alike. Even in the Goals 2000 Program, Republicans and Democrats alike came together to pass legislation that provides new help and assistance to schools. Of that funding, 85 percent goes to local schools.

Goals 2000 was developed by Dick Riley from South Carolina, one of the most effective Governors in education, and also Governor Bill Clinton. Riley had great credibility because he had changed the academic achievement and outcomes of the black and brown and white students of his State of South Carolina in an extraordinary way, involving parents, involving local communities, involving the businesses. In Goals 2000 he brought that experience to the legislation.

We also had bipartisan support for the School-to-Work Program. I was with a former Governor of Maine, a Republican, last week at the dedication of the 1-year anniversary of the signing of the School-to-Work Program. This Republican Governor said that this is one of the most important programs of education that he has seen in the State of Maine.

At a hearing in our Human Resources Committee Tommy Thompson, Republican Governor of the State of Wisconsin, down, also said that this is one of the most important initiatives in his state. School to Work would be emasculated in this budget.

I mean, what is the sense? We have hearings, we develop the coalition, we develop the bipartisanship, we have men and women that are out on the front line, Republicans and Democrats, and we have educators and parents saying how the good the programs are. And we are effectively emasculating them, saying we are going to have to cut someplace, and we are going to go ahead and cut it.

So, Mr. President, I do not believe the wholesale cuts that have been effected in this budget are justified or warranted. I find to the contrary.

I think one of the things that I remember so clearly—is my time running out? Mr. President, how much time do I have?

Mr. President, if I can have 2 more minutes.

Let me just give you a few instances about the importance of support for students. This stack here on my desk represents the mail that I have received on the Internet system from students all over the country. I hope that our Members check their mail because when they do they will finding out what these proposed cuts mean.

I think there has been a great deal of trivializing the importance of the extra debt burden to students. You know, people are saying, "It is really only the cost of a big gulp a day. Really, it is only the cost of a one-way plane ticket down to Ft. Lauderdale." People are trying to trivialize this. I can tell you the increases are not trivial to students and working people.

I think this whole process demeans the young people of this country. It demeans their parents who have worked hard, worked and scraped and saved over the course of a lifetime to help send their children to college.

A student attending medical school in Massachusetts writes:

> I am a 24-year-old African-American woman, born and raised in St. Louis, MO. I come from a poor, working- class, two-parent household. I am proud to say I was the first African-American valedictorian in my high school. I went on to college at a private institution. I received much-needed financial aid while there, including loans and scholarships. My parents helped as much as they could, but with two other children, they could only help a little.
>
> Without the Stafford and Perkins loans that I received, I would not have been able to continue my education. After graduating from college I was accepted to an Ivy League medical school where I am still very much dependent on Federal financial aid. I hope to practice primary care (pediatrics) in an indigent community.
>
> I am close to finishing school and may not be affected by such harsh cutbacks, but I am very concerned for the future generation of students.

Mr. President, this student and thousands of other students just like her are exactly what we need, primary care physicians in indigent communities.

Under the Republican budget a student following this course of study could well face over $40,000 in additional interest payments at the end of her medical training.

A student from New York writes:

> "My mother just got laid off today. I only have one year left before I receive my bachelor's degree. I don't want my opportunity and those of others to be cut short. Everyone in the White House, on Capitol Hill, and in the state governments had their opportunity. Why are you taking away ours?

A college graduate from Colorado writes:

> "I am not a student, but I'm raising my voice in support of government backing for student loans. If it were not for student loans, I would not have been able to attend college. My mother was supporting two kids and we lived in government subsidized housing—the projects. There was simply no way she could have paid for a college education for us, so we applied for loans and more loans. I received some grants and a great deal of loan assistance, and still I worked at McDonald's. I am now a consulting writer and I never have to look for work . . . it looks for me. This is a most wonderful life and I wouldn't have had any chance at all of attaining it without those student loans and grants. Please do whatever it takes to ensure that others get this chance . . . it is what allowed me to become who I am today, and I thank you all.

Another student, from Maine, summed up the situation: "If you think education is expensive—try ignorance"

I ask each of you to think seriously before you consider voting for a budget that contains $30 billion in cuts to student aid. You will see very clearly that this budget is turning its back on the nation's students.

The Republican budget turns its back on education, and it does so in order to pay for a tax cut for the wealthiest individuals in the country. That makes no sense. It is the wrong priority for education, and the wrong priority for the nation.

The pending Democratic amendment restores $40 billion to this anti-education budget—$40 billion that will help to correct these misplaced priorities. I urge the Senate to support the Democratic amendment.

I thank the Senator from Iowa for yielding time.

Mr. HARKIN. Mr. President, I thank the Senator from Massachusetts for a very eloquent and learned statement. I again wish to thank him for his great leadership over so many years in the area of education. I think what the Senator from Massachusetts just said really pulls it all together in terms of what this budget is about and what it is doing to kids in this country, and the history of what we have tried to do over the last couple of generations of young people to ensure that our kids do get that affordable, quality education in this country. Senator KENNEDY has captured it in his statement.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 21 minutes.

Mr. HARKIN. Mr. President, I yield 8 minutes to the Senator from Rhode Island. I apologize. If he does need some more, I will try to get some more time for the author of the Pell Grant Program.

Mr. PELL. Eight minutes is fine.

Mr. HARKIN. Senator PELL has been so important in making sure that the poorest kids in this country get a decent education. I am proud to yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator from Iowa. I second his remarks about the Senator from Massachusetts. He has shown remarkable leadership.

The budget resolution before us would have a very detrimental impact on Federal education spending. Instead of adjustments, fine tuning and reasonable savings, this resolution would produce drastic and unwarranted reductions of the small but critical role our Federal Government plays in education—5 percent for general education and 11 percent for higher education is the share of the Federal Government.

According to the Budget Committee figures, this resolution assumes a reduction of $59.4 billion in outlays for function 500 over the next 7 years when compared with current law. When compared with the President's budget, though, the estimate is that the reduction would total $65 billion over the same 7-year period. According to the Labor Committee's own estimates, education makes up about 58 percent of function 500, and this means therefore that the reduction in education spending could total as much as $38 billion over the next 7 years.

The reduction in education would come in two areas, mandatory spending and discretionary spending. The Hollings-Harkin amendment before us would add back $40 billion in both mandatory and discretionary spending. It would have the effect, therefore, of ensuring that we would not experience drastic cutbacks in Federal education spending.

Failure to approve this amendment would surely put education in harm's way. While the budget resolution assumes protection of certain programs, those are only assumptions. They do not have the full force of law. The final decision for discretionary cuts will be left to the Appropriations Committee, while the final decision for mandatory cuts will fall to we, the authorizing committee.

My fear is that the size of the cuts in the budget resolution are so immense that no program will be protected and all will be at risk. If the cuts are applied across the board, the Congressional Budget Office estimates that one-third of the Federal investment in education will be eliminated by the year 2002.

In mandatory spending, the budget resolution before us assumes savings of $13.8 billion in outlays over the next 7 years. Seven assumptions are made in order to achieve those savings, but only five of those are within the jurisdiction of our Labor Committee. According to OMB, the total of the remaining five options is less than $5 billion. That includes about $3.3 billion in savings if we eliminate the in-school interest subsidy for graduate students, an option which I for one would vigorously oppose.

The Labor Committee is also left with the responsibility to come up with almost $9 billion in additional savings. This is such a massive requirement that the only option available would be the elimination of the in-school interest subsidy for undergraduate students who come primarily from middle-income families.

To my mind, this is not the road we should travel. Elimination of the in-school interest subsidy for all students would, according to the Department of Education, increase student indebtedness by 20 to 50 percent. In a period when more Americans are borrowing more money to help finance a college education, this would be the wrong step and the wrong direction to take. In a very real sense, we would be increasing private debt to decrease public debt, an option that is not at all satisfactory.

With respect to discretionary program spending, the effect would be equally alarming. Freezing the Pell Grant Program at the current law level would diminish the value of that program by as much as 40 percent over the next 7 years. According to OMB, half of that is because of the increase in eligible students and the other half because of the expected increase in inflation in the next 7 years.

Freezing the title I program in elementary and secondary education for the 7 years comes when we anticipate at least a 9-percent increase in student population. The result: According to OMB, we will serve 2 million fewer students by the year 2002. That is 2 million fewer students by the year 2002.

According to OMB, failure to protect the Safe and Drug Free Schools Program would save $1 billion over the next 7 years. It would also mean that 94 percent, almost all of our Nation's school districts would lose funding that now goes to help 39 million students.

Failure to protect vocational education and training would place the very existence of this program at risk. OMB estimates that a possible cut of $5.3 billion over the next 7 years means that some 12 million fewer students would be served. This would come at a time when business and industry leaders are telling us they need a better and more well-educated work force if we are to remain leaders in the world marketplace.

Passage of this resolution without adoption of the Harkin-Hollings amendment before us would alter almost 30 years of a strong bipartisan partnership on behalf of education. It would seriously threaten bipartisan accomplishments that have brought the dream of a college education within the reach of every American who has the drive and the desire and the yearning that has begun to bring poor children into the education mainstream and that have brought real meaning to the concept of equal educational opportunity.

Mr. President, this is not the time to retreat in education; it is the time to advance. As President Clinton has noted, as a nation we face both a budget deficit and an education deficit. To my mind, we should not increase the latter to decrease the former. A strong and sound economy depends on a well-educated, well-prepared work force. To pull back in education is the wrong step, in the wrong direction, at the wrong time, and I hope we would not do so.

Accordingly, with all the strength we have, let us support the amendment before us.

I yield the floor.

Mr. HARKIN. Mr. President, I take this opportunity, in this small amount of time, to thank the distinguished Senator from Rhode Island for his many years of leadership and service to the young people in our country. There is a reason why they are called Pell grants. Go to any college, any student in this country—well, you go to anybody who is out in the professional world, who has graduated from college in the last 20 years. They all know one thing. They know what a Pell grant is. So many of our young people who came from lower-income families, who otherwise would not have had the ability to get through college, got those Pell grants. They are educated; they are making money; they are paying taxes; and we are all better off for it. We are a better country because of that.

I wish to say to the Senator from Rhode Island, thank you so much on behalf of millions of students, present-day students and millions of Americans who are out there now earning a decent living, raising their families, passing on a better life to the next generation, living the American dream because of the efforts of the Senator from Rhode Island.

Mr. PELL. I thank the Senator.

Mr. HARKIN. Mr. President, I yield 5 minutes to the Senator from Vermont, and I will try to yield more if I can.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Thank you, Mr. President.

I rise in favor of the amendment.

I also want to echo the accolades for my patriot on the Education Committee, Senator PELL, who has done so much over the years. I stand here as the new subcommittee chairman of the Committee on Education, because I feel, as he does and others have, that we must be sure of what we do now. This is serious business.

Everybody recognizes that finally we have to balance the budget. But if we do not do it carefully, what we do will be counterproductive and will result in increased costs and decreased revenues.

It is so simple and easy for us to all hold hands, close our eyes, and cut across the board. But that will not do it. This will not do it if you get into the area of education.

Education has always been bipartisan and it should remain so today. So let us strike any partisanship out of here and take an examination of what will happen if we do not do this carefully. Let us talk about the counterproductive aspects of cutting education.

First of all, the business community came to me a year ago and cried to me, "You have to do something about increasing our productivity, of helping us improve the education of this Nation, because we are not any longer as competitive as we used to be." And unless we improve things, we will be less competitive in the next century and this Nation will slip into a Third World capacity. Why?

Let us take a look at this chart. A chart is worth a thousand words.

The first chart is high school graduates unable to perform basic tasks. Just take our standards, forget about the international standards. Over half of our kids graduate unable to do simple functions that would mean that you are at least basically literate. I will show you later what that has an impact on.

Let me take the next chart. Let us take a narrow look at the international scene, where we stand in the world with respect to our education system. And I will end up with it in another area. We are now in the area of math, and the same is true in science, dead last when we compete with those other countries that are giving us competition in the international fields. That is shameful.

Are we going to do something about it? We cannot, if we cut education.

Let us take a look at what this failure of education has to do with our budget situation right now. We have a loss, through education failure, of $1½ trillion in our GDP. That is because we are slipping behind with respect to productivity. We have problems. Eighty percent of those incarcerated in jails, costing $20,000 to $60,000 a year to incarcerate, are school dropouts; 60 percent of the teenage pregnancies are school dropouts.

In addition, the literacy level reduces our productivity level, losing more, and we have $208 billion a year through lost productivity through welfare. And it costs us another $200 billion for remedial training to bring our students up to the capacity where they can be productive in our industrial society.

In addition to that, because they earn less money being nonproductive citizens, it costs us $125 billion in lost revenue.

So let us take a look at the next chart and see what this has done to the median family income in this country and why we are losing that revenue.

Two-thirds of our society over the last 20 years—over the last 20 years—have had a decrease in their family income. And that is true even though we now have more two-worker families than ever before.

Education is related to what you earn. You will see the only ones now that are increasing their income in this decade are those that have had postgraduate education in college.

Now let us take a look at what is happening with respect to another area. One area in here, which is part of this proposal as well, but one that seems to be the easiest thing to do—our graduate students. Why do we not just increase their debt load a little bit? Why allow them to get subsidies for interest while they are in graduate school? Seems like an innocuous thing to do.

Well, this Nation has the best graduate schools in the world. Everybody wants to come here. However, over the last several years, a decade, the debt load of our college students has gotten so high now, it is estimated it will be up around $22,000 when they get out.

Well, they cannot go on to graduate school. We have fewer and fewer and fewer people that are going to graduate school.

Now what has that done to us? Let us take a look at what it has done to us in a competitive area.

Mr. President, I ask Senator for an additional 30 seconds.

Mr. HARKIN. Mr. President, how much do I have remaining?

The PRESIDING OFFICER. Six minutes 5 seconds.

Mr. HARKIN. I hate to tell the Senator from Vermont, I only have 6 minutes 5 seconds. I have two people that I promised more time to.

Mr. JEFFORDS. My punch line is all I wanted to get out.

Mr. HARKIN. The Senator gets at least 2 minutes for his punch line.

Mr. JEFFORDS. Well, it will not take that long.

What this chart shows here is, before, you know, we used to have all the foreign students come here. They used to get educated and they stayed. You saw them at IBM and all over the country allowing us to be more productive. Now what is happening, because of the debt load, fewer and fewer of our kids are going to graduate school and more foreign students are going to graduate school. The blue indicates the ones that are going home and the red indicates the ones that are staying here. More and more are going home. So what we are doing now is we are seeing almost all of the graduate students are being foreign students, a majority are, and they are all going home. Ours are staying here, but we do not have enough to fill the slots.

So that one little thing in this budget proposal would probably do more damage to our competitiveness than about anything else.

I yield the floor.

Mr. HARKIN. I thank the Senator from Vermont for his contribution now and in the past.

I yield 3 minutes to the Senator from Illinois.

Mr. SIMON. Mr. President, I will try to make it fast.

Of course, we need a balanced budget. But, of course, we have to have the right priorities.

Every study that has been made by any group—conservative, liberal, you name it—says we have to invest more in education. I have never seen a study that suggests to the contrary. And yet what we are asked to do is to cut back—cut back on Head Start, cut back on title I that helps poor kids that is really showing results, cut back in higher education.

Senator JEFFORDS is absolutely correct. In the narrative on the budget, you will see we are going to get that $14.7 billion in savings by cutting out assistance to graduate students. That is bad enough.

But you put the numbers together and you only get $2 billion of that. Where do we get the other $12.7 billion? Well, we get it out of the hides of students. And it means a lot of students are not going to go on to higher education. That is not the way we ought to go.

In fiscal year 1949, I say to Senator HARKIN, we devoted 9 percent of the Federal budget to education. We are now devoting less than 2 percent. And if this budget is adopted as is, it will go down even further——

Mr. HARKIN. To 1.4 percent.

Mr. SIMON. Down to 1.4 percent, Senator HARKIN says. It just does not make sense.

I visited a Head Start group in Rock Island, IL, an impoverished part of that city. Like every Head Start group, they have a waiting list. Monday morning, one set of kids comes in, Tuesday morning a different one, Wednesday morning a different one, and so forth.

I asked the woman in charge what would it mean in the lives of these young people if they could come here 5 days a week. She smiled and she said, "You could not believe the difference it would make in their lives."

We are denying them that chance. Oh, we are saving money, like you save money when you put up a house and you do not put a roof on it. You do not save money in the long run. We have to face up to the reality that we are going to have to change in this field of education. We are going to have to fund it more adequately.

I think of the testimony before our committee by the Secretary of Labor talking about a manufacturing company from Connecticut, I believe it was, making a decision, do they build in Mexico, the United States, or Germany? Mexico offered cheap labor, poor education; the United States better education, higher wages; and they reluctantly made the decision to build their plant in Germany where they have to pay $6.50 more per hour but where people are well prepared.

We are cutting back on our future if we do not adopt this amendment. I hope we do.

I yield the floor.

Mr. HARKIN. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes 20 seconds.

Mr. HARKIN. Mr. President, I must say that I find the fact that we only have 3 hours to debate education unconscionable. We should have more time. I was under the impression we were going to have 6 hours. I found out when I walked on the floor we have 3, by unanimous consent. I do not know how that happened. We need more time. This is the most important part of the budget to future generations.

I yield whatever time I have to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I think it is unconscionable that we not have more time.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. I thank Mary McEvoy, who is a fellow with me who helped write, I think, an important speech. I ask unanimous consent that she be allowed the privilege of the floor during the rest of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, what we have before us today is a budget that says loud and clear to the American people that education is no longer a priority. The proposed $40 billion cut in education spending represents the largest education cuts in American history. In fact, it is estimated that by the year 2002, the Federal Government's commitment to young Americans will be cut by over 33 percent. And these cuts span all age groups. For example, by the year 2002:

Over 400,000 young children will be denied a Head Start through preschool education;

Education for over 5.5 million children and youth with disabilities will be eliminated;

School-to-work programs, partnerships between businesses, communities, and schools stand to lose over $5.3 billion.

And less than one-half of the children who need it will receive assistance to improve their reading and math skills. Are these America's new Goals 2002?

The cuts I have listed above are devastating. But there is also another program that the proposed Education budget reductions will negatively impact. I want to talk to you about cuts in student aid.

Remember, all of those who signed the Contract With America have signed a document that says they intend to support cuts in student aid. The proposed Senate budget is serving as another vehicle to accomplish this devastating promise.

Under the proposed budget, $30 billion would be cut in Federal aid to college students over the next 7 years, affecting over 4 million students. For example, last year in Minnesota, over 14,000 students received assistance from the Federal Stafford Loan Program alone. And these students are not from wealthy families who could afford to bear the entire brunt of the cost of their child's post-secondary education. In fact, the average income for the families of these students was less than $37,000 per year.

A college education is an essential part of the American dream. It gives people an opportunity to be all that they can be. And, I know from what my father always believed for me and I believe for my children—that their lives will be better than the last generation because they went on to pursue a higher education. In fact, over 92 percent of all Americans believe that investing in a Federal support of a college education is an investment in our country's future.

We also must remember that college education also significantly benefits to our Nation as a whole. Our communities are stronger, our economy is stronger and our democracy is stronger.

But the dream of an education is more and more difficult to achieve. Most students now are not going straight to college from high school. It is not affordable. Some have to save some money before they can afford to go. Some have small children to take care of. The student body these days includes a lot more non-traditional students—those who are returning to school, those who only go part time because of jobs or family or both, and those who take more than 4 years to get their degree.

The costs of going to school keep going up. Students are forced to put off school until they have saved enough money, seek student grants or go into a lot of debt. It used to be that State and Federal governments provided more grants than loans. Students were not asked to mortgage their future. But over the last 10 years the balance between grants and loans have been inverted—the number of loans far outweighs the number of grants. Loans are now the largest source of Federal student aid.

The Federal Government has had a commitment to high education for almost 50 years. Yet even at its current level of resources, the Federal Government's contribution is insufficient. We should not be cutting financial aid programs—we should be increasing and improving those programs. Higher education is one of the best investments we can make as a country and it is one of the best investments individuals can make in their own future. An education increases earning potential, decreases unemployment, and improves the standard of living.

As a Nation, we cannot afford to cut educational financial aid to America's families. We should not be taking away one of the few opportunities families have for their children and grandchildren to make a better life for themselves.

The Senate should go on record in saying that in our effort to balance the budget we should not be reducing opportunities for students to improve their lives.

IT IS EXTREMELY DIFFICULT TO GO TO COLLEGE THESE DAYS

The total costs of attending a 4-year public institution averages to about $7,600. The average cost to go to a 4-year private institution is around $16,000. Tuition alone has increased more than 120 percent over the last 10 years. At this cost higher education is out of reach for many middle income families. Without student aid many would be unable to pursue higher education. Students must seek out scholarship and other grants and awards. Many borrow, but even that is not possible without help from the Federal Government. For the 1993–94 academic year, students borrowed a record amount—$23 billion from Federal guaranteed loan programs. The average loan exceeds $2,700 annually. And, borrowing of course sends recent graduates into the working world with a pile of debt along with their nice new diploma. Debt that is sometimes with them for half of their lives.

Krista Hannem is a sophomore who will be graduating from community college and going on to Mankato State University to get a B.A. She is 24 years old, and married. She writes:

> I do not receive State or Federal grants, nor do I have any scholarships. In order to pay for my 2 years at [a community college], I have had to take out over $5,000 in student loans * * *. Last year I was receiving help through the State work-study program. When that was cut I suffered again. I realize that part of education is receiving some debt, and that it should not be a free ride, but neither should it be a weight tied around my neck. So I ask that whatever decision you make, you consider the many students like myself who are choking with this weight.

MOST STUDENTS ARE NON TRADITIONAL

The typical student these days is not the Brady Bunch kid who graduates high school and goes straight on to college. Forty-five percent of the student body these days is over 25 years old. In fact, nearly 20 percent of all students are older than 35. Many are single parents. Forty-three percent attend on a part time basis, thus probably not finishing a B.A. in 4 years. Even traditional students, students who enroll full time at 4-year institutions immediately after high school are remaining for 4 consecutive years, obtain a bachelor's degree within 5.5 years. Sixty-two percent of students of all ages work, including nearly half of traditional students. And, about one student in five is a member of a minority group: African American, Asian American, Latino, or Native American.

Denise Peters from Edina writes:

> I am a 29 single parent currently enrolled as a Jr. at the U. of M. Because of the excellent support of financial aid and other programs I have been successfully maintaining a 3.76 GPA. Before returning to school—from the time my son was 6 weeks old I worked as a medical assistant making $9.00 an hour * * *. Without the needed assistance the rug would be pulled out from under me * * *.

Sandra Mitchell from St. Louis Park writes:

> I am devastated at the idea of any financial aid cuts. Not only would I need to drop

> out of college—I am a sophomore—but it would leave me with only two options. First, I could obtain an entry level position. Second, I could remain a public assistance recipient for a while. At any rate the best I could do for my self and my son and society is to maintain at below poverty level. I faced these options after a miserable divorce which left me without a home, money, or even credit to plan for the future. I have goals, not only for myself, but to be allowed to contribute and replace what I have used. By the time I graduate in 1997, I will be financially independent. Likewise I am setting an example for my son to achieve independence and pride which are invaluable to our whole society.

Troy Goodwater is a sophomore at Austin Community College. He is a 20-year single male. He lives at home. He has a part-time job and attends college full time. He writes:

> My father is retired and receives only a four hundred dollar check each month from social security and my mother works two jobs in an effort to make ends meet. They are unable to assist me in any way in helping paying my tuition. I receive federal and State grants to help me pay my tuition. Without these grants I would not be able to further my education. These grants pay for all my schooling, because of my low finances. The Federal and State grants are very helpful to myself and many other college students, and if these grants are cut, the people who want an education and cannot afford one will suffer the most in the long run.

OUR FEDERAL COMMITMENT TO HIGHER EDUCATION SHOULD BE STRENGTHENED, NOT CUT

For almost 50 years the Federal Government has made a commitment to helping students go on to higher learning. Just during the academic year of 1993–1994 the Federal Government spent $31.4 billion to ensure that lack of resources does not prevent people from pursuing their dreams of a college education. In Minnesota alone, students received more than $420 million in Federal dollars.

The Federal Government provides 75 percent of all student aid including federal grant, loan, and work-study programs.

In 1990, about 5 million students received Federal student aid under one or more Federal programs. In the 1993–94 academic year about 3.8 million students received Pell grants; 4.5 million received Stafford loans; 991,000 received supplemental education opportunity grants; 697,000 received Perkins loans; 713,000 received Federal Work Study awards; and 650,000 received State student incentive grants.

Most Federal student aid is based on need, with the amount of assistance determined by formulas that factor in family, individual earnings, savings, and the cost of education. Pell grants are targeted to the neediest students. The campus-based programs—supplemental educational opportunity grants, Federal work study, and Perkins loans—gives school financial aid officers the flexibility to respond to unique student needs.

These programs help both low- and middle-income families. Of the Pell grants awarded to dependent students—those who are financially dependent on their parents—41 percent goes to students from families with incomes less than $12,000 and 91 percent goes to students from families with incomes below $30,000. Among Pell recipients who are financially independent, 73 percent have an income below $12,000.

Stafford and direct loans primarily benefit middle income families. Most subsidized student loans—72 percent are awarded to students who are still financially dependent on their families. The average family income of a dependent student who receives a Stafford loan—a loan on which interest is not charged while students are in school—is approximately $35,000. Seventy-five percent of such students have family income between $12,000 and $60,000. Among independent students who receive loans, average family income is $14,400. More than 69 percent have incomes above $6,000.

More than half of the students who receive Perkins loans have family income below $30,000. More than half of the students who receive funds under the work-study program have family income below $30,000. And more than 75 percent of students who receive funds under the Federal supplemental education opportunity grant program have family income below $30,000.

In recent years the Federal Government commitment has been diminishing. It used to be that State and Federal governments provided more grants than loans. Students were not asked to mortgage their future. But over the last 10 years the balance between grants and loans has been inverted—the number of loans far outweigh the number of grants. Loans are now the largest source of Federal student aid. And, even the number of loans has decreased. The explosion in the numbers of eligible Pell grant recipients combined with inflation meant that in 1992, 4.2 million students were forced to share the same amount of money that served 2.8 million students in 1987.

FINANCIAL AID IS AN INVESTMENT IN OUR FUTURE

Statistics show that financial aid to students more than pays for itself by stimulating economic growth, expanding the tax base and increasing productivity. A college degree makes an extraordinary difference in the lives of people holding them and in the lives of their communities. Our new service and information-based economy increasingly requires the technical skills and knowledge that can only be obtained through higher education.

Higher education also makes a difference to us as a Nation. A more educated citizenry makes a strong democracy.

THERE ARE BIG DIFFERENCES IN THE FUTURE OF THOSE WHO GO TO COLLEGE AND THOSE WHO DO NOT

Higher education is a ticket to greater opportunity and a better standard of living for millions of people. That is why over 82 percent of Americans feel that without a college-educated work force we will not be able to compete in a global marketplace.

It certainly has been instilled in me since I was young that the most important way to improve your lot in life was through an education. An education meant that your life would be better than your parents. That you would have more opportunities than they did. I feel the same about my children, and now my grandchildren. And, I think an education is even more important now than it was when I was growing up. The economy is so unsure these days that there is no guarantee that our children will be better off than we are. This is one of the biggest worries I hear back home. And part of that concern is the affordability of college.

According to the Department of Commerce, the lifetime average earnings of a man with a college degree is 51 percent higher than his colleague with a high school degree. The difference for women is even greater. The lifetime average earnings of a woman with a college degree is 57 percent higher than her colleague with a high school diploma.

In 1992, figures showed that the median income of men who were dropouts was $15,928, for a man with a high school diploma it was $22,765, and for a man with a college degree it was $36,691. For women dropouts the median income was $9,784, for a woman with a high school diploma it was $13,266, and for a woman with a college degree it was $24,126.

And, of course unemployment rates are decreasing according to education levels. In 1990 the unemployment rate for high school dropouts was about 12 percent. A high school diploma cuts that rate in half. A college degree cuts the rate in half once again.

CONCLUSION

All children, and all people, must share in America's future. We should not be balancing the budget on the backs of students, nor should we be balancing the budget by cutting back on investments in our future. And this must include opportunities for a college education.

The numbers in the current budget proposal that we now have in front of us do not add up. Despite what may be said, we cannot cut $40 billion without substantially reducing Federal aid to undergraduate and graduate students thus denying opportunities for millions of our young people. This educational opportunity cannot belong only to the well-to-do.

I urge my colleagues to restore the $40 billion proposed cuts in Education programs to the budget. We must send the message loud and clear that this Congress is committed to assuring that all children, youth, and young adults have educational opportunities to become productive, tax-paying citizens of America.

Finally, all I can say as somebody who has been a teacher for 20 years—and it is impossible for me to speak about this issue in now 1 minute or less—I will just say to my colleagues that they are being myopic, very shortsighted, if they do not understand that the very best we can do is invest in the health, intellect, and skill of young people.

If we want to reduce poverty in this country, focus on a good education. If we want to have real welfare reform, focus on a good education. If we want to have a stable middle class, focus on a good education. If we want to have a country that can compete in the international arena, focus on a good education. If we want to have a representative democracy where men and women can think on their own two feet, understand the world, the country, and community they live in, and know what they can do to make it a better world, a better country, and a better community, focus on a good education.

This budget resolution takes us exactly in the wrong direction, and that is why I support this amendment and that is why, one way or another, we will have a lot more debate on this issue over the next 4 or 5 months, several years to come.

This resolution is a huge mistake. We will never reduce the violence, Mr. President, in our communities unless we understand an essential truth, which is we must invest in the health and the skills and the intellect and the character of young people in America, and that starts with investment in education.

That is all I can do, I say to my colleague from Iowa, in 1½ minutes.

The PRESIDING OFFICER. Time has expired.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Elizabeth Street, a congressional science fellow, and Ruth Hardy, a J.J. Pickle fellow, be granted privilege of the floor during the remainder of the debate on Senate Concurrent Resolution 13.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I understand we have 82 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. BENNETT. Mr. President, I will have some opening remarks, but my colleague from Indiana wishes to speak first, and so we will turn to him. But before I do, and while my friends from the other side are still on the floor, I would like to make one opening comment for myself that I believe resonates with other Members on this side.

Senator WELLSTONE said if you want to solve poverty, focus on education; if you want a solid middle class, focus on education; if you want a sound working force—et cetera—focus on education.

I wish the record could be very clear that this Senator could not agree more with that statement. Indeed, if I may be personal, Mr. President, the thing that got me back into public life after I had left it and decided that I would spend the balance of my career in the private sector as a business executive was when I got a phone call asking me to serve as chairman of the Strategic Planning Commission for Education in the State of Utah. For the next 18 months, I immersed myself in educational issues. I came out of that with the conviction that with the collapse of the Soviet Union, education has replaced defense as the No. 1 survival issue in this country.

So I yield to no one on either side of the aisle in my conviction that we must, as a Nation, solve our educational problem. But I ask this rhetorical question as we begin this debate: As we agree about the importance of education, does that mean that there is no such thing as an educational program that is not working and may need to be defunded? Does that mean, in our conviction that education is essential to our survival, that there is not anything in the Department of Education that could be done more efficiently than is being done today and might, indeed, with better management yield up some hard-earned dollars to go toward balancing the budget? Does that mean we cannot have a lucid discussion about education in this Chamber that focuses on the effectiveness of the educational dollars that we are spending because education is such a Holy Grail that nothing relating to its effectiveness or its performance can be discussed?

If that is what it means, then I think the debate in this Chamber will not be particularly enlightening on this subject to either side.

Before I yield time to the Senator from Indiana, I would like to review the overall record. In unadjusted dollars, Federal spending for education has gone up 900 percent from 1965 to 1993. In constant dollars, it has more than doubled in that same time period. And what has happened to our educational achievements in the period when we have been doubling our commitment? The national assessment of educational progress says that over the past 20 years, there has been little overall change in student proficiency in reading, writing, science, and mathematics.

The senior Senator from New York, prior to his entering this Chamber, was a distinguished writer, and I remember reading an article by him where he said whimsically—and we all know he is given to whimsy at times—if you were to put educational achievement and educational spending on the same chart and track the trend lines, you would come to the conclusion that increased spending produces decreased performance in a straight cause-and-effect relationship.

The senior Senator from New York obviously does not believe it. He did not believe it when he said it, but he said it to make the point that the problems in education are not necessarily problems of money. I came to that conclusion in the 18 months that I immersed myself in educational issues in Utah.

I am dedicated to doing what I can to resolve and repair educational problems in this country. I have established a foundation to which I have given my personal wealth, whose primary focus right now is exploring new ways of solving our educational problems. We have some pilot projects which I may talk about where we are achieving dramatic breakthroughs in teaching and learning progress among disadvantaged students without any increase in costs.

With that opening statement, then, Mr. President, I yield such time as he may consume to the Senator from Indiana.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. COVERDELL). The Chair recognizes the Senator from Indiana.

Mr. COATS. Mr. President, I thank the Senator from Utah for yielding, and I certainly want to say how much I respect the amount of effort and time that he has personally committed into looking into this issue, certainly more than this particular Senator. I am anxiously looking forward to his discussion with us about what he has found and what he learned in those 18 months that he has committed to studying this subject. And I think he raises the essential point that we are attempting to deal with here, and that is not whether or not Members of either side are more or less committed to education. I think we are all committed to education. I think our record shows that we are committed to education. But what many of us are attempting to communicate is that the current system of education—providing public education for our children in this country—does not seem to be working very well. Report after report throughout the decade of the 1980's, and now the 1990's, indicates that there are significant problems with the public education system in America. It is not based on anecdote, but it is based on facts, studies, and statistics.

And so the question that Republicans are essentially raising is: Is there a better way to provide education for America's young people, so that they are better prepared to enter today's work force, so that we as a Nation are better prepared to compete internationally, so that we as parents can provide our children with better opportunities to learn? Those are the questions that are before us.

It is, in a sense, a question of, do we retain the status quo, the structure, the framework that has brought us to this point in American education, or do we allow for change? Do we allow for experimentation? Do we allow for a different approach? And perhaps if we do that, we can find that there is a more effective, more cost-effective and results-oriented way of providing education in this country.

Now, if it were simply a matter of money, we would be the best-educated Nation in the world. Our children would be head and shoulders above everybody else, because we have poured untold amounts of money into education in an attempt to solve the very problems that I think we all recognize exist today in education. It is the solution where we draw a line of distinction in terms of the difference between us.

The fact is that education spending has increased dramatically. In the last 30 years, we have increased spending four times what we spent in the 1950's. On average, we pay as much per student per year in public schools as many private schools charge. Per pupil spending tripled from its 1960 level, resulting in an average cost of $5,971 in 1993 figures. In the last 10 years alone, per pupil spending nationwide has increased 30 percent above the level required to keep up with inflation. That is according to the Education Commission of the States' report.

The Department of Education, in its first year, which was fiscal year 1980, housed 150 programs funded at $14 billion. Today, just 15 years later, it houses 250 separately authorized programs, employing nearly 5,000 people. Its fiscal year 1995 appropriations total is $33.7 billion. Their administrative costs alone are $440 million. The Education Department spends nearly $500 for every student in America.

So the question is not, are we pouring money into education, or are we making resources available either at the Federal, State or local levels for education. That is being accomplished. The question is: What are we getting for the money that we are putting into education? Are we getting the kind of results back that all of us here would desire? Or should we look to see if there is a more effective way of accomplishing this goal?

I suggest that we need to look—and look pretty immediately—at whether or not there is a more effective way, because the results are pretty discouraging.

We have all heard about the decline in SAT scores and the National Assessment of Educational Progress Reports, where in the face of the fact that real public spending in elementary and secondary education rose from just over $50 billion in 1960 to nearly $190 billion in 1990, and whereas real per pupil spending more than tripled from $1,450 in 1960 to $4,622 in 1990, I do not know of anybody saying that the result has been a tripling of the quality of education that is being received by our students.

Eric Hanushek, in his book, "Making Schools Work," which was published by the Brookings Institution, concluded from an exhaustive study of educational funding in America, that funding is not related to school quality.

A study done by American Demographics, a publication of the U.S. Census Board found that——

Mr. WELLSTONE. Will the Senator yield?

Mr. COATS. I will be happy to yield when I have finished my statement. My understanding is that the Democrats have had their full 90 minutes. We would like to use some of our time. I know the clock is running.

Mr. WELLSTONE. I did not mean to interrupt. I understand.

Mr. COATS. The results of the American Demographics study found that there was no direct correlation between the amount of money spent per pupil and student performance. In fact, there were many examples where it was the reverse—the more money spent per pupil, the worse the student performance in that school actually was. And oftentimes, where the amounts per pupil were relatively low, performance was relatively high. And so experts studying the situation had to go in and determine whether or not there were other factors involved in providing learning and education for our students. They found that there were many other factors involved.

Many have pointed to those factors. And those are factors that I would hope throughout the debate this year on education—and to my colleagues who said it is unconscionable that we only have 3 hours, let me just reply that I was not here when the unanimous-consent agreement was offered, but unanimous consent by its very nature means that any one of us can object. If anybody wanted to object, I suppose we could have objected to that.

We will have probably hundreds of hours of debate on education this year in this Congress. There are many bills that will be coming up. Senator LIEBERMAN and I are offering a bill, which may be an amendment to education. Others will be offering amendments on various bills. We will be dealing with this subject at length. So I do not think anybody needs to worry that we are going to be shorted in the amount of time we are going to speak on education subjects.

But, clearly, for those who think the solution to education is simply to pump more money into a system that has produced such disastrous results—I cannot understand that logic. It seems to me that now is the time to be asking fundamental questions about how we can reform the education system in this country. What changes can we make? What demonstration programs should we enter into to give us more data with which we can make decisions?

I have found—and I think this is supported by a number of studies and researchers—that there are some very basic principles that are involved in providing sound education. If you study schools that produce results, if you look at students that can demonstrate through their educational achievement the kind of success that we are looking for, you find some very common themes running through the whole program.

One theme is that the education process to which those students have been subjected to dealt with basic core subjects—the reading, writing, arithmetic and other subjects that have traditionally formed the core of our elementary and secondary education in this country.

We have seen a great deviation from that in the last few decades. There have been many new experimental programs and so forth, and unfortunately, the kind of electives that students have been allowed to sign up for, have not resulted in the kind of educational achievement in the basic subjects necessary for adequate performance in the workplace.

Schools that have returned to basic core subject teaching have turned out students that are much better prepared to compete in today's society.

Second, we found that in those schools that have demonstrated success and students have demonstrated success, we have found that there has been a pretty steady, high level of discipline, that the standards established by the schools, by the communities in which those schools resided, and administered by the administrators and the standards to which the students were held accountable, were high standards. Discipline was one of the major ingredients, one of the basic principles underlying the education process.

Third, we found that there was an emphasis on teachers, not on administrators. We have seen an explosion of administrative costs in our schools, where it seems that we have more positions filled by administrators than we do teachers.

Mr. WELLSTONE. Will the Senator yield? I wanted to ask a question.

Mr. COATS. Mr. President, I give the same reply to the Senator from Minnesota that I gave before. I would like to be able to complete my statement. I am sure the Senator has a number of questions he would like to ask, but I would prefer to make my statement. To the best of my knowledge, we allowed your side to make your statements without interruption, and I think we would appreciate making our statements without interruption. I know the Senator would like to engage in debate on this subject. The time is divided. We will be happy to do that. There will be plenty of opportunities all year long, in committee, on the floor. We are under a time limitation. The limitation was agreed to. The Senator from Minnesota and Iowa agreed to it, or did not object to it.

So here we are. I think those of us who have a statement to make, to counter the statements made by the Senator from Iowa, the Senator from Minnesota and the Senator from Massachusetts, would like to make those statements without interruption.

Mr. President, if I could do that, I would appreciate that.

The PRESIDING OFFICER. The Senator has the right not to yield.

Mr. COATS. Mr. President, as I was saying, I think one of the basic principles underlying the provision of a sound education is the emphasis on those providing the education, not on those administering the building. One of the most discouraging things to this Senator in viewing public education is to find the layer upon layer upon layer upon layer of administrative bureaucracy designed to solve every problem in the school except providing the teaching of the student.

Inevitably, the more we involve the Federal Government in the educational process, the more layers of administration are required. The more assistant principals for this, that and everything else, the more forms, the more procedures, the more rules, the more of everything but what ought to take place in the classroom.

I, for one, have been urging the Senate to revise the way in which we fund our schools so that we can provide funds to hire competent teachers and then let them teach.

Another thing I have noticed: it does not make a difference how fancy the school is, how much equipment they have, or what the condition of the building is, these items pale in comparison to the requirement that the teacher knows what they are doing and the teacher is able to provide sound teaching to the students under his or her tutelage.

The fourth basic principle I found that seems to be a component of successful education is that the school involves the parents, that there is parental involvement and community involvement in the education process. There is a direct correlation between parental involvement and educational success.

Those are part of the values that we cannot necessarily legislate. Pumping more money into the Department of Education is not going to suddenly transform parents into being more concerned about their children's education. It is not going to make them show up at school more often, be more involved in the homework, be more involved in making sure their student gets to class on time and performs the work that is assigned. Community involvement and parental involvement is an essential key ingredient to educational success.

Finally, and I know this is controversial, but those schools that maintain some core basic values, have some value education as part of their curriculum, are more successful in turning out students who perform better, who are better trained, who do better on the tests. It provides, I believe, a better atmosphere for learning and has been demonstrated to be effective.

The sad reality that has emerged from about 30 years of Federal involvement and ever-increasing Federal dollars and ever-increasing Federal rules and regulations into our education is a pattern of more spending, especially as I said for administration, fewer students staying in school through graduation, lower SAT scores, lower graduation rates and dismal rates of academic proficiency.

We only need to look at the District of Columbia right outside our door to show that spending per pupil is not the solution to the problem. Most public school graduates arriving at college, graduating from District of Columbia schools, are ill-prepared for their further education. Nearly 90 percent of the freshmen at the University of the District of Columbia last fall needed remedial work in English, 49 percent had trouble reading, and 49 percent could not do basic math.

Now, is the solution to pour more money into the system? Or is the solution to say maybe there is something wrong with the system. Maybe we ought to look at ways in which we can change the system.

That is one of the things that Senator LIEBERMAN and I are attempting to do with our school choice demonstration project, designed for low-income families and low-income students and parents who find that their students are trapped in a public education system that is not going to provide them with the education they need to rise out of their current level of poverty. Many parents, particularly those who live in the inner city, are begging for the opportunity to send their students somewhere other than the public education facility.

We have a school in Indianapolis, IN, which is a private parochial school that spends one-third of the amount per pupil as the public school just down the block. We have parents standing in line trying to enroll their students in a parochial school that spends one-third less on their students than the public schools, because they know they are going to get a better education. And why will they get a better education? Because the basic principles underlying the education in that parochial school, many of which I have outlined earlier, are not provided in the local public school. All Senator LIEBERMAN and I are attempting to do is set aside some funds so that on a voluntary basis, communities can enter into demonstration programs, demonstration programs which will provide this Congress with objective data about the school choice alternative, which we can use to determine how best to make the necessary changes in the education system to enable the children in this country to lead successful, productive lives.

Yet each time we offer this amendment, we are thwarted by the same proponents of this amendment. We are not allowed any experimentation. "Do not do anything different. Keep the system just exactly as it is. The only thing it lacks is more money."

Well, I would argue, Mr. President, that it lacks much more than greater amounts of money, rather that it needs fundamental, basic reform. I do not have the answers as to exactly what that reform ought to be, but we ought to at least be able to experiment and give students and parents a choice outside the system. If we can give them a choice outside the system, maybe it will make the system better.

If we had one car company in America, I daresay that we, as consumers, would not enjoy the variety, the quality, nor the cost effectiveness that we get from having competition throughout the industry.

I am not aware of any system in America, that as a monopoly, operates efficiently. Competition spurs better performance, it spurs more cost-effective performance, it spurs better results. Yet we do not have competition in schooling alternatives in America for those with low incomes.

It is easy for Senators to say, "Let us keep all the emphasis on public schools." We can afford to send our kids somewhere outside the public schools. My children go to public schools, but it is easy for me. If I do not like the public school I can afford to send them somewhere else. But what about the low-income mother, living in the inner city? What about the parents who do not have the income to have a choice? They are condemned to a school which is condemning their child to an inferior education, trapping that child in circumstances and in poverty. And we cannot even provide a demonstration project to see whether or not it would benefit the children to have a degree of choice as to what school they attend.

Who are we trying to protect? The administrators? The system? Or do we really care about the education of children? I submit our goal here is not to protect the system. It is not to protect the administrators. It is not to protect the lobbying groups. Our goal is to look out for the children and give them opportunities that they have not had under our current system.

So, I urge my colleagues to reject this "Let us just put more money into the existing system" amendment. That is what it is. "Let us make sure we perpetuate the status quo. Let us keep everything within the box and the framework will be defined by the public system and their lobbyists. They will define the framework. And do not let anybody dare compete with them because they might do it better."

Who do we really care about? Who are we really looking out for? I contend it is the students we should care about. It is their future we should care about. And we ought to give them the opportunities to escape a lousy, rotten, failed school if that is where they find themselves.

There are many public schools doing a fine job in America. But there are many lousy schools doing a lousy job in America. And to trap a certain segment of our population, low-income families, in that situation I think is a great disservice to the future of this country. To argue that those who object to putting more money into the failed system are against education, or do not care about the future of America, or somehow do not care about the future of our children, is the most disingenuous argument that I have heard. It just flies in the face of the facts that we all know are true.

As the report in the 1980's said, we are just treading along in a sea of mediocrity in public education in this country. It is high time we made some changes in the system. In 1995 let us be a little bit innovative, let us be bold, let us take some chances, especially when we are dealing with a system that has failed us so badly.

I went on longer than I intended. I thank the Senator from Utah for his generous yielding of time. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. BENNETT. Mr. President, I yield myself such time as I may require and will yield shortly to the senior Senator from New Mexico, who has a point to make.

Mr. WELLSTONE. May I have a point of inquiry and that is it?

Mr. BENNETT. I will be happy to yield to my friend for a question.

Mr. WELLSTONE. Will there be any opportunity for questions and discussion after the Senator speaks? Or does he want to just go forward without any questions?

Mr. BENNETT. I cannot speak for other Senators. When I get in my presentation, if the questions are not so much a barrier to prevent me from going on to the point I would make, I will be happy to yield for questions at the appropriate time, and tell my friend he could look forward to that, if he can stand the boredom of staying on the floor until I get going.

Mr. WELLSTONE. I thank my colleague for his graciousness and say to him, as a teacher, as long as we are talking about education, the best education is when we have a chance to have this exchange of views. I thank my colleague.

Mr. BENNETT. Mr. President, we have had some general statements about education here. Undoubtedly we will have some more before this time is up.

May I ask how much time remains?

The PRESIDING OFFICER. The Chair would advise the Senator from Utah that he has 49½ minutes remaining.

Mr. BENNETT. I thank the chair.

Let us talk for just a minute, although it may seem extraneous to the discussion we have had, about what the amendment does. Let us talk about the parliamentary situation with which we are faced, rather than about cosmic matters relating to education in general.

The total amount of Federal spending in America's educational system comes to 6.6 percent of the total figure. So we are talking about what happens to that Federal 6.6 percent. With all of this talk about gigantic slashes, even if we were to eliminate all of it that would be a 6.6-percent cut. But of course we are not talking about eliminating all of it. We are talking about funding here at a level that has been established in fiscal 1992. Someone says, "Why do you go back to 1992?" Simply because as I understand the budget process, there was a strong blip up in 1993 and 1994, and the Budget Committee has gone back to the level that they would consider to be more traditional, to hold that level through the year 2002. So we are talking about level funding, not slashing all of the 6.6 percent.

From some of the rhetoric I have heard on the floor this afternoon you would think we were cutting the entire educational system of the country by huge, huge amounts when in fact the amendment proposed by the Budget Committee would establish a level of funding for that which is 6.6 percent of the total rather than the other implications we have had.

Do Washington education dollars fund my daughter's textbooks? No. That is all done with State and local funds. So this budget has nothing to do with textbooks.

Do Washington education dollars pay for my son's teachers? No. That is all done with State and local funds. This has nothing to do with the paying of teachers' salaries.

Then do Washington education dollars build my neighborhood schools? No. We are not talking about building schools, paying teachers, buying textbooks or supplies.

The Federal dollars we are talking about go to very specific programs, primarily to assist State and local governments in efforts for special populations: Disadvantaged, individuals with disabilities—Federal dollars go to assist State and local people in that population. I stress assist, because, once again, the bulk of the funds come from the States and the localities. I will address that in just a moment. It goes to assist those with special needs: Bilingual education, drug use prevention, dropout prevention and so on. Some assists with research.

The programs with the largest outlays in the Federal dollars are Indian education, impact aid, school improvement—that is drug-free schools—math and science improvement kinds of things, education for the disadvantaged—we call chapter 1 programs—and, as I say bilingual education, special education, rehabilitation services for those with disabilities, some vocational, libraries and so on.

I alluded, in my opening comment, to my experience as chairman of the Strategic Planning Commission for Education in the State of Utah. We looked over the budget. That is where you start. You look at the numbers. And as the folks were outlining the budget to me, I said, "Can we move any money from this to this?"

I was told, "Oh, no. You cannot move any money from this function to that function."

"Why not?"

I am coming in as a businessman, all excited with this assignment from the State board of education. I am going to show them some sound business practices—all the naivete that comes with that kind of assignment, with those who really do not understand what they are getting into.

I was told: "You cannot move this money from this program to this program because when it is over here, it is matching Federal funds."

And naively I said: "Oh, matching Federal funds? OK. I understand that. We are spending 50-cent dollars, are we? The Fed put up 50 cents, and we put up 50 cents. I can understand that. Is it not wonderful to spend 50 cents out of every dollar?" "Oh," they said. "Bob, you really are naive. The Feds do not put up 50 cents. The Feds will put up 15 cents and require you to match the 85." "Oh. Well then," I said," "in that case, if we do not like the program, let us just tell the Feds to keep their 15 cents, and we will spend the 85 cents someplace else." Once again, with the shake of the head, "Bob, are you naive? You have to put up the 85 cents whether you want to or not. The Federal law requires it." I said, "Wait a minute. What is it? Matching funds? Matching means 50-50." They said "No.

Matching means whatever the Feds decide it means." "You mean we cannot refuse the 15 cents? We have to take the 85 cents, whether we want to or not, and spend it in this program?" They said, "Now you are beginning to understand."

I said, "What would happen if we did refuse the 15 cents?" They said, "The Federal Government would sue you. And they would win." I said, "Isn't there any program of matching funds where the Feds put up at least 50 cents out of every dollar?" They said, "Yes. There is one program where the Feds put up 50 cents out of every dollar. It is school lunch. But everything else the Feds put up less than 50 cents and the States have to put up more."

So they said, in effect, even though the Federal Government only puts up 6 percent of the total educational budget, the Federal Government controls the State priorities through this process because they distort how you are spending your State funds. My first education, if you will, in education and the discovery of how intrusive the Federal Government can be. Somehow I came back here with the desire that that ought to be changed. And this budget resolution which begins to level out rather than continue to spiral up Federal spending, I think, gives us an opportunity to effect that kind of change.

We have heard a great deal on this floor about the cost of college education, how we need to bring down the cost of college education, to do something about student loans, as this budget resolution does, and that it would be devastating to every college student who has to borrow money to go to college. Now, in this debate they are ignoring one very important thing when they say that.

I am about to yield time to the senior Senator from New Mexico because he has a chart on this and is ready to talk to us about that.

The important thing to remember is that the Congressional Budget Office has told us that, if we adopt this budget resolution, interest rates will come down. That means students who borrow money to go to school will have to pay back less because they have lower interest rates. Not only those students who are borrowing student loans, but also those students who, for one reason or another, cannot get a student loan will also benefit as a result of this budget resolution. The benefit will be across the board. All students who have to go into debt to pay their college education, whether themselves or their parents, will benefit as a result of this budget resolution, and you are diluting that if you adopt this amendment.

Mr. GREGG. Mr. President, will the Senator from Utah yield for a question?

Mr. BENNETT. I am happy to yield for a question.

Mr. GREGG. Does the Senator from Utah think there is a certain amount of irony in this? You have these Members from the other side of the aisle who I know come here in good faith, spending money which is basically the result of the efforts made by Members on our side of the aisle to get the budget balanced, which dollars are generated by a scoring of a balanced budget, as a result of which the CBO says they can score a 2-percent reduction in interest rates.

So the money which is being used in this amendment to fund this alleged expenditure, or this expenditure they are proposing, is generated by a 2-percent dividend which is the result of the drop in interest rates. Yet, they totally ignore at the same time that that 2-percent dividend in a drop in interest rates will run to the benefit of all the students who are borrowing money, all the homeowners who are borrowing money, all the people who have credit cards, all the folks in this country who are involved in the use of credit, whether it is for a home or for getting through the day with their Visa card or MasterCharge card, or whether it is their education.

So they are perfectly happy to spend the money that is generated by this 2 percent dividend, but they give us no credit for scoring the benefits to the students of this country as a result of getting that 2 percent dividend.

Is not that ironic?

Mr. BENNETT. I agree that it is ironic. But it goes beyond that, if I may respond.

The adoption of this amendment would imperil the creation of the so-called special fund or discretionary fund at the end of the process from which they intend to take the $40 billion. In other words, if in fact more money is spent on education than is called for in this resolution, the fund at the back end will not occur and, therefore, it will not be available to them to pay for the $40 billion that they are spending. The only way that can be there is if the budget amendment is held intact.

So it is not only ironic; it is fiscally impossible for you to do both things at the same time.

Mr. GREGG. If the Senator will yield for an additional question.

Mr. BENNETT. I will yield for an additional comment.

Mr. GREGG. I think this point is very important to emphasize because I asked my staff. If they are going to continue to spend this 2 percent that is generated as a result of interest rates coming down, should not we at least find out what that benefit is to the American people generally, not only in the area of deficit reduction but generally? So I asked my staff. They talked to the people at the Federal Reserve and found what the gross consumer debt is in this country and what the gross home ownership debt is in this country. One can make a simple calculation. What is 2 percent of that worth to the American people? They did that. I am not sure how good their math is, but their numbers say that the 2-percent savings on the gross consumer debt, which happens to be $928 trillion, 2 percent savings——

Mr. BENNETT. Was that $928 trillion?

Mr. GREGG. That is right.

Mr. BENNETT. I think the Senator missed a decimal point.

Mr. DOMENICI. That is the entire consumer debt.

Mr. GREGG. The entire consumer debt. The Senator is right, "billion dollars"; $928 billion.

Mr. BENNETT. The entire worth of the country is about $27 trillion.

Mr. GREGG. Just a second. I will get to the trillion dollars. The 2-percent savings on that is $18 billion annually. On home ownership mortgages, the entire debt is $4.3 trillion—$4.3 trillion—which means that the annual savings on that number is approximately $90 billion.

So you put those two together, and you are up to $100 billion of savings in interest costs that we are going to generate for the American consumer over the next year, every year that we have in place this balanced budget.

I did not happen to get the number for what the gross amount is of student loans, but I think that would be a very interesting number. The gross amount of student loans which we have in this country, take 2 percent off that, and I suspect you are going to see that the dividend to the students in this country far exceeds the number which is being considered here over a 5-year or 7-year plan.

I think this is critical to understand because there is nobody on that side, nobody, who is going to vote to institute the type of changes that are necessary in order to get to a balanced budget which generates this dividend, this reduction in interest rates.

I think it is critical. I appreciate the Senator from Utah correcting my math. That is deeply critical. But I think it is very important, as the Senator from Utah has pointed out; it is a very significant fact.

Mr. BENNETT. I thank the Senator.

I have two observations. One is a personal one. I remember when I went to the University of Southern California where my son decided he wanted to go. I went there with some fear and trembling because I did not think I could afford to have him do that, my two other children having gone to much cheaper institutions financially.

I said, "Can I get a loan?" They said, "Well, what is your income?" I told them my income. They said, "Well, we are not sure. Do you have any other children in college?" I said, "Oh. Sure." I have six children and not all of them were in college at the same time but enough were. They said with other children in college I could get a loan. I said, "Good. At a lower interest rate?" "Oh, yes. Subsidized interest rate." Then they said, "By the way, what is your house worth?" I was living in southern California at the time, and real estate prices had gone sky high. And when I told them what my house was worth, they said, "There is no way in the world you can qualify for a loan with that much net worth." The only way I could get that son in school was to take out a second mortgage on my house. But I could not get it subsidized with a Government program because my house was worth too much.

So, on a personal basis, bringing down the interest rates 2 percent on my home loan would have been tremendously valuable to me in terms of what I could afford for that student. And that goes to the point I was making earlier, which is this budget resolution, if passed intact, will not only benefit those students that are getting student loans from the Government but the over 50 percent of students whose loans are not subsidized by the Government but whose parents are paying for it directly.

I refer you to the chart which the senior Senator from New Mexico has placed on the floor, and I ask the Senator if he would care to take us through that.

I yield such time as the senior Senator from New Mexico may require.

Mr. DOMENICI. I thank the Senator very much.

Mr. President, I am not sure that Senator HARKIN would be within earshot of these comments, but actually, from my standpoint, I would just suggest he very much wanted to speak and apparently did not get a chance. I would have no objection if he wanted to use 5 or 6 minutes of our time, if he appeared here shortly on the floor, I say to the Senator.

Mr. BENNETT. I would have no objection.

Mr. DOMENICI. If the Senator would like to come to the floor, I will yield him 6 or 7 minutes if he wants to speak. We will try to work it out where he does not get the last remarks, just as a matter of principle but, otherwise, I would not mind at all.

Mr. President, maybe what I will do for a few minutes is just go through about 5 charges, what we have been charged with doing in this budget, and respond to it in terms of what we think we are doing. So maybe I could just take a few minutes and do this.

Yesterday, I was on the floor and heard this. I would be very surprised if it was not said again today. Under the Senate resolution, thousands of students will not have access to Pell grants. Remember that statement?

Response: The budget resolution before us makes a number of assumptions and comes out with exactly the amount of money saved and spent in this resolution. The answer to that charge is: Absolutely false. The Senate resolution assumes no changes in the Pell grant program.

In fact, the report accompanying the resolution states clearly current law funding for Pell grants is assumed. The Pell grant program, while a discretionary program and thus up to the appropriators, is funded on the basis of eligible population. The resolution assumes that this will continue to be the case. The Pell grants will be $2,340 per student. The Senate resolution has no change in current law.

Next one. Charge: Under the Republican plan—and this is the most gross charge and grossly erroneous charge—it will cost graduate students $40,000 more to go to school.

Response: This argument is based upon the assumption that the student borrows the maximum amount for all 4 years of undergraduate education, for 2 years of graduate school, that interest accrues during that entire period while the student is in school, and they repay the loan over 20 years.

Now let me suggest, the Senate plan does this: For the above student that I just referred to, interest costs would accrue during school only for those loans taken out as a graduate student, not undergraduate. Under the Senate plan, under the most extreme case, for example, if a student borrowed the maximum amount, $65,000 over 6 years, and took 30 years to repay—not 20, but 30; so we even make it a longer period of time—their cost would rise by 10 percent over what they would pay under current law.

Under current law, this student would repay a total of $173,605. Under the Senate plan, in an extreme case, affecting less than 1 percent of all students—that is why I used it; it is an extreme case—we would add $17,000 over 30 years, not $40,000 over 20, and only 1 percent of the students borrowing money today would be affected by that most extreme scenario. And they are all graduate students. Now, that is the truth.

Charge: Under the Senate resolution, it will cost undergraduate students an additional $5,000 repayment of their loans.

Our response: That assumption is based upon the premise that an undergraduate student borrows the maximum amount allowable each year for 4 years, and that interest accrues during the in-school period.

Again, this is false. The assumption about the Senate resolution is false and is being done in a vacuum. The Senate resolution assumes current law with respect to undergraduate students while they are in school. Under current law, while they are in school, their interest will not accrue until graduation.

Under the Senate balanced budget resolution, a student who borrows $17,125 over 4 years will pay an additional $182 over the 10-year repayment, for approximately $1 per month.

Now, I could go on, but I will insert in the RECORD the charge about middle-class families not being allowed to send their children to college. That is an allegation, a charge.

Response: For all students, the plan provides a current growth in loan volume as projected by the Congressional Budget Office.

According to the Congressional Budget Office, the availability of loans for students at much lower cost than what they could receive in consumer markets will not be limited in any way under this budget plan.

Under this Senate plan, students will receive $26 billion in 1996. The level of available loans will continue to rise to $33 billion by the year 2000.

Over the next 5 years, $151.4 billion in student loans will be available.

Now, Mr. President, I am quite sure that for those who listened to the debate, they would never have assumed that that is the case, for they would have assumed the Republicans do not understand the value of education. They would have assumed that we just set out on a course to say even those programs that are successful, we are for cutting them, tightening them up, getting rid of them, none of which is true.

Mr. President, I would like very much to go through this chart for a minute and then tell the American people what we are trying to do.

Here is the way the undergraduate program looks.

Current law, original principal and amount borrowed, $10,000. Senate budget resolution, same, $10,000. Difference, zero.

Amount used to pay fees, $400; $500; $100 in additional fees.

In other words, we are having the student pay a little bit of the fees, $100.

Amount available to pay education costs over 10 years, $9,600; $9,500; minus $100.

Original principal amount of repayment, $10,000; $10,000. Difference, none.

This next one, the accrued interest during 6-month grace period. This is the change. Right now, you have 6 months after graduation and obtaining the degree before interest starts to accrue. So during that 6 months, there is zero. In the suggested program in that budget resolution, you do not get that 6-month grace. You start paying interest—$330 total amount at repayment. You would have thought these undergraduate students were going to end up paying three or four times what they are paying—$10,000; $10,330; plus $330.

Perhaps there are some who would like to say, "We can't afford that. We just cannot do that. Do it somewhere else." Or, "Do not get a balanced budget. Just charge the future generations. That is a little, tiny bit of money."

Repayment at a standard 10-year monthly payment, $123. Estimated after the balanced budget, $124. Why? Interest rates come down. The amount is $1.

Somebody might say, "But what if those interest rates do not come down?" Let me see if I can read what happens. This one is changed to $8, Mr. President. So instead of $1, which we assume will be the case, a $1 increase, it will be $8. This is the entire student loan program, $26.6 billion. Are we cutting the $26.6 billion? How much is it going up to? One hundred fifty-one billion dollars over 5 years, that is what we are recommending this loan portfolio be for undergraduates. Cumulative repayment.

College students of America, your contribution to helping us balance the budget of the United States under the student loan program is $1 a month increase, an astronomical amount over the 10-year repayment of $142. Frankly, I will take my chance on that on any campus in America. I will go tell the freshmen and the seniors: For your student loan program, do you want to share a little bit with us the sacrifice so we can get a balanced budget, or do you want to listen to people who say to do that is to destroy universities, is to eliminate opportunities for all our children, all those wanting to go to college?

I do not believe that is the case, and I do not believe the young people in college feel that. If we were not going to get a balanced budget, and we were just going to run around here like we have been doing for all these years and tinkering around the edges and say we will take care of that some day, some day some year—in the meantime, get your college degrees and go to work and then we will make you start paying off these bills. Not these bills, these other giant bills, these billions that we are going to charge to you, you college students, we are going to make you pay them off, I would think they would jump for this proposition. Frankly, that is not all.

We have been accused here of cutting title I for the poor children. Let me tell you, I do not know whether the appropriators will cut it or not, but we left it at current law. We did not even touch title I. It needs a lot of reform, everybody knows that. It has been reformed somewhat. We did not touch it. We said it is a good program.

You know, Mr. President, we do not have the time to go through every charge, but I thought it might just do a little bit of good to put in perspective one program that people are talking most about. That is the undergraduate student loan guarantee program. I think we have done that fairly well here, and I thank the Senator for yielding.

Mr. BENNETT. I thank the Senator. Mr. President, how much time remains?

The PRESIDING OFFICER. The Chair advises the Senator from Utah that there are 20 minutes remaining. I notice the Senator from Idaho on the floor. I yield 10 minutes to the senior Senator from Idaho.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CRAIG. Mr. President, let me thank the Senator from Utah for yielding in what is really one of the most important parts of the debate as we consider Senate Concurrent Resolution 13, and that is a portion of the debate that most of us would consider, and many would argue from the other side, is a portion of the Federal budget that is an investment in the future, an investment in the education of our young people.

While the amendment of the Senator from Iowa and South Carolina would argue all of these very worthy issues and attempt to put them in perspective, what they are really arguing is against a balanced budget. They are largely arguing that at least there should be somewhere near a $40 billion to $50 billion deficit built into the budget as we are now having it proposed to us, at least to the future, the next 5 to 6 years, and the dividend that the chairman of the Budget Committee and that Senate Concurrent Resolution 13 embodies that we believe would go into potential reductions in taxes that would stimulate the economy simply is not what ought to be done or how it ought to be spent.

So it really is important when you listen to the Senator from New Mexico argue about an investment in our young people's future. To begin to weigh just how important a balanced budget is, last year the Office of Management and Budget, I believe, proposed that young people in the very near future, at least in their earning lifetime if they were born last year, would have to start investing as much as 80 percent plus of their gross income into all forms of Government just to continue current services as they would be projected from last year into the future 30 to 40 years and into the peak of their earning capacity.

That is talking about the future. If I have to turn to the young people in my family and say you are going to have to pay 65 to 75 to 80 percent of your gross pay to afford all levels of Government, I am awfully afraid they are going to say: "Dad, I don't want to work that hard. What is the advantage in working hard to get ahead? I can't own a home or at least the kind of home that you and mom used to own. I am not sure I can afford to provide for my children the kind of education that you helped me get, because we cannot afford the Government that you left us."

So the reason I am on the floor tonight and the reason a lot of Senators have come to the floor the last few days and will through tomorrow and Wednesday is because for the first time in this Senator's legislative life in Congress, I have a chance to vote for a balanced budget amendment. No longer is it just the idea or the concept that since 1982 I have come to the floor to debate, and that is a constitutional amendment requiring a balanced budget, we are doing what the other side, the Democrats for over 5 weeks, challenged us to do: "Don't put forth an amendment, put forth a balanced budget. Don't talk just rhetoric, do it."

So the Budget Committee of the U.S. Senate and the Budget Committee in the House are doing it, and they are doing it in a way that absolutely begins to cause the American people to understand that this is not pie in the sky, this is reality. It can be done.

So, Mr. President, for the next few minutes, let me give you the top 10 list of why we ought to have a balanced budget amendment and why Senate Concurrent Resolution 13 is or should be rated as No. 1, if you are listing top 10 lists.

The first reason we ought to have it is the very reason I have been talking about, the very reason the Senator from Utah and New Mexico have talked about. It is our children, it is the future, it is providing them with an unburdened, debt-free opportunity to achieve. And when you strive to do that, you create an economic environment in which our colleges and universities can thrive in the very economy that supports them, and that is usually the State economy, and the local economies can also thrive.

What is the second reason in the top 10 list? It is jobs. It is the fact that DRI McGraw-Hill, one of the leading economic forecasting firms, has projected that a balanced budget will create 2.5 million new jobs by the year 2002. That is exciting to think that if we get our economic house in order that the economy of this country will begin to respond by the generation of an additional 2.5 million jobs. That makes a world of sense.

What is the third reason in the list of 10? It is the seniors, the seniors of our Nation, who I think really recognize what this debate is all about because they were born into a debt-free society. They were taught by their elders to live within their means, and it is awfully frustrating for them today to understand, or to try to understand, why we have a $4.8 trillion debt and why we are having to look at Government and attempt to downsize it and change it and shift the priorities today.

And when we debate Social Security on the floor, they understand better than anybody else that the debt is the threat to Social Security, not the U.S. Congress. The reason Medicare is in trouble is the spending rate and the fact that it will be bankrupt, and

President Clinton's own advisers said it. Yet, the other side ties their hands and walks away and uses the language of fear. The seniors understand that in this country. They know that the debt is the threat to Social Security, to the future of our young people, to the strength of our colleges and universities, and to Medicare.

What is the fourth good reason? Well, it is lower taxes. It is the stimulation of an economy. It is what makes sense in America, that we do not overburden our society beyond their ability, or their will, or their enthusiasm to produce.

The fifth reason is economic growth. It is not trickle down. It is called leaving money in society to generate an economic base that fuels an economy that creates jobs.

It really means if we do what we say we are trying to do, that we put $1,000 in every wage earner's pocket, that the Federal Government would have reached out and snatched away by 2002, if we pass this resolution and if this Congress becomes committed to a balanced budget amendment.

Reason 6 in that top 10 list is investment. Over $200 billion a year in annual deficits drag the economy down, and we know—and economists are telling us—that if we balance the budget, we are going to see an economy begin to pick up at another 2 or 3 percent annually. That is jobs. That is exciting.

Well, if you really look who is buying the debt, who is really taking advantage of a Government that is in perpetual debt and has to borrow a lot of money, it is an awful lot of overseas interest. We used to hear that argument from the other side. Somehow they are quiet today. They are not interested in the fact that we pay $75 billion or $80 billion interest that flows abroad when that money can stay here and be invested in our society and create jobs for our people.

Of course, what we are doing with this resolution also empowers the U.S. Congress to begin to look at the priorities of what Government really ought to be doing and, most importantly, what Government should not be doing; what State government ought to be doing that the Federal Government now may be doing but that it should not be doing. That is the kind of shifting in priorities that I think is fundamentally important. When we talk about the Domenici dividend and the $170 billion that will be saved and, therefore, create an opportunity through taxation to—reductions to stimulate our economy, that is the kind of empowerment that our Congress is talking about.

The ninth reason is a reasonable and responsible glidepath. Anybody who has served in Congress any length of time who is committed to balancing a Federal budget knows, and knows very clearly, that it cannot be done overnight. It probably should not, under any circumstance, be done overnight. But this Budget Committee, with the direction of this side of the aisle, has built a glidepath to take us to the year 2002 that makes a heck of a lot of sense. And that builds the kind of economic resurgence we need and says to the average worker: You are going to have less Government to pay for. And, in simple terms, that means you are going to have more money to spend on yourself and your kids. That is what this budget really ought to be all about.

In the end, the 10th and most important reason is the people of our country. Seventy-five to 80 percent of the American people, year after year, for well over a decade, have said: Congress, wake up, balance the budget, get your fiscal house in order. The debt is really the threat to our future and the future of this country, and they, as the average citizens, know it. The common sense of balancing your own checkbook has already said it.

For years, we have labored under the burden that if we just spent a little more in every program, the world would be just a little better. We have put a lot of money into education, and our educational system today does not meet the test and standards that we want it to meet.

Mr. President, those are the top 10 reasons that the Harkin amendment ought to be voted down and that we ought to stay with Senate Concurrent Resolution 13, the reasonable approach toward balancing the Federal budget and forcing this Congress into the kind of spending priorities that it must make and it never before has caused itself to do.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. How much time remains?

The PRESIDING OFFICER. Eight minutes three seconds.

Mr. BENNETT. As per the previous agreement, I yield 4 minutes to Senator HARKIN and reserve the remainder for myself.

Mr. HARKIN. Thank you. I appreciate the yielding of the time so that we can have a few more minutes to respond and make a couple of points on this side.

First of all, the Senator from Utah is a very thoughtful individual. I wanted to respond about some of the comments he made at the opening of the debate in regard to reviewing on a regular basis and changing education programs. I want to assure the Senator that on a regular basis, our committee, the Education Committee, reviews—as we do in the authorizing process every year—and has hearings, and we do change programs. We are doing that right now with IDEA, Individuals With Disabilities Education Act; we are changing it. Last year, we reauthorized the Elementary and Secondary Education Act, and we made several changes to the title I program. We rewrote the formula. It was quite a fight around here, as the Senator probably remembers. That went on for several months. In 1992, we reauthorized the Higher Education Act and again made changes, in responding to the concerns of our constituents. For example, one of the changes we made concerned a lot of farm kids with parents that were land rich but had no cash. They had a farm but did not have any money. We changed that so these kids could be eligible, also, for financial assistance.

Finally, every year the appropriations process also does its part. For the 6 years that I chaired the subcommittee, we eliminated programs every year. Last year, more than a dozen education programs were just eliminated. I wanted to respond to the Senator that we do take our responsibility seriously, and we do have the authorizing process here under which we do, in fact, review these programs and get rid of some in the appropriations process, change them as times and circumstances demand. I feel very strongly that trying to use the budget process to maintain certain changes without having gone through this authorizing process and without looking at the history, I think, is really the wrong approach on this.

Finally, I wanted to respond to the chairman of the Budget Committee, Senator DOMENICI, in talking about some of the figures and how they add up. When you look at the assignment from the new GOP budget, the numbers do not add up. They require a $13.7 billion cut. But when you look at what the Budget Committee proposed in privatizing Sallie Mae, we get no money. Maintaining long-term interest rates for student loans, we pick up about $229 billion. Extending the State default fee to direct loans, we get $702 billion. Eliminating in-school interest subsidy for graduate students, $3.3 billion. There is about $4.257 billion in the instructions of the Budget Committee. Yet we are supposed to cut $13.7 billion. Maybe this is why I am so interested in putting more in education. This math does not add up. I hope the chairman will look at his math. And $13.7 billion does not equal $4.257 billion. So there is a gap here of money that needs to be raised.

I submit, Mr. President, that really the only way we can possibly get it would be through the undergraduate student loan program, which is the only program large enough under which we can get the missing $9 billion.

Finally, the budget chairman claims to hold the Pell at the current level. But if we add inflation and the additional growth of students, that comes out to be a 40 percent reduction in value of the grant by the year 2002.

What is now about a $2,500 a year grant will now be down to about $1,600 by the year 2002.

The PRESIDING OFFICER. The time of the Senator from Iowa is expired.

UNANIMOUS-CONSENT AGREEMENT

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate considers the conference report accompanying H.R. 1158, the supplemental rescissions bill, that it be considered under the following time agreement: 20 minutes under the control of the chairman and ranking minority member of the Appropriations Committee; 30 minutes under the control of Senator MCCAIN; 10 minutes under the control of Senator FEINGOLD; 15 minutes under the control of Senator WELLSTONE; and that following the conclusion of the debate, the Senate vote, without any intervening action or debate, on adoption of the conference report.

I understand this has been cleared with the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, we have come to the end of this debate. We have heard a great deal about education, a great deal about numbers, whose numbers add and whose numbers do not.

Mr. President, I will not try to repeat or summarize all the rhetoric that has gone down. There is one point that perhaps has not been adequately made that needs to be understood by all Senators before we vote.

If we pass this amendment, the entire $170 billion reserve is lost. The $170 billion reserve exists only if the Senate budget resolution passes as structured. It comes from the scoring of the CBO that says if this amendment passes as structured, the lowering of interest rates and other economic activity that will occur as a beneficial result of this budget will produce an additional $170 billion.

If the budget does not pass and is not enforced as structured, the $170 billion will not be there. So the $40 billion that is taken in additional spending breaks through the one condition that the CBO laid out when they promised the $170 billion—I am informed by the chairman of the committee that if this amendment passes, the $170 billion that we thought would be available to the Finance Committee for consideration for other purposes will, in fact, not be there. And the whole $170 billion will disappear.

If for no other reason, Mr. President, that alone is reason enough to vote down the Harkin amendment.

We must recognize the work that the Budget Committee has done and how carefully they have structured all of their numbers, how carefully it has been examined by the CBO, and on what thin ground the $170 billion reserve fund rests. It is not thin ground in the analysis, but it is thin ground in terms of the ease with which the ground could be cut away by amendments that break through the overall limit.

If we, in our wisdom, decide we want to increase the budget by that $40 billion, meaning there will be no balanced budget by the year 2002 because there are no offsets in the Harkin amendment, meaning that we do not reach our target, then what the CBO says the cost will be, will be $170 billion gone in the form of lower interest rates and lower economic activity.

The Budget Committee, as I understand it, did not put that in. It came from the CBO after the analysis. Senators must keep that in mind as we cast this vote. I yield the floor.

VOTE ON AMENDMENT NO. 1116, AS FURTHER MODIFIED

The PRESIDING OFFICER. The question now occurs on amendment numbered 1116, offered by the Senator from Maine [Mr. COHEN].

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—99

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NOT VOTING—1

Gramm

So the amendment (No. 1116) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. President, may we have order, please?

Mr. President, the pending Harkin amendment is not germane to the provisions of the budget resolution. Pursuant to section 305(b)(2) of the Budget Act, I raise a point of order against the pending amendment.

MOTION TO WAIVE THE BUDGET ACT

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305 of that act for the purposes of the Harkin amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion from the Senator from Nebraska to waive the Budget Act for the consideration of amendment No. 1117 offered by the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The yeas and nays resulted—yeas 47, nays 51, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—51

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Bradley
Gramm

The PRESIDING OFFICER. On this vote the ayes are 47, the nays are 51.

Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected.

The amendment expands the subject matter contained in the underlying resolution in violation of section 305(B)(2) of the Congressional Budget Act. The point of order is sustained. The amendment falls.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, we have had a lot of inquiries as to what will happen the remainder of this evening. We are still discussing this with the Democratic leader, Senator DASCHLE. Let me indicate what I hope will happen for the remainder of the week.

As I understand, when we complete action today, if we stay 5 more hours, there will be about 15 hours left on the resolution. And then tomorrow, to accommodate the other side for their fundraiser, we can only go to about 6 o'clock, but we can still maybe get 8 hours in by working through the lunch hour—or 10 hours—and start at 8, 8:30. So then that would leave 5 hours remaining on Wednesday. If we start early on Wednesday, we hope to finish this bill by mid-afternoon on Wednesday and, I assume, as in many other cases, there will be a number of votes before final passage.

Amendments will be called up and voted upon. You could have 2 or 3 hours of votes because we want to move to the antiterrorism bill, hopefully, on Wednesday, try to complete action on that Thursday or, if not, on Friday. We indicated to the President we would do that.

It is my hope we can have a bipartisan effort so that we can pass that legislation before the Memorial Day recess, as we indicated to the President we would.

We are not in a position to indicate there will be no more votes, but there will be no more votes at least until 9:15, 9:30, if that is of any help to anyone. Otherwise, we will be here a number of hours and there will be votes. If we are here, we could have votes.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we on our side are entitled to an amendment. Senator ROTH is going to offer an amendment. I designate him to be in control and manager of the time on our side.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 1121

(Purpose: To express the Sense-of-the-Senate that the number of Federal full-time equivalent positions should be further reduced, and for other purposes)

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 1121.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the resolution insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING FURTHER FEDERAL WORKFORCE REDUCTIONS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include that the reductions in Federal full-time equivalent positions required under section 5(b) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 3101 note) should be further reduced to provide that—

(1) the total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; and

(2) of the additional reduction of 200,000 full-time equivalent positions provided for under paragraph (1), no more than 50,000 shall be within the Department of Defense.

Mr. ROTH. Mr. President, my amendment would express the sense of the Senate to reduce the number of Government-wide full-time equivalent [FTE] positions over the next 7 years. It is consistent with the Domenici budget to streamline and eliminate several Government functions and programs.

The amendment provides for a reduction of 200,000 positions by 2002 in addition to the already enacted reduction of 272,900 FTE's by 1999 in the Federal Workforce Restructuring Act of 1994. That legislation included government-wide annual FTE caps on civilian employment as well as provided buyout authority to help agencies downsize in a more humane fashion.

The Domenici budget calls for the elimination of the Department of Commerce, an idea that I have endorsed since the early 1980's. It also calls for the elimination or phase out of nearly 150 Federal programs and functions. My estimates show that with these programmatic changes, over 150,000 positions could be eliminated in non-Defense agencies by fiscal year 2020.

My amendment limits the overall reductions within the Department of Defense to 50,000. Current Clinton administration projections show that 208,000 of the mandated 272,900 FTE reductions will be within the Department of Defense. This amendment will help to achieve the originally intended balance to further downsize the non-Defense related agencies as well. My amendment is consistent with the Roth-Kasich Defense Department acquisition reform bill to reduce the number of acquisition personnel. According to the Congressional Budget Office, this reform bill would produce 42,500 in FTE savings with the Defense Department.

Current FTE reductions to comply with the 1994 Federal Workforce Restructing Act of 272,900 by 1999 are proceeding as planned. Further, OMB has estimated that the total civilian workforce will be approximately 25,000 below the existing FTE cap levels for 1995 and 1996.

Let me take just a few moments to explain the personnel savings that could be achieved within the acquisition workforce at the Defense Department. Despite recent efforts at improvement, DOD programs continue to experience significant cost, schedule and performance problems. A recent Defense Department study found that defense programs are over budget and behind schedule by one-third, on average. The Defense Science Board reported that "* * * without fundamental reform, DOD will be unable to afford the weapons, equipment and services it needs to provide for our national security." After spending billions of dollars this suggests our troops in the future could face an enemy who is better equipped, because of the failure of the current bureaucracy to efficiently procure weapons.

Last month, I introduced the Defense Acquisition Management Reform Act to address this situation. It contains two key elements. First, it busts the bureaucracy. It combines the three separate maintenance and procurement systems—the Army, Navy and Air Force—into one. This is a commonsense solution for incredible duplication and inefficient bureaucracy. In fact, this bill turns 20 levels of bureaucracy into 3, and eliminates hundreds of paperwork requirements.

We are proposing that the Pentagon use the lean, results-oriented approach employed by globally competitive high-technology firms. This will not only highlight results over process, but it will cut the timeline in half! As the result, the bill returns authority to program managers and those who actually use the weapons.

Second, it changes the incentives and rewards that drive the day-to-day actions of the individuals in the buying system. The Defense Acquisition Management Reform Act of 1995 gives managers and contractors the incentives they need to deliver their programs on time and on budget. If they deliver more than 10 percent ahead of time and under budget, they get bonuses. If they deliver more than 10 percent late or over budget, they are penalized. If they are more than 50 percent over budget, the program is cancelled. It is that simple.

These changes are only a few of the many features contained in this bill that will save the American taxpayers some $20 billion each and every year. As a part of these savings, we calculate that this bill will allow a reduction of the defense acquisition work force, currently estimated at 425,000, by at least

10 percent. This is a bill with teeth, different from past reform efforts because of the incentives and penalties that will affect the program managers. Pay for performance and busting the bureaucracy will make all the difference.

The act focuses on eight, key principles: First, expanding the 90 percent cost, schedule and performance goals established for defense acquisition by the Federal Acquisition Streamlining Act of 1994; second, creating a single, lean DOD acquisition command which is more responsive to the war fighters; third, more directly tying the pay of the work force to achievement of program goals; fourth, establishing an accelerated, results-oriented acquisition cycle which is more sensitive to user needs; fifth, speeding up the contracting process; sixth, instituting performance-based contract management which focuses on sharing with defense contractors the gain (or the pain) of meeting (or missing) program performance goals; seventh, requiring improvements in the financial management systems and procedures used to ensure the most effective stewardship of taxpayer dollars; and eighth, increasing the efficiency of acquisition operations through consolidation of military depots and elimination of duplicative defense industry capabilities.

Mr. President, as I said, the purpose of this amendment is to express the sense of the Senate that the number of Federal full-time equivalent positions should be further reduced.

It is a very simple amendment. It provides that it is the sense of the Senate that the assumptions underlying the fundamental totals in this resolution include that the reductions in Federal full-time equivalent positions required under section 5(b) of the Federal Work Force Restructuring Act of 1995 should be further reduced to provide that, first, the total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; second, of the additional reductions of 200,000 full-time equivalent positions provided for under paragraph 1, no more than 50,000 shall be within the Department of Defense.

Mr. President, I urge the adoption of my amendment. I yield the floor.

Mr. GLENN. Mr. President, I rise to oppose the amendment by my colleague and committee chairman on Governmental Affairs. I do it, although this is a sense of the Senate and is not binding on the Senate. I am afraid that it sets out goals that are not achievable.

Let me go back. The new administration came in. One of the things that they set out to do was to downsize Government. They have been doing a pretty good job of it. They have been getting very little credit for it. They have been doing a pretty good job. First off, they do not go about their task of downsizing Government just by picking a number off the top of their head to set out as a goal for reducing the full-time employees of Government, the FTE's.

What they did was have the Office of Personnel Management actually make estimates, department by department, agency by agency, all over Government, and come up with a total of what they thought was really doable.

Mr. President, they set out to have the Office of Personnel Management do actual estimates, the numbers of full-time employees that the managers, doing the work of Government, thought they could do without. They came up with a total. It came out to 272,900, to be done over a 4-year period.

Now, Mr. President, that was doable. That had a basis in fact, a basis in the estimates that were made by the various departments and agencies.

Now, that was a very studied approach. As a result of that, we had fewer reductions in force where they are mandatory, where they call people in and fire them. That was not necessary.

What we did was we provided for buy-out legislation, put some money in the kitty so they could address this problem of getting people to leave Government, not just solely by attrition, because attrition, unfortunately, occurs in the lower GS ratings and fewer in the higher GS ratings. That is understandable, more turnover at the lower level.

What they did was they asked Members to go ahead and set up buy-out legislation. We did that. I proposed that in committee. We had it patterned after the civil service ratings, on the same basis we had provided for the Pentagon some time before on reduction in force over there, and doing it in a way where we did not have to really just call people in and fire them. We wanted to do as much as we could by attrition but have buy-out legislation to encourage people to get out if we needed to use it. That has worked very, very well. It was one of our better administered plans in Government.

Let me say that along the way we had an additional thing we were trying to achieve with this buy-out legislation. Through the years, great inefficiencies have developed in the Government in our hiring and staffing patterns in that we had about one boss, one supervisor, for every seven employees in the Federal Government, just on an average. Some areas that required higher level GS ratings, as NIH and places like that, would be different, but overall across Government, there was one supervisor for each seven employees.

Now, how does that compare to private industry? Private industry averages 1 to 15 on an average across the country for the average business. Some employee-intensive industries will vary from that ratio, obviously. However, there would be many on the other side that would balance it the other way. The overall ratio for the country is about 1 to 15.

With this buy-out legislation, we provided a way in which different departments and agencies could help correct that imbalance while we are getting people out. We wanted the buy-out legislation targeted at GS 13's, 14's and 15's so we could correct this imbalance. It has been working very, very well.

How far have we come with this goal of 272,900 people? Right now they estimate 108,000 people are actually out, and they are hoping by the end of the year to have the whole 272,900 reduced.

This was done on a very studied basis. It was not done just on picking a number off the top of our heads and saying, well, we will shoot for there and see how many more we can get out.

Nevertheless, whether this is a studied basis or not, it is set as a goal. How on earth would we meet it? We say that defense would be left out of this equation here except not completely left out. We say no more than 50,000 more shall come out of the Department of Defense. What is to protect NIH? What is to protect those areas—the Center for Disease Control in Atlanta? What is to protect the FDA? What is to protect areas of health and safety that we should be protecting, also?

My colleague on the other side of the aisle says, well, commerce is going to be put out of business, perhaps, if the plan goes through and some 150 Federal programs will be out. We do not know that yet for sure. We do not know what ones.

It seems to me that the approach we should be using is to set what we want to define as the functions of Government, not just swinging a machete wildly and say, pick a number, any number, off the top of our heads and say we will set that as a goal to meet as though we could do just as good a job in Government no matter how low we cut the FTE's down.

I think we should be defining the functions of Government first. I do not know that there was any real thought given on how we arrived at that 200,000. I would ask my colleague, Senator ROTH, the Senator from Delaware, how he arrived at that 200,000.

Where did he come up with that? Was it a studied approach such as OPM used on behalf of the administration to be used on behalf of the 272,900? That was not a figure just picked wildly at random, but arrived at by totaling the number of people that agencies and departments said they could probably do without. And we came up to 272,900 that could be cut. That was done on a very, very, studied basis.

I do not know how we arrived at this 200,000. I do not know, in addition, how much it will cost for a buy-out if we are not to just set out wholesale firing people. I know it was said we would try to do this as much by attrition as possible.

Let me say this: Attrition does not work if we are going to correct the imbalance between the supervisors or the bosses in Government and the employees that are the workers across Government. If we were just to take attrition, attrition normally occurs in the lower civil service ranks. It does not occur in the higher ranks. We specifically, in the legislation that was passed before that helped them along to get the administration's reduction of 272,900, we provided money in there, buy-out money, to help attain that goal.

That approach was worked very, very well. If we are to do this further downsizing as my distinguished colleague from Delaware indicates, then it seems to me we would want to continue this correction of the imbalance in the GS ratings as much as we possibly could. We are not providing for that in this sense-of-the-Senate proposal.

My colleague also talks about the procurement legislation, putting defense procurement all into one section. We still have different functions of Government to be performed, whether they are left in the individual services or combined into one section. We will still have to have people that do the design work, the evaluation work on airplanes, ships, tanks, infantry and tactics, and all of the other things.

I do not know whether that will save money or not. I am certainly willing to look at the defense procurement bill in 1995 and see how that works out. What my distinguished colleague from Delaware said a little while ago as far as time limits on this, if it runs 10 percent over dollars or 10 percent over time, that the contract would be canceled, if I understood his proposal correctly, I would say would almost certainly have precluded some of the major advances we have had in military equipment in the past.

When we procure military equipment we are not just procuring Ford and Chevy trucks off the line in Detroit, where you can predict exactly, with great accuracy, when they come off the line, how much they will cost, and when they can be delivered.

We are talking about tanks that, as you go along, may need some change to the original design. We are talking about the development of lasers, where you do not really know the cost, exactly, nor the time, yet you know it is worthwhile to go ahead and develop that particular capability.

On guided missiles, we rarely know exactly when, what date they are going to come into active service on because, as you go along, you find problems. The same thing with aircraft. Yet we do not want to say that every aircraft that we design for the military would have to be such a simplistic design, not getting into state-of-the-art matters, that it could possibly adhere to an absolute 10-percent dollar or 10-percent time limit or have its contract canceled. You are not talking about things that are that neatly developed and that much here and now.

Many of these are programs that need to be developed and I do not know how you would take care of something like that.

I am happy to look at the defense procurement legislation but I think we have to be very, very careful when we set hard and strict rules that say things will be canceled if they are 10 percent over budget or 10 percent over time. Perhaps bonuses can be given for coming in on time or coming in ahead of time. Maybe that would be a different approach and I will be glad to discuss that and work with my colleague from Delaware in looking into that. But I think, to get back to the original proposal here on passing a sense-of-the-Senate resolution that just automatically says:

> The total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; and, No. 2, of the additional reduction of 200,000 full-time equivalent positions provided for under paragraph (1), no more than 50,000 shall be within the Department of Defense.

That leaves 150,000 other cuts in Government.

I just cannot in good conscience vote for something that maybe some people would interpret to mean cuts in FDA, cuts in NIH, cuts in the Centers for Disease Control; cuts in safety for our people, for health and safety matters for our people. We can say, "I know it is not likely that would occur." But do we have any guarantee it will not occur? And with other things being proposed, the big cuts being proposed in other areas within this budget resolution, I do not have much faith we would not have to take cuts in NIH and CDC and everywhere else. And I do not want to see that happen. I think that would be a major, major mistake.

So I rise in opposition to this legislation even though it is only a sense of the Senate. I know it is easy, sometimes, to say it is sense of the Senate so it is not really binding so let us not worry about it, let us pass it and we will work it out later on. But I do not look at this as being quite so innocuous, because what we are doing is we are going on record saying the best judgment of the Senate of the United States is that we can, without defining where they would come from, cut another 200,000 people beyond the 272,900 that will already have been cut by this administration by the end of this year.

If we wanted to charge the Office of Personnel Management with going through once again at the end of this 272,900 cut and say OK, let us look at this now, see what the job is of Government, see how many people we need to do it, and can we really safely cut some additional people in Government without hurting the function of Government, whatever it is—NIH or FDA or whatever—then that would make some sense. But to just pick an arbitrary figure and say we will cut 200,000—we could just as well have said cut the work force in half. Cut the work force by 800,000. Cut the work force by half a million. It would have made just as much sense. But the 200,000 to me is a figure I would not want the Senate to go on record as saying that would be the objective, even in a sense-of-the-Senate resolution.

So, Mr. President, for all those reasons I oppose the amendment by my distinguished colleague from Delaware. I will be glad to work with him on some of the defense procurement legislation he is proposing, but just to go out and say we will automatically whack another 200,000 people out without knowing exactly where they are coming from or defining this, agency by agency, or department by department, would be a big mistake.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, has enough not happened over the last few weeks that this abysmal practice of beating up on Federal employees ought to come to an end? "Oh, it is just a sense-of-the-Senate resolution," the sponsor says. Nevertheless, it would represent a judgment of the Senate that we are going to cut the Federal work force another 11 percent over and above, I repeat, over and above the 272,000 reduction in force that has already been programmed; over and above that reduction in force.

At some point I hope people will reach the conclusion that Federal employees have a reasonable role and place in the workings of our system and they ought to be treated with a measure of dignity. Why, once again, are we landing with both feet on the men and women who render dedicated service to the country? They are already taking a very heavy hit in this budget resolution.

In fact, over the period of this budget resolution Federal employees will, in effect, give up $85 billion of pay adjustments that are provided for by law in terms of assuring them comparability with the private sector. Yet here some come, late at night, with this amendment. There is no study that backs these figures. They say, "We assume the Department of Commerce is going to be done away with." Even the people advocating the elimination of the Department of Commerce are not advocating the elimination of all of the programs carried out by the Department of Commerce. When questioned, they in effect say, "This program is going to go here, this program is going to go there. Yes, this activity should continue." So most of those activities have to go on. They are important to the economy of our country.

Now we are going to say to the Federal employees: Over 11 percent of you are going to go by the board, over and above the reduction of 272,000 which has already been programmed and which is well underway. In fact, now well over 100,000 of those positions have been phased out in the course of the reduction that is taking place, and the rest are projected to accrue by the end of the century.

This amendment says to people who have already been through turmoil, who have already had all of the worry and the anxiety connected with these reductions, "Well, now there are an additional 200,000—well over 10 percent of those of you that are left—who are on your way out."

What do you think that does for the morale of the work force? What do you think that does for the health of their families? What do you think that does to having a first-rate Federal service? We have a national interest in having a first-rate Federal service. You do not want a second-rate Federal service. But, if you continue in effect to assault people, keep them in this state of agitation and anxiety and fear and apprehension, you are well on your way to bringing about a second-rate service. People have other opportunities. Good people have other opportunities and will leave to take them. Good people will not come in because they do not want to live in this environment. This is not a rational, sensible proposal. It is not a proposal that is grounded on some thorough analysis working up from a real examination of activities. It arbitrarily imposes this upon the work force." We have had far too much of that.

For years the Federal employees have been a favorite target. Take it out on the Federal employees. Call them "bureaucrats" with a sneer. Deprecate the work that they do. How long is this going to go on?

Are my colleagues finally going to begin to say these are dedicated people, the vast number of them. They render important service. Many are highly trained and highly skilled. They are proud of the work they do. They give a good performance. They carry out very important and essential functions. Yet, many constantly berate them, denigrate their work, treat them not even as second-class but third-class citizens. Now they come along and make these proposals. Proposals that have not been worked out carefully. They propose to go ahead and slap the Federal employees once again, or twice again. After all, they are a favorite target, even though they are making, and have made, extraordinary sacrifices throughout this deficit reduction process.

Literally tens and tens of billions of dollars for the deficit reduction process have come out of the Federal employees. Now the offeror of this amendment comes along and says, despite the downsizing of 272,000 which is now on track to be carried through by the end of the century, let us add another 200,000 to it; over an additional 10 percent of the work force.

At some point enough is enough, and this ought to be the point. We ought to stop this practice of berating the Federal employees and stop now.

Some say, "Well, it is only a sense-of-the-Senate resolution." I simply say to them, that the message that is sent to the Federal employees, and the message sent to the public at large about the Federal employees, is every bit as strong in this sense-of-the-Senate resolution which the Senator from Delaware has introduced as it would be in a piece of binding legislation.

Mr. President, I say to my colleagues, it is time to stop this abysmal practice. These employees have sacrificed a lot. They ought not to be held under this sword of Damocles hanging over them, and be kept in this state of turmoil and apprehension. We ought to have some sensitivity for the situation in which they find themselves, and reject the constant assault that is made upon hard working, dedicated men and women in the Federal service. They deserve to be treated with some measure of dignity. This resolution does not do that. I hope it will be defeated.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I ask if the Senator from Delaware will yield time on the amendment.

Mr. ROTH. I will be happy to yield as much time as the distinguished Senator from Pennsylvania may desire.

Mr. SANTORUM. I thank the Senator from Delaware for the time yielded.

I would like to first just respond to the comments made by the Senator from Maryland. I am the son of two Federal employees. My parents worked for the Federal Government for their entire careers.

I think the Senator is right. I think Federal employees do get beat up on a lot. A lot of them are doing the best they can in a system that is not working particularly well for them, a Government which was designed under the theory of bureaucracy, a theory created prior to the invention of the typewriter. That is how we wrote our Federal Government.

So to saddle them with a bureaucratic organizational structure in an era where we are debating a telecommunications bill that is going to move us into the next millennium, which was unthinkable as much as 10 years ago, to saddle them with that and to suggest that they can perform their functions is almost asking too much of them.

In addition, to suggest that the number of Federal employees in this information age cannot and should not be reduced, as it is in every private sector employment of any major corporation, is again not to face reality, that in fact structures must change, delivery systems must change, theories that ran our Government from the time of the revolution to now must change, and as a result the Federal complement of employees must change, as it is in every major corporation in the country of any size.

I would daresay that if the Senator from Maryland suggested we had a 10-percent cut in employment, we cannot afford another 10 percent, I would look to any major company in the country that has not cut their work force by 5, 10, or 20 percent or more. We have to do the same thing here. We have to understand that we have to deliver services more efficiently using technology that is available for us to do it better, cheaper, more efficiently and with less people in many cases.

So I do not think the argument—at least my argument is not to look at these Federal workers as terrible, these do not do a good job. I disagree with that. I think the Federal workers that I know—and I know lots of them—work very hard, are very concerned about their job and want to do the best they can, and in the most of the cases are hamstrung by their own internal operations from doing the job that they wanted to do. But to suggest that now as we move into this information age that we cannot modernize like everybody else and as a result of that modernization be able to downsize the work force I think just flies in the face of what is going on in the entire world around us.

Government should reflect what the country is doing, and what the private sector is doing to be able to streamline and make more efficient.

I would suggest that there is one Federal employee who is not doing a very good job, who does need to be scrutinized more in this debate in particular; that is, the President of the United States.

If there is a Federal employee who is not facing up to the demands of his job and coming forward with solutions to solve problems that face this country, it is, in fact, the President.

We have the President now standing tall and firm against deficit reduction by saying he is going to veto the rescissions bill which is trumpeted to be $16 billion but, as most of us in this Chamber know, as the Federal Government continues to spend money day after day after day, that rescission bill is not worth $16 billion any more. We might be able to get $9 billion in savings. But the President says, "No, you have got a couple of million dollars or so that I don't like and so we are going to throw the whole thing out." Leadership. Leadership.

In trying to solve the problem that is most pressing on the American public's mind and one that is front and center to this U.S. Senate these last 2 weeks when we are debating the budget resolution, where has the President been on the budget resolution? Well, he did present his budget earlier this year that called for $200 billion and $300 billion deficits for as far as the eye can see, which last week was voted down 99 to nothing, 99 to nothing. Hardly leadership, hardly visionary on the part of the President to put forward a budget that simply was a nonstarter on both sides of the aisle unanimously.

So where has he been? Where has the leadership been from the one Federal employee that we demand the most from? Nowhere.

And so I came to the floor last week and I said that I would be here every day between now and the 1st of October when the new fiscal year starts and remind Members of the Senate of the kind of leader we have in the White House when it comes to balancing our budget.

On Saturday, the President did not present a budget that brought this country into balance over the next 7 years. That was the third day that before the Senate was the balanced budget resolution. On Sunday, day four, the President did not present a balanced budget resolution. And today, day five, the President did not present a balanced budget resolution.

It is incredulous to me that the President of the United States, who said during the balanced budget amendment debate, the amendment to the Constitution, that we did not need a balanced budget amendment to move forward and solve the deficit crisis that faces us; that all we needed was our own resolve, our own resolve. This same President 2 years ago during his budget debate, his first one, in 1993, when he passed a large tax increase and a few spending cuts along the way challenged Republicans and said, "Where is your plan? Where is your plan? Why don't you come up with something? Show us your specifics?" He said "No hot air, show me where." Show me where.

The minority leader, Senator DASCHLE, on March 3, 1995, during the balanced budget debate said, "And for those who say we do not need a constitutional amendment to do the job"—that job being balancing the budget—"I think it is all the more important that we demonstrate that we can, that we are up to the task, that we can meet our responsibilities to make it happen correctly, to make it happen in a way that was foreseen when we passed the law setting up the budget process."

And what amendments have we seen? Are they amendments that have been brought to the floor by the other side of the aisle the substitutes to show us what their plan is to get to a balanced budget? No. Are they rearranging spending priorities to say we should cut from this area of Government and add to another area of Government in setting priorities? No.

What are they? They are amendments to spend more money, to take the reserve account, which is theoretical on the part of the Congressional Budget Office, that only occurs if we, in fact, have a budget that brings us to balance in 7 years. Then they give us a bonus of $170 billion because they figure lower interest rates, more economic growth, and lower inflation.

So this bonus now, what do they want to do? Do they want to put it toward the deficit? Do they want to give it back to you, the taxpayers, who paid it in the first place? No. We want to spend it right away. We do not want to wait until it accrues in the future. We want to spend it now.

This is responsibility? This is demonstrating that we can, that we have the resolve?

I suspect the American public has a hard time buying all of this—certainly, I have a hard time buying all of this—that the President and his party are serious about making tough decisions; about having ideas and vision as to where to take this country into a future that is a fiscally sound future; about having innovative approaches like the Senator from Delaware, who does not just and has not, as chairman of this committee, just proposed cuts in Federal employment. He proposes a performance-based budget which puts managerial goals for Federal employees to achieve, to give flexibility to managers, to make it more like a private sector employment place, to give the kind of flexibility that many Federal employees ask me, plead for me, to give.

So the Senator from Delaware is not just out here willy-nilly throwing numbers around. He is putting forward responsible proposals that have a vision as to where to take this country in the future. And you will see, and have seen from this side of the aisle, such proposals, and you will see more.

So I commend the Senator from Delaware for his amendment. I wish him success in that amendment.

I hope that I do not have to be here tomorrow. I hope that I do not have to be here with this chart. I hope the President has read the polls, seen the position he has taken is not one that is particularly popular with the American public and, more importantly, is not what is right for this country.

For this system to work, we need a healthy dialog and we need leadership from both sides for us to come up with this compromise and the strategy to move us forward

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President I would like to respond to my colleague from Pennsylvania briefly.

Mr. SARBANES. Would the Senator yield to me for a question?

Mr. GLENN. Yes.

Mr. SARBANES. I wanted to ask the Senator from Pennsylvania, if he is here tomorrow with his chart, will that fellow who puts the numbers up be here with him in order to make this demonstration work? I am just curious. Unfortunately, he left the floor once he got the number up. And I just wanted to know, if you are here tomorrow and you have to put a number up, will that fellow come back so we can catch another glimpse of him, the one who puts the next number up.

Mr. SANTORUM. His wife and kids like to see him, too.

Mr. SARBANES. I am glad to hear there is concern about his wife and kids, because I listened to this diatribe about the President, when we needed to talk about a very serious matter affecting the rank and file of the Federal employees. So I am glad to see there is some sensitivity.

Mr. GLENN. I yield 15 minutes to the Senator from Maryland.

Ms. MIKULSKI. I thank the ranking member for yielding such time.

Mr. President, I rise to oppose the Roth amendment to further reduce the Federal work force beyond the quarter of a million that we have already done under the Clinton reinventing Government framework.

I am concerned that we are engaging in a mass mania of who can rack up the biggest number. Every day there seems to be a bidding war on who can escalate the numbers of Federal employees that need to be laid off in this so-called downsizing of Government.

But make no mistake, every time we raise the number beyond a reasonable and rational level that we can achieve through technological innovation, we are not accomplishing downsizing; we are accomplishing downgrading.

The sense-of-the-Senate resolution essentially says what it is that the Senate wants to do. Well, I believe that we have already been on record to support reinventing Government as laid out by President Bill Clinton and Vice President AL GORE, looking at the best available management practices and technological innovation to reduce, in a rational way, the Federal work force.

What this says to 200,000 more Federal employees is we do not want you to show up; we do not value you; we do not think you are needed; we think your time is up and it is time for you to go.

Well, Mr. President, who is it that we do not want to show up? I want to talk about my own State of Maryland. I have the honor of representing the National Institutes of Health, which are located in the State of Maryland, and there are thousands of Federal employees working there from research scientists to lab technicians to back-up support services to security personnel.

Now who are we saying not to show up at the National Institutes of Health? Are we saying to that Nobel Prize candidate who could have a breakthrough in AIDS research, Don't bother to show up, we're downsizing, we're going to technological innovation, we don't need your intellectual competency, we'll do a computer simulation?

What will we say in this Decade of the Brain research to those scientists working on Alzheimer's research which killed my father—Alzheimer's killed my father—and if we can find a cure for it it would significantly reduce the health care debt in this country. Are we saying to NIH, Don't show up?

But let us not just stay around the State of Maryland. Let us go to the Centers for Disease Control. We now know Ebola virus threatens Zaire and could even possibly threaten the world.

We had a near outbreak in something called The Hot Zone in northern Virginia. If you read the book, you know what the story was. It was Federal employees at Fort Dietrick who were willing to risk their lives—willing to risk their lives—who were willing to go into the hot zone to kill the monkeys that carried this disease.

When you read the newspaper accounts—this is not MIKULSKI memos, this is newspaper accounts—that talk about how skimpy the resources are at CDC and in infectious diseases, they are stretched so thin that they are now afraid an accident could happen at the CDC exactly at the same time when we are asking for their help. The world is asking for their help to come and take care of the Ebola virus.

Let us talk about other threats to the safety and security of the United States. Let us talk about our law enforcement. Who else are we telling not to show up? Shall we say no more FBI agents, do not show up? Are we saying to the Secret Service, Well, you might be in the line of fire in one way, but we're going to put you in the line of fire in another way. We are going to tell them not to show up?

We in Maryland were willing to take a Federal prison. There is a medium-security prison right now in the Allegheny Mountains in the community of Cumberland. We have a Federal prison for medium-security prisoners. Are we telling the prison guards that they are superfluous, we are going to have better locks, better keys, maybe have chain gangs; we do not need you?

Well, I want those prison workers there. I want the bums and thugs off the street. I supported life without parole legislation. I have supported not only prevention programs but tough prison sentences. So are we going to tell the prison workers we do not want you; do not show up?

And then here we are now on the eve of celebrating victory in Europe, the end of World War II, and what do we say to the GI Joe generation? Oh, aren't taking your health care, but we are going to say no to the doctors at VA; we are going to say we are going to shrink the nurses; we are going to say we are going to shrink the lab technicians; we are going to say we do not need them. We are going to replace them with something called technological innovation.

We know we are going to downsize. We have already begun to do it. The President of the United States has not been AWOL on this issue. He has been in the forefront. He has charged the Vice President to do it, and we have absolutely done it.

In Maryland, this downsizing will have devastating impacts on the economy of Maryland but also on the morale of Maryland. Right now, there is a morale crisis among Federal employees. They have essentially been told they are not needed, they are not valued, and now the bums and thugs in the world are even targeting them for violent attacks.

I do not think this is the United States of America. We are from the generation that when Jack Kennedy said "Ask not what your country can do for you, but what you can do for your country," we answered that call. Many of the people in my generation saw public service as a noble calling, a way to serve the United States of America to do good and earn a decent living. Now they feel that they are absolutely under attack.

I can tell you what is going to happen. You will not only downsize Federal employees, but, no smart, self-respecting person will want to come to work for the Federal Government.

And who do you think is going to be in these Federal agencies? Do we not want a Government at all? If we want to do that, well then let us do that. Let us not go through this charade of downsizing, if you are going to have a Government and you believe that there are core functions that Government must perform, not only in national defense, but on domestic security issues and the risks that the United States of America faces—crime on the streets, drug dealing, punks that want to sabotage the United States of America, and we need law enforcement.

We are also plagued by another horseman of the apocalypse called plague and pestilence, and we want to make sure that we have the medical research and the staff at FDA and the Centers for Disease Control that are going to find the cures for disease and be able to work to contain pestilence around the world. We think that is important.

What are the other threats to the security of the United States of America? It is a crisis of confidence. We should make sure that we have a core set of values that encourage people, along with the values of duty, obligation, loyalty, patriotism.

If we treat our Federal employees this way, how are we going to call it forth? We are going to ask them to be loyal to us when we are not loyal to them, to have a sense of duty about the job they do when we do not have a sense of obligation to them? I think this is a terrible course of action.

There is a logical, rational way to downsizing. I oversee as an appropriator 25 different agencies. We are already taking concrete steps to be able to do it. I was the one that commissioned the study on the National Association of Public Administrators, which is now being used as the framework to downsize HUD. I am not opposed to shrinking the work force, but I am opposed to shirking our duties to our Federal employees.

Mr. President, our Federal employees have served their country, they have devoted themselves to public service, they deserve our gratitude and our support. We are already reducing by 272,000 positions. The Roth amendment is not only going to result in downsizing but, as I said, in downgrading. So I stand here to support those Federal employees and to defend them who defend my health, my safety and my national security.

Mr. President, I hope we defeat the Roth amendment and, most of all, I hope we defeat the attitude that underlies the Roth amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield the distinguished Senator 10 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I have, of course, been watching the debate for the last few days and there is no question, this is a tough debate. We are getting down to the decisions that are very difficult to make. But I have been watching my colleagues with charts really since this debate started last week. You see everybody's chart, and there are the budget lines that go up and budget lines that go down. But now we are into making those tough decisions and saying, You know, everybody in America is going to disagree with something that we do. In fact, probably every Member of the Senate is going to disagree with something we do in this budget resolution. But, in fact, we have to make the priority choices. We have to go back to the basics and talk about what is the role of Federal Government. what must we do to set those priorities and then with the money that we have left, we have to determine where we have to cut and where we need to spend.

I think that Senator ROTH has done a very responsible thing. He has proposed a sense of the Senate about what we would look for in ways to meet these budget targets that we are going to be voting on for the next few days—200,000 positions by 2002. That is over a 7-year period and is about 11 percent of the work force. Now, if we make the budget cuts that we are talking about making over the next 7 years to get to that magic number in the year 2002, we are going to have to cut. We are going to have to cut the size of Government, and that means that we will have to downsize departments.

I remember when I first got here about 2 years ago, I introduced an amendment to cut the legislative branch budget by 7 percent. Mr. President, you should have heard the debate. People came running on the floor and they said we might have to shut the Library of Congress. We might have to shut the Washington Monument. You know, we always have our priorities and we decide what is important in those priorities. Of course, shutting the Library of Congress would not have been an option. But we heard the sky-is-falling-theories all over the place. I lost on that amendment by about two votes. Do you know what happened? After all the sky is falling and after losing that amendment 2 years ago, guess what? This year, we come in and we have cut our legislative branch budget about 15 percent. Is the sky falling? I do not think so. Are we making do with less? Yes. Are we doing the responsible business of our Government? Yes. And I do not think one person in America has written me a letter saying you cut your legislative branch budget 15 percent and I miss that money. Not one person.

So I think that Senator ROTH is trying to do the responsible thing. He has come in and he has said we are going to have to have an 11 percent cut. Well, if we are going to cut the budget for the next 7 years in the places where we can, if we are going to stop the growth in increases in our budget, of course, we are going to have fewer employees. And I think it is very important that we establish a sense-of-the-Senate resolution so that we can have the parameters we need when we start making these tough decisions.

You know, the people of America have been looking at the debate for the last few weeks in the House, and the last few days on the Senate side, and I think the people of America are really beginning to see the differences between the two parties and the way we come at the problems of Government. And I think the people of America are going to be able to make a decision about what is right. And I think they are seeing all the smoke and that there is a group of Senators that really wants to do what we said we were going to do. I was elected in 1994 and I did promise that I would do everything in my power to have a balanced budget for the future of our country. I am going to do everything in my power to keep that promise. That is something the American people have not had for so long—politicians who make a promise and lo and behold, keep it. They are going to keep their promises this time, and that is new. We have seen politicians from both parties—this is not in any way partisan —come in and they make promises and then the election is held and they go about the business of Government, business as usual, just like it has always been. Not this year. This year is going to be different. We are going to pass a balanced budget resolution. We are going to take the tough steps. And even if we disagree on this part of it or that part of it, I think enough Senators are going to take the responsible step and say my part may not be so important that I would hold up the progress of this Senate for the future of America. That is the parameter we are going to have to put around that final vote.

Is it more important that we get every single thing we want, just the way we want it, or is it more important for us to say in the long-term, the most important vote we will ever take is to start that long march toward a balanced budget for the future of this country.

This is a historic moment; it is a historic debate and we do have the opportunity to do what is right for America.

So I appreciate my colleague, Senator ROTH, and my colleague Senator DOMENICI for working so hard, for so many years to try to make this happen. I appreciate the input that we are having on this floor. But I hope that in the end, when all of us, Democrats and Republicans, have had our say, maybe we have won a few, maybe we are going to lose a few; but when it all comes down to that last vote, the people of America are going to have the ability to judge which politicians are keeping their word and which of us are ready to take that historic step, change the way Washington does business and start balancing that budget.

Mr. President, this resolution is going to be one of those first steps. We will see a lot more over the next few days. But on Wednesday, I hope we will be ready to do the right thing for America.

Thank you. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. How much time remains on this side?

The PRESIDING OFFICER. The Senator has 23 minutes. Senator ROTH has 29 minutes.

Mr. GLENN. Mr. President, I would like to respond very briefly to some of the remarks made by the Senator from Pennsylvania that did not address directly the proposal of this sense of the Senate resolution by my distinguished colleague from Delaware. He talked about the President of the United States and what he has done. I would like to go back a little and take a few minutes to describe what actually has happened over the past 15 years or so. We came out of the Carter years, and President Carter, during his time in office, I think, did a lot of fine things, foreign policy and so on. One thing that did not occur is a real close control of the economy. We hit a time period where there was 21 percent interest rates and 17 percent inflation rates. I think that contributed a lot to President Reagan being elected when he was. What happened? A lot of people were scared and President Reagan proposed the supply side economics and the budget cuts, and we reduced taxes here by 25 percent over a 3-year period—over a 3-year period, 5 percent the first year, 10 percent each of the next 2 years. This was supposed to stimulate the economy so much that it was going to result in such a new level of business activity and consumer confidence that we were going to see the new business level raised to such a point that there was going to be more than enough revenue to make up what had been left and we were going to move on to a new higher level.

Now, what happened? That did not occur. Most voted for that, but some with the idea after trying to get it down to 15 percent reduction and trying to make several changes, finally voted for it because we had been scared, too, about what had happened before. We voted for it with the idea that we would try to come back and change it if it did not work.

Now, what happened? Over the next 12 years, we saw an additional $3.6 trillion in debt pile up as supply-side economics did not work. Then we came into the time period where Gramm-Rudman-Hollings was placed out here. That did not do the job. Then we came to the election of President Clinton. President Clinton said privately as well as publicly that the first thing we had to do was get control of the economy.

What did he do? He proposed a way of getting control of the economy that he sent the Congress and we farmed it out here on the Democratic side, farmed it out to the committees, with targets to hit, targets to try to meet the efforts to balance the budget that President Clinton proposed.

Now, we passed that reconciliation bill in the summer of 1993. I think we need to look at what happened on that. Now, President Clinton was honest enough that he said I will not promise people a lot of tax cuts back then. No. What he said was we will cut as many programs as we can and we will increase taxes. Much has been made of that since then. We will increase taxes—what, on the top 1.2 percent income people of the country, not the middle-income people, not the poor folks of the country. He is going to increase taxes on the top income people of the country, the top 1.2 percent. That is where half of that budget balancing effort came from.

Now, what happened? After all the dire predictions here on the Senate floor about all the unemployment this would cause if we passed that President Clinton proposal—there would be millions unemployed was one of the statements here on the floor.

What happened? Well, I can say at that time when we passed that budget reconciliation bill, we passed it without one single Republican vote in either the House or the Senate. Not one single vote. Not a one. And it was a moment of high drama here in the Senate when the vote was tied 50-50, and the Vice President broke the tie and cast a winning vote.

What happened? At that time the budget deficit was running right at $300 billion a year. As a result of that reconciliation effort in the summer of 1993, last year the budget deficit was down do $246 billion. This year, it is $192 billion. It is the first time since Harry Truman that the budget deficit has gone down 3 years in a row—the first time since Harry Truman.

I say one-half of it was reduction in programs and one-half was the tax on the top 1.2 percent income people of the country.

Now, that is real leadership. We can have all the derogatory signs put up on the Senate floor that deride the President and make light of the President if we want to. That is what actually occurred for the first time since Harry Truman. Three years in a row, the budget deficit has gone down as a result of President Clinton's policies.

What we should be debating is how we keep that going, how we keep it going down incrementally, rather than some of the schemes that are being proposed. Some of the proposals out of the House here make assumptions on how we can balance the budget now, make assumptions that I cannot go along with.

Medicare. We say we will take $87 million out of Medicare over the next 7 years, meaning we assume that it will not grow at the 9 percent it is growing now, that it goes down to 3 percent to 4 percent in growth.

We are saying that we will assume that doctors and hospitals will not be allowed to make as much as they can. They will be kept below inflation rate, as a matter of fact, and we will limit the fees for doctors and hospitals.

Those assumptions are made. We make assumptions for HMO savings. That is how we get $87 billion proposed. Some of the assumptions, I think, are false. We have to depend on a CPI adjustment downward from where it is now. We have to assume that the average inflation will not go above 2.5 percent. We have to say there will be no inflation increase in administrative costs, and that will save 22 percent in that area. These are assumptions that really are not very realistic when we get into it.

Back to the President's proposal. Now, what happened out of that reconciliation bill we passed in the summer of 1993? Since then, we have had the lowest unemployment in 4 years. In cutting back on the size of the Government, the administration has cut over 300 programs out of Government.

They set a goal of cutting 272,900 people out of civil service by the end of the administration's term. They are well ahead of schedule. They have 108,000 actually cut up to now and think they will be able to meet the whole 272,900 target by the end of this year. When that occurs, there will be the lowest Federal employment overall since John F. Kennedy was President, the lowest Government employment since John F. Kennedy was the President.

Now, along with that, last year we passed a crime bill, a very major bill. I know there will be efforts to override some of it this year. That was a major effort. We passed the GATT legislation, General Agreement on Tariff and Trade. That is a mighty big step forward in recognizing we no longer could be an isolationist nation if we wanted to be in this country, because most of our trade, in fact, about one out of every eight manufacturing jobs in the whole country, and it is certainly true in my State of Ohio, works to make a product that gets exported.

We can no longer be an isolationist America. We have moved into the world. And the GATT agreement, with its readjustments being required, indicate our willingness to move into that international world.

We passed a family leave bill. We passed a Head Start bill in the first 2 years of this administration that helps over 200,000 kids get a fair start in school. We passed the national service bill. We passed a college loan bill that over the period of 5 years will let an additional 20 million young people go to school.

Now, all of these are things that were passed in the first 2 years of this administration in spite of all of the things that are said about this administration on the other side of the aisle.

Do Members know what Time magazine said last October? They printed a chart showing what agenda—announced agenda—had been passed by each of our past Presidents. They pointed out that President Bill Clinton had the best record of getting his agenda through in the first 2 years of Congress of any President since Lyndon Baines Johnson, and before that going clear back to Eisenhower.

Now, I think that is a remarkable record. It is one I am proud to support the President on. When I hear all these derogatory remarks about the President and what is going on and signs up here on the Senate floor that are meant to be derogatory, then I just have to take exception to that.

Now, back to our current sense-of-the-Senate resolution that is up now. This administration has already cut 108,000 jobs out of the Federal work force, and done it in a responsible manner, done it in a way that helps correct the imbalance between the higher GS ratings and the lower GS ratings, through the buyout legislation that we passed out of the Governmental Affairs Committee.

I know that a sense of the Senate that would just arbitrarily add another 200,000 to it is not binding, but it certainly sets the course. I do not know how we would meet that. I would rather ask OPM do another study, a follow on and see where we can do this, and do it responsibly rather than just setting what I view as a goal that might result in some real harm being done to our Government.

If we want to do the thing that we should do, what we do is define the role we want Government to have in all these different areas or different departments or agencies. If we are eliminating the agency, fine, eliminate it. But rather than just pick an arbitrary figure, we will have OPM study the Government again, each agency, department by department, agency by agency, and decide how many they think can be cut, and do this responsibly and target those departments where we have too big an imbalance yet. That is the way the figure of 272,900 was arrived at. It was not a figure off the top of somebody's head. It was a figure arrived at by study, by canvassing the agencies, by holding their feet to the fire on what they could do or not do. I think that is what we should be doing for the future.

I hate to have to oppose my colleague from Delaware but I do. I think to pass this Sense-of-the-Senate would indicate a wrong direction for us to be taking.

Mr. President, how much time do I have remaining on this side?

The PRESIDING OFFICER (Mr. DEWINE). The Senator has 10 minutes and 50 seconds.

Mr. GLENN. I thank the Chair. I reserve the remainder of my time and yield the floor.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I just want to talk about some of the things that were just said by my distinguished colleague from Ohio. I would like to talk about the tax increase that he mentioned that was passed without one Republican vote in 1993, because I do think there was a difference of opinion that became very clear when the Democrats passed the largest tax increase in the history of America without one Republican vote. It was described as a tax on the rich, but I do not think Social Security recipients making $34,000 a year or couples making $44,000 a year are rich people. That is middle income. And the taxes were raised on those people.

I do not think that was the way to start the process of getting to a balanced budget. In fact, the President's budget that has been sent to us does not balance the budget. The President gave up on balancing the budget. He left it to us to do it. He left us the responsibility.

In fact the deficits are lower in the last 2 years but the reason the deficits are lower is because we have financed our debt with short-term borrowings. We are in fact in one of the weakest recoveries from a recession that we have ever had. We should be in a booming economy and we are not in a booming economy. We are in a relatively flat economy. It is going up a little. The deficit is coming down a little. But we are going to have to pay the price. We are going to have to pay the price for short-term borrowing to finance that debt. That was a bad decision and we will have to pay for that later. If interest rates go up there is no question that the deficit is going to rise when we have to refinance that debt.

This is all going to become very clear when we have to raise the debt ceiling toward the end of the summer, this year. That is going to be the scary thing. We have $5 trillion in debt in this country. That is not a small amount.

The debate we are having today is for the future of our country. We cannot continue to raise that debt ceiling without taking care of that long-term debt situation. So I think it is very important that we keep our eye on the ball here. We cannot continue to raise taxes to try to bring the deficit down. We cannot do short-term financing on that long-term debt, because the price will go up.

Alan Greenspan, the Chairman of the Federal Reserve Board, told us what would happen if we balanced the budget and if Congress shows it has the will to balance the budget. That is when we will see our economy take off. That is when the investors in our country will know that they are making a good and wise investment for the long term.

We will be able to see our economy take off. We will be able to see the deficit come down, if we take the steps to balance the budget. I just hope my colleagues, like the Senator from Ohio and the Senator from Minnesota, will help us when that final vote is taken. It is going to be tough. Senator ROTH is giving us a tough choice. But we are going to stand up and we are going to do it and I hope it will be a bipartisan effort in the end, because we are going to do it without increasing taxes and that is the distinction between the philosophy of the President, who gave us a budget that is not balanced, and the Republican majority in Congress that is going to give a balanced budget to the people of this country.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield the Senator 4 minutes.

The PRESIDING OFFICER. The Senator is yielded 4 minutes.

Mr. WELLSTONE. Mr. President, I do not come on the floor with any well-rehearsed speech. But it does seem to me that, once again, we are not actually debating whether or not there ought to be deficit reduction. We are also not debating whether or not anybody is in favor of the debt that we built up in this country.

As a matter of fact, I could make my own analysis about what happened starting with what was euphemistically called the Economic Recovery Act, passed in 1981, pushed by President Reagan, which eroded the revenue base of this country about $700 billion over 5, 6, 7 years; plus an unprecedented buildup in the Pentagon budget.

I find it interesting that by and large we still have not heard very much discussion about all the subsidies that go for oil companies; all the subsidies that go for tobacco companies; all the subsidies that go for pharmaceutical companies; all the subsidies that go to some of the largest corporations and financial institutions in America. But we have been talking about cuts in nutrition programs and financial aid for higher education. We did not have much time to debate that on the floor this afternoon. And, I think, draconian cuts—draconian cuts in Medicare and Medicaid. I do not have the time and I do not have the data right now to go into those arguments in great detail.

But I will say to my colleagues that when I presented this this morning on policy grounds, I did not hear any rebuttal. So in terms of "we have to do all of this," let us not be so generous with other people's suffering. Let us make sure we do it in a responsible way.

The reason I support my colleague from Ohio is that I consider this to be bashing. I mean, 200,000 additional positions eliminated—by what agency? What job? What position? A description of those positions? Who are we going to do it to? What positions are we eliminating?

It is very easy to just say eliminate 200,000 positions. I would like to know: Where? Where do these men and women work? For what agencies? Is it the National Institutes of Health? Or is it going to be some of the other Federal agencies?

Where are you eliminating these positions?

It seems to me it is not responsible unless the Congress approves in advance exactly what agency, what positions, what descriptions, what men and women, whose positions are you eliminating?

Colleagues stand up on the floor and they say "Oh, these decisions are so difficult. We have to make difficult decisions." Easy if it is not our job. Very easy. We have to make these difficult decisions.

Sometimes I think we get a little bit too generous with the suffering of other people. Before I would vote for such an amendment I would want to know exactly which people we are talking about. Let us just get concrete. What agency? What descriptions? Which Federal employees? Providing what kind of work in this country? For whom? Let us have a discussion of that. I think in the absence of that kind of specificity this is a profoundly mistaken amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Ohio has 67 minutes and 32 seconds remaining, and the Senator from Delaware has 24 minutes and 7 seconds.

Mr. GLENN. I thank the Chair.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield such time as I may take.

Mr. President, I was surprised to once again hear the attack on the Reagan years. I recall during the Carter administration when we had double-digit unemployment, double-digit inflation, the misery index, which was based upon unemployment and inflation, was never higher, and unemployment was as high as it has been in recent years. But after the tax cut in the Reagan administration, we enjoyed the longest peacetime growth period in the history of this country.

Mr. FORD. And the largest debt.

Mr. ROTH. I hear someone talk about the largest debt.

But let me point out that Congress, part of Congress, was Democratic, the House of Representatives. And I would say that the problem there was that, yes, the President was trying to build up defense but the other party was trying to build up social spending. Unfortunately, the compromise was by increasing spending everywhere. So both

Democrats and Republicans can take a partial credit for the increase in the debt. That was not just the act of the administration.

But what we are talking about today is trying to make Government smaller, Government less obtrusive, and Government more efficient.

There is no question that but what modern technology has made it possible for Government, as well as the private sector, to do more with less.

What we are proposing today in the way of reductions in personnel are not just figures drawn out of the air, but based primarily on the proposals in the Domenici budget. What we are proposing in the way of reduction in employment, first of all, is a 50,000 reduction in FTE savings below the current FTE caps. And the GAO figures show that is a reality.

With the elimination of the Department of Commerce we expect a reduction of 30,000 in FTE, HUD, 20,000, and the Department of Defense, 50,000.

Let me point out that the administration has made significant reductions in the DOD. But basically most of the reductions are in the Defense Department, and not in the other civilian agencies. As a matter of fact, defense military functions will be reduced something like 208,000 under 272,000.

What we are proposing in our reduction of 200,000 is that most of these reductions will come from the civilian agencies, limiting the reduction in the Department of Defense to 50,000. Currently, in the acquisition of military systems there is something like 17 to 20 levels of bureaucracy. This bureaucracy does not add value or expedite the acquisition of new weapons. Instead, it takes about twice as long in the military area to go from an idea to fielding a weapon as it does in the private sector to go from an idea to selling a product in the market.

What we are seeking here is a reduction of personnel that is based on those programs and departments that would be reduced or eliminated under the Domenici budget.

Just let me point out that for the fiscal year 1996 the chairman's mark lists something like 150 different programs that are going to be eliminated. And obviously, when you eliminate programs, you do not need the personnel that you otherwise have. So that is where we are proposing these reductions. By doing this, we expect better service to be given the American people.

Let me point out that one of our concerns is that we want to make the Federal Government a desirable place in which to work. And, unfortunately, anyone who has discussed the matter with people in the executive branch will tell you the frustration, the inability to move forward because of the process that has been built up over recent years. And that is what we are trying to eliminate today. Hopefully, by reducing the size of Government, and by changing the personnel policies, the Federal work force will find this a better place in which to work because what we are proposing as changes is that individuals who perform in the executive branch will be rewarded for their accomplishments. They will also be penalized if they do not perform.

My distinguished colleague and friend from Ohio said that we proposed to do away with a military system, if it were 10 percent off the proposed goal. In other words, if the cost of the system was 10 percent higher than scheduled, or if the time was 10 percent longer, the system would be canceled. That is not what I have proposed.

To the contrary, what we are proposing is that, in order to get a bonus, an employee would have to perform 10 percent better than the goal set as the acquisition of the weapons system, or, on the other hand, if it is 10 percent more expensive, the schedule is 10 percent behind, then the employee can be penalized. But we would only revoke the system if it were 50 percent off course, and hopefully those opportunities would not present themselves too often.

But again, let me spell out what we are proposing in this amendment. Our amendment expresses the sense of the Senate to reduce the number of Governmentwide, full-time equivalent positions over the next 7 years. And it provides for a reduction of 200,000 positions by 2002 in addition to the already enacted reduction of 272,900 FTE's by 1999 in the 1994 Federal Work Force Restructuring Act.

Not more than 50,000 of the reductions may be within the Department of Defense. As I have already indicated, of the reductions that have already been made by this administration, the vast majority have already been in the Defense Department. And our program is consistent with the Domenici budget to streamline and eliminate several Government functions and programs.

It is also consistent with the Roth-Kasich Defense Department acquisition reform bill to reduce the number of acquisition personnel. This reform bill would produce savings of 42,000 in FTE's with the Department of Defense. Current FTE reductions to comply with the 1994 Federal Work Force Reduction Act of 272,900 are proceeding as planned.

And it has been further estimated by OMB that the total civilian work force will be approximately 25,000 below the existing FTE cap for 1995 and 1996. Current projections show that 208,000 of the mandated 272,000 FTE reductions will be within the Department of Defense, and this amendment will help to achieve the originally intended balance to further downsize the non-defense-related agencies as well.

So in conclusion, just let me point out, Mr. President, that what we are proposing is based upon the DOMENICI budget. We are eliminating 150 different programs and activities. We are going to be reducing the size of departments, if not the department itself, and the number of positions that we are eliminating reflect those changes.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. How much time is remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Ohio has 6 minutes 27 seconds, the Senator from Delaware has 12 minutes 7 seconds.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from South Dakota.

Mr. PRESSLER. Mr. President, I rise in support of the Domenici budget. As I have said on the Senate floor before, I strongly believe that this represents a solid blueprint that finally will lead this Government to a balanced budget.

It has been a very strange sequence of events here in the Senate when we saw the entire Senate reject the President's budget. I would certainly welcome a debate on the President's budget, but the members of his own party voted his budget down. Thus, the only budget that is before us is the DOMENICI budget.

Overall, this budget is a solid, responsible plan, and takes an across-the-board approach to achieve balance. Without this kind of bold plan, we will be facing bankruptcy, both in terms of the Federal deficit and in terms of Medicare. The liberals may be criticizing this budget, but where is their budget?

Insofar as agriculture is concerned, I think many of us have said that we will take an across-the-board approach, and I think this budget does that. There will be efforts, and perhaps I will join them, to make some minor changes in the Domenici budget, but overall it represents a path or a guidepost to a balanced budget.

Mr. President, recently our dollar has been doing very poorly. We have an unstable dollar. It is because of our huge Federal deficit. We have reports that Medicare will go bankrupt by the year 2002. I would rather give senior citizens a stable, sound dollar and a secure Medicare than to continue going on year after year without taking some action. It is time that we take sound action in this Chamber, and this represents that opportunity.

So, Mr. President, I commend Senator DOMENICI and the Budget Committee for their leadership and its hard work. I know there may be some changes in that document this week. But I would say to the liberals who are criticizing it to bring forward a complete budget of their own. Indeed, the Democrats on the other side of the aisle voted down the President's budget entirely. Where is their plan?

The Senate Republicans have a plan. It is a solid plan for the American people. I believe that we are on the right path.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time? If no one yields time, it will be deducted equally from each side.

Mr. ROTH. Mr. President, I yield such time as I have remaining to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, it has been an interesting experience today to listen to the debate about balancing the budget. It is a little bit surprising, as a matter of fact, I suppose, that there is a great deal of debate about balancing the budget. It is legitimate to have differences of view as to exactly how that is done, but the fact is that we have to do something to be fiscally and financially responsible.

I am encouraged, frankly, by the chance to do something. For the first time in three decades we have a chance to balance the budget. And I suppose, when we think about that, my goodness, that is irresponsible. How can that be? But it is a fact. We have gone all this time with no balanced budget.

So I am encouraged by the opportunity. I am encouraged by the fact that voters said to us clearly a few months ago that Government is too big and it costs too much and it is time you do something about that. And I think a measure of good Government is the responsiveness we have to doing something about it.

So I am encouraged by the fact that we have this opportunity. I know there are differences. There are some here who really believe that balancing the budget is not important, that it is just a matter of dollars, it does not really matter.

Let me suggest to you that I think it is terribly important for some very concrete reasons, such as the fact that it takes money out of the economy to finance this deficit, maybe more to the point that the interest on the debt will soon be the largest single line item in the budget, larger than the total budget was just a couple of decades ago. It is important.

There are those that believe that more spending through the Government is a better way to do it; that, in fact, Government spends money better than you and I do in our families. That is a legitimate view, I suppose.

There are those who think we are better off with more Government and more spending. I do not happen to agree with that, nor do most of us on this side agree with that. We believe that we have to balance the budget, that it is the responsible thing to do, and we have an opportunity to do it.

I hear everybody who stands up starts out by saying, "We have to balance the budget. I know we are going to balance the budget, I want to balance the budget," and then goes on to point out the reasons why it cannot be done.

We heard the same thing about the balanced budget amendment. "Well, I wanted to balance the budget but we do not need to do this, we can do it by just making the hard decisions." Well, now is the time to make some hard decisions. What we have is each time we come up with another amendment, we hear arguments that you cannot do it. It is time to make the tough decisions.

I suspect this is the kind of conversation that has gone on for decades here, and that is why we have not done it, and that has been the history of what we have to do. We clearly have to do something about Medicare. It is not an option unless you simply do not want to have a program to provide health care for the elderly. Do nothing, as is the proposal from that side, and the program goes into reserves in 2 years, goes broke in 7 years, no question about that.

Or, in fact, we can take the approach that has been taken and say, "Let's raise taxes." In order to balance the budget without doing something about spending, we would have to raise taxes by $950 billion in 7 years. How is that as an option? I do not think many people would choose it. And yet we cannot seem to say, "Yes, we can make cuts, not draconian cuts but to reduce the spending from 5 percent a year to 3." That is hardly asking too much, and voters are asking that of us.

So, Mr. President, it is interesting as we go forward that we always hear, "Well, we have to balance the budget, I want to balance the budget, but we cannot do that to balance the budget, we can't do this to balance the budget." What can we do to balance the budget? There is no plan on that side. The President has no plan.

So despite that, Mr. President, I am very optimistic that we will for the first time in my legislative experience, for the first time I guess in my political experience, have a genuine, legitimate, bona fide effort to balance the budget to cause the Government to be a little smaller, a little less expensive.

Give us the opportunity to choose some options, to look at programs and make sure that they are efficient and effective and, in fact, that they are legitimate, that they need to be done, and we can do that. We can do that. No one argues with that concept. Unfortunately, it does not happen. We find a million excuses why we cannot do that, why we cannot cut it here, why we cannot slow growth. Why we really should not take a look at why the program cannot be changed, to be more efficient, the delivery of programs cannot be done more efficiently.

I do go away from the last 3 or 4 days of this debate, again optimistic that we will do something that has not been done for a very long time, and that is lay before the American people a plan to balance the budget in 7 years, and we can do it.

The committee has laid out a plan. Of course, it is not perfect. Does it take some pain? Of course it takes some pain. It always takes some pain to recoup when you find yourself in this kind of a financial problem—$5 trillion in debt, taxes at the rate of about $21,000 per household, to pay the interest on the debt costs $5,000 for each household each year.

That is where we are, Mr. President. So we do not really have a choice as to whether we do something. The fact is we need to do it. We have to do it. We can have legitimate debate about options but not a legitimate debate about just saying, "No, no, can't do it," and that is what we hear.

Mr. President, I thank you for the time. I yield the floor.

Mr. SARBANES. Will the Senator yield me 2 minutes?

Mr. GLENN. I yield 2 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, because there have been general statements about the budget tonight in addition to the statement about the amendment that is pending before us, I just want to underscore this point. The budget resolution that is before us takes $175 billion, which the CBO has put out there as a pot to be available at the end, and commits it for tax cuts.

Now the amendments that have been offered today on Medicare and on education have said rather than committing that money to tax cuts, you should make a less draconian cut in Medicare and education. You should not come down with such heavy force on our senior citizens or on our young people seeking an education, and that, as a matter of national priorities, we should place ahead of a tax cut, which in the House-passed legislation is overwhelmingly committed to the very wealthy, the people at the very top of the income scale, overwhelmingly so committed.

These amendments, in effect, are saying that instead of a tax cut that has that impact, we should make less draconian cuts in Medicare and in education. As a matter of national priorities, educating the next generation and preparing them for the 21st century and assuring that our young people's capacities are developed to the fullest extent possible should put that ahead of taking this pot of money and committing it to tax cuts.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. GLENN. I yield him another 2 minutes.

Mr. SARBANES. So there is a very important question of priorities that is at issue here, and the same is true with respect to each of the measures being taken in order to bring about this drastic reduction.

It is one thing to deal with a matter in a reasonable way, it is another thing to deal with it in an extreme way. I submit that much of what is in the budget resolution is extreme, and it is particularly extreme when it is seen that the purpose of it is to create this pot of money to be committed to tax cuts which, as I said, in the House-passed bill overwhelmingly committed to the people at the upper end of the income scale. In order to achieve this, our senior citizens receiving Medicare are being subjected to incredible cuts, and our young people seeking an education are going to find that their opportunities are being frustrated and may be perhaps even denied to them.

So that is an issue that is put and it is put very clearly by the resolution that is before us and by the amendments which have been proposed to the resolution. I have supported those amendments because I think they represent a better balance in terms of what our national priorities are.

The PRESIDING OFFICER. The time yielded to the Senator has now expired.

Mr. SARBANES. I thank the Chair.

The PRESIDING OFFICER. The Senator from Ohio has 51 seconds and the Senator from Delaware 43 seconds.

Mr. GLENN. I reserve the remainder of my time.

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Delaware has 33 seconds. The Senator from Ohio has 41 seconds.

Mr. GLENN. I yield the remainder of my time.

Mr. DOLE. I yield back the remainder of our time.

Mr. GLENN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I am waiting for the distinguished Democratic leader. Let me indicate while he is on his way to the floor that I want very much to accommodate the Democrats tomorrow evening. But we will complete at least 10 hours on the resolution tomorrow. We are going to have two or three votes. We tried to get credit for that. We cannot get that. So I just suggest that we will have to stay here beyond 6:30, probably, to get the 10 hours—maybe 7 o'clock. We will try to accommodate our colleagues in every way possible.

As I understand, we will be working through the policy lunch period tomorrow, and so if there are no amendments, I assume there will be a quorum call so the clock will run against the resolution.

Mr. President, in an effort to complete action on this resolution by early Wednesday afternoon, I yield back 3 hours and 51 minutes of the majority side time for debate.

The PRESIDING OFFICER. The majority leader has that right.

Mr. DOLE. Mr. President, as I understand it, if I can inquire of the chair, does this not mean there are 14 hours for total debate remaining?

The PRESIDING OFFICER. The Senator is correct.

Mr. LAUTENBERG. Mr. President, I rise in strong support of the pending amendment.

This amendment again poses the central question in this budget debate: Whose side are you on?

In this case, the issue is whether the Senate will side with ordinary, middle-class families who are trying to ensure a decent education for their kids. Or whether we will again side with the wealthy, by preserving the slush fund that will be used to provide them with lavish tax breaks.

I have heard Senators from the other side of the aisle say that this budget is for our children and grandchildren. They say it is for their future.

Yet if Republicans really are concerned about our children, why are they proposing the biggest cut in education in the history of the United States? Let me repeat: This budget contains the largest cut in education in the history of this country.

Is that their idea of helping our children?

This budget resolution cuts education for young people from preschool to graduate school. These cuts will affect all students. From 3 year olds who are learning fingerpainting, to graduate students studying business administration. No young person will be spared.

The Republican budget cuts the Federal investment in education by 33 percent by the year 2002. This figure comes from CBO, not from the Democrats on the Budget Committee.

Mr. President, let me tell you the impact that this will have on our young people. Let us go chronologically.

First, let us start with the preschoolers. The discretionary cuts in this budget mean that 350,000 to 550,000 preschoolers will not be able to get into a Head Start Program.

Second, let us take a look at what will happen to those children from kindergarten through 12th grade. The Republican budget will: Cut funds for math and reading for 2 million children. It will cut $1 billion for the Safe and Drug Free Schools Programs. It will cut $5 billion for special education for almost 6 million children with disabilities. It will cut assistance for school to work programs that help students who don't go to college to acquire skills and obtain meaningful employment.

Regrettably, the education cuts do not end at the 12th grade. These cuts will also hurt those young people who want to get a college education.

The Republican budget also makes deep cuts in the student loan programs and Pell grants. These programs help young people attend the college of their choice. They help them obtain skills to get a foothold in our economy. They help them live out the American dream, just like the GI bill did for me and other Members of this body.

The student loan program is not a welfare program for poor children. It is for all low and middle income Americans. In fact, 50 percent of all college students receive Federal financial assistance.

Middle class families need this assistance because college tuition has gone through the roof. Tuition, room and board at a private college now costs approximately $25,000 per year. If you think I am kidding, let me give you some examples of these costs. These include tuition, room and board: Brown University—$26,000; Dartmouth College—$24,000; Georgetown—$24,500; Harvard—$25,000; Yale—$25,000.

Mr. President, if you think you can avoid paying such costs by sending your child to a quality State university—think again. Tuition, room and board for non-residents at many State schools also are staggering. Consider two examples: University of Michigan—$16,000; University of California Berkeley—$20,000.

It is very difficult for American families to afford this type of tuition without borrowing money. The proposed Republican deferral of interest will cost these students and their families another $3,000 to $5,000 on top of the thousands of dollars they now spend.

Members of the other side of the aisle have talked a lot about balancing the budget so that the young people of this country will not be burdened by the national debt. Well, if we pass this Republican budget they will be saddled with more debt. They will be punished for trying to get ahead. Punished for getting a college education. This is simply wrong.

I urge the Senate to adopt this amendment. Stop the tax cuts for the rich and restore these harmful cuts in education.

OPPOSING EDUCATION CUTS

Mr. AKAKA. Mr. President, I rise today to support the Democratic response for funding education and to speak in opposition to the education cuts that are assumed in the Republican budget plan. The resolution reported by the Budget Committee calls for $97 billion in education cutbacks over 7 years, a 33-percent reduction from current service levels.

This adverse disregard for our most important long-term asset—the knowledge and skills of our emerging and future workforce—illustrates the failure of the Republican agenda.

It reveals that Republicans are willing to destroy the single most important factor that will determine the success of our Nation's future economic viability—educational opportunity.

My colleagues on the other side of the aisle claim that their package of spending cuts and tax changes is proof that they are serious about eliminating the deficit. I welcome this expression of fiscal responsibility, if it is genuine; I only wish we heard such oratory in the Reagan-Bush years, when supplyside, trickle-down policies created the fiscal debt we find ourselves in today.

But the fact that my colleagues are pondering a massive tax cut for the wealthy at the same time they are proposing massive reductions in social expenditures reveals more about the majority's priorities than their newfound demands for fiscal responsibility.

Even if we accept the claim that their priority is not to benefit the rich but to eliminate the deficit, it is obvious that their strategy is fatally flawed. For the proposed education cuts will profoundly affect our future economic viability and our ability to compete internationally. Reducing investment in education, which is already low, will inevitably limit economic growth and undermine the standard of living of middle-class Americans in the twenty-first century. And it will close the window of opportunity for the economically disadvantaged among us who are pursuing the American dream.

Mr. President, reducing our commitment to an educated, skilled workforce in the name of deficit reduction is short-sighted and terribly misguided. As this country struggles to find its way in a global marketplace dominated by cheap foreign labor and high technology, withdrawing our investment in education is economic suicide.

This budget proves that Republicans are more committed to protecting the interests of the haves than in accommodating the aspirations of the vast majority of Americans who want only to improve the quality of their lives through education.

Mr. President, nowhere does the impact of the proposed cuts in education fall more heavily than on two areas, Head Start and Student Loans.

IMPACT ON HEAD START

The resolution reported by the Budget Committee proposes cutting Head Start by $600 million in 1996 and $3 billion over the next 7 years. This means that as many as 100,000 children would be denied the opportunity to utilize the program and to be appropriately prepared for school.

Mr. President, it has been fashionable of late to criticize many of the Great Society Programs that were established in the 1960's; some of this criticism is justified. But at least one program, Project Head Start, has consistently received praise for its work. Since its inception in 1965, the program has helped 14 million underprivileged children prepare for school. And this year, Head Start will serve approximately 740,000 kids, roughly a third of all poor children aged 3 to 4.

Why is this program so important? Well, statistics demonstrate that children who enter the program score higher than comparable non-Head Start kids in pre-school achievement tests for cognitive abilities; they perform equal to or better than their peers when they enter regular school, and, they experience fewer grade retention and special class placements.

Reports also indicate that Head Start has had a positive impact on children's motivation, self-esteem, socialization, and social maturity. In addition, the studies show that participation in the program resulted in lower absenteeism and better health. Head Start has even had a positive impact on the attitudes of parents toward their children and an improvement in their employment and education status.

But statistics and reports aside, I think that all of us who are parents understand from personal experience why the Head Start concept works. It is simply this: During the preschool years, children undergo an accelerated phase of learning which is never again duplicated.

The rapidity of a child's development is truly amazing. Seemingly, in the blink of an eye, kids are running when they were once crawling, feeding themselves when they were once fed, arguing when they were once crying. They learn to drink milk from a glass rather than a bottle; they begin to use spoons and forks instead of their hands to eat. They learn the alphabet and how to brush their teeth. They learn what a joke is and how to turn on the TV. If they live in a multilingual household, they become fluent in several different languages. They acquire the rudiments of moral and social behavior. In short, well before they enter school, children have acquired the basic motor skills as well as the mental, social, and emotional attributes that they will build on in later years.

However, it is clear that the economic and social circumstances of a child's family have an impact on this crucial, peak learning period. If a child is undernourished, if he does not receive proper health care such as immunization from childhood diseases or treatment for a disability, if he is not exposed to books or proper educational materials, if he lacks parental attention or his mother or father are abusive or otherwise lack parenting skills—all of these factors will probably have an adverse effect on his ability to socialize and acquire appropriate knowledge and skills. And once a child has been handicapped in this way, it will be difficult if not impossible for him to catch up with his peers.

Head Start's comprehensive approach to child development, which involves education, physical and mental healthcare, nutrition, parental involvement, and social services, has proven to be an effective method of breaking the cycle of poverty that has helped millions of disadvantaged children and has given them the opportunity to achieve their full potential, which in turn has had a salutary effect on our economic well-being.

Until this year, Republicans appeared to embrace the goals and philosophy of Head Start, working side by side with Democrats to support the program. Indeed, under President Bush, the program received its single largest funding increase. And only last year, Head Start was reauthorized on a broad bipartisan basis. Yet we are now considering a budget plan that proposes to undermine much of the work of the last 30 years, a plan that balances tax cuts for the wealthy against the future of disadvantaged children, and finds the children wanting.

How is it, Mr. President, that our colleagues on the other side of the aisle can tell us with straight faces that this budget plan is good for the country? How can it be good for America to take away a resource that has the potential to help a hundred thousand poor children grow up to be productive, educated citizens? This is a question that Republicans have yet to answer.

REDUCTIONS IN STUDENT AID

Mr. President, on the other end of the educational spectrum, the budget measure calls for reductions of as much as $20 billion in higher education aid over the next 7 years. Of this amount, $14.5 billion in cuts would be in Student Loan Program cutbacks alone, mostly in the form of eliminating the in-school interest exemption for 4.5 million student who receive Stafford loans. I have been told that this represents the single largest reduction in student financial aid in history.

Again, I believe this is a penny-wise, pound-foolish approach that will save us money in the short term but will cause us grief in the long run. Unlike other education programs which are largely financed by the States, post-secondary student aid programs account for 75 percent of all available student aid, $31.4 billion of a total of $42 billion during fiscal year 1994. Thus, education cuts of the magnitude contemplated by the pending measure would have a disproportionate impact on these programs.

Mr. President, if the in-school interest exemption is eliminated, the individual indebtedness of Stafford loan recipients could rise to more than $3,000 for undergraduates and thousands of dollars more for those who pursue advanced degrees. In fact, it could increase the total cost of college for students and their families by 20 to 50 percent, depending on the amount borrowed and the length of time a student is in school.

According to the National Association of Independent Colleges and Universities, this would mean an additional debt burden of $12 million over 5 years for the 4,900 Stafford loan borrowers in my own State of Hawaii. Here, in the District of Columbia, the debt would increase by $186 million. And, in California, the total 5-year debt incurred by students would rise by more than a billion dollars.

Mr. President, this is an outrage. Student aid now will be less affordable to lower- or middle-income students, especially when one considers the proposed reductions in the constellation of other student aid programs, including campus-based aid and Pell grants.

If this budget is implemented, students of modest means may have to forgo a college education; others who are fortunate enough to achieve their baccalaureates may have to forgo their dreams of pursuing graduate study. And those students who exit college in the future will be saddled with huge debt burdens at the time when they are least likely to be able to afford payments.

All of this means that our future workforce is likely to be less educated, less productive, and less well off. This in turn will reduce the Nation's taxbase, placing further upward pressure on the deficit, exactly the opposite effect from the stated purpose of this budget plan.

CONCLUSION

Mr. President, I have touched on only two areas—Head Start and student loans—that will be impacted by the proposed budget plan. But, as I have indicated, the GOP budget calls for nearly $100 million in total education cuts by the year 2002. This includes cuts in many other important programs, such as GOALS 2000, Title I, Safe and Drug-Free Schools, Special Education, and School-to-Work initiatives.

This wholesale disinvestment in our most important resource, our young people, is not merely shortsighted, it is blind. Blind to the imperatives of the new global marketplace, blind to the effect that cuts in education will have on our ability to prosper in an increasingly complex world, and blind to the effect it will have on our deficit.

But competitiveness, economic viability, and individual opportunity will not be the only victims of the proposed cutbacks in education. Our sense of civil community, of history, of tolerance, the ability to conduct informed, rational discourse—these are also the potential victims of this harsh and ill-conceived budget plan. For education is not just about making enough to feed the kids or to buy a new car or to own a home—it is also about preparing ourselves to carry out the multiple responsibilities of citizenship in the world's oldest and greatest republic.

Mr. President, no sane nation embraces ignorance. Yet, this is what the proposed resolution would have us do. I urge my colleagues to reject this war on knowledge by opposing the cuts in education contained in this measure that threaten our future.

Mr. DODD. Mr. President, I rise in strong support of this amendment by my colleagues, Senators HARKIN and HOLLINGS, to restore funding for education in this budget. This amendment would restore $40 billion to our most critical national investment.

As a percentage of overall spending, our Federal commitment to education programs has fallen significantly over the last two decades. Although recently these numbers have climbed thanks to the leadership of the Clinton administration, this budget resolution would scale back those modest improvements and put overall spending in this vital sector into a tail spin.

GROWING CHALLENGES IN OUR SCHOOLS

Even as our Federal commitment declines, the challenges to our schools have grown. Children walking through our school doors today are quite different from those of two decades ago—fewer and fewer come from two-parent homes, a growing number are poor and many come from communities plagued with violence and crime. Our classrooms are also seeing the first generation of crack babies, and far too many of our children continue to enter school unprepared to learn.

These social changes come on top of wrenching economic transformations. There was a time when blue-collar workers formed the bedrock of the middle class. High-wage jobs for people without years of advanced education were plentiful, and a high school education was a passport to a healthy future. That time is gone.

In less than one generation, the payoff for those with education and skills has risen substantially, and the penalty for those lacking a high school or college education has become more severe. These trends show no sign of abating. The wage gap between college graduates and high school graduates doubled during the 1980's. College graduates used to earn about 30 percent more than high school graduates—they now earn more than 60 percent more. Every year of postsecondary education or training boosts earning power by 6 to 12 percent.

But education does much more for our economy than increase individual earnings. It is also the fuel that drives the engine of productivity. A recent study by the Census Bureau and the University of Pennsylvania commissioned by the Bush administration demonstrated that education demonstrably increases productivity in the workplace. In fact, increases in educational attainment produce twice the gain in workplace efficiency as similar increases in plant and equipment.

Education is clearly the best investment we can make in our economy. Our future strength will be derived from education for all, not tax cuts to the most affluent. That is the alternative we offer in this amendment.

THE BUDGET RESOLUTION

This budget resolution takes a different course: It would abandon our schools and our children. In the name of eliminating the deficit, this budget proposal would create an education deficit far more costly in the long run.

In real terms, the resolution cuts education by an average of 25 percent over 7 years. Because the cuts gets progressively larger in the out years, in 2002, we will have fully a third less money to spend on education than we will spend this year.

HIGHER EDUCATION

For millions of families, higher education has been the road to a better future for their children. Federal aid has been the bridge that extended this road across the high-priced gulf between families and college. This budget resolution would wash out this bridge for millions of American families. It would cut college loans, freeze Pell grants, cut college work study, eliminate other campus-based aid, and broadly increase student debt.

This budget resolution would increase student loan costs by $14 billion over 7 years. Four million needy students a year could lost this in-school interest assistance they currently receive on their student loans, raising their personal debt from 20 to 50 percent. This would mean that a student who completes a master's degree and borrows the maximum of $34,125—not uncommon with annual college costs rising above $25,000 at many schools—would end up paying an extra $13,320 over the life of his or her loan. This is not debt reduction. It is debt shifting.

The budget resolution promises to freeze Pell spending—as if that is protection. Because of the annual increase in eligible programs and losses to inflation, however, even at a freeze Pell grants would lose 40 percent of their purchasing power by 2002. And there are no guarantees that Pell would not be cut further—as we know, appropriators are in no way bound by the Budget Committee chairman's promises.

ELEMENTARY AND SECONDARY EDUCATION

The front lines of our educational system—our public schools—are also under attack. The severe reductions proposed in this budget would have a real impact on whether or not students have such basic educational supports as smaller class sizes, safe and drug-free schools, more teachers for reading and math, access to computers, and other services that make the difference for millions of young students.

The cuts may seem abstract, but the impact will be real—94 percent of school districts in America would lose over $1 billion that they use to keep students safe and drug-free. With the elimination of the school-to-work program and vocational education, 12 million students would see their opportunities to learn job skills curtailed. States and localities could see losses of $5 billion in Federal assistance for the 5.5 million special education students if the chairman's promised freeze does not hold in the Appropriations Committee. Title I for disadvantaged students also is at risk of cuts that would leave 2 million needy children without these services.

HEAD START

Head Start is on the line as well. It too is promised a freeze—although just last year, 98 colleagues joined me in passing legislation that promised full-funding for this model Federal program. Does that promise mean anything now? Let's assume that this year's promise of a freeze in Head Start will hold—even though it isn't binding on appropriators. Even at a freeze, 350,000 fewer children would receive Head Start by the year 2002. And if the promised freeze doesn't hold, over half a million children would be out of this program.

Our amendment today offers us the chance to make a different choice in addressing the education deficit as well as our Federal deficit. Our amendment does not increase the fiscal deficit; it does not challenge the goal of a balanced budget by 2002. It simply puts our investment in education before tax cuts for the well off.

It ensures that our children enjoy the benefit of a balanced budget without diminishing their educational opportunities for diminishing the very foundation of our economy—education itself.

THE ANXIOUS MIDDLE CLASS

This is not an academic debate: It is central to the future of this country. In the past two decades, our economy and our work force have experienced tremendous economic and structural changes. Growing international economic competition and rapid advances in technology have created a widening gulf between those at each end of the income scale. Income inequality is accelerating, and it is doing so faster in the United States than anywhere else in the world.

In 1976, 1 percent of the population owned 19 percent of America's wealth. Today, 1 percent of the population owns 40 percent of our Nation's wealth. In Britain, in contrast, the wealthiest 1 percent owns 18 percent of its country's wealth. Between 1979 and 1993, incomes of the least affluent three-fifths of the Nation's families dropped by 3 to 17 percent.

There are no easy answers to these problems, but I know that slashing funding for education is not one of them. We must come together as a nation to invest in our children, not turn our backs on them. I urge my colleagues to support the Harkin-Hollings amendment.

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Mr. BRYAN. Mr. President, I rise today in support of the Harkin-Hollings Democratic Leadership's amendment to restore $40 billion in funding to the Federal student financial assistance program, and education programs, such as Head Start, to be paid for out of proposed tax cuts for the wealthy.

Cutting the student financial assistance program by $14 billion over the next 7 years, and eliminating the in-school interest subsidy for graduate and professional students is truly beyond my understanding.

Over and over again Senators come to this floor and talk about how the most important resource we have in our country is our children. Over and over again Senators lament that our country's children are behind the rest of the industrial world in educational achievement, and that we must focus on educational opportunities to keep this country competitive.

And yet, we are offered a budget resolution that would cut back substantially on student financial assistance. I do not understand.

This Budget proposal would freeze funding of Pell Grants. These are needs-based financial assistance grants. These are the grants that help ensure approximately 4 million low and middle income students have the opportunity to go to college or receive vocational training. We have not yet been able to provide funds for all of the students who qualify for these grants. Still this budget proposal would freeze such grant funding.

What should I say to the low or middle income mother and father with a child who wants to go to college? No Pell Grant for your child. We had to freeze those funds to pay for a tax cut to benefit some of the most affluent in our country—those making up to $200,000. Do we really want to say the need for the affluent to get a tax cut is greater than a low or middle income child's need to go to college? I can hardly believe such a message.

I know firsthand how important educational opportunity is for helping assure employment achievement. I have three grown children, all of whom received bachelor degrees. I am particularly proud each has also gone on to earn graduate degrees in medicine, law and education. Thankfully all three of my children have also been able to find work in their chosen fields.

But not all children qualified to further their education get to do so, simply due to the lack of money. And yet this budget proposal would end the AmeriCorp program. The President's program allows people the option of working in their communities to earn financial credits to go to college or to pay off school loans already incurred. And why would we want to eliminate that option for hardworking and dedicated students to earn their way into college or out of their school debts, so those making $200,000 can receive a tax cut?

And not only does the budget proposal cut and freeze student financial assistance, it would force graduate and professional students to pay interest that accrues on their student loans while they are still in school. Under current law, the Federal Government pays the interest on student loans while the students are in college. During a recent conversation, a Nevada lawyer told me the recent law school graduates he has hired quite commonly carry a law school loan debt of $1,000 per month. This frequently is being paid over a 10-year period. And yet this Budget would require interest accrual while the student is still in school. Students could face increases in their loan debt of 20 percent to 50 percent, depending on how much was borrowed. Why would anyone want to pay for a tax cut for the affluent by requiring young people to go further into debt—while they are still in school—by paying interest on their school loans?

Additionally, this budget proposal would freeze funding for Head Start and special education programs. Like Pell Grants, we have not yet been able to provide funds to cover all of the children eligible for Head Start—those low income children most at educational risk. And once children start school, this budget would freeze the funding for their special education needs. Again—why would we want to pay for a tax cut for the affluent by cutting off funds to the most vulnerable young children in our country who are just starting to begin their education? Who needs the leg up here—the person making $200,000 or the low-income child needing a lunch and a chance to learn their colors and numbers before starting first grade?

I have a long record reaching back to the beginning of my political career in the 1960s of supporting balancing the Federal budget. As a U.S. Senator, I have voted twice for such legislation. There are many cuts I will support, some will be unpopular, some will take a hit on Nevada. But I also have a long record of supporting investing in our children and their education as a top priority for whatever funds we have. We cannot maintain a viable economy at home, nor be a viable competitor abroad if our children are not educated.

I have, and will continue to support efforts to try to balance the Federal budget by 2002—but through a fair budget proposal. When efforts to balance the budget rely on eliminating educational opportunities for our children, it is a most foolhardy way to accomplish.

I urge my colleagues support the Harkin-Hollings amendment. We must continue to invest in our children to ensure they do not have the door to educational opportunity slammed in their faces.

Mr. ROCKEFELLER. Mr. President, education is fundamental to our country's future. If we are serious about strengthening our country and staying competitive in a fierce global marketplace, America must educate its children and offer continuous education to working adults.

Previously, we might have differed on some details and policies, but a tradition of bipartisanship support for basic education programs was something Americans could count on—from Head Start to Chapter 1 help for elementary schools to student loans for college. Fairly recently, under the leadership of President Bush, along with the National Governors Association that included Arkansas Governor Bill Clinton, that bipartisan commitment to basic education goals was visible and real.

I support those goals and am horrified to see a budget resolution before the Senate that makes basic education programs the victim of major cuts.

For example, how can we meet our goal of having every child enter school ready to learn if Head Start is cut by $3 billion?

How can we ensure that our schools are safe and students steer clear of drugs, if the Safe and Drug-Free Schools program is virtually eliminated by a $1 billion budget cut? I worked hard to establish this program in 1986 with Republicans. Since then, I have visited numerous West Virginia classrooms and watched police officers in the DARE Program, to cite one example, make a real difference with students.

How can we expect students to enter the modern workplace with the skills they need if we cut Federal funding for educational technology? In today's Washington Post, there is an excellent story about children signing up for time to work on computers at the local public library. What will happen if we pave a new information superhighway, but we don't provide an on ramp or instructions for our schools and libraries?

Again, I have visited West Virginia classrooms, libraries and community centers and sat with children as they show me what they can learn on the Internet. Connecting students to technology is vital.

This resolution undercuts our national commitment to lifelong learning by cutting college assistance and increasing student loan interest.

It undercuts the School-to-Work programs, just passed last year with bipartisan support. The School-to-Work initiative was endorsed by both business and labor unions. It is a partnership between the Departments of Education and Labor. It is where we should be investing our energy and efforts. With Secretary Bob Reich, I visited a West Virginia program and watched students get hand-on experience to prepare them for the challenges of work in today's world. But this budget resolution, instead, proposes a cut of $5.3 billion from this relevant, needed program.

I am personally disappointed by the suggestion of eliminating the AmeriCorps program. National service is something that works, and has won the hearts, the minds, the support of Americans everywhere. It is today's symbol and substance that stand for responsibility and values like community. Just this past weekend in West Virginia, I was with AmeriCorps and VISTA workers and former VISTA volunteers at a special 30th reunion event. The people in that room are committed to making a real difference for West Virginia, working in domestic violence shelters and providing primary health care through the Children's Health Van. This is important, meaningful work that kindles the kind of community spirit we need. I know, because it was VISTA that brought me to Emmons, West Virginia years ago. AmeriCorps has that same spirit, and deserves the same support.

Mr. BIDEN. Mr. President, there are many things I do not like about this Republican budget. But, one of the most outrageous parts of this proposal is the increased burden it would put on college students.

Currently, students who take out loans to go to college do not have to pay interest on those loans while they are in school. The Federal Government pays it for them. This is known as the in-school interest subsidy. And, it has been a fundamental part of the student loan program since its inception 30 years ago. Without this protection—if the interest were to accumulate while an individual is in school—the cost would simply be prohibitive for many families.

But, that is just what is about to happen. The Republican budget in the Senate would end the interest subsidy for graduate and professional students. That is bad enough. But the House-passed budget is even worse. it would end the interest subsidy for all students.

This comes at a time when a higher education is increasingly important and at a time when the cost of that education is increasingly expensive. Studies show that a person with a college degree earns about $12,000 more each year than a person with only a high school degree. The unemployment rate for college graduates is 3 percent; for those with a high school diploma, it is 6 percent; and for those who are high school dropouts, the unemployment rate is 12 percent. And, yet, getting to college—opening up that door to economic opportunity—has become harder. During the 1980's, the cost of attending college rose 45 percent, while disposable income rose only 15 percent.

Mr. President, we are not talking about deadbeats. We are not talking about those who default on their loans. We are talking about middle class students from hard-working middle class families. The average annual family income for those students who borrow money to go to college is $35,000. These are middle class students who have to borrow money to get to college, who work hard to get ahead, who are playing by the rules and just want a fair shot. The Republicans are turning their backs on these young people by raising the costs of college loans.

The fact of the matter is this is a tax increase on college students. Already, for too many college students, when they graduate, they are handed not only a diploma but also a big IOU. This Republican budget makes the IOU even bigger. For example, a medical student could see his monthly loan repayment increase by more than $200 per month. A typical graduate student could easily see his or her loan increase by $5000.

Already, few young doctors who have to borrow money to attend medical school can afford to be primary care doctors in underserved rural and urban areas. Already, few young lawyers who have to borrow money to attend law school can afford to be public defenders. Already, it is hard for graduate students to pursue degrees in math and science—something we need desperately in this country for the Twenty-First Century—because, unlike doctors and lawyers, they do not have very many high-paying job alternatives. And, already, there are thousands upon thousands of undergraduate students who want to be policemen and teachers—but cannot because their loan repayment is too high. By removing the in-school interest subsidy, the Republican budget would only make it worse.

Frankly, we should be moving in the opposite direction—making college more affordable. Higher education is clearly an investment in our country's future, and it is without a doubt in the national interest. We should encourage parents to provide a college education to their children by changing the tax laws to make it easier for them. I am cosponsor of a bill to allow Americans who send their kids to college to deduct up to $10,000 of the cost of that education from their taxes. That is a real investment. That is a real tax cut. That is a real benefit to the Nation and to middle class families.

I disagree with some of my Democratic colleagues who argue that we should not cut taxes. We should. But, we should not cut taxes as proposed by the House Republicans—where the cuts overwhelmingly benefit the wealthy. We need and we can afford—in fact, I would argue that we cannot afford not to provide—a tax cut targeted to middle-class families for the cost of an education.

This budget does not do that. It fails to provide relief for families who pay for their kids to go to college, and it punishes those who must borrow to go to college. The Republican budget, instead of making a college education more affordable, makes a college education less affordable.

Mr. President, from the establishment of the land-grant university system in the late 1800's to the GI bill at the end of World War II to the creation of the Pell Grant and Guaranteed Student Loan programs in the 1960's, the Federal Government has been committed to seeing that young people desiring to go to college would not be turned away because of the cost. It was a national goal to see a college education within reach of every American.

And, no matter who you talk to—black or white, rich or poor—every American family has the same goal: that their children will go to college. It was my dad's dream for his children, and it was my dream for my children. It is the dream of the richest businessperson and the poorest welfare mother. It is the dream of every American parent. We have not always reached the dream. But, we have always tried, and we have never turned our backs. We should not now. But, I am afraid that the Republicans are about to.

Balancing the budget is important, and it is important for our children. But, balancing the budget for future generations will be counterproductive if in the process we slash the programs like education that are an investment in our future.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I ask unanimous consent that the vote occur on or in relation to the Roth amendment immediately following the first rollcall vote occurring during Tuesday's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

TRIBUTE TO COACH HOWARD CHAPPELL

Mr. HEFLIN. Mr. President, this year, one of Alabama's most outstanding high school football coaches was inducted into the Alabama High School Sports Hall of Fame. From 1934 until 1942 and again from 1951 to 1960, Howard "Chap" Chappell served as the coach of the Deshler High School Tigers, of Tuscumbia, AL, compiling an overall record of 110–52–2. But, Chap did more than just coach. As State Representative Marcel Black once said, "My favorite stories of Coach Chap are the ones involving his guidance and support to his former players after their careers as high school football players had ended." Chap was inducted into the Hall of Fame on March 20, 1995.

After graduating from Sylacauga High School in 1930, Chap accepted a scholarship to the University of Alabama. He was a 3-year letterman on football teams that went 24–4–1 and won the first Southeastern Conference Championship in 1933. He was also a star player on the track team, lettering for 3 years.

Coach Chappell's first tenure as coach began in 1934. As a senior, he made recruiting trips for the coach, encouraging outstanding high school students to go to the University of Alabama. "Coach Hank Crisp sent me to Sheffield to see about a boy named Jack Machtoff," Chap recalled in an interview. "I found out about a job opening in Tuscumbia. I went to see superintendent R.E. Thompson. He didn't give me the job then * * * but he called later and said I could have the job if I wanted it." So, Jack went to play at Alabama and Chap became coach of Deshler High School.

During his career as a coach, he managed to lead 3 undefeated teams. The Tigers were the dominant team in the Tennessee Valley. In 1938, they were described as "striking with the swiftness of a marauding band of Vikings." He left coaching in 1960 to become principal of R.E. Thompson School, a position which he retained until he retired in 1975.

Howard Chappell's many contributions have extended beyond his outstanding coaching. As Dr. James Maples wrote: "I was never fortunate enough to have played for Coach Chap * * * but his spirit, his tradition, his style and his attitude still to this day blanket the stadium that bears his name * * * What makes Chap great, however, what lifts him to heroic status in the minds of his friends and neighbors, is his presence in our everyday lives. That presence goes well beyond the confines of sports. There are young people who think Howard Chappell absolutely hung the moon, who have no idea he ever coached football at Deshler."

During the war, Chap oversaw the building of the stadium that was later named after him. In 1975, the city of Tuscumbia honored him with a 2-day celebration of his career and contributions to the community. He has served as president of the Alabama High School Coaches Association and the Tennessee Valley Conference. He is active in the First Methodist Church of Tuscumbia and has been president of the Kiwanis Club and member of the Tuscumbia City Commission.

During his 84 years, Howard Chappell has been one of the few who can rightly be called pillars of the community. I congratulate him on all of his achievements, and I wish him luck in continuing to shoot his age on the golf course.

THE PISCATAWAY CASE

Mr. DOLE. Mr. President, as President Clinton continues his review of Federal affirmative action policies, one of his top priorities should be to take a very close look at the Justice Department's brief in the Piscataway Board of Education case. This case is now pending before the third circuit court of appeals.

In Piscataway, the Justice Department has taken the position that, when an employer is laying off employees, a worker can be fired from her job because of her race. That's right: Our Nation's top law enforcement agency says that it is perfectly legal, as a way to preserve workforce diversity, to tell a person that she can no longer keep her job because she happens to have the wrong skin color.

This position is even too much for the editorial writers at USA Today, normally staunch defenders of affirmative action, who argue in a powerful editorial that the Justice Department's actions in Piscataway are "a tale of values misplaced."

Unfortunately, President Clinton has publicly embraced the Justice Department's misguided position. Hopefully, the President will rethink this position before he completes his affirmative action review.

Mr. President, I ask unanimous consent that the USA Today editorial be reprinted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From USA Today]

FIRING BASED ON RACE NOT REAL AFFIRMATIVE ACTION

Can you legally lose your job because of your race?

The answer seems obvious: No. That's why we have civil rights laws. But for high school teacher Sharon Taxman, the answer was a cavalier yes. And therein lies a tale of values misplaced.

Six years ago, a financially squeezed school board in Piscataway, N.J., laid Taxman off, citing her race, white, as the sole reason. She sued, and the case has been marching toward the Supreme Court ever since. A ruling by the U.S. Court of Appeals, the last interim step, is due any day.

By next year, the case could affect affirmative action policies nationwide and even influence the presidential election.

Taxman's story offers a clear-cut lesson in the rights and wrongs of affirmative action—

a story of two teachers linked by fate and separated by race.

It began on the first day of school in 1980 when Taxman and Debra Williams, who is black, went to work as business teachers in Piscataway. Both worked hard and earned high marks for performance. They even won tenure the same day.

Then came 1989. The school board, under financial pressure, needed to downsize, as so many governments and businesses across the nation have in recent years. The business education department was required to cut one teacher, and the choice came down to Taxman or Williams, whose qualifications amounted to a flat-footed tie.

What to do? By the board's own rules and past practice, ties were to be broken by a coin flip. But the board wanted to preserve racial diversity, and Williams was the department's first and only black teacher. So Taxman got the pink slip. And she sued.

Her case was seen as so important by the U.S. Justice Department that it jumped in to help, suing the school board for violating the 1964 Civil Rights Act, which prohibits racial and other discrimination.

The courts agreed. But last year the Clinton Justice Department did something extraordinary. It switched sides, defending the school board's choice of Williams as a legitimate affirmative action.

As the controversy over affirmative action has grown, the administration has scrambled to downplay its role, fearing reprisal at the polls. And well it should.

Far from helping affirmative action, approaches like Piscataway's put sensible affirmative action at risk.

Unlike affirmative action complaints about hiring and promotion—inevitably complex and arbitrary decisions—this one has a clear, identifiable victim.

Furthermore, all sides agree the school board was under no pressure to remedy any previous discrimination or to correct any imbalance in minority employment—the starting point for affirmative action. In fact, the school exceeded state goals for minority representation on its teaching staff.

Most importantly, the board could have achieved its goal without violating anyone's rights. It could have come up with a more creative redeployment of teachers to achieve the same results. Or it simply could have offered a financial inducement to Taxman. That's a common practice, and she was willing to accept.

Instead, as its first resort, it chose to lay Taxman off solely because of her race. And that is wrong, no matter what race it is.

Polls show almost no public support for such action. And the courts have upheld the rights of employers to make choices based on race alone only to remedy previous inequities.

Taxman, who spurns interviews, never intended to become a landmark test of firing as an affirmative action tool. She just wanted to teach. When Piscataway offered to reinstate her in the business education department in 1993, she gladly returned.

But the ruckus didn't need to happen. The school board's well-intentioned ends didn't justify its means.

For too many years, millions of women and minorities were denied equal opportunity and pay because of discrimination in education and in the workplace. Affirmative action has done much to remedy that.

Firing Sharon Taxman righted no wrong. It created one. That is not justice by any reasonable definition.

AN INSPIRING STORY: A GLORIOUS FAILURE

Mr. PELL. Mr. President, we often celebrate success on the floor of the Senate: the passage of a particularly difficult bill, the ratification of a difficult international agreement, or even the retirement of a public figure who has built a record of achievements.

This time, however, I would like to share with my colleagues the inspiring story of a glorious failure. It truly is an inspiring story for several reasons: the age of the individual involved, the wisdom of his perspective, and the strength of his spirit.

I do not know Mark Pfetzer but, as a Rhode Islander, I have been following the news accounts of this 15-year-old high school freshman's attempt to become the youngest person to climb Mount Everest.

Mark has climbed at least 26,000 feet up the 29,028-foot Himalayan mountain, perhaps even higher, when he reportedly was forced to turn back because of rib injuries.

According to his mother, he was injured during a coughing fit brought on by the extremely dry and thin air near the summit. Those injuries reportedly led a doctor to rule Mark out of the final assent to the summit.

I found one quote from Mark's mother, Christine Pfetzer, to be particularly telling. She said that during his preparations for the expedition he was fond of a quote by the Roman general Cassius: "In great attempts it is glorious to fail."

Mr. President, I congratulate Mark on his effort, his wisdom, and his spirit. I am confident that his glorious failure will lead him to a life of continued success.

I trust that, with his attitude, he eventually will climb the highest mountain—all the way to the top. I am sure he will go on to new conquests, if he remains willing to take the chance of failure.

We wish him well and, when he returns to Rhode Island in June, I hope his homecoming is only the beginning of a life with great promise.

I ask unanimous consent that a May 18 wire story by the Associated Press, titled "15-Year-Old Fails in Everest Summit Attempt," be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered by be printed in the RECORD, as follows:

MIDDLETOWN, R.I. (AP).—A 15-year-old high school freshman's attempt to become the youngest person to climb Mount Everest has been halted by rib injuries.

Mark Pfetzer spoke to his mother, Christine Pfetzer, by phone this morning from an Everest base camp. She said Mark was forced to give up a summit attempt because of bruised and sprained rib muscles and at least one cracked rib.

Mark was injured during a coughing fit brought on by the extremely dry air on the 29,028-foot Himalayan mountain, she said, adding that the doctor who examined her son had seen at least five similar injuries on Everest this year.

Christine Pfetzer said she did not know how high her son climbed before he turned back. He had reached 26,000 feet earlier in the expedition.

Pfetzer said recent severe weather on the mountain has cleared and at least two other climbers from Mark's expedition will attempt the summit climb. Her son, however, will not be among them.

"With the ribs, the doctor said no," Christine Pfetzer said.

"(Mark) did work really hard," she said. "I think he should have all the commendations he can get for what he accomplished at his age."

Pfetzer added that during her son's preparations for his Everest expedition he was particularly fond of a quote by the Roman general Cassius: "In great attempts it is glorious to fail."

She said her son's rib injuries would take about a month to heal, but that he already is looking ahead.

He said, "There's next time," she said.

Since taking up climbing three years ago at a summer camp, Pfetzer has climbed once in the Himalayas, scaled Argentina's 22,834-foot Mount Aconcagua, 19,347-foot Mount Cotopaxi in Ecuador and two Peruvian peaks, 18,870-foot Mount Pisco and 22,200-foot Mount Huascaran.

Only about 400 people have reached Everest's peak since Sir Edmund Hillary of New Zealand and Tensing Norkay of Nepal first scaled it in 1953. Another 109 have died in the attempt.

A 17-year-old French boy was the youngest person ever to climb Everest, reaching the summit in 1990.

Christine Pfetzer said she expects Mark back in Rhode Island in the first week of June.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, more than 3 years ago I began making daily reports to the Senate making a matter of record the exact Federal debt as of close of business the previous day.

As of the close of business Friday, May 19, the exact Federal debt stood at $4,883,151,973,639.38, meaning that on a per capita basis, every man, woman, and child in America owes $18,536.53 as his or her share of the Federal debt.

It is important to note, Mr. President, that the Senate had an opportunity to implement a balanced budget amendment to the Constitution. The Senate lost its first opportunity to control this debt by one vote. There will be another opportunity in the months ahead.

TRIBUTE TO COACH HAYDEN RILEY

Mr. HEFLIN. Mr. President, many in the athletic circles of Alabama were saddened last month by the death of Hayden Riley, former University of Alabama basketball and baseball coach. In 1964, 1965, and 1967, his basketball teams achieved upset victories over the University of Kentucky, truly remarkable feats. From 1971 to 1979, he served as the school's head baseball coach, winning two SEC championships.

Originally from Guin, AL, Hayden Riley attended Marion County High School, playing four sports while a student there. In 1942, he was called to active duty in the Navy. While stationed at Pensacola Naval Air Station, he played football, basketball, and baseball.

After being discharged, he attended the University of Alabama, where he lettered in basketball and baseball from 1947 to 1949. In 1948, he graduated with a degree in physical education and went on to receive his masters in 1953 in physical education and school administration.

In 1951, Hayden joined the University of Alabama staff as assistant basketball coach. He became head coach in 1961, staying for 9 years. Legendary coach Paul "Bear" Bryant made him assistant athletic director in 1968, and he worked as one of Bear's top football recruiters until he became head baseball coach in 1971.

Hayden Riley made many outstanding contributions to the University of Alabama as both a player and a coach. I extend my sincerest condolences to his family and friends, and ask unanimous consent that a news column on his career be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(By John Cameron, Assistant Managing Editor/Sports)

BEAR SAID, JUST COACH, AND HE DID

Hayden Riley and Paul "Bear" Bryant came to Alabama to coach just about the same time.

Riley left Coffee High School in Florence and joined Dr. Eugene Lambert's basketball staff as an assistant coach in 1957. Bear came home in 1958 to take over as football coach and athletic director.

Today's generations know about the legend of the Bear. Very few of the younger Alabama supporters know about coach Hayden Riley. Some have never head of him.

Yet, Riley, who died Monday following a lengthy illness, was one of the most loyal and dedicated people to ever coach in the Crimson Tide athletic program.

In a sense, he "was Alabama." He lettered in basketball and baseball as a post-World War II student and, as a coach, he contributed greatly to Bama's rich sports history.

Somehow, Coach Riley has been overlooked. His contributions are seldom recognized and he is not in the Alabama Sports Hall of Fame. However, he is not without fame. Many former Alabama athletes and coaches have fond memories of the Bama mentor. They know what he did for them.

Coach Riley became Alabama's basketball coach in 1961, the same year that Bryant won his first national championship.

In those days, coaching basketball was a struggle. It was still all-white and all the headlines, money and fans went to football. Only a few leftovers went to basketball.

These were the days when Tide basketball was played in cramped Foster Auditorium and games provided students with something to do after football season. Still, he was happy just to have the chance to do the job.

He wound up with a losing record in basketball by only two games (102–104) but he had some big years. Most of his losses came in his early years.

In the SEC during the 1960s, you measured success by the number of times you defeated powerhouse Kentucky. Riley upset the Wildcats in 1964, 1965 and 1967. His 1967 team went 17–9.

In 1968, Bear made him assistant athletic director and put him on the road recruiting. He became one of Bama's top recruiters during the early 1970s, a period that produced some of the Tide's greatest teams. He spent quite a bit of time in Mobile and southwest Alabama.

Bear then asked him to coach the baseball team. From 1971–79, he compiled a 224–163–1 mark and won two Western Division titles. Diabetes forced him to retire from coaching in the spring of 1979, although he remained with the university in an administrative capacity until 1982.

No, history does not record Riley as a great coach in basketball or baseball at Alabama. However, it does reflect his strength as a loyal member of the staff and a man willing to give his time to help young people. He seemed comfortable remaining somewhat in the background.

PRESIDENT LEE TENG-HUI TO VISIT ALMA MATER

Mr. THOMAS. Mr. President, I rise today as the chairman of the Senate Subcommittee on East Asian and Pacific Affairs to inform my colleagues that, as predicted in the press over the weekend, the administration will announce this afternoon that it has agreed to issue a visa to President Lee Teng-hui of the Republic of China on Taiwan for a private visit to his alma mater.

I am very pleased that the administration has finally decided to take this step. The feeling in Congress on this issue has been very strong, as evidenced by the near unanimous votes in the last 2 weeks on the resolution calling on the State Department to allow the visit. I'm equally pleased that we have avoided an escalating squabble with the State Department over the visit. If this action had been taken earlier, when it should have been, we could have avoided a great deal of acrimony and conflicting signals. I believe that the decision to admit President Lee brings our policies on admission of, let us say, controversial public figures more into uniformity, and it removes a gross and unnecessary slight to one of our close friends in Asia.

Mr. President, in closing I would like to make something clear to our friends in the People's Republic of China. Although I understand the depth of their feelings on this issue, I do not believe that this simple move has to adversely affect our important relationship. Admitting President Lee Teng-hui for a private, I repeat, private visit should not be seen for more than it is—an internal decision to admit a private citizen for a limited private purpose—and I am sure that President Lee will closely adhere to the parameters of the visit in order to avoid any unnecessary complications. There are no hidden signals here, no nebulous meanings, no new policy currents. This is not, nor should the People's Republic of China interpret it to be, our repudiation of their one-China policy.

SECOND ANNIVERSARY OF THE SIGNING OF MOTOR-VOTER

Mr. FORD. Mr. President, last month, one of my State papers, the Lexington Herald-Leader, ran a story about why people don't vote. One of the top reasons people cited for not voting, was because they always forget to register.

Thirty-one-year-old Tracey Adkins told the paper that "My husband's a preacher, and we move a lot from town to town. It's hard when you move a lot. It's inconvenient." She couldn't remember the last time she was registered, but said she would "definitely register the next time she renewed her driver's license through the motor-voter law."

Tomorrow marks the second anniversary of the President signing this bill into law, and the culmination of years of work. But more importantly, it's another milestone in this country's long history of working to assure all American citizens have the ability to exercise their right to vote.

From women's suffrage in 1920 to the Voting Rights Act of 1965 to extending the right to vote to 18 year-olds in 1971 to removing physical barriers for the elderly and disabled in 1984, Congress recognized that the right to vote is perhaps the clearest expression of democracy at work.

When Tracey Adkins goes to renew her driver's license she'll join tens of thousands of other Kentuckians who took advantage of the new system—tens of thousands of other Kentuckians who now have no obstacles between their opinion and their Government.

In Kentucky, voter registration has skyrocketed to record levels, gaining 76,550 new voters since January 1. And it's estimated that motor-voter is responsible for two-thirds of those new potential voters. In the first quarter of this year, over 2 million Americans nationwide registered to vote under the new law. At this rate 20 million will be registered by the next Presidential election.

Not only are we experiencing the largest voter registration increase in our country's history, but as Becky Cain, president of the League of Women Voters said, "The 1996 electorate will be larger, more diverse and more reflective of the American people."

And, nearly 10 years of opposition to this legislation has proven to be completely unfounded, from arguments about the high cost of implementation to the fear that somehow Democrats would benefit more than Republicans. Statistics show that new registrations in Kentucky are almost evenly divided between Republicans, Democrats, and Independents.

Barbara Jorden once said that the "stakes are too high for Government to be a spectator sport." As more and more Americans found themselves in the bleachers simply watching the political game, they were encountering a Government that knew little about their problems, and even less about the way the average citizen might want to see those problems solved.

But motor-voter sent a clear message to these disenchanted Americans that Government belongs to them, its future guided by their individual vote. Because, it is only through their participation that the democratic process can work effectively, efficiently, and equitably.

So, as we celebrate this second anniversary, we do so knowing that with each new registered voter, this Nation becomes a little stronger, our course a little steadier, our future a little brighter.

MESSAGES FROM THE HOUSE

At 4:19 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution; in which it requests the concurrence of the Senate:

H. Con. Res. 67. Concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

MEASURES PLACED ON THE CALENDAR

The following concurrent resolution was read and placed on the calendar:

H. Con. Res. 67. Concurrent resolution setting forth the congressional budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–927. A communication from the Secretary of Education, transmitting, a draft of proposed legislation to provide for the termination of the status of the College Construction Loan Insurance Association ("the Corporation") as a Government Sponsored Enterprise, to require the Secretary of Education to divest himself of the Corporation's stock, and for other purposes; to the Committee on Labor and Human Resources.

EC–928. A communication from the Secretary of Education, transmitting, a draft of proposed legislation to provide assistance to States and local communities to improve adult education and family literacy, to help achieve the National Educational Goals for all citizens, and for other purposes; to the Committee on Labor and Human Resources.

EC–929. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fiscal years 1991 and 1992 report relative to the effectiveness of programs under the Lead Contamination Control Act; to the Committee on Labor and Human Resources.

EC–930. A communication from the Secretary of Labor, transmitting, pursuant to law, a fiscal year 1992 report relative to employment and training programs; to the Committee on Labor and Human Resources.

EC–931. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the Administration on Aging for fiscal year 1994; to the Committee on Labor and Human Resources.

EC–932. A communication from the Admninistrator of the Small Business Administration, transmitting, pursuant to law, the 1994 report relative to minority small business and capital ownership development; to the Committee on Small Business.

EC–933. A communication from the Secretary of Veterans' Affairs, transmitting, a draft of proposed legislation to amend title 38, United States Code, to clarify the eligibility of certain minors for burial in national cemeteries; to the Committee on Veterans' Affairs.

EC–934. A communication from the Secretary of Veterans' Affairs, transmitting, a draft of proposed legislation to amend title 38, United States Code, to restrict payment of a clothing allowance to incarcerated veterans and to create a presumption of permanent and total disability for pension purposes for certain veterans who are patients in a nursing home; to the Committee on Veterans' Affairs.

EC–935. A communication from the Secretary of Veterans' Affairs, transmitting, a draft of proposed legislation entitled the "Veterans' Insurance Reform Act of 1995"; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 440. A bill to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes (Rept. No. 104–86).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. D'AMATO:

S. 838. A bill to provide for additional radio broadcasting to Iran by the United States; to the Committee on Foreign Relations.

By Mr. CHAFEE (for himself, Mr. GRAHAM, and Mr. CONRAD):

S. 839. A bill to amend title XIX of the Social Security Act to permit greater flexibility for States to enroll medicaid beneficiaries in managed care arrangements, to remove barriers preventing the provision of medical assistance under State medicaid plans through managed care, and for other purposes; to the Committee on Finance.

By Mr. CONRAD:

S. 840. A bill to provide the States greater flexibility in providing jobs for, and assistance to, needy families, to improve child support enforcement, to reduce teenage pregnancy, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself and Mr. DASCHLE):

S. Res. 122. A resolution designating James R. Ketchum as Curator Emeritus of the United States Senate; considered and agreed to.

S. Res. 123. A resolution relating to the retirement of Gerald A. Hackett; considered and agreed to.

S. Res. 124. A resolution relating to the retirement of Frederick R. Broomfield, Sr.; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 838. A bill to provide for additional radio broadcasting to Iran by the United States; to the Committee on Foreign Relations.

RADIO FREE IRAN ACT

Mr. D'AMATO. Mr. President, I rise today to introduce the Radio Free Iran Act.

This legislation is intended to create a Farsi-language service to be broadcast to Iran that will supplement, not supplant the current programming already beamed to Iran by the Voice of America. This service is intended to be made political in nature and as such, will bring to the Iranian people the real news that they are denied access to be the dictatorial regime in Tehran.

It is vital to the people of Iran that they be exposed to the truth of what is happening inside Iran. More must be done to detail what the regime is doing to this proud people. The Iranian people must understand how the regime has created impossible living conditions through massive inflation and shortages, persecuted minorities, denied human rights, and forced international isolation upon this proud nation because of its abhorrent practices.

The regime has robbed the Iranian people of its glorious history, replacing it with the status of a pariah state. The regime in Tehran is known as the chief sponsor of international terrorism, it is known as one of the worst abusers of human rights, and it is known for its unceasing determination to obtain weapons of mass destruction. This in itself is lowering the Iranian people's living standards with each passing day.

This legislation is intended to expose the people of Iran to a more balanced approach to the conditions in Iran so that they can hopefully have a greater impact on their own future.

If anything is clear it is that the Iranian people deserve better. They deserve a chance to live free of the abusive and dictatorial nature of their corrupt government. They deserve to shed the status that this regime has cast upon them, and they deserve the chance to regain their proper role in the world.

Radio Free Iran will not be the panacea, but it will be the beginning. I want Radio Free Iran to be for the Iranian people what Radio Free Europe did for the people of Eastern Europe. The only goal for the Iranian people is freedom from oppression.

I urge my colleagues to support this worthwhile project.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Radio Free Iran Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) It is the policy of the United States to support the right of the People of Iran to seek, receive, and impart information and ideas through any media, regardless of frontiers, in accordance with article 19 of the Universal Declaration of Human Rights.

(2) Consonant with this policy, radio broadcasting to Iran may be effective in furthering the open communication of accurate information and ideas about Iran to the people of Iran.

(3) Such broadcasting to Iran, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest.

SEC. 3. RADIO BROADCASTING TO IRAN.

(a) IN GENERAL.—In order to carry out the objectives set forth in section 2, the United States Information Agency shall provide for the open communication of information and ideas on Iran through the use of radio broadcasting to Iran. Radio broadcasting to Iran under this section shall serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news on Iran.

(b) REQUIREMENTS RELATING TO BROADCASTING.—(1) Radio broadcasting under subsection (a) shall be provided in accordance with standards that ensure the broadcast of programs which are objective, accurate, and balanced, and which present a variety of views. Such standards shall be established by the board established under section 4.

(2) Radio broadcasting under subsection (a) shall be provided in the Farsi language.

(c) DESIGNATION OF BROADCASTS.—Any program of United States Government radio broadcasts in the Farsi language under this section shall be designated "Radio Free Iran".

(d) RELATIONSHIP WITH OTHER RADIO SERVICE TO IRAN.—It is the sense of Congress that radio broadcasting under this section supplement and not supplant other radio broadcasting and radio broadcasting services to Iran in the Farsi language that are provided by the United States Government.

(e) AUTHORITY TO CONTRACT.—The Director of the United States Information Agency may carry out this section by means of grants, contracts, and leases and by such other means as the Director determines appropriate. Any grant, contract, or lease under this subsection shall specify that payment thereunder by the Director is subject to the availability of appropriations thereof.

(f) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—The Director may secure on a reimbursable basis from any department or agency of the Federal Government, with the concurrence of the head of the department or agency, any technical or administrative support or services (including personnel and property) that the Director may require in order to provide radio broadcasting to Iran under this section. Any reimbursement under this subsection shall be credited to the appropriation from which the support or services was derived.

SEC. 4. ADVISORY BOARD.

(a) IN GENERAL.—There is hereby established an advisory board to be known as the Advisory Board for Radio Free Iran (in this section referred to as the "Board").

(b) MEMBERSHIP MATTERS.—(1) The Board shall be composed of eight members of whom—

(A) four shall be appointed by the President;

(B) two shall be appointed by the President pro tempore of the Senate, upon the recommendation of the majority and minority leaders of the Senate; and

(C) two shall be appointed by the Speaker of the House of Representatives, in consultation with the minority leader of the House of Representatives.

(2) Members shall be appointed for terms of 4 years. Any vacancy in the Board shall not affect its powers but shall be filled in the same manner as the original appointment.

(3) The President shall designate one member of the Board to be the Chairman.

(c) DUTIES.—The Board shall have the following duties:

(1) To establish standards for the broadcast of programs under section 3, which standards shall ensure that such programs are objective, accurate, and balanced, and present a variety of views.

(2) To monitor the broadcast of programs under that section in order to ensure that the programs meet the standards so established.

(d) COMPENSATION.—(1) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board. All members of the Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(e) PROCUREMENT OF SUPPLIES AND SERVICES.—The Board may, to the extent it considers necessary to carry out its duties under this section, procure supplies, services, and other personal property, including specialized electronic equipment.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the United States Information Agency for fiscal year 1996 such sums as may be necessary for purposes of carrying out this Act, including the activities of the board established under section 4.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated under this section shall remain available until expended.

By Mr. CHAFEE (for himself, Mr. GRAHAM, and Mr. CONRAD):

S. 839. A bill to amend title XIX of the Social Security Act to permit greater flexibility for States to enroll Medicaid beneficiaries in managed care arrangements, to remove barriers preventing the provision of medical assistance under State Medicaid plans through managed care, and for other purposes; to the Committee on Finance.

MEDICAID MANAGED CARE ACT

Mr. CHAFEE. Mr. President, we face many difficult decisions in the next few months. Due to the increasing national deficit and our efforts to control it, we must carefully review all Federal programs. Of particular concern are Federal entitlement programs such as Medicare and Medicaid. Today we are debating a budget resolution that will reduce the growth rate in Medicaid spending by $175 billion over the next 7 years. I am supportive of efforts to bring Federal spending under control, including Federal spending on the Medicaid Program. However, I am deeply concerned about the future of this program which provides critical health care services to low-income children, pregnant women, persons with disabilities and the elderly.

Clearly, as we move forward we can expect to see some dramatic changes in the Medicaid Program. And as a former Governor, I understand the need to provide States with additional flexibility to administer the program, and to control costs. Many may question whether it is possible to meet these objectives without jeopardizing health care services to millions of low-income Americans. Some have suggested converting the Medicaid Program into a block grant and capping the general rate of growth in Federal expenditures. While I agree that we should give States more flexibility, I do not believe that it is reasonable to expect the Federal Government to hand over more than $100 billion per year without expecting accountability. Thus, earlier this year I began to look for alternatives to this approach.

Mr. President, today I am joining with my colleagues Senators BOB GRAHAM and KENT CONRAD in introducing legislation that we believe will serve two very important objectives in the Medicaid Program. First, this legislation will give States the additional flexibility that they need to administer the Medicaid Program by allowing them to enroll Medicaid patients in managed care. Second, this bill will set Federal standards for managed care to ensure that Medicaid patients receive the same quality of care afforded private managed care patients.

Specifically, this legislation would allow States to require Medicaid patients to enroll in managed care plans. States would be required to offer patients a choice of a least two plans. States would no longer have to go through the lengthy and cumbersome process of applying to the Secretary of Health and Human Services for a waiver of Medicaid regulations.

This legislation sets Federal standards for managed care plans that wish to enroll Medicaid patients. Plans would be required to meet certain standards for quality, access to care, and solvency. These standards are especially important given recent problems in States that have set up Medicaid managed care programs under the waiver process. Plans have failed to contract with enough providers to serve the Medicaid population; plans have been permitted to operate under standards that are lower than commercial insurers are required to meet; and plans have used fraudulent marketing practices to entice Medicaid patients to sign up with their plans. These actions have resulted in patients being denied medically necessary services, and have resulted in States and the Federal Government paying for care that was never given.

Considering these abuses, why should we allow Medicaid managed care at all? Because managed care, if done correctly, can vastly improve the quality of health care provided to low-income families. In today's fee-for-service program, patients face myriad problems. Some are forced to get care in hospital emergency rooms because they cannot find a private physician willing or able to accept Medicaid's low payment rates. Those who do have access to providers often face waiting for hours in clinics which are overcrowded and understaffed. And, sadly, they often do not have access to primary and preventive care services which would have prevented them from becoming ill to begin with.

Medicaid managed care, if done well, provides regular prenatal care to assure that children are born healthy. These plans provide coverage for check-ups and immunizations to prevent serious illnesses. And they give patients a medical home—a provider they know can go to if they are sick, or a number to call if they have questions.

Medicaid managed care also has the potential of benefiting our overall health care system by providing access to primary care providers rather than forcing patients to make costly and unnecessary visits to hospital emergency rooms. It gives providers the opportunity to catch and treat, or prevent, costly health problems.

Mr. President, I hope as we move forward in this budget debate that we will be successful in funding a means of giving Governors the additional flexibility they need to administer their Medicaid programs. I am also hopeful that we will be successful in dramatically decreasing the rate of growth in this program. The legislation that I introduce today will give States the flexibility they have sought without going through the costly and complicated waiver process, and I look forward to working with the Governors to identify additional areas of flexibility in the Medicaid Program.

We must bear in mind, however, that the Medicaid Program is the sole source of health insurance for millions of low-income Americans. I believe that it would be a mistake for Congress, in its efforts to control Federal spending, to take any action that would result in a dramatic increase in our Nation's uninsured population. I hope my colleagues will join with me in cosponsoring this legislation.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD.

There being no objection, the bill was ordered, to be printed in the RECORD, as follows:

S. 839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicaid Managed Care Act of 1995".

SEC. 2. PERMITTING GREATER FLEXIBILITY FOR STATES TO ENROLL BENEFICIARIES IN MANAGED CARE ARRANGEMENTS.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended—

(1) by redesignating section 1931 as section 1932; and

(2) by inserting after section 1930 the following new section:

"STATE OPTIONS FOR ENROLLMENT OF BENEFICIARIES IN MANAGED CARE ARRANGEMENTS

"SEC. 1931. (a) MANDATORY ENROLLMENT.—

"(1) IN GENERAL.—Subject to the succeeding provisions of this section, a State may require an individual eligible for medical assistance under the State plan under this title to enroll with an eligible managed care provider as a condition of receiving such assistance and, with respect to assistance furnished by or under arrangements with such provider, to receive such assistance through the provider, if the following provisions are met:

"(A) The provider meets the requirements of section 1932.

"(B) The provider enters into a contract with the State to provide services for the benefit of individuals eligible for benefits under this title under which prepaid payments to such provider are made on an actuarially sound basis.

"(C) There is sufficient capacity among all providers meeting such requirements to enroll and serve the individuals required to enroll with such providers.

"(D) The individual is not a special needs individual (as defined in subsection (c)).

"(E) The State—

"(i) permits an individual to choose an eligible managed care provider—

"(I) from among not less than 2 medicaid managed care plans; or

"(II) between a medicaid managed care plan and a primary care case management provider;

"(ii) provides the individual with the opportunity to change enrollment among eligible managed care providers not less than once annually and notifies the individual of such opportunity not later than 60 days prior to the first date on which the individual may change enrollment;

"(iii) establishes a method for establishing enrollment priorities in the case of an eligible managed care provider that does not have sufficient capacity to enroll all such individuals seeking enrollment under which individuals already enrolled with the provider are given priority in continuing enrollment with the provider;

"(iv) establishes a default enrollment process which meets the requirements described in paragraph (2) and under which any such individual who does not enroll with an eligible managed care provider during the enrollment period specified by the State shall be enrolled by the State with such a provider in accordance with such process; and

"(v) establishes the sanctions provided for in section 1933.

"(2) DEFAULT ENROLLMENT PROCESS REQUIREMENTS.—The default enrollment process established by a State under paragraph (1)(E)(iv) shall—

"(A) provide that the State may not enroll individuals with an eligible managed care provider which is not in compliance with the requirements of section 1932; and

"(B) provide for an equitable distribution of individuals among all eligible managed care providers available to enroll individuals through such default enrollment process, consistent with the enrollment capacities of such providers.

"(3) EXCEPTION FOR CERTAIN SERVICES.—A State may not require an individual eligible for medical assistance under the State plan under this title to enroll with an eligible managed care provider as a condition of receiving medical assistance consisting of payment for medicare cost-sharing under section 1905(p)(3).

"(b) REENROLLMENT OF INDIVIDUALS WHO REGAIN ELIGIBILITY.—

"(1) IN GENERAL.—If an individual eligible for medical assistance under a State plan under this title and enrolled with an eligible managed care provider with a contract under subsection (a)(1)(B) ceases to be eligible for such assistance for a period of not greater than 2 months, the State may provide for the automatic reenrollment of the individual with the provider as of the first day of the month in which the individual is again eligible for such assistance.

"(2) CONDITIONS.—Paragraph (1) shall only apply if—

"(A) the month for which the individual is to be reenrolled occurs during the enrollment period covered by the individual's original enrollment with the eligible managed care provider;

"(B) the eligible managed care provider continues to have a contract with the State agency under subsection (a)(1)(B) as of the first day of such month; and

"(C) the eligible managed care provider complies with the requirements of section 1932.

"(3) NOTICE OF REENROLLMENT.—The State shall provide timely notice to an eligible managed care provider of any reenrollment of an individual under this subsection.

"(c) SPECIAL NEEDS INDIVIDUALS DESCRIBED.—In this section, a 'special needs individual' means any of the following:

"(1) SPECIAL NEEDS CHILD.—An individual who is under 19 years of age who—

"(A) is eligible for supplemental security income under title XVI;

"(B) is described under section 501(a)(1)(D);

"(C) is a child described in section 1902(e)(3); or

"(D) is in foster care or is otherwise in an out-of-home placement.

"(2) HOMELESS INDIVIDUALS.—An individual who is homeless (without regard to whether the individual is a member of a family), including—

"(A) an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations; or

"(B) an individual who is a resident in transitional housing.

"(3) MIGRANT AGRICULTURAL WORKERS.—A migratory agricultural worker or a seasonal agricultural worker (as such terms are defined in section 329 of the Public Health Service Act), or the spouse or dependent of such a worker.".

(b) CONFORMING AMENDMENT.—Section 1902(a)(23) of such Act (42 U.S.C. 1396a(a)(23)) is amended—

(1) in the matter preceding subparagraph (A), by striking "subsection (g) and in section 1915" and inserting "subsection (g), section 1915, and section 1931,"; and

(2) in subparagraph (B)—

(A) by striking "a health maintenance organization, or a" and inserting "or with an eligible managed care provider, as defined in section 1932(g)(1), or".

SEC. 3. REMOVAL OF BARRIERS TO PROVISION OF MEDICAID SERVICES THROUGH MANAGED CARE.

(a) REPEAL OF CURRENT BARRIERS.—Except as provided in subsection (b), section 1903(m) of the Social Security Act (42 U.S.C. 1396b(m)) is repealed on the date of the enactment of this Act.

(b) EXISTING CONTRACTS.—In the case of any contract under section 1903(m) of such Act which is in effect on the day before the date of the enactment of this Act, the provisions of such section shall apply to such contract until the earlier of—

(1) the day after the date of the expiration of the contract; or

(2) the date which is 1 year after the date of the enactment of this Act.

(c) ELIGIBLE MANAGED CARE PROVIDERS DESCRIBED.—Title XIX of such Act (42 U.S.C. 1396 et seq.), as amended by section 2(a), is amended—

(1) by redesignating section 1932 as section 1933; and

(2) by inserting after section 1931 the following new section:

"ELIGIBLE MANAGED CARE PROVIDERS

"SEC. 1932. (a) DEFINITIONS.—In this section, the following definitions shall apply:

"(1) ELIGIBLE MANAGED CARE PROVIDER.—The term 'eligible managed care provider' means—

"(A) a medicaid managed care plan; or

"(B) a primary care case management provider.

"(2) MEDICAID MANAGED CARE PLAN.—The term 'medicaid managed care plan' means a health maintenance organization or any other plan which provides or arranges for the provision of one or more items and services to individuals eligible for medical assistance under the State plan under this title in accordance with a contract with the State under section 1931(a)(1)(B).

"(3) PRIMARY CARE CASE MANAGEMENT PROVIDER.—

"(A) IN GENERAL.—The term 'primary care case management provider' means a health care provider that—

"(i) is a physician, group of physicians, a Federally-qualified health center, a rural health clinic, or an entity employing or having other arrangements with physicians that provides or arranges for the provision of one or more items and services to individuals eligible for medical assistance under the State plan under this title in accordance with a contract with the State under section 1931(a)(1)(B);

"(ii) receives payment on a fee-for-service basis (or, in the case of a Federally-qualified health center or a rural health clinic, on a reasonable cost per encounter basis) for the provision of health care items and services specified in such contract to enrolled individuals;

"(iii) receives an additional fixed fee per enrollee for a period specified in such contract for providing case management services (including approving and arranging for the provision of health care items and services specified in such contract on a referral basis) to enrolled individuals; and

"(iv) is not an entity that is at risk.

"(B) AT RISK.—In subparagraph (A)(iv), the term 'at risk' means an entity that—

"(i) has a contract with the State under which such entity is paid a fixed amount for providing or arranging for the provision of health care items or services specified in such contract to an individual eligible for medical assistance under the State plan and enrolled with such entity, regardless of whether such items or services are furnished to such individual; and

"(ii) is liable for all or part of the cost of furnishing such items or services, regardless of whether such cost exceeds such fixed payment.

"(b) ENROLLMENT.—

"(1) NONDISCRIMINATION.—An eligible managed care provider may not discriminate on the basis of health status or anticipated need for services in the enrollment, reenrollment, or disenrollment of individuals eligible to receive medical assistance under a State plan under this title.

"(2) TERMINATION OF ENROLLMENT.—

"(A) IN GENERAL.—An eligible managed care provider shall permit an individual eligible for medical assistance under the State plan under this title who is enrolled with the provider to terminate such enrollment for cause at any time, and without cause during the 60-day period beginning on the date the individual receives notice of enrollment, and shall notify each such individual of the opportunity to terminate enrollment under these conditions.

"(B) FRAUDULENT INDUCEMENT OR COERCION AS GROUNDS FOR CAUSE.—For purposes of subparagraph (A), an individual terminating enrollment with an eligible managed care provider on the grounds that the enrollment was based on fraudulent inducement or was obtained through coercion shall be considered to terminate such enrollment for cause.

"(C) NOTICE OF TERMINATION.—

"(i) NOTICE TO STATE.—

"(I) BY INDIVIDUALS.—Each individual terminating enrollment with an eligible managed care provider under subparagraph (A) shall do so by providing notice of the termination to an office of the State agency administering the State plan under this title, the State or local welfare agency, or an office of an eligible managed care provider.

"(II) BY PLANS.—Any eligible managed care provider which receives notice of an individual's termination of enrollment with such provider through receipt of such notice at an office of an eligible managed care provider shall provide timely notice of the termination to the State agency administering the State plan under this title.

"(ii) NOTICE TO PLAN.—The State agency administering the State plan under this title or the State or local welfare agency which receives notice of an individual's termination of enrollment with an eligible managed care provider under clause (i) shall provide timely notice of the termination to such provider.

"(D) REENROLLMENT.—Each State shall establish a process under which an individual terminating enrollment under this paragraph shall be promptly enrolled with another eligible managed care provider and notified of such enrollment.

"(3) PROVISION OF ENROLLMENT MATERIALS IN UNDERSTANDABLE FORM.—Each eligible managed care provider shall provide all enrollment materials in a manner and form which may be easily understood by a typical adult enrollee of the provider who is eligible for medical assistance under the State plan under this title.

"(c) QUALITY ASSURANCE.—

"(1) ACCESS TO SERVICES.—Each eligible managed care provider shall provide or arrange for the provision of all medically necessary medical assistance under this title which is specified in the contract entered into between such provider and the State under section 1931(a)(1)(B) for enrollees who are eligible for medical assistance under the State plan under this title.

"(2) TIMELY DELIVERY OF SERVICES.—Each eligible managed care provider shall respond to requests from enrollees for the delivery of medical assistance in a manner which—

"(A) makes such assistance—

"(i) available and accessible to each such individual, within the area served by the provider, with reasonable promptness and in a manner which assures continuity; and

"(ii) when medically necessary, available and accessible 24 hours a day and 7 days a week; and

"(B) with respect to assistance provided to such an individual other than through the provider, or without prior authorization, in the case of a primary care case management provider, provides for reimbursement to the individual (if applicable under the contract between the State and the provider) if—

"(i) the services were medically necessary and immediately required because of an unforeseen illness, injury, or condition; and

"(ii) it was not reasonable given the circumstances to obtain the services through the provider, or, in the case of a primary care case management provider, with prior authorization.

"(3) EXTERNAL INDEPENDENT REVIEW OF ELIGIBLE MANAGED CARE PROVIDER ACTIVITIES.—

"(A) REVIEW OF MEDICAID MANAGED CARE PLAN CONTRACT.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), each medicaid managed care plan shall be subject to an annual external independent review of the quality and timeliness of, and access to, the items and services specified in such plan's contract with the State under section 1931(a)(1)(B).

Such review shall specifically evaluate the extent to which the medicaid managed care plan provides such services in a timely manner.

"(ii) AVAILABILITY OF RESULTS.—The results of each external independent review conducted under this subparagraph shall be available to participating health care providers, enrollees, and potential enrollees of the medicaid managed care plan, except that the results may not be made available in a manner that discloses the identity of any individual patient.

"(B) DEEMED COMPLIANCE.—

"(i) MEDICARE PLANS.—The requirements of subparagraph (A) shall not apply with respect to a medicaid managed care plan if the plan is an eligible organization with a contract in effect under section 1876.

"(ii) PRIVATE ACCREDITATION.—

"(I) IN GENERAL.—The requirements of subparagraph (A) shall not apply with respect to a medicaid managed care plan if—

"(aa) the plan is accredited by an organization meeting the requirements described in clause (iii); and

"(bb) the standards and process under which the plan is accredited meet such requirements as are established under subclause (II), without regard to whether or not the time requirement of such subclause is satisfied.

"(II) STANDARDS AND PROCESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall specify requirements for the standards and process under which a medicaid managed care plan is accredited by an organization meeting the requirements of clause (iii).

"(iii) ACCREDITING ORGANIZATION.—An accrediting organization meets the requirements of this clause if the organization—

"(I) is a private, nonprofit organization;

"(II) exists for the primary purpose of accrediting managed care plans or health care providers; and

"(III) is independent of health care providers or associations of health care providers.

"(C) REVIEW OF PRIMARY CARE CASE MANAGEMENT PROVIDER CONTRACT.—Each primary care case management provider shall be subject to an annual external independent review of the quality and timeliness of, and access to, the items and services specified in the contract entered into between the State and the primary care case management provider under section 1931(a)(1)(B).

"(4) PROVIDING INFORMATION ON SERVICES.—

"(A) REQUIREMENTS FOR MEDICAID MANAGED CARE PLANS.—

"(i) INFORMATION TO THE STATE.—Each medicaid managed care plan shall provide to the State (at such frequency as the Secretary may require), complete and timely information concerning the following:

"(I) The services that the plan provides to (or arranges to be provided to) individuals eligible for medical assistance under the State plan under this title.

"(II) The identity, locations, qualifications, and availability of participating health care providers.

"(III) The rights and responsibilities of enrollees.

"(IV) The services provided by the plan which are subject to prior authorization by the plan as a condition of coverage (in accordance with paragraph (6)(A)).

"(V) The procedures available to an enrollee and a health care provider to appeal the failure of the plan to cover a service.

"(VI) The performance of the plan in serving individuals eligible for medical assistance under the State plan under this title.

"(ii) INFORMATION TO HEALTH CARE PROVIDERS, ENROLLEES, AND POTENTIAL ENROLLEES.—Each medicaid managed care plan shall—

"(I) upon request, make the information described in clause (i) available to participating health care providers, enrollees, and potential enrollees in the plan's service area; and

"(II) provide to enrollees and potential enrollees information regarding all items and services that are available to enrollees under the contract between the State and the plan that are covered either directly or through a method of referral and prior authorization.

"(B) REQUIREMENTS FOR PRIMARY CARE CASE MANAGEMENT PROVIDERS.—Each primary care case management provider shall—

"(i) provide to the State (at such frequency as the Secretary may require), complete and timely information concerning the services that the primary care case management provider provides to (or arranges to be provided to) individuals eligible for medical assistance under the State plan under this title;

"(ii) make available to enrollees and potential enrollees information concerning services available to the enrollee for which prior authorization by the primary care case management provider is required; and

"(iii) provide enrollees and potential enrollees information regarding all items and services that are available to enrollees under the contract between the State and the primary care case management provider that are covered either directly or through a method of referral and prior authorization.

"(C) REQUIREMENTS FOR BOTH MEDICAID MANAGED CARE PLANS AND PRIMARY CARE CASE MANAGEMENT PROVIDERS.—Each eligible managed care provider shall provide the State with aggregate encounter data for early and periodic screening, diagnostic, and treatment services under section 1905(r) furnished to individuals under 21 years of age. Any such data provided may be audited by the State and the Secretary.

"(5) TIMELINESS OF PAYMENT.—An eligible managed care provider shall make payment to health care providers for items and services which are subject to the contract under section 1931(a)(1)(B) and which are furnished to individuals eligible for medical assistance under the State plan under this title who are enrolled with the provider on a timely basis and under the claims payment procedures described in section 1902(a)(37)(A), unless the health care provider and the eligible managed care provider agree to an alternate payment schedule.

"(6) ADDITIONAL QUALITY ASSURANCE REQUIREMENTS FOR MEDICAID MANAGED CARE PLANS.—

"(A) CONDITIONS FOR PRIOR AUTHORIZATION.—A medicaid managed care plan may require the approval of medical assistance for nonemergency services before the assistance is furnished to an enrollee only if the system providing for such approval—

"(i) provides that such decisions are made in a timely manner, depending upon the urgency of the situation; and

"(ii) permits coverage of medically necessary medical assistance provided to an enrollee without prior authorization in the event of an emergency.

"(B) INTERNAL GRIEVANCE PROCEDURE.—Each medicaid managed care plan shall establish an internal grievance procedure under which a plan enrollee or a provider on behalf of such an enrollee who is eligible for medical assistance under the State plan under this title may challenge the denial of coverage of or payment for such assistance.

"(C) USE OF UNIQUE PHYSICIAN IDENTIFIER FOR PARTICIPATING PHYSICIANS.—Each medicaid managed care plan shall require each physician providing services to enrollees eligible for medical assistance under the State plan under this title to have a unique identifier in accordance with the system established under section 1902(x).

"(D) PATIENT ENCOUNTER DATA.—

"(i) IN GENERAL.—Each medicaid managed care plan shall maintain sufficient patient encounter data to identify the health care provider who delivers services to patients and to otherwise enable the State plan to meet the requirements of section 1902(a)(27). The plan shall incorporate such information in the maintenance of patient encounter data with respect to such health care provider.

"(ii) COMPLIANCE.—A medicaid managed care plan shall—

"(I) submit the data maintained under clause (i) to the State; or

"(II) demonstrate to the State that the data complies with managed care quality assurance guidelines established by the Secretary in accordance with clause (iii).

"(iii) STANDARDS.—In establishing managed care quality assurance guidelines under clause (ii)(II), the Secretary shall consider—

"(I) managed care industry standards for—

"(aa) internal quality assurance; and

"(bb) performance measures; and

"(II) any managed care quality standards established by the National Association of Insurance Commissioners.

"(d) DUE PROCESS REQUIREMENTS FOR ELIGIBLE MANAGED CARE PROVIDERS.—

"(1) DENIAL OF OR UNREASONABLE DELAY IN DETERMINING COVERAGE AS GROUNDS FOR HEARING.—If an eligible managed care provider—

"(A) denies coverage of or payment for medical assistance with respect to an enrollee who is eligible for such assistance under the State plan under this title; or

"(B) fails to make any eligibility or coverage determination sought by an enrollee or, in the case of a medicaid managed care plan, by a participating health care provider or enrollee, in a timely manner, depending upon the urgency of the situation,

the enrollee or the health care provider furnishing such assistance to the enrollee (as applicable) may obtain a hearing before the State agency administering the State plan under this title in accordance with section 1902(a)(3), but only, with respect to a medicaid managed care plan, after completion of the internal grievance procedure established by the plan under subsection (c)(6)(B).

"(2) COMPLETION OF INTERNAL GRIEVANCE PROCEDURE.—Nothing in this subsection shall require completion of an internal grievance procedure if such procedure does not exist or if the procedure does not provide for timely review of health needs considered by the enrollee's health care provider to be of an urgent nature.

"(e) MISCELLANEOUS.—

"(1) PROTECTING ENROLLEES AGAINST THE INSOLVENCY OF ELIGIBLE MANAGED CARE PROVIDERS AND AGAINST THE FAILURE OF THE STATE TO PAY SUCH PROVIDERS.—Each eligible managed care provider shall provide that an individual eligible for medical assistance under the State plan under this title who is enrolled with the provider may not be held liable—

"(A) for the debts of the eligible managed care provider, in the event of the provider's insolvency;

"(B) for services provided to the individual—

"(i) in the event of the provider failing to receive payment from the State for such services; or

"(ii) in the event of a health care provider with a contractual or other arrangement with the eligible managed care provider failing to receive payment from the State or the eligible managed care provider for such services; or

"(C) for the debts of any health care provider with a contractual or other arrangement with the provider to provide services to the individual, in the event of the insolvency of the health care provider.

"(2) TREATMENT OF CHILDREN WITH SPECIAL HEALTH CARE NEEDS.—

"(A) IN GENERAL.—In the case of an enrollee of an eligible managed care provider who is a child with special health care needs—

"(i) if any medical assistance specified in the contract with the State is identified in a treatment plan prepared for the enrollee by a program described in subparagraph (C), the eligible managed care provider shall provide (or arrange to be provided) such assistance in accordance with the treatment plan either—

"(I) by referring the enrollee to a pediatric health care provider who is trained and experienced in the provision of such assistance and who has a contract with the eligible managed care provider to provide such assistance; or

"(II) if appropriate services are not available through the eligible managed care provider, permitting such enrollee to seek appropriate specialty services from pediatric health care providers outside of or apart from the eligible managed care provider; and

"(ii) the eligible managed care provider shall require each health care provider with whom the eligible managed care provider has entered into an agreement to provide medical assistance to enrollees to furnish the medical assistance specified in such enrollee's treatment plan to the extent the health care provider is able to carry out such treatment plan.

"(B) PRIOR AUTHORIZATION.—An enrollee referred for treatment under subparagraph (A)(i)(I), or permitted to seek treatment outside of or apart from the eligible managed care provider under subparagraph (A)(i)(II) shall be deemed to have obtained any prior authorization required by the provider.

"(C) CHILD WITH SPECIAL HEALTH CARE NEEDS.—For purposes of subparagraph (A), a child with special health care needs is a child who is receiving services under—

"(i) a program administered under part B or part H of the Individuals with Disabilities Education Act;

"(ii) a program for children with special health care needs under title V;

"(iii) a program under part B or part D of title IV; or

"(iv) any other program for children with special health care needs identified by the Secretary.

"(3) PHYSICIAN INCENTIVE PLANS.—Each medicaid managed care plan shall require that any physician incentive plan covering physicians who are participating in the medicaid managed care plan shall meet the requirements of section 1876(i)(8).

"(4) INCENTIVES FOR HIGH QUALITY ELIGIBLE MANAGED CARE PROVIDERS.—The Secretary and the State may establish a program to reward, through public recognition, incentive payments, or enrollment of additional individuals (or combinations of such rewards), eligible managed care providers that provide the highest quality care to individuals eligible for medical assistance under the State plan under this title who are enrolled with such providers. For purposes of section 1903(a)(7), proper expenses incurred by a State in carrying out such a program shall be considered to be expenses necessary for the proper and efficient administration of the State plan under this title.".

(d) CLARIFICATION OF APPLICATION OF FFP DENIAL RULES TO PAYMENTS MADE PURSUANT TO MEDICAID MANAGED CARE PLANS.—Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended by adding at the end the following sentence: "Paragraphs (1)(A), (1)(B), (2), (5), and (12) shall apply with respect to items or services furnished and amounts expended by or through an eligible managed care provider (as defined in section 1932(a)(1)) in the same manner as such paragraphs apply to items or services furnished and amounts expended directly by the State.".

(e) CLARIFICATION OF CERTIFICATION REQUIREMENTS FOR PHYSICIANS PROVIDING SERVICES TO CHILDREN AND PREGNANT WOMEN.—Section 1903(i)(12) of such Act (42 U.S.C. 1396b(i)(12)) is amended—

(1) in subparagraph (A)(i), to read as follows:

"(i) is certified in family practice or pediatrics by the medical specialty board recognized by the American Board of Medical Specialties for family practice or pediatrics or is certified in general practice or pediatrics by the medical specialty board recognized by the American Osteopathic Association,";

(2) in subparagraph (B)(i), to read as follows:

"(i) is certified in family practice or obstetrics by the medical specialty board recognized by the American Board of Medical Specialties for family practice or obstetrics or is certified in family practice or obstetrics by the medical specialty board recognized by the American Osteopathic Association,"; and

(3) in both subparagraphs (A) and (B)—

(A) by striking "or" at the end of clause (v);

(B) by redesignating clause (vi) as clause (vii); and

(C) by inserting after clause (v) the following new clause:

"(vi) delivers such services in the emergency department of a hospital participating in the State plan approved under this title, or".

SEC. 4. ADDITIONAL REQUIREMENTS FOR MEDICAID MANAGED CARE PLANS.

Section 1932 of the Social Security Act, as added by section 3(c)(2), is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) ADDITIONAL REQUIREMENTS FOR MEDICAID MANAGED CARE PLANS.—

"(1) DEMONSTRATION OF ADEQUATE CAPACITY AND SERVICES.—

"(A) IN GENERAL.—Subject to subparagraph (C), each medicaid managed care plan shall provide the State and the Secretary with adequate assurances (as determined by the Secretary) that the plan, with respect to a service area—

"(i) has the capacity to serve the expected enrollment in such service area;

"(ii) offers an appropriate range of services for the population expected to be enrolled in such service area, including transportation services and translation services consisting of the principal languages spoken in the service area;

"(iii) maintains sufficient numbers of providers of services included in the contract with the State to ensure that services are available to individuals receiving medical assistance and enrolled in the plan to the same extent that such services are available to individuals enrolled in the plan who are not recipients of medical assistance under the State plan under this title;

"(iv) maintains extended hours of operation with respect to primary care services that are beyond those maintained during a normal business day;

"(v) provides preventive and primary care services in locations that are readily accessible to members of the community; and

"(vi) provides information concerning educational, social, health, and nutritional services offered by other programs for which enrollees may be eligible.

"(B) PROOF OF ADEQUATE PRIMARY CARE CAPACITY AND SERVICES.—Subject to subparagraph (C), a medicaid managed care plan that contracts with a reasonable number of primary care providers (as determined by the Secretary) and whose primary care membership includes a reasonable number (as so determined) of the following providers will be deemed to have satisfied the requirements of subparagraph (A):

"(i) Rural health clinics, as defined in section 1905(l)(1).

"(ii) Federally-qualified health centers, as defined in section 1905(l)(2)(B).

"(iii) Clinics which are eligible to receive payment for services provided under title X of the Public Health Service Act.

"(C) SUFFICIENT PROVIDERS OF SPECIALIZED SERVICES.—Notwithstanding subparagraphs (A) and (B), a medicaid managed care plan may not be considered to have satisfied the requirements of subparagraph (A) if the plan does not have a sufficient number (as determined by the Secretary) of providers of specialized services, including perinatal and pediatric specialty care, to ensure that such services are available and accessible.

"(2) WRITTEN PROVIDER PARTICIPATION AGREEMENTS FOR CERTAIN PROVIDERS.—Each medicaid managed care plan that enters into a written provider participation agreement with a provider described in paragraph (1)(B) shall—

"(A) include terms and conditions that are no more restrictive than the terms and conditions that the medicaid managed care plan includes in its agreements with other participating providers with respect to—

"(i) the scope of covered services for which payment is made to the provider;

"(ii) the assignment of enrollees by the plan to the provider;

"(iii) the limitation on financial risk or availability of financial incentives to the provider;

"(iv) accessibility of care;

"(v) professional credentialing and recredentialing;

"(vi) licensure;

"(vii) quality and utilization management;

"(viii) confidentiality of patient records;

"(ix) grievance procedures; and

"(x) indemnification arrangements between the plans and providers; and

"(B) provide for payment to the provider on a basis that is comparable to the basis on which other providers are paid.".

SEC. 5. PREVENTING FRAUD IN MEDICAID MANAGED CARE.

(a) IN GENERAL.—Section 1932 of the Social Security Act, as added by section 3(c)(2) and amended by section 4, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

"(f) ANTI-FRAUD PROVISIONS.—

"(1) PROVISIONS APPLICABLE TO ELIGIBLE MANAGED CARE PROVIDERS.—

"(A) PROHIBITING AFFILIATIONS WITH INDIVIDUALS DEBARRED BY FEDERAL AGENCIES.—

"(i) IN GENERAL.—An eligible managed care provider may not knowingly—

"(I) have a person described in clause (iii) as a director, officer, partner, or person with beneficial ownership of more than 5 percent of the plan's equity; or

"(II) have an employment, consulting, or other agreement with a person described in clause (iii) for the provision of items and services that are significant and material to the organization's obligations under its contract with the State.

"(ii) EFFECT OF NONCOMPLIANCE.—If a State finds that an eligible managed care provider is not in compliance with subclause (I) or (II) of clause (i), the State—

"(I) shall notify the Secretary of such noncompliance;

"(II) may continue an existing agreement with the provider unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) directs otherwise; and

"(III) may not renew or otherwise extend the duration of an existing agreement with the provider unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) provides to the State and to the Congress a written statement describing compelling reasons that exist for renewing or extending the agreement.

"(iii) PERSONS DESCRIBED.—A person is described in this clause if such person—

"(I) is debarred or suspended by the Federal Government, pursuant to the Federal acquisition regulation, from Government contracting and subcontracting;

"(II) is an affiliate (within the meaning of the Federal acquisition regulation) of a person described in clause (i); or

"(III) is excluded from participation in any program under title XVIII or any State health care program, as defined in section 1128(h).

"(B) RESTRICTIONS ON MARKETING.—

"(i) DISTRIBUTION OF MATERIALS.—

"(I) IN GENERAL.—An eligible managed care provider may not distribute marketing materials within any State—

"(aa) without the prior approval of the State; and

"(bb) that contain false or materially misleading information.

"(II) PROHIBITION.—The State may not enter into or renew a contract with an eligible managed care provider for the provision of services to individuals enrolled under the State plan under this title if the State determines that the provider intentionally distributed false or materially misleading information in violation of subclause (I)(bb).

"(ii) SERVICE MARKET.—An eligible managed care provider shall distribute marketing materials to the entire service area of such provider.

"(iii) PROHIBITION OF TIE-INS.—An eligible managed care provider, or any agency of such provider, may not seek to influence an individual's enrollment with the provider in conjunction with the sale of any other insurance.

"(iv) PROHIBITING MARKETING FRAUD.—Each eligible managed care provider shall comply with such procedures and conditions as the Secretary prescribes in order to ensure that, before an individual is enrolled with the provider, the individual is provided accurate and sufficient information to make an informed decision whether or not to enroll.

"(2) PROVISIONS APPLICABLE ONLY TO MEDICAID MANAGED CARE PLANS.—

"(A) STATE CONFLICT-OF-INTEREST SAFEGUARDS IN MEDICAID RISK CONTRACTING.—A medicaid managed care plan may not enter into a contract with any State under section 1931(a)(1)(B) unless the State has in effect conflict-of-interest safeguards with respect to officers and employees of the State with responsibilities relating to contracts with such plans or to the default enrollment process described in section 1931(a)(1)(D)(iv) that are at least as effective as the Federal safeguards provided under section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), against conflicts of interest that apply with respect to Federal procurement officials with comparable responsibilities with respect to such contracts.

"(B) REQUIRING DISCLOSURE OF FINANCIAL INFORMATION.—In addition to any requirements applicable under section 1902(a)(27) or 1902(a)(35), a medicaid managed care plan shall—

"(i) report to the State (and to the Secretary upon the Secretary's request) such financial information as the State or the Secretary may require to demonstrate that—

"(I) the plan has the ability to bear the risk of potential financial losses and otherwise has a fiscally sound operation;

"(II) the plan uses the funds paid to it by the State and the Secretary for activities consistent with the requirements of this title and the contract between the State and plan; and

"(III) the plan does not place an individual physician, physician group, or other health care provider at substantial risk (as determined by the Secretary) for services not provided by such physician, group, or health care provider, by providing adequate protection (as determined by the Secretary) to limit the liability of such physician, group, or health care provider, through measures such as stop loss insurance or appropriate risk corridors;

"(ii) agree that the Secretary and the State (or any person or organization designated by either) shall have the right to audit and inspect any books and records of the plan (and of any subcontractor) relating to the information reported pursuant to clause (i) and any information required to be furnished under section paragraphs (27) or (35) of section 1902(a);

"(iii) make available to the Secretary and the State a description of each transaction described in subparagraphs (A) through (C) of section 1318(a)(3) of the Public Health Service Act between the plan and a party in interest (as defined in section 1318(b) of such Act); and

"(iv) agree to make available to its enrollees upon reasonable request—

"(I) the information reported pursuant to clause (i); and

"(II) the information required to be disclosed under sections 1124 and 1126.

"(C) ADEQUATE PROVISION AGAINST RISK OF INSOLVENCY.—

"(i) ESTABLISHMENT OF STANDARDS.—The Secretary shall establish standards, including appropriate equity standards, under which each medicaid managed care plan shall make adequate provision against the risk of insolvency.

"(ii) CONSIDERATION OF OTHER STANDARDS.—In establishing the standards described in clause (i), the Secretary shall consider—

"(I) such solvency standards as the National Association of Insurance Commissioners may prescribe; and

"(II) solvency standards applicable to eligible organizations with a risk-sharing contract under section 1876.

"(D) REQUIRING REPORT ON NET EARNINGS AND ADDITIONAL BENEFITS.—Each medicaid managed care plan shall submit a report to the State and the Secretary not later than 12 months after the close of a contract year containing—

"(i) the most recent audited financial statement of the plan's net earnings, in accordance with guidelines established by the Secretary in consultation with the States, and consistent with generally accepted accounting principles; and

"(ii) a description of any benefits that are in addition to the benefits required to be provided under the contract that were provided during the contract year to members enrolled with the plan and entitled to medical assistance under the State plan under this title.".

SEC. 6. SANCTIONS FOR NONCOMPLIANCE BY ELIGIBLE MANAGED CARE PROVIDERS.

(a) SANCTIONS DESCRIBED.—Title XIX of such Act (42 U.S.C. 1396 et seq.), as amended by section 3(c), is amended—

(1) by redesignating section 1933 as section 1934; and

(2) by inserting after section 1932 the following new section:

"SANCTIONS FOR NONCOMPLIANCE BY ELIGIBLE MANAGED CARE PROVIDERS

"SEC. 1933. (a) USE OF INTERMEDIATE SANCTIONS BY THE STATE TO ENFORCE REQUIREMENTS.—Each State shall establish intermediate sanctions, which may include any of the types described in subsection (b) other than the termination of a contract with an eligible managed care provider, which the State may impose against an eligible managed care provider with a contract under section 1931(a)(1)(B) if the provider—

"(1) fails substantially to provide medically necessary items and services that are required (under law or under such provider's contract with the State) to be provided to an enrollee covered under the contract, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) the enrollee;

"(2) imposes premiums on enrollees in excess of the premiums permitted under this title;

"(3) acts to discriminate among enrollees on the basis of their health status or requirements for health care services, including expulsion or refusal to reenroll an individual, except as permitted by sections 1931 and 1932, or engaging in any practice that would reasonably be expected to have the effect of denying or discouraging enrollment with the provider by eligible individuals whose medical condition or history indicates a need for substantial future medical services;

"(4) misrepresents or falsifies information that is furnished—

"(A) to the Secretary or the State under section 1931 or 1932; or

"(B) to an enrollee, potential enrollee, or a health care provider under such sections; or

"(5) fails to comply with the requirements of section 1876(i)(8).

"(b) INTERMEDIATE SANCTIONS.—The sanctions described in this subsection are as follows:

"(1) Civil money penalties as follows:

"(A) Except as provided in subparagraph (B), (C), or (D), not more than $25,000 for each determination under subsection (a).

"(B) With respect to a determination under paragraph (3) or (4)(A) of subsection (a), not more than $100,000 for each such determination.

"(C) With respect to a determination under subsection (a)(2), double the excess amount charged in violation of such subsection (and the excess amount charged shall be deducted from the penalty and returned to the individual concerned).

"(D) Subject to subparagraph (B), with respect to a determination under subsection (a)(3), $15,000 for each individual not enrolled as a result of a practice described in such subsection.

"(2) The appointment of temporary management to oversee the operation of the eligible managed care provider and to assure the health of the provider's enrollees, if there is a need for temporary management while—

"(A) there is an orderly termination or reorganization of the eligible managed care provider; or

"(B) improvements are made to remedy the violations found under subsection (a),

except that temporary management under this paragraph may not be terminated until the State has determined that the eligible managed care provider has the capability to ensure that the violations shall not recur.

"(3) Permitting individuals enrolled with the eligible managed care provider to terminate enrollment without cause, and notifying such individuals of such right to terminate enrollment.

"(c) Treatment of Chronic Substandard Providers.—In the case of an eligible managed care provider which has repeatedly failed to meet the requirements of section 1931 or 1932, the State shall (regardless of what other sanctions are provided) impose the sanctions described in paragraphs (2) and (3) of subsection (b).

"(d) Authority To Terminate Contract.—In the case of an eligible managed care provider which has failed to meet the requirements of section 1931 or 1932, the State shall have the authority to terminate its contract with such provider under section 1931(a)(1)(B) and to enroll such provider's enrollees with other eligible managed care providers (or to permit such enrollees to receive medical assistance under the State plan under this title other than through an eligible managed care provider).

"(e) Availability of Sanctions to the Secretary.—

"(1) Intermediate sanctions.—In addition to the sanctions described in paragraph (2) and any other sanctions available under law, the Secretary may provide for any of the sanctions described in subsection (b) if the Secretary determines that—

"(A) an eligible managed care provider with a contract under section 1931(a)(1)(B) fails to meet any of the requirements of section 1931 or 1932; and

"(B) the State has failed to act appropriately to address such failure.

"(2) Denial of payments to the State.—The Secretary may deny payments to the State for medical assistance furnished under the contract under section 1931(a)(1)(B) for individuals enrolled after the date the Secretary notifies an eligible managed care provider of a determination under subsection (a) and until the Secretary is satisfied that the basis for such determination has been corrected and is not likely to recur.

"(f) Due Process for Eligible Managed Care Providers.—

"(1) Availability of hearing prior to termination of contract.—A State may not terminate a contract with an eligible managed care provider under section 1931(a)(1)(B) unless the provider is provided with a hearing prior to the termination.

"(2) Notice to enrollees of termination hearing.—A State shall notify all individuals enrolled with an eligible managed care provider which is the subject of a hearing to terminate the provider's contract with the State of the hearing and that the enrollees may immediately disenroll with the provider for cause.

"(3) Other protections for eligible managed care providers against sanctions imposed by State.—Before imposing any sanction against an eligible managed care provider other than termination of the provider's contract, the State shall provide the provider with notice and such other due process protections as the State may provide, except that a State may not provide an eligible managed care provider with a pretermination hearing before imposing the sanction described in subsection (b)(2).

"(4) Imposition of civil monetary penalties by Secretary.—The provisions of section 1128A (other than subsections (a) and (b)) shall apply with respect to a civil money penalty imposed by the Secretary under subsection (b)(1) in the same manner as such provisions apply to a penalty or proceeding under section 1128A.".

(b) Conforming Amendment Relating to Termination of Enrollment for Cause.—Section 1932(b)(2)(B) of the Social Security Act, as added by section 3(c)(2), is amended by inserting after "coercion" the following: ", or pursuant to the imposition against the eligible managed care provider of the sanction described in section 1933(b)(3),".

SEC. 7. CONFORMING AMENDMENTS.

(a) Exclusion of Certain Individuals and Entities from Participation in Program.—Section 1128(b)(6)(C) of the Social Security Act (42 U.S.C. 1320a-7(b)(6)(C)) is amended—

(1) in clause (i), by striking "a health maintenance organization (as defined in section 1903(m))" and inserting "an eligible managed care provider, as defined in section 1932(a)(1),"; and

(2) in clause (ii), by inserting "section 1115 or" after "approved under".

(b) State Plan Requirements.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(1) in subsection (a)(30)(C), by striking "section 1903(m)" and inserting "section 1931(a)(1)(B)"; and

(2) in subsection (a)(57), by striking "hospice program, or health maintenance organization (as defined in section 1903(m)(1)(A))" and inserting "or hospice program";

(3) in subsection (e)(2)(A), by striking "or with an entity described in paragraph (2)(B)(iii), (2)(E), (2)(G), or (6) of section 1903(m) under a contract described in section 1903(m)(2)(A)";

(4) in subsection (p)(2)—

(A) by striking "a health maintenance organization (as defined in section 1903(m))" and inserting "an eligible managed care provider, as defined in section 1932(a)(1),";

(B) by striking "an organization" and inserting "a provider"; and

(C) by striking "any organization" and inserting "any provider"; and

(5) in subsection (w)(1), by striking "sections 1903(m)(1)(A) and" and inserting "section".

(c) Payment to States.—Section 1903(w)(7)(A)(viii) of the Social Security Act (42 U.S.C. 1396b(w)(7)(A)(viii)) is amended to read as follows:

"(viii) Services of an eligible managed care provider with a contract under section 1931(a)(1)(B).".

(d) Use of Enrollment Fees and Other Charges.—Section 1916 of the Social Security Act (42 U.S.C. 1396o) is amended in subsections (a)(2)(D) and (b)(2)(D) by striking "a health maintenance organization (as defined in section 1903(m))" and inserting "an eligible managed care provider, as defined in section 1932(a)(1)," each place it appears.

(e) Extension of Eligibility for Medical Assistance.—Section 1925(b)(4)(D)(iv) of the Social Security Act (42 U.S.C. 1396r-6(b)(4)(D)(iv)) is amended to read as follows:

"(iv) Enrollment with eligible managed care provider.—Enrollment of the caretaker relative and dependent children with an eligible managed care provider, as defined in section 1932(a)(1), less than 50 percent of the membership (enrolled on a prepaid basis) of which consists of individuals who are eligible to receive benefits under this title (other than because of the option offered under this clause). The option of enrollment under this clause is in addition to, and not in lieu of, any enrollment option that the State might offer under subparagraph (A)(i) with respect to receiving services through an eligible managed care provider in accordance with sections 1931, 1932, and 1933.".

(f) Assuring Adequate Payment Levels for Obstetrical and Pediatric Services.—Section 1926(a) of the Social Security Act (42 U.S.C. 1396r-7(a)) is amended in paragraphs (1) and (2) by striking "health maintenance organizations under section 1903(m)" and inserting "eligible managed care providers under contracts entered into under section 1931(a)(1)(B)" each place it appears.

(g) Payment for Covered Outpatient Drugs.—Section 1927(j)(1) of the Social Security Act (42 U.S.C. 1396r-8(j)(1)) is amended by striking "***Health Maintenance Organizations, including those organizations that contract under section 1903(m)," and inserting "health maintenance organizations and medicaid managed care plans, as defined in section 1932(a)(2),".

(h) Demonstration Projects to Study Effect of Allowing States to Extend Medicaid Coverage for Certain Families.—Section 4745(a)(5)(A) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 1396a note) is amended by striking "(except section 1903(m)" and inserting "(except sections 1931, 1932, and 1933)".

SEC. 8. EFFECTIVE DATE; STATUS OF WAIVERS.

(a) Effective Date.—Except as provided in subsection (b), the amendments made by this Act shall apply to medical assistance furnished—

(1) during quarters beginning on or after October 1, 1995; or

(2) in the case of assistance furnished under a contract described in section 3(b), during quarters beginning after the earlier of—

(A) the date of the expiration of the contract; or

(B) the expiration of the 1-year period which begins on the date of the enactment of this Act.

(b) Application to Waivers.—

(1) Existing waivers.—If any waiver granted to a State under section 1115 or 1915 of the Social Security Act (42 U.S.C. 1315, 1396n) or otherwise which relates to the provision of medical assistance under a State plan under title XIX of the such Act (42 U.S.C. 1396 et seq.), is in effect or approved by the Secretary of Health and Human Services (in this subsection referred to as the "Secretary") as of the applicable effective date described in subsection (a), the amendments made by this Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

(2) SECRETARIAL EVALUATION AND REPORT FOR EXISTING WAIVERS AND EXTENSIONS.—

(A) PRIOR TO APPROVAL.—On and after the applicable effective date described in subsection (a), the Secretary, prior to extending any waiver granted under section 1115 or 1915 of the Social Security Act (42 U.S.C. 1315, 1396n) or otherwise which relates to the provision of medical assistance under a State plan under title XIX of the such Act (42 U.S.C. 1396 et seq.), shall—

(i) conduct an evaluation of—

(I) the waivers existing under such sections or other provision of law as of the date of the enactment of this Act; and

(II) any applications pending, as of the date of the enactment of this Act, for extensions of waivers under such sections or other provision of law; and

(ii) submit a report to the Congress recommending whether the extension of a waiver under such sections or provision of law should be conditioned on the State submitting the request for an extension complying with the provisions of sections 1931, 1932, and 1933 of the Social Security Act (as added by this Act).

(B) DEEMED APPROVAL.—If the Congress has not enacted legislation based on a report submitted under subparagraph (A)(ii) within 120 days after the date such report is submitted to the Congress, the recommendations contained in such report shall be deemed to be approved by the Congress.

(3) FUTURE WAIVERS.—

(A) IN GENERAL.—Except as provided in paragraphs (1) and (2), and subparagraph (B), the Secretary may not waive the application of section 1931, 1932, or 1933 of such Act (as added by this Act) with respect to any State.

(B) SPECIAL RULE REGARDING A WAIVER OF THE REQUIREMENTS APPLICABLE TO ELIGIBLE MANAGED CARE PROVIDERS FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS.—Notwithstanding the provisions of subparagraph (A), the Secretary may waive, pursuant to section 1115 or 1915 of the Social Security Act (42 U.S.C. 1315, 1396n), or otherwise, the application of section 1932(g)(2) of such Act (as added by this Act) if the State applying for the waiver demonstrates that, with respect to each eligible managed care provider having an enrollee who is a child with special health care needs (as defined in section 1932(g)(2)(B) of such Act), such provider shall—

(i) provide (or arrange to be provided) any medical assistance specified in the provider's contract with the State that is identified in a treatment plan for the enrollee prepared by a program described in section 1932(g)(2)(B) of such Act in accordance with such treatment plan—

(I) without regard to any prior authorization requirement which would otherwise apply to the provision of such assistance; and

(II) unless the eligible managed care provider demonstrates to the satisfaction of the Secretary that the provider is or has an arrangement with a health care provider with the specialized pediatric expertise required to provide the medical assistance specified in the treatment plan, without regard to whether or not the health care provider specified in the treatment plan has otherwise entered into an agreement with the eligible managed care provider to provide medical assistance to plan enrollees;

(ii) require each health care provider with whom the eligible managed care provider has entered into an agreement to provide medical assistance to enrollees to furnish medical assistance specified in such treatment plan to the extent necessary to carry out such treatment plan; and

(iii) demonstrate that it has adequate written agreements with pediatric specialists as determined by the Secretary to ensure appropriate specialist care and referrals.

By Mr. CONRAD:

S. 840. A bill to provide the States greater flexibility in providing jobs for, and assistance to, needy families, to improve child support enforcement, to reduce teenage pregnancy, and for other purposes; to the Committee on Finance.

WORK AND GAINFUL EMPLOYMENT ACT

Mr. CONRAD. Mr. President, I thank the Chair and I thank my distinguished colleague from Nebraska for securing this time and I thank the distinguished Republican manager of the bill, the Senator from New Mexico, for his graciousness in allowing me at this time to introduce a bill which I will send to the desk.

This bill is a major welfare reform piece of legislation and I ask that it be printed, but not in the RECORD. I want to make that clear: I am not asking it to be printed in the RECORD, so we can save the taxpayers some money. But I am introducing a bill to dramatically revamp the welfare system in this country. I call it the Work and Gainful Employment Act.

The WAGE Act significantly reforms our welfare system while protecting the children of America against an abdication of Federal responsibility. I offer an innovative approach to reforming welfare that is based on four principles: work, protecting children, State flexibility, and family. The WAGE Act is designed foremost to put welfare recipients to work and to make welfare recipients self-sufficient. Under my plan, States receive unprecedented flexibility to experiment in developing new methods for moving welfare recipients into work. The WAGE Act retains a safety net for children and an automatic stabilizer for States.

Mr. President, Americans overwhelmingly agree that the current welfare system does not work; it does not move recipients from dependency to work and self-sufficiency. Welfare undermines the basic values of our country—work, family, self-sufficiency, and personal responsibility—and sends a detrimental message to children that welfare can be a permanent way of life.

The WAGE Act is a departure from the status quo. The current system focuses on writing checks and does little to promote work and self-sufficiency. States are overburdened by extensive Federal regulations that impede their ability to enact innovative and creative approaches to moving individuals off of welfare. The worst part of welfare is the message sent to children—that if their parents do nothing, the government will send them a check. We have no choice but to revamp and reengineer welfare from the ground up.

The WAGE Act ends welfare as we know it. In its place, States are given the flexibility to design work programs that do one thing—move parents into the work force. But the WAGE Act does not just let States take the money and run.

It is based on the principle that those who raise the money should have some say in how it is spent. But it discards the micromanagement of the past.

The WAGE Act has four themes:

First, work. From the day that a parent sets foot in a welfare office, we will expect that person to work or to demonstrate progress toward self-sufficiency.

Second, State flexibility. States will have a wide latitude to design effective work programs under a new work and gainful employment block grant. The WAGE block grant will also provide incentives for moving parents into the work force.

Third, profamily. Families that stay together and play by the rules will be supported in their efforts to be self-sufficient. For children in divorced and never-married families, both parents will be expected to provide financial support through extensive and tough new child support enforcement measures.

Fourth, protects children. A transitional aid program will replace AFDC and provide cash assistance to families with children. States will have broad flexibility to determine eligibility and to set benefit levels and time limits. Teen parents will be required to stay in school and to live with their parents or in adult-supervised living arrangements.

Under my proposal, the transitional aid program will be a cooperative Federal-State effort, with the Federal Government providing matching funds to States. However, unlike AFDC, it will emphasize the need for participants to work or prepare themselves for work. The WAGE block grant will provide States with the means to move welfare recipients into work. The WAGE Act will save money and reform the welfare system without resorting to the free-for-all of AFDC block grants that does little to hold States accountable and that puts America's children at great risk.

While there are savings to be realized in ending welfare inefficiencies, I hope the Senate's deliberations will emphasize first and foremost that welfare reform is not an experiment to be tested on America's poor children. The House bill allows States to count people as working who are kicked off the rolls. Mr. President, what could be more absurd than to say that people are working who have just been eliminated from the welfare rolls? You can be eliminated from the welfare rolls and not working, and we should not count people as working who are not. Real welfare reform is about solving the problem of transitioning parents into the work force, not the streets.

The person most affected by our deliberations are America's children. I hope that our efforts will focus on supporting and enabling their parents to be self-sufficient. That is the only approach that will ensure that we are responsible to the next generation.

Mr. President, let me end as I began. This new welfare reform proposal emphasizes four principles: work, State flexibility, families, and protecting children.

I think those ought to be the principles that underlie any reform of our welfare system.

ADDITIONAL COSPONSORS

S. 364

At the request of Mr. BROWN, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 364, a bill to authorize the Secretary of the Interior to participate in the operation of certain visitor facilities associated with, but outside the boundaries of, Rocky Mountain National Park in the State of Colorado.

S. 412

At the request of Ms. SNOWE, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 412, a bill to amend the Federal Food, Drug, and Cosmetic Act to modify the bottled drinking water standards provisions, and for other purposes.

S. 495

At the request of Mrs. KASSEBAUM, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 495, a bill to amend the Higher Education Act of 1965 to stabilize the student loan programs, improve congressional oversight, and for other purposes.

S. 529

At the request of Mr. GRAHAM, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 529, a bill to provide, temporarily, tariff and quota treatment equivalent to that accorded to members of the North American Free Trade Agreement (NAFTA) to Caribbean Basin beneficiary countries.

S. 729

At the request of Mr. BAUCUS, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 729, a bill to provide off-budget treatment for the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund, and for other purposes.

S. 770

At the request of Mr. DOLE, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 834

At the request of Mr. BROWN, his name was withdrawn as a cosponsor of S. 834, a bill to restore the American family, reduce illegitimacy, and reduce welfare dependence.

SENATE CONCURRENT RESOLUTION 11

At the request of Ms. SNOWE, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

AMENDMENT NO. 1112

At the request of Mr. BRADLEY his name was added as a cosponsor of Amendment No. 1112 proposed to S. Con. Res. 13, an original concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

SENATE RESOLUTION 122—DESIGNATING JAMES R. KETCHUM AS CURATOR EMERITUS OF THE U.S. SENATE

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 122

Whereas James R. Ketchum will retire from the United States Senate after 25 years as Senator Curator, and 35 years of Government service;

Whereas he has dedicated his Senate service to preserving the works of art, history, and traditions of the Senate;

Whereas he has contributed immeasurably to the restoration of the Old Senate Chamber, the Old Supreme Court Chamber, the President's Room, and other historic rooms in the Capitol;

Whereas he has developed exhibitions and educational programs detailing the rich heritage of the Senate for all to enjoy;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection, and esteem of the United States Senate; Now, therefore, be it

Resolved, That, effective July 1, 1995, as a token of the appreciation of the Senate for his long and faithful service, James R. Ketchum is hereby designated as Curator Emeritus of the United States Senate.

SENATE RESOLUTION 123—RELATING TO THE RETIREMENT OF GERALD A. HACKETT

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 123

Whereas Gerald A. Hackett will retire from the United States Senate after 33 years of service, the last 29 years as Executive Clerk;

Whereas his dedication to the United States resulted in the computerization of the nomination and treaty processes, and the online publishing of the Executive Journal;

Whereas he has performed the duties of his office with remarkable diligence, perseverance, efficiency, and intelligence;

Whereas he has faithfully performed his duties serving all Members of the Senate with great professional integrity and dedication; and

Whereas Gerald A. Hackett has earned the respect, admiration and esteem of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate commends Gerald A. Hackett for his long, faithful, and exemplary service to his country and to the Senate.

SEC. 2. The Secretary shall transmit a copy of this resolution to Gerald A. Hackett.

SENATE RESOLUTION 124—RELATING TO THE RETIREMENT OF FREDERICK R. BROOMFIELD

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 124

Whereas on June 30, 1995, Frederick R. Broomfield, Sr. Will retire from service as a member of the Department of Office Services staff within the Office of the Secretary of the Senate after almost 20 years;

Whereas he has upheld the high standards and traditions of the Office of the Secretary of the Senate with abiding devotion; and

Whereas he has gained the trust, confidence, and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate expresses its deep appreciation and gratitude to Frederick R. Broomfield, Sr., for his years of faithful and exemplary service to his country and to the United States Senate.

SEC. 2. The Secretary shall transmit a copy of this resolution to Frederick R. Broomfield, Sr.

AMENDMENTS SUBMITTED

CONGRESSIONAL BUDGET

ROTH AMENDMENTS NOS. 1113–1115

(Ordered to lie on the table.)

Mr. ROTH submitted three amendments intended to be proposed by him to the concurrent resolution (S. Con. Res. 13) an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

AMENDMENT NO. 1113

On page 3, line 10, increase the amount by $200,000,000.

On page 3, line 11, increase the amount by $200,000,000.

On page 3, line 12, increase the amount by $300,000,000.

On page 3, line 13, increase the amount by $300,000,000.

On page 3, line 14, increase the amount by $400,000,000.

On page 3, line 15, increase the amount by $400,000,000.

On page 3, line 16, increase the amount by $500,000,000.

On page 3, line 20, decrease the amount by $200,000,000.

On page 3, line 21, decrease the amount by $200,000,000.

On page 3, line 22, decrease the amount by $300,000,000.

On page 3, line 23, increase the amount by $300,000,000.

On page 3, line 24, increase the amount by $400,000,000.

On page 3, line 25, increase the amount by $400,000,000.

On page 4, line 1, increase the amount by $500,000,000.

On page 4, line 18, increase the amount by $200,000,000.

On page 4, line 19, increase the amount by $200,000,000.

On page 4, line 20, increase the amount by $300,000,000.

On page 4, line 21, increase the amount by $300,000,000.

On page 4, line 22, increase the amount by $400,000,000.

On page 4, line 23, increase the amount by $400,000,000.

On page 4, line 24 increase the amount by $500,000,000.

On page 5, line 4 decrease the amount by $200,000,000.

On page 5, line 5 decrease the amount by $200,000,000.

On page 5, line 6 decrease the amount by $300,000,000.

On page 5, line 7 increase the amount by $300,000,000.

On page 5, line 8 increase the amount by $400,000,000.

On page 5, line 9 increase the amount by $400,000,000.

On page 5, line 10 decrease the amount by $500,000,000.

On page 5, line 19 increase the amount by $1,400,000,000.

On page 5, line 22 increase the amount by $900,000,000.

On page 6, line 5 increase the amount by $1,400,000,000.

On page 6, line 8 increase the amount by $900,000,000.

On page 6, line 18 increase the amount by $1,400,000,000.

On page 6, line 21 increase the amount by $900,000,000.

On page 7, line 5 increase the amount by $1,400,000,000.

On page 7, line 8 increase the amount by $900,000,000.

On page 7, line 15 decrease the amount by $200,000,000.

On page 7, line 16 decrease the amount by $200,000,000.

On page 7, line 17 increase the amount by $1,100,000,000.

On page 7, line 18 decrease the amount by $300,000,000.

On page 7, line 19 decrease the amount by $400,000,000.

On page 7, line 20 increase the amount by $500,000,000.

On page 7, line 21 decrease the amount by $500,000,000.

On page 8, line 1 decrease the amount by $200,000,000.

On page 8, line 2 decrease the amount by $200,000,000.

On page 8, line 3 increase the amount by $1,100,000,000.

On page 8, line 4 decrease the amount by $300,000,000.

On page 8, line 5 decrease the amount by $400,000,000.

On page 8, line 6 increase the amount by $500,000,000.

On page 8, line 7 decrease the amount by $500,000,000.

On page 20, line 15 increase the amount by $1,400,000,000.

On page 20, line 16 increase the amount by $1,400,000,000.

On page 21, line 15, increase the amount by $900,000,000.

On page 21, line 16, increase the amount by $900,000,000.

On page 62, line 14, decrease the amount by $1,400,000,000.

On page 62, line 15, decrease the amount by $2,300,000,000.

AMENDMENT No. 1114

At the appropriate place in the resolution insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING FURTHER FEDERAL WORKFORCE REDUCTIONS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include that the reductions in Federal full-time equivalent positions required under section 5(b) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 3101 note) should be further reduced to provide that—

(1) the total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; and

(2) of the additional reduction of 200,000 full-time equivalent positions provided for under paragraph (1), no more than 50,000 shall be within the Department of Defense.

AMENDMENT No. 1115

At the end of title III, add the following:

SEC. 3 . SENSE OF THE SENATE REGARDING OIL AND GAS LEASING IN THE ARCTIC NATIONAL WILDLIFE REFUGE.

It is the sense of the Senate that the portion of the Arctic National Wildlife Refuge in Alaska comprising approximately 1,559,538 acres, as generally depicted on a map entitled "Arctic National Wildlife Refuge—1002 Area. Alternative E—Wilderness Designation, October 28, 1991", and available for inspection in the offices of the Secretary of the Interior, should not be made available for oil and gas leasing.

COHEN (AND GRAHAM) AMENDMENT NO. 1116

Mr. COHEN (for himself and Mr. GRAHAM) proposed an amendment to the concurrent resolution, S. Con. Res. 13, supra; as follows:

On page 94, after line 21, add the following new section:

SEC. . SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the medicare program under title XVIII of the Social Security Act during fiscal year 1994 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to the financial crises of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and, if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to, fraud and abuse in such program.

HARKIN (AND OTHERS) AMENDMENT NO. 1117

Mr. HARKIN (for himself, Mr. HOLLINGS, Mr. JEFFORDS, Mr. KENNEDY, Mr. PELL, Mr. EXON, Mr. DODD, Mr. BINGAMAN, Mr. SIMON, Mrs. MURRAY, and Ms. MOSELEY-BRAUN) proposed an amendment to the concurrent resolution, S. Con. Res. 13, supra; as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $28,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on education and $12,000,000,000 in budget authority and outlays for legislation that reduces the adverse effects on direct spending for education.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, discretionary spending limits under section 201(a) of this resolution, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (a).".

Mr. SARBANES. Mr. President, I rise to give my strong support to the pending amendment which would restore $40 billion to education.

According to the Congressional Budget Office, the Republican budget resolution which is currently before the Senate would eliminate 33 percent of the Federal investment in education by the year 2002. In my view, such action is penny-wise and pound-foolish and I would strongly urge my colleagues to join me in opposing such proposals which serve to reduce our Nation's investment in education programs.

Every nation puts a premium on education in order to develop the skills and talents of their people in order to deal with a modern, complex economic society. That is true whether the country is governed as a democracy or governed as a dictatorship or somewhere in between—they are all concerned with enhancing or somewhere in between—they are all concerned with enhancing the skills of their people in the workplace. That obviously is one of the purposes about which we must be concerned in terms of education, particularly as we confront an increasingly competitive world economy.

Those who are now seeking to draw back from the American commitment to education through the cuts included in this budget resolution at the same time that they assert the necessity for America to compete more successfully in the world's economy are asserting a basic contradiction. Our success as a competitor in the world's economy rests upon educating our future generations.

We cannot as a nation afford to shortchange programs which have proven effective in ensuring a brighter future for our children. This was recognized in the last Congress when we were able to enact a series of important initiatives to expand the amount and the quality of education investment in America. These initiatives, which I strongly supported, included the School-to-Work Opportunities Act, the Head Start Amendments of 1994, the Goals 2000: Educate America Act, the National and Community Service Trust Act, and the Improving America's Schools Act.

Despite these efforts to expand educational opportunities during the last Congress, the Republican budget proposal would dramatically decrease educational opportunity in order to finance tax cuts for the wealthy and to meet arbitrary deficit reduction targets. In my view, it makes little sense to cut investments in programs which give people the skills to function in a modern, complex society. It makes even less sense to do so in a document which is supposed to be a budget for our Nation's future.

Mr. President, education is fundamental to what the American dream is all about—providing our children a path by which they can improve themselves and develop their full potential. The budget resolution we have before us today is a retreat from the American dream. It would deny hundreds of thousands of disadvantaged children from receiving needed services by freezing spending for the Title I program and deny Head Start services to as many as 350,000 to 550,000 preschoolers over the next 7 years. These children, who come from our poorest communities, need such services in order to achieve their potential and reach the same high standards as their peers.

The Republican budget resolution we have before us today would also renege on our historical commitment to access to higher education by cutting Federal aid to college students by $30 billion over the next 7 years. Personal debt for students with subsidized loans would be increased by 20 to 48 percent by eliminating the in-school interest subsidy. Pell Grants for individual students would be reduced by 40 percent by the year 2002 or terminated altogether for over one million students per year.

Mr. President, education in this country has always provided an essential ladder of opportunity for our people. In this Nation, which believes that a person's merit and talent should take them as far as they can go, the path to achieve this is to move up and onward through education. Many of us here today have experienced this and are where we are today because of this ladder of opportunity. It seems ironic, at best, that many of those who have used those ladders of opportunity to advance themselves are now trying to knock the ladder down through these budget cuts so those coming after them do not have the same opportunities.

I strongly support the pending amendment to restore funding for critical education programs in the fiscal year 1996 budget resolution and would urge my colleagues to join me in ensuring that education remains a top priority for our Nation.

HATFIELD (AND JEFFORDS) AMENDMENT NO. 1118

(Ordered to lie on the table.)

Mr. HATFIELD (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the concurrent resolution, S. Con. Res. 13, supra; as follows:

On page 11, line 7, decrease the amount by $430,000,000.

On page 11, line 8, decrease the amount by $258,000,000.

On page 11, line 14, decrease the amount by $920,000,000.

On page 11, line 15, decrease the amount by $552,000,000.

On page 11, line 21, decrease the amount by $1,000,000,000.

On page 11, line 22, decrease the amount by $600,000,000.

On page 12, line 3, decrease the amount by $1,000,000,000.

On page 12, line 4, decrease the amount by $600,000,000.

On page 12, line 10, decrease the amount by $1,000,000,000.

On page 12, line 11, decrease the amount by $600,000,000.

On page 12, line 17, decrease the amount by $1,000,000,000.

On page 12, line 18, decrease the amount by $600,000,000.

On page 12, line 24, decrease the amount by $1,000,000,000.

On page 12, line 25, decrease the amount by $600,000,000.

On page 33, line 19, increase the amount by $1,000,000,000.

On page 33, line 20, increase the amount by $430,000,000.

On page 34, line 2, increase the amount by $1,000,000,000.

On page 34, line 3, increase the amount by $920,000,000.

On page 34, line 9, increase the amount by $1,000,000,000.

On page 34, line 10, increase the amount by $1,000,000,000.

On page 34, line 16, increase the amount by $1,000,000,000.

On page 34, line 17, increase the amount by $1,000,000,000.

On page 34, line 23, increase the amount by $1,000,000,000.

On page 34, line 24, increase the amount by $1,000,000,000.

On page 35, line 5, increase the amount by $1,000,000,000.

On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.

On page 35, line 13, increase the amount by $1,000,000,000.

On page 54, line 20, increase the amount by $570,000,000.

On page 54, line 21, increase the amount by $172,000,000.

On page 55, line 2, increase the amount by $80,000,000.

On page 55, line 3, increase the amount by $368,000,000.

On page 55, line 10, increase the amount by $400,000,000.

On page 55, line 17, increase the amount by $400,000,000.

On page 55, line 24, increase the amount by $400,000,000.

On page 56, line 6, increase the amount by $400,000,000.

On page 56, line 13, increase the amount by $400,000,000.

On page 65, line 14, decrease the amount by $430,000,000.

On page 65, line 15, decrease the amount by $280,000,000.

On page 65, line 17, increase the amount by $430,000,000.

On page 65, line 18, increase the amount by $258,000,000.

On page 65, line 21, decrease the amount by $920,000,000.

On page 65, line 22, decrease the amount by $552,000,000.

On page 65, line 24, increase the amount by $920,000,000.

On page 65, line 25, increase the amount by $552,000,000.

On page 66, line 3, decrease the amount by $1,000,000,000.

On page 66, line 4, decrease the amount by $600,000,000.

On page 66, line 6, increase the amount by $1,000,000,000.

On page 66, line 7, increase the amount by $600,000,000.

On page 66, line 10, decrease the amount by $1,000,000,000.

On page 66, line 11, decrease the amount by $600,000,000.

On page 66, line 13, increase the amount by $1,000,000,000.

On page 66, line 14, increase the amount by $600,000,000.

On page 66, line 17, decrease the amount by $1,000,000,000.

On page 66, line 18, decrease the amount by $600,000,000.

On page 66, line 20, increase the amount by $1,000,000,000.

On page 66, line 21, increase the amount by $600,000,000.

On page 66, line 24, decrease the amount by $1,000,000,000.

On page 66, line 25, decrease the amount by $600,000,000.

On page 67, line 2, increase the amount by $1,000,000,000.

On page 67, line 3, increase the amount by $600,000,000.

On page 67, line 6, decrease the amount by $1,000,000,000.

On page 67, line 7, decrease the amount by $600,000,000.

On page 67, line 9, increase the amount by $1,000,000,000.

On page 67, line 10, increase the amount by $600,000,000.

HATFIELD (AND OTHERS) AMENDMENT NO. 1119

(Ordered to lie on the table.)

Mr. HATFIELD (for himself, Mr. SPECTER, Mrs. KASSEBAUM, and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the concurrent resolution, S. Con. Res. 13, supra; as follows:

On page 33, line 19, increase the amount by $1,000,000,000.

On page 33, line 20, increase the amount by $430,000,000.

On page 34, line 2, increase the amount by $1,000,000,000.

On page 34, line 3, increase the amount by $920,000,000.

On page 34, line 9, increase the amount by $1,000,000,000.

On page 34, line 10, increase the amount by $1,000,000,000.

On page 34, line 16, increase the amount by $1,000,000,000.

On page 34, line 17, increase the amount by $1,000,000,000.

On page 34, line 23, increase the amount by $1,000,000,000.

On page 34, line 24, increase the amount by $1,000,000,000.

On page 35, line 5, increase the amount by $1,000,000,000.

On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.

On page 35, line 13, increase the amount by $1,000,000,000.

On page 54, line 20, increase the amount by $1,000,000,000.

On page 54, line 21, increase the amount by $430,000,000.

On page 55, line 2, increase the amount by $1,000,000,000.

On page 55, line 3, increase the amount by $920,000,000.

On page 55, line 9, increase the amount by $1,000,000,000.

On page 55, line 10, increase the amount by $1,000,000,000.

On page 55, line 16, increase the amount by $1,000,000,000.

On page 55, line 17, increase the amount by $1,000,000,000.

On page 55, line 23, increase the amount by $1,000,000,000.

On page 55, line 24, increase the amount by $1,000,000,000.

On page 56, line 5, increase the amount by $1,000,000,000.

On page 56, line 6, increase the amount by $1,000,000,000.

On page 56, line 12, increase the amount by $1,000,000,000.

On page 56, line 13, increase the amount by $1,000,000,000.

BAUCUS (AND OTHERS) AMENDMENT NO. 1120

(Ordered to lie on the table.)

Mr. BAUCUS (for himself, Mr. DORGAN, Mr. PRESSLER, Mr. ROBB, and Mr. WARNER) submitted an amendment intended to be proposed by them to the concurrent resolution, S. Con. Res. 13, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING MANDATORY MAJOR ASSUMPTIONS UNDER FUNCTION 270: ENERGY.

It is the sense of the Senate that within the mandatory major assumptions under budget function 270, none of the power marketing administrations within the 48 contiguous States will be sold, and any savings that were assumed would be realized from the sale of those power marketing administrations within the Department of Energy.

ROTH AMENDMENT NO. 1121.

Mr. ROTH proposed an amendment to the concurrent resolution, S. Con. Res. 13, supra; as follows:

At the appropriate place in the resolution insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING FURTHER FEDERAL WORKFORCE REDUCTIONS.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include that the reductions in Federal full-time equivalent positions required under section 5(b) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 3101 note) should be further reduced to provide that—

(1) the total number of full-time equivalent positions in all agencies shall not exceed 1,682,300 during fiscal year 2002; and

(2) the additional reduction of 200,000 full-time equivalent positions provided under paragraph (1), no more than 50,000 shall be within the Department of Defense.

NOTICE OF HEARING

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, May 23, 1995 at 9:30 a.m., in SR–332, to discuss Federal Nutrition Programs.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. EXON. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Monday, May 22 at 1 p.m. for a nominations hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Post Office and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Monday, May 22, 1995, to review Federal Pension Reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WESTERN HEMISPHERE AND PEACE CORPS AFFAIRS

Mr. EXON. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere and Peace Corps Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, May 22, 1995, at 2 p.m. to hear testimony on the Cuban Liberty and Democratic Solidarity Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WHITE HOUSE CONFERENCE ON AGING

• Mr. GRAMS. Mr. President, I come to the floor today to recognize the efforts of the many individuals who are participating in the fourth White House Conference on Aging. In particular, I would like to give special recognition to the delegates from my State of Minnesota.

Over the last 2 years, I have had the opportunity to work with and listen to many of Minnesota's senior citizens about issues of great concern to them such as ensuring the solvency of the Social Security and Medicare trust funds, expanding the highly successful Medicare Select health care program to all senior citizens and repealing the Clinton administration's seniors-only tax.

In addition, many seniors have expressed the frustration with the seniors' earnings limit which unfairly penalizes senior citizens by reducing their Social Security benefits if they continue working beyond retirement age and earn over $11,160.

Last year, as a member of the 103d Congress, I nominated John Pribyl as the delegate from Minnesota's Sixth Congressional District. John has spent over 20 years helping to develop service opportunities for senior citizens.

As director of the Lutheran Social Service of Minnesota's Senior Companion Program and Foster Grandparent Program, John Pribyl has worked tirelessly to promote seniors as a valuable resource with talent and experiences to share with others.

I also nominated Joanne Demko of Minneapolis, who has worked in aging services for 15 years. She currently serves as director of the Volunteers of America Anoka/Hennepin Senior Dining and Home Delivered Meals Programs. In addition to these duties, Demko is an active member of the Minnesota Gerontological Society, Minnesota Minority Elders Coalition, and previously served as president of the Minnesota Nutrition Directors Association.

Mr. President, these two individuals have devoted a significant portion of their lives improving the opportunities for Minnesota senior citizens. Joanne Demko and John Pribyl stand out as leaders in their communities who have the vision, the compassion, and the determination to protect the great State of Minnesota. Mr. President, it is a distinct honor for me to have such qualified champions of seniors' issues advocating the needs of older Americans.

Mr. President, I ask that there be printed in the RECORD a complete list of Minnesota's delegates to the White House Conference on Aging and again, congratulate these individuals for their commitment to these important issues.

DELEGATES TO THE WHITE HOUSE CONFERENCE ON AGING

The list follows:

David E. Meillier.
Elva D. Walker.
Gretchen Dee.
Marvel Pratke.
Helen Johnston.
Madelyn Reiter.
Roger Banks.
Eli Hunt.
Caralyn Radatz.
Garritt Van Hunnik.
Rosalie Tassoni.
Frank R. Johnson.
Virginia Smith.
David Janovy.
Annabel Greseth.
Joanna Demko.
Wayne Willman.
Miriam B. Seltzer.
Edith Brady.
Eric G. Tangalos.
Margaret Christenson.
Pegeen Tillman.
Jim Varpness.
Dean Fenner.
Wayne Takeshita.
Carolyn Kelly Tasker.
Donna Walberg.
Marjorie Jamieson.
Bob Meiches, M.D.
Merredith Hart.
Maureen Acosta.
Al Sollom.
Corinne T. Ellingham.
Joci Maher.
Theressa Burns.
Charlotte Fitzpatrick.•

TRIBUTE TO DR. BRUCE FLINT, VICE CHANCELLOR EMERITUS, LOUISIANA STATE UNIVERSITY AGRICULTURAL CENTER

• Mr. JOHNSTON. Mr. President, on Wednesday, May 31, 1995, Dr. Bruce Flint, the vice chancellor emeritus and retired director of the Louisiana Cooperative Extension Service, will be honored by his peers and colleagues at LSU and throughout the State of Louisiana.

After achieving a degree in agricultural economics from LSU, Dr. Flint, who grew up on a farm in northeastern Louisiana, served 4 years in the U.S. Army before accepting his first extension position—as an assistant county agent in Union Parish—in 1956. Through the years, he served as an associate county agent, district program specialist, associate specialist for training and staff development, extension education specialist, division leader and State agent for personnel and programs. Along the way, he also obtained his masters degree in extension education from LSU and his doctoral degree in cooperative extension administration from the University of Wisconsin.

In 1980, Dr. Flint was named assistant director of the extension service with responsibilities for personnel, business, and fiscal affairs of the organization, and in 1984, he was promoted to associate director. In mid-1988, he assumed leadership for the agricultural center's administrative services as its director, and in mid-1989, he was appointed as vice chancellor for administration and director of administrative services. Finally, in 1993, Dr. Flint returned to extension as vice chancellor and director of the Louisiana Cooperative Extension Service—the position he held until his retirement on April 30, 1995. On April 21, 1995, the LSU Board of Supervisors named him Vice Chancellor Emeritus Bruce Flint in recognition of his remarkable career with the Louisiana Cooperative Extension Service and the LSU Agricultural Center.

That recognition capped a 39-year career during which Dr. Flint received a variety of honors, served on countless boards and committees, and was a member of several honor societies. Among those, he was a member of Epsilon Sigma Phi, Gamma Sigma Delta, the Adult Education Association, the Commission of Professors of Adult Education, and the American Legion.

He also served as chairman of the LSU Continuing Education Council, the Midsouth Region Extension Workers Committee on Program Development and Management Information Services and a Louisiana Board of Regents task force studying statewide programs in agricultural research and public service—extension—as well as academic programs in agriculture, human ecology, forestry, wildlife, and fisheries.

Mr. President, it is easy to ascertain that Bruce Flint not only possesses a remarkable mind and intellect, but has accomplished an unparalleled career. My hope is that others in Louisiana, and throughout America will model themselves after Dr. Flint's approach and commitment to both work and involvement within the community. Dr. Bruce Flint is a true asset to higher education, conservation programs, his family, and the community. He will be missed by his colleagues and peers and by all of Louisiana.•

SENATE QUARTERLY MAIL COSTS

• Mr. STEVENS. Mr. President, in accordance with section 318 of Public Law 101-520 as amended by Public Law 103-283, I am submitting the frank mail allocations made to each Senator from the appropriation for official mail expenses and a summary tabulation of Senate mass mail costs for the second quarter of fiscal year 1995 to be printed in the RECORD. The second quarter of fiscal year 1995 covers the period of January 1, 1995, through March 31, 1995. The official mail allocations are available for frank mail costs, as stipulated in Public Law 103-283, the Legislative Branch Appropriations Act for Fiscal Year 1995.

The material follows:

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING 03/31/95

Senators	Total pieces	Pieces per capita	Total cost	Cost per capita	Fiscal year 1995 official mail allocation
ABRAHAM	600	0.00006	$218.90	$0.00002	$140,289
AKAKA	0	0	0.00	0	29,867
ASHCROFT	0	0	0.00	0	83,043
BAUCUS	0	0	0.00	0	34,694
BENNETT	0	0	0.00	0	30,689
BIDEN	0	0	0.00	0	28,591
BINGAMAN	0	0	0.00	0	30,834
BOND	0	0	0.00	0	108,312
BOXER	15,805	0.00051	5,856.86	0.00019	582,722
BRADLEY	0	0	0.00	0	151,392
BREAUX	0	0	0.00	0	82,088
BROWN	0	0	0.00	0	74,406
BRYAN	0	0	0.00	0	45,030
BUMPERS	0	0	0.00	0	48,743
BURNS	0	0	0.00	0	34,694
BYRD	0	0	0.00	0	34,593
CAMPBELL	0	0	0.00	0	74,406
CHAFEE	0	0	0.00	0	30,524
COATS	0	0	0.00	0	111,738
COCHRAN	0	0	0.00	0	48,596
COHEN	6,898	0.00559	2,722.62	0.00220	37,937
CONRAD	58,800	0.0245	10,837.38	0.01704	25,438
COVERDELL	0	0	0.00	0	137,674
CRAIG	0	0	0.00	0	31,846
D'AMATO	0	0	0.00	0	335,341
DASCHLE	0	0	0.00	0	27,650
DEWINE	0	0	0.00	0	168,128
DODD	0	0	0.00	0	66,615
DOLE	0	0	0.00	0	51,907
DOMENICI	1,000	0.00063	226.53	0.00014	30,834
DORGAN	62,500	0.09827	11,191.75	0.01760	25,438
EXON	0	0	0.00	0	32,516
FAIRCLOTH	0	0	0.00	0	140,612
FEINGOLD	0	0	0.00	0	97,556
FEINSTEIN	0	0	0.00	0	582,722
FORD	0	0	0.00	0	74,054
FRIST	0	0	0.00	0	78,686
GLENN	0	0	0.00	0	219,288
GORTON	0	0	0.00	0	106,532
GRAHAM	2,397	0.00018	1,940.83	0.00014	323,488
GRAMM	16,000	0.00091	3,992.34	0.00023	352,339
GRAMS	0	0	0.00	0	67,423
GRASSLEY	0	0	0.00	0	56,381
GREGG	35,256	0.03173	28,252.50	0.02543	34,552
HARKIN	0	0	0.00	0	56,381
HATCH	0	0	0.00	0	30,689
HATFIELD	0	0	0.00	0	62,019
HEFLIN	6,800	0.00164	1,207.20	0.00029	81,113
HELMS	0	0	0.00	0	140,612
HOLLINGS	0	0	0.00	0	72,302
HUTCHISON	0	0	0.00	0	352,339
INHOFE	0	0	0.00	0	52,475
INOUYE	0	0	0.00	0	29,867
JEFFORDS	0	0	0.00	0	23,830
JOHNSTON	0	0	0.00	0	82,088
KASSEBAUM	0	0	0.00	0	51,907
KEMPTHORNE	0	0	0.00	0	31,846
KENNEDY	0	0	0.00	0	121,391
KERREY	0	0	0.00	0	32,516
KERRY	0	0	0.00	0	121,391
KOHL	0	0	0.00	0	97,556
KYL	0	0	0.00	0	63,581
LAUTENBERG	0	0	0.00	0	151,392
LEAHY	3,714	0.00652	1,082.36	0.00190	23,830
LEVIN	0	0	0.00	0	182,978
LIEBERMAN	0	0	0.00	0	66,615
LOTT	0	0	0.00	0	48,596
LUGAR	0	0	0.00	0	111,738
MACK	0	0	0.00	0	323,488
MCCAIN	0	0	0.00	0	82,928
MCCONNELL	0	0	0.00	0	74,054
MIKULSKI	3,800	0.00077	866.55	0.00018	91,956
MOSELEY-BRAUN	0	0	0.00	0	216,454
MOYNIHAN	0	0	0.00	0	335,341
MURKOWSKI	0	0	0.00	0	23,179
MURRAY	5,558	0.00108	1,298.40	0.00025	106,532
NICKLES	0	0	0.00	0	68,442
NUNN	0	0	0.00	0	137,674
PACKWOOD	6,300	0.00212	1,469.89	0.00049	62,019
PELL	0	0	0.00	0	30,524
PRESSLER	0	0	0.00	0	27,650
PRYOR	0	0	0.00	0	48,743
REID	12,139	0.00915	6,607.64	0.00498	45,030
ROBB	0	0	0.00	0	124,766
ROCKEFELLER	61,850	0.03413	10,705.35	0.00591	34,593
ROTH	0	0	0.00	0	28,591
SANTORUM	0	0	0.00	0	182,834
SARBANES	0	0	0.00	0	91,956
SHELBY	0	0	0.00	0	81,113
SIMON	0	0	0.00	0	216,454

SENATE QUARTERLY MASS MAIL VOLUMES AND COSTS FOR THE QUARTER ENDING 03/31/95—Continued

Senators	Total pieces	Pieces per capita	Total cost	Cost per capita	Fiscal year 1995 official mail allocation
SIMPSON	0	0	0.00	0	19,826
SMITH	0	0	0.00	0	34,552
SNOWE	0	0	0.00	0	29,086
SPECTER	0	0	0.00	0	238,468
STEVENS	0	0	0.00	0	23,179
THOMAS	0	0	0.00	0	15,200
THOMPSON	0	0	0.00	0	94,111
THURMOND	0	0	0.00	0	72,302
WARNER	0	0	0.00	0	124,766
WELLSTONE	0	0	0.00	0	87,939•

TRIBUTE TO LES ASPIN

• Ms. MIKULSKI. Mr. President, I was saddened to learn of the passing of Les Aspin. He was a great public servant who worked all his life to make our country better and stronger.

Les Aspin understood the defense budget better than just about anyone. He chaired the House Armed Services Committee during the height of the cold war and during the even more challenging years of the post cold war. He led the Department of Defense as it began to adjust to America's new role in the world. And he began the difficult process of expanding opportunities for women in the military. Most recently, he took on the challenge of reviewing and reinvigorating our Nation's intelligence programs.

He didn't come to Washington for power and prestige—he came to serve. He came to represent the working families of Wisconsin's First Congressional District. He quickly became an expert on national defense. His goal was to strengthen our military while making sure that the U.S. taxpayer got the most out of every dollar spent on defense. He realized that national security was too important to become politicized. He believed that a strong defense is not a Republican position or a Democratic position—it is a necessity for the world's only superpower.

Les Aspin served the people of Wisconsin and the people of this Nation with honor and distinction. He will be greatly missed.•

SUPPORT OF S. 747

• Mr. MOYNIHAN. Mr. President, I rise today in support of S. 747. The intent of this bill is to modify section 36(b)(1) of the Arms Export and Control Act to require congressional oversight and scrutiny of all arms sales to the Government of the Kingdom of Saudi Arabia until such time as the Secretary of the State certifies and reports to Congress that the unpaid claims of American companies described in the June 30, 1993, report by the Secretary of Defense pursuant to section 9140(c) of the Department of Defense Appropriation Act, 1993 (Public Law 102-396; 106 Stat 1939), including the additional claims noticed by the Department of Commerce on page 2 of the report, have been resolved satisfactorily.

My interest in S. 747 relates in part to a New York company, Gibbs & Hill, Inc. Gibbs & Hill was founded in 1911, and has the privilege of being the oldest power and transportation engineering firm in the United States. One of its most notable projects was the electrification of the Northeast corridor rail line between New York and Washington, DC. The first electric locomotive to run on these tracks was the George Gibbs I.

In 1978, Gibbs & Hill went to Saudi Arabia to provide its engineering expertise to the Royal Commission for Jubail and Yanbu in connection with the design and construction of the Yanbu Industrial City. Gibbs & Hill was hired by the Royal Commission to design the desalination and related facilities, which are a major component of this industrial complex. The Royal Commission required significant additional services of Gibbs & Hill, equaling more than 200 man-years of effort. After requiring Gibbs & Hill to perform the work, committing to compensate Gibbs & Hill for the added services, and benefiting from the work performed, the Royal Commission refused to pay. Gibbs & Hill's attempts to seek redress through the kingdom's court system was useless, as the court merely upheld the wrongful acts of another agency of the kingdom.

The default landed Gibbs & Hill in the special claims process established following congressional hearings in May 1992, and furthered by section 9140(c) of the fiscal year 1993 Department of Defense Appropriations Act. The $43.4 million claim of Gibbs & Hill is the last remaining unpaid claim awaiting resolution by the Saudi Government through the special claims process. Despite repeated commitments to our Government by the Saudi Government to resolve the claim favorably for the company, Gibbs & Hill has not been paid. Gibbs & Hill has waited more than 14 years to have this debt paid, including 2 years since receiving explicit commitments from the Saudi Embassy that it would spare no efforts in resolving the claim fairly and promptly.

Today, the Yanbu Industrial City is pointed to as an example of the kingdom's technological advancement. Yet this advancement was obtained at the expense of Gibbs & Hill. The kingdom had an obligation to honor its commitments to Gibbs & Hill, as it still does today. I urge my colleagues to join me in supporting S. 747.•

BUDGET SCOREKEEPING REPORT

• Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Congressional Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through May 19, 1995. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 218), show that current level spending is below the budget resolution by $5.6 billion in budget authority and $1.4 billion in outlays. Current level is $0.5 billion over the revenue floor in 1995 and below by $9.5 billion over the 5 years 1995–99. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $238.0 billion, $3.1 billion below the maximum deficit amount for 1995 of $241.0 billion.

Since my last report, dated May 8, 1995, there has been no action that affects the current level of budget authority, outlays or revenues.

The report follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 22, 1995.

Hon. PETE DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1995 shows the effects of Congressional action on the 1995 budget and is current through May 19, 1995. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1995 Concurrent Resolution on the Budget (H. Con. Res. 218). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements of Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated May 8, 1995, there has been no action that affects the current level of budget authority, outlays or revenues.

Sincerely,

JAMES L. BLUM
(For JUNE E. O'NEILL).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1995, 104TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS MAY 19, 1995

[In billions of dollars]

	Budget resolution (H.Con.Res. 218)[1]	Current level[2]	Current level over/under resolution
On-Budget			
Budget Authority	1,238.7	1,233.1	−5.6
Outlays	1,217.6	1,216.2	−1.4
Revenues:			
1995	977.7	978.2	0.5
1995–99	5,415.2	5,405.7	−9.5
Deficit	241.0	238.0	−3.1
Debt Subject to Limit	4,965.1	4,795.4	−169.7
Off-Budget			
Social Security Outlays:			
1995	287.6	287.5	−0.1
1995–99	1,562.6	1,562.6	*0.
Social Security Revenues:			
1995	360.5	360.3	−0.2
1995–99	1,998.4	1,998.2	−0.2

[1] Reflects revised allocation under section 9(g) of H.Con. Res. 64 for the Deficit-Neutral reserve fund.

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

* Less than $50 million.

Note: Detail may not add due to rounding.•

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1995 AS OF CLOSE OF BUSINESS MAY 19, 1995

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			978,466
Permanents and other spending legislation	750,307	706,236	
Appropriation legislation	738,096	757,783	
Offsetting receipts	(250,027)	(250,027)	
Total previously enacted	1,238,376	1,213,992	978,466
ENACTED THIS SESSION			
1995 Emergency Supplementals and Rescissions Act (P.L. 104–6)	(3,386)	(1,008)	
Self-Employed Health Insurance Act (P.L. 104–7)			(248)
Total enacted this session	(3,386)	(1,008)	(248)
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements other mandatory programs not yet enacted	(1,887)	3,189	
Total current level [1]	1,233,103	1,216,173	978,218
Total budget resolution	1,233,744	1,217,605	977,700
Amount remaining:			
Under budget resolution	5,641	1,432	
Over budget resolution			518

[1] In accordance with the Budget Enforcement Act, the total does not include $3,905 million in budget authority and $7,442 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $841 million in budget authority and $917 million in outlays for emergencies that would be available only upon an official budget from the President designating the entire amount requested as an emergency requirement.

* Less than $500 thousand.

Notes: Numbers in parentheses are negative. Detail may not add due to rounding.•

COMMEMORATING THE 50TH ANNIVERSARY OF LUTHERAN WORLD RELIEF

• Mr. SIMON. Mr. President, 50 years ago, when World War II left one in five of the world's Lutherans homeless, U.S. Lutherans mobilized to help through an agency they called Lutheran World Relief.

After the needs in Europe were met, LWR's horizons expanded to people in need in Asia, Latin America, the Middle East, and Africa, helping people regardless of religion, race, or politics. That ethic of aid for all who are in need has shaped LWR's work in relief and in long-term development over the last half century.

Lutheran World Relief's vision responded to changing circumstances—it grew from supplying disaster to cultivating partnership in development with communities all over the world.

Fifty years later, LWR is again helping refugees in Europe—now in the former Yugoslavia—as it continues to respond to disasters and promote self-help development in places like Ethiopia, Bangladesh, Peru, and Rwanda.

Partnership has become LWR's hallmark—addressing local needs with understanding, skills, and resources found locally. LWR has focused on self-help and built up local capacities for emergency and long-term work as well. Working with partners to improve health, promote food security, and increase employment, LWR has seen people and communities all around the world improve their well-being.

LWR's commitment to self-help and capacity building offers numerous lessons and examples that aid works when it is provided in response to local needs and in partnership with local people. Those lessons have not been lost on the larger, government and aid agencies. Increasingly, the U.S. Agency for International Development has recognized that working in partnership with local people and organizations is the key to improving aid effectiveness.

LWR has also over the years taken on the task of advocacy, bringing the concerns of partners to U.S. public officials and advocating on their behalf.

May the accomplishments of LWR's first half century inspire the next 50 years.•

HONORING BEA DISMAN

• Mr. D'AMATO. Mr. President, I rise today in this era of bureaucrat bashing, to tell my colleagues about one particular civil servant who exemplifies all of the good qualities a Federal employee should embody. I speak of Ms. Beatrice Disman, the new Region II Commissioner of the U.S. Social Security Administration in New York.

Bea Disman first came to my attention 12 years ago when she spent 6 months on my Senate staff, detailed by Social Security to learn how the legislative process worked. Bea was a hard worker, willing to start early and stay late—whatever it took to get the job done, and done well. Bea always was willing to pitch in to help others. Couple these qualities with a fine intellect and a genuine concern for people, and there is no wonder why Bea Disman has risen through the ranks to become one of the top officials at the Social Security Administration.

With a Masters in Diplomatic History and a winning personality, Bea Disman joined Social Security as a district office claims representative in 1965. Assigned to the Midtown Manhattan office, she worked her way up the hierarchy until, in 1973, she was assigned to the New York Regional Office as a Program Evaluation Analyst. In 1979 Bea was selected as Executive Assistant to the Regional Commissioner. In 1987 she became Director of the Office of Regional Programs and Integrity Reviews. Now she is Regional Commissioner.

Region II of Social Security is in fine hands. Thank you, Mr. President.•

HAITIAN CHILDREN AT GUANTANAMO BAY

• Mr. MOYNIHAN. Mr. President, the current issue of Time magazine includes a beautifully written article by Tammerliin Drummond describing the plight of more than 200 Haitian refugee children being kept at a place called Camp Nine at Guantanamo Bay Naval Base, Cuba. The children escaped Haiti on rafts nearly a year ago, and many of them are orphans.

News has reached Guantanamo that the Cuban refugees living there will soon be admitted to the United States, yet there is no end in sight for the interned Haitian children. A report in the Washington Post over the weekend indicates efforts are being made to help the Haitian children, but under current United States policy, they are ineligible for "humanitarian parole" to enter the United States because democratic government has been restored in Haiti. The children will be returned to Haiti if relatives can be located there; 60 children have been repatriated thus far. Sadly, however, some of those children have ended up not with relatives, but living in the streets of Haiti.

I commend Tammy Drummond for calling attention to the awful conditions these children are enduring in Cuba. It is not easy for a reporter to gain access to the Haitian children at Camp Nine, but Tammy Drummond did it and we are in her debt. I hope her compelling account will be read widely in the executive branch, and that the children will be released from the camp as soon as possible.

I ask that Tammerliin Drummond's article from the May 22, 1995, issue of Time magazine be printed in the RECORD.

The article follows:

[From Time Magazine, May 22, 1995]

SUFFER THE CHILDREN—HAITIAN ORPHANS ARE STRANDED IN GUANTÁNAMO

(By Tammerliin Drummond)

At Guantanamo Bay Naval Base, Cuban refugees cavort happily on the beach in a scene reminiscent of a Club Med. They have good reason to celebrate: soon they will be flying off to freedom in the U.S. Meanwhile, less than a mile away, more than 200 Haitian children lounge listlessly under drab green tents, seeking refuge from the harsh midday sun. Camp Nine, their home since last June, is a desolate patch of cactus-filled desert where the only sign of life is an occasional banana rat or iguana. A fence encircles the camp, which is guarded by American soldiers. The children, many of them orphans, have languished in this dusty purgatory for nearly a year. Despite the efforts of immigrants' rights groups, only a few of the Haitian minors—who range in age from infants to teenagers, including some who are pregnant—have been allowed to enter the U.S.

"When I heard that the U.S. was going to let 15,000 Cubans into the country and leave 450 Haitians in Guantánamo, I felt like someone had stuck me with a knife," says a 17-year-old boy. "This is a very cruel situation." (U.S. military officials will not allow the children to be quoted by name.) When

Attorney General Janet Reno announced the new Cuban policy on May 3, dozens of furious Haitian teens first tried to organize a hunger strike with the younger children, then went on a rampage, pelting soldiers with rocks and setting tents on fire. No one was seriously injured in the melee, but a handful of soldiers and children ended up with cuts and bruises.

Earlier this year some of the children attempted suicide by drinking bleach. Marleine Bastien, a Miami social worker, counseled a desperate 16-year-old boy who tried to hang himself from a tree branch in February. He survived only because the branch snapped under his weight. "Many of these children have expressed suicidal ideas," says Bastien. "Are we going to have to wait for a fatality before something is done?"

During the rafter crisis last summer, more than 20,000 Haitians and 30,000 Cubans were intercepted at sea and delivered to hastily erected camps in Guarntámamo. Among the refugees were 321 unaccompanied Cuban children, all of whom have since have been paroled to the U.S. But of the 356 unaccompanied Haitian children who ended up a Gitmo, only 22 have been admitted to the U.S., because they needed medical attention or had a parent already in the States. Since the island has officially returned to democratic rule, immigration officials say, Haitians don't qualify for humanitarian parole. Some of these children were orphaned in Haiti, and set to sea alone or with friends; others saw their parents drown. Because of the violence the deprivation they have experienced, many of the kids are terrified of going back to Haiti.

Yet the official U.S. policy for these children is to locate relatives in Haiti and send the kids to them. So far, 60 Haitian children have been returned. But last week Florida Rural Legal Services released a report condemning the repatriations. "The claim that what is being done is in the best interest of the children is a farce," said Niels Frenzen, a public-interest lawyer who helped track down some of the returnees and found that many were homeless or living in squalor with strangers. "There is only one humane solution to this problem. Close down the camp and accept the generosity of the families and agencies willing to care for these young people, just as we have done for Cuban children."

According to Florida Legal Services, all but 40 of the Haitian children have U.S. sponsors lined up. "We told the State Department months ago that we had foster parents to sponsor these children," said Deacon Chris Baumann, spokesman of the U.S. Catholic Conference. Yet the children's advocates report that even in cases where they have located U.S. relatives, the State Department has refused to grant them entry. Helene Charles, a 36-year-old Haitian living in Fort Lauderdale, says she has been trying for months to obtain a visa for her 14-year-old son Kissene. She left him behind in Haiti with her mother, but she became ill and could no longer care for him. Kissene got on a raft with some friends, who got word to his mother that he was at Guantánamo.

U.S. authorities will say only that all cases are under review. "You can't just move them lock, stock and barrel to the United States and separate them from their families forevermore," said a State Department official. "You have to find out where each child's family is and go and look for the family." That can be a long, difficult process, says the State Department, which hopes most of the children will be released from the camp by early July.

"We just want to get out as fast as possible and go elsewhere," says a 17-year-old boy who has a cousin in the U.S. "We are not criminals, but we are living in a prison."•

TRIBUTE TO CHIEF ROBERT A. SESSIONS

• Mrs. BOXER. Mr. President, I rise today to report that over the weekend California lost a great public servant. On Saturday, Barstow chief of police Robert A. Sessions died after a brief battle with cancer. Chief Sessions was a 28-year veteran of the department, and he will be missed by the people of Barstow and all who knew him.

Chief Sessions had a long and distinguished career serving his community. He graduated from high school in Butte, MT, in 1958, and subsequently received advanced degrees in education from Barstow Community College and in sociology from Chapman College. He also graduated from the Federal Bureau of Investigation's National Academy, 125th session.

After holding the positions of patrol officer, K-9 officer, detective, sergeant, lieutenant, and captain, Sessions was promoted to chief of police in 1985. During his tenure at the helm of the Barstow Police Department, Chief Sessions implemented numerous community policing programs and supervised special projects ranging from drug abuse resistance and education to the retired senior volunteer programs.

Chief Sessions was devoted to his family and his community. He married Carol Dawson in 1963 and the couple adopted two children, Jon and Jennifer. He joined the force as a reserve officer in 1967, and was sworn in as a full-time member of the Barstow Police Department the following year.

Chief Sessions was a licensed pilot and led an active life that included hunting, fishing, running, and golf. He was a positive role model for the young people of the city of Barstow and his presence will be greatly missed.

The memory of Chief Sessions' dedication to his family and his community will live in each of us as we remember a remarkable public servant.•

ORDERS FOR TUESDAY, MAY 23, 1995

Mr. DOLE. I discussed that with the Democratic leader. It is our intent tomorrow, when we have an opportunity, to have back-to-back votes in order to save time so that we can reach the 10-hour period.

I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 a.m. on Tuesday, May 23, 1995; that following the prayer, the journal of the proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. For the information of all Senators, the Senate will not stand in recess between the hours of 12:30 and 2:15 for the weekly policy luncheons. The Senate will be debating the resolution. For the information of all Senators, the Senate will resume consideration of the concurrent resolution at 8:30 a.m. tomorrow morning.

Rollcall votes can be expected throughout Tuesday's session of the Senate in order to make progress on the budget resolution. It may also be the intention of the majority leader to turn to the consideration of the rescissions conference report under the time limitation previously ordered. I have discussed that with the Democratic leader.

I think for the information of all Senators, the Senate will recess for the July 4 recess at the close of business on Friday, June 30, or Saturday July 1, if necessary. The Senate will reconvene on Monday, July 10. It may become necessary for the Senate to convene on some Saturdays prior to the recess in order to consider and complete action on some legislative matters. I hope that is not the case. I do not like Saturday sessions. But I suggest that is a possibility.

Mr. EXON. If the Senator will yield, I have asked this of the majority leader, and I have asked this of the minority leader. Since you did not mention it, has there been a decision made on the August recess, whether or not we are going to have one this year and, if so, when?

Mr. DOLE. Let me say to the Senator from Nebraska: It is on my short list, you understand that. We did discuss it today and we are going to have staff look at some of the issues, and we will try to map out where we might end up. Obviously, we would all prefer to have an August recess. But we hope to have an answer to that. We did get the July recess settled today. Hopefully, we can do the August recess very soon because I know many Members may want to make plans, and in some cases they need fairly long lead time.

Mr. EXON. I thank the leader.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:08 p.m., recessed until Tuesday, May 23; 1995, at 8:30 a.m.

EXTENSIONS OF REMARKS

A SALUTE TO EDWIN L. ARTZT: INTERNATIONAL BUSINESS LEADER

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. PORTMAN. Mr. Speaker, I am pleased today to recognize a prominent Cincinnatian, Edwin L. Artzt, on the occasion of his retirement as chairman of the board and chief executive officer of the Procter & Gamble Co. Today we thank him for the vision and service that he has so generously given to his company and to his community.

Ed began his career with Procter & Gamble in 1953 in the sales-training department. He worked nearly 40 years in positions both at home and abroad to become chairman and CEO of the company in 1990. During his tenure as chief executive, Ed concentrated on innovating new products, improving the efficiency of operations and globalizing the business and building the organization. Under his leadership, Procter & Gamble's earnings increased at an average growth rate of 14 percent and the real earnings growth rate—after inflation—has been 10 percent, more than double the company's historic average. Procter & Gamble began its concentration on value pricing and expanded its international operations, adding business in 10 additional countries. His vision has strengthened our economy locally and nationally.

Ed has brought his high caliber of leadership to many areas outside of Procter & Gamble. Serving our Nation, he has been an influential advocate of world trade as a member of President Clinton's Advisory Committee on Trade Policy and Negotiations, the Council on Foreign Relations, and the Business Roundtable.

In the Cincinnati community, he has given his time and talent by serving on the board of the Cincinnati Business Committee and the board of trustees of the Cincinnati Institute of Fine Arts. I know firsthand that he has found time to give of himself. He was my little league baseball coach 30 years ago.

Long a champion of business education, Ed has helped to groom business leaders of the future in his work as a member of the board of visitors to the Anderson Graduate School of Business Management at UCLA and the board of overseers of the Wharton School. Within P&G, his vision was the inspiration for creating a P&G College, where employees continue their education with innovative courses on business trends.

All of us in Cincinnati congratulate Ed for his numerous accomplishments in both private and public enterprise. We are grateful for his service to Cincinnati and to our Nation.

TRIBUTE TO MR. EDUARDO J. TORRES

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. SERRANO. Mr. Speaker, on Friday, May 19, 1995, a group of dedicated public school educators gathered in my congressional district to honor one of their distinguished colleagues, Eduardo J. Torres, for his years of service to the children of our district and indeed, the Nation, and on the occasion of his retirement.

Eduardo J. Torres began his professional career at the Puerto Rico Planning Board's Division of Social Planning, a division under the jurisdiction of the Governor's Office. Beginning with that appointment, his distinguished career has been devoted to the education of students of limited English proficiency, a devotion which has earned him the respect of his peers and the distinction of being a leader in his field.

Mr. Torres began his career in Community School District Seven in my congressional district in 1965 as a bilingual teacher in school and community relations. In 1972 he became teacher-trainer and coordinator of the Puerto Rican Studies Program, and later coordinated the Reading Advancement Through Puerto Rican Literature Program.

In 1976, Mr. Torres was appointed assistant director of the Northeast Center for Curriculum Development, a national project of the U.S. Department of Education, housed in Intermediate School 184, which developed culturally and linguistically relevant curricula in Spanish, Italian, Greek, and Russian for bilingual students and their teachers throughout the United States, Puerto Rico, and the Virgin Islands. In 1986, Mr. Torres was named bilingual education coordinator supervising educators, testing, placement, and recruitment of bilingual teachers.

Mr. Torres will be missed by his colleagues and the community of students and teachers with whom he has worked over the years and to whom he has dedicated his professional life. He is recognized by his colleagues for his friendly, efficient manner and his quiet style of leadership.

Mr. Speaker, I ask my colleagues to join me and the residents of my district and students and professionals of Community School District Seven in conveying our deep gratitude to Mr. Eduardo J. Torres and to extend to him our best wishes for a happy, fulfilled retirement.

REPUBLICAN WAR PROFITEERING: COMMENTARY BY KEVIN PHILLIPS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. STARK. Mr. Speaker, the May 17 radio commentary by Kevin Phillips on the Republican budget plan hit the nail on the head:

> In the guise of crisis legislation, deficit reduction . . . especially as put forward by the House of Representatives, also has major overtones of special interest favoritism and income distribution.
>
> Spending on government programs, . . . is to be reduced in ways that principally burden the poor and middle class while simultaneously taxes are to be cut in a way that predominantly benefit the top one or two percent of Americans.
>
> If the U.S. Budget deficit problem does represent the fiscal equivalent of war—and maybe it does—then what we are really looking at is one of the most flagrant examples of war profiteering this century has seen. And it deserves to be rejected with outrage.

Mr. Phillips is right: The Republicans are practicing class warfare. They get upset when you use that term—but that's what they are doing. They doth protest too much about the term, and the proof is overwhelming that they are taking from the bottom half of our society to give to the top 1 percent.

IN RECOGNITION OF THE ENFIELD ROTARY CLUB OF ENFIELD, CT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is with great pride and respect that I rise to commend the members of the Enfield Rotary Club for their innovative Learn to Earn program. Their program was developed to respond to the many solicitations for donations that both civic organizations and industry receive from local youth groups.

Instead of simply making a donation, businesses and civic organizations identify local projects that need to be completed and then give interested children the opportunity to earn the money they need by doing the projects. Projects range from things as routine as schoolyard cleanup to washing windows at a local, town-owned retirement home.

The Learn to Earn approach enjoys broad community support. At a time when so many are decrying the loss of government aid, a program such as this offers young citizens the opportunity to tackle projects that meet the needs of the community and, as importantly, highlights for young people the lesson that you

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

can accomplish most anything if you are willing to work to make it happen.

Congratulations to the members of the Enfield Rotary Club for their meaningful contribution to the betterment of their town.

CONGRATULATIONS TO ATLANTIS COMMUNITY AND NORWEST BANK COLORADO

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mrs. SCHROEDER. Mr. Speaker, I want to commend Atlantis Community Inc. and Norwest Bank Colorado, both of Denver, for launching one of the Nation's first home mortgage financing and consumer loan programs for lower-income people with disabilities.

On May 17, Social Compact recognized Atlantis and Norwest in its 1995 Outstanding Community Investment Awards program. Social Compact is a Washington-based nonprofit coalition of leaders in financial services and community development industries who work to strengthen neighborhoods.

In partnership with Atlantis, Norwest introduced the Disability Community Homeownership Program in June 1993 as a 1-year pilot, with a $2.5 million set-aside for loans. The program offers generous and flexible mortgage terms of physically disabled people, allowing them to own their own homes for the first time. Norwest now has generated more than $6 million in approved loans to more than 100 people in the program.

Atlantis, the largest home health care agency in Colorado, has built awareness of the program through its close links with the disabled community and its financial counseling services. Atlantis also has implemented a homeownership workshop and money management services, which address the needs of disabled people in the home buying process.

Also in partnership with Norwest, Atlantis has developed a consumer loan program for vehicle purchase and modification, home access improvements and independent living aids.

Atlantis and Norwest are a good example of commitment and partnership in the service of others.

TRIBUTE TO MR. JOHN O'TOOLE OF CONNECTICUT

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. SHAYS. Mr. Speaker, earlier this month, one of the most respected leaders in the advertising industry, John E. O'Toole, former president and chief executive of the American Association of Advertising Agencies, and a resident of Connecticut's Fourth Congressional District passed away in New York.

John O'Toole's four decades in advertising were distinguished by the highest standards he demanded of himself and demanded of his industry. That dedication and determination to provide the American public with quality and seamless honesty earned him his induction this year into the Advertising Hall of Fame.

John O'Toole's leadership, his creativity, his wit, and his friendship will be sorely missed by his family and many, many friends. My heartfelt condolences go out to his wife, Phyllis and his two daughters.

CONGRATULATIONS TO FIRST OCCUPATIONAL CENTER OF NEW JERSEY AND ITS HONOREES

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. MARTINI. Mr. Speaker, I would like to tell my colleagues about several very special individuals whose excellent work in the area of occupational and rehabilitational therapy for the aged, the disabled, and the disadvantaged has earned them high honors at the 41st anniversary celebration and annual awards presentation of the First Occupational Center of New Jersey on May 24, 1995.

Peter Cocoziello, president of Consult Realty, Janet May, executive director of the West Essex Chamber of Commerce, John Smith, manager of public affairs at PSE&G, and Joan Verplanck, president of the New Jersey State Chamber of Commerce will all be the honorees on this memorable occasion. Their work with the center helps individuals and families challenged by both physical and economic disadvantages become contributing members of the community. With the support of individuals, private groups, and Government agencies, the center provides professional counseling and real work opportunities to those who truly need such services. For seniors over age 55, job readiness and placement services are available; for welfare recipients, remedial instruction and work experience are encouraged.

The center, and the outstanding individuals that are being honored, strive to bring dignity and self-confidence to lives that may otherwise lose sight of these essential human traits. I congratulate these honorees: Mr. Cocoziello, Ms. May, Mr. Smith, and Ms. Verplanck for their contributions, and urge them to keep up their good work.

TRIBUTE TO JOSÉ M. GRACIANO

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. SERRANO. Mr. Speaker, on Friday, May 19, 1995 a group of dedicated public school educators gathered in my congressional district to honor one of their distinguished colleagues, José M. Graciano.

Mr. Graciano has been the principal of P.S. 5 since 1971 and has earned the distinction of being the longest serving public school principal in Community School District Seven. His record of accomplishment at P.S. 5 is truly impressive; he has brought more than two dozen different enrichment programs into his school. We are particularly proud of Mr. Graciano for his accomplishment in creating the first bilingual pre-kindergarten program in the Nation, a title VII grant Project PROBE. Under his leadership, P.S. 5 was designated a model bilingual school, recognizing the successes of such programs as the Bilingual Teacher Corps, Project SABE, Project BETA and CSIP.

Mr. Graciano is an active member of his community and his hard work has earned him numerous awards and recognitions including the Educator of the Year award from the Hispanic Educators Association, the Community Service Award from the Association Civica Arecibeno, the P.S. 5 Parent Teacher Association Award, the Ramon S. Velez Scholarship Committee Leadership Award and the P.S. 5 Parent Teacher Association 20th Anniversary Award.

Mr. Speaker, the residents of my district, Hispanic Americans everywhere, and indeed the entire Nation are the beneficiaries of such lifelong dedication to the education of our youth, and in particular of those often-disadvantaged youngsters who grow up in our inner city communities. I ask my colleagues to join me in conveying best wishes and deep gratitude to Mr. José M. Graciano.

MEDICAL SAVINGS ACCOUNTS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. STARK. Mr. Speaker, the debate on reforming our health care system has begun to focus on the potential role of medical savings accounts.

I would like to enter into the RECORD some comments from business, consumer, and health policy organizations regarding medical savings accounts [MSA's]. There comments are helpful in evaluating the likely costs and benefits to be derived from MSA's. In sum, these organizations find that the risks of MSA's are high and the rewards are, at best, overstated.

The attached also sheds light on one particular company that is profiting handsomely from MSA's, and how this is so. The level of profits generated by this company, and how they have chosen to spend them, give us reason to take pause.

These comments follow.

FEBRUARY 1, 1995.

MEDICAL SAVINGS ACCOUNTS—NOT FOR MEDICARE!

DEAR COLLEAGUE: We have heard much about medical savings accounts (MSAs) recently. Companies that stand to benefit financially from MSAs—and those who have benefited from the profits of these MSA proponents—have been quick to push their merits. This week, Speaker Gingrich proposed to give Medicare recipients vouchers to enroll in medical savings accounts.

More objective parties—business, consumer and health policy organizations across the potential spectrum—have concluded that the expansion of medical savings accounts will exacerbate problems in the health insurance market.

"While on the surface these proposals have some appeal . . . they pose serious problems . . . There does not appear to be a way to design an MSA that is not detrimental to the goal of achieving universal or near-universal coverage at a reasonable cost."—Center on Budget and Policy Priorities

"To illustrate the current misunderstanding of how MSAs would generally operate, the [Academy] uses an example that appeared in a letter released by Senator Phil Gramm . . . The example seems clear enough. However, like many others, it misrepresents what is generally financially possible."—American Academy of Actuaries

"Our judgment is that the medical IRA is not going to bring about the kind of universal coverage and the stopping of cost shifting that we would like to see . . . There are a number of other problems we have with a medical IRA that we think it will be found lacking in terms of where we would like to see health reform go."—US Chamber of Commerce

"[The MSA] proposal does nothing for cost containment. Once fully implemented, [the MSA] proposal would have enormous negative effects on Federal revenue. It would create a huge new tax advantage/subsidy, going mostly to the non-poor. It could have deleterious effects on primary care."—American Association of Retired Persons

"The likelihood that MSAs would be more attractive to healthy families indicates a potential adverse selection problem. In an unrestricted market, the difference in premiums [between traditional and MSA plans] would grow over time as the healthiest people in high-cost groups switch to lower-cost plans."—Congressional Research Service, September 1994

Advancing MSAs may be in the financial interests of a few, but Medicare beneficiaries are not among them. Shown on the reverse is the chief proponent of MSAs and some information on this insurer's operations.

Sincerely,

PETE STARK,
Member of Congress.

Insurance company advocating tax subsidies for MSA insurance plans: Golden Rule Insurance Company.

Percentage of Golden Rule insurance premiums going to medical claims: 65.2%.

Rating of Golden Rule's financial condition in "1994 Best's Insurance Reports": A+.

Stated reason for Golden Rule's A+ rating: "This profitability is attributable to the company's *careful underwriting*, its sophisticated claims system, and its adequate rate increases." (emphasis added; translation: "they don't insure sick people.")

Cites from information on Golden Rule Insurance Company contributions to Newt Gingrich compiled by the Office of Congressman Stark.

(1) Roll Call, August 18, 1994; Los Angeles Times, January 29, 1995; CNN, Inside Politics, October 12, 1994. Amount of reported contributions from Golden Rule Insurance Company executive to GOPAC, the political action committee of Speaker Gingrich: $117,000.

(2) Roll Call, September 15, 1994. Amount contributed by Golden Rule Insurance Company to the Progress and Freedom Foundation, sponsors of Mr. Gingrich's "Renewing American Civilization" course: Amount not disclosed.

(3) Los Angeles Times, January 29, 1995; The Atlanta Journal and Constitution, September 24, 1994; Roll Call, September 15, 1994. Amount contributed by Golden Rule Insurance Company to "Progress Report," a weekly talk show on National Empowerment Television featuring Mr. Gingrich: Sole sponsor. Amount not disclosed.

(4) American Political Network, January 11, 1995; United Press International 1995, January 10, 1995; US Newshire, January 10, 1995. Amount of "soft money" contributed by Golden Rule Insurance Company executives to GOP National Party Committees (1/1/93–11/28/94): $523,775.

(5) Los Angeles Times, January 29, 1995. Amount contributed by Golden Rule Insurance Company to Mr. Gingrich's 1992 re-election campaign: $15,000.

(6) CNN, Inside Politics, October 12, 1994. Amount contributed by Golden Rule executives to Mr. Gingrich's 1994 re-election campaign: $20,000+.

COMMENDING ALAN LEVY FOR HIS OUTSTANDING WORK AS AN AUTHOR AND JOURNALIST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. LANTOS. Mr. Speaker, I ask my colleagues to join me in commending Alan Levy, founding editor-in-chief of the Prague Post and the 1995 recipient of the American Society of Journalists and Authors award, "Author of the Year." Mr. Levy's latest book, "The Wiesenthal File," is an extraordinary examination of famed Nazi-hunter Simon Wiesenthal's life work and its enormous continuing relevance in today's world.

As an award-winning writer in the 1950's and 1960's, Alan Levy began to chart a career that would carry him and his family through some of this century's most turbulent and historically critical moments. Taking his wife and two children to Czechoslovakia in 1967, Levy found himself eyewitness to de-Stalinization and Alexander Dubcek's Prague spring of freedom, the Soviet invasion of August 21, 1968, and the fall and winter of Russian occupation and repression. Although the Levy family was expelled from Czechoslovakia in 1971, the experience was fodder for Levy's two monumental and critically acclaimed books on Czechoslovakia, "Rowboat to Prague" (1972), and "The Bluebird of Happiness" (1976).

Levy spent the next 20 years in Vienna, publishing award-winning travel and theater articles for the New York Sunday Times and many other world-renowned publications. Vienna also witnessed the world premiere of Levy's first play, "The World of Ruth Draper," in 1982. The play ran in Vienna, toured Europe, and enjoyed a successful 5-week run in New York's Times Square.

In 1990, Levy returned to Prague as founding editor-in-chief of the Czech Republic's leading English-language newspaper. From this post, he has provided the English-speaking world an unparalleled reportage and analysis of the radical, post-communist transformation of one of Central Europe's most dynamic and beautiful countries.

Mr. Speaker, Alan Levy's most recent, critically acclaimed work, "The Wiesenthal File," assures his place among the great writers and journalists of our century. On this day following his receipt of the Author of the year Award, I ask my colleagues to join me in congratulating Alan Levy on his accomplishments and celebrating his outstanding career in literature and journalism.

SAM MEYERS—A POINT-OF-LIGHT FOR ALL AMERICANS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. OWENS. Mr. Speaker, I rise to salute, local 259 UAW Union President Sam Meyers whose life represents a Point-of-Light for all Americans. Brooklyn and the 11th Congressional District are particularly grateful to Sam Meyers for his early and visionary sponsorship of the Brooklyn Coalition for Community Empowerment.

For over 50 years, Sam Meyers has carried the UAW vision of social justice and militant trade unionism in his union and political life.

He began his journey in the trade union movement in 1940 as a sheet metal worker at Brewster Aircraft and as a member of UAW, local 365. Soon after, he was elected shop steward, a position he held until 1943 when he joined the Army Air Corps. The Air Corps later assigned him to an orientation team whose purpose was to educate the troops about the U.S. war effort to destroy fascism.

In 1958 Sam led the successful fight to oust a leadership that had become too far removed from the membership, and to bring his brand of militant and democratic trade unionism to local 259.

From the time of his election as president of local 259 in 1958 to the present, Brother Meyers' passionate vision, leadership and tough bargaining have won strong membership support and involvement. Surrounded by a committed staff that mirrored the Rainbow Coalition, a strong, diverse, and well educated shop steward system was developed. The creative use of strikes, family and community support and solidarity picket lines helped win for local 259 members higher wages, generous welfare and pension benefits, security for their families, a nationally recognized mental health and occupational safety program, and dignity as industrial workers.

Sam led aggressive organizing campaigns, not only among the auto dealers, local 259's primary jurisdiction, but among low-wage factory workers who were predominantly women. Long before it became Government policy, the union under its president's leadership pursued affirmative action programs to bring people of color and women into union leadership.

Local 259 has been a recognized force in: the civil rights movement, the fight for affirmative action, the continuing struggle against racism; launching the careers and election of progressive forces to public office, including Congress members MAJOR OWENS, CHARLES RANGEL, former Governor Mario Cuomo and former Mayor David Dinkins, and challenging reactionary leadership and regressive social policies promoted in Congress and from the offices of New York's Governor and the mayor of the city of New York; The struggle for full employment, a guaranteed annual income, anti-scab and labor reform legislation, universal single payer health care, decent and affordable housing, and rigorously enforced occupational safety and health standards.

Sam served on the board of advocates for Children of New York, and helped to train parents and community activists in adapting union grievance procedures as a model for school based child advocacy. He initiated the first worksite child advocacy training program for parent members.

He brought the union into a partnership with the NYS Division for Youth and Advocates for Children to create an auto mechanic training program for youths released from DFY facilities.

In the late 1960's Sam was a cofounder of the New York Labor Committee Against the War in Vietnam, and challenged those in high labor positions on their support for the war.

In the early 1970's Brother Meyers helped bring national attention through congressional hearings to the impact of plant closings and runaway shops, as part of corporate America's wanton disregard of its workers at home and abroad.

There followed over two decades of the union's commitment to international labor solidarity. Local 259 championed the forces of liberation and democracy in South Africa, Chile, El Salvador, Nicaragua, and Haiti. Scores of labor leaders fighting against oppression throughout the globe have found safe haven, support, and solidarity at Local 259 UAW.

Sam has treasured being an active member of the International UAW. Steeped in the UAW tradition, the union under Brother Meyers' leadership linked members' struggles in Local 259 shops and factories to the struggle for social justice and human rights everywhere.

In recognition of Sam's contributions to the UAW, he was appointed and served on the Commission for the Future of the UAW, meeting with regional representatives throughout the country.

At a recent UAW convention, Sam was selected to nominate Owen Bieber for president.

Sam's proudest legacy is the next generation of social visionaries and militant trade unionists whom he has trained and nurtured to assume the leadership of this great UAW local.

Sam Meyers represents a magnificent Point-of-Light and serves as an inspiring role model for all Americans.

THE REPUBLICANS' BUDGET HAS GOT IT WRONG

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Ms. KAPTUR. Mr. Speaker, the Republican budget proposal can be summarized as gouging Medicare recipients, nursing home patients, and college students to fund over $300 billion in tax breaks for the privileged few and to increase defense spending. This is not the formula to achieve a balanced budget. What it does is squeeze our middle class to reward those at the high end.

	In billions
Medicare benefit cuts	288.4
Medicaid benefit cuts	186.5
Total cuts	475.0
Transferred to:	
Tax cuts	353.0
Defense increase	76.3
Unnecessary new spending	429.3

Over one-third of the cuts in the Republican budget come from sacrifices that will be forced on our senior citizens in the form of reduced Medicare benefits and nursing home care. But their budget does nothing to actually reduce the cost of health care in our country. Why not rein in the insurance companies, the doctors, the pharmaceutical companies rather than take it from our seniors? Anyone who has studied the Federal budget over the years knows that the most important factor driving our budget deficit has been increased health costs.

I favor balancing the budget. I have voted for a balanced budget. I fight everyday to cut wasteful spending. The Republicans want to balance the budget on the backs of our grandmothers to turn over nearly $350 billion in tax breaks to the rich and powerful. Instead, why not get rid of the "Benedict Arnold" tax break that allows a U.S. citizen who has made his millions here to renounce his citizenship and take his millions to some Caribbean island tax free. To balance the budget, health services are being cut for those who are most in need of our attention: seniors on Medicare, nursing home residents, disabled veterans.

MEDICARE

The best way to look at the effects of the budget proposal on Medicare recipients is to look at per capita benefits under the program. Republicans argue that there are no cuts in Medicare and that spending increases over the 7 years of their budget. This is a half-truth. Their budget falls far short of keeping benefit levels where they are today. Their future projections do not offset health insurance inflation, rising costs of services, and the 3.5 million more Americans who will reach 65 in the next 7 years. Under their plan even the current level of Medicare benefits will not be maintained into the future. Seniors will end up $3,000 short. This translates into cuts in services, rising out-of-pocket expenses, and higher deductibles and copyaments for every senior in this Nation—no matter how in need they are.

Medicare population increases: 37.0 million—1996; 40.5 million—2002.

Year	Money required to maintain current services (billions)	Money proposed in Republican budget (billions)	Medicare short-fall (billions)	Additional cost shifted to seniors each year
1995	179.0	179.0	0.0	$0.00
1996	196.0	168.0	28.0	744.00
1997	217.0	180.5	36.5	955.00
1998	238.0	191.7	46.3	1196.00
1999	262.0	206.1	55.9	1426.00
2000	286.0	215.4	70.6	1773.00
2001	319.5	218.3	101.2	2523.00
2002	353.8	229.0	124.8	3081.00

The Republican budget will ration health care for millions of seniors while other Americans who are better off will not face health care rationing, but they will continue to pay ever higher prices for health care services because the fundamental challenge of health inflation is not solved.

For every senior, this $3081-reduction over current benefits means the average American senior has to make it up, either by increased out-of-pocket payments, reductions in covered services, limitation of physician choice, or reductions in already limited physician or hospital reimbursements.

In regard to Medicaid, the Republican budget cuts Medicaid by $187 billion over the 7 years and shifts the burden of caring for the long-term chronically ill from the Federal Government to the States.

Ohio's Medicaid budget is $5.1 billion in 1995. Nursing home benefits account for $1.9 billion of that budget or 37 percent. The State estimates that Medicaid spending will increase at 8–9 percent a year. If the State has to absorb that increase, it will jeopardize OhioCare. OhioCare is a health care reform plan which would put all current low-income recipients on Medicaid into managed care plans and use the savings to expand Medicaid coverage to working poor families, thereby reducing overall health care costs. In Ohio we are trying to get health care costs under control. The Republican budget does nothing about them, and it may very well sabotage Ohio's efforts.

Who benefits from the $353 billion in tax breaks assumed in this budget? Fifty-one percent of these breaks go to people who earn over $100,000 annually. The most wealthy 1 percent of Americans will get a tax cut of more than $20,000. The poorest 20 percent of Americans will get an average tax cut of $36. Let's look at some of these.

Eliminating the alternative minimum tax by 1999 will cost $16.9 billion—for the first 5 years. The alternative minimum tax requires profitable corporations including many foreign corporations operating in the United States to pay a minimum amount of corporate income tax even if under normal tax rules they can write off all their profits.

Before the 1986 tax reform, highly profitable corporations were able to eliminate their tax liability through various tax loopholes. A 1986 survey found that 130 of America's largest and most profitable corporations managed to pay absolutely nothing in Federal income taxes at least 1 year between 1981 and 1985. Forty-two of these companies paid no taxes at all for all those years. Congress, in 1986, decided that made no sense and established the alternative minimum tax so that profitable corporations doing business in the United States had to pay something, if only a minimal amount, in taxes to our country.

The Republican plan includes a $500 tax credit for children for families with incomes as high as $250,000. A responsible proposal to limit this credit to families making under $95,000 was rejected earlier this year.

Mr. Speaker, over $300 billion in tax breaks in the face of huge budget deficits Americans must pay are irresponsible. Tax breaks that overwhelmingly favor the richest corporations and individuals are wrong. I cannot support them.

We must get on track to a balanced budget first before we consider tax cuts.

The Republican budget changes the cost of living calculation for Social Security benefits, in effect lowering the cost of living by 0.6 percent. This will reduce the average Social Security benefit by an estimated $240 a month by 2002. Their budget commits us to tax cuts for the wealthy while cutting essential income for seniors. I can't countenance that.

The Republican budget would make student loan recipients pay interest on their loan while attending school. This will increase the average student's indebtedness by $3,400. Over the life of the loan the student would pay an extra $41 a month, $5,000 in all. The cut would amount to $18.7 billion over 7 years. How can anyone justify making it more difficult to get a higher education in our country as we enter a new century which will be characterized by increased international economic competition? I ask you, are the Japanese or the Germans making it harder for their children to get the education they need?

Mr. Speaker, I cannot support this Republican budget proposal. It's anti-family at its core. It is ironic that some Members of Congress, who earn over $130,000 a year, may think that a budget which gives a $20,000 tax break to the richest 1 percent of Americans and pays for it by reducing health benefits for our grandmother is good for the country. I don't and I won't vote for it.

TRIBUTE TO MR. JOHN L. CRAWFORD

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1995

Mr. SERRANO. Mr. Speaker, on Friday, May 19, 1995, a group of dedicated public school educators gathered in my congressional district to pay tribute to one of their distinguished colleagues, John L. Crawford.

Mr. Crawford has been the principal of Intermediate School 183 since it opened its doors in the South Bronx in 1974 and has earned the distinction of being the longest serving intermediate school principal in Community School District Seven. He has been a dedicated and innovative school leader, bringing many new programs to his school and the district at large. Mr. Crawford developed the first magnet school program in the district, the Paul Robeson Magnet School for Medical Careers and Health Professions, and implemented an comprehensive after-school program which then served as a model for New York City youth board school based programs throughout the city. Because of his leadership and in recognition of his contributions, Mr. Crawford was asked by the chancellor to serve on two special advisory committees: the City-Wide Mainstreaming Committee on Special Education and the Committee on Articulation.

Mr. Crawford's contributions to the community beyond his school are equally impressive. He currently serves as the Council of Supervisors and Administrators Community School District Seven chairman and in 1991, he served as the assistant to the superintendent supervising district activities and programs. He is the deserving recipient of numerous awards and recognitions.

I am proud to count Mr. Crawford among my friends. On behalf of the residents of my district—in particular the many students and school professionals whose lives he has so significantly touched—I thank Mr. Crawford for his years of service.

Mr. Speaker, I ask my colleagues to join me in conveying our best wishes and deep gratitude to the principal of I.S. 183, Mr. John L. Crawford.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 23, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 24

9:30 a.m.

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Fish and Wildlife Service, Department of the Interior.
SD-192

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings to examine international aviation policy.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Finance
Business meeting, to markup H.R. 4, to restore the American family, reduce illegitamacy, control welfare spending and reduce welfare dependence.
SD-215

Governmental Affairs
Oversight of Government Management and the District of Columbia Subcommittee
To hold oversight hearings on aviation safety.
SD-342

Labor and Human Resources
Business meeting, to consider the nomination of Henry W. Foster Jr., of Tennessee, to be Medical Director in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations, and to be Surgeon General of the Public Health Service, Department of Health and Human Services; and the proposed Child Care and Development Block Grant Amendments.
SD-430

10:00 a.m.

Agriculture, Nutrition, and Forestry
Research, Nutrition, and General Legislation Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on research and the future of U.S. agriculture.
SR-328A

Banking, Housing, and Urban Affairs
To hold hearings to examine the impact of the peso devaluation and the Administration's aid package on the banking system and economy of Mexico.
SD-538

2:00 p.m.

Judiciary
To hold hearings on the Administration's counterterrorism intelligence gathering proposals, focusing on whether there is a need for increased wiretap and infiltration authority for Federal law enforcement.
SD-226

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

MAY 25

9:30 a.m.

Energy and Natural Resources
To hold hearings on S. 638, to authorize funds for United States insular areas.
SD-366

Labor and Human Resources
Education, Arts and Humanities Subcommittee
To hold hearings to examine the business role in vocational education.
SD-430

Rules and Administration
To hold hearings on proposed legislation authorizing funds for the Federal Election Commission.
SR-301

10:00 a.m.

Agriculture, Nutrition, and Forestry
Marketing, Inspection, and Product Promotion Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on Federal farm export programs.
SR-328A

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for military construction programs of the Department of Defense, focusing on Army and certain Defense agencies.
SD-192

Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed securities litigation reform legislation, and to consider the nominations of Bruce A. Morrison, of Connecticut, and J. Thimothy O'Neill, of Virginia, each to be a Director of the Federal Housing Finance Board.
SD-538

Finance
Social Security and Family Policy Subcommittee
To hold hearings to examine the financial and business practices of the

American Association of Retired Persons (AARP).

SD–215

Foreign Relations

To hold hearings on various treaties on Conventions and Protocols on Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital.

SD–419

Governmental Affairs

Business meeting, to consider pending nominations.

SD–342

1:00 p.m.

Judiciary

Terrorism, Technology, and Government Information Subcommittee

To hold hearings to examine the impact of the militia movement in the United States.

SD–226

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on property line disputes within the Nez Perce Indian Reservation in Idaho.

SD–366

Foreign Relations

East Asian and Pacific Affairs Subcommittee

To hold hearings on democracy and the rule of law in Hong Kong.

SD–419

2:30 p.m.

Labor and Human Resources

Children and Families Subcommittee

To hold hearings to examine child protection issues.

SD–430

3:00 p.m.

Foreign Relations

To hold hearings on the nominations of Timothy Michael Carney, of Washington, to be Ambassador to the Republic of Sudan, Donald K. Steinberg, of California, to be Ambassador to the Republic of Angola, Mosina H. Jordan, of New York, to be Ambassador to the Central African Republic, and Lannon Walker, of Maryland, to be Ambassador to the Republic of Cote D'Ivoire.

S–116, Capitol

MAY 26

9:30 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the General Accounting Office, and the Office of Technology Assessment.

SD–116

JUNE 6

9:30 a.m.

Agriculture, Nutrition, and Forestry

Forestry, Conservation, and Rural Revitalization Subcommittee

To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on resource conservation.

SR–328A

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on intelligence programs.

S–407, Capitol

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of the Interior.

SD–138

Energy and Natural Resources

Energy Production and Regulation Subcommittee

To hold hearings on S. 708, to repeal section 210 of the Public Utility Regulatory Policies Act of 1978.

SD–366

2:00 p.m.

Joint Printing

To hold oversight hearings on the activities of the Government Printing Office (GPO).

1310 Longworth Building

JUNE 7

9:30 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the National Service and the Selective Service System.

SD–192

10:00 a.m.

Foreign Relations

Western Hemisphere and Peace Corps Affairs Subcommittee

To resume hearings on S. 381, to strengthen international sanctions against the Castro government in Cuba, and to develop a plan to support a transition government leading to a democratically elected government in Cuba.

SD–419

Judiciary

Youth Violence Subcommittee

To hold hearings to examine the welfare system's effect on youth violence.

SD–226

JUNE 8

9:30 a.m.

Indian Affairs

To hold hearings on S. 436, to improve the economic conditions and supply of housing in Native American communities by creating the Native American Financial Services Organization.

SR–485

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings to review the Forest Service reinvention proposal and the proposed National Forest planning regulations.

SD–366

JUNE 13

9:30 a.m.

Agriculture, Nutrition, and Forestry

Production and Price Competitiveness Subcommittee

To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.

SR–328A

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on health programs.

SD–192

JUNE 15

9:30 a.m.

Agriculture, Nutrition, and Forestry

Production and Price Competitiveness Subcommittee

To resume hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.

SR–328A

JUNE 19

2:00 p.m.

Governmental Affairs

Post Office and Civil Service Subcommittee

To resume hearings on proposals to reform the Federal pension system.

SD–342

JUNE 20

9:30 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on counternarcotic programs.

SD–192

JUNE 22

9:30 a.m.

Indian Affairs

To hold joint hearings with the House Committee on Resources Subcommittee on Native American and Insular Affairs on S. 487, to amend the Indian Gaming Regulatory Act.

SR–485

JUNE 27

9:30 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense.

SD–192

JUNE 28

9:30 a.m.

Indian Affairs

To hold hearings on S. 814, to provide for the reorganization of the Bureau of Indian Affairs.

SR–485

POSTPONEMENTS

MAY 23

9:30 a.m.

Indian Affairs

To hold hearings on S. 479, to provide for administrative procedures to extend Federal recognition to certain Indian groups.

SR–485

HOUSE OF REPRESENTATIVES—*Tuesday, May 23, 1995*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. KIM].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 23, 1995.

I hereby designate the Honorable JAY KIM to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Oregon [Mr. DEFAZIO] for 5 minutes.

THE TRADE DEFICIT

Mr. DEFAZIO. Mr. Speaker, at the end of last week, we got the first quarter's trade numbers for the United States, with its trading partners. The news was grim. We are continuing to pile up record deficits with virtually all of our trading partners around the world.

As everybody knows, a little earlier this year, in part those record trade deficits led to a plummeting of the value of the United States dollar versus the yen and the German mark. The dollar has recovered a bit but still is at near post-World War II historic lows. A lot of the responsibility for this has to be put at the doorstep of those who continue to mindlessly follow a trade policy which came to maturity under the leadership of Ronald Reagan in the early 1980's, following the dictates of an economist who has been dead for 200 years, Adam Smith, a man who never saw an airplane, never even saw a steam engine. Yet this man dictates the trade policy of the United States of America.

Only two countries in the world follow Adam Smith's trade theories. We are both international basket cases: the United States of America and Great Britain. In fact Great Britain is the only country, major country we are running a trade surplus with. And it is time to revisit and review these policies. You cannot run a trade deficit every year, year after year, any more than you can run a national deficit every year, year after year without having someday to pay the horrible price. We are paying that price today.

There was a $160 billion trade deficit last year, according to the Commerce Department. That means we lost 3.2 million American manufacturing jobs. And now the North American Free-Trade Agreement, the latest example of the extension of this disastrous policy, for the first 3 months of this year the United States ran a $3.8 billion trade deficit with Mexico, at the same time that we had to give them $20 billion of our hard-earned money to bail out their economy. And this is considered a success. It is such a success that Speaker GINGRICH is calling for an extension of the North American Free-Trade Agreement to other basket case economies in South America and Latin America.

I quote:

> Unequivocally, I strongly favor adding Chile to the North American Free-Trade Agreement and then continuing beyond Chile to step by step expanding our regional commitment because it is good for America and it is going to create more jobs in the United States.

Wrong, Mr. Speaker. We are losing jobs today to Mexico, $3.8 billion in 3 months according to our own Commerce Department. That means we lost 76,000 United States manufacturing jobs in 3 months to Mexico. We are headed more toward a loss of 250,000 or 300,000 jobs in 1 year to Mexico, and we are paying $20 billion of taxpayers money for that privilege. And now we want to extend that to Chile and other countries in South and Latin America and we want to do it in such a way that Congress will not be allowed to work its will, will not be allowed a single amendment on the floor of the House.

Why would the Speaker of the House of Representatives want to give away the authority to amend a bill on the floor that has such a dramatic impact on the economy of the United States? Yet that is what he is advocating. He wants to give Bill Clinton, our President, a man who he constantly derides authority to bring forward a bill, negotiated in secret, which will extend these disastrous trade policies with no opportunity for amendment on the floor of the House or the Senate.

Why is he doing this? Because he is serving the same masters, the same masters that have been dictating the trade policy of this country for 20 years. That is multinational corporations, foreign corporations, and big business. They are doing well. They are doing very well, thank you very much.

It just happens to be a disaster for our economy because of the mounting trade deficits. A disaster for American workers because we are exporting their jobs, and now a disaster for the United States Treasury because we are even having to pay Mexico for the privilege of exporting our jobs there. And the Speaker wants to extend that policy because it is such a success.

He wants to work hand in glove with the Clinton administration in these efforts. I will do all I can as one Member of this House of Representatives to stop this disastrous policy before it is extended any further, in fact, to repeal the past mistakes we have made, including the North American Free-Trade Agreement.

TERM LIMITS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Nebraska [Mr. CHRISTENSEN] is recognized during morning business for 3 minutes.

Mr. CHRISTENSEN. Mr. Speaker, yesterday the American people witnessed our system of Government in action when our unelected, unrepresentative, life-tenured Supreme Court by 1 vote struck down term-limit laws in 23 States. In an 88-page dissent, Justice Thomas said: "Nothing in the Constitution deprives the people of each state of the power to prescribe eligibility requirements for the candidates who seek to represent them in Congress." The Constitution is silent on this question.

Today's liberal New York Times has an article in here. It says: "Congress Members Off Hook on Re-election."

Wrong. First of all, the author of this article goes on to state: "By nullifying term limits imposed by the States, the Supreme Court in effect handed each Member of Congress a 'get out of jail free' card."

I guess one thing that we learned is that yesterday's elections do matter. President Clinton, elected by a mere plurality in 1992, appointed two members to this high court that decided they knew best. Both Justice Breyer and Justice Ginsburg said that States do not know right from wrong, that the

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Supreme Court knows how to set the law better when they voted against 23 States.

Second, people do matter. Last fall the American people sent a clear message that they were tired of business as usual in Washington. They gave the Republicans a majority in this body for the first time in 40 years. This new majority is solidly in favor of term limits. While we are still a few votes shy, in 1996 the American people will give us the votes to enact term limits as the American people want, nearly 78 percent of the American people favoring term limits for their Representatives.

Some have said that term limits are now dead, and I am here to tell you they are dead wrong. Whether it is the McCollum bill that we bring up in 1997, which enacts a 12-year blanket term limit, or whether it is the Hilleary 12-year bill that allows States to have lower term limits, if they so wish, one of them will come to the House under House Resolution 1 as the Speaker has promised.

We are going to work tirelessly until we can enact the will of the people. We are going to pass a constitutional amendment that will put an end to career politicians once and for all.

MEDICAID

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. DURBIN] is recognized during morning business for 5 minutes.

Mr. DURBIN. Mr. Speaker, I would like to share with the people who are listening this morning an experience which I had in my district yesterday which I hope that all of you will reflect on because it is the outgrowth of a vote last week on the floor of this House of Representatives which could have an impact on every family in the United States.

What happened last week is that this House of Representatives passed a budget resolution. That is a spending plan for the next year. In fact, in this case it was a spending plan for the next 7 years. Those who supported that budget resolution, I was not among those, suggested that we could reach a balanced budget by the year 2002 if we have certain cuts in spending. And they proposed those cuts as part of the package.

The reason that I opposed that plan as presented by Speaker GINGRICH and his Republican allies was the fact that it included a substantial tax cut, primarily to the wealthiest people in this country. In order to pay for that tax cut, it cut many of these spending programs more deeply. In fact, the programs that are hit the hardest are the health care programs, Medicare and Medicaid.

What the Republicans have done is to create a piggy bank with cuts in Medicare and Medicaid to pay for their tax cut package. And that is the part that I find objectionable. This is not a solely partisan view, although most Democrats share my point of view. In fact, in the Senate, the Republican leaders there have many misgivings as well as to whether we should be enacting a tax cut in the wake of our need to bring our budget into balance.

But the reason I come to the floor this morning is to reflect on the impact of cuts in Medicare and Medicaid. As I look about the gallery here, I see people of varying ages, from youngsters on school trips to those who are clearly retired, perhaps here on a holiday or vacation to witness this House of Representatives and its proceedings. The irony is that each person here has an interest in this issue because it affects every single one of us.

Let me explain. Right now the Medicaid Program in America is generally viewed as a welfare program. It is not a welfare program. It is a health care program. A third of the recipients under the Medicaid Program are, in fact, poor people receiving health care through it. but another third are disabled people, folks who because of mental or physical disability qualify for this Medicaid to pay their medical bills. And the final third represent people, our parents, grandparents who are in nursing homes and other facilities who do not have the resources left in their savings accounts to take care of themselves.

So when you say we are going to cut Medicaid, you are not just hitting so-called welfare low-income families; you are also hitting the elderly and the disabled.

As I went and visited nursing homes in my district yesterday, it was an eye opener to talk about what it will mean if the Republicans prevail and cut $188 billion out of Medicaid. It means less money coming from the Federal Government through these families into nursing home care.

What will be the ultimate result of that? Well, I can tell you, it is not very promising; what is involved here, unfortunately, is that a lot of people in nursing homes today literally, literally survive because of Medicaid payments. If those payments are cut, it raises a serious question about what happens to these people.

I guess even equally important for the younger folks in the audience here, the responsibility is then their family's. If the Government does not make an adequate payment to the nursing home, who then is going to pay the bill for the parent or grandparent there who needs a helping hand?

This, I think, is a serious personal concern for all of us. Right now Medicaid pays one-half of all nursing home care in the United States. If we take that and put it in perspective, when we cut back in Medicaid, we are putting a real burden on an industry that is labor intensive, and frankly we want to do a very good qualify job. If they cut back in the quality of service, every single one of us is concerned that that elderly person who needs help the most will be put in a perilous situation.

So that is why I opposed the Republican budget resolution. Let me say in a spirit at this time of bipartisanship, there are some things I think we can do that came out of a meeting yesterday. For one thing, we have to encourage more people to buy what is known as long-term care insurance. When you are my age or younger, you do not think about whether you are ever going to be in a nursing home, but frankly we have all got to be thinking about the possibility that that could happen some day and we may need insurance coverage to protect us.

We have got to encourage more American families to build this into their health insurance portfolio, not just the insurance for hospitals and doctors but also for long-term care. I will be working on legislation to try to encourage families to do that, to perhaps provide a tax deduction to provide for long-term care insurance as a solution to part of this problem.

FEEDING THE HUNGRY THROUGH THE PRIVATE SECTOR

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. MANZULLO] is recognized during morning business for 5 minutes.

Mr. MANZULLO. Mr. Speaker, the Hunger Connection of Rockford, IL, is a privately financed organization that resources food from wholesalers, retailers, and food processors and then makes it available to over 90 agencies which, in turn, distribute the food to the needy. Not 1 cent of Government money is used for this purpose.

In addition, the Hunger Connection, led by Mary Cunningham, the executive director, also helps the community through a service called Community Share. In the Community Share Program, people do meaningful volunteer work in the community in exchange for 2 hours of work plus $14 in cash, $28, to $32 in groceries.

The Hunger Connection is an example of the type of organization that is leading community service efforts. We are saddled with a massive debt. Therefore, the time has come to recognize private organizations such as the Hunger Connection for innovative, cost efficient solutions to our problems.

Besides that, it has always been the American spirit of charity and good works that has spearheaded the country's efforts in alleviating the plight of the needy. Thus we have an obligation to carry on this work and still strive to keep this Nation from taking on further financial burdens.

We are approaching a national debt of $5 trillion with annual budget deficits routinely exceeding $200 billion a year. That means $200 billion a year is added to the national debt. What is also alarming are the taxes that future generations will pay if Congress continues expensive spending habits.

The President's official budget contains an analysis called generational forecast. This projects the future tax burden on the American people and takes into consideration our national debt and current policies for Federal spending. It predicts that children born after 1992, by the time they enter the work force, will have a combined local, State, and Federal tax rate of between 84 and 94 percent.

That means your child or grandchild will be able to keep only $600 to $1,200 for every $10,000 he or she earns.

That is not the legacy we want to leave our children.

The findings of the Bipartisan Commission on Entitlements and Tax Reform show that, absent policy changes, entitlement spending and interest on the national debt alone will consume all Federal revenues by the year 2012.

Our Nation is not on the verge of bankruptcy. It is in bankruptcy, and it is hemorrhaging profusely. If we fail to act, we have made a choice that greatly threatens the economic future of our children and our Nation.

Given this financial crisis, we must re-evaluate our budgetary priorities. If we are gong to be serious about reducing our debt and balancing the budget, then every program not absolutely essential to the function of the Federal Government must be on the table for consideration. That is why original private sector endeavors like the Hunger Connection are so important. The Hunger Connection and Community Share represent the spirit of Americans working together to solve problems. These are people looking to each other instead of Government to solve the problems of this Nation.

TRADE WITH JAPAN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Ohio [Ms. KAPTUR] is recognized during morning business for 5 minutes.

Ms. KAPTUR. Mr. Speaker, it is time to pry open Japan's market, particularly in the sector of automotive goods.

Now, what is wrong with this picture? Let me tell you what is wrong. Over the past 10 years, the United States has consistently run a massive trade deficit, getting worse year after year after year, last year the largest in the history of our country with Japan. And we have run that deficit largely in the area of automotive goods, regardless, regardless of what the economic conditions have been during those years between our two countries.

That means regardless of what the yen-dollar relationship is, as this blue line charts out over the past 10 years, even as our dollar got cheaper, which means our goods should be cheaper on those shelves, the deficit got worse and worse and worse.

In fact, over half of the trade deficit the United States has amassed with Japan, $66 million last year was in one sector, automotive and automotive goods. But that is not news. That has been going on year after year after year.

Japan used to use the excuse, Well, in America you do not make any vehicles that are right-hand drive vehicles. Surprise, over the last 15 years our automotive manufacturers now have 60 different models, so you cannot use even that excuse anymore.

If you look back to 1985, when the exchange rate was 239 yen to the dollar, the United States in that year amassed a $23.7 billion trade deficit with Japan in automotive and automotive parts. Yet in 1994, when our dollar had literally been devalued by 300 percent, devalued by 300 percent, which means that our goods should have been 300 percent cheaper and had some impact on sales in that market, we had an even worse deficit with Japan.

In fact, last year we had a record trade deficit in the area of automotive and automotive goods, rising to over $37 billion, with each billion dollar of trade deficit equal to 20,000 jobs in this country. We are not talking about a small problem. Today, as we know, goods denominated in dollars are very, very cheap on the world market. It should help our exports except with Japan. In the first quarter of this year, we have amassed even worse deficits with them than we did last year, which was our worst year ever.

What is wrong with this picture is Japan's market remains closed no matter what. As the price of our goods, both for automobiles as well as automotive parts, in Japan have become increasingly cheaper and less expensive and with the value of our dollar having been decreased by over 300 percent over the last 10 years, we should be running a huge trade surplus with Japan. Instead, we have recorded deficits year after year.

In fact, the United States has been frozen at a 1.5-percent share of Japan's market for over a decade, while Japanese goods in the automotive sector now comprise 25 percent of our market. Let me repeat that, the United States goods are frozen to 1.5 percent of Japan's market through market control in that country, while Japan's goods now consume a 25-percent share of our market.

For the sake of our Nation, in which one of six jobs is directly connected to the automotive industry and for the sake of nearly a million American workers who work in this country in the auto sector, I urge the Clinton administration to hang tough with Japan. The United States maintains a trade balance in automotive goods with every other industrialized nation in the world. I repeat, the United States is a competitive country in the automotive sector. We maintain a trade balance with every other industrialized country in the world but for one, but for Japan.

So why should Japan not behave like the rest of the industrialized world? We wish the Clinton administration great success because if we can be successful for America, we will also be successful for the rest of the world in Japan, because, in fact, less than 4 percent of Japan's market is comprised of automotive goods from any country in the world, Europe, Asia, the United States. All are closed out.

ELIMINATE THE IN-SCHOOL INTEREST SUBSIDY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. WELDON] is recognized during morning business for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, I would like to address the issue of the Republican proposal to eliminate the in-school interest subsidy. There is going to be a lot of rhetoric and dialog, and I think the air needs to be cleared as to exactly what is going on with this issue. I can get up here and say that I was a student who took advantage of the student loan program and the in-school interest subsidy. Though I worked my way through college in order to help get through medical school, I took out 10,00 dollars' worth of loans while I was a medical student.

I was very pleasantly surprised to discover that when I finished medical school and when I finished my internship and residency, that I still only owed $10,000, that the interest of 7 percent per year had been picked up by the U.S. taxpayer. Indeed, I was very happy to find that out because once I got out of medical school and my internship and residency, I got myself a pretty good job and $10,000 was fairly easy to pay off.

That, indeed, is the essence of the problem with the Democrat proposal of continuing the in-school interest subsidy.

Let us just say, if I had daughters, they were twins. And one wanted to go to school to become a hairdresser and it took her 1 year. And she wanted to take out a $5,000 loan to do that. And then I had another daughter who wanted to go through 4 years of college and 3 years of law school and wanted to borrow $5,000 a year to do that. Well, guess what? My daughter who went to school to be a hairdresser would be paying through her taxes the in-school interest subsidy on my other daughter who wants to accumulate a $35,000 loan and then get out and become a wealthy attorney.

We, Republicans, are making a proposal that these students pay that in-school interest subsidy in the form of added principal when they graduate. This may sound like an onerous, terrible burden to place on our college students and our professional career students when they get out of law school or medical school, but the truth is, Mr. Speaker, that the average increase in the size of that student loan will roughly be equivalent to their cable bill. It will be about $27 a month, the average student will have to pay in extra costs on their student loan, not exactly what I would consider to be an onerous burden to place on a student who has a great likelihood of making a fairly good income, a substantially better income than the average person who goes out there and works when they get out of high school.

Mr. Speaker, this proposal of the Republicans is a fair proposal, but probably more importantly, one of the best reasons why this is a good proposal is we do not have the money to pay for this. We have to borrow the money to pay those interest payments for those college students. Indeed, these college students, when they get out and those who have had their student loan interest paid, it has been paid in the form of added Federal debt. Those students, when they get out of college, will have more debt to pay off in the form of an added debt burden.

Mr. Speaker, our proposal, the Republican proposal, is a logical proposal. It is a fair proposal. And, indeed, it is a proposal that asks the people who are most able to pay to pick up the tab. But we are going to hear a lot of rhetoric about this being something that is bad and evil, but, Mr. Speaker, it is fair. It is logical. It makes sense. It is something that is badly needed. And I support the elimination of the in-school interest subsidy.

I ask that all of my colleagues on both sides of the aisle do so, so that we can help balance the budget and we can help create a better future for our children and our grandchildren.

SHARING AND CARING HANDS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. RAMSTAD] is recognized during morning business for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, yesterday I attended a truly memorable event in Minnesota. It was the dedication of Mary's Place. And at that dedication, I saw love and compassion up close. Mary's Place is a transitional housing facility built through the vision and the persistence of Mary Jo Copeland, Minnesota's Mother Teresa. Mary's Place is a shining example of how we can use nongovernmental private solutions to solve the problems facing our country.

This was a $7.2 million transitional shelter, 200 beds for homeless people, $7.2 million all raised through private businesses, individuals, and churches, not one penny of government money.

Mr. Speaker, last month I saw firsthand why Mary Jo Copeland is Minnesota's Mother Teresa. I was touring the new facility before it was open, and I watched Mary Joe interrupt that tour to go across the street to greet a homeless family, a young mother and her three little children. And that family was forced to leave their home after her husband beat her and to watch Mary Joe hug those bewildered, broken children brought tears to my eyes. Everyone who has been to Sharing and Caring Hands, all of the volunteers, every one who goes there daily to assist other people have seen that same kind of love and compassion firsthand.

Yesterday we celebrated several things, Mr. Speaker. As I mentioned, we dedicated the $7.2 million facility. We also celebrated 10 years of love and compassion and concern like that I just explained.

Let me tell you a little bit about Sharing and Caring Hands, because I believe we need to replicate this wonderful organization throughout our great country. This organization, Sharing and Caring Hands, was founded in 1985 as a safety net organization to assist those who are not getting help from the welfare system. Each and every month, Mr. Speaker, 12,000 people, 12,000 homeless, hurting people are assisted through a food shelf, meals, clothing, showers, dental care, medical help, eye glasses, transportation, Alcoholics Anonymous meetings, and school tutoring for children. These services are all provided by hundreds of volunteers and private contributions, again, not one penny of taxpayer money.

Over $150,000, therefore, each month, all of the funds raised by Sharing and Caring Hands, goes directly to the recipients. Nobody takes a salary. Mary Jo works 14 or 15 hours each and every day. No salary, strictly volunteer work. As Mary Jo puts it, a labor of love.

Mr. Speaker, we need to focus national attention on this model organization. Mary Jo Copeland and her volunteers at Sharing and Caring Hands have taught and are teaching America a lot about caring and about sharing, about true compassion.

Mr. Speaker, I believe this project should serve as a model and a beacon of hope, a beacon for those of us who are dedicated to the principle that each of us can make a difference in the lives of other people through volunteerism and commitment. As we all know, there has been much focus here in Congress about ways to strengthen the family. Everyone agrees that the breakdown of families has provided a whole new range of social problems.

What Mary Jo Copeland and everyone at Sharing and Caring Hands have done, Mr. Speaker, is to create a kind of sharing, caring, compassionate, and concerned family. Sharing and Caring Hands is truly that for so many people.

It is a very special family that is taking in new brothers and sisters each and every day. Yesterday we dedicated a new family home, Mary's Place, a place where people know they can find comfort, they can find love. They can find a safe haven. They can find support that you would find that we are able to find in the majority of American families. So while the debate rages here in Congress on how best to provide the resources necessary for people to become more self-sufficient, Sharing and Caring Hands is already here showing us how, without bureaucratic strings and without taxpayer dollars, people can make a real difference in the lives of those less fortunate, in the lives of people who are hurting.

Now, Mr. Speaker, we need to replicate Sharing and Caring Hands throughout the United States. Mary Jo Copeland's vision can make a difference in your communities and States just like Sharing and Caring Hands is making a real difference in the lives of real people in the twin cities of Minnesota.

Mr. Speaker, I take my hat off to Mary Jo Copeland and all of her volunteers for what they are doing in Minnesota. We are very, very proud of them and grateful for them.

MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized during morning business for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to address my colleagues on some issues that I think are very important to all Americans. First, I think we need to look at what has happened to try to help our senior citizens across the United States.

First, this 104th Congress, a very sensitive and caring, compassionate Congress, has already rolled back the Clinton tax on Social Security which had been established 2 years ago. We have also raised the earnings limits for seniors who are under 70 from $11,280 to $30,000 over the next 5 years. We have also passed legislation calling for a $500 elder care tax credit, also a tax credit for the purchase of long-term care health insurance.

Now comes the issue of Medicare. We want to make sure in this Congress that we preserve, protect, and improve Medicare in this United States. We have heard from the trustees, a bipartisan group with three appointees from the Clinton administration, that in fact if we do nothing to help Medicare and let it stay the way it is, it will go bankrupt by the year 2002. A responsible House and Senate has to move forward to make sure we preserve, protect, and improve Medicare. Many of us are starting what we call Medicare preservation task forces. I just started one in my district in Montgomery County, PA. We have senior citizens and health care professionals and consumers of Medicare meeting for the purpose of discussing how we can make sure we in fact have Medicare become strong and remain vital.

The Republican proposal calls for the current figure of $4,700 to grow to $6,300 by the year 2002. That is a 45-percent increase. But we also need to make some other changes in the system to make sure it is in fact remaining strong. There is estimated as much as $44 billion in waste, fraud, and abuse in the current Medicare and Medicaid systems. We need to make sure that the inspector general and other appropriate officials and, in Congress, oversight committees are making the changes so that that amount of waste is eliminated from Medicare and direct services do go to the people.

One of the other options we will be discussing is managed care and whether or not there is a more efficient and appropriate way to deliver the health care for those who may want that option while still retaining the fee-for-service option for health care for those on Medicare.

We need to have House and Senate Republicans and Democrats working together on a solution. We have seen that from the Clinton administration they have been AWOL, absent without leadership. There has been no proposal on how to save Medicare, when we know from the trustees and from the bipartisan task force that in fact Medicare needs to have appropriate changes made in the system to improve it, to ensure that it is vital, and to make sure that it is financially stable.

I am looking forward to working across the aisle with fellow Members of the House to find the ways and means to control the costs, to eliminate bureaucracy, and to make sure we have more direct services to our senior citizens who deserve the best health care possible under our Medicare system and to make sure that in fact we work together for a solution before the year 2002 so that none of those senior citizens who want to have a Medicare Program that is there will miss the opportunity.

We will work together to help senior citizens to help improve Medicare, and to keep Social Security off the table because that is a program that has been vested by our seniors. It is a paid-in pension program. It is higher than an entitlement. It is a paid-in pension program that people deserve to have there for them, but we want to make sure that Medicare is strong and vital for them.

I look forward to working with Members of the House on both sides of the aisle.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 11 o'clock and 10 minutes a.m.), the House stood in recess until 12 noon.

☐ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GILLMOR] at 12 noon.

PRAYER

The Reverend Randall C.K. Day, executive director, the Canterbury Cathedral Trust in America, Washington, DC, offered the following prayer:

Almighty God, You have given us this good land:

Make us alert to Your generosity and ready to do Your will.

Guard our unity as one people; build our acceptance of human diversity.

Bless our common life with unrelenting compassion, honorable work, sound learning, and stimulating arts.

Defend our freedoms. Save us from violence, discord, and every confusion; from egotism, arrogance, and every evil way.

Give wisdom, fairness, and integrity to those to whom we entrust the authority of government.

May there be peace with justice in our world, and may You be exalted among all nations.

In our prosperity, fill our hearts with thankfulness.

In the day of trouble may we always trust in You.

In Your mercy, O God, hear our prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Wisconsin [Mr. OBEY] come forward and lead the House in the Pledge of Allegiance.

Mr. OBEY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

A TRIBUTE TO THE LATE HONORABLE LES ASPIN

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, as dean of the Wisconsin delegation, it is my sad duty to officially announce to the House something which most Members already know, that our friend and former colleague, Les Aspin, passed away at 7:55 Sunday night at Georgetown Hospital.

His official biography will note that he was born July 21, 1938. He received a bachelor's degree from Yale University, his master's in economics from Oxford University, and his Ph.D. in economics from MIT. He served as a staff assistant to U.S. Senator William Proxmire, and as a staff assistant to Walter Heller, the Chairman of the President's Council on Economic Advisers.

He served in the U.S. Army from 1966 to 1968. He taught economics at Marquette University before being elected to Congress in 1970. He served in Congress for 22 years, until 1992, when President Clinton appointed his as Secretary of Defense. When he resigned his congressional seat to become Secretary of Defense, he was, as Members know, the chairman of the Committee on Armed Services, and he was a darned good one. That is his official biography.

Mr. Speaker, let me say on a more informal note, as a friend, that Wisconsin has lost one of the most significant and effective human beings to ever serve our State, and the United States has lost one of the most decent and concerned citizens and leaders it has ever had.

In this time of cynicism about government and about politics and about politicians, I think it appropriate to note that Les Aspin literally worked his heart out to make this a better country and a safer world. He was totally dedicated, absolutely and totally dedicated, to the ideal of public service. Anyone who knew him knew that he put public service ahead of personal life. He gave it everything he had, and he is now gone.

Mr. NEUMANN and I will announce at a later date when special orders will be held for Les, but on behalf of the Aspin family and his friends and staff, I want to make certain that Members understand what the information is regarding his funeral and memorial services.

Visitation hours will be held on Thursday, May 25, at the Schmidt-Bartelt Funeral Home at 10280 North Port Washington Road in Mequon, WI.

Family and friends are invited to attend from 1 to 4 p.m. The public is invited to attend from 6 to 9 p.m.

Funeral services will be held on Friday, May 26, at 10 a.m. at Gesu Church, Marquette University, in Milwaukee. I have been asked to say that the family would very much welcome any Members who might like to attend those services.

At this point, as I understand it, transportation arrangements have not yet exactly been finalized, but it is expected that a plane will be provided by the Pentagon for a significant number of Members. If Members are interested in attending, please call my office and we will try to help facilitate that.

A memorial service will be held in Washington, DC, probably in the Capitol, around June 7. That is not exactly tied down, but we expect it to be on that date. Details will be made available as soon as possible. The family advises that in lieu of flowers, donations may be made in Les Aspin's name to one of the following charities: Countryside Humane Society, Racine, WI, Wisconsin Public Radio, or Georgetown Cardiology Research Fund, care of Dr. David Pearle, Georgetown University Medical Center.

Written expressions of sympathy to family and friends may be sent in care of the President's Foreign Intelligence Advisory Board, room 340, Old Executive Office Building, the White House, Washington, DC.

Mr. Speaker, with the Speaker's sufferance on time, I yield to the gentleman from Wisconsin [Mr. NEUMANN] who, as we all know, is now occupying the seat once held by our good friend, Les Aspin.

Mr. NEUMANN. Mr. Speaker, it is with much sadness that my wife and I received the news of Les Aspin's condition, and then later, of his death. Everyone who served in this body while Les was here understands the legacy he has left here in Washington. His unflinching commitment to the defense of this Nation is legendary, but today, very briefly I would like to make a few comments about the legacy he has left in Wisconsin, where I am fortunate enough to serve the district Les Aspin represented for 22 years.

Les was born in 1938, in the city of Milwaukee. In 1956 he graduated from Shorewood High School. In 1960, he graduated summa cum laude from Yale University. In 1962, he received his master's from Oxford, and in 1965, his Ph.D. from MIT.

He was originally elected to Wisconsin's First District in 1970. He spent the next 22 years working on behalf of his constituents, with a tireless effort that is still a standard my office works to meet. Les was a professor, but he had the ability to relate to people. He was brilliant, but he was not arrogant.

Serving his constituents and his Nation was his life's passion. Keeping this Nation safe and free for our children and our grandchildren in his legacy. He will be remembered and honored by all he served.

On this very sad occasion of his passing, let us pause and reflect on Les Aspin, a man dedicated to public service and committed to keeping this Nation free. He will be sorely missed by all.

Mr. OBEY. I thank the gentleman, Mr. Speaker, and I yield to the gentleman from Milwaukee, WI [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, I also want to pay tribute to Les Aspin. Those of us who have the tremendous honor of serving in this great institution sometimes fail to see the giants that serve among us. Certainly Les Aspin was a giant who served among us.

I am proud to say that he was born in Milwaukee and graduated from Shorewood High School, and he was a man who was clearly a leader, not only of the people of the State of Wisconsin, of the district that he represented in the southeastern part of Wisconsin, but of this entire Nation.

He was a man, as Mr. OBEY indicated, who gave his heart, literally, to this country. He poured hours after hours after hours into trying to grapple with the important issues we face as a Nation, and he did it because he loved this country. He was truly a public servant who cared about the people in the State of Wisconsin, and cared about the people in this great country.

It is rare that we see people in this institution who work as hard as Les Aspin did. He gave hour after hour for the people that he loved. However, in doing so, he was always able to retain his touch of the common man. As much as he accomplished academically and through the higher ranks of government in this country, he never lost the ability to relate to people on a day-today level. To me he will always be Les, the fellow who would put his arm around you, smile and joke, and ask how things were going. He was a man who cared about you as an individual and cared about people as people.

In this morning's paper there was a short paragraph that described probably the best way we can think of Les, as we remember him.

> He loved high-powered debates with intellectuals, but he never put on airs. He could talk to farmers and mechanics as easily as the Presidents and potentates. It is no wonder the voters of southeastern Wisconsin kept Aspin in Congress for 22 years. They knew a good man when they say him. They, and all Americans, have lost someone special.

FOREIGN AID

(Mrs. SEASTRAND asked given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, the folks back home on my central coast of California understand the need to balance our budget. What they do not understand is how the United States can trim waste inside our borders, but continue to send money to foreign countries that do not support our Republic.

The American Overseas Interests Act begins as an interesting debate over our spending priorities. It will begin to make foreign aid less costly, less intrusive, and most importantly, smaller, by eliminating three foreign aid bureaucracies, and saving taxpayers $21 billion over the next 7 years.

If there is one thing I have learned, we do not reward those who work against us. Yet, that is exactly what we are doing as a country. No more. To those countries that vote against the United States in the United Nations, support terrorist countries, or spy on the United States, they will not receive money from hardworking American taxpayers.

Mr. Speaker, as we downsize the Federal bureaucracy and strive toward a balanced Federal budget in the year 2002, all areas of spending must be examined. This includes foreign aid.

MISPLACED PRIORITIES

(Mr. BALDACCI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALDACCI. Mr. Speaker, I received a poignant letter recently from a woman in Maine. She goes to college, relying on financial assistance to do so. She is also raising a 4-year-old son, whose father has a restraining order against him and does not contribute financially. She works nights as a waitress to pay the family's bills.

She writes:

> Some might say I do not need an education, since I'm managing to stay off public assistance, but there are more issues involved here than that. If I have to continue working in the evening once Isaiah is in school, I will not be there to help him with his homework or talk with him about any problems he may be having.

She continues:

> I truly believe that education for more than just the wealthy is what will make our country the great nation we all want it to be. To deny even the hope of a better life to our nation's young people can only lead us all into disaster and despair.* * * Through accessible education, we can lift up all of our people, not just the fortunate few.

Mr. Speaker, I could not have said it better myself. Our majority colleagues should reevaluate their priorities, and restore funding for student financial aid.

THE AMERICAN OVERSEAS INTERESTS ACT IS GOOD LEGISLATION

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, on November 8, this Congress heard a message pretty loud and clear, that it is time to eliminate and streamline the bureaucracy, to pass a budget for the first time in 28 years where we live within our means, and to cut foreign aid.

On May 15, the Committee on International Relations passed the American Overseas Interests Act legislation to meet that commitment. In fact, this legislation represents six major changes from business as usual. It reduces unnecessary bureaucracy by folding three independent agencies into the State Department. Their functions and budgets will be reduced and folded into the State Department, which will take over their responsibilities.

This legislation will eliminate several low-priority programs, and reduce U.S. funding for a dozen international agencies. The bill also follows through on our commitment to cut foreign aid. In fact, over the next 7 years this legislation will cut foreign aid by $21 billion as part of our commitment to live within our means.

Legislation will also punish our adversaries and focus on vital U.S. interests. This is good legislation, Mr. Speaker. The American Overseas Interests Act keeps our commitment to eliminate and streamline the bureaucracy, to cut foreign aid, and to pass a balanced budget.

CONGRESS MUST PROVIDE OVERSIGHT OF FEDERAL AGENCIES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, since Oklahoma City, many politicians are choosing their words very carefully, many times afraid to say what they really feel. The truth is, Mr. Speaker, many Americans are fed up with the Government. They are sick and tired, to be exact. They are beginning to question the news stories and the Government spin.

Most Americans did not believe all the stories about the assassination of JFK. Many Americans do not believe the Government's account of Waco. Many Americans do not believe what happened in Ruby Ridge with the Weaver family. Many Americans still have questions about the Government's side of PanAmerican 103.

The truth is, Mr. Speaker, Congress had better take its head out of the sand, because Congress has allowed agencies like ATF and the IRS to rip off the American people. They know it and they do feel abandoned. If the Congress does not provide the oversight that is necessary, the American people will.

We cannot justify nor condone violence, do not get me wrong. However, Congress has allowed these agencies to go without oversight, and the American people are fed up. Take a look at it and read the tea leaves.

REMOVING IN-SCHOOL INTEREST SUBSIDY ON STUDENT LOANS SEEN AS FAIR AND NECESSARY

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, removing the in-school interest subsidy on student loans is one of the tough choices that must be made in order to balance the budget.

With a national debt that exceeds $4.7 trillion, it is hard to justify saving a subsidy for students who can expect to earn 71 percent more over their lifetime than someone who just goes to high school.

It is simply not fair to ask working Americans—who are struggling to make ends meet—to pay the interest payments on the student loans of future doctors and lawyers.

Removing the in-school interest subsidy will not limit access to Government-backed student loans. Eligible students will still be able to borrow money to help pay for their education. And, no student will be asked to pay for their loans while they are in school. We are simply asking that they pay the full cost of the loan—after they graduate.

Finally, we must keep in mind that college students will substantially benefit from a balanced budget. Balancing the budget will lower interest rates on student loans, result in more high-wage jobs, and allow students to keep more of their salaries once they begin working.

Mr. Speaker, removing the in-school interest subsidy is both fair and necessary. And, it is time to start telling the truth about this proposal.

THE PUBLIC AND THE HOUSE DESERVE AN OUTSIDE COUNSEL TO INVESTIGATE ALLEGATIONS AGAINST SPEAKER GINGRICH

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. MILLER of California. Mr. Speaker, the Washington Post reports that apparently in the consideration of the ethics case against the Speaker, the gentleman from Georgia [Mr. GINGRICH], that the committee has arrived at a deadlock on whether or not to turn the case over to an outside independent counsel to study the facts and render a finding to the committee. Apparently the five Republican Members of the committee, according to the Washington Post, voted against doing that.

When they did that, they broke a 15-year bipartisan tradition in this House of taking the tough ethics cases that have unfortunately, from time to time, been referred to the committee, and turning them over to an outside counsel, so we can get a full rendering of all of the facts and all of the issues before the Ethics Committee in an impartial fashion. That has been done on a bipartisan basis since 1979.

Now we find, in the case involving the Speaker, that that apparently will not be the case. The chairman and others will not vote. I think it is important to understand that the Republican Members of the Congress have an ongoing relationship with the Speaker of the House. They have contributed to his campaign, he has contributed to theirs. They have campaigned for him, he has campaigned for them. They have been the recipients of moneys that have been commingled and intermingled.

These charges are serious. The public deserves better. The House of Representatives deserves better. We deserve an outside counsel.

□ 1220

THE NEW MAJORITY

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I will lay aside my prepared remarks this morning to answer my good friend the gentleman from California.

It never ceases to amaze me how the guardians of the old order who were here as part of an incredible corrupt regime during the former majority are so willing to hop on the Speaker and his positive agenda for change.

With all due respect to my friends on the other side of the aisle, why do you not join with us to put your shoulder to the wheel and govern this Nation? We have the majority. Get over it.

Mr. Speaker, I yield back the balance of my time.

JUSTICE DELAYED IS JUSTICE DENIED

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, Americans across this great land know the old concept, the concept of the old order that ought to be the concept of the new order as well, "Justice delayed is justice denied."

We know full well that justice is being denied and delayed again and again. We were told that it was inappropriate to consider the charges against the Speaker until the contract was passed. And then when the contract was passed, we were told it was inappropriate to do it until after the congressional recess. Now we are told, well, maybe after Memorial Day. Justice is being delayed and justice is being denied because some people are unwilling to make the hard choices, the hard choices that demand that an independent counsel act without political bias to evaluate these charges, to decide whether they have merit.

Anyone, be they old or new, ought to support that very old concept of impartial justice. Looking at these charges, seeing that they are resolved only through an independent counsel will that be done and we need that action immediately.

FOREIGN AID

(Mrs. WALDHOLTZ asked and was given permission to address the House for 1 minute.

Mrs. WALDHOLTZ. Mr. Speaker, Secretary of State Warren Christopher said in January of this year, "The current structure of the foreign affairs agencies developed in a world much different from today's. It must change to meet the demands of the next century." He was right. And that is exactly what we are beginning today.

Today we begin the debate on the American Overseas Interests Act which will streamline the maze of foreign aid bureaucracies, reduce foreign aid spending and help set new priorities. It is also an important part of the Republican commitment to balance the budget in a way that makes sense.

Under our plan, three foreign aid bureaucracies and dozens of programs are eliminated and reformed, and we save $21 billion over the next 7 years while continuing to meet our commitments to our friends and allies.

As every aspect of the budget comes under scrutiny, foreign aid, however well-intentioned, cannot be excluded. We need to reexamine how and why every dollar is spent, setting new priorities for a new world. I look forward to a debate that can only improve our foreign aid programs.

OUTSIDE COUNSEL NEEDED IN SPEAKER'S ETHICS CASE

(Mr. STUPAK asked and was given permission to address the House for 1 minute.)

Mr. STUPAK. Mr. Speaker, I am deeply disappointed that the House Ethics Committee has refused to hire an outside counsel to investigate the five ethics charges against the Speaker. Without an outside counsel, the ethics charges will have to be investigated by House Members. That means we will have politicians investigating politicians.

Being a former law enforcement officer, I believe, and I have always voted, that professional law enforcement officials should do investigations of other Members of this House, not politicians. Five dark clouds of doubt hang over this Chamber. Let us have a special outside counsel to investigate the ethics charges hanging over the Speaker.

Mr. Speaker, we need an outside counsel to do a professional investigation, not politicians. Let us remove the five dark clouds of doubt and appoint a special outside counsel now.

FOREIGN AID AUTHORIZATION BILL

(Mr. CHAMBLISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAMBLISS. Mr. Speaker, today the House will take up consideration of this country's foreign aid authorization bill in which we establish our foreign policy priorities.

Last year as I campaigned throughout Georgia's Eighth District, I heard from folks who are very concerned about the amount of money we spend overseas while we have so many problems here at home, and I share that concern.

Mr. Speaker, for those residents of central and south Georgia and for all citizens of this country, the new majority has shown its commitment to taking a fresh look at everything the Government does. Foreign aid is no exception. This bill today moves us in the right direction and will cut $1 billion from foreign aid spending in the upcoming budget.

We must not lose sight, however, of the very real and numerous threats around the world to the freedoms we enjoy. As a member of the Committee on National Security, I have seen those threats. True, the cold war is over but the world has not magically become a safe place.

For the first time in many years, this foreign aid bill today represents a measured attempt to prioritize our influence and interests abroad. The United States is truly the leader of the world and our foreign aid policy must reflect that role by supporting our friends and deterring our foes. I urge my colleagues to support this measure.

OUTSIDE COUNSEL NEEDED IN SPEAKER'S ETHICS CASE

(Mr. WARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WARD. Mr. Speaker, last week on this floor I was told by the Speaker of the House, NEWT GINGRICH, that as a freshman I should learn the rules. This weekend I have been studying and what I have studied has discouraged me a lot.

What I have found is that, according to the Washington Post, all five Republican members of the Ethics Committee broke with 15 years of bipartisan tradition and voted unanimously to block an independent outside counsel to investigate the charges that have been leveled against Speaker GINGRICH.

We need to go back to the way the Democrats did it. Under Democratic leadership, the Ethics Committee has appointed an outside counsel to investigate every major ethics case since 1979. I urge the Ethics Committee to do the same in this case. What is to be hidden? What is to be gained? If there is nothing there, let an outside counsel clear the air.

TRIBUTE TO LES ASPIN

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, America lost a real public servant this last weekend in the death of Les Aspin.

Les Aspin was a young man. He was only 56 years old. He served 22 years of those 56 years here in the Congress. He was also our Secretary of Defense.

He was a summa cum laude at Yale, he attended Oxford, and MIT, so not only did he have a great deal of political savvy but he was also very much academically gifted. From his first close race against a person by the name of LaFollette, a magic name in Wisconsin, to the time he left to become Secretary of Defense, Les Aspin never lost a single political race.

I remember the first time I was here on the floor with an amendment, Les Aspin helped me get the amendment passed. In an age when the Pentagon got everything it wanted, there was one person who started to holler, "No, halt," and that was Les Aspin. "Let's take a closer look," he would say, "at defense spending."

Mr. Speaker, we in this House have not only lost a good friend but we have also lost a true public servant. Not only has America lost a good public servant and we in Congress, but also Marquette University, because Marquette is where he started teaching and Marquette is where he worked when he passed away.

It is only appropriate that Marquette will be the place on Friday where we will say our last good-bye to Les Aspin. America truly has lost a wonderful public servant.

TIME FOR AN OUTSIDE COUNSEL IN SPEAKER'S ETHICS CASE

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, why is the Ethics Committee making the special exception in the case of Speaker NEWT GINGRICH?

In every single high-profile ethics case since 1979, both the Democrats and the Republicans on the committee have voted to appoint an outside counsel. But last Sunday, according to the Washington Post, all five Republican members of the Ethics Committee broke with 15 years of bipartisan tradition and voted to make a special exception for NEWT GINGRICH and block an outside counsel.

Mr. Speaker, these are all honorable people caught in a difficult position because they all have close personal ties to the Speaker. Mr. Speaker, the Ethics Committee has had this since last December. It will never get resolved any other way.

It is not just DAVE BONIOR and others here who are calling for it. Public Citizen, the New York Times, Richard Phelan, Roll Call, Robert Scheer in the L.A. Times, Al Hunter in the Wall Street Journal, Common Cause, the Hartford Courant, the San Francisco Chronicle, the list goes on and on. The Atlanta Constitution, his home newspaper. All have called for an independent outside counsel. It is time that we had one.

A STREAMLINED BUT UNCOMPROMISED FOREIGN AID BILL

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, since the start of the 104th Congress, Republicans have made no attempt to hide our conviction that the Federal Government has grown out of proportion to its responsibilities. The conviction is not limited to domestic programs.

Just as spending at home has come under intense scrutiny, our spending habits abroad should not escape notice.

Although foreign aid is only a small part of the budget, it still consumes billions of dollars. Republicans will streamline this part of the budget, and insure every penny going overseas is wisely and responsibly. We propose to eliminate repetitive bureaucracy by closing three agencies and ending dozens of useless, silly named programs like the Permanent International Association of Road Congresses.

Mr. Speaker, while our plan streamlines, it does not compromise America's position of world leadership. We can only be the world's leader if we do what is right by our future and by our children, and that is the essence of our plan.

TERM LIMITS

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTIERREZ. Mr. Speaker, after the Supreme Court ruled yesterday on the issue of term limits, you heard a lot of complaining.

One who protested the loudest was the distinguished majority leader.

In fact, Mr. ARMEY promised that a vote on term limits would be the first vote in the next Congress.

In January 1997—if he is relected—Mr. ARMEY will get sworn in for his seventh term, then turn around and vote for a bill that says that serving more than six terms is hazardous to the political health of our Nation.

If you think term limits is such a good idea, here is the solution: Here is a map of Washington.

Here is the Capitol. Here is the airport.

It is a short drive, and parking is a breeze because Members of Congress still have that perk.

From there, you can go back to the Sixth District of Georgia, the Eighth District of Florida, or anywhere else where someone got elected by talking about term limits.

Remember, my friends on the other side of the aisle—the Supreme Court decision will not bar you from acting honorably, from following through on your campaign promises and Republican rhetoric.

That decision is still in your hands.

TERM LIMITS IS NOT DEAD

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, this morning in the Washington Post we read that the former Speaker of this House, Tom Foley, believes that term limits is dead. Actually that should be term limits are dead.

Either way, so speaks the man who did not understand the term limits movement when he was the Speaker, and he still does not get it. The citizens of Washington State and 21 other States passed term limits, and they are not ready to concede defeat on the issue.

Yes, yesterday's decision by the Supreme Court shows an unfortunate disconnect between the judicial branch and the majority of Americans who favor term limits. That type of thing has happened before and Congress has fixed it. Now it is up to Congress to act.

The ruling gives us a clear course: the term limits constitutional amendment. We have seen the arrogance of power here resulting from a system where longevity, not merit, determines clout. Let's return to the idea of citizen legislators who go to Washington to serve and then go back home to live among the people that they have worked for. That is what the people want, and they are the people we work for.

REPUBLICAN MEDICARE CUTS HURT RURAL AMERICA

(Mr. HILLIARD asked and was given permission to address the House for 1 minute.)

Mr. HILLIARD. Mr. Speaker, the Republican Medicare plan places a major burden on rural America which will literally squeeze the lifeblood out of America's rural hospital system.

Almost 10 million American citizens who live in rural America depend on the Medicare benefits they receive to stay healthy. Under the Republican Medicare plan, significant cuts in Medicare revenue will cause a great number of rural hospitals to either close or increase their cost.

It is wrong to make rural America pay such a high price. My Republican colleagues say all they are doing is shifting the cost to the private sector. What they really mean is that they are shifting the cost back to the taxpayers who have already paid that cost through monthly deductions.

Rural America deserves good health care and good hospitals. That is why the Republican plan must be defeated.

REPUBLICAN BUDGET CLOSES DOOR OF OPPORTUNITY

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, most American families cannot leave their children a fortune. What we try to leave them is a set of values and an opportunity.

Last week, the Republican budget resolution closed the door of opportunity for millions of American kids. The Republican budget resolution cut college student loans by $18 billion. That is right. At a time when America needs a well-educated generation to lead us into the next century, at a time when our kids need the opportunity for education for a good-paying job, the Gingrich Republicans make the biggest cut in student loans in our Nation's history.

And why have the Republicans done this? Why are the Republicans increasing a student's cost of financing a college education by an average of $5,000? Because the Republican student loan cuts fill the Republican piggy bank to pay for tax breaks for the privileged few.

Cutting college student loans may be the GINGRICH view of America. How does your family feel?

THE FOREIGN AID BILL

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, today and through tomorrow and the next day, the House takes up a historic foreign affairs bill that for the first time in many, many years actually authorizes the spending that we take on behalf of the interests of the U.S. policies in respect to foreign lands.

There will be much debate as to whether we are doing it the way other people wish us to do it or we are cutting too deeply, but the fact of the matter is that less than 1 percent of our entire budget is invested in foreign affairs. That is the issue we need to begin to take to the American people.

It surprises me when you ask Americans what they think is the largest item in the Federal budget and they consistently say foreign affairs, and indeed it is perhaps the smallest. When you ask people if we spend too much on foreign affairs, in one recent poll, 79 percent said yes. The second question was, how much do you think we should be spending, and they consistently said about 5 percent, and indeed we are spending 1 percent.

There will be honest debates as to whether we are giving too much support for one country or another, but the fact of the matter is it is cheaper to support nations in peace than it is to buy more bombers and missiles, and I believe that we are on the right track.

CHANGE IN STUDENT LOAN PROGRAM

(Mr. POMEROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POMEROY. Mr. Speaker, I think it is dead wrong to turn our back on our Nation's students by eliminating the in-school interest deferral on student loans. The student loan program is not for children from wealthy families. It is for those who qualify, namely those from middle- and low-income backgrounds.

Watching Members of Congress my age who I know back when they were students took advantage of these programs now vote to repeal them to give tax breaks to their rich friends makes me sick. I think it is dead wrong for those who took advantage of programs now to vote to essentially pull up the ladder and deprive those who follow of the same opportunities that they had.

This hit to student loans comes at a time when the importance of education has never been greater, but the cost unfortunately has never been higher. We should not get to a point where our college campuses bear a sign, "Only the wealthy need apply." But unfortunately the Republican plan financing tax breaks by eliminating student loan interest deferral brings us much closer to that sorry state.

MORE ON THE STUDENT LOAN PROGRAM

(Ms. JACKSON-LEE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, I spent some time in the district talking to and working with students who simply wanted an opportunity to be educated.

I rise this morning to read a letter just received from Eric Lee Nickell, a Houston constituent of mine and a student at the University of Houston.

He writes:

> DEAR REPRESENTATIVE LEE: I am a university student who is obtaining an education with the aid of subsidized student loans. I am afraid that this may not be possible for much longer, judging from what I have heard of the rescission bills currently working their way through both Houses. My hope and the hope of many thousands of students is that you will consider the potential leaders and scientists and doctors this country will lose if they cannot obtain an education. Please vote against any cut to student aid. Our future depends on you.

Mr. Speaker, considering the fact that Republicans plan to eliminate 18.7 billion dollars' worth of student loan interest deferral will end up costing students about $5,000 apiece, I want to promise Eric that you will have my support. I will fight against the loss of student loans. Finally, I think Eric's letter speaks for itself.

□ 1240

GOP SACRIFICES FAMILIES FOR THE WEALTHY

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, Republicans are asking working families to sacrifice in order to pay for their tax giveaway to the wealthy. The GOP cut in student loans will result in the largest increase in college costs in history for working families—families like the Baxters of West Haven, CT.

The Baxter children, Heather, Joe, Heidi, Scott, and Donnie come from a single parent family. Their mother, Gail, has already worked to put one daughter through college, and, next fall, her four remaining children will all be attending college. And, yes, Gail and her children rely on student loans to help pay tuition.

The Republican plan to cut student loans by $18.6 billion will increase the cost of a college education by an average of $5,000 per student. For the Baxters, that is an increase of $20,000. The Republican budget asks the Baxters to pay $20,000 more, so the richest 1 percent of Americans can pay $20,000 less. That is wrong.

AMERICAN OVERSEAS INTERESTS ACT IS MIXED BAG

(Mr. PALLONE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PALLONE. Mr. Speaker, the American Overseas Interests Act legislation that we will be debating today is a mixed bag at best. In some respects the bill represents a retreat from America's role of promoting democracy in those lands that were formerly part of the Soviet Union.

The bill authorizes $145 million less than the administration's fiscal year 1996 request and $76 million less than the 1995 level. We need to draw a distinction between Russia and the other Soviet Republics. After spending billions guarding against Moscow's aggressive expansionism during the cold war, I believe it is still an important American interest to continue promoting the transition to democracy in the former captive nations of the Soviet Union.

Also I do want to express praise for one provision of the bill included by the gentleman from New Jersey [Mr. SMITH], known as the Humanitarian Aid Corridor Act. That act would withhold U.S. aid to nations which are blocking congressionally approved humanitarian assistance to other countries. It requires all of U.S. aid recipients to allow unencumbered delivery of humanitarian assistance.

The Republic of Turkey has imposed a blockade on the neighboring Republic of Armenia, preventing delivery of food, medicine and other humanitarian relief supplies from reaching Armenia. Much of this aid originates in the United States.

This Humanitarian Aid Corridor Act would prevent countries like Turkey from receiving aid if they prevent this aid from getting through.

ETHICS COMMITTEE STONEWALLING

(Mr. VOLKMER asked and was given permission to address the House for 1 minute.)

Mr. VOLKMER. Mr. Speaker, here we go again, I am shocked and dismayed that by a straight party line vote the House Ethics Committee failed to appoint an independent counsel in the case of our Speaker, NEWT GINGRICH. It is obvious to me the majority members of our Ethics Committee have made the decision to stonewall this case. Why? Well, Mr. Speaker, could it be because the chairwoman of the committee nominated Mr. GINGRICH to be Speaker and also contributed to his campaign?

Could it be that two majority members of the committee are involved in GOPAC either as a contributor or a recipient? Could it be that one majority member is a potential witness in one of the cases against the Speaker involving influence peddling?

I remind my colleagues that Speaker Gingrich himself said an independent counsel is required for any investigation into the position of the Speaker. I quote "this investigation has to meet an higher standard of public accountability.". The clouds are darkening over our Capitol and can only be lifted with the appointment of an independent counsel. The stonewalling must stop now, Mr. Speaker.

PERMISSION FOR SUNDRY COMMITTEES AND SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule.

The Committee on Agriculture; the Committee on Banking and Financial Services; the Committee on Commerce; the Committee on Economic and Educational Opportunities; the Committee on Government Reform and Oversight; the Committee on House Oversight; the Committee on the Judiciary; the Committee on National Security; the Committee on Resources; the Committee on Small Business; and the Permanent Select Committee on Intelligence.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. Gillmor). Is there objection to the request of the gentleman from Florida?

Mr. VOLKMER. Reserving the right to object, Mr. Speaker, I thank the majority for consulting with the minority on this request, and the minority agrees with the request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMERICAN OVERSEAS INTERESTS ACT OF 1995

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 155 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 155

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI or section 302(f), 303(a), 308(a), or 402(a) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. After general debate the bill shall be considered for amendment under the five-minute rule for an initial period of ten hours. After such initial period, amendments shall be debatable only as provided in clause 6 of rule XXIII or in section 2 of this resolution. Consideration for amendment may not continue beyond 2:30 p.m. on Thursday, May 25, 1995. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on International Relations now printed in the bill modified by deleting section 2210. The committee amendment in the nature of a substitute as modified shall be considered as read. Points of order against the committee amendment in the nature of a substitute as modified for failure to comply with clause 5(a) of rule XXI or section 302(f), 303(a), or 402(a) of the Congressional Budget Act of 1974 are waived. Other than pro forma amendments for the purpose of debate and amendments en bloc described in section 2 of this resolution, no amendment to the committee amendment in the nature of a substitute as modified shall be in order unless printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute as modified. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Sec. 2. It shall be in order at any time for the chairman of the Committee on International Relations or a designee to offer amendments en bloc consisting of amendments printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII or germane modifications of any such amendment. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported), shall not be subject to amendment or to a division of the question in the House or in the Committee of the Whole and shall be debatable for ten minutes equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations or their designees. For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the amendments en bloc.

The SPEAKER pro tempore. The gentleman from Florida [Mr. Goss] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. Hall], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, I am pleased to bring to the House this rule for the consideration of H.R. 1561, the American Overseas Interests Act of 1995. Although this rule is somewhat complicated, it is a modified open rule that provides Members the widest possible latitude in directing the debate and offering amendments, while bringing consideration of this bill to closure at the end of this legislative week.

First, the nuts and bolts: This rule provides for 2 hours of general debate equally divided between the chairman and ranking member of the Committee on International Relations and makes in order the committee amendment in the nature of a substitute as an original bill for the purpose of amendment. The rule provides that the committee amendment shall be considered as read and it allows for an open amendment process to last 10 hours, including voting time.

Because of the complexity of the subject, the rule requires that amendments be preprinted in the Congressional Record, so that the Committee on International Relations, and all Members of the House, may have sufficient time to review them. To facilitate maximum efficiency in the use of the amendment time, the rule allows the chairman of the International Relations Committee, or his designee, to offer amendments en bloc consisting of preprinted amendments and subject to 10 minutes of debate equally divided and controlled. Once the 10-hour period has concluded, additional amendments that have been preprinted may be considered with 10 minutes of debate time, equally divided, until 2:30 on Thursday afternoon. At that time certain, the amendment process will be concluded and the committee shall rise and report the bill to the House with such amendments as have been adopted.

The previous question shall be considered as ordered on the bill and amendments thereto to final passage. The rule does allow for one motion to recommit with or without instructions. Because of the reach and complexity of this bill, the rule includes a series of important waivers that Members should be aware of.

First, the rule waives the 3-day availability requirement for committee reports. The committee did file its report on Friday evening, which makes today the second legislative day that it was available. Although we generally do not like to provide this waiver, the Rules Committee felt that, given the rush of legislative business expected after the Memorial Day recess, it is necessary to conclude consideration of H.R. 1561 this week. Because we wanted to allow as much amendment time as possible within that constraint, this wavier is needed so we can get started today.

The rule also waives clause 5(a) of rule XXI, prohibiting appropriations on a legislative bill—a waiver that applies to technical language in 15 sections of this bill. The International Relations Committee has provided a list of the specific sections affected by this waiver, most of which deal with the transfer and reallocation of funds.

Finally, the rule provides several Budget Act waivers, all of which have been cleared by the Budget Committee. These waivers apply to sections 302(f), 303(a), 308(a), and 402(a) of the Budget Act.

Respectively, these waivers pertain to consideration of legislation providing new entitlement authority in excess of a committee's allocation, consideration of budgetary legislation prior to adoption of the budget resolution, the requirement of a CBO cost estimate in the committee report on legislation containing new entitlement spending or budget authority, and inclusion of credit authority not subject to appropriations in advance.

I should note for Members' comfort level that the Budget Committee has scrutinized these waiver requests carefully to ensure that we do not end up creating a serious budget problem—in fact, one waiver requested by the International Relations Committee dealing with a lease-purchase agreement did raise red flags at the Budget Committee, and as a result this rule removes the offending section from the committee amendment.

I wish to commend Chairman GILMAN and his staff for meeting the Rules Committee's request for detailed and specific waiver descriptions. The result may be a more complicated rule, but it should provide Members with a much higher level of comfort than the blanket waivers of years passed.

All in all, Mr. Speaker, this is a very fair rule, in keeping with the tradition of this House when this type of important foreign policy legislation has been considered. I would like to address the concerns raised by my friend, the gentleman from Indiana [Mr. HAMILTON], the ranking member of the International Relations Committee, who suggested that allowing an open amendment process might lead to a free-for-all and might end up shutting out important debate on certain issues if the time runs out. Instead, Mr. HAMILTON suggested that it would be better for the 13 members of the Rules Committee to pick the big issues and structure the debate.

Having lived through three previous Congresses as part of the minority—when the Rules Committee routinely made such executive decisions about which amendments would be considered and which would not—I have to disagree with my friend. I believe all 435 Members of this House were sent here to have a voice on important legislation and it should be up to the will of the House, with strong guidance by the floor managers and party leaders, to determine the path of the debate, within a reasonable allotment of time. Mr. Speaker, before I conclude, I must commend Chairman GILMAN and Ranking Member HAMILTON for their work in bringing forward this bill, which seeks to bring our Nation's foreign policy establishment into the 21st century.

By streamlining the Department of State, eliminating three agencies and re-defining our foreign aid priorities to meet the enormous budget constraints we face, H.R. 1561 shakes up the status quo and responds to the will of the American people.

I have long been frustrated that this Congress has failed to reauthorize our foreign aid policies since 1985—a failure that has meant piecemeal tinkering with our foreign policy priorities without the comprehensive restructuring that the changing times demand.

The American people must understand that this bill reflects a significant cut in foreign aid designed to put our foreign policy programs into full compliance with the balanced budget resolution the House passed just last week. With entire authorization for foreign aid totaling just over 1 percent of the total budget, the funding levels in this bill are nearly 10 percent below the President's request, and more than 5 percent below the current year's budget. I know foreign aid is not popular—and for the past 4 years I have voted against foreign aid appropriations, primarily because every year we kept spending money without completing the work of redirecting our priorities and fundamentally restructuring our policies. That is what H.R. 1561 does.

I look forward to a vibrant debate—and some important amendments on this landmark legislation. I urge support for this rule.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of May 22, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	28	75
Modified Closed [3]	49	47	9	25
Closed [4]	9	9	0	0
Totals:	104	100	37	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of May 22, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif.	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95)
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95)
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95)
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95)

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of May 22, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95)
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps.	A: 242–190 (3/15/95)
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdmt.t	A: voice vote (3/28/95)
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95)
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95)
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95)
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95)
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95)
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95)
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95)
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95)
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95)
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95)
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95)
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95)
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95)
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to House Resolution 155, the rule limiting debate on the American Overseas Interests Act of 1995. As my colleague on the other side of the aisle well knows, this rule is a restrictive rule which governs a complicated and controversial bill. The bill before us today is a mixture of foreign policy initiatives and reorganizations that could change and weaken the conduct of U.S. foreign policy. In addition to radically altering the way we conduct foreign policy, the bill is being rushed through under a rule which allows only 10 hours for amendments and shuts off all consideration after 2:30 on Thursday.

Yesterday in the House Rules Committee, the ranking Democrat on the Committee on International Relations, Mr. HAMILTON, correctly pointed out that it is not uncommon to see 100 amendments on a foreign aid bill. Under this rule, we could be making substantive foreign policy decisions based on who is recognized before the time runs out. I was also concerned to hear that the minority only received the final committee report at 2 yesterday. Waivers for violations of House Rules and the Budget Act are needed in 21 areas. Mr. Speaker, this is no way to legislate, and I think the American people deserve more than this.

In addition to the obvious procedural problems, this bill itself is seriously flawed. The International Affairs budget represents only 1.3 percent of total Federal spending. It has already been cut by 40 percent since 1985. I am particularly troubled with the 34 percent cut in development assistance. While the bill earmarks $280 million for the Child Survival Fund, the overall reduction squeezes necessary prevention efforts such as basic education, microenterprise programs and self-help initiatives that have been proven to work. It makes no sense to have the United States functioning as the world's ambulance when famine and disaster occur in developing countries, when we could have prevented them.

In addition to saving lives, development assistance enables many countries to become self-sufficient enough to buy U.S. exports. Between 1990 and 1993, U.S. exports to the developing countries grew by $46 billion, creating 920,000 new jobs in this country. It is in our economic interests to continue meeting our foreign assistance obligations.

As a former Peace Corps volunteer in Thailand, I saw development assistance creating markets for American goods. The United States invested around a billion dollars' in development assistance in Thailand from 1953 to 1986. In return, Thailand bought nearly 8 billion dollars' worth of American products in just the past 2 years.

Another major problem with this legislation is its far-reaching scope which is not based on sound research. For example, this bill includes the elimination of three agencies: AID, the Arms Control and Disarmament Agency, and USIA. Yet no sound evidence exists to show this will save the taxpayers any money. The American people do not want us to be ramming bills through for the sake of reorganization without any kind of cost analysis.

Mr. Speaker, this bill has many, many other flaws. It essentially weakens the United States' leadership role in the world. Secretary of State Warren Christopher has written to the Speaker and indicated he will recommend a veto.

Mr. Speaker, I include at this point in the RECORD the letter from Secretary Christopher:

THE SECRETARY OF STATE,
Washington, DC, May 22, 1995.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: This week, the House of Representatives will consider legislation that could undermine this and every future President's ability to safeguard America's leadership in the world. The "American Overseas Interests Act," H.R. 1561, is deeply flawed. If this bill were presented to the President, I would have no choice but to recommend that the President veto it.

H.R. 1561 wages an extraordinary assault on this and every future President's constitutional authority to manage foreign policy. It contains numerous restraints and restrictions that would do immense harm to our nation's foreign policy. It drastically reduces our resources. And it mandates a costly and disruptive reorganization of the Executive Branch that will damage our ability to promote American interests worldwide.

On the most fundamental constitutional grounds, I am deeply opposed to the elaborate and unnecessary restraints that H.R. 1561 would impose. If enacted, they would compromise our ability to follow through on the North Korea Framework Agreement. They would undermine our effective participation and weaken our leverage in international organizations. They would compel changes in our refugee policy that could pose a serious threat to our borders, limiting the President's ability to respond to boat migration and possibly exacerbating the illegal smuggling of aliens into the United States. The bill would seriously impair the President's responsibility to manage our delicate relations with China at a time of its transition in leadership. Numerous conditions on our assistance to Russia and the other New Independent States could derail our steady support for democratic and market reform in a region that remains the site of tens of thousands of nuclear weapons. Other provisions of the bill would seriously disrupt our ability to move decisively when warranted by rapidly changing circumstances as well as our relations with a variety of countries.

These far-reaching restrictions, combined with the sharp reductions in resources for the International Affairs budget, would cripple our ability to respond to the complex opportunities and challenges of the post-Cold War world. At a time when American strength, vision, and leadership are essential, this legislation would force our unilateral retreat.

As you know, the International Affairs budget represents only 1.3% of total federal spending. It has absorbed substantial real cuts in recent years. The resources we are requesting, in my judgment, are the rock bottom minimum we need to advance our nation's vital interests.

The International Affairs budget has always been a prudent investment that produces clear benefits for the American people. It protects American lives by combating the spread of nuclear weapons, the scourge of drugs, and the threat of international terrorism. It has helped lead to the detargeting and dismantlement of missiles in the former Soviet Union and facilitated the departure of Russian troops from the Baltics. It has advanced peace in the Middle East. It has helped to end the violence in Northern Ireland and to assist the transition to democracy in South Africa. It has promoted free trade and U.S. exports, creating more than one million high-paying American jobs in the last two years alone. Whether in the case of South Korea or South America, our foreign assistance over the years has ultimately put more dollars in the pockets of the American taxpayer than it has ever taken out.

Moreover, the preventive diplomacy that the International Affairs budget funds is our first and least costly line of defense. Compare the cost of diplomatic action to stem proliferation to the price we would pay if rogue states obtained nuclear weapons. Compare the cost of promoting development to the price of coping with famine and refugees. If we gut our diplomatic readiness today, we will face much greater costs and crises down the line. H.R. 1561's cuts in Function 150 resource levels are flatly irresponsible.

H.R. 1561's elimination of ACDA, USIA, and AID, as well as cuts in the State Department's operating expenses, threatens our ability to achieve our foreign policy goals through effective international affairs agencies. The State Department, ACDA, AID, and USIA are all proceeding vigorously with their own streamlining efforts. Each is actively cutting costs, realigning resources to better match policy priorities, and updating communications and information technologies. Together, these measures are lowering costs and raising productivity in each of the international affairs agencies.

H.R. 1561 would disrupt and deflect these comprehensive efforts by abolishing ACDA, AID, and USIA in name only and reassigning their functions to the State Department. The turmoil and inevitable dislocation could seriously undermine the conduct of U.S. foreign policy by hampering a flexible response to continually evolving world crises and opportunities. Like the Army, Navy, Air Force, and Marines, which operate under the overall direction of the Secretary of Defense, AID, ACDA, and USIA each has a distinct mission that can be best performed under the overall foreign policy guidance of the Secretary of State.

As the sole remaining superpower, we have an unprecedented opportunity to shape the world we seek—a world of open societies and open markets. Our nation's foreign policy cannot be supported on the cheap; we cannot protect our interests as the world's most powerful nation if we undermine the role of the President or if we do not marshal the resources to stand by our commitments. We cannot lead if we do not have the tools of leadership at our disposal. This is equally true whichever party is in power at any given moment.

Last November's elections may have changed the balance of power between the parties. But they did not change—indeed, they enhanced—our responsibility to cooperate on a bipartisan basis in foreign affairs. The election was not a license to lose sight of our nation's global interests or to launch an assault on the President's constitutional responsibility to conduct foreign policy. I regret to conclude that this legislation would have us do both.

Sincerely,

WARREN CHRISTOPHER.

Mr. Speaker, according to Secretary Christopher, the bill includes unnecessary restraints that would compromise our ability to follow through on the North Korea Framework Agreement, as well as weaken our leverage in international organizations. Numerous conditions on assistance to Russia and independent states could undermine our support for democratic and market reforms in a region that remains the site of tens of thousands of nuclear weapons.

In essence, Mr. Speaker, this bill forces our retreat into isolationism at a time when the United States should be leading the world. This bill ties the hands of the executive branch and weakens the United States ability to promote open societies and open markets. The bill, and the rule which governs it, should be voted down.

I urge my colleagues to join me in voting "no" on this restrictive rule.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on suspension calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; waives all points of order; Contains self-executing provision.	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaness against it.	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments..	5D; 26R
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive; Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute..	1D
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive; waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time..	1D
H.R. 655	Hydrogen Future Act	H. Res 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res 139	Open; waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A.
H.R. 961	Clean Water Act	H. Res 140	Open; pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery of the State of Iowa	H. Res. 145	Open	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.0
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive; Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language..	3D;1R
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive; Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee..	N/A

*Contract Bills, 67% restrictive; 33% open. **All legislation, 65% restrictive; 35% open. ****Restrictive rules are those which limit the number of amendments which can be offered, and include so called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103rd Congress. ****Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

□ 1300

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN], chairman of the committee, who will, I believe, explain this bill more fully.

Mr. GILMAN. Mr. Speaker, I rise to support House Resolution 155, the rule under which it is proposed that the House consider H.R. 1561, the American Overseas Interests Act.

The Rules Committee, under the able chairmanship of the gentleman from New York [Mr. SOLOMON], has proposed a rule that provides an excellent framework for the House to consider and debate this very important bill.

I would like to thank my good friend, the distinguished chairman of the Rules Committee, the gentleman from New York, for his expeditious action in scheduling the Rules Committee for an early hearing to consider our request for a rule.

The proposed rule requires pre-printing of amendments in the RECORD and provides adequate time for full debate. I would urge my colleagues to bear in mind—however—that the leadership has set a requirement that all debate on H.R. 1561 end by 2:30 p.m. on Thursday, May 25.

H.R. 1561 is a complex bill, addressing the very fabric of our foreign affairs operations and foreign assistance programs, and many Members have indicated a desire to be hard on it.

This rule provides for an orderly process to enable those Members who wish to offer amendments to do so, while also ensuring that the House will be able to work its will on this measure in a timely fashion.

Mr. Speaker, H.R. 1561 is the first major challenge to the foreign policy status quo since the cold war began nearly 50 years ago—providing for the first major reorganization and consolidation of our foreign affairs apparatus in that period.

It also reauthorizes the foreign assistance programs of the United States while reducing funding by nearly $1 billion below current levels in the first year so as to bring them into line with our overall budgetary needs, while redirecting and targeting our resources on high priority programs.

H.R. 1561 embodies three priorities to ensure that our Nation can meet the challenges and take advantage of the opportunities that await us in the post-cold-war world.

It defends our national security, supports our trade and economic interests and provides for those who have been hit by disaster and cannot provide for themselves—while cutting duplication and waste in dozens of programs.

Mr. Speaker, House Resolution 155 is a good rule under which to consider a most important bill, and I urge its adoption.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. SABO], the ranking minority member on the Committee on the Budget.

Mr. SABO. Mr. Speaker, I thank my colleague for yielding me this time.

Here we go again. Once more we have a major piece of legislation before us, and the Republican majority has structured a rule to get around all kinds of serious Budget Act violations.

The rule waives four separate sections of the Congressional Budget Act: The section prohibiting spending in excess of the committee's allocation, the section prohibiting consideration of direct spending bills before the budget resolution is in place, the section requiring lending programs be made subject to appropriations, and the section requiring new spending authority to be disclosed in the committee report.

These Budget Act violations are not minor. According to CBO, the bill increases direct spending by at least $200 million in budget authority over 5 years. Let me be clear, these are new spending, of direct spending authority, not changes in authorization.

The reason we have a Budget Act is to help us think through the budget effects of legislation before we pass it. We should not be waiving the budget rules so cavalierly on such an important bill.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. ROTH], a distinguished member of the Committee on International Relations.

Mr. ROTH. Mr. Speaker, I thank the gentleman for yielding me this time.

This is the second step that we Republicans are taking to bring American foreign policy into line with the wishes of the American people. The first step was when we passed the National Security Revitalization Act, which was passed by the House in February, a part of the historic Contract With America.

This bill will be debated under an open rule allowing for any amendment to be offered. We have set aside nearly 3 days for consideration of this bill.

The rule provides for a full debate. This is in keeping with the principle of open debate which we have restored to this House, overturning years of gag rules imposed by the previous management.

We are confident that this legislation is what the American people want. Last November, our people spoke loud and clear. They want basic changes in our Government.

The bill today makes some of the basic changes. It abolishes three foreign policy agencies which are left over from the cold war and which have outlived their usefulness. This bill does not go far enough in cutting the State Department, which is costing $2.5 billion a year to run, but at least it is a step in the right direction.

In today's world, with instant communications, we do not need 266 foreign missions, 266 foreign missions, which is what the State Department is currently running, and most important, this bill cuts some foreign aid.

There is one message that the average American wanted to send to Congress last November. It was: It is time to take care of our own people and our own problems first, for a change.

Last week this House adopted a balanced budget which will balance our budget by cutting spending, and, for the first time, we are starting to cut, I think, spending in foreign aid.

Somehow, the Clinton administration has not gotten the word, however, from the American people. Yesterday the Secretary of State sent us this letter, a 3-page letter, speaking out against this bill. The Secretary does not want any cuts in foreign aid, but he wants increases. The Secretary does not want any cuts in the State Department bureaucracy. He wants more bureaucrats spending more money overseas. The Secretary does not want the Congress involved in foreign policy.

Well, the Secretary of State is an honorable and decent man, but the Secretary of State is totally out of touch with the reality and with the American people. His views are out of date with the realities of today's world, and his policies are out of sync with even our closest allies around the globe.

The bottom line is the Clinton administration wants business as usual in foreign aid and in foreign policy, and we Republicans want change. This is what this legislation is all about, really. We Americans have listened to the American people; we Republicans also have listened to the American people.

The Clinton administration is still mired in the past, trying to keep the bureaucracy and its foreign aid programs on a lifeline support system.

I ask my colleagues to support this open rule so that we can have an open and free debate about the needs and about the changes in our foreign policy.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, I thank the gentleman for yielding me this time.

I would just like to speak strongly in opposition to this rule for the simple reason that it is not an open or modified open rule, as described by the gentleman from Florida. It is actually a modified closed rule. Let us call it what it is.

We will find out, come 2:30, Thursday, how many amendments are still pending when the time comes. If we are all done, I will take my words back. But if there are amendments still pending, you know, people were here who wanted to offer their amendments, then they get 5 minutes on each side, then vote on it. That is not the way we do business in America's House of Representatives.

The other thing, as alluded to by the gentleman from Minnesota, they waived budget requirements, one of which even put in the rules themselves. So we cannot even follow our own rules on the budget.

And the other, last thing I would like to say is the gentleman from Wisconsin just talked about how great a bill this was. It cuts back on us being able to continue democratization throughout this world. We have more democracies now than we ever had before. This bill takes us back to isolationism, except in one area, one big area. This bill will fund more abortions in foreign lands than we do right here in the United States. That is what this bill does. For some reason or other, this bill is great, they say, to provide the killing of babies out there in other lands. We do not even do it here in the United States.

I think that this rule should be defeated and we should go back and have an open rule so we can address all of the problems with this bill.

Mr. DIAZ-BALART. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Florida, for yielding me this time.

Chairman GILMAN has done an extraordinary job, along with the other members of the Committee on International Relations, and they should all be commended for this fine piece of legislation, as should Chairman SOLOMON and my colleagues on the Committee on Rules for bringing forth a fair rule, Mr. Speaker, a fair rule.

It permits any amendment that any Member may have to be brought to the floor. We have 2 hours of general debate after this hour on the rule, and then we have got another 10 hours for debating this bill.

This is an important bill, Mr. Speaker. You know, when you project it over the 7-year balanced budget glidepath, this bill is expected to save $21 billion of taxpayer money at the same time that it lays forth the framework for continued American leadership in the world.

At this time, Mr. Speaker, when we are commencing the critical fiscal battle to save America's economic future by balancing the budget, this bill will prohibit foreign aid to countries that engage in intelligence activities within the United States, harmful to the national security of our country, that provide lethal military equipment to a country that has repeatedly provided support for acts of international terrorism or countries that consistently oppose the United States in the United Nations. I think it is about time we take these steps.

I want to commend Chairman GILMAN for including these important matters in this critical legislation.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana [Mr. HAMILTON], former chairman of the committee, now ranking minority member.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in opposition to the rule. I, of course, will also oppose the bill. I will say more about that in the course of the debate on the bill itself.

But let me just make a few comments with respect to the rule. I think all of us in this Chamber would agree that good procedure can enhance the legislative product that comes out of this Chamber. I do not think that this rule qualifies as good legislative procedure.

Imposing a time cap on debate for 10 hours, including voting time, with all of the amendments pending here, certainly we will have a number of votes, is going to restrict and constrain debate.

The first point, then, is simply that time is too short under this bill. It is an arbitrary time limit.

This bill generates a lot of amendments. In the last Congress, floor time on the State Department authorization bill and the foreign aid bill, excluding voting time, consumed nearly 20 hours. H.R. 1561 includes a new component, in addition to those two components, a radical reorganization of the U.S. foreign policy apparatus.

☐ 1315

So time is very severely constrained here.

Second, this is really not an open rule, and it should not be so described. As an institution, the Committee on Rules in the House needs a rational mechanism to ensure that major questions are debated on this bill or any other bill. That outcome depends not on how we describe the rule, open, or modified, or whatever, but on whether the Committee on Rules makes sure that there is a process for thorough consideration of all of the major issues in the bill, and I think the job of the Committee on Rules is to identify the major policy issues presented by this or any other bill and then to permit adequate time for debate on each one of those major policy issues. That is the job of the Committee on Rules, and I do not think they have fulfilled that function here today.

Finally, Mr. Speaker, I think the rule creates a faulty process for consideration of the bill. I say, you have a 10-hour time cap, you throw the bill open for amendment at any point, and you create a kind of free-for-all, making the foreign policy of the United States, under this rule, dependent on who gets recognized first. Russia could be debated for 5 minutes; family planning for 5 hours. That's not the message that we want to send to the world about how the Congress of the United States makes foreign policy and shapes U.S. foreign policy.

Mr. Speaker, I just think we can do a lot better than this rule that we have today. We should reject it, and I urge a "no" vote on it.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to just briefly respond to the distinguished gentleman from Indiana [Mr. HAMILTON], the ranking member of the Committee on International Relations, and say we tried very hard to have a balance between a free-for-all and the structured rule that gets the major debate, and we came to the conclusion that we provided the parameters, and we hope the floor managers will be able to lead the debate in a way that will get the major issues out there. Under the recognition system that we have, there is priority given to the members of the committee, as the gentleman well knows, and I know that if his side of the aisle holds him in as much respect that people on this side of the aisle do, that truly that they will listen to his governance as we go through this, and I know that the people on our side of the aisle have equal respect for our chairman. So I think we will have a good debate.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from San Dimas, CA [Mr. DREIER], an instrumental Member of this House and my leader in spirit on the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank the gentleman from Sanibel, the distinguished chairman of the Subcommittee on Legislative and Budget Process, for yielding me this time.

Mr. Speaker, I want to take just a few minutes to discuss the changes that have taken place in the procedure of bringing rules to this floor over years in the past. There is a fundamental disagreement that is being expressed today on the rule for this American Overseas Interest Act regarding the actual role of the Committee on Rules. We all recognize, we recognize that despite our support for the most open and fair process possible, scheduling constraints, when we are dealing with 435 Members, often require some kind of time limit, especially when we see the kinds of problems that have existed with the use of, quite frankly, a filibuster by amendment in the past. The most relevant standard that we should use when we look at rules that are considered is not purely the issue of openness, but in fact the question of fairness. It is disingenuous to claim that every single structured rule is equally onerous to the minority or to the process of representative democracy, and rhetorically I would like to pose the following question as we look at the consideration of these rules:

First, in the process of structuring floor consideration to permit the schedule to proceed; is the Committee on Rules structuring debate for mere political advantage? And obviously, in the case of this rule, the answer to that is no.

Are the rules being used arbitrarily to bring either political benefit or relief? And obviously the answer to that question is a resounding no.

There is a time limit on floor consideration of this bill restructuring the foreign aid bureaucracy. That is unquestionably a restriction on open debate, but at the same time it is also a bill that could take weeks, and weeks, and weeks to conclude if there were no structure whatsoever to the debate.

My very good friend, the former chairman of the Committee on Foreign Affairs, the gentleman from Indiana [Mr. HAMILTON], as my friend from Florida has said, is one of the most highly respected Members of the House. He came to the Committee on Rules yesterday and opposed a time limit. He preferred a structured rule in which the Committee on Rules ensured adequate debate of the key foreign policy issues of the day.

The concern with time limits expressed by Members on both sides of the aisle has been that some amendments may not be able to be offered within the time cap. Under the regular rules of the House, Mr. Speaker, it is especially possible that amendments of Members not sitting on the committee of jurisdiction will not be offered. This is a very legitimate concern.

Time limit opponents, if they intend to contribute something relevant to these rule debates, must recognize that any limitation on debate has the potential, the potential for important amendments not being offered on the floor. The vehicle could be a time cap or the Committee on Rules listing which amendments are in order and, conversely, which are not.

The new majority, the new majority on the Committee on Rules, has reported a large number of rules in which a time cap has been used. The reason is very simple, Mr. Speaker. After years in the minority, during which time the 9-to-4 majority on the Committee on Rules structured rules to stack the deck politically for the majority, we learned how unfair highly structured rules can be.

Time limits, I will acknowledge, are not perfect. However, it is possible with time limits for the chairman and ranking member of a bill's committee of jurisdiction to minimize the drawbacks of those time limits. They are recognized for amendments before other Members. Through this authority a chairman and ranking member can ensure that the most important amendments are addressed first. In addition, Mr. Speaker, the rules of the House permit consent agreements limiting time for debate on amendments to avoid amendments consuming all of the time.

The choice is very simple. Give the authority to structure debate to the highly partisan Committee on Rules or permit the chairman and ranking member of the committees of jurisdiction to largely set the course of debate.

Now, Mr. Speaker, I think there is no question that the more fair way to set debate is to give both parties a chance to bring amendments to the floor without having the Committee on Rules block certain amendments simply because our leadership does not want to vote on a certain issue. That is what often happens when a highly structured rule is used. We are trying desperately to minimize that procedure. So, if we will use the guide of fairness, rather than simply openness, I believe that we will be able to have virtually every public policy proposal considered.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Massachusetts [Mr. MOAKLEY], the former chairman of the Committee on Rules, now ranking minority member, and my good friend who is humorous and a great leader.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman from Ohio [Mr. HALL] for yielding this time to me, and I thank him for that outstanding introduction, but, Mr. Speaker, this bill has got a lot of problems:

It limits the President's authority, it restricts U.S. foreign policy options, and it weakens U.S. national security.

This bill also reorganizes the State Department. Now, that sounds like it could be a good thing. But, in this case, it is reorganizing for the sake of reorganization, it will actually increase the bureaucracy, double the number of employees, and triple the budget.

So why are Republicans doing this?

It cuts our foreign aid resources when the requirements for U.S. leadership are increasing.

It places constraints and earmarks on U.S. policy that will hinder this and any future President's ability to conduct foreign policy.

In this post-cold-war world, global realities are drastically shifting and American foreign policy should respond to those shifts. We should not be limiting our ability to create new markets and protect U.S. security interests.

Some of the most dangerous and short-sighted cuts are in development assistance. These projects help promote economic stability, create markets for American goods, and promote democracy and human rights abroad.

These programs enhance our security. They are the right thing to do and they should not be cut. So, Mr. Speaker, I urge my colleagues to oppose this gag rule. It is another in a long string of Republican broken promises. This rule provides for a 10-hour time cap and sets a drop-dead deadline for amendments of 2:30 on Thursday.

One look at this rule and one would think we had a lot of other business in the House this week. Or, at least you would think we have a lot to do after the recess.

But, we do not. There are no bills scheduled for the week we get back. I urge my colleagues to oppose this rule; thoughtful consideration of American foreign policy is much more important than the Memorial Day celebrations that are coming up.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I always appreciate the remarks of the distinguished gentleman from the Commonwealth of Massachusetts [Mr. MOAKLEY] who I respect immensely, as he well knows, but 10 hours of debate can hardly be a gag rule, and I thought we were doing a favor to the gentleman's party by making sure that we had a family friendly evening one or two nights this week, so we were trying to extend out the debate as best we could during the daytime. We simply ran out of week.

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, the gentleman knows when we were in the majority that we gave 20 hours. It was more than ample time to discuss it, and no amendments, and no bearers of amendments, were lying dead at the rostrum down there.

Mr. GOSS. Reclaiming my time, I thank the gentleman for his observation. I was only commenting on the gag question. A 10-hour gag is a long gap, and I think that most people, when this debate gets going, are going to agree that we are going to have pretty free and open debate, and perhaps the concerns of the gentleman from Indiana [Mr. HAMILTON], that we were going to have a free-for-all, will be more on target than "Members won't have a chance to speak."

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Florida for yielding this time to me.

First of all, I think this is a fair rule. Ten hours should be a sufficient amount of time to debate this issue, but I want to talk about something else today of very, very great importance.

I remember a few years ago when the Berlin Wall was up, and we saw an East German soldier running through barbed wire with his weapon hanging in his hand to freedom, and everybody in the world applauded. It was on the front of, I think, Life magazine and a bunch of other magazines showing this man in his great dash for freedom from Communist oppression, and we all applauded that, and just 2 or 3 years ago from Cuba we had captain in the Cuban Air Force fly his jet to freedom in Miami, and he told about the repression of that government, and everybody applauded that, and then just last year I believe a man, a Cuban American, took a small aircraft, and flew under the radar screen into Communist Cuba, landed on a small street, a dirt road, and picked up his family, and flew them to freedom in Marathon, FL, and everybody in the world applauded. Here was a man fleeing Communist oppression. The State Department has declared the dictatorship of Fidel Castro a brutal dictatorship. Just last July 13, the March 13 tugboat containing 85 women, and children, and men was trying to get to freedom, fleeing Communist oppression in Castro's dictatorship.

□ 1330

The Cuban Navy came up alongside and with power hoses were washing people off of the deck. Women were holding their babies up, showing the Cuban Navy there were children on board, and they kept the power hoses on them. The woman went down into the bowels of the tugboat to protect the kids. The Cuban Navy pulled up alongside and, using the orders directly from Fidel Castro, they pointed the hoses into the hold and sunk the ship, drowning those women and children like rats.

That is the kind of dictatorship we have in Communist Cuba today. That is the kind of dictatorship we had in East Germany under the Communists, and in the old Soviet Union. People did not want to live in that kind of hell. If you read Armando Valladares' book "Against All Hope," you know of the horrible oppression and torture that goes on in the Communist gulags, the prisons, in Castro's Cuba.

Mr. Speaker, it is with great concern and dismay that the American people see today that the Clinton administration is equating illegal aliens coming across the Mexican border by the millions with the few thousand people fleeing Communist oppression in Castro's horrible dictatorship in Cuba.

Janet Reno said these people were illegal immigrants, and there were only about twelve or thirteen thousand in the last year that tried to flee Castro's dictatorship. The reason this is being done is because Castro forced people down to the shores, telling them they were going to go to prison if they did not leave that country, when he sent 30,000 people over here for political purposes.

Let me just say the policies of this administration are wrong headed regarding Cuba. It is still a Communist dictatorship. Sending people back to Cuba today is like throwing people seeking freedom back over the Berlin Wall. It is a terrible mistake, Mr. President.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is, in my opinion, a very dangerous bill. It worries many leaders of the world, of other nations. It worries many agencies and many people in this country. At a time when the U.S. should be leading in the world, this can force us, in my opinion it will force us, to take a back seat into isolationism.

It cripples agencies without any benefit. Many agencies will be eliminated. The best agency in my opinion, AID, and the great humanitarian work that they do will be put into the State Department. It will defeat the purpose it was designed for. Many decisions based on humanitarian aid now will be made with political purposes in mind, which is wrong.

It cuts development assistance by 34 percent to the poorest of nations all over the world, including where most of the humanitarian crisis is now, which is in the continent of Africa. Actually, the whole fund has been cut already by 40 percent.

It hurts investments in other nations. For every dollar that we invest overseas, we get it back two and three and four times every year. We get it back in jobs, we get it back in money, we get it back in trade.

As a country, we need to step up to the plate and lead in the world. That is our role, that is our responsibility, whether we like it or not. This bill erodes our strength and our ability to lead.

Mr. Speaker, I would urge a "no" vote on the rule, and certainly a "no" vote on the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Florida [Ms. ROS-LEHTINEN], also a member of the Subcommittee on the Western Hemisphere.

Ms. ROS-LEHTINEN. Mr. Speaker, I rise to urge passage of this rule, which I believe is very fair to all Members of the House. It is important to move quickly on passage of the American Overseas Interest Act, which sets forth a bold and far-reaching reorganization and consolidation of the foreign affairs agencies of our country.

This bill begins a measured, deliberate process of reducing expenditures in the field of foreign affairs, which is consistent with the overall plan to bring our budget into balance by the year 2002.

The consolidation of the agencies by eliminating duplication and blurred lines of authority and responsibility will contribute to the Secretary of State's ability to adapt the foreign policy programs of this Government to the new era of fiscal austerity. I believe this is a very positive constructive approach to the challenges that we face in reducing our Federal deficit.

Unfortunately, the bureaucratic impulse to oppose change has led some in the administration and elsewhere to attempt to oppose the consolidation of these agencies by labeling supporters of the committee bill as isolationists or new isolationists. Nothing could be further from the truth.

In fact, the consolidation proposal has a very long history. One of the greatest international statesmen that this country produced strongly believed that the foreign affairs programs of this country should be an integral part of the State Department's programs.

In fact, in 1945 when the then Assistant Secretary was offered a substantial promotion to become the Director of the Independent Foreign Aid Agency, Dean Acheson turned down the job because he insisted that neither the job nor the agency should exist, that foreign aid should be run as part of the State Department.

There is a delicious irony in the fact that we should now call this proposal the Republican plan. The Acheson plan is what it really is. It sometimes has been called the Helms plan. It is to consolidate these agencies. This should be done.

I mention this because it seems to me these issues are neither partisan nor ideological. They should be addressed in an atmosphere which is the focus of one question and one question only: What is the best thing for our country to do?

I congratulate the gentleman from New York, Chairman GILMAN, for bringing this bill to the floor in such a prompt manner. He has provided strong leadership for those of us in the committee, helping us to cope with the fundamental changes in this world. The world has been changing dramatically since the start of this decade, and this fresh approach embodied in our bill is an appropriate response to these changes.

Mr. Speaker, I hope that all of our colleagues urge a "yes" vote in the adoption of this rule.

Mr. SOLOMON. Mr. Speaker, I rise in support of this rule.

Mr. Speaker, we have before us what I firmly believe to be the fairest rule possible under the current circumstances.

In putting this rule together, the Rules Committee tried, first, to accommodate the leadership of the House and the extraordinary demands that are being placed on the floor schedule.

Given the rather small windows of opportunity that is available for consideration of H.R. 1561, this rule represents our best effort to make optimum use of the time the House will in session this week.

Our second consideration at the Rules Committee was to consult as best we could with the minority to try to understand their concerns.

Having been in the minority for so long ourselves, we Republicans know how it feels.

We tried to strike a proper balance between the time permitted for general debate and the time permitted for consideration of amendments.

Given the schedule constraints we are working under, we have struck a good balance that moves at least some of the way the minority asked us to go.

Finally, Mr. Speaker, the Rules Committee examined some of the past precedents for dealing with foreign aid legislation, particularly the bills that were brought before the House during the 1980's.

I myself served on the Foreign Affairs Committee during most of the 1980's under the leadership of then-Chairman Dante Fascell, one of the great statesmen of this House.

We found ample precedent for imposing an overall time limit on the amendment process, for requiring the printing of amendments in the CONGRESSIONAL RECORD, and for granting the chairman of the Committee of Original Jurisdiction authority to present amendments en bloc.

And so I strongly urge Members to support this rule.

This is a good rule. It meets the needs we face under the present circumstances.

And it will permit the House to work its will on H.R. 1561.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 155, providing for the consideration of H.R. 1561.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have tried our best to come up with a rule that provides plenty of time to talk about the things we need to talk about, give every Member a chance to get what is on their heart or mind on this subject out on the floor for discussion, and still manage the debate in a way that the vital issues are provided for and will get the appropriate attention.

I think we must have done a pretty good job in terms of the policy, because we have the ranking member on the Committee on the Budget saying oh, my gosh, he was worried about the budget constraints, yet we have the President's spokesperson saying that they are going to recommend a veto because there is not enough money. So we apparently have come up with something that works pretty well here.

This bill will spend 5.5 percent less than last year, and does represent 9.5 percent less than the White House asked for, but it does provide for the necessary and affordable business of our Nation overseas, provides for accountability and our national interests and national securities.

I guess that no rule is absolutely perfect, but I think this is a pretty good rule for an issue of this dimension, and I think we have done our best to craft it to give every Member the opportunity to have his or her say. I think it is fair and efficient, and I think it will do the job. I urge its support.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 233, nays 176, not voting 25, as follows:

[Roll No. 347]

YEAS—233

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Gunderson
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Torricelli
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—176

Ackerman
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Duncan
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake

Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Holden
Hoyer
Jackson-Lee
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Neal
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Torres
Towns
Traficant
Tucker
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Williams
Wise
Woolsey
Wyden
Wynn

NOT VOTING—25

Abercrombie
Andrews
Becerra
Calvert
Coburn
Cubin
Dooley
Fazio
Gallegly
Gephardt
Greenwood
Hinchey
Hoke
Hostettler
Jefferson
Kleczka
LaHood
Molinari
Peterson (FL)
Rush
Scarborough
Souder
Watt (NC)
Waxman
Wilson

☐ 1358

The Clerk announced the following pair:

On this vote:

Mr. Calvert for, with Mr. Andrews against.

Mr. VISCLOSKY and Mr. PETE GEREN of Texas changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1359

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to House Resolution 155 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1561.

☐ 1359

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1561), to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York [Mr. GILMAN] will be recognized for 1 hour, and the gentleman from Indiana [Mr. HAMILTON] will be recognized for 1 hour.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we begin the first major debate on the reorganization and design of our foreign affairs operations and programs since the cold war, I would like to thank my good friend and colleague, the gentleman from Indiana and ranking minority member of our committee—Mr. HAMILTON—for his cooperation in the preparation of this bill.

H.R. 1561, the American Overseas Interests Act, constitutes the most extensive reform and overhaul of our foreign affairs architecture and our foreign assistance programs in nearly 50 years.

It merges three foreign affairs agencies—the Agency for International Development [AID], the U.S. Information Agency [USIA], and the Arms Control and Disarmament Agency [ACDA]—into the State Department.

It also reauthorizes our foreign assistance programs, redirecting and targeting our resources to where they will do the most good.

In implementing the first major reforms in our international operations in nearly 50 years, H.R. 1561 also establishes three priorities to ensure that our Nation can meet the challenges and take advantage of the opportunities in the post-cold-war world.

It defends our national security, supports our trade and economic interests, and provides for those who have been hit by disaster and cannot provide for themselves—while cutting duplication and waste in dozens of programs.

This bill is about American interests.

The bill locks in the gains of the cold war by reaching out to the nations of Central and Eastern Europe that have broken out of the old Soviet orbit.

It punishes our adversaries by cutting off funds to countries that spy on us—that provide weapons to terrorist states—that give aid to Cuba—or that consistently vote against us in the United Nations.

It also maintains the U.S. commitment to the 1979 Camp David accords. Let us bear in mind that under those accords, Israel, our closest and most important ally in the Middle East, gave up the Sinai with its oil fields, its strategic air bases, and its natural geographic barriers in return for peace with Egypt—a peace which has lasted for 16 years.

Under the umbrella of our American commitment, Israel has signed a peace treaty with Jordan and is engaged in talks with Syria and the Palestinians that could also lead to regional peace.

The Camp David accords is a foreign assistance program that has greatly benefited American interests by helping to maintain and advance peace and stability in the vital Middle East.

H.R. 1561 also supports our economic interests by maintaining funds for the Trade and Development Program and it enhances our support for humanitarian activities with increased funding for food aid and disaster assistance to help feed starving people and to provide for child survival.

The bill achieves this with an authorization level for fiscal year 1996 that is nearly $1 billion below current appropriations and in line with the budget resolution adopted last week on this floor. The funding for this significant and far-reaching bill is but 1.3 percent of the Federal budget.

The changes embodied in this legislation are necessary to enable our Nation to continue to be the world's economic leader and a beacon of political freedom. However, in order to maintain that role, our Nation must be strong.

Continuing deficits in the range of $200 billion a year will only weaken us economically. An America that is weak is not an America that can lead.

H.R. 1561 also strengthens the ability of our executive branch to formulate and implement a strong and coherent foreign policy by giving the Secretary of State both the responsibility and authority over our foreign affairs activities.

By folding three cold war-era agencies—AID, USIA, and ACDA—into the State Department, we are simply taking a leaf from the book written by previous Congresses when they mandated the reorganization of our defense establishment after World War II.

Even as Americans were celebrating that hard-won victory, the Congress was preparing to implement some hard lessons that had been learned in that war about the organizational structure of our military.

We learned that a War Department and a Navy Department—often at each other's bureaucratic throats and headed by a Cabinet secretary each reporting directly to the President—could be a recipe for disaster in the fast-moving complex world of modern warfare.

An organizational structure established in the 1790's—when sailing ships took weeks to cross the ocean and armies moved on foot at the rate of 3 miles an hour—had to be streamlined and consolidated.

There had to be a single Cabinet secretary responsible to the President for formulating and implementing our national defense policy.

The Congress abolished the War Department and the Navy Department as independent entities and consolidated them into a newly created Defense Department under the leadership of a newly created Secretary of Defense.

Similarly, with the cold war behind us, it is time now to reorganize and consolidate our foreign affairs agencies to meet the new challenges and take advantage of the new opportunities that await our Nation as we enter the 21st century.

Merging AID, USIA, and ACDA into the State Department eliminates hundreds of costly, high-ranking, Washington-based bureaucrats.

But, we also ensure that all of our Nation's foreign policy apparatus will be under the direction of and responsible to a single individual—the Secretary of State.

My colleagues are undoubtedly aware of the letter the Secretary of State has written to the Speaker in which he strongly criticizes this bill and states that his intention to recommend that the President veto it. Let me briefly respond to some of the principal criticisms expressed in the letter.

The Secretary states that the bill and I quote "contains numerous constraints that would do immense harm to our nation's foreign policy."

In fact, the bill contains Presidential waivers for nearly every policy-based restriction and gives the President increased flexibility to manage foreign policy resources—including repeal of 34 obsolete laws that restrain the President's flexibility.

The Secretary also states that the reorganization mandated in our bill would, and I quote "damage our ability to promote American interests worldwide."

The reorganization in the bill is nearly identical to a plan the Secretary proposed in January to consolidate AID, USIA, and ACDA into the State Department.

Finally, the Secretary stated that this measure would drastically reduce our resources for foreign affairs activities. H.R. 1561 is in line with the House-passed budget resolution and does not go below that amount.

H.R. 1561 takes a big bite out of Federal fat, while keeping the muscle that we need to maintain our strength as a world leader. I invite my colleagues to join in supporting this important reform measure.

Hopefully, my colleagues will also utilize this debate to help increase public awareness of the need to defend and advance American interests overseas. Development assistance and security assistance make important contributions in support of our international interests.

As our Nation enters new times and faces new challenges—including the challenge to reduce our budget deficit—the burden falls upon us in the Congress to educate the public to the need to maintain a strong program that supports, as the title of H.R. 1561 says, American overseas interests.

Mr. Chairman, I reserve the balance of my time.

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentleman from New York [Mr. ENGEL], who has contributed importantly to the work of the Committee on International Relations.

Mr. ENGEL. Mr. Chairman, I thank my friend, the gentleman from Indiana, for yielding time to me.

Mr. Chairman, there are a lot of good things in this bill, but there are also a lot of very troubling things in this bill. I want to commend the chairman of the Committee for inserting a number of good things. We have principles involving the MacBride principles with regard to Ireland. There is good language in there involving Kosovo, the people of Kosovo. Of course, aid to Israel and to Egypt is maintained.

However, there is a very, very troubling aspect of this bill. That is the underlying thought that somehow or other foreign aid needs to be drastically reduced. In fact, in this bill, foreign aid is cut to an unprecedented low level. A very interesting poll appeared a couple of weeks ago in the New York Times, when the American public was asked "Do you think that the United States gives too much in foreign aid, too little, or just about right?" Overwhelmingly, people said "Too much."

Then the question was asked "How much of the U.S. budget is foreign aid?" The consensus was generally 15 percent. People thought 15 percent of our budget was foreign aid. Then the question was asked "What do you think is a good percentage of the American budget that should be used for foreign aid?" The consensus was 5 percent. Then the respondents were told the truth, that foreign aid is barely 1 percent of the American budget.

Mr. Chairman, the Soviet Union has collapsed and the United States is the leader of the world, unquestionably. Is this now the time to recoil, to hide our heads in the sand, and to move toward what I regard to be a dangerous isolationism? No matter how we cut it, we are retreating in this bill. We are cutting back on foreign aid, we are cutting back on helping other nations.

Many of us speak with leaders of other countries, fragile democracies where democracy is just taking root, countries that were Communist governments just a few years ago. They plead with us, a little bit of American aid would go such a long way toward ensuring that democracy would take root and stabilize in these small countries.

Have we won the cold war, only to throw it all away? That is what I think this bill does in terms of foreign aid. While the bill protects foreign aid for Israel and Egypt, it shrinks foreign aid for just about everyone else, so Israel and Egypt are a larger portion of the foreign aid pot. It is only a matter of time, given the thought of this bill, that Israel and Egypt will be cut, because that is the trend that the Republican majority is moving toward. I think it is a dangerous trend.

Mr. Chairman, we talked about consolidating AID, USIA, and ACTA, into the State Department. That will not save us any money.

□ 1415

Mr. Chairman, that is not going to save any money. In my opinion, it is going to be less efficient and very much troublesome. The President has said that if this bill passes, he is going to veto it.

I think we all ought to put our heads together, do something that makes sense, reassert America's leadership in the world, and put something together that says America is not recoiling from the world but indeed America is acting like the world power that it is.

Mr. GILMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, one of the things that concerns the American people more than anything else is waste in government. They believe that government is inefficient, and in many, many cases it is. In fact in some cases it is downright horribly wasteful.

The AID agency that deals with developmental assistance and other foreign aid around the world is responsible for spending an awful lot of our foreign aid money.

I want to read to my colleagues a memo that came out of a meeting that was held by the director of AID and his assistant director and several people in leadership. This memo was sent around the world to AID agency heads in many, many countries. When you read this, it makes you downright angry if you are a taxpayer.

Here is the part that I think is the most interesting. Larry B., the assistant director of AID said, "We are 62 percent through this fiscal year and we have only spent 38 percent of the dollar volume of procurement actions completed."

"We need to do"—that means spend—"$1.9 billion in the next 5 months."

He goes on to say, "LAC, AF, BHR are doing okay. There are large pockets of money in the field and about $570 million in Global and ENI each. So let's get moving."

In other words, they are two-thirds through the year and they have only spent about one-third of their budget so they want to get spending so they can ask for more money in the next biennium or the next fiscal year.

Mr. Chairman, I think this is the kind of thing that the American people hear and when they hear it, they just get downright angry. That is why I think the bill of the gentleman from New York [Mr. GILMAN], the chairman, is headed in the right direction when they are talking about merging these agencies.

In another part of this, when they are talking about the merger, which is going to save the taxpayers a lot of money, let me read to you what they say in that part. They say, "Jill Buckley reports that the Senate Foreign Relations Committee staff was relatively uncooperative in discussions yesterday and somewhat surprisingly the House International Relations Committee staff was cooperative. The strategy"—and this is their strategy—"is delay, postpone, obfuscate and derail. If we derail, we can kill the merger."

"If we derail, we can kill the merger" between these agencies that are going to be put under the State Department to save taxpayers' money. I think this is reprehensible that the leadership of AID met, tried to derail the will of the Congress of the United States, and in the same memo said, "We've got to spend a heck of a lot of money by the end of this year. We're two-thirds of the way through, we've only spent about one-third of our budget. If we don't get on the ball and spend this money, we can't come back and ask for more money."

That is something that cannot be tolerated. For that reason, Mr. Chairman, I will be proposing my amendment today to cut the staff of AID by 25 percent. The chairman's mark cuts it by 10 percent. I believe we can go further. If we can cut the congressional staff here in Washington, our committee staff, by 33 percent, we can sure cut AID by 25 percent. They have got almost 10,000 employees. They want to spend taxpayers' money wastefully. We need to send them a message.

Mr. HAMILTON. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Virginia [Mr. MORAN], an invaluable member of the committee.

Mr. MORAN. Mr. Chairman, I rise to oppose the Republican isolationist foreign aid bill, called the American Overseas Interests Act of 1995, because this bill proposes deep cuts in our foreign assistance budget and takes away the independent responsibilities of the Agency for International Development, the Arms Control and Disarmament Agency, and the U.S. Information Agency.

Mr. Chairman, now is not the time for the most powerful and influential country in the world to go back to the isolationist days of the 1930's. Before World War II there were 18 nations with more military and geopolitical influence around the world than the United States. Today there are none.

In fact, it is strong American leadership during and after World War II that has resulted in the world becoming safer for democracies and the fact that we have far fewer dictatorships, that we have more freedom of the press; that, in fact, the economies around the world are trading with us, providing markets for us.

That is why the United States should not shrug its shoulders of world leadership. In fact, we should seize this opportunity and not turn our back on a half century of the kind of leadership that our predecessors have shown in this body and throughout the world, the kind of principles that opposed people, economically and politically oppressed people, have yearned for. They would not have achieved that economic and social and political independence were it not for American leadership.

The end of the Soviet Union, a world map dominated by democracies and American allies, expanding trade markets, free elections in South Africa; we could go down a list that would last all day, of the things that have been achieved because of American leadership throughout the world.

This bill undermines America's leadership in the world. It cuts development aid that in fact is creating markets for us today. It will reduce our ability to deal with the deteriorating environmental conditions, the rising migration pressures, all the kinds of crises of inadequate food and medical care that we read about. With very little investment, we have made an enormous difference in people's lives.

Mr. Chairman, now is not the time to cut the budget for the U.S. Information Agency, because we play into the hands of dictators and people who would like to control the press of their own countries.

It is not the time to cut the Agency for International Development, when we have a 95 percent repayment rate for small loans that are provided to the poor. It is certainly not the time to cut the Arms Control and Disarmament Agency, when we see the kinds of disasters that are occurring, whether it be chemical, biological, or nuclear weapons, that present a threat to all of us.

We ought to move forward, not backward. This bill brings us backward. I urge my colleagues to vote against this bill.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. CHABOT], who has been a valued member of our Committee on International Relations.

Mr. CHABOT. Mr. Chairman, I rise in support of H.R. 1561, the American Overseas Interests Act. I want to commend the gentleman from New York [Mr. GILMAN], our chairman, for his outstanding leadership in steering this historic legislation through the Committee on International Relations and to the floor today.

H.R. 1561 is truly historic legislation. It goes where no foreign aid bill has gone before. It completely overhauls the foreign aid bureaucracy, eliminating three major agencies: The Agency for International Development, the U.S. Information Agency, and the Arms Control and Disarmament Agency. Their functions and budgets will be cut and folded into the State Department at a great savings to the American taxpayer.

H.R. 1561 eliminates dozens of lower-priority programs. It cuts spending by more than $1 billion next year, a $1.8 billion reduction from President Clinton's budget request. And it calls for further cuts of $21 billion over the course of our 7-year glidepath to a balanced budget.

Mr. Chairman, I intend to vote "yes" for this bill. Despite all the rhetoric from the other side of the aisle that we are going to hear, let me stress what a "no" vote on this bill really means. A "no" vote means a vote for the status quo. A "no" vote means that our efforts to cut out wasteful bureaucracy will be stonewalled. A "no" vote means a needless delay in our efforts to bring much-needed relief to the American taxpayer.

Mr. Chairman, I am one of those Members who would like to cut even more, and I will vote for amendments to do just that.

However, on the whole, this is a good bill. It begins the process. It mandates the reorganization of our foreign policy apparatus so that next year we can make even more of the budget reductions needed to balance the budget and provide a secure future for our children.

Mr. Chairman, again I want to commend the gentleman from New York [Mr. GILMAN], the chairman, and members of the Committee on International Relations for crafting this bill. I urge my colleagues to support it.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Georgia [Ms. MCKINNEY], also an invaluable member of the committee.

Ms. MCKINNEY. Mr. Chairman, in 1995, there are over 34 wars or acts of aggression raging throughout the world. These wars are all being fought with arms imported from the United States of America, arms used to kill millions of people, arms used to scar the Earth, arms used to inflict irreversible harm to the children around the world.

Today, Mr. Chairman, I will offer the code of conduct amendment to the American Overseas Interest Act, H.R. 1561. The code of conduct is the first major reform of America's arms export process in almost two decades. Although the 1976 Arms Export Control Act provided some restrictions on the executive branch's ability to export arms, historically Congress has had little-to-no oversight responsibility on arms sale. As we celebrate the 50th anniversary of the end of World War II, there is a new world order and America is its leader.

Some American citizens are testing the legal waters of holding gun dealers responsible for the death and destruction that their merchandise contributes to. Just imagine what could happen if the poor innocents of Third World countries around the world held each one of us liable for the death and destruction that U.S. weaponry, when sold to dictators, contributes to.

In 1993 alone, the United States sold more than $23 billion, 73 percent, in arms sales to developing countries. H.R. 1561 prohibits certain assistance to countries promoting regional instability. However, there are no criteria regarding arms sales. The code of conduct amendment provides those criteria.

A recent Gallup Poll showed that more than three-quarters of the American public oppose the U.S. Government selling arms. Ninety-six percent of Americans believe that the United States should not sell conventional weapons to undemocratic governments. Our bad decisions have boomeranged already in Panama, Iraq, Somalia, and Haiti.

Our men and women in the Armed Forces in each of those instances have faced our own weapons and technology as a result of our own bad policy decisions.

I urge all my colleagues to focus on what the American century could really mean as we ponder America's place in the new world order. Join your 102 colleagues and vote for the code of conduct amendment to H.R. 1561.

□ 1430

Mr. GILMAN. Mr. Chairman, I am pleased to yield 4½ minutes to the gentleman from New Jersey [Mr. SMITH], the subcommittee chairman of our Committee on International Relations.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend for yielding me this time. I want to say at the outset how very happy many of us are for the tremendous job the gentleman from New York, Mr. GILMAN, has done on this piece of legislation. It has been very, very difficult. There has been a give and take by many Members, and he has done a fine job in crafting this. I also want to thank the members of my subcommittee. We had a portion of this bill which is now section B or division B that worked through our subcommittee and we went through a markup. We had legislation dealing or provisions dealing with peacekeeping, arms control, and other vital areas, and I am very pleased that that legislation is now incorporated in the Gilman bill.

H.R. 1561, the American Overseas Interests Act, has attracted widespread publicity for its consolidation of government agencies and its sharp spending cuts in foreign aid and other programs. Amid the discussion of these issues, however, some of the most important aspects of H.R. 1561 have gone almost unnoticed.

Specifically, despite the need to cut spending and consolidate programs, the bill as reported by the House International Relations Committee manages to hold harmless—or even enhance—important programs that support freedom, build democracy, and save lives.

Mr. Chairman, in considering H.R. 1561 I hope we will carefully consider the following provisions:

Those provisions dealing with child survival and related programs have been included in the bill. Although the overall development assistance authorization was cut by about a third, the committee accepted an amendment to set aside $280 million for child survival programs, $25 million for micronutrient and Vitamin A programs, and $15 million for the UNDP/WHO Tropical Disease Program. This is a modest increase over estimated fiscal year 1995 expenditures. The increase is justified: these programs have saved literally millions of lives, most of them children in the developing nations of the world. Now they will save millions more. When cuts must be made, they must be made in ways that will not cause children to die or to suffer.

The refugee provisions of H.R. 1561, Mr. Chairman, likewise will prevent United States tax dollars from being used to forcibly return Vietnamese and Laotians back to those countries, and we are talking about people who worked and fought side by side with American forces.

These provisions will also protect people who can show that they are fleeing forced abortions or forced sterilizations or they have actually been subjected to such pressures, such as the 13 women who are now being held in Bakersfield, CA, most of them victims of forced abortion or forced sterilizations, all of them about to be forced back to the People's Republic of China.

H.R. 1561 would also require periodic reports to Congress on what Fidel Castro is doing to enforce his end of the Clinton-Castro immigration deal of 1994, and on how people are treated who are returned to Cuba pursuant to the second Clinton-Castro immigration deal of May 1995.

Finally, the bill provides an important structural reform—the consolidation of human rights advocacy and refugee protection under a single State Department official reporting directly to the Secretary—that will guarantee these decisions a place at the table when important decisions are made.

Mr. Chairman, despite the need for cuts in international broadcasting and other public diplomacy programs, H.R. 1561 holds harmless from such cuts our freedom broadcasting programs—such as Radio Free Asia, Radio/TV Marti, and the Voice of America Farsi Service—at prior levels.

Similarly, funds for the National Endowment for Democracy are authorized at current levels.

The bill also creates a pilot project for freedom broadcasting to Asia, to provide pro-democracy and pro-freedom broadcasts to Asian countries whose people do not enjoy freedom of expression during the months or years it will take to establish Radio Free Asia.

Mr. Chairman, this is a good bill, and I do hope Members will support it.

Mr. HAMILTON. Mr. Chairman, I yield 5½ minutes to the gentleman from California [Mr. BERMAN], a very important member of the Committee on International Relations.

Mr. BERMAN. Mr. Chairman, I never thought I would see the day when I would be rising to oppose a foreign assistance bill, and it pains me deeply to have to be in that particular situation.

But this bill, it is called the American Overseas Interests Act, I think if Members look carefully at its provisions, they should call it the American Leadership Reduction Act. It slashes resources for diplomatic efforts and in foreign assistance around the world. It dismantles without any consultations with the executive branch, without any consultation with the Democrats, it dismantles American's foreign policy structure. It hobbles the American Presidency. That may be politically attractive for some at this particular time, but Presidents come and go, and I remind my colleagues, while we have had very few years where a foreign assistance bill has become law, almost every Congress since I have come here we have passed a foreign assistance act in the House with bipartisan support from both parties. Many provisions that I disagreed with would be in the bill, many provisions that the Republicans disagreed with, but there was a committed, bipartisan support for an internationalist approach to the world with a recognition of the critical role that diplomacy and assistance and engagement plays in protecting and promoting American interests.

I came on the Committee on International Relations more than any other reason because of my deep, abiding, personal, from my youth, commitment to the importance of the American-Israeli relationship in my scheme of things and in the belief that not only in Israel's interest but in America's interests that relationship was important. There is nothing more important to me in the Congress than continuing that relationship.

This bill, in the short term, on the superficial glance, does that. It continues the assistance, it has important language in the bill. The chairman of the committee should be commended for that. But, in the long term, for those of us who care about that relationship, who care about this support, I tell them, putting that money into a bill that constitutes a frontal assault on the executive branch's ability to conduct foreign policy, that slashes other foreign assistance programs and signifies a retrenchment and move towards a neoisolationist position in the post-cold-war world, this is not an Israel-friendly bill. This is not a bill that over the long term solidifies that relationship, because you cannot sustain and justify foreign assistance for Israel in the context where you are slashing and ultimately terminating foreign assistance for every other country in the world.

So it is because of my interest in that relationship and notwithstanding the specific provisions of this bill, but in the recognition of what this bill does to our whole foreign assistance program, to our ability to conduct diplomacy that I oppose this bill. I remind my colleagues again and again if I can and will throughout the total debate, every year that the Committee on Foreign Affairs came to the House floor with a bill, it was a bill which in the committee, maybe we would start out with the Democratic version during those years, but every year, first Chairman Fascell, and then Chairman HAMILTON, looked at the strongest concerns that the Republicans had. We met those concerns. We came to the floor. We had the substantial majority of both Democrats and Republicans supporting the bill.

There was no effort to do that here. I do not know if it was a calculated effort to try and pass a partisan bill, or a lack of time caused by the schedule, but the shocking lack of ability to engage our committee leadership or our House leadership in finding out some of the concerns that could be addressed in the context of deficit reduction, in the context of reform, in the context of addressing important foreign policy needs that this Congress considers, that agreement could have been worked out. It is a shame we are at this point where this bill is coming up as a partisan Clinton-bashing, anti-executive-branch feast instead of a sensible continuation of a bipartisan internationalist tradition.

I just want to read from one paragraph of Secretary Christopher's letter.

This is Secretary Christopher saying why he will recommend a veto if this bill passes. If enacted, they would compromise our ability to follow through on the North Korea Framework Agreement. They would undermine or effective participation and weaken our leverage in international organization. It would compel changes on refugees policy that compose a serious threat to their borders, limiting the President's ability to respond to boat migration and possibly exacerbating the illegal smuggling of aliens into the United States. The bill would seriously impair the President's responsibility to manage our delicate relations with China at this time of transition in its leadership. Its provisions on the New Independent States.

Perhaps there will be further time to get into this later on, but I frankly would hope this bill could be withdrawn from the floor and I urge a no vote at this time.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 6 minutes to the distinguished gentleman from Wisconsin [Mr. ROTH], chairman of our Subcommittee on Economic Policy and Trade.

Mr. ROTH. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, before we begin this debate, let us remember that we have 3 days of debate on this particular bill. Many arguments will be made, dozens of amendments will be offered, but there is really only one basic issue, the need for change in our foreign policy.

When the American people voted last November for change, they voted for change in foreign policy as much or more than in any other areas. The Clinton administration, yes as a previous speaker said, opposes this bill.

We have a 3-page letter from the Secretary of State which is like a manifesto for business as usual in foreign policy. Boiled down, the Secretary says that the foreign policy elite should stay in charge and that the Congress and the American people should butt out in foreign affairs.

The Secretary says that foreign spending should go up even though spending for our own people is going down.

And the Secretary says that even though the cold war is over, America must still bear most of the load for all of the world's problems, while other governments save their resources and focus on taking our markets and wringing our jobs from the American workers.

The American people know that the cold war is over. They want other countries to take at least a little portion of the load. The American people want their government to put our own people and our own problems first, for a change. For almost 50 years now we have gone all over the world putting their problems and their needs first. It is about time we take care of our own people and our own problems for a change.

But that is not what the Secretary of State and the foreign policy elite here in Washington want. So this debate really comes down to a test of strength. Do the American people get the changes they voted for, or does the foreign policy establishment stay in the driver's seat. Who rules in this country? The elite here in Washington or the American people who are paying the bills.

This bill makes three fundamental changes. First, it abolishes three cold war agencies: AID, USIA, and the Arms Control Agency, all three which have outlived their usefulness.

Second, the bill cuts $1 billion from the $17 billion in overseas spending over which our committee has jurisdiction, only $1 billion, so it is not a big cut, but $17 billion is less than half of what we are spending overseas at this time. The real total is $38 billion when you add up some of our military stations overseas also the multilateral development banks, food aid and other categories. That is $37 billion this year. We are making much less in cuts than we do in domestic agencies. There is no need for crocodile tears. We are eliminating entire departments in our Government.

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Mr. BERMAN. Mr. Chairman, I yield 3 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

Mr. FALEOMAVAEGA. Mr. Chairman, I have the greatest respect for the gentleman from New York, the chairman of the House International Affairs Committee, Mr. GILMAN, but I must reluctantly oppose H.R. 1561, and I urge my colleagues to vote against its passage.

Although there are a few worthy initiatives in the legislation, on the whole, H.R. 1561 drastically undermines the ability of our President to engage effectively on issues and activities that impact on the world community as well as the security and economic interests of our Nation.

I submit, Mr. Chairman, the United States cannot and should not isolate herself from the rest of the world. Whether we like it or not, our Nation is an integral member of the world community, and we must face up to our responsibilities as a leader in international affairs.

I find it ironic that in the era of EEC, ASEAN, GATT, NAFTA, and APEC—when it is becoming increasingly clear that the economic future and prosperity of our Nation is vitally dependent on America's ability to engage overseas and to promote peace—this bill would cripple our President's ability to conduct foreign diplomacy by cutting off the arms and legs of America's foreign policy apparatus while deeply reducing already meager resources.

H.R. 1561 recklessly mandates abolishment of the USIA, ACDA, and AID, merging them into the State Department and creating a super bureaucracy. No detailed bottom up study of this planned reorganization has occurred, however, and reflects that little though has been given to the actual costs or benefits of such a move. I have been shown nothing that ensures that this reorganization proposal will result in an improvement in the conduct of America's foreign policy throughout the world.

Mr. Chairman, I am convinced that the reorganization plan presents the danger that the unique missions and valued expertise of the USIA, ACDA, and AID will be subordinated and lost in a massive State Department bureaucracy. Reorganizing the Department of State for the sake of reorganizing is a waste of time and taxpayers dollars, and diverts attention and resources from the real foreign policy issues facing our Nation today.

I am also opposed to the foreign assistance cuts in excess of a billion dollars called for in H.R. 1561. Over the last decade, foreign aid funds have taken disproportionate cuts, being almost halved in inflation-adjusted dollars. As we all know, polls have documented that most Americans feel we should be allocating at least 5 percent of the Federal budget to foreign aid. Yet our present funding of foreign assistance barely exceeds 1 percent of our national budget.

The further cuts called for in H.R. 1561 will reduce already strained resources and handicap our ability to protect and promote U.S. economic and security interests overseas. Our small investment in foreign assistance is the first line of defense for America. By addressing problems overseas—through development or humanitarian assistance—we circumvent major crises and security threats from arising while nurturing the growth of democracies and new markets.

Mr. Chairman, this is a time when the United States, in her own interests, must continue to engage and reach out to the international community. H.R. 1561 represents, however, a withdrawal from world leadership and a dangerous return to isolationism. I would urge my colleagues to vote against the bill.

Mr. GILMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. BUNN].

Mr. BUNN of Oregon. Mr. Chairman, I would like to take a moment to congratulate the chairman, the gentleman from New York [Mr. GILMAN], and the members of the Committee on International Relations for a job well done. It is a difficult task, as we move toward a balanced budget, to identify those things that work and those that do not work.

Yet, this bill has done that. It eliminates three outdated Federal agencies, the U.S. Information Agency, the Arms Control and Disarmament Agency, and the Agency for International Aid.

The first two are relics of the cold war, the third, AID, while begun with the best of intentions, has become a bloated bureaucracy that we simply cannot maintain.

I support foreign aid.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. BUNN of Oregon. I yield to the gentleman from California.

Mr. BERMAN. I am interested in why the gentleman thinks the USIA is an outdated agency, the programs for radio and exchange programs around the world, are outdated.

Mr. BUNN of Oregon. Because those are cold war relics, and we do have an open information age where information is getting out without our Government providing the dollars to provide that message. I think we do have adequate access to information around the world. We do not have to maintain the cold war relics.

I will just wrap up in the last 30 seconds, if I could, and that is to say very clearly I think we have to concentrate on those things that work, that are providing needs to people on the ground, not serving bureaucracies that have developed over the decades.

This bill does this. It allows us to reach real people with real help. I think it is the kind of thing we must do. We must be committed to foreign aid, but foreign aid that makes a difference for people.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, Members of the House, the Congress in recent years has done a miserable job, in my estimation, of explaining and making it clear to the American people why we are indulging or why we have ever indulged in foreign aid, so-called.

Many people in the public feel this is throwing money away, throwing money abroad when that money could be used more successfully, more usefully at home, and there is a good feeling of impropriety there among the American people as to why that is happening.

But I believe that this gives us a ample opportunity to explain to the American people that when we invest in foreign aid, so-called, to the people of the Middle East, to the nations on either side of the Suez Canal, in that whole region, that we are creating or helping to create a stable part of the world. If it remains stable, then our national security interests and our economic interests are safer.

Why do I say that? Everyone in America knows that we depend on Middle East oil for 45 percent of our fuel. In doing so, we have to make sure that the flow of oil remains steady and unhampered, into the United States. Therefore, when we invest in foreign aid in that region, creating that safe harbor for our oil interests, our standard of living is protected. That is a good reason to indulge in foreign aid. And that happens throughout the region.

There is a second reason for it. To the extent that our foreign aid moneys create and keep a democratic government in place in the Third World, to that extent we have less reason to believe that we have to dispatch American troops or do other kinds of things to aid an emerging nation. If we can keep a stable democratic government in place, our standard of living, our national security interests are safer. That is why foreign aid becomes an overwhelming presense in the Halls of the Congress of the United States, in the interests of the American people.

But what this piece of legislation does is it keeps all of those theories and reasons in mind while at the same time exercising that fiscal constraint which is absolutely necessary in the days of deficit and the race toward a balanced budget that we are about here in the Congress of the United States.

I support the legislation and will do my singular best to repeat the message to the American people that it is in our national security and our national economic interests that we maintain levels of foreign aid across the world.

Mr. BERMAN. Mr. Chairman, I yield myself 1 minute.

I would just like to follow up. The comments of the gentleman from Oregon state the issue very well.

If you think in the post-cold-war world that Government-financed broadcasting is a waste of money, then this is a good bill for you because this starts us down the road toward ending that program.

I think that repeating the mistakes of the end of World War I, that we won a particular battle, and now everything will be OK, there are still countries closed to all the media and the information that the gentleman from Oregon spoke about. I want a Farsi language Voice of America broadcast into Iran talking about pluralism and democracy and what is going on in that country because the people there cannot get it. I want to listen to the countries of Eastern Europe who have come through the most horrible period imaginable and who say the need to continue these exchange programs and these radio things are very important to plant the roots of democracy strong.

I do not think these are irrelevant agencies anymore, and that is the debate. That is the discussion.

Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Chairman, at a time when domestic spending is being cut, no group understands the sacrifice to continue foreign aid more than the Congressional Black Caucus. We know the plight of the poor on the streets of America.

Yet, we are motivated to fight back at the inhumane cuts to the world's needy for two reasons. First, the cuts do not represent good business judgment. Our investment in education and development assistance in Asia after World War II paid off.

Today, these Asian countries are among our strongest economic powers—look at South Korea and Taiwan.

Africa with its rich mineral resources now represents the new potential for America's growing markets.

Also investments in education and development can save the continent from the human disasters like we have witnessed in Rwanda. The conflict in Rwanda was more about who could own the limited, overpopulated land, than it was about Hutu against Tutu.

Poverty breeds conflicts and terrorism. A small dollar investment now will save much larger sums later.

Our second reason is that America has not been as generous to countries in need as our Republican leaders would have us believe.

In the last 10 years, our international costs have been reduced 47 percent while our total national budget has increased 5.5 percent. Less than 1 percent of our national budget goes to foreign aid while the polls tell us the American public feels it should be at least 5 percent.

Japan has now replaced us as the largest donor, and we rank 21st or dead last in per capita giving among developed nations like Western Europe.

Republicans argue that the voluntary giving in America makes up for our poor performance.

But I can tell you from personal experience that other donor countries also have their Save the Children's, Oxfam's, YMCA's, and churches giving.

They also give generously and in many cases more generously than their U.S. counterparts.

Help us continue Martin Luther King's plea that injustice anywhere is a threat to justice everywhere.

Save the children of Africa and Bosnia by supporting us in restoring the cuts to Africa and peacekeeping.

Vote against H.R. 1561.

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Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Florida [Ms. ROS-LEHTINEN], chairman of our Subcommittee on Africa.

Ms. ROS-LEHTINEN. Mr. Chairman, I thank the gentleman from New York [Mr. GILMAN] for yielding this time to me.

Mr. Chairman, the bill brought to the floor by the Committee on International Relations contains dramatic changes in the organization and structure of our foreign affairs programs.

These changes are long overdue, and reflect the major changes that have taken place in the world since the United States assumed the responsibilities of world leadership in the post-World War II era.

Under Chairman GILMAN's very able leadership, the committee has drafted and reported a bill that well deserves the support of everyone in the U.S. House of Representatives.

In view of the enormous changes in the realities with which we conduct our foreign affairs, we in the committee have studied the organizations of these institutions, and we have concluded that they must change as dramatically as the world in which they must cope. The administration is incorrectly stonewalling our efforts to promote change in the foreign affairs agencies.

When we held hearings on these structural changes, the most recent Secretaries of State—Secretaries Eagleburger, Baker, and Shultz—endorsed these organizational changes.

They are needed to respond to the much changed circumstances in the world.

The second major challenge in crafting this bill was to cope with the clear message of the American people that financial undiscipline and massive budget deficits were no longer acceptable.

The bill makes major cuts in the cost of foreign affairs activities of our Government—cuts that are in line with the sacrifices that other Government programs are being asked to make.

The program funding cuts in this bill as responsible cuts—they are significant without being draconian.

If the program managers responsible for executing our Nation's foreign affairs programs set their minds to it, I am convinced that our Nation's foreign affairs interests can be fully protected, as these funding cuts are made.

The administration has launched its own strategic management initiative, which it claims will reinvent Government.

Unfortunately, the results of that reinventing Government effort, have been very disappointing.

Too many good ideas have been rejected or compromised away.

There are many people in the foreign affairs agencies who have tried to get agency management to stop the waste of public funds and to make cuts in the agencies' operations.

There are people in the State Department, for instance, who questioned the need for us to have more State Department political officers in Belize than the Government of Belize has in its own foreign ministry.

Proposals have been made to cut back on these overly expensive programs, but the proposals have been rejected.

There just has not been the will at the senior level to make the hard decisions that are inherently necessary if we are ever to balance the budget.

Now with the cuts in funding in this bill, and the cuts that I am sure will be contained in the appropriations bills, these changes are coming.

I think that in the end, with the leaner and more efficient foreign policy program that will emerge from this bill, our country will be better off.

I, therefore, urge all Members to support this bill.

Mr. GILMAN. Mr. Chairman, I thank the gentlewoman from Florida [Ms. ROS-LEHTINEN] for her remarks in support of the bill.

Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. KIM], a senior member of our Committee on International Relations.

Mr. KIM. Mr. Chairman, I rise in support of H.R. 1561, the American Overseas Interests Act.

This bill represents a much needed reduction in foreign aid spending and an overhaul in the bureaucracy.

Over the next 7 years, the plan outlined in this bill will save the American taxpayer $24 billion.

And, it will do so without jeopardizing key American foreign policy and our national security interests.

H.R. 1561 is designed to replace our current 1950's-vintage cold war foreign policy system with a modern model that looks ahead and meets the challenges of the 1990's and beyond.

The bill accomplishes this goal through two responsible reform packages: The first, America's foreign affairs bureaucracy: will be streamlined today, there is just too much duplication, overlap and waste among the four major foreign policy agencies. Look how confusing this is. H.R. 1561 eliminates three of these players—the Agency for International Development, the U.S. Information Agency, and the Arms Control and Disarmament Agency, and consolidates all of their responsibilities in the State Department.

This makes sense as the Secretary of State is the President's No. 1 foreign policy adviser. The result is more effective management, elimination of waste, and the ability to cut spending by $1.1 billion next year alone. Over 7 years it will save taxpayers $3 billion.

The second part of the bill's reform package is an overhaul of foreign aid spending:

Over the next 7 years, foreign aid spending will be cut by $21 billion.

These cuts are being made in a responsible way. They target waste and low-priority programs. Here is a sampling of the kind of wasteful spending we're eliminating: International Copper Study Group, International Cotton Advisory Group, International Seed Testing Association, International Rubber Study Group, and International Wheat Council.

Important programs that directly support American national security interests will continue to receive strong support. They include: narcotics control, anti-terrorism, nuclear disarmament, and Middle East Peace.

Through this bill, Americans will continue to be caring and compassionate to the truly needy. For example, the bill sets aside: $280 million for

Child Survival programs, $25 million for Vitamin A and other nutritional programs, and $15 million for the tropical disease prevention program.

Mr. Chairman, this is carefully crafted legislation that will provide the most cost-effective foreign policy benefit to the United States. I urge my colleagues to support this bill.

Mr. GILMAN. Mr. Chairman, I thank the gentleman from California [Mr. KIM] for his supporting remarks in favor of this measure.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I would like to thank the ranking member for yielding me an opportunity to speak.

Mr. Chairman, I rise to oppose this bill. I think it is a major retreat from our responsibilities as a world leader. As a sole remaining superpower in the world, the United States has the responsibility and an important opportunity to exert leadership on the world stage. The opportunity is in shaping the world to reflect our democratic ideals and principles so that we have a world of open societies and open markets. The responsibility is in providing leadership, strength, interest and humanitarian assistance.

Mr. Chairman, we have already seen what can happen when the United States withdraws from the global stage. If we choose to run away from our responsibilities and commitments, the rest of the world may come calling. They may visit us, in fact, in some violent and terroristic ways.

Now there are those in Congress who believe we are spending too much and that the price of being a superpower is too high. They prefer the rhetoric to the price tag. I disagree.

We have heard how they are going to save money through this bill. Let me emphasize in the first instance the reorganization saves no money. They move around little boxes on a chart, but in the final analysis those responsibilities are only moved to another agency where they will be performed there. It is only an expansion of bureaucracy.

They suggest that somehow they have a mandate to shrink our foreign commitments based on the November elections. The University of Maryland recently conducted a study of Americans on foreign aid, and what they found is that Americans actually do support foreign aid. It is just that they believe we are spending a lot more than we really are.

When Americans were asked how much the United States spends on foreign aid, the average answer was we are spending about 15 percent of the Federal budget on foreign aid. When asked how much they felt would be an appropriate figure, they said about 5 percent.

Let me set the record straight. Right now we are only spending 1 percent, so in actuality, when we educate the American public, we find that their expectations of our role in world leadership and our actual expenditures are in fact in line.

There is simply a lot of reasons why we should support foreign aid. I would like to talk about two reasons in particular.

The cuts in this bill for Africa would force us to shut down many of the programs which help make countries—which help countries making a difficult transition from totalitarianism to democracy and to open economies from communism. It will hurt our efforts to open markets in countries such as Ghana, where United States exports have doubled in recent years. It will harm efforts to slow population growth where we have succeeded in Kenya and Zimbabwe, and it will undermine future efforts to prevent humanitarian disasters such at those of Somalia, Rwanda, and Angola.

In addition to harming our efforts in Africa, the bill would also harm our ability to support our Latin American and Caribbean neighbors. This bill cuts aid to that region by 25 percent, keeping in mind we are only spending 1 percent of the national budget on foreign aid. Political reforms in the Western Hemisphere and resulting economic stability have encouraged the strengthening of economic ties between this region and the United States. Trade is a winning proposition between the United States and Latin America and the Caribbean. It is the fastest growing export market in the world for our goods. It is the only region where the United States enjoys a trade surplus.

Open markets will also promote economic development in poor Latin American and Caribbean countries. This will help stem the flow of illegal immigration to the United States.

Finally, foreign aid in the form of preventive diplomacy and international affairs will be our least costly and most effective line of defense. Many Americans have sacrificed, some have even died, for our role as a world leader. Now is not the time to abdicate that role. Leadership does have a price tag. But I think, once the American people understand that that price tag is really a small proportion of our budget, they will support our current aid priorities and will leave us to continue our role as a true world leader.

Mr. HAMILTON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, I thank the distinguished ranking member, the gentleman from Indiana [Mr. HAMILTON], who we in Indiana are very proud of, and I congratulate the new chairman of the committee for his hard work on this bill. I would like to focus in my 2 minutes attention a little bit more on the problem in Chechnya. I know that this is a very foolhardy and brutal war that the Russians are conducting in Chechnya. It threatens the internal efforts the Russians are making toward democracy in a free market system.

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It almost threatened the Russians' ability to gain access to the $6.2 billion loan that they acquired through the International Monetary Fund, which the United States is the largest guarantor of. We cannot allow the Russians to continue to spend in some estimates up to $2 billion to fight a war that is foolish, that is brutal, and that contains a host, a myriad, of human rights violations.

Mr. Yeltsin in a recent meeting with President Clinton in Russia backtracked on his commitment to end this war. He said, first, this is an internal matter, and, second, there is no war there. We are merely confiscating some weapons. Nothing is going on. Nobody is being hurt, nobody is being killed.

It is in the direct United States foreign policy interests to end this war and have a proactive and constructive relationship with Russia. I will hope to offer two amendments, first, a sense of the Congress condemning this ongoing Russian war in Chechnya; second, an amendment that will cut 10 percent of aid to Russia, to send them a very strong signal that we think Mr. Yeltsin should not say this is an internal matter, he should not say this is confiscating weapons. This is a foolhardy and brutal war that must end now.

Mr. HAMILTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is not an ordinary authorization bill. I think all of us would agree that these are not ordinary times and that the President and the Congress face extraordinary new challenges in this post-cold-war period, threats posed by Iran and Iraq, Bosnia, Russia, NATO expansion, Middle East peace, non-proliferation, and population growth. These are some of the problems that confront the President and the Congress. They are very formidable challenges.

I think the key question we ought to ask ourselves as we engage in this debate is does the bill give the President the means to confront the challenges to American foreign policy that now exist? Does it enable the President of the United States to do what all of us want him to do, and that is to lead in the world?

I will oppose this bill for three reasons: First, I oppose it because it mandates reorganization of the foreign policy bureaucracy. I do not believe that the proponents of the bill have provided us any rationalization for this reorganization. We have had very little time to consider the implications of the reorganization proposal, and, so far as I am able to see, as indeed one of the members of the majority on the committee acknowledged in debate, is that the bill merely shuffles boxes on a chart. It represents micro-management by the legislative branch of the executive branch without any evidence of cost saving or benefit to U.S. foreign policy.

So far as I can see, there is no relationship between the reorganization plan presented in this bill and the problems with the making and implementation of American foreign policy, which surely exists. But there is no tie between those problems and the reorganizational changes that are made here. It is reorganization for reorganization's sake.

USIA, ACTA, and AID have missions and expertise that are really quite distinct from the Department of State. These missions serve U.S. interests and would likely be lost, or at least diminished, in a massive new State Department bureaucracy.

Let me simply call to the attention of my colleagues that what this bill does is create a massive State Department. It doubles the number of employees in the State Department. It triples the budget of the State Department. And that is a Department, to put it kindly, that has not been known for its management efficiencies. But we are doubling it and tripling it in size. Rather than make foreign policy more coherent, I think you really just create a massive Department and you diminish important voices like USIA, ACTA, and AID.

It is worth noting that the Clinton administration has already made some significant changes, streamlining, achieving reductions, and cost savings. I think I would be among the first to acknowledge that they have not done enough and we should press them to do more. But the Congress of the United States should not be telling the executive branch how to organize its business. Basically what we should tell them is we will support them so long as they do things right, we will criticize them when they are wrong, and we will look to results. But we should not tell a President how he is organizing his own executive branch, at least under ordinary circumstances.

If you compare this reorganization that is taking place in the foreign policy establishment with the kind of reorganizations that have taken place in the Defense Department, and are now taking place in the intelligence community, you can see that there simply is no comparison, there is no rationale here, there is no Bottom-Up Review. There is no time for consideration of the proposals, and I simply do not have a good idea of what this reorganization will do to the operation of American foreign policy.

Now, the second reason that I oppose this bill is because it cuts drastically the resources this President, or any President, has to conduct American foreign policy. I do not think it is an exaggeration to say that the bill will force the United States out of the game as a player in major parts of the world. If we are not permitted to put up the resources, then we are not going to be able to lead.

Several speakers have pointed out the advantages that come from foreign assistance. Foreign assistance is one of the tools that a President of the United States has in the conduct of American foreign policy. Those tools, of course, include military power, diplomacy, economic power, trade, and foreign aid. And not for a minute would I put foreign aid as among the most important tools of a President, but in certain circumstances it can be a very important tool. It can promote U.S. security and reduce U.S. defense spending, because it costs less to address problems before they become threats to U.S. security.

Foreign assistance, for example, enabled us to persuade Ukraine, Belarus, and Kazakhstan to become nonnuclear weapons States. Foreign assistance directly benefits the United States. Eighty percent of the aid procurement goes directly to American firms and nongovernmental organizations, creating, I might say, jobs in America.

Foreign assistance has certainly developed markets and increased U.S. exports. Most of the growth in United States exports today come from the developing world, in countries such as those in the former Soviet bloc, which are now in a transition to a free market.

We agree with our colleagues on the other side of the aisle that the time calls for reduced government. We agree that savings can be made in this budget. But we think that it has been cut far too much with the proposals in this bill.

Foreign assistance has been cut 40 percent in the last decade. There are very few accounts in the Federal Government's budget that have been cut more than the foreign assistance budget in the last 10 years.

In 1985, foreign assistance was 2.5 percent of the budget. Today it is approximately 1 percent. We all know that the Federal budget cannot be balanced by deep cuts in foreign aid which, as other speakers have said, represents less than 1 percent of the Federal spending. But let me just put on the record the degree of cuts that this bill provides.

In developmental assistance, $442 million. That is 34 percent below what the President says he needs. The Development Fund for Africa has been cut $173 million. That is 21 percent below the President's request. Assistance for Latin America and the Caribbean has been cut by approximately $213 million. That is 25 percent below the President's request. Assistance for Eastern Europe and the Baltics has been cut by $155 million. That is about 32 percent below the President's request. Cuts for the New Independent States in the Soviet Union have been cut $145 million. That is 18 percent below the President's request. Cuts for contributions to international organizations have been cut $209 million. That is 14 percent below the President's request.

Now, I am prepared to stipulate that we do not need to give everything to the President that he has requested here. I myself favor some reductions. But these cuts in this bill I think you would acknowledge are very dramatic, draconian cuts. Keep in mind, these cuts are only the first installment, because as you go down the line under the House budget resolution, the cuts become much deeper and much more extreme. The result, I think, is that you seriously undermine the President's ability to use one of the important tools that he has available in the conduct of American foreign policy.

Now, the third reason I oppose this bill is that it includes many provisions, policy provisions, that restrict a President's ability to conduct foreign policy. It reduces our ability to follow through on the North Korean framework agreement. It derails our steady support for democratic and market reform in the New Independent States. It weakens our leverage in the international institutions. It changes our refugee policies in ways that threaten to open up our borders to tens of thousands of new immigrants.

Many of these provisions in the bill are complicated, vague, and ambiguous. On several occasions the sponsors of the amendments could not tell us what countries would be affected other than perhaps a specific country that was specifically targeted.

We simply do not know the impact of many of these amendments. And while it can be said that any one of these amendments may very well have merit, the fact is that when you put all of these amendments together in this bill, dozens of them, dozens of amendments, the cumulative effect of those amendments is you tie a President's hands in knots when he tries to conduct American foreign policy.

This bill ties the hands of the President in China. It undermines the 1982 United States-China agreement on arms sales to Taiwan. It eliminates the President's discretion to decide what leaders from Taiwan may visit the United States. It mandates a special envoy to Tibet.

The bill ties the President's hands on Russia. It requires a cutoff of assistance if the President cannot certify improved Russian behavior in Chechnya, if a country sells nuclear equipment, dual use items or military equipment to Iran or other states on the terrorism list. Not only will this sweeping provision cut off all assistance to Russia, which has been a critical component of American policy, it almost certainly would cut off assistance to Poland, Hungary, and several other Eastern European states.

This bill requires the cutoff of assistance to any country that blocks the delivery of humanitarian assistance. That probably cuts off aid to Turkey. It could very well cut off aid to Israel. If Israel decides for security reasons, for example, to stop a single shipment to Gaza or Jericho, its aid would have to be cut off. Because of the Greek embargo on the former Yugoslav Republic of Macedonia, this provision could potentially lead to a cutoff of assistance to Greece.

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The bill opens wide the door for a vast expansion of illegal immigrants, especially from the People's Republic of China. By offering asylum to victims of coercive populations programs, the bill offers political asylum to millions of Chinese. This provision will facilitate Chinese alien smuggling into the United States. The bill requires the United States to admit and help resettle elsewhere all Vietnamese, all Laotians, all Cambodian refugees who have failed to qualify for resettlement.

Mr. Chairman, the bill prohibits assistance to countries that consistently oppose the United States in the U.N. General Assembly. That could be a slap at a number of countries, for example, India, and also hurts countries too poor to have an ambassador resident in New York to vote.

This bill prohibits United States assistance to countries that engage in nonmarket trade with Cuba. That could be applied to Russia. It might be applied to Mexico. I am told it might even apply to Ireland.

This bill not only makes deep cuts in development assistance and the development for Africa, but it earmarks two-thirds of what is left for a very worthy purpose: child survival resources, which all of us support. But as you diminish the total number of resources in the bill and then earmark two-thirds of what is left, it means you reduce money for microenterprise lending, agriculture, family planning and health.

Well, the President then is going to be severely restricted by the passage of this bill, and this bill is going to be seen across the world as a retreat from our ability to lead. It signals a retreat from world leadership and a stepping back from world responsibilities.

I really do not think that this House wants to send that message to the world today. This debate is not really about shuffling boxes in a reorganization scheme or cutting bureaucracies. It is about the President's ability to carry out his constitutional role to conduct American foreign policy. I believe this bill undermines our ability to support America's security, to advance America's interests, and to lead in the world.

We are the world's only superpower. We have today an extraordinary opportunity, an unprecedented opportunity to shape the world, to open up societies, and to develop free markets. But we cannot do it, we cannot do it if we impose draconian cuts on resources and we engage in an assault on the President's power to conduct American foreign policy.

For these reasons, my colleagues, I urge a "no" vote on the bill.

I. INTRODUCTION

This is not just an ordinary authorization bill, and these are not ordinary times. The cold war is over, but we face new challenges: Bosnia, Russia, NATO expansion, Middle East peace, threats posed by Iran and Iraq, nonproliferation, and population growth. These are problems that this President is confronting, and that the next President—Republican or Democrat—will also confront.

As we engage in debate and deliberation on H.R. 1561, I think we should be asking this basic question: Does this bill give the President the means to confront the challenges we face in the world today?

II. WHAT'S IN THIS BILL

Bill summary—This bill has three components: First, it abolishes three agencies—AID, USIA, and ACDA—and rolls them into the State Department. This bill creates a massive State Department super-bureaucracy, doubling the number of employees and tripling the budget managed by the Department, without providing either cost-savings or improvement in foreign policy performance.

Second, this bill cuts international programs by $2 billion below the President's request, and $1 billion from fiscal year 1995 appropriations. Foreign aid is hit hardest.

Third, this bill is replete with policy restrictions and earmarks that hamstring the President. In country after country, this bill subjects important bilateral relationships to a single-issue litmus test. It sets a new standard for micromanagement and poorly-drafted provisions.

III. PROBLEMS WITH THE BILL

A. Reorganization—I will oppose this bill because it mandates reorganization of the foreign policy bureaucracy.

Proponents have provided no rationale for the reorganization. The committee had little time to study the proposal and little consideration was given to its implications.

This bill merely shuffles boxes on a chart. It represents micromanagement without any evidence of cost-saving or benefit to U.S. foreign policy.

There is no relationship between the reorganization plan in this bill and the problems we confront in the world. There is no effort to tie these reorganization proposals to any improvement in American foreign policy.

USIA, ACDA, and AID have missions—and expertise—quite distinct from the State Department. These serve U.S. interests and would likely be lost in a massive new State Department.

Rather than make foreign policy more coherent, reorganization will simply create a massive State Department bureaucracy, doubling the number of employees and tripling the current budget. All this in an agency notoriously weak on management.

Under the Clinton administration, the foreign policy agencies are already streamlining and achieving significant reductions and cost-savings. Under the Clinton administration, staff already has been reduced by 2,300 in these foreign policy agencies, contributing to $500 million in cost savings so far. The administration has pledged to cut another $5 billion from the international affairs budget from 1997 through the year 2000.

Yet the Congressional Budget Office has not done any study on the potential cost savings that would result from the consolidation mandated by this bill.

Compare this consolidation to the comprehensive review of the Pentagon under one of our former colleagues, Les Aspin, whose passing we mourn this week. Compare this bill to the comprehensive review of intelligence community now underway in the administration.

There is no comparison. There is no rationale, no Bottom-Up Review behind this reorganization proposal. I have looked at this bill, and I simply do not have a good idea what it will do to the operation of American foreign policy.

Reorganization is a needless distraction from the real issues facing American foreign policy. It is a drain on the resources of senior officials who should be devoting their time and talent to the genuine problems of U.S. foreign policy.

B. Cutting resources—the second reason I will oppose this bill is that it cuts drastically the resources this President—or any President—needs to conduct U.S. foreign policy.

This bill will force the United States out of the game as a player in major parts of the world. The United States cannot lead without resources.

Foreign assistance promotes U.S. security and reduces defense spending because it costs less to address problems before they become threats to U.S. security. Foreign assistance, for example, enabled us to persuade Ukraine, Belarus, and Kazakhstan to become non-nuclear weapons states.

Foreign assistance benefits the United States directly. Nearly 80 percent of aid procurement goes directly to American firms and non-governmental organizations.

Foreign assistance develops markets and increase U.S. exports. Most growth in U.S. exports comes from the developing world, and countries—such as those in the former Soviet bloc—that are now in transition to a free market.

We agree with our colleagues in the majority that the times call for reduced government. We agree that savings can be found in the international affairs budget.

But foreign assistance has already been cut by 40 percent in the last decade. In 1985, foreign assistance was 2.5 percent of the budget. Today it is 1 percent. The Federal budget cannot be balanced by deep cuts in foreign aid, which represents less than 1 percent of Federal spending.

This bill: Cuts development assistance by $442 million, or 34 percent below the President's request; cuts the Development Fund for Africa by $173 million, or 21 percent below the President's request; cuts assistance for Latin America and the Caribbean, according to the administration's best estimates, by $213 million, or 25 percent below the President's request; cuts assistance for Eastern Europe and the Baltics by $155 million, or 32 percent below the President's request; cuts assistance for the New Independent States of the former Soviet Union by $145 million, or 18 percent below the President's request; and cuts our contributions to international organizations by $209 million, or 14 percent below the President's request.

Further cuts in foreign assistance are necessary, and appropriate. But the cuts in this bill are wrong, they are extreme, and they are draconian.

C. Policy provisions—The third reason I will oppose this bill is that it includes many policy provisions that restrict the President's ability to conduct foreign policy.

It reduces our ability to follow through on the North Korean framework agreement.

It derails our steady support for democratic and market reform in the New Independent States.

It weakens our leverage at the United Nations and in other international institutions.

It changes our refugee policies in ways that threaten to open up our borders to tens of thousands of new immigrants.

Many of these provisions are complex, vague, and ambiguous. Many of the sponsors could not say what countries their amendments would affect, other than the country specifically targeted. We do not know a lot about the impact of these amendments. Any single amendment may have merit, but the cumulative effect is to tie the President in knots.

This bill ties the President's hands on China. It undermines the 1982 U.S. agreement with China on arms sales to Taiwan; eliminates the President's discretion to decide which leaders from Taiwan may visit the United States; and mandates a United States Special Envoy on Tibet.

This bill ties the President's hands on Russia. It requires a cutoff of assistance if the President cannot certify improved Russian behavior in Chechnya; and, if a country sells nuclear equipment, dual-use items or military equipment to Iran or other states on the terrorism list.

Not only would this sweeping provision cut off assistance to Russia, it would almost certainly cut off assistance to Poland, Hungary, and several other friendly countries in Eastern Europe.

This bill requires the cutoff of assistance to any country that blocks the delivery of U.S. humanitarian assistance. This will cut off assistance to Turkey. It could cut off assistance to Israel if Israel decides for security reasons to stop a single United States shipment to Gaza or Jericho. Because of the Greek embargo of the former Yugoslav Republic of Macedonia, this provision could potentially lead to a cutoff of United States assistance to Greece.

This bill will open the door wide for a vast expansion of illegal immigrants, especially from the People's Republic of China. By offering asylum to "victims of coercive population programs," the bill offers political asylum to a billion Chinese. This provision will facilitate Chinese alien smuggling to the United States.

This bill requires the United States to admit or help resettle elsewhere all Vietnamese, Laotians, and Cambodian refugees who have failed to qualify for resettlement.

This bill prohibits assistance to countries that consistently oppose the U.S. position in the U.N. General Assembly. This is a slap to India, and also hurts countries too poor to have an ambassador resident in New York to vote.

This bill prohibits U.S. assistance to countries that engage in nonmarket trade with Cuba. This could be applied to Russia, Mexico, and even Ireland.

This bill not only makes deep cuts in development assistance and the Development of Africa, it earmarks two-thirds of what's left. It increases child survival resources, which we all support, but takes away resources for other important programs—microenterprise lending, agriculture, basic education, and family planning and health.

IV. CONCLUSION: FUNDAMENTAL QUESTIONS

The President has a handful of tools with which to conduct foreign policy and protect national security: he can use military force, he can use diplomacy, he can use economic leverage, and he can use foreign assistance. If we pass this bill, we will be limiting his ability to use three of those tools.

The bottom line is simple: This bill signals a retreat from world leadership, a stepping back from world responsibilities.

I don't think that is the message this House wants to send to the world. This debate is not really about shuffling boxes, or cutting bureaucrats. It is about the President's ability to carry out his constitutional role to conduct American foreign policy.

I believe this bill undermines our ability to support America's security, to advance America's interests, and to lead in the world. We are the world's only superpower. We have an extraordinary opportunity to shape the world—open societies and free markets. But we cannot do it if we impose draconian cuts on resources and engage in an assault on the President's authority to manage and to conduct American foreign policy.

I urge a "no" vote on this bill.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. BURTON], the distinguished chairman of our Subcommittee on the Western Hemisphere.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding time to me. I hate to rise and oppose my good friend and colleague from Indiana, but I think there are some things that should be pointed out.

He said in his very eloquent speech just a moment ago that this bill is going to hurt our security and hurt the President's ability to conduct foreign policy. The President just got back from Moscow. When he went to Moscow he was going to say something to the Russian President, Mr. Yeltsin, about selling nuclear technology to Iran. And he was also going to talk about the atrocities that are taking place in Chechnya at the hands of Russian troops and try to get that stopped. Neither of those policies were reversed by the Russian Government.

The Russian leaders said in a joint press conference, in effect, keep your nose out of our business, just keep the foreign aid coming. And they are going to go ahead and sell nuclear technology to the Iranians who want to build an international ballistic missile system or at least short-range missile systems to enhance their power in that part of the world. They want to have the nuclear technology so they can build nuclear warheads, and we are allowing them to be sold. Our President was not able to stop that.

Now, how are we hurting national security when our leader goes over there and cannot get the job done? The way we deal with it is for Congress to send a message. The Congress is sending a message in this bill. We are saying to the Soviets, you sell that technology to the Iranians and there is a penalty that is going to be incurred. The security of the world is at risk because we have a bunch of nuts over there in Iran running that country. We know about their terrorist activities.

Now regarding the requirement in the bill that says that, if you do not vote with the United States at least 25 percent of the time, get that, 25 percent of the time in the United Nations, we are not going to give you foreign assistance. Does that sound unreasonable?

Is it unreasonable for the American taxpayers' dollars not going to a country that only votes with us 25 percent of the time? I mean, if you ask anybody in this country, do you think your tax dollars should go to a country that votes against us over 75 percent of the time in the United Nations every time we have a major issue, they would say, heck no. They ought to vote with us at least 50 percent of the time. This bill only says 25 percent of the time.

There are countries that will be penalized because they vote against us all the time, and they are getting hundreds of millions of dollars of taxpayers' money. That is wrong.

This bill is a good bill, it is well balanced. It sends a very strong signal around the world and to the administration as well: Be strong in foreign policy and we are going to be strong.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New Jersey [Mr. MENENDEZ].

Mr. MENENDEZ. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to H.R. 1561. I am afraid that the title of the bill should not be the American Overseas Interests Act. It should be really called the American Overseas Isolationist Act of 1995.

Just yesterday the Speaker of the House said in a speech before the Council of the Americas that Republicans are not neoisolationists. He said that America must listen, learn, help, and lead. But this bill belies that statement. Were it to pass, it would demonstrate that a majority of Republicans in this House are indeed isolationists.

Mr. Chairman, in this bill we are not listening, as the Speaker suggested. The other nations of the world are listening, and the message they hear is "stay engaged." But that message has fallen on deaf ears to many in this Chamber. It is hard to understand my friends on the other side of the aisle. They are big promoters of international trade, but they do not want to stay engaged in a manner that provides the stability for that trade to take place.

They do not want the United Nations to lead, but they do not want America to lead either. So who leads?

Mr. Chairman, in this bill we are not learning either. During the post-World-War-II era, America was at her best when she did learn the lessons of war. America helped to rebuild the free world and organize the most awesome alliance for peace and freedom the world has ever known. It led that alliance to victory over communism during the cold war. But now that the cold war is over, we want to stick our heads in the sand and wish all of the world's problems away. Instead of sewing the seeds for economic prosperity, we are seeking massive cuts in programs that promote development, U.S. economic interests, and the sales of American products abroad.

Take a look at the Japanese approach in their own backyard, the Asia-Pacific region. Right now the Japanese Government is busy priming the pumps of the emerging Asian developing countries with huge amounts of development assistance. They do not consider them handouts. These are investments that are going to lock in, for the Japanese, tremendous economic benefits in terms of exports of goods and services for the Japanese well into the 21st century.

They gave $5 billion alone to that region, but it paid off handsomely for them. They grew their exports by 57 percent to $145 billion. We are not doing the same. We are falling behind, and I am concerned that that gap will create a tremendous problem for us in our exports, which means jobs here at home.

Export growth is not a luxury we can do without. It is a requirement for the basic health of our domestic economy. It is a requirement for the basic health of our domestic economy. It is a requirement if we are to provide American workers with high-paying, high-skilled jobs.

Mr. Chairman, in this bill we are not helping either. Quite the contrary, we are sending a clear message to the world and to our allies that we do not want to help and that we prefer to look inward.

Finally, Mr. Chairman, in this bill we have no intention of leading. After spending trillions of dollars in conflicts throughout the world, we are about to withdraw. When has America ever been afraid to lead?

America has been the greatest and is the greatest, most powerful country in the world. Not only can it lead, it must lead. My colleagues, let us really do what Speaker GINGRICH suggested, listen, learn, help, and lead.

Vote this bill down. I urge a "no" vote on the America Overseas Isolationist Act of 1995.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Florida [Mr. JOHNSTON], an important member of the committee.

Mr. JOHNSTON of Florida. Mr. Chairman, I rise in very vigorous and strong opposition to House Resolution 1561. The foreign assistance bill represents, as my previous speaker said, a return to isolationism. This is at its height. I really feel that I am in a time warp going back to the early 1920's when Henry Cabot Lodge, Sr. got us out of the League of Nations. We are now becoming the isolationist country of the world.

We live in a unipolar world. The United States is the lone remaining superpower on Earth. Our actions will profoundly affect the nature of the world in which we live.

U.S. foreign assistance supports historic traditions to free market democracies, which are occurring across the globe. As the previous speaker said, look what happened when we poured into South Korea during all these years in foreign assistance, and it is returning to us doubly now in the trade that we have there.

The records show that democracies do not go to war with democracies. And the spread of democracy is directly in the United States national security interests. The growth of market economies around the world, providing new markets for United States exports, is in the economic interest of the United States.

Americans are, thankfully, a moral people. We are our brother's keeper, and provision of humanitarian aid to the world's poorest people is in our moral interest.

The severe cuts in the bill ignore United States interests, moreover. I am sure it has already been quoted but let us go back and look at the New York Times poll that was published 2 weeks ago. I am convinced that the Contract for America was written by a pollster, but he really missed the boat on this one.

It found that Americans thought that 15 percent of foreign aid is too high and too much, but 5 percent is about right and 3 percent would be too little. We are now giving less than 1 percent of our budget to foreign aid.

I oppose many of the specific provisions in the bill. Consolidation will create one huge unwieldy megabureaucracy. It will reduce accountability, shift the Secretary of State's attention from policy to program management and will wash down and water down the specialized functions of each agency.

In particular, it will, by merging all into the State Department, subsume development priorities to the day-to-day management of diplomacy.

I vigorously oppose many of the provisions in the other sections of the bill. Cut the population programs; you talk about degradation of the environment; wait until this comes along; Development assistance cuts and peacemaking cuts will cripple our efforts in vital areas.

But perhaps above all else, I oppose the 22 percent slash in our assistance to Africa. We now give $600 million to 600 million people. I believe that this cut is immoral, will necessitate huge future expenditures on preventive humanitarian prices. We could have stopped the crisis in Somalia in which we dropped $1.5 billion or the crisis in Rwanda, where we dropped $600 million, if we had gotten in their earlier with humanitarian assistance.

Mr. Chairman, I strongly urge a no vote on this bill.

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Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Chairman, I rise in reluctant opposition to this bill. The legislation before us today represents a retrenchment of U.S. foreign policy in the post-cold-war era. For the past 40 years we fought the cold war and we prevailed. Now a wave of neoisolationism has taken over and this Congress is preparing to walk away from our responsibilities as a world leader. This bill is destructive not only to the foreign policy apparatus of this government, but the massive budget cuts that will result from it are unwise and shortsighted.

Furthermore, this bill proposes the elimination of three agencies, without even a hint of what the cost will be. During the committee markup, an amendment was offered that is totally consistent, even with the Contract With America, requiring a cost-benefit analysis of the proposal so Congress may understand the costs that we are about to incur as a result of adopting this consolidation legislation. Unfortunately, the majority oppose the cost-cutting benefit proposal in a year when they are otherwise zealously committed to its rigorous application in the conduct of Government's affairs. This inconsistency is striking, to say the least

On the foreign aid side of the ledger, the bill offered today cuts development assistance massively, with a 20-percent cut alone for the development fund for Africa. I vigorously oppose these cuts at a time when, magically, there are sufficient funds available to increase foreign military sales within the bill. I must wonder how we can have more for military sales when the basic development accounts are being stripped bare.

Mr. Chairman, I am also deeply concerned about the future of aid to Israel. Israel has taken great risks by undertaking the peace process with Jordan, the Palestinians, and the Arab countries in the region. Yet, we are rapidly moving towards isolating Israel, Egypt, and the Middle East peace allocations within a rapidly shrinking foreign aid budget. This is a dangerous precedent which will leave the Middle East peace process hanging out, almost alone, vulnerable to future cuts when the peace process may require larger, rather than smaller, allocations in order to be implemented.

Mr. Chairman, I am glad that this bill takes care of Israel this year. If it is the intent to take care of the few to the detriment of all others, I will not but it. I will not be put in a position of being for myself alone.

Mr. Chairman, during the past decade we worked in a bipartisan fashion to craft a foreign aid bill that could receive the support of both sides. Today we have a bill that is designed to undermine our President and Secretary of State by devastating cuts to our foreign policy agencies and to the worldwide assistance which serves to buttress U.S. foreign policy objectives.

Mr. Chairman, the destruction in this bill may be popular with the majority today, but the implications for tomorrow should give us pause before this Congress enacts such shortsighted legislation.

Mr. Chairman, I urge the defeat of this bill.

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, first let me say that my opposition to this bill, very categorically, does not diminish the great respect I have for the gentleman from New York, BEN GILMAN, and his leadership on foreign policy issues for many, many years. I want to commend the gentleman from Indiana [Mr. HAMILTON] once again for being steadfast to the bipartisanship that has always existed in our foreign policy, and which, regrettably, seems to be ending this year with political documents, H.R. 7, and now this piece of legislation.

Suffice it to say, Mr. Chairman, that the Secretary of State of the United States says that this bill "wages an extraordinary assault on this and every future President's constitutional authority to manage foreign policy." That is pretty strong language. I believe we should pay heed to that language. We are strangling the Executive Branch's ability to conduct foreign policy.

What this bill does is virtually eliminate our opportunity to negotiate with the North Koreans, which is happening at this very moment on the nuclear framework agreement. It eliminates any kind of leverage that we would have with the North Koreans, the South Koreans, and all those participating in this very key initiative.

It limits the President's ability to deal with migration and refugee affairs which is becoming increasingly important in this interdepartmental world. On the shores of our own country, our borders, this bill drastically restricts our ability to deal with their issue. Our relationship with China is jeopardized by this bill, and our relationship with the new independent states is jeopardized. This bill reduces the assistance that we need to give them to keep them not just market-oriented and democratic, but moving in the direction that we want in terms of NATO and the power relationship in Europe.

This bill also severely restricts the President's ability to reorganize the foreign policy machine. This bill abolishes important agencies, including AID, USDA, and USIA, that right now conduct our foreign policy, and without any administration consultant. It basically says we know best. We are going to abolish them, and we are going to decide what is best for the administration's conduct of foreign policy.

Most importantly, Mr. Chairman, this bill kills any kind of effort by the United States to be involved in development assistance. The bill would reduce development assistance by 34 percent, cut Africa's development assistance by 21 percent, a devastating cut, at the same time that in Latin America we have halved our development assistance. We are no longer players in that arena.

What would we have to do if this bill is passed? The administration would be forced to abruptly withdraw support for programs in up to 20 lower-income countries, beyond the 27 the administration is committed to terminating; but by not engaging in the developing world, we are simply arming Europe and Japan to beat us in the world of trade. This is not a good bill, and it should be defeated.

Mr. HAMILTON. Mr. Chairman, as I understand it, I have 1 minute remaining, and I yield that 1 minute to the distinguished gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise in strong opposition to this bill. This week the Republicans do for overseas interests what the new majority has done for the domestic agenda. They target assistance for the most needy, while preserving billions of dollars for military and security spending.

The promotion of peace and international development were once seen as vital to global peace and prosperity. They were also considered as important domestic priorities.

This bill reverses those policies. It cuts humanitarian assistance for education, AIDS prevention, and agricultural research; abolishes AID; and cripples international peacekeeping operations. It means death for hundreds of thousands of innocent children in Africa, and many more civilian casualties in the Balkans.

This so-called Overseas Interests Act instead invests in arms. Billions more are wasted on military hardware in the Middle East—one of the most heavily armed regions in the world.

The foreign assistance cuts will not even make a dent in the deficit. Only 1 percent of the Federal budget is spent on foreign aid. Even less goes towards development assistance.

While the world calls out for opportunity and brotherhood, this bill offers isolation and indifference. For international peace and prosperity, and domestic sanity, I urge my colleagues to vote "no."

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HAMILTON] has expired.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I fully agree with the gentleman from Indiana [Mr. HAMILTON] that this bill makes significant changes. My colleagues, if you want to reduce the foreign aid budget, I urge you to vote for this bill. If you want to bring about savings in our State Department budget by consolidating the three agencies of the Federal Government, then vote for this bill. If you support aid for antiterrorism assistance, counter-narcotics programs,and assistance for stabilizing the Middle East, you should vote for this bill. If you prefer the status quo, more bureaucracy and increased foreign aid spending, then your vote is "no." With the adoption of the Brownback amendment, this bill will be under budget. Secretary of State Warren Christopher earlier this year proposed consolidation. This bill will make it happen. I urge my colleagues to vote for this bill, the American Overseas Interests Act.

Mr. GILMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute, as modified, printed in the bill is considered as an original bill for the purpose of amendment, and is considered as having been read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 1561

Be it enacted by the Senate and House of representatives of the United States of America assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Overseas Interests Act of 1995".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Consolidation of Foreign Affairs Agencies.

(2) Division B—Foreign Relations Authorizations.

(3) Division C—Foreign Assistance Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title.
Sec. 102. Congressional findings.
Sec. 103. Purposes.
Sec. 104. Definitions.

TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 201. Effective date.
Sec. 202. References in title.

CHAPTER 2—ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 211. Abolition of United States Arms Control and Disarmament Agency.
Sec. 212. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 221. Reorganization plan.
Sec. 222. Coordinator for arms control and disarmament.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 241. References.
Sec. 242. Repeal of establishment of agency.
Sec. 243. Repeal of positions and offices.
Sec. 244. Transfer of authorities and functions under the Arms Control and Disarmament Act to the Secretary of State.
Sec. 245. Conforming amendments.

TITLE III—UNITED STATES INFORMATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 301. Effective date.

CHAPTER 2—ABOLITION OF UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 311. Abolition of United States Information Agency.
Sec. 312. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 321. Reorganization plan.
Sec. 322. Principal officers.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 341. References.
Sec. 342. Abolition of Office of Inspector General of the United States Information Agency and transfer of functions to Office of Inspector General of the Department of State.
Sec. 343. Amendments to title 5.
Sec. 344. Amendments to United States Information and Educational Exchange Act of 1948.
Sec. 345. Amendments to the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act).
Sec. 346. International broadcasting activities.
Sec. 347. Television broadcasting to Cuba.
Sec. 348. Radio broadcasting to Cuba.
Sec. 349. National Endowment for Democracy.
Sec. 350. United States scholarship program for developing countries.
Sec. 351. Fascell Fellowship Board.
Sec. 352. National Security Education Board.
Sec. 353. Center for Cultural and Technical Interchange between North and South.
Sec. 354. East-West Center.
Sec. 355. Mission of the Department of State.
Sec. 356. Consolidation of administrative services.
Sec. 357. Grants.
Sec. 358. Ban on domestic activities.
Sec. 359. Conforming repeal to the Arms Control and Disarmament Act.
Sec. 360. Repeal relating to procurement of legal services.
Sec. 361. Repeal relating to payment of subsistence expenses.
Sec. 362. Conforming amendment to the Seed Act.
Sec. 363. International Cultural and Trade Center Commission.
Sec. 364. Foreign Service Act of 1980.
Sec. 365. Au pair programs.
Sec. 366. Exchange program with countries in transition from totalitarianism to democracy.
Sec. 367. Edmund S. Muskie Fellowship program.
Sec. 368. Implementation of convention on cultural property.
Sec. 369. Mike Mansfield Fellowships.

TITLE IV—AGENCY FOR INTERNATIONAL DEVELOPMENT

CHAPTER 1—GENERAL PROVISIONS

Sec. 401. Effective date.
Sec. 402. References in title.

CHAPTER 2—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 411. Abolition of Agency for International Development and the International Development Cooperation Agency.
Sec. 412. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 421. Reorganization plan.
Sec. 422. Principal officers.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 441. References.
Sec. 442. Abolition of Office of Inspector General of the Agency for International Development and transfer of functions to Office of Inspector General of the Department of State.
Sec. 443. Abolition of Chief Financial Officer of the Agency for International Development and transfer of functions to Chief Financial Officer Department of State.
Sec. 444. Amendments to title 5, United States Code.
Sec. 445. Public Law 480 program.

TITLE V—TRANSITION

Sec. 501. Reorganization authority.
Sec. 502. Transfer and allocation of appropriations and personnel.
Sec. 503. Incidental transfers.
Sec. 504. Effect on personnel.
Sec. 505. Voluntary separation incentives.
Sec. 506. Savings provisions.
Sec. 507. Property and facilities.
Sec. 508. Authority of Secretary to facilitate transition.
Sec. 509. Recommendations for additional conforming amendments.
Sec. 510. Final report.
Sec. 511. Severability.

DIVISION B—FOREIGN RELATIONS AUTHORIZATIONS

TITLE XX—GENERAL PROVISIONS

Sec. 2001. Short title.
Sec. 2002. Definitions.

TITLE XXI—AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE AND CERTAIN INTERNATIONAL AFFAIRS FUNCTIONS AND ACTIVITIES

CHAPTER 1—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 2101. Administration of Foreign Affairs.
Sec. 2102. International organizations, programs, and conferences.
Sec. 2103. International commissions.
Sec. 2104. Migration and refugee assistance.
Sec. 2105. Certain other international affairs programs.
Sec. 2106. United States informational, educational, and cultural programs.
Sec. 2107. United States arms control and disarmament.

TITLE XXII—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

CHAPTER 1—AUTHORITIES AND ACTIVITIES

Sec. 2201. Revision of Department of State rewards program.
Sec. 2202. Authorities of Secretary of State.
Sec. 2203. Buying power maintenance account.
Sec. 2204. Expenses relating to certain international claims and proceedings.
Sec. 2205. Consolidation of United States diplomatic missions and consular posts.
Sec. 2206. Denial of passports to noncustodial parents subject to state arrest warrants in cases of nonpayment of child support.
Sec. 2207. Capital investment fund.
Sec. 2208. Efficiency in procurement.
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CHAPTER 2—CONSULAR AUTHORITIES OF THE DEPARTMENT OF STATE

Sec. 2231. Surcharge for processing certain machine readable visas.
Sec. 2232. Fingerprint check requirement.
Sec. 2233. Use of certain passport processing fees for enhanced passport services.
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CHAPTER 3—REFUGEES AND MIGRATION

Sec. 2251. United States emergency refugee and migration assistance fund.
Sec. 2252. Persecution for resistance to coercive population control methods.

Sec. 2253. Report to congress concerning Cuban emigration policies.
Sec. 2254. United States policy regarding the involuntary return of refugees.
Sec. 2255. Extension of certain adjudication provisions.

TITLE XXIII—ORGANIZATION OF THE DEPARTMENT OF STATE; DEPARTMENT OF STATE PERSONNEL; THE FOREIGN SERVICE

CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE

Sec. 2301. Coordinator for counterterrorism.
Sec. 2302. Special envoy for Tibet.
Sec. 2303. Establishment of Coordinator for Human Rights and Refugees, Bureau of Refugee and Migration Assistance, and Bureau of Democracy, Human Rights, and Labor.
Sec. 2304. Elimination of statutory establishment of certain positions of the Department of State.
Sec. 2305. Establishment of Assistant Secretary of State for Human Resources.
Sec. 2306. Authority of United States permanent representative to the United Nations.

CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE; THE FOREIGN SERVICE

Sec. 2351. Authorized strength of the Foreign Service.
Sec. 2352. Repeal of authority for Senior Foreign Service performance pay.
Sec. 2353. Recovery of costs of health care services.

TITLE XXIV—UNITED STATES PUBLIC DIPLOMACY: AUTHORITIES AND ACTIVITIES FOR UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

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Sec. 2401. Elimination of permanent authorization.
Sec. 2402. Extension of au pair programs.
Sec. 2403. Educational and cultural exchanges with Hong Kong.
Sec. 2404. Conduct of certain educational and cultural exchange programs in Asia.
Sec. 2405. Educational and cultural exchanges and scholarships for Tibetans and Burmese.
Sec. 2406. Availability of Voice of America and Radio Marti multilingual computer readable text and voice recordings.
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Sec. 2408. USIA office in Pristina, Kosova.

CHAPTER 2—INTERNATIONAL BROADCASTING

Sec. 2431. Expansion of Broadcasting Board of Governors.
Sec. 2432. Plan for Radio Free Asia.
Sec. 2433. Pilot project for freedom broadcasting to Asia.

TITLE XXV—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

CHAPTER 1—GENERAL PROVISIONS

Sec. 2501. International Boundary and Water Commission.

CHAPTER 2—UNITED NATIONS AND AFFILIATED AGENCIES AND ORGANIZATIONS

Sec. 2521. Reform in budget decisionmaking procedures of the United Nations and its specialized agencies.
Sec. 2522. Limitation on contributions to the United Nations or United Nations affiliated organizations.
Sec. 2523. Report on UNICEF.
Sec. 2524. United Nations budgetary and management reform.

TITLE XXVI—FOREIGN POLICY PROVISIONS

CHAPTER 1—MISCELLANEOUS FOREIGN POLICY PROVISIONS

Sec. 2601. Taiwan Relations Act.
Sec. 2602. Bosnia Genocide Justice Act.
Sec. 2603. Expansion of Commission on Security and Cooperation in Europe.

CHAPTER 2—RELATING TO THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK AND THE OBLIGATIONS OF NORTH KOREA UNDER THAT AND PREVIOUS AGREEMENTS WITH RESPECT TO THE DENUCLEARIZATION OF THE KOREAN PENINSULA AND DIALOGUE WITH THE REPUBLIC OF KOREA

Sec. 2641. Findings.
Sec. 2642. Clarification of nuclear nonproliferation obligations of North Korea under the agreed framework.
Sec. 2643. Role of the Republic of Korea under the agreed framework.
Sec. 2644. Further steps to promote United States security and political interests with respect to North Korea.
Sec. 2645. Restrictions on assistance to North Korea and the Korean peninsula energy development organization.

CHAPTER 3—BURMA

Sec. 2651. United States policy concerning the dictatorship in Burma.

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TITLE XXVII—CONGRESSIONAL STATEMENTS

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Sec. 2702. Territorial integrity of Bosnia and Herzegovina.
Sec. 2703. The Laogai system of political prisons.
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Sec. 2705. Declaration of Congress regarding United States Government human rights policy toward China.
Sec. 2706. Concerning the United Nations Voluntary Fund for Victims of Torture.
Sec. 2707. Recommendations of the President for reform of war powers resolution.
Sec. 2708. Conflict in Kashmir.
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Sec. 2710. Sense of the Congress relating to Indonesia.
Sec. 2711. Displaced persons.

DIVISION C—FOREIGN ASSISTANCE AUTHORIZATIONS

Sec. 3001. Short title.
Sec. 3002. Declaration of policy.

TITLE XXXI—DEFENSE AND SECURITY ASSISTANCE

CHAPTER 1—MILITARY AND RELATED ASSISTANCE

SUBCHAPTER A—FOREIGN MILITARY FINANCING PROGRAM

Sec. 3101. Authorization of appropriations.
Sec. 3102. Administrative expenses.
Sec. 3103. Assistance for Israel.
Sec. 3104. Assistance for Egypt.
Sec. 3105. Loans for Greece and Turkey.
Sec. 3106. Terms of loans.
Sec. 3107. Nonrepayment of grant assistance.
Sec. 3108. Additional requirements.

SUBCHAPTER B—OTHER ASSISTANCE

Sec. 3121. Defense drawdown special authorities.
Sec. 3122. Stockpiles of defense articles.
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CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

Sec. 3141. Authorization of appropriations.
Sec. 3142. Assistance for Indonesia.
Sec. 3143. Additional requirements.

CHAPTER 3—ANTITERRORISM ASSISTANCE

Sec. 3151. Authorization of appropriations.
Sec. 3152. Antiterrorism training assistance.
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CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

Sec. 3161. Authorization of appropriations.
Sec. 3162. Additional requirements.
Sec. 3163. Notification requirement.
Sec. 3164. Waiver of restrictions for narcotics-related economic assistance.

CHAPTER 5—NONPROLIFERATION AND DISARMAMENT FUND

Sec. 3171. Nonproliferation and Disarmament Fund.

CHAPTER 6—OTHER PROVISIONS

Sec. 3181. Standardization of congressional review procedures for arms transfers.
Sec. 3182. Standardization of third country transfers of defense articles.
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Sec. 3184. Repeal of price and availability reporting requirement relating to proposed sale of defense articles and services.
Sec. 3185. Definition of significant military equipment.
Sec. 3186. Requirements relating to the Special Defense Acquisition Fund.
Sec. 3187. Cost of leased defense articles that have been lost or destroyed.
Sec. 3188. Designation of major non-NATO allies.
Sec. 3189. Certification thresholds.
Sec. 3190. Competitive pricing for sales of defense articles and services.
Sec. 3191. Depleted uranium ammunition.
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TITLE XXXII—ECONOMIC ASSISTANCE

CHAPTER 1—ECONOMIC SUPPORT ASSISTANCE

Sec. 3201. Economic support fund.
Sec. 3202. Assistance for Israel.
Sec. 3203. Assistance for Egypt.
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CHAPTER 2—ASSISTANCE FOR PRIVATE SECTOR PROGRAMS AND ACTIVITIES

Sec. 3211. Private sector enterprise funds.
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CHAPTER 3—DEVELOPMENT ASSISTANCE

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Sec. 3221. Authorizations of appropriations.

Sec. 3222. Assistance for child survival activities, Vitamin A Deficiency Program, and related activities.
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Sec. 3224. Assistance for the independent states of the former Soviet Union.
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Sec. 3226. Effectiveness of United States development assistance.
Sec. 3227. Funding for private and voluntary organizations and cooperatives.
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SUBCHAPTER B—OPERATING EXPENSES

Sec. 3231. Operating expenses generally.
Sec. 3232. Operating expenses of the office of the inspector general.

CHAPTER 4—PUBLIC LAW 480

Sec. 3241. Levels of assistance for title II.
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CHAPTER 5—HOUSING GUARANTEE PROGRAM

Sec. 3251. Authorization of appropriations for administrative expenses.
Sec. 3252. Additional requirements.

CHAPTER 6—PEACE CORPS

Sec. 3261. Peace Corps.
Sec. 3262. Activities of the Peace Corps in the former Soviet Union.
Sec. 3263. Prohibition on use of funds for abortions.

CHAPTER 7—INTERNATIONAL DISASTER ASSISTANCE

Sec. 3271. Authority to provide reconstruction assistance.
Sec. 3272. Authorizations of appropriations.

CHAPTER 8—OTHER PROVISIONS

Sec. 3281. Exemption from restrictions on assistance through nongovernmental organizations.
Sec. 3282. Funding requirements relating to United States private and voluntary organizations.
Sec. 3283. Documentation requested of private and voluntary organizations.
Sec. 3284. Foreign government parking fines.
Sec. 3285. Human rights reports.
Sec. 3286. Deobligation of certain unexpended economic assistance funds.

TITLE XXXIII—REGIONAL PROVISIONS

Sec. 3301. Prohibition on assistance to foreign governments providing assistance to Cuba.
Sec. 3302. Assistance for Nicaragua.
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Sec. 3310. Peace and stability in the South China Sea.
Sec. 3311. Sense of the Congress regarding narcotics control efforts of Colombia.
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TITLE XXXIV—SPECIAL AUTHORITIES AND OTHER PROVISIONS

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Sec. 3401. Enhanced transfer authority.
Sec. 3402. Authority to meet unanticipated contingencies.
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Sec. 3412. Prohibition on assistance to foreign governments engaged in espionage against the United States.
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Sec. 3415. Impact on jobs in the United States.
Sec. 3416. Prohibition on assistance to foreign governments that export lethal military equipment to countries supporting international terrorism.
Sec. 3417. Prohibition on assistance to countries that consistently oppose the United States position in the United Nations General Assembly.
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CHAPTER 3—REPEALS

Sec. 3421. Repeal of obsolete provisions.

TITLE XXXV—EFFECTIVE DATE

Sec. 3501. Effective date.

DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This division may be cited as the "Foreign Affairs Agencies Consolidation Act of 1995".

SEC. 102. CONGRESSIONAL FINDINGS.

The Congress makes the following findings:

(1) With the end of the Cold War, the international challenges facing the United States have changed, but the fundamental national interests of the United States have not. The security, economic, and humanitarian interests of the United States require continued American engagement in international affairs. The leading role of the United States in world affairs will be as important in the twenty-first century as it has been in the twentieth.

(2) The United States budget deficit requires that the foreign as well as the domestic programs and activities of the United States be carefully reviewed for potential savings. Wherever possible, foreign programs and activities must be streamlined, managed more efficiently, and adapted to the requirements of the post-Cold War era.

(3) In order to downsize the foreign programs and activities of the United States without jeopardizing United States interests, strong and effective leadership will be required. As the official principally responsible for the conduct of foreign policy, the Secretary of State must have the authority to allocate efficiently the resources within the international affairs budget. As a first step in the downsizing process, the proliferation of foreign affairs agencies that occurred during the Cold War must be reversed, and the functions of these agencies must be restored to the Secretary of State.

(4) A streamlined and reorganized foreign affairs structure under the strengthened leadership of the Secretary of State can more effectively promote the international interests of the United States in the next century than the existing structure.

SEC. 103. PURPOSES.

The purposes of this division are—

(1) to consolidate and reinvent foreign affairs agencies of the United States within the Department of State;

(2) to provide for the reorganization of the Department of State to maximize the efficient use of resources, eliminate redundancy in functions, effect budget savings, and improve the management of the State Department;

(3) to strengthen—

(A) the coordination of United States foreign policy; and

(B) the leading role of the Secretary of State in the formulation and articulation of United States foreign policy; and

(4) to abolish, not later than March 1, 1997, the United States Arms Control and Disarmament Agency, the United States Information Agency, the International Development Cooperation Agency, and the Agency for International Development.

SEC. 104. DEFINITIONS.

The following terms have the following meaning for the purposes of this division:

(1) The term "AID" means the Agency for International Development.

(2) The term "ACDA" means the United States Arms Control and Disarmament Agency.

(3) The term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee of Foreign Relations of the Senate.

(4) The term "Department" means the Department of State.

(5) The term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code.

(6) The term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(7) The term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(8) The term "Secretary" means the Secretary of State.

(9) The term "USIA" means the United States Information Agency.

TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—GENERAL PROVISIONS

SEC. 201. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 221.

(b) REORGANIZATION PLAN.—Section 221 shall take effect on the date of enactment of this Act.

SEC. 202. REFERENCES IN TITLE.

Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Arms Control and Disarmament Act.

CHAPTER 2—ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

SEC. 211. ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY.

The United States Arms Control and Disarmament Agency is abolished.

SEC. 212. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Director of the United States Arms Control and Disarmament Agency and all functions of the United States Arms Control and Disarmament Agency and any officer or component of such agency under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

SEC. 221. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Director of the Arms Control and Disarmament Agency, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Arms Control and Disarmament Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Arms Control and Disarmament Agency consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Arms Control and Disarmament Agency that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Arms Control and Disarmament Agency that will be transferred to the Department as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

SEC. 222. COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.

(a) ESTABLISHMENT OF COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—Section 1(e) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)) is amended by adding after paragraph (4) the following new paragraph:

"(5) COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—

"(A) There shall be within the office of the Secretary of State a Coordinator for Arms Control and Disarmament (hereafter in this paragraph referred to as the "Coordinator" who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

"(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

"(ii) The Coordinator shall be responsible for arms control and disarmament matters. The Coordinator shall head the Bureau of Arms Control and Disarmament.

"(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.".

(b) PARTICIPATION IN MEETINGS OF NATIONAL SECURITY COUNCIL.—Section 101 of the National Security Act of 1947 (50 U.S.C. 402) is amended by adding at the end the following new subsection:

"(i) The Coordinator for Arms Control and Disarmament may, in the role of advisor to the National Security Council on arms control and disarmament matters, and subject to the direction of the President, attend and participate in meetings of the National Security Council.".

(c) TRANSITION PROVISION.—The President may appoint the individual serving as Director of the Arms Control and Disarmament Agency on the day before the effective date of this title, or such other officials appointed by and with the advice and consent of the Senate and serving within the Department of State or the Arms Control and Disarmament Agency on the day before the effective date of this title as the President considers appropriate, to serve as the acting Coordinator for Arms Control and Disarmament until an individual is appointed to that office in accordance with section 1(e)(5) of the State Department Basic Authorities Act of 1956, as amended by this Act.

CHAPTER 4—CONFORMING AMENDMENTS

SEC. 241. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Arms Control and Disarmament Agency or any other officer or employee of the United States Arms Control and Disarmament Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Arms Control and Disarmament Agency shall be deemed to refer to the Department of State.

SEC. 242. REPEAL OF ESTABLISHMENT OF AGENCY.

Section 21 of the Arms Control and Disarmament Act (22 U.S.C. 2561; relating to the establishment of the agency) is repealed.

SEC. 243. REPEAL OF POSITIONS AND OFFICES.

The following sections of the Arms Control and Disarmament Act are repealed:

(1) Section 22 (22 U.S.C. 2562; relating to the Director).

(2) Section 23 (22 U.S.C. 2563; relating to the Deputy Director).

(3) Section 24 (22 U.S.C. 2564; relating to Assistant Directors).

(4) Section 25 (22 U.S.C. 2565; relating to bureaus, offices, and divisions).

(5) Section 50 (22 U.S.C 2593; relating to the ACDA Inspector General).

SEC. 244. TRANSFER OF AUTHORITIES AND FUNCTIONS UNDER THE ARMS CONTROL AND DISARMAMENT ACT TO THE SECRETARY OF STATE.

(a) IN GENERAL.—The Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) is amended—

(1) by striking "Agency" each place it appears and inserting "Department"; and

(2) by striking "Director" each place it appears and inserting "Secretary".

(b) PURPOSE.—Section 2 (22 U.S.C. 2551) is repealed.

(c) DEFINITIONS.—Section 3 (22 U.S.C. 2552) is amended by striking paragraph (c) and inserting the following:

"(c) The term 'Department' means the Department of State.

"(d) The term 'Secretary' means the Secretary of State.".

(d) SCIENTIFIC AND POLICY ADVISORY COMMITTEE.—Section 26(b) (22 U.S.C. 2566(b)) is amended by striking ", the Secretary of State, and the Director" and inserting "and the Secretary of State".

(e) PRESIDENTIAL SPECIAL REPRESENTATIVES.—Section 27 (22 U.S.C. 2567) is amended by striking ", acting through the Director".

(f) PROGRAM FOR VISITING SCHOLARS.—Section 28 (22 U.S.C. 2568) is amended—

(1) in the second sentence, by striking "Agency's activities" and inserting "Department's arms control, nonproliferation, and disarmament activities"; and

(2) in the fourth sentence, by striking ", and all former Directors of the Agency".

(g) POLICY FORMULATION.—Section 33(a) (22 U.S.C. 2573(a)) is amended by striking "shall prepare for the President, the Secretary of State," and inserting "shall prepare for the President".

(h) NEGOTIATION MANAGEMENT.—Section 34 (22 U.S.C. 2574) is amended—

(1) in subsection (a), by striking "the President and the Secretary of State" and inserting "the President"; and

(2) by striking subsection (b).

(i) VERIFICATION OF COMPLIANCE.—Section 37(d) (22 U.S.C. 2577(d)) is amended by striking "Director's designee" and inserting "Secretary's designee".

(j) GENERAL AUTHORITY.—Section 41 (22 U.S.C. 2581) is repealed.

(k) SECURITY REQUIREMENTS.—Section 45 (22 U.S.C. 2585) is amended by striking subsections (a), (b), and (d).

(l) USE OF FUNDS.—Section 48 (22 U.S.C. 2588) is repealed.

(m) ANNUAL REPORT.—Section 51(a) (22 U.S.C. 2593a(a)) is amended by striking "the Secretary of State,".

(n) REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS.—Section 53 (22 U.S.C. 2593c) is repealed.

(o) ON-SITE INSPECTION AGENCY.—Section 61 (22 U.S.C. 2595) is amended—

(1) in paragraph (1), by striking "United States Arms Control and Disarmament Agency" and inserting "Department of State"; and

(2) in paragraph (7), by striking "the United States Arms Control and Disarmament Agency and".

SEC. 245. CONFORMING AMENDMENTS.

(a) ARMS EXPORT CONTROL ACT.—The Arms Export Control Act is amended—

(1) in section 36(b)(1)(D) (22 U.S.C. 2776(b)(1)(D)), by striking "Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and" and inserting "Secretary of State in consultation with";

(2) in section 38(a)(2) (22 U.S.C. 2778(a)(2))—

(A) in the first sentence, by striking "Director of the United States Arms Control and Disarmament Agency, taking into account the Director's" and inserting "Secretary of State, taking into account the Secretary's"; and

(B) in the second sentence, by striking "The Director of the Arms Control and Disarmament Agency is authorized, whenever the Director" and inserting "The Secretary of State is authorized, whenever the Secretary";

(3) in section 42(a) (22 U.S.C. 2791(a))—

(A) in paragraph (1)(C), by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State"; and

(B) in paragraph (2)—

(i) in the first sentence, by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State"; and

(ii) in the second sentence, by striking "Director of the Arms Control and Disarmament Agency is authorized, whenever the Director" and inserting "Secretary of State, whenever the Secretary";

(4) in section 71(a) (22 U.S.C. 2797(a)), by striking ", the Director of the Arms Control and Disarmament Agency," and inserting ", Secretary of State,";

(5) in section 71(b)(1) (22 U.S.C. 2797(b)(1)), by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State";

(6) in section 71(b)(2) (22 U.S.C. 2797(b)(2))—

(A) by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State"; and

(B) by striking ", or the Director";

(7) in section 71(c) (22 U.S.C. 2797(c)), by striking "Director of the United States Arms Control and Disarmament Agency," and inserting "Secretary of State"; and

(8) in section 73(d) (22 U.S.C. 2797(d)), by striking "Director of the United States Arms Control and Disarmament Agency" and inserting "Secretary of State".

(b) UNITED STATES INSTITUTE OF PEACE ACT.—Section 1706(b) of the United States Institute of Peace Act (22 U.S.C. 4605(b)) is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(3) in paragraph (4) (as redesignated by paragraph (2)), by striking "Eleven" and inserting "Twelve".

(c) THE ATOMIC ENERGY ACT OF 1954.—The Atomic Energy Act of 1954 is amended—

(1) in section 57 b. (42 U.S.C. 2077(b))—

(A) in the first sentence, by striking "the Arms Control and Disarmament Agency,", and

(B) in the second sentence, by striking "the Director of the Arms Control and Disarmament Agency,"; and

(2) in section 123 (42 U.S.C. 2153)—

(A) in subsection a. (in the text after paragraph (9)—

(i) by striking "and in consultation with the Director of the Arms Control and Disarmament Agency ('the Director')", and

(ii) by striking "and the Director" and inserting "and the Secretary of Defense",

(B) in subsection d., in the first proviso, by striking "Director of the Arms Control and Disarmament Agency" and inserting "Secretary of Defense", and

(C) in the first undesignated paragraph following subsection d., by striking "the Arms Control and Disarmament Agency,".

(d) THE NUCLEAR NON-PROLIFERATION ACT OF 1978.—The Nuclear Non-Proliferation Act of 1978 is amended—

(1) in section 4, by striking paragraph (2);

(2) in section 102, by striking "the Secretary of State, and the Director of the Arms Control and Disarmament Agency" and inserting "and the Secretary of State"; and

(3) in section 602(c), by striking "the Arms Control and Disarmament Agency,".

(e) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 5313, by striking "Director of the United States Arms Control and Disarmament Agency.";

(2) in section 5314, by striking "Deputy Director of the United States Arms Control and Disarmament Agency."; and

(3) in section 5315, by striking "Assistant Directors, United States Arms Control and Disarmament Agency (4).".

TITLE III—UNITED STATES INFORMATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

SEC. 301. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 321.

(b) REORGANIZATION PLAN.—Section 321 shall take effect on the date of enactment of this Act.

CHAPTER 2—ABOLITION OF UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

SEC. 311. ABOLITION OF UNITED STATES INFORMATION AGENCY.

The United States Information Agency is abolished.

SEC. 312. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Director of the United States Information Agency and all functions of the United States Information Agency and any officer or component of such agency under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

SEC. 321. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Director of the United States Information Agency, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the United States Information Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the United States Information Agency consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the United States Information Agency that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the United States Information Agency that will be transferred to the Department as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

SEC. 322. PRINCIPAL OFFICERS.

(a) UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b) is amended—

(A) by striking "There" and inserting the following:

"(1) IN GENERAL.—There"; and

(B) by adding at the end the following:

"(2) UNDER SECRETARY FOR PUBLIC DIPLOMACY.—There shall be in the Department of State an Under Secretary for Public Diplomacy who shall have responsibility to assist the Secretary and the Deputy Secretary in the formation and implementation of United States public diplomacy policies and activities, including international educational and cultural exchange programs, information, and international broadcasting.".

(2) Transition Provision.—The President may appoint the individual serving as Director of the United States Information Agency on the day before the effective date of this title, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the United States Information Agency as the President considers appropriate, to serve as the acting Under Secretary for Public Diplomacy until an individual is appointed to that office in accordance with section (1)(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

(b) Assistant Secretaries.—

(1) Establishment.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by adding after paragraph (2) the following:

"(3) Assistant secretary for academic programs and cultural exchanges.—There shall be in the Department of State an Assistant Secretary for Academic Programs and Cultural Exchanges who shall report to the Under Secretary for Public Diplomacy.

"(4) Assistant secretary for information, policy, and programs.—There shall be in the Department of State an Assistant Secretary for Information, Policy, and Programs who shall report to the Under Secretary for Public Diplomacy.".

(2) Transition Provision.—The President may appoint such officials appointed by and with the advice and consent of the Senate and serving within the Department of State or the United States Information Agency as the President considers appropriate to serve as the acting Assistant Secretary for Academic Programs and Cultural Exchanges and to serve as the acting Assistant Secretary for Information, Policy, and Programs until individuals are appointed to those offices in accordance with section 1(c)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

CHAPTER 4—CONFORMING AMENDMENTS

SEC. 341. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Information Agency, the Director of the International Communication Agency, or any other officer or employee of the United States Information Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Information Agency, USIA, or the International Communication Agency shall be deemed to refer to the Department of State.

SEC. 342. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.

(a) Abolition of Office of Inspector General of the USIA.—

(1) The Office of Inspector General of the United States Information Agency is abolished.

(2) Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by striking ", the Office of Personnel Management or the United States Information Agency" and inserting "or the Office of Personnel Management"; and

(B) in paragraph (2) by striking "the United States Information Agency,".

(3) Section 5315 of title 5, United States Code, is amended by striking the following:

"Inspector General, United States Information Agency.".

(b) Functions of Office of Inspector General of the United States Information Agency Transferred to Office of Inspector General of the Department of State.—There are transferred to the Office of the Inspector General of the Department of State the functions that the Office of Inspector General of the United States Information Agency exercised before the effective date of this title (including all related functions of the Inspector General of the United States Information Agency).

(c) Transfer and Allocations of Appropriations and Personnel.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 343. AMENDMENTS TO TITLE 5.

Title 5, United States Code, is amended—

(1) in section 5313, by striking "Director of the United States Information Agency.";

(2) in section 5315, by striking "Deputy Director of the United States Information Agency."; and

(3) in section 5316, by striking "Deputy Director, Policy and Plans, United States Information Agency." and striking "Associate Director (Policy and Plans), United States Information Agency.".

SEC. 344. AMENDMENTS TO UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948.

(a) In General.—Except as otherwise provided in this section, the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431 et seq.) is amended—

(1) by striking "United States Information Agency" each place it appears and inserting "Department of State";

(2) by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State";

(3) by striking "Director" each place it appears and inserting "Secretary of State";

(4) by striking "USIA" each place it appears and inserting "Department of State"; and

(5) by striking "Agency" each place it appears and inserting "Department of State".

(b) Satellite and Television Broadcasts.—Section 505 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1464a) is amended—

(1) by striking "Director of the United States Information Agency" each of the four places it appears and inserting "Secretary of State";

(2) in subsection (b), by striking "To be effective, the United States Information Agency" and inserting "To be effective in carrying out this subsection, the Department of State";

(3) by striking "USIA-TV" each place it appears and inserting "DEPARTMENT OF STATE-TV"; and

(4) by striking subsection (e).

(c) United States Advisory Commission on Public Diplomacy.—Section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) is amended—

(1) in subsection (c)(1)—

(A) by striking "the Director of the United States Information Agency,"; and

(B) by striking "Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency" and inserting "Secretary of State or the Department of State, and shall appraise the effectiveness of the information, educational, and cultural policies and programs of the Department";

(2) in subsection (c)(2)—

(A) in the first sentence by striking "the Secretary of State, and the Director of the United States Information Agency" and inserting "and the Secretary of State";

(B) in the second sentence by striking "by the Agency" and inserting "by the Department of State"; and

(C) by striking "Director for effectuating the purposes of the Agency" and inserting "Secretary for effectuating the information, educational, and cultural functions of the Department";

(3) in subsection (c)(3), by striking "programs conducted by the Agency" and inserting "information, educational, and cultural programs conducted by the Department of State"; and

(4) in subsection (c)(4), by striking "Director of the United States Information Agency" and inserting "Secretary of State".

SEC. 345. AMENDMENTS TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961 (FULBRIGHT-HAYS ACT).

(a) In General.—The Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) is amended by striking "Director of the International Communication Agency" and "Director" each place either term appears and inserting "Secretary of State".

(b) Repeal of Defunct Advisory Commissions.—Section 106 of such Act (22 U.S.C. 2456) is amended by striking subsection (c).

(c) Bureau of Educational and Cultural Affairs.—Section 112 of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460) is amended—

(1) by striking the first sentence of subsection (a);

(2) by striking "Bureau" each place it appears and inserting "Department of State"; and

(3) by striking subsection (e).

SEC. 346. INTERNATIONAL BROADCASTING ACTIVITIES.

(a) In General.—Title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236) is amended—

(1) in section 305(b)(1), by striking "Agency's" and inserting "Department's";

(2) in section 306, by striking ", acting through the Director of the United States Information Agency," and inserting ", acting through the Under Secretary of State for Public Diplomacy,";

(3) by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State";

(4) by striking all references to "United States Information Agency" that were not stricken in paragraph (3) and inserting "Department of State";

(5) by striking "Bureau" each place it appears and inserting "Office"; and

(6) in section 305(a)(1), by striking "title," and inserting "title (including activities of the Voice of America previously carried out by the United States Information Agency).".

(b) Conforming Amendment to Title 5.—Section 5315 of title 5, United States Code, is amended by striking "Director of the International Broadcasting Bureau, the United

States Information Agency" and inserting "Director of the International Broadcasting Office, the Department of State".

SEC. 347. TELEVISION BROADCASTING TO CUBA.

(a) AUTHORITY.—Section 243(a) of the Television Broadcasting to Cuba Act (as contained in part D of title II of Public Law 101–246) (22 U.S.C. 1465bb(a)) is amended by striking "United States Information Agency (hereafter in this part referred to as the 'Agency')" and inserting "Department of State (hereafter in this part referred to as the 'Department')".

(b) TELEVISION MARTI SERVICE.—Section 244 of such Act (22 U.S.C. 1465cc) is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: "The Secretary of State shall administer within the Voice of America the Television Marti Service."; and

(B) in the third sentence, by striking "Director of the United States Information Agency" and inserting "Secretary of State";

(2) in subsection (b)—

(A) in the subsection heading, by striking "USIA" and inserting "DEPARTMENT OF STATE".

(B) by striking "Agency facilities" and inserting "Department facilities"; and

(C) by striking "United States Information Agency Television Service" and inserting "Department of State Television Service"; and

(3) in subsection (c)—

(A) by striking "USIA AUTHORITY.—The Agency" and inserting "SECRETARY OF STATE AUTHORITY.—The Secretary of State"; and

(B) by striking "Agency" the second place it appears and inserting "Secretary of State".

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 246 of such Act (22 U.S.C. 1465dd) is amended—

(1) by striking "United States Information Agency" and inserting "Department of State"; and

(2) by striking "the Agency" and inserting "the Department".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 247(a) of such Act (22 U.S.C. 1465ee(a)) is repealed.

SEC. 348. RADIO BROADCASTING TO CUBA.

(a) FUNCTIONS OF THE DEPARTMENT OF STATE.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended—

(1) in the section heading, by striking "UNITED STATES INFORMATION AGENCY" and inserting "DEPARTMENT OF STATE";

(2) in subsection (a), by striking "United States Information Agency (hereafter in this Act referred to as the 'Agency')" and inserting "Department of State (hereafter in this Act referred to as the 'Department')"; and

(3) in subsection (f), by striking "Director of the United States Information Agency" and inserting "Secretary of State".

(b) CUBA SERVICE.—Section 4 of such Act (22 U.S.C. 1465b) is amended—

(1) by amending the first sentence to read as follows: "The Secretary of State shall administer within the Voice of America the Cuba Service (hereafter in this section referred to as the 'Service')."; and

(2) in the third sentence, by striking "Director of the United States Information Agency" and inserting "Secretary of State".

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 6 of such Act (22 U.S.C. 1465d) is amended—

(1) in subsection (a)—

(A) by striking "United States Information Agency" and inserting "Department of State"; and

(B) by striking "the Agency" and inserting "the Department"; and

(2) in subsection (b)—

(A) by striking "The Agency" and inserting "The Department"; and

(B) by striking "the Agency" and inserting "the Secretary of State".

(d) FACILITY COMPENSATION.—Section 7 of such Act (22 U.S.C. 1465e) is amended—

(1) in subsection (b), by striking "the Agency" and inserting "the Department"; and

(2) in subsection (d), by striking "Agency" and inserting "Department".

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 8 of such Act (22 U.S.C. 1465f) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The amount obligated by the Department of State each fiscal year to carry out this Act shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level of obligations by the former United States Information Agency for such broadcasts."; and

(2) by redesignating subsection (c) as subsection (b).

SEC. 349. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) GRANTS.—Section 503 of Public Law 98–164, as amended (22 U.S.C. 4412) is amended—

(1) in subsection (a)—

(A) by striking "Director of the United States Information Agency" and inserting "Secretary of State";

(B) by striking "the Agency" and inserting "the Department of State"; and

(C) by striking "the Director" and inserting "the Secretary of State"; and

(2) in subsection (b), by striking "United States Information Agency" and inserting "Department of State".

(b) AUDITS.—Section 504(g) of such Act (22 U.S.C. 4413(g)) is amended by striking "United States Information Agency" and inserting "Department of State".

(c) FREEDOM OF INFORMATION.—Section 506 of such Act (22 U.S.C. 4415) is amended—

(1) in subsection (b)—

(A) by striking "Director" each of the three places it appears and inserting "Secretary"; and

(B) by striking "of the United States Information Agency" and inserting "of State"; and

(2) in subsection (c)—

(A) in the subsection heading by striking "USIA" and inserting "DEPARTMENT OF STATE";

(B) by striking "Director" each of the three places it appears and inserting "Secretary";

(C) by striking "of the United States Information Agency" and inserting "of State"; and

(D) by striking "United States Information Agency" and inserting "Department of State".

SEC. 350. UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES.

(a) PROGRAM AUTHORITY.—Section 603 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4703) is amended by striking "United States Information Agency" and inserting "Department of State".

(b) GUIDELINES.—Section 604(11) of such Act (22 U.S.C. 4704(11)) is amended by striking "United States Information Agency" and inserting "Department of State".

(c) POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.—Section 606(b) of such Act (22 U.S.C. 4706(b)) is amended—

(1) in the subsection heading, by striking "USIA" and inserting "STATE DEPARTMENT"; and

(2) by striking "Director of United States Information Agency" and inserting "Secretary of State".

(d) GENERAL AUTHORITIES.—Section 609(e) of such Act (22 U.S.C. 4709(e)) is amended by striking "United States Information Agency" and inserting "Department of State".

SEC. 351. FASCELL FELLOWSHIP BOARD.

Section 1003(b) of the Fascell Fellowship Act (22 U.S.C. 4902(b)) is amended—

(1) in the text above paragraph (1), by striking "9 members" and inserting "8 members";

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

SEC. 352. NATIONAL SECURITY EDUCATION BOARD.

Section 803 of the Intelligence Authorization Act, Fiscal Year 1992 (50 U.S.C. 1903(b)) is amended—

(1) in subsection (b)—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7); and

(2) in subsection (c), by striking "subsection (b)(7)" and inserting "subsection (b)(6)".

SEC. 353. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State".

SEC. 354. EAST-WEST CENTER.

(a) DUTIES.—Section 703 of the Mutual Security Act of 1960 (22 U.S.C. 2055) is amended—

(1) in the text above paragraph (1), by striking "Director of the United States Information Agency (hereinafter referred to as the 'Director')" and inserting "Secretary of State (hereinafter referred to as the 'Secretary')"; and

(2) in paragraph (1), by striking "establishment and".

(b) ADMINISTRATION.—Section 704 of such Act (22 U.S.C. 2056) is amended—

(1) by striking "Director of the United States Information Agency" and inserting "Secretary of State"; and

(2) by striking "Director" each place it appears and inserting "Secretary".

SEC. 355. MISSION OF THE DEPARTMENT OF STATE.

Section 202 of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 1461–1) is amended—

(1) in the first sentence, by striking "mission of the International Communication Agency" and inserting "mission of the Department of State in carrying out its information, educational, and cultural functions";

(2) in the second sentence, in the text above paragraph (1), by striking "International Communication Agency" and inserting "Department of State";

(3) in paragraph (1)(B), by striking "Agency" and inserting "Department"; and

(4) in paragraph (5), by striking "mission of the Agency" and inserting "mission described in this section".

SEC. 356. CONSOLIDATION OF ADMINISTRATIVE SERVICES.

Section 23(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2695(a)) is amended—

(1) by striking "(including" and all that follows through "Agency)"; and

(2) by striking "other such agencies" and inserting "other Federal agencies".

SEC. 357. GRANTS.

Section 212 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 1475h) is amended—

(1) in subsection (a), by striking "United States Information Agency" and inserting "Department of State, in carrying out its international information, educational, and cultural functions,";

(2) in subsection (b), by striking "United States Information Agency" and inserting "Department of State";

(3) in subsection (c)—

(A) in paragraph (1), by striking "United States Information Agency shall substantially comply with United States Information Agency" and inserting "Department of State, in carrying out its international information, educational, and cultural functions, shall substantially comply with Department of State"; and

(B) in paragraphs (2) and (3)—

(i) by striking "United States Information Agency" and inserting "Department of State"; and

(ii) by striking "Agency" each of the places it appears and inserting "Department"; and

(4) by striking subsection (d).

SEC. 358. BAN ON DOMESTIC ACTIVITIES.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) is amended—

(1) by striking out "United States Information Agency" each of the two places it appears and inserting "Department of State"; and

(2) by inserting "in carrying out its international information, educational, and cultural activities" before "shall be distributed".

SEC. 359. CONFORMING REPEAL TO THE ARMS CONTROL AND DISARMAMENT ACT.

Section 34(b) of the Arms Control and Disarmament Act (22 U.S.C. 2574(b)) is repealed.

SEC. 360. REPEAL RELATING TO PROCUREMENT OF LEGAL SERVICES.

Section 26(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698(b)) is repealed.

SEC. 361. REPEAL RELATING TO PAYMENT OF SUBSISTENCE EXPENSES.

Section 32 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2704) is amended by striking the second sentence.

SEC. 362. CONFORMING AMENDMENT TO THE SEED ACT.

Section 2(c) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401(c)) is amended in paragraph (17) by striking "United States Information Agency" and inserting "Department of State".

SEC. 363. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.

Section 7(c) of the Federal Triangle Development Act (40 U.S.C. 1106(c)) is amended—

(1) in the text above subparagraph (A), by striking "15 members" and inserting "14 members";

(2) by striking subparagraph (F); and

(3) by redesignating subparagraphs (G) through (J) as subparagraphs (F) through (I), respectively.

SEC. 364. FOREIGN SERVICE ACT OF 1980.

(a) OTHER AGENCIES UTILIZING SERVICE.—Section 202(a) of the Foreign Service Act of 1980 (22 U.S.C. 3922(a)) is amended by striking paragraph (1).

(b) BOARD OF THE FOREIGN SERVICE.—Section 210 of such Act (22 U.S.C. 3930) is amended by striking "the United States Information Agency, the United States International Development Cooperation Agency,".

SEC. 365. AU PAIR PROGRAMS.

Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is amended by striking "Director of the United States Information Agency" and inserting "Secretary of State".

SEC. 366. EXCHANGE PROGRAM WITH COUNTRIES IN TRANSITION FROM TOTALITARIANISM TO DEMOCRACY.

Section 602 of the National and Community Service Act of 1990 (22 U.S.C. 2452a) is amended—

(1) in the second sentence of subsection (a), by striking "United States Information Agency" and inserting "Department of State"; and

(2) in subsection (b)—

(A) by striking "appropriations account of the United States Information Agency" and inserting "appropriate appropriations account of the Department of State"; and

(B) by striking "and the United States Information Agency".

SEC. 367. EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note) is amended—

(1) by striking "United States Information Agency" and inserting "Department of State"; and

(2) by striking subsection (d).

SEC. 368. IMPLEMENTATION OF CONVENTION ON CULTURAL PROPERTY.

Title III of the Convention on Cultural Property Implementation Act (19 U.S.C. 2601 et seq.) is amended by striking "Director of the United States Information Agency" each place it appears and inserting "Secretary of State".

SEC. 369. MIKE MANSFIELD FELLOWSHIPS.

Section 252(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6101(a)) is amended by striking "Director of the United States Information Agency" and inserting "Secretary of State".

TITLE IV—AGENCY FOR INTERNATIONAL DEVELOPMENT

CHAPTER 1—GENERAL PROVISIONS

SEC. 401. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) on March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 421.

(b) REORGANIZATION PLAN.—Section 421 shall take effect on the date of enactment of this Act.

SEC. 402. REFERENCES IN TITLE.

Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Foreign Assistance Act of 1961.

CHAPTER 2—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

SEC. 411. ABOLITION OF AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY.

The Agency for International Development and the International Development Cooperation Agency are abolished.

SEC. 412. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Administrator of the Agency for International Development and the Director of the International Development Cooperation Agency and all functions of the Agency for International Development and the International Development Cooperation Agency and any officer or component of such agencies under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

SEC. 421. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Administrator of the Agency for International Development, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Agency for International Development in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Agency for International Development consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Agency for International Development that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Agency for International Development that will be transferred to the Department under this title as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

SEC. 422. PRINCIPAL OFFICERS.

(a) UNDER SECRETARY OF STATE FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b)) is amended by adding after paragraph (2) the following new paragraph:

"(3) UNDER SECRETARY FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—There shall be in the Department of State an Under Secretary for Development and Economic Affairs who shall assist the Secretary and the Deputy Secretary in the formation and implementation of United States policies and activities concerning international development and economic affairs.".

(b) TRANSITION PROVISION.—The President may appoint the individual serving as Administrator of the Agency for International Development on the day before the effective date of this title, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the Agency for International Development as the President considers appropriate, to serve as the acting Under Secretary for Development and Economic Affairs until an individual is appointed to that office in accordance with section 1(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

CHAPTER 4—CONFORMING AMENDMENTS

SEC. 441. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Administrator of the Agency for International Development, or any other officer or employee of the Agency for International Development shall be deemed to refer to the Secretary of State;

(2) the Director or any other officer or employee of the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Secretary of State; or

(3) the Agency for International Development, AID, the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, or the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Department of State.

SEC. 442. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Inspector General of the Agency for International Development is abolished.

(b) AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended as follows:

(1) Section 8A is repealed.

(2) Section 11(1) is amended by striking "the Administrator of the Agency for International Development,".

(3) Section 11(2) is amended by striking "the Agency for International Development,".

(c) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following: "Inspector General, Agency for International Development.".

(d) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Inspector General of the Department of State the functions that the Office of Inspector General of the Agency for International Development exercised before the effective date of this title (including all related functions of the Inspector General of the Agency for International Development).

(e) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Inspector General of the Department of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 443. ABOLITION OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO CHIEF FINANCIAL OFFICER DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Chief Financial Officer of the Agency for International Development is abolished.

(b) AMENDMENT TO TITLE 31, UNITED STATES CODE.—Section 901(b)(2) of title 31, United States Code, is amended by striking subparagraph (A).

(c) FUNCTIONS OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Chief Financial Officer of the Department of State the functions that the Office of Chief Financial Officer of the Agency for International Development exercised before the effective date of this title (including all related functions of the Chief Financial Officer of the Agency for International Development).

(d) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 444. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended—

(1) in section 5313, by striking "Administrator, Agency for International Development.";

(2) in section 5314, by striking "Deputy Administrator, Agency for International Development.";

(3) in section 5315—

(A) by striking "Assistant Administrators, Agency for International Development (6)."; and

(B) by striking "Regional Assistant Administrators, Agency for International Development (4)."; and

(4) in section 5316 by striking "General Counsel of the Agency for International Development.".

SEC. 445. PUBLIC LAW 480 PROGRAM.

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480; 7 U.S.C. 1691 et seq.) is amended by striking "Administrator" each place it appears and inserting "Under Secretary of State for Development and Economic Affairs".

TITLE V—TRANSITION

SEC. 501. REORGANIZATION AUTHORITY.

(a) IN GENERAL.—The Secretary is authorized, subject to the requirements of this division, to allocate or reallocate any function transferred to the Department under any title of this division among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate to carry out any reorganization under this division, but the authority of the Secretary under this section does not extend to—

(1) the abolition of organizational entities or officers established by this Act or any other Act; or

(2) the alteration of the delegation of functions to any specific organizational entity or officer required by this Act or any other Act.

(b) REQUIREMENTS AND LIMITATIONS ON REORGANIZATION PLANS.—A reorganization plan pursuant to any title of this division may not have the effect of—

(1) creating a new executive department;

(2) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the reorganization had not been made;

(3) authorizing an agency to exercise a function which is not authorized by law at the time the plan is transmitted to Congress;

(4) creating a new agency which is not a component or part of an existing executive department or independent agency; or

(5) increasing the term of an office beyond that provided by law for the office.

SEC. 502. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) IN GENERAL.—Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions and offices, or portions thereof transferred by any title of this division, subject to section 1531 of title 31, United States Code, shall be transferred to the Secretary for appropriate allocation.

(b) LIMITATION ON USE OF TRANSFERRED FUNDS.—Unexpended and unobligated funds transferred pursuant to any title of this division shall be used only for the purposes for which the funds were originally authorized and appropriated.

(c) AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.—When an agency is abolished under this division, the limitations for fiscal years 1996 and 1997 under section 2351 of this Act on the members of the Foreign Service authorized to be employed by such agency shall be added to the limitations under such section which apply to the Department of State.

SEC. 503. INCIDENTAL TRANSFERS.

The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of any title of this division. The Director of the Office of Management and Budget, in consultation with the Secretary of State, shall provide for the termination of the affairs of all entities terminated by this division and for such further measures and dispositions as may be necessary to effectuate the purposes of any title of this division.

SEC. 504. EFFECT ON PERSONNEL.

(a) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this division, any person who, on the day preceding the date of the abolition of an agency the functions of which are transferred under any title of this division, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(b) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by any title of this division, shall terminate on the effective date of that title.

(c) EXCEPTED SERVICE.—(1) Subject to paragraph (2), in the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.

(2) The Department of State may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) EMPLOYEE BENEFIT PROGRAMS.—(1) Any employee accepting employment with the Department of State as a result of a transfer pursuant to any title of this division may retain for 1 year after the date such transfer occurs membership in any employee benefit program of the former agency, including insurance, to which such employee belongs on the date of the enactment of this Act if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Secretary of State.

(2) The difference in the costs between the benefits which would have been provided by such agency or entity and those provided by this section shall be paid by the Secretary of State. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Secretary of State, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

(e) SENIOR EXECUTIVE SERVICE.—Any employee in the career Senior Executive Service who is transferred pursuant to any title of this division shall be placed in a position at the Department of State which is comparable to the position the employee held in the agency.

(f) ASSIGNMENTS.—(1) Transferring employees shall be provided reasonable notice of new positions and assignments prior to their transfer pursuant to any title of this division.

(2) Foreign Service personnel transferred to the Department of State pursuant to any title of this division shall be eligible for any assignment open to Foreign Service personnel within the Department for which such transferred personnel are qualified.

(g) TREATMENT OF PERSONNEL EMPLOYED IN TERMINATED FUNCTIONS.—The provisions of this subsection shall apply with respect to officers and employees of the agencies identified in section 505(b) whose employment is terminated as a result of the abolition of the agency or the reorganization and consolidation of functions of the Department of State under any title of this division:

(1) Under such regulations as the Office of Personnel Management may prescribe, the head of any agency in the executive branch may appoint in the competitive service any person who is certified by the head of the former agency as having served satisfactorily in the former agency and who passes such examination as the Office of Personnel Management may prescribe. Any person so appointed shall, upon completion of the prescribed probationary period, acquire a competitive status.

(2) The head of any agency in the executive branch having an established merit system in the excepted service may appoint in such service any person who is certified by the head of the former agency as having served satisfactorily in the former agency and who passes such examination as the head of such agency in the executive branch may prescribe.

(3) Any appointment under this subsection shall be made within a period of one year after completion of the appointee's service in the former agency.

(4) Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service or in the excepted service concerned shall also disqualify an applicant for appointment under this subsection.

SEC. 505. VOLUNTARY SEPARATION INCENTIVES.

(a) AUTHORITY TO PAY INCENTIVES.—The head of an agency referred to in subsection (b) may pay voluntary incentive payments to employees of the agency in order to avoid or minimize the need for involuntary separations from the agency as a result of the abolition of the agency and the reorganization and consolidation of functions of the Department of State under any title of this division.

(b) COVERED AGENCIES.—Subsection (a) applies to the following agencies:

(1) The Department of State.

(2) The United States Arms Control and Disarmament Agency.

(3) The United States Information Agency.

(4) The Agency for International Development.

(c) PAYMENT REQUIREMENTS.—The head of an agency shall pay voluntary separation incentive payments in accordance with the provisions of section 3 of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 108 Stat. 111), except that an employee of the agency shall be deemed to be eligible for payment of a voluntary separation incentive payment under that section if the employee separates from service with the agency during the period beginning on the date of enactment of this Act and ending—

(1) in the case of an agency referred to in paragraph (2), (3), or (4) of subsection (b), on the date of the abolition of that agency under this division; and

(2) in the case of the Department of State, on September 30, 1997.

(d) TERMINATION OF AUTHORITY.—The authority of the head of an agency to authorize payment of voluntary separation incentive payments under this section shall expire on—

(1) in the case of an agency referred to in paragraph (2), (3), or (4) of subsection (b), on the date of the abolition of that agency under this division; and

(3) in the case of the Department of State, September 30, 1997.

(e) BUDGET ACT COMPLIANCE.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this section shall be effective for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts.

(f) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An employee who has received a voluntary separation incentive payment under this section and accepts employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay the entire amount of the incentive payment to the agency that paid the incentive payment.

(g) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, in fiscal years 1996, 1997, and 1998 each agency under subsection (b) of this section shall, before the end of each such fiscal year, remit to the Office of Personnel Management for deposit in the Treasury of the United States for credit of the Civil Service Retirement and Disability Fund an amount equal to the product of—

(A) the number of employees of such agency who, as of March 31st of such fiscal year, are subject to subchapter III of chapter 83 or chapter 84 of such title; multiplied by

(B) $80.

(2) REGULATIONS.—The Director of the Office of Personnel Management may prescribe any regulations necessary to carry out this subsection.

SEC. 506. SAVINGS PROVISIONS.

(a) CONTINUING LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under any title of this division; and

(2) that are in effect at the time such title takes effect, or were final before the effective date of such title and are to become effective on or after the effective date of such title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PENDING PROCEEDINGS.—(1) The provisions of any title of this division shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of any title of this division before any department, agency, commission, or component thereof, functions of which are transferred by any title of this division. Such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued.

(2) Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted. Orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law.

(3) Nothing in this Act shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under this subsection to the Department.

(c) NO EFFECT ON JUDICIAL PROCEEDINGS.—Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) NON-ABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of any department or agency, functions of which are transferred by any title of this division, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by any title of this division, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date on which any title of this division takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Secretary in the exercise of functions transferred under any title of this division shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by any title of this division shall apply to the exercise of such function by the Secretary.

SEC. 507. PROPERTY AND FACILITIES.

The Secretary of State shall review the property and facilities transferred to the Department under this division to determine whether such property and facilities are required by the Department.

SEC. 508. AUTHORITY OF SECRETARY TO FACILITATE TRANSITION.

Prior to, or after, any transfer of a function under any title of this division, the Secretary is authorized to utilize—

(1) the services of such officers, employees, and other personnel of an agency with respect to functions that will be or have been transferred to the Department by any title of this division; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of any title of this division.

SEC. 509. RECOMMENDATIONS FOR ADDITIONAL CONFORMING AMENDMENTS.

The Congress urges the President, in consultation with the Secretary of State and the heads of other appropriate agencies, to develop and submit to the Congress recommendations for such additional technical and conforming amendments to the laws of the United States as may be appropriate to reflect the changes made by this division.

SEC. 510. FINAL REPORT.

Not later than October 1, 1998, the President, in consultation with the Secretary of the Treasury and the Director of the Office of Management and Budget shall submit to the appropriate congressional committees a report which provides a final accounting of the finances and operations of the United States Arms Control and Disarmament Agency, the United States Information Agency, and the Agency for International Development.

SEC. 511. SEVERABILITY.

If a provision of this division or its application to any person or circumstance is held invalid, neither the remainder of this division nor the application of the provision to other persons or circumstances shall be affected.

DIVISION B—FOREIGN RELATIONS AUTHORIZATIONS

TITLE XX—GENERAL PROVISIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1996 and 1997".

SEC. 2002. DEFINITIONS.

The following terms have the following meaning for the purposes of this division:

(1) The term "AID" means the Agency for International Development.

(2) The term "ACDA" means the United States Arms Control and Disarmament Agency.

(3) The term "appropriate congressional committees" means the Committee on International Relations of the House of Representatives and the Committee of Foreign Relations of the Senate.

(4) The term "Department" means the Department of State.

(5) The term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code.

(6) The term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(7) The term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(8) The term "Secretary" means the Secretary of State.

(9) The term "USIA" means the United States Information Agency.

TITLE XXI—AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE AND CERTAIN INTERNATIONAL AFFAIRS FUNCTIONS AND ACTIVITIES

CHAPER 1—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 2101. ADMINISTRATION OF FOREIGN AFFAIRS.

(a) AUTHORIZATION OF APPROPRIATIONS.—The following amounts are authorized to be appropriated for the Department of State under "Administration of Foreign Affairs" to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law, including the diplomatic security program:

(1) DIPLOMATIC AND CONSULAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "Diplomatic and Consular Programs", of the Department of State $1,728,797,000 for the fiscal year 1996 and $1,676,903,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the purpose of processing immigrant visas for persons who are outside their countries of nationality, have asserted a fear of returning to their countries of nationality and a credible basis for such fear, and for whom immigrant visas are currently available.

(2) SALARIES AND EXPENSES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "Salaries and Expenses", of the Department of State $366,276,000 for the fiscal year 1996 and $355,287,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), $11,900,000 for fiscal year 1996 and $11,900,000 for fiscal year 1997 are authorized to be appropriated only for salaries and expenses of the Bureau of Refugee and Migration Assistance.

(3) CAPITAL INVESTMENT FUND.—For "Capital Investment Fund", of the Department of State $20,000,000 for the fiscal year 1996 and $20,000,000 for the fiscal year 1997.

(4) ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD.—For "Acquisition and Maintenance of Buildings Abroad", $391,760,000 for the fiscal year 1996 and $391,760,000 for the fiscal year 1997.

(5) REPRESENTATION ALLOWANCES.—For "Representation Allowances", $4,780,000 for the fiscal year 1996 and $4,780,000 for the fiscal year 1997.

(6) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.—For "Emergencies in the Diplomatic and Consular Service", $6,000,000 for the fiscal 1996 and $6,000,000 for the fiscal year 1997.

(7) OFFICE OF THE INSPECTOR GENERAL.—For "Office of the Inspector General", $23,469,000 for the fiscal year 1996 and $23,469,000 for the fiscal year 1997.

(8) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For "Payment to the American Institute in Taiwan", $15,165,000 for the fiscal year 1996 and $14,710,000 for the fiscal year 1997.

(9) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—For "Protection of Foreign Missions and Officials", $9,579,000 for the fiscal year 1996 and $9,579,000 for the fiscal year 1997.

(10) REPATRIATION LOANS.—For "Repatriation Loans", $776,000 for the fiscal year 1996 and $776,000 for the fiscal year 1997, for administrative expenses.

SEC. 2102. INTERNATIONAL ORGANIZATIONS, PROGRAMS, AND CONFERENCES.

(a) ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—There are authorized to be appropriated for "Contributions to International Organizations", $873,505,000 for the fiscal year 1996 and $867,050,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and to carry out other authorities in law consistent with such purposes.

(b) VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Voluntary Contributions to International Organizations", $309,375,000 for the fiscal year 1996 and $302,902,000 for the fiscal year 1997.

(2) LIMITATIONS.—

(A) UNICEF.—

(i) Of the amounts authorized to be appropriated under paragraph (1), $103,000,000 for fiscal year 1996 and $103,000,000 for fiscal year 1997 is authorized to be appropriated only for the United Nations Children's Fund (UNICEF).

(ii) For fiscal year 1996, not more than 25 percent of the amount under clause (i) may be made available to the United Nations Children's Fund (UNICEF) until 30 days after the submission to Congress of the report required by section 2523.

(B) INTERNATIONAL ATOMIC ENERGY AGENCY.—

(i) Of the amounts authorized to be appropriated under paragraph (1), $43,000,000 for each of fiscal years 1996 and 1997 is authorized to be appropriated only for the International Atomic Energy Agency (IAEA).

(ii) Amounts under clause (i) are authorized to be made available to the International Atomic Energy Agency only if the Secretary determines and reports to the appropriate congressional committees that Israel is not being denied its right to participate in the activities of the International Atomic Energy Agency.

(C) WAR CRIMES TRIBUNAL FOR THE FORMER YUGOSLAVIA.—Of the amounts authorized to be appropriated under paragraph (1), $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997, or 25 percent of the budget for the tribunal for each such fiscal year, whichever amount is less, are authorized to be made available for the United Nations Voluntary Fund for the United Nations International Criminal Tribunal for the Former Yugoslavia, located at The Hague, Netherlands.

(D) WORLD FOOD PROGRAM.—Of the amounts authorized to be appropriated under paragraph (1), $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the World Food Program.

(E) UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.—Of the amounts authorized to be appropriated under paragraph (1) $1,500,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only for the United Nations Voluntary Fund for Victims of Torture.

(F) UNITED NATIONS POPULATION FUND.—

(i) Of the amounts authorized to be appropriated under paragraph (1) not more than $25,000,000 for each of the fiscal years 1996 and 1997 shall be available for the United Nations Population Fund (UNFPA).

(ii) Of the amount made available for the United Nations Population Fund under clause (i)—

(I) for fiscal year 1996, not more than 50 percent of such amount may be disbursed to the Fund before March 1, 1996; and

(II) for fiscal year 1997, not more than 50 percent of such amount may be disbursed to the Fund before March 1, 1997.

(iii) Notwithstanding any other provision of law, none of the funds made available for the United Nations Population Fund shall be available for the United States proportionate share for activities in the People's Republic of China.

(iv)(I) Not later than February 15, 1996, and February 15, 1997, the Secretary of State shall submit a report indicating the amount that the United Nations Population Fund is budgeting for activities in the People's Republic of China for 1996 or 1997, as appropriate, to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(II) Before March 1, for each of the fiscal years 1996 and 1997, if the United Nations Population Fund is budgeting an amount in excess of $7,000,000 for activities in the People's Republic of China, a sum equal to the amount in excess of $7,000,000 shall be deducted from amounts otherwise available for payment to the United Nations Population Fund.

(v) Amounts made available for the United Nations Population Fund under clause (i) may only be paid to the Fund if—

(I) the Fund maintains such amounts in a separate account from other funds; and

(II) the Fund does not commingle amounts provided under clause (i) with other funds.

(G) ORGANIZATION FOR AMERICAN STATES.—Of the amounts authorized to be appropriated under paragraph (1), $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997 are authorized to be appropriated only for the Organization for American States.

(H) LIMITATION CONCERNING USE OF FUNDS UNDER SECTION 307 OF THE FOREIGN ASSISTANCE ACT OF 1961.—Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated under paragraph (1) are authorized to be appropriated for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or any Communist country listed in section 620(f) of the Foreign Assistance Act of 1961.

(I) UNITED NATIONS DEVELOPMENT PROGRAM.—

(i) TOTAL LIMITATION.—Of the amounts authorized to be appropriated under paragraph (1), for each of the fiscal years 1996 and 1997 not to exceed $70,000,000 shall be available for the United Nations Development Program.

(ii) BURMA.—

(I) Subject to subclauses (II) and (III), for each of the fiscal years 1996 and 1997 none of the funds made available for United Nations Development Program (or United Nations Development Program—Administered Funds) shall be available for programs and activities in or for Burma.

(II) Of the amount made available for United Nations Development Program (and United Nations Development Program—Administered Funds) for fiscal year 1996, $18,200,000 of such amount shall be disbursed only if the President certifies to the Congress that the United Nations Development Program has terminated its activities in and for Burma.

(III) Of the amount made available for United Nations Development Program (and United Nations Development Program—Administered Funds) for fiscal year 1997, $25,480,000 shall be disbursed only if the President certifies to the Congress that the United Nations Development Program has terminated its activities in and for Burma.

(3) AVAILABILITY OF FUNDS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

(c) ASSESSED CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Contributions for International Peacekeeping Activities", $445,000,000 for the fiscal year 1996 and $345,000,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

(2) LIMITATION.—None of the funds authorized to be appropriated under paragraph (1) may be made available for contributions to the United Nations Protection Force unless the President determines and reports to the Congress during the calendar year in which the funds are to be provided that—

(A) the Government of Bosnia and Herzegovina supports the continued presence of the United Nations Protection Force within its territory;

(B) the United Nations Protection Force is effectively carrying out its mandate under United Nations Security Council resolutions 761, 776, 781, 786, and 836, and is effectively encouraging compliance with United Nations Security Council resolutions 752, 757, 770, 771, 787, 820, and 824.

(C) the United Nations Protection Force is providing full cooperation and support consistent with its mandate to the efforts of the United Nations War Crimes Tribunal for the former Yugoslavia to investigate war crimes and to apprehend and prosecute suspected war criminals;

(D) the United Nations Protection Force is providing full cooperation and support consistent with its mandate to United States diplomatic, military, and relief personnel in Bosnia; and

(E) the United Nations Protection Force has investigated and taken appropriate action against any United Nations Protection Force personnel or units suspected of participating in illegal or improper activities, such as black marketeering, embezzlement, expropriation of property, and assaults on civilians.

(d) PEACEKEEPING OPERATIONS.—There are authorized to be appropriated for "Peacekeeping Operations", $68,260,000 for the fiscal year 1996 and $68,260,000 for the fiscal year 1997 for the Department of State to carry out section 551 of Public Law 87-195.

(e) INTERNATIONAL CONFERENCES AND CONTINGENCIES.—

(1) GENERAL PROVISION.—There are authorized to be appropriated for "International Conferences and Contingencies", $5,000,000 for the fiscal year 1996 and $6,000,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of

the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(2) CONDITIONAL AUTHORITY.—

(A) Subject to subparagraph (B), in addition to such amounts as are authorized to be appropriated under paragraph (1), there is authorized to be appropriated for "International Conferences and Contingencies", $1,000,000 for the fiscal year 1996 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(B) The authorization of appropriations under subparagraph (A) shall take effect only after the Secretary of State certifies to the appropriate congressional committees with respect to any United Nations Fourth Conference on Women that is held in Beijing that—

(i) no funds of the Department of State were expended for travel by any United States official or delegate to the Fourth World Conference on Women, to be held in Beijing, August and September 1995, or

(ii)(I) that the United States vigorously urged the United Nations to grant accreditation to a wide range of nongovernmental organizations, including United States-based groups representing Taiwanese and Tibetan women, in accordance with relevant international standards and precedents;

(II) that the United States pressed the Government of China to issue visas equitably to representatives of accredited nongovernmental organizations;

(III) that the United States encouraged the Government of China and the United Nations to provide the accredited nongovernmental organizations with access to the main conference site that is substantially equivalent in manner and degree to access afforded at previous major United Nations conferences;

(IV) that the United States delegation to the Fourth World Conference on Women vigorously and publicly supported access by representatives of accredited nongovernmental organizations to the conference, especially with respect to United States nongovernmental organizations;

(V) that the United States delegation to the Fourth World Conference on Women vigorously promoted universal respect for internationally recognized human rights, including the rights of women; and

(VI) that, if the goals of subparagraphs (I), (II), or (III) were not fully accomplished, the United States issued a formal, public, protest to the United Nations for such a departure from accepted international standards.

(f) FOREIGN CURRENCY EXCHANGE RATES.—In addition to amounts otherwise authorized to be appropriated by subsections (a) and (b) of this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 and 1997 to offset adverse fluctuations in foreign currency exchange rates. Amounts appropriated under this subsection shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines and certifies to Congress that such amounts are necessary due to such fluctuations.

SEC. 2103. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated under "International Commissions" for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For "International Boundary and Water Commission, United States and Mexico"—

(A) for "Salaries and Expenses" $13,858,000 for the fiscal year 1996 and $12,472,000 for the fiscal year 1997; and

(B) for "Construction" $10,393,000 for the fiscal year 1996 and $9,353,000 for the fiscal year 1997.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For "International Boundary Commission, United States and Canada", $740,000 for the fiscal year 1996 and $666,000 for the fiscal year 1997.

(3) INTERNATIONAL JOINT COMMISSION.—For "International Joint Commission", $3,500,000 for the fiscal year 1996 and $3,195,000 for the fiscal year 1997.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For "International Fisheries Commissions", $14,669,000 for the fiscal year 1996 and $13,202,000 for the fiscal year 1997.

SEC. 2104. MIGRATION AND REFUGEE ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) MIGRATION AND REFUGEE ASSISTANCE.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Migration and Refugee Assistance" for authorized activities, $560,000,000 for the fiscal year 1996 and $590,000,000 for the fiscal year 1997.

(B) LIMITATION.—None of the funds authorized to be appropriated by this section are authorized to be appropriated for salaries and administrative expenses of the Bureau of Migration and Refugee Assistance.

(2) REFUGEES RESETTLING IN ISRAEL.—There are authorized to be appropriated $80,000,000 for the fiscal year 1996 and $80,000,000 for the fiscal year 1997 for assistance for refugees resettling in Israel from other countries.

(3) HUMANITARIAN ASSISTANCE FOR DISPLACED BURMESE.—There are authorized to be appropriated $1,500,000 for the fiscal year 1996 and $1,500,000 for the fiscal year 1997 for humanitarian assistance, including but not limited to food, medicine, clothing, and medical and vocational training to persons displaced as a result of civil conflict in Burma, including persons still within Burma.

(4) RESETTLEMENT OF VIETNAMESE, LAOTIANS, AND CAMBODIANS.—There are authorized to be appropriated $30,000,000 for fiscal year 1996 for the admission and resettlement of persons who—

(A) are or were nationals and residents of Vietnam, Laos, or Cambodia;

(B) are within a category of aliens referred to in section 599D(b)(2)(C) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167); and

(C) are or were at any time after January 1, 1989, residents of refugee camps in Hong Kong, Thailand, Indonesia, Malaysia, or the Philippines.

(b) GENERAL LIMITATIONS.—None of the funds authorized to be appropriated by subsection (a) are authorized to be available for any program or activity that provides for, promotes, or assists in the repatriation of any person to Vietnam, Laos, or Cambodia, unless the President has certified that—

(1) all persons described in subsection (a)(4) who were residents of refugee camps as of July 1, 1995, have been offered resettlement outside their countries of nationality;

(2) all nationals of Vietnam, Laos, or Cambodia who were residents of refugee camps as of July 1, 1995, who are not persons described in subsection (a)(4) have, at any time after such date, either had access to a process for the determination of whether they are refugees, or been offered resettlement outside their countries of nationality; and

(3) the process referred to in paragraph (2) is genuinely calculated to determine whether each applicant is a refugee, and that the procedures, standards, and personnel employed in such process ensure that the risk of return to persecution is no greater than in the process available under United States law to persons physically present in the United States.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to subsection (a) are authorized to be available until expended.

(d) REFUGEE CAMP DEFINED.—For the purposes of this section, the term "refugee camp" means any place in which people who left Vietnam, Cambodia, or Laos are housed or held by a government or international organization, regardless of the designation of such place by such government or organization.

SEC. 2105. CERTAIN OTHER INTERNATIONAL AFFAIRS PROGRAMS.

The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) ASIA FOUNDATION.—For "Asia Foundation", $10,000,000 for the fiscal year 1996 and $9,000,000 for the fiscal year 1997.

SEC. 2106. UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

The following amounts are authorized to be appropriated to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the North/South Center Act of 1991, the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $450,645,000 for the fiscal year 1996 and $428,080,000 for the fiscal year 1997.

(2) TECHNOLOGY FUND.—For "Technology Fund" for the United States Information Agency, $5,050,000 for the fiscal year 1996 and $5,050,000 for the fiscal year 1997.

(3) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—For the "Fulbright Academic Exchange Programs", $117,484,200 for the fiscal year 1996 and $113,680,800 for the fiscal year 1997.

(B) SOUTH PACIFIC EXCHANGES.—For the "South Pacific Exchanges", $900,000 for the fiscal year 1996 and $900,000 for the fiscal year 1997.

(C) EAST TIMORESE SCHOLARSHIPS.—For the "East Timorese Scholarships", $800,000 for the fiscal year 1996 and $800,000 for the fiscal year 1997.

(D) CAMBODIAN SCHOLARSHIPS.—For the "Cambodian Scholarships", $141,000 for the fiscal year 1996 and $141,000 for the fiscal year 1997.

(E) TIBETAN EXCHANGES.—For the "Educational and Cultural Exchanges with Tibet" under section 236 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), $500,000 for the fiscal year 1996 and $500,000 for the fiscal year 1997.

(F) OTHER PROGRAMS.—For "Hubert H. Humphrey Fellowship Program", "Edmund S. Muskie Fellowship Program", "International Visitors Program", "Mike Mansfield Fellowship Program", "Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation", "Citizen Exchange Programs", "Congress-Bundestag Exchange Program", "Newly Independent States and Eastern Europe Training", "Institute for Representative Government", and "Arts America", $87,265,800 for the fiscal year 1996 and $87,341,400 for the fiscal year 1997.

(4) INTERNATIONAL BROADCASTING ACTIVITIES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For "International Broadcasting Activities", $321,191,000 for the fiscal year 1996, and $286,191,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated under subparagraph (A) $3,000,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only to carry out the Pilot Project for Freedom Broadcasting to Asia authorized by section 2443.

(C) VOICE OF AMERICA FARSI SERVICE.—Of the amounts authorized to be appropriated under subparagraph (A) $1,873,521 for the fiscal year 1996 and $1,873,521 for the fiscal year 1997 are authorized to be appropriated only to carry out the Voice of America Farsi Service.

(5) RADIO CONSTRUCTION.—For "Radio Construction", $75,164,000 for the fiscal year 1996, and $67,647,000 for the fiscal year 1997.

(6) RADIO FREE ASIA.—For "Radio Free Asia", $10,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997.

(7) BROADCASTING TO CUBA.—For "Broadcasting to Cuba", $24,809,000 for the fiscal year 1996 and $24,809,000 for the fiscal year 1997.

(8) OFFICE OF THE INSPECTOR GENERAL.—For "Office of the Inspector General", $4,300,000 for the fiscal year 1996 and $3,870,000 for the fiscal year 1997.

(9) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For "Center for Cultural and Technical Interchange between East and West", $15,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997.

(10) NATIONAL ENDOWMENT FOR DEMOCRACY.—For "National Endowment for Democracy", $34,000,000 for the fiscal year 1996 and $34,000,000 for the fiscal year 1997.

(11) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.—For "Center for Cultural and Technical Interchange between North and South" $4,000,000 for the fiscal year 1996 and $3,000,000 for the fiscal year 1997.

SEC. 2107. UNITED STATES ARMS CONTROL AND DISARMAMENT.

There are authorized to be appropriated to carry out the purposes of the Arms Control and Disarmament Act—

(1) $44,000,000 for the fiscal year 1996 and $40,500,000 for the fiscal year 1997; and

(2) such sums as may be necessary for each of the fiscal years 1996 and 1997 for increases in salary, pay, retirement, other employee benefits authorized by law, and to offset adverse fluctuations in foreign currency exchange rates.

TITLE XXII—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

CHAPTER 1—AUTHORITIES AND ACTIVITIES

SEC. 2201. REVISION OF DEPARTMENT OF STATE REWARDS PROGRAM.

(a) IN GENERAL.—Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended to read as follows:

"SEC. 36. DEPARTMENT OF STATE REWARDS PROGRAM.

"(a) ESTABLISHMENT.—(1) There is established a program for the payment of rewards to carry out the purposes of this section.

"(2) The rewards program established by this section shall be administered by the Secretary of State, in consultation, where appropriate, with the Attorney General.

"(b) PURPOSE.—(1) The rewards program established by this section shall be designed to assist in the prevention of acts of international terrorism, international narcotics trafficking, and other related criminal acts.

"(2) The Secretary of State may pay a reward to any individual who furnishes information leading to—

"(A) the arrest or conviction in any country of any individual for the commission of an act of international terrorism against a United States person or United States property;

"(B) the arrest or conviction in any country of any individual conspiring or attempting to commit an act of international terrorism against a United States person or United States property;

"(C) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

"(i) a violation of United States narcotics laws and which is such that the individual would be a major violator of such laws; or

"(ii) the killing or kidnapping of—

"(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

"(II) a member of the immediate family of any such individual on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

"(iii) an attempt or conspiracy to commit any of the acts described in clause (i) or (ii); or

"(D) the arrest or conviction in any country of any individual aiding or abetting in the commission of an act described in subparagraphs (A) through (C); or

"(E) the prevention, frustration, or favorable resolution of an act described in subparagraphs (A) through (C).

"(c) COORDINATION.—(1) To ensure that the payment of rewards pursuant to this section does not duplicate or interfere with the payment of informants or the obtaining of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this section, including procedures for—

"(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered;

"(B) the publication of rewards;

"(C) offering of joint rewards with foreign governments;

"(D) the receipt and analysis of data; and

"(E) the payment and approval of payment,

shall be governed by procedures developed by the Secretary of State, in consultation with the Attorney General.

"(2) Before making a reward under this section in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

"(d) FUNDING.—(1) There is authorized to be appropriated to the Department of State from time to time such amounts as may be necessary to carry out the purposes of this section, notwithstanding section 102 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93).

"(2) No amount of funds may be appropriated which, when added to the amounts previously appropriated but not yet obligated, would cause such amounts to exceed $15,000,000.

"(3) To the maximum extent practicable, funds made available to carry out this section should be distributed equally for the purpose of preventing acts of international terrorism and for the purpose of preventing international narcotics trafficking.

"(4) Amounts appropriated to carry out the purposes of this section shall remain available until expended.

"(e) ADDITIONAL FUNDING.—(1) In extraordinary circumstances and when it is important to the national security of the United States, the Secretary of State may use fees collected for processing machine readable nonimmigrant visas and machine readable combined border crossing identification cards and nonimmigrant visas pursuant to section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 8 U.S.C. 1351 note) to carry out the purposes of this section, subject to the limitation contained in subsection (d)(2).

"(2) The authority contained in paragraph (1) may be used only if the Secretary notifies the appropriate congressional committees 15 days in advance in accordance with regular reprogramming procedures. Such notification shall contain a detailed justification of the circumstances necessitating the use of such fees for the purposes of this section.

"(f)— LIMITATION AND CERTIFICATION.—(1) A reward under this section may not exceed $2,000,000.

"(2) A reward under this section of more than $100,000 may not be made without the approval of the President or the Secretary of State.

"(3) Any reward granted under this section shall be approved and certified for payment by the Secretary of State.

"(4) The authority of paragraph (2) may not be delegated to any other officer or employee of the United States Government.

"(5) If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he considers necessary to effect such protection.

"(g) INELIGIBILITY.—An officer or employee of any governmental entity who, while in the performance of his or her official duties, furnishes information described in subsection (b) shall not be eligible for a reward under this section.

"(h) REPORTS.—(1) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the appropriate congressional committees with respect to such reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid. The report shall also discuss the significance of the information for which the reward was paid in dealing with those acts.

"(2) Not later than 60 days after the end of each fiscal year, the Secretary of State shall submit an annual report to the appropriate congressional committees with respect to the operation of the rewards program authorized by this section. Such report shall provide information on the total amounts expended during such fiscal year to carry out the purposes of this section, including amounts spent to publicize the availability of rewards. Such report shall also include information on all requests for the payment of rewards under this section, including the reasons for the denial of any such requests.

"(i) DEFINITIONS.—As used in this section—

"(1) the term 'appropriate congressional committees' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate;

"(2) the term 'act of international terrorism' includes, but is not limited to—

"(A) any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear weapon state (as defined in section 830(5) of that Act); and

"(B) any act, as determined by the Secretary of State, which materially supports the conduct of international terrorism, including the counterfeiting of United States currency or the illegal use of other monetary instruments by an individual, group, or country supporting international terrorism as determined for purposes of section 6(j) of the Export Administration Act of 1979;

"(3) the term 'United States narcotics laws' means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

"(4) the term 'member of the immediate family' includes—

"(A) a spouse, parent, brother, sister, or child of the individual;

"(B) a person to whom the individual stands in loco parentis; and

"(C) any other person living in the individual's household and related to the individual by blood or marriage.".

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the Secretary of State should pursue additional means of funding the program established by section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708), including the authority to seize and dispose of assets used in the commission of any offense under sections 1028, 1541 through 1544, and 1546 of title 18, United States Code, and to retain the proceeds derived from the disposition of such assets, or to participate in asset sharing programs conducted by the Department of Justice, to carry out the purposes of section 36 of that Act.

SEC. 2202. AUTHORITIES OF SECRETARY OF STATE.

Section 203(4) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4303(4)) is amended in the third sentence by striking "should" both places it appears and inserting "shall".

SEC. 2203. BUYING POWER MAINTENANCE ACCOUNT.

Section 24(b)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(b)(7)) is amended by striking subparagraph (D).

SEC. 2204. EXPENSES RELATING TO CERTAIN INTERNATIONAL CLAIMS AND PROCEEDINGS.

(a) RECOVERY OF CERTAIN EXPENSES.—The Department of State Appropriation Act, 1937 (49 Stat. 1321, 22 U.S.C. 2661, as amended by section 142(b) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204)) is amended in the fifth undesignated paragraph under the heading entitled "INTERNATIONAL FISHERIES COMMISSION" by striking "extraordinary".

(b) PROCUREMENT OF SERVICES.—Section 38(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710(c)) is amended in the first sentence by inserting "personal and" before "other support services".

SEC. 2205. CONSOLIDATION OF UNITED STATES DIPLOMATIC MISSIONS AND CONSULAR POSTS.

(a) CONSOLIDATION PLAN.—The Secretary of State shall develop a worldwide plan for the consolidation, wherever practicable, on a regional or areawide basis, of United States missions and consular posts abroad.

(b) CONTENTS OF PLAN.—The plan shall—

(1) identify specific United States diplomatic missions and consular posts for consolidation;

(2) identify those missions and posts at which the resident ambassador would also be accredited to other specified states in which the United States either maintained no resident official presence or maintained such a presence only at staff level; and

(3) provide an estimate of—

(A) the amount by which expenditures would be reduced through the reduction in the number of United States Government personnel assigned abroad;

(B) the reduction in the costs of maintaining United States properties abroad; and

(C) the amount of revenues generated to the United States through the sale or other disposition of United States properties associated with the posts to be consolidated abroad.

(c) TRANSMITTAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall transmit a copy of the plan to the appropriate congressional committees.

SEC. 2206. DENIAL OF PASSPORTS TO NONCUSTODIAL PARENTS SUBJECT TO STATE ARREST WARRANTS IN CASES OF NONPAYMENT OF CHILD SUPPORT.

The Secretary of State is authorized to refuse to issue a passport or to revoke, restrict, or limit a passport in any case in which the Secretary of State determines or is informed by competent authority that the applicant or passport holder is a noncustodial parent who is the subject of an outstanding State warrant of arrest for nonpayment of child support, where the amount in controversy is not less than $10,000.

SEC. 2207. CAPITAL INVESTMENT FUND.

Section 135 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2684a) is amended—

(1) in subsection (a) by inserting "and enhancement" after "procurement";

(2) in subsection (c) by striking "are authorized to" and inserting "shall";

(3) in subsection (d) by striking "for expenditure to procure capital equipment and information technology" and inserting in lieu thereof "for purposes of subsection (a)"; and

(4) by amending subsection (e) to read as follows:

"(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall not be available for obligation or expenditure except in compliance with the procedures applicable to reprogrammings under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710).".

SEC. 2208. EFFICIENCY IN PROCUREMENT.

(a) IN GENERAL.—To the maximum extent practicable, United States Government agencies performing functions at diplomatic and consular posts abroad shall avoid duplicative acquisition actions.

(b) AUTHORITY.—Notwithstanding any other provision of law, a contract awarded in accordance with the Competition in Contracting Act by an agency of the United States Government performing functions at diplomatic and consular posts abroad may be amended without competition to permit other such United States Government agencies to obtain goods or services under such contract, if unit prices are not increased as a result of any such amendment.

SEC. 2209. TRAINING.

Section 701 of the Foreign Service Act of 1980 (22 U.S.C. 4021) is amended—

(1) by redesignating subsection (d)(4) as subsection (g); and

(2) by inserting after subsection (d) the following new subsections:

"(e)(1) The Secretary of State is authorized to provide appropriate training through the institution to employees of any United States company engaged in business abroad, and to the families of such employees, when such training is in the national interest of the United States.

"(2) In the case of any company under contract to provide services to the Department of State, the Secretary of State is authorized to provide job-related training to any company employee who is performing such services.

"(3) Training under this subsection shall be on a reimbursable or advance-of-funds basis. Such reimbursements or advances shall be credited to the currently applicable appropriation account.

"(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

"(f)(1) The Secretary of State is authorized to provide on a reimbursable basis foreign language training programs to Members of Congress and officers and employees of Congress.

"(2) Reimbursements under this subsection, to the extent practicable, should be equivalent to the rate of reimbursement charged other agencies of the United States Government for comparable training.

"(3) Reimbursements collected under this subsection shall be credited to the currently available applicable appropriation account.

"(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.".

CHAPTER 2—CONSULAR AUTHORITIES OF THE DEPARTMENT OF STATE

SEC. 2231. SURCHARGE FOR PROCESSING CERTAIN MACHINE READABLE VISAS.

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103—236) is amended—

(1) by striking paragraphs (2) and (3) and inserting the following:

"(2) For fiscal years 1996 and 1997, not more than $250,000,000 in fees collected under the authority of paragraph (1) shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of the Department of State's border security program, including the costs of—

"(1) installation and operation of the machine readable visa and automated name-check process;

"(2) improving the quality and security of the United States passport;

"(3) passport and visa fraud investigations; and

"(4) the technological infrastructure to support and operate the programs referred to in paragraphs (1) through (3).

Such fees shall remain available for obligation until expended.

"(3) For any fiscal year, fees collected under the authority of paragraph (1) in excess of the amount specified for such fiscal year under paragraph (2) shall be deposited in the general fund of the Treasury as miscellaneous receipts."; and

(2) by striking paragraph (5).

SEC. 2232. FINGERPRINT CHECK REQUIREMENT.

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236; 8 U.S.C. 1182 note) as amended by section 505 of the Department of State and Related Agencies Appropriation Act, Fiscal Year 1995 (Public Law 103-317) is amended by adding at the end the following:

"(h) FINGERPRINT CHECK REQUIREMENT.—If a visa applicant is determined to have a criminal history record under subsection (d)(1), has been physically present in the United States, and is more than 16 years of age, the applicant shall provide a fingerprint record for submission with the application, at no cost to the Department of State. The Department of State shall submit such fingerprint record to the Federal Bureau of Investigation for analysis to determine whether the applicant has been convicted of a felony under State or Federal law in the United States.".

SEC. 2233. USE OF CERTAIN PASSPORT PROCESSING FEES FOR ENHANCED PASSPORT SERVICES.

For each of the fiscal years 1996 and 1997, of the fees collected for expedited passport processing and deposited to an offsetting collection pursuant to the Department of State and Related Agencies Appropriations Act for Fiscal Year 1995 (Public Law 103—317; 22 U.S.C. 214), 10 percent shall be available only for enhancing passport services for United States citizens, improving the integrity and efficiency of the passport issuance process, improving the secure nature of the United States passport, investigating passport fraud, and deterring entry into the United States by terrorists, drug traffickers, or other criminals.

SEC. 2234. CONSULAR OFFICERS.

(a) PERSONS AUTHORIZED TO ISSUE REPORTS OF BIRTH ABROAD.—Section 33 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2705) is amended in paragraph (2) by inserting "(or any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe)" after "consular officer".

(b) PROVISIONS APPLICABLE TO CONSULAR OFFICERS.—Section 31 of the Act of August 18, 1856 (Rev. Stat. 1689, 22 U.S.C. 4191), is amended by inserting "and to such other United States citizen employees of the Department of State as may be designated by the Secretary of State pursuant to such regulations as the Secretary may prescribe" after "such officers".

CHAPTER 3—REFUGEES AND MIGRATION

SEC. 2251. UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND.

(a) LIMITATION ON TRANSFERS FROM EMERGENCY FUND.—Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended by adding after paragraph (3) the following:

"(4) Notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees not less than 15 days before transferring or otherwise making available amounts from the United States Emergency Refugee and Migration Assistance Fund under paragraph (1).".

(b) NOTIFICATION OF EXPENDITURES FROM FUND.—Section 2(d) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended to read as follows:

"(d)(1) Except as provided in paragraph (2), and notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees at least 15 days in advance of the obligation or expenditure of sums from the United States Emergency Refugee and Migration Assistance Fund under subsection (c).

"(2) Notwithstanding the notification requirement of paragraph (1), the President may obligate and expend sums from the United States Emergency Refugee and Migration Assistance Fund if the President determines, and promptly certifies to the appropriate congressional committees, that unforseen emergency circumstances require the immediate obligation of sums from such fund. Any such certification shall fully inform such committees of the amount and use of such sums from the Fund.

"(3) For purposes of this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

SEC. 2252. PERSECUTION FOR RESISTANCE TO COERCIVE POPULATION CONTROL METHODS.

Section 101(a)(42) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)) is amended by adding at the end the following: "For purposes of determinations under this Act, a person who has been forced to abort a pregnancy or to undergo involuntary sterilization, or who has been persecuted for failure or refusal to undergo such a procedure or for other resistance to a coercive population control program, shall be deemed to have been persecuted on account of political opinion, and a person who has a well founded fear that he or she will be forced to undergo such a procedure or subjected to persecution for such failure, refusal, or resistance shall be deemed to have a well founded fear of persecution on account of political opinion.".

SEC. 2253. REPORT TO CONGRESS CONCERNING CUBAN EMIGRATION POLICIES.

Beginning 3 months after the date of the enactment of this Act and every subsequent 6 months, the President shall transmit a report to the appropriate congressional committees concerning the methods employed by the Government of Cuba to enforce the United States—Cuba agreement of September 1994 to restrict the emigration of the Cuban people from Cuba to the United States, and the treatment by the Government of Cuba of persons who have been returned to Cuba pursuant to the United States—Cuba agreement of May 1995. Each report transmitted pursuant to this section shall include a detailed account of United States efforts to monitor such enforcement and treatment.

SEC. 2254. UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES.

(a) IN GENERAL.—No funds authorized to be appropriated by this Act shall be available to involuntarily return any person to a country in which the person has a well founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or promote or assist such involuntary return.

(b) INVOLUNTARILY RETURN DEFINED—As used in this section, the term "involuntarily return" means to take action by which it is reasonably foreseeable that a person will be required to return to a country against the person's will, regardless of whether such return is induced by physical force and regardless of whether the person is physically present in the United States.

SEC. 2255. EXTENSION OF CERTAIN ADJUDICATION PROVISIONS.

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101—167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking "and 1996" and inserting "1996, and 1997"; and

(B) in subsection (e), by striking out "October 1, 1996" each place it appears and inserting "October 1, 1997"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking out "September 30, 1996" and inserting "September 30, 1997".

TITLE XXIII—ORGANIZATION OF THE DEPARTMENT OF STATE; DEPARTMENT OF STATE PERSONNEL; THE FOREIGN SERVICE

CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE

SEC. 2301. COORDINATOR FOR COUNTERTERRORISM.

(a) ESTABLISHMENT.—Section 1(e) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)) is amended—

(1) by striking "In" and inserting the following:

"(1) In"; and

(2) by inserting at the end the following:

"(2) COORDINATOR FOR COUNTERTERRORISM.—

"(A) There shall be within the office of the Secretary of State a Coordinator for Counterterrorism (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate.

"(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

"(ii) The principal duty of the Coordinator shall be the overall supervision (including policy oversight of resources) of international counterterrorism activities. The Coordinator shall be the principal advisor to the Secretary of State on international counterterrorism matters. The Coordinator shall be the principal counterterrorism official within the senior management of the Department of State and shall report directly to the Secretary of State.

"(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

"(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 161 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 103-236) is amended by striking subsection (e).

(c) TRANSITION PROVISION.—The individual serving as Coordinator for Counterterrorism of the Department of State on the day before the effective date of this division may continue to serve in that position.

SEC. 2302. SPECIAL ENVOY FOR TIBET.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Government of the People's Republic of China withholds meaningful participation in the governance of Tibet from Tibetans and has failed to abide by its own constitutional guarantee of autonomy for Tibetans.

(2) The Government of the People's Republic of China is responsible for the destruction of much of Tibet's cultural and religious heritage since 1959 and continues to threaten the survival of Tibetan culture and religion.

(3) The Government of the People's Republic of China, through direct and indirect incentives, has established discriminatory development programs which have resulted in an overwhelming flow of Chinese immigrants into Tibet, including those areas incorporated into the Chinese provinces of Sichuan, Yunnan, Gansu, and Quinghai in recent years, and have excluded Tibetans from participation in important policy decisions, further threatening traditional Tibetan life.

(4) The Government of the People's Republic of China denies Tibetans their fundamental human rights, as reported in the Department of State's Country Reports on Human Rights Practices for 1995.

(5) The President and the Congress have determined that the promotion of human rights in Tibet and the protection of Tibet's religion and culture are important elements in United States-China relations and have urged senior members of the Government of the People's Republic of China to enter into substantive negotiations on these matters with the Dalai Lama or his representative.

(6) The Dalai Lama has repeatedly stated his willingness to begin substantive negotiations without preconditions.

(7) The Government of the People's Republic of China has failed to respond in a good faith manner by reciprocating a willingness to begin negotiations without preconditions, and no substantive negotiations have begun.

(b) UNITED STATES SPECIAL ENVOY FOR TIBET.—Section 1(e) of the State Department Basic Authorities Act (U.S.C. 2651a(e)) is amended by adding after paragraph (2) the following new paragraph:

"(3) UNITED STATES SPECIAL ENVOY FOR TIBET.—

"(A) There shall be within the Department of State a United States Special Envoy for Tibet, who shall be appointed by the President, by and with the advice and consent of the Senate. The United States Special Envoy for Tibet shall hold office at the pleasure of the President.

"(B) The United States Special Envoy for Tibet shall have the personal rank of ambassador.

"(C) The United States Special Envoy for Tibet is authorized and encouraged—

"(i) to promote substantive negotiations between the Dalai Lama or his representatives and senior members of the Government of the People's Republic of China;

"(ii) to promote good relations between the Dalai Lama and his representatives and the United States Government, including meeting with members or representatives of the Tibetan government-in-exile; and

"(iii) to travel regularly throughout Tibet and Tibetan refugee settlements.

"(D) The United States Special Envoy for Tibet shall—

"(i) consult with the Congress on policies relevant to Tibet and the future and welfare of all Tibetan people;

"(ii) coordinate United States Government policies, programs, and projects concerning Tibet; and

"(iii) report to the Secretary of State regarding the matters described in section 536(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236).".

SEC. 2303. ESTABLISHMENT OF COORDINATOR FOR HUMAN RIGHTS AND REFUGEES, BUREAU OF REFUGEE AND MIGRATION ASSISTANCE, AND BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.

(a) ESTABLISHMENT OF COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

Section 1(e) of the State Department Basic Authorities Act (22 U.S.C. 2651a(e)) is amended by adding after paragraph (3) the following new paragraph:

"(4) COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

"(A) There shall be within the office of the Secretary of State a Coordinator for Human Rights and Refugees (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

"(B) The Coordinator shall be responsible for matters pertaining to human rights, refugees, and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy. The Coordinator shall head the Bureau of Refugee and Migration Assistance and the Bureau of Democracy, Human Rights, and Labor.

"(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

"(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.".

(b) TERMINATION OF ASSISTANT SECRETARY OF STATE FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR.—

(1) IN GENERAL.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by striking paragraph (2).

(2) CONFORMING AMENDMENTS.—The Foreign Assistance Act of 1961 is amended—

(A) in section 116(c) (22 U.S.C. 2151n), by striking "Assistant Secretary of State for Democracy, Human Rights, and Labor" and inserting "Secretary";

(B) in sections 502B, 502B, and 505(g)(4)(A) by striking ", prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,"; and

(C) in section 573(c) by striking "Assistant Secretary of State for Democracy, Human Rights, and Labor" and inserting "Secretary of State".

(c) ESTABLISHMENT OF BUREAU OF REFUGEE AND MIGRATION ASSISTANCE AND BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended by adding after subsection (e) the following new subsection:

"(f) ESTABLISHMENT OF CERTAIN BUREAUS, OFFICES, AND OTHER ORGANIZATIONAL ENTITIES WITHIN THE DEPARTMENT OF STATE.—

"(1) BUREAU OF REFUGEE AND MIGRATION ASSISTANCE.—There is established within the Department of State the Bureau of Refugee and Migration Assistance which shall assist the Secretary of State in carrying out the Migration and Refugee Assistance Act of 1962. The Bureau shall be headed by the Coordinator for Human Rights and Refugees.

"(2) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—There is established within the Department of State the Bureau of Democracy, Human Rights, and Labor. The Bureau shall be headed by the Coordinator for Human Rights and Refugees. The Bureau shall continuously observe and review all matters pertaining to human rights and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy including the following:

"(A) Gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which the requirements of section 116 and 502B of the Foreign Assistance Act of 1961 are relevant.

"(B) Preparing the statements and reports to Congress required under section 502B of the Foreign Assistance Act of 1961.

"(C) Making recommendations to the Secretary of State regarding compliance with sections 116 and 502B of the Foreign Assistance Act of 1961, and as part of the Bureau's overall policy responsibility for the creation of United States Government human rights policy, advising the Secretary on the policy framework under which section 116(e) projects are developed and consulting with the Secretary on the selection and implementation of such projects.

"(D) Performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.".

SEC. 2304. ELIMINATION OF STATUTORY ESTABLISHMENT OF CERTAIN POSITIONS OF THE DEPARTMENT OF STATE.

(a) ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.—Section 122 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2652b) is repealed.

(b) DEPUTY ASSISTANT SECRETARY OF STATE FOR BURDENSHARING.—Section 161 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2651a note) is amended by striking subsection (f).

(c) ASSISTANT SECRETARY FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS.—Section 9 of the Department of State Appropriations Authorization Act of 1973 (22 U.S.C. 2655a) is repealed.

SEC. 2305. ESTABLISHMENT OF ASSISTANT SECRETARY OF STATE FOR HUMAN RESOURCES.

Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by adding after paragraph (1) the following new paragraph:

"(2) ASSISTANT SECRETARY FOR HUMAN RESOURCES.—There shall be in the Department of State an Assistant Secretary for Human Resources who shall be responsible to the Secretary of State for matters relating to human resources including the implementation of personnel policies and programs within the Department of State and international affairs functions and activities carried out through the Department of State. The Assistant Secretary shall have substantial professional qualifications in the field of human resource policy and management.".

SEC. 2306. AUTHORITY OF UNITED STATES PERMANENT REPRESENTATIVE TO THE UNITED NATIONS.

Section 2(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287(a)) is amended by striking "hold office at the pleasure of the President" and inserting "serve at the pleasure of the President and subject to the direction of the Secretary of State".

CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE; THE FOREIGN SERVICE

SEC. 2351. AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.

(a) END FISCAL YEAR 1996 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1996—

(1) for the Department of State, shall not exceed 9,000, of whom not more than 720 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, shall not exceed 1,150, of whom not more than 165 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, not to exceed 1,800, of whom not more than 240 shall be members of the Senior Foreign Service.

(b) END FISCAL YEAR 1997 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1997—

(1) for the Department of State, shall not exceed 8,800, of whom not more than 680 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, not to exceed 1,100 of whom not more than 160 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, not to exceed 1,775 of whom not more than 230 shall be members of the Senior Foreign Service.

(c) DEFINITION.—For the purposes of this section, the term "members of the Foreign Service" is used within the meaning of such term under section 103 of the Foreign Service Act of 1980 (22 U.S.C 3903), except that such term does not include—

(1) members of the Service under paragraphs (6) and (7) of such section;

(2) members of the Service serving under temporary resident appointments abroad;

(3) members of the Service employed on less than a full-time basis;

(4) members of the Service subject to involuntary separation in cases in which such separation has been suspended pursuant to section 1106(8) of the Foreign Service Act of 1980; and

(5) members of the Service serving under non-career limited appointments.

(d) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the President may waive any limitation under subsection (a) or (b) to the extent that such waiver is necessary to carry on the foreign affairs functions of the United States.

(2) Not less than 15 days before the President exercises a waiver under paragraph (1), such agency head shall notify the Chairman of the Committee on Foreign Relations of the Senate and the Chairman of the Committee on International Relations of the House of Representatives. Such notice shall include an explanation of the circumstances and necessity for such waiver.

SEC. 2352. REPEAL OF AUTHORITY FOR SENIOR FOREIGN SERVICE PERFORMANCE PAY.

(a) REPEAL.—Section 405 of the Foreign Service Act of 1980 (22 U.S.C. 3965) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of the Foreign Service Act of 1980 is amended in the table of contents by striking the item related to section 405.

SEC. 2353. RECOVERY OF COSTS OF HEALTH CARE SERVICES.

(a) AUTHORITIES.—Section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4084) is amended—

(1) in subsection (a) by—

(A) striking "and" before "members of the families of such members and employees"; and

(B) by inserting immediately before the period ", and for care provided abroad) such other persons as are designated by the Secretary of State, except that such persons shall be considered persons other than covered beneficiaries for purposes of subsections (g) and (h)";

(2) in subsection (d) by inserting ", subject to the provisions of subsections (g) and (h)" after "treatment"; and

(3) by adding the following new subsections:

"(g)(1) In the case of a person who is a covered beneficiary, the Secretary of State is authorized to collect from a third-party payer the reasonable costs incurred by the Department of State on behalf of such person for health care services to the same extent that the covered beneficiary would be eligible to receive reimbursement or indemnification from the third-party payer for such costs.

"(2) If the insurance policy, plan, contract, or similar agreement of that third-party payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the Secretary of State may collect from the third-party payer only the reasonable costs of the care provided less the deductible or copayment amount.

"(3) A covered beneficiary shall not be required to pay any deductible or copayment for health care services under this subsection.

"(4) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for care in the following circumstances shall operate to prevent collection by the Secretary of State under paragraph (1)—

"(A) care provided directly or indirectly by a governmental entity;

"(B) care provided to an individual who has not paid a required deductible or copayment; or

"(C) care provided by a provider with which the third-party payer has no participation agreement.

"(5) No law of any State, or of any political subdivision of a State, and no provision of any contract or agreement shall operate to prevent or hinder recovery or collection by the United States under this section.

"(6) As to the authority provided in paragraph (1) of this subsection—

"(A) the United States shall be subrogated to any right or claim that the covered beneficiary may have against a third-party payer;

"(B) the United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this subsection; and

"(C) the Secretary may compromise, settle, or waive a claim of the United States under this subsection.

"(7) The Secretary shall prescribe regulations for the administration of this subsection and subsection (h). Such regulations shall provide for computation of the reasonable cost of health care services.

"(8) Regulations prescribed under this subsection shall provide that medical records of a covered beneficiary receiving health care under this subsection shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought for the sole purpose of permitting the third party to verify—

"(A) that the care or services for which recovery or collection is sought were furnished to the covered beneficiary; and

"(B) that the provisions of such care or services to the covered beneficiary meets criteria generally applicable under the health plan contract involved, except that this paragraph shall be subject to the provisions of paragraphs (2) and (4).

"(9) Amounts collected under this subsection or under subsection (h) from a third-party payer or from any other payer shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available until expended.

"(10) For purposes of this section—

"(A) the term 'covered beneficiary' means an individual eligible to receive health care under this section whose health care costs are to be paid by a third-party payer under a contractual agreement with such payer;

"(B) the term 'services', as used in 'health care services' includes products; and

"(C) the term 'third-party payer' means an entity that provides a fee-for-service insurance policy, contract, or similar agreement through the Federal Employees Health Benefit program, under which the expenses of health care services for individuals are paid.

"(h) In the case of a person, other than a covered beneficiary, who receives health care services pursuant to this section, the Secretary of State is authorized to collect from such person the reasonable costs of health care services incurred by the Department of State on behalf of such person. The United States shall have the same rights against persons subject to the provisions of this subsection as against third-party payers covered by subsection (g).".

(b) EFFECTIVE DATE.—Subsection (a) shall take effect October 1, 1996.

TITLE XXIV—UNITED STATES PUBLIC DIPLOMACY: AUTHORITIES AND ACTIVITIES FOR UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

CHAPTER 1—GENERAL PROVISIONS

SEC. 2401. ELIMINATION OF PERMANENT AUTHORIZATION.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 is amended by striking subsection (e).

SEC. 2402. EXTENSION OF AU PAIR PROGRAMS.

Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is amended in the last sentence by striking "fiscal year 1995" and inserting "fiscal year 1997".

SEC. 2403. EDUCATIONAL AND CULTURAL EXCHANGES WITH HONG KONG.

The Director of the United States Information Agency shall conduct programs of educational and cultural exchange between the United States and the people of Hong Kong.

SEC. 2404. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS IN ASIA.

In carrying out programs of educational and cultural exchange in Hong Kong, China, Vietnam, Cambodia, Tibet, Burma, and East Timor, the Director of the United States Information Agency shall take appropriate steps to provide opportunities for participation in such programs to human rights and democracy leaders of such countries and persons who are nationals but not residents of such countries.

SEC. 2405. EDUCATIONAL AND CULTURAL EXCHANGES AND SCHOLARSHIPS FOR TIBETANS AND BURMESE.

(a) Establishment of Educational and Cultural Exchange for Tibetans.—The Director of the United States Information Agency shall establish programs of educational and cultural exchange between the United States and the people of Tibet. Such programs shall include opportunities for training and, as the Director considers appropriate, may include the assignment of personnel and resources abroad.

(b) Scholarships for Tibetans and Burmese.—

(1) For each of the fiscal years 1996 and 1997, at least 30 scholarships shall be made available to Tibetan students and professionals who are outside Tibet, and at least 15 scholarships shall be made available to Burmese students and professionals who are outside Burma.

(2) Waiver.—Paragraph (1) shall not apply to the extent that the Director of the United States Information Agency determines that there are not enough qualified students to fulfill such allocation requirement.

(3) Scholarship defined.—For the purposes of this section, the term "scholarship" means an amount to be used for full or partial support of tuition and fees to attend an educational institution, and may include fees, books, and supplies, equipment required for courses at an educational institution, living expenses at a United States educational institution, and travel expenses to and from, and within, the United States.

SEC. 2406. AVAILABILITY OF VOICE OF AMERICA AND RADIO MARTI MULTILINGUAL COMPUTER READABLE TEXT AND VOICE RECORDINGS.

(a) In General.—Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) and the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency is authorized to make available, upon request, to the Linguistic Data Consortium of the University of Pennsylvania computer readable multilingual text and recorded speech in various languages. The Consortium shall, directly or indirectly as appropriate, reimburse the Director for any expenses involved in making such materials available.

(b) Termination.—Subsection (a) shall cease to have effect 5 years after the date of the enactment of this Act.

SEC. 2407. RETENTION OF INTEREST.

Notwithstanding any other provision of law, with the approval of the National Endowment for Democracy, grant funds made available by the National Endowment for Democracy may be deposited in interest-bearing accounts pending disbursement and any interest which accrues may be retained by the grantee and used for the purposes for which the grant was made.

SEC. 2408. USIA OFFICE IN PRISTINA, KOSOVA.

(a) Establishment of Office.—The Director of the United States Information Agency shall seek to establish an office in Pristina, Kosova, for the following purposes:

(1) Disseminating information about the United States.

(2) Promoting discussions on human rights, democracy, rule of law, and conflict resolution.

(3) Facilitating United States private sector involvement in educational and cultural activities in Kosova.

(4) Advising the United States Government with respect to public opinion in Kosova.

(b) Report to Congress.—Not later than April 1 of each year until subsection (a) has been fully implemented, the Director of the United States Information Agency shall submit a detailed report on developments relating to the implementation of subsection (a) to the appropriate congressional committees.

CHAPTER 2—INTERNATIONAL BROADCASTING

SEC. 2431. EXPANSION OF BROADCASTING BOARD OF GOVERNORS.

Section 304(b) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203) is amended—

(1) in paragraph (1) by striking "9" and inserting "11";

(2) in paragraph (1)(A) by striking "8" and inserting "10"; and

(3) in paragraph (3) by striking "4" and inserting "5".

SEC. 2432. PLAN FOR RADIO FREE ASIA.

Section 309(c) of the United States International Broadcasting Act (22 U.S.C. 6208(c)) is amended to read as follows:

"(c) Submission of Plan.—Not later than 90 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1996 and 1997, the Director of the United States Information Agency shall submit to the Congress a detailed plan for the establishment and operation of Radio Free Asia in accordance with this section. Such plan shall include the following:

"(1) A description of the manner in which Radio Free Asia would meet the funding limitations provided in subsection (d)(4).

"(2) A description of the numbers and qualifications of employees it proposes to hire.

"(3) How it proposes to meet the technical requirements for carrying out its responsibilities under this section.".

SEC. 2433. PILOT PROJECT FOR FREEDOM BROADCASTING TO ASIA.

(a) Authority.—The Director of the United States Information Agency shall make grants for broadcasting to the People's Republic of China, Burma, Cambodia, Laos, North Korea, Tibet, and Vietnam. Such broadcasting shall provide accurate and timely information, news, and commentary about events in the respective countries of Asia and elsewhere, and shall be a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.

(b) Purpose.—The purpose of such grants shall be to provide such broadcasting on an interim basis during the period before Radio Free Asia becomes fully operational.

(c) Applications.—In considering applications for grants, the Director of the United States Information Agency shall give strong preference to entities which (1) take advantage of the expertise of political and religious dissidents and pro-democracy and human rights activists from within the countries to whom broadcasting is directed, including exiles from these countries; and (2) take advantage of contracts or similar arrangements with existing broadcast facilities so as to provide immediate broadcast coverage with low overhead.

(d) Plan.—Not later than 30 days after the date of the enactment of this Act, the Director of the United States Information Agency shall submit to the appropriate congressional committees a plan for implementing this section which shall include details concerning timetable for implementation, grant criteria, and grant application procedures. The procedures and timetable should be designed to ensure that grantees will begin broadcasting not later than 120 days after the date of the enactment of this Act.

TITLE XXV—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

CHAPTER 1—GENERAL PROVISIONS

SEC. 2501. INTERNATIONAL BOUNDARY AND WATER COMMISSION.

The Act of May 13, 1924 (49 Stat. 660, 22 U.S.C. 277–277f), is amended in section 3 (22 U.S.C. 277b) by adding at the end the following new subsection:

"(d) Pursuant to the authority of subsection (a) and in order to facilitate further compliance with the terms of the Convention for Equitable Distribution of the Waters of the Rio Grande, May 21, 1906, United States-Mexico, the Secretary of State, acting through the United States Commissioner of the International Boundary and Water Commission, may make improvements to the Rio Grande Canalization Project, originally authorized by the Act of August 29, 1935 (49 Stat. 961). Such improvements may include all such works as may be needed to stabilize the Rio Grande in the reach between the Percha Diversion Dam in New Mexico and the American Diversion Dam in El Paso.".

CHAPTER 2—UNITED NATIONS AND AFFILIATED AGENCIES AND ORGANIZATIONS

SEC. 2521. REFORM IN BUDGET DECISIONMAKING PROCEDURES OF THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) Assessed Contributions.—Of amounts authorized to be appropriated for "Assessed Contributions to International Organizations" by this Act, the President may withhold 20 percent of the funds appropriated for the United States assessed contribution to the United Nations or to any of its specialized agencies for any calendar year if the United Nations or any such agency has failed to implement or to continue to implement consensus-based decisionmaking procedures on budgetary matters which assure that sufficient attention is paid to the views of the

United States and other member states that are the major financial contributors to such assessed budgets.

(b) NOTICE TO CONGRESS.—The President shall notify the Congress when a decision is made to withhold any share of the United States assessed contribution to the United Nations or its specialized agencies pursuant to subsection (a) and shall notify the Congress when the decision is made to pay any previously withheld assessed contribution. A notification under this subsection shall include appropriate consultation between the President (or the President's representative) and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(c) CONTRIBUTIONS FOR PRIOR YEARS.—Subject to the availability of appropriations, payment of assessed contributions for prior years may be made to the United Nations or any of its specialized agencies notwithstanding subsection (a) if such payment would further United States interests in that organization.

(d) REPORT TO CONGRESS.—Not later than February 1 of each year, the President shall submit to the appropriate congressional committees a report concerning the amount of United States assessed contributions paid to the United Nations and each of its specialized agencies during the preceding calendar year.

SEC. 2522. LIMITATION ON CONTRIBUTIONS TO THE UNITED NATIONS OR UNITED NATIONS AFFILIATED ORGANIZATIONS.

The United States shall not make any voluntary or assessed contribution—

(1) to any affiliated organization of the United Nations which grants full membership as a state to any organization or group that does not have the internationally recognized attributes of statehood, or

(2) to the United Nations, if the United Nations grants full membership as a state in the United Nations to any organization or group that does not have the internationally recognized attributes of statehood,

during any period in which such membership is effective.

SEC. 2523. REPORT ON UNICEF.

Not later than December 31, 1995, the Secretary of State shall transmit to the appropriate congressional committees a report on (1) the progress of UNICEF toward effective financial, program, and personnel management; (2) the progress of UNICEF in shifting its health, child survival, and maternal survival programs toward efficient and low-overhead contractors, with particular emphasis on nongovernmental organizations; and (3) the extent to which UNICEF has demonstrated its commitment to its traditional mission of child health and welfare and resisted pressure to become involved in functions performed by other United Nations agencies.

SEC. 2524. UNITED NATIONS BUDGETARY AND MANAGEMENT REFORM.

(a) IN GENERAL.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

"SEC. 10. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO THE ROLE OF THE INSPECTOR GENERAL OF THE UNITED NATIONS.—

"(1) ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1996 and for each subsequent fiscal year, 20 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

"(2) ASSESSED CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, 50 percent of the amount of funds made available for that fiscal year for United States assessed contributions for United Nations peacekeeping activities shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

"(3) VOLUNTARY CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, the United States may not pay any voluntary contribution to the United Nations for international peacekeeping activities unless a certification for that fiscal year has been made under subsection (b).

"(b) CERTIFICATION.—The certification referred to in subsection (a) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, of each of the following:

"(1) The United Nations has an independent office of Inspector General to conduct and supervise objective audits, inspections, and investigations relating to programs and operations of the United Nations.

"(2) The United Nations has an Inspector General who was appointed by the Secretary General with the approval of the General Assembly and whose appointment was made principally on the basis of the appointee's integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigation.

"(3) The Inspector General is authorized to—

"(A) make investigations and reports relating to the administration of the programs and operations of the United Nations;

"(B) have access to all records, documents, and other available materials relating to those programs and operations;

"(C) have direct and prompt access to any official of the United Nations; and

"(D) have access to all records and officials of the specialized agencies of the United Nations.

"(4) The United Nations has fully implemented, and made available to all member states, procedures that effectively protect the identity of, and prevent reprisals against, any staff member of the United Nations making a complaint or disclosing information to, or cooperating in any investigation or inspection by, the United Nations Inspector General.

"(5) The United Nations has fully implemented procedures that ensure compliance with recommendations of the United Nations Inspector General.

"(6) The United Nations has required the United Nations Inspector General to issue an annual report and has ensured that the annual report and all other reports of the Inspector General are made available to the General Assembly without modification.

"(7) The United Nations has provided, and is committed to providing, sufficient budgetary resources to ensure the effective operation of the United Nations Inspector General.".

(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO CONTRACTING OF THE UNITED NATIONS.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is further amended by adding at the end the following new section:

"SEC. 11. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO TIMELY NOTICE OF CONTRACT OPPORTUNITIES AND CONTRACT AWARDS.—

"(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

"(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has implemented a system requiring (A) prior notification for the submission of all qualified bid proposals on all United Nations procurement opportunities over $100,000 and (B) a public announcement of the award of any contract over $100,000. To the extent practicable, notifications shall be made in the Commerce Business Daily.

"(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO DISCRIMINATION AGAINST COMPANIES WHICH CHALLENGE CONTRACT AWARDS.—

"(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

"(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the procurement regulations of the United Nations prohibit punitive actions such as the suspension of contract eligibility for contractors who challenge contract awards or complain about delayed payments.

"(c) WITHHOLDING OF CONTRIBUTIONS RELATED TO ESTABLISHMENT OF A UNITED NATIONS CONTRACT REVIEW PROCESS.—

"(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1998 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

"(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has established a contract review process for contracts over $100,000 and a process to assure unsuccessful bidders a timely opportunity to challenge awards for contracts over $100,000 such bidders consider to have been made improperly.".

(c) PROCUREMENT INFORMATION.—Section 4(d) of the United Nations Participation Act of 1945 (22 U.S.C. 287b(d)), as amended by section 407 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236) is amended in paragraph (2)(B) by inserting before the period ", including local procurement contracts".

TITLE XXVI—FOREIGN POLICY PROVISIONS

CHAPTER 1—MISCELLANEOUS FOREIGN POLICY PROVISIONS

SEC. 2601. TAIWAN RELATIONS ACT.

(a) APPLICABILITY.—Section 3 of the Taiwan Relations Act (22 U.S.C. 3302) is amended by adding at the end the following new subsection:

"(d) The provisions of subsections (a) and (b) supersede any provision of the Joint Communique of the United States and China of August 17, 1982.".

(b) VISITS TO THE UNITED STATES BY OFFICIALS OF THE GOVERNMENT OF THE REPUBLIC OF CHINA ON TAIWAN.—Section 4 of the Taiwan Relations Act (22 U.S.C. 3303) is amended by adding at the end the following new subsection:

"(e) The Congress finds and declares that there are no legitimate foreign policy grounds for preventing members of the government chosen by the people of Taiwan from making private visits to the United States. Accordingly, notwithstanding any other provision of law, no official of the government of the Republic of China on Taiwan may be excluded from the United States on the basis of a determination by the Secretary of State that the entry or proposed activities in the United States of such individual would have potentially serious adverse foreign policy consequences for the United States.".

SEC. 2602. BOSNIA GENOCIDE JUSTICE ACT.

(a) SHORT TITLE.—This section may be cited as the "Bosnia Genocide Justice Act".

(b) POLICY.—

(1) IN GENERAL.—Consistent with international law, it is the policy of the United States to bring to justice persons responsible for genocide, war crimes, crimes against humanity and other serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991.

(2) SENSE OF CONGRESS.—The Congress urges the President—

(A) to collect or assist appropriate organizations and individuals to collect relevant data on these crimes committed in the former Yugoslavia;

(B) to share such data with the War Crimes Tribunal for the former Yugoslavia established by the Security Council of the United Nations;

(C) to assist United Nations efforts to investigate, prosecute, and try those responsible for genocide, war crimes, crimes against humanity and other serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991;

(D) to submit to the Congress implementing legislation to enable compliance with requests and orders of the tribunal; and

(E) to support the ongoing work of the Tribunal through adequate financial contributions to the United Nations Voluntary Fund for the War Crimes Tribunal for the former Yugoslavia for 1996 and 1997.

(c) REPORTING REQUIREMENT.—Beginning 6 months after the date of enactment of this Act, and every 6 months thereafter during fiscal years 1996 and 1997, the President shall submit a report describing the steps taken to implement the provisions of this section to the appropriate congressional committees.

SEC. 2603. EXPANSION OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE.

Section 3(a) of the Act entitled "An Act to establish a Commission on Security and Cooperation in Europe", approved June 3, 1976 (22 U.S.C. 3003) is amended—

(1) in subsection (a) by striking "twenty-one" and inserting "twenty-nine"; and

(2) by striking paragraphs (1) and (2) and inserting the following:

"(1) Thirteen Members of the House of Representatives appointed by the Speaker of the House of Representatives. Seven Members shall be selected from the majority party and six Members shall be selected, after consulation with the minority leader of the House, from the minority party.

"(2) Thirteen Members of the Senate appointed by the President of the Senate. Seven Members shall be selected from the majority party of the Senate, after consultation with the majority leader, and six Members shall be selected, after consultation with the minority leader of the Senate, from the minority party.".

CHAPTER 2—RELATING TO THE UNITED STATES-NORTH KOREA AGREED FRAMEWORK AND THE OBLIGATIONS OF NORTH KOREA UNDER THAT AND PREVIOUS AGREEMENTS WITH RESPECT TO THE DENUCLEARIZATION OF THE KOREAN PENINSULA AND DIALOGUE WITH THE REPUBLIC OF KOREA

SEC. 2641. FINDINGS.

The Congress makes the following findings:

(1) The United States-Democratic People's Republic of Korea Agreed Framework (hereafter in this chapter referred to as the "Agreed Framework"), entered into on October 21, 1994, between the United States and North Korea, requires North Korea to stop and eventually dismantle its graphite-moderated nuclear reactor program and related facilities, and comply fully with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, in exchange for alternative energy sources, including interim supplies of heavy fuel oil for electric generators and more proliferation-resistant light water reactor technology.

(2) The Agreed Framework also commits North Korea to "consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula" and "engage in North-South" dialogue with the Republic of Korea.

(3) The Agreed Framework does not indicate specific criteria for full normalization of relations between the United States and North Korea, and does not link the sequencing of actions in the Agreed Framework with any time-frame for carrying out the provisions of the North-South Joint Declaration on the Denuclearization of the Korean Peninsula and carrying out the dialogue between North Korea and the Republic of Korea.

(4) The commitment by North Korea to carry out the letter and spirit of the Agreed Framework has been put into doubt by actions of North Korea since October 21, 1994, including the suspected diversion of United States heavy fuel oil in apparent contravention of the agreed purpose of the interim fuel deliveries, the refusal to accept light water reactors from the Republic of Korea, the harsh denunciations of the Government of the Republic of Korea, and other actions contrary to the commitment by North Korea to engage in a dialogue with such Government, and the continued conduct of provocative, offensive oriented military exercises.

(5) The nuclear threat posed by North Korea is just one of a number of security concerns of the United States arising out of the policies of North Korea.

SEC. 2642. CLARIFICATION OF NUCLEAR NON-PROLIFERATION OBLIGATIONS OF NORTH KOREA UNDER THE AGREED FRAMEWORK.

It is the sense of the Congress that in discussions or negotiations with the Government of North Korea pursuant to the implementation of the United States-Democratic People's Republic of Korea Agreed Framework entered into on October 21, 1994, the President should uphold the following minimum conditions relating to nuclear nonproliferation:

(1) All spent fuel from the graphite-moderated nuclear reactors and related facilities of North Korea should be removed from the territory of North Korea as is consistent with the Agreed Framework.

(2) The International Atomic Energy Agency should have the freedom to conduct any and all inspections that it deems necessary to fully account for the stocks of plutonium and other nuclear materials in North Korea, including special inspections of suspected nuclear waste sites, before any nuclear components controlled by the Nuclear Supplier Group Guidelines are delivered for a light water reactor for North Korea.

(3) The dismantlement of all declared graphite-based nuclear reactors and related facilities in North Korea, including reprocessing units, should be completed in accordance with the Agreed Framework and in a manner that effectively bars in perpetuity any reactivation of such reactors and facilities.

(4) The United States should suspend actions described in the Agreed Framework if North Korea reloads its existing 5 megawatt nuclear reactor or resumes construction of nuclear facilities other than those permitted to be built under the Agreed Framework.

SEC. 2643. ROLE OF THE REPUBLIC OF KOREA UNDER THE AGREED FRAMEWORK.

It is further the sense of the Congress that the Republic of Korea should play the central role in the project to provide light water reactors to North Korea under the Agreed Framework.

SEC. 2644. FURTHER STEPS TO PROMOTE UNITED STATES SECURITY AND POLITICAL INTERESTS WITH RESPECT TO NORTH KOREA.

It is further the sense of the Congress that, after the date of the enactment of this Act, the President should not take further steps toward upgrading diplomatic relations with North Korea beyond opening liaison offices or relaxing trade and investment barriers imposed against North Korea without—

(1) action by the Government of North Korea to engage in a North-South dialogue with the Government of the Republic of Korea;

(2) significant progress toward implementation of the North-South Joint Declaration on the Denuclearization of the Korean Peninsula; and

(3) progress toward the achievement of several long-standing United States policy objectives regarding North Korea and the Korean Peninsula, including—

(A) reducing the number of military forces of North Korea along the Demilitarized Zone and relocating such military forces away from the Demilitarized Zone;

(B) prohibiting any movement by North Korea toward the deployment of an intermediate range ballistic missile system; and

(C) prohibiting the export by North Korea of missiles and other weapons of mass destruction, including related technology and components.

SEC. 2645. RESTRICTIONS ON ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.) is amended by adding at the end the following new section:

"SEC. 620G. ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.

"No assistance may be provided under this Act or any other provision of law to North Korea or the Korean Peninsula Energy Development Organization unless—

"(1) such assistance is provided in accordance with all requirements, limitations, and procedures otherwise applicable to the provision of such assistance for such purposes; and

"(2) the President—

"(A) notifies the congressional committees specified in section 634A(a) of this Act prior to the obligation of such assistance in accordance with the procedures applicable to reprogramming notifications under that section, irrespective of the amount of the proposed obligation of such assistance; and

"(B) determines and reports to such committees that the provision of such assistance is vital to the national interests of the United States.".

(b) EFFECTIVE DATE.—Section 620G of the Foreign Assistance Act of 1961, as added by subsection (a), applies with respect to assistance provided to North Korea or the Korean Peninsula Energy Development Organization on or after the date of the enactment of this Act.

CHAPTER 3—BURMA

SEC. 2651. UNITED STATES POLICY CONCERNING THE DICTATORSHIP IN BURMA.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should take steps to encourage the United Nations Security Council to—

(1) impose an international arms embargo on Burma;

(2) affirm support for human rights and the protection of all Karen, Karenni, and other minorities in Burma;

(3) condemn Burmese officials responsible for crimes against humanity;

(4) take steps to encourage multilateral assistance programs for refugees from Burma in Thailand and India; and

(5) reduce United Nations activities in Burma, including UNDP (United Nations Development Program), UNICEF (United Nations Children's Fund), UNFPA (United Nations Family Planning Agency), World Health Organization (WHO), Food and Agriculture Organization (FAO), and UNIDCP (United Nations International Drug Control Program) activities.

(b) REDUCTION IN DIPLOMATIC PRESENCE.—It is the sense of the Congress that the President should reduce the diplomatic presence of the United States in Burma by reducing the total number of the members of the Foreign Service stationed in Burma on the date of enactment of this Act.

CHAPTER 4—TORTURE

SEC. 2661. DEFINITIONS.

(a) TORTURE.—As used in this chapter, the term "torture" means any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for such purposes as obtaining from the person or a third person information or a confession, punishing the person for an act the person or a third person has committed or is suspected of having committed, or intimidating or coercing the person or a third person, or for any reason based on discrimination of any kind, when such pain or suffering is inflicted by, at the instigation of, or with the consent or acquiescence of a public official or other person acting in an official capacity. It does not include pain or suffering arising only from, inherent in, or incidental to lawful sanctions.

(b) SUBSTANTIAL GROUNDS FOR BELIEVING.—As used in this chapter, the term "substantial grounds for believing" means substantial evidence.

(c) IN DANGER OF BEING SUBJECTED TO TORTURE.—As used in this chapter, the term "in danger of being subjected to torture" means circumstances in which a reasonable person would fear subjection to torture.

(d) INVOLUNTARILY RETURN.—As used in this chapter, the term "involuntarily return" means to take action by which it is reasonably foreseeable that a person will be required to return to a country against the person's will, regardless of whether such return is induced by physical force and regardless of whether the person is physically present in the United States.

SEC. 2662. UNITED STATES POLICY WITH RESPECT TO THE INVOLUNTARY RETURN OF PERSONS SUBJECTED TO TORTURE.

No funds authorized to be appropriated by this Act are authorized to be available to expel, extradite, or otherwise involuntarily return a person to a country in which there are substantial grounds for believing the person would be in danger of being subjected to torture, or to support, promote, or assist such involuntary return.

TITLE XXVII—CONGRESSIONAL STATEMENTS

SEC. 2701. INTER-AMERICAN ORGANIZATIONS.

Taking into consideration the long-term commitment by the United States to the affairs of this Hemisphere and the need to build further upon the linkages between the United States and its neighbors, the Secretary of State, in allocating the level of resources for international organizations, should pay particular attention to funding levels of the Inter-American organizations.

SEC. 2702. TERRITORIAL INTEGRITY OF BOSNIA AND HERZEGOVINA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The sovereign and independent state of Bosnia-Herzegovina was formally recognized by the United States of America on April 7, 1992.

(2) The sovereign and independent state of Bosnia-Herzegovina was admitted as a full participating State of the Conference on Security and Cooperation in Europe on April 30, 1992.

(3) The sovereign and independent state of Bosnia-Herzegovina was admitted as a Member state of the United Nations on May 22, 1992.

(4) The United States has declared its determination to respect and put into practice the Declaration on Principles Guiding Relations between Participating States contained in the Final Act of the Conference on Security and Cooperation in Europe.

(5) Each of the principles has been violated during the course of war in Bosnia-Herzegovina: sovereign equality and respect for the rights inherent in sovereignty, refraining from the threat or use of force; inviolability of frontiers; territorial integrity of States; peaceful settlement of disputes; nonintervention in internal affairs; respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief; equal rights and self-determination of peoples; cooperation among States; and fulfillment in good faith of obligations under international law.

(6) Principle II of the Final Act commits the participating States to "refrain from any manifestation of force for the purpose of inducing another participating State to renounce the full exercise of its sovereign rights".

(7) Principle III of the Final Act commits the participating States to "refrain from any demand for, or act of, seizure and usurpation of part or all of the territory of any participating State".

(8) Principle IV of the Final Act commits the participating States to "respect the territorial integrity of each of the participating States" and "refrain from any action inconsistent with the purposes and principles of the Charter of the United Nations against the territorial integrity, political independence or the unity of any participating State".

(9) The Charter of Paris for a New Europe commits the participating States "to cooperate in defending democratic institutions against activities which violate the independence, sovereign equality, or territorial integrity of the participating States".

(10) The Helsinki Document 1992 reaffirms "the validity of the guiding principles and common values of the Helsinki Final Act and the Charter of Paris, embodying responsibilities of States towards each other and of governments towards their own people" which serve as the "collective conscience of our community".

(11) The Charter of the United Nations calls upon Member states to respect the territorial integrity and political independence of any state in keeping with the Purposes of the United Nations.

(12) The sovereign and independent state of Bosnia-Herzegovina has been and continues to be subjected to armed aggression Bosnian Serb forces, Croatian Serb forces, and others in violation of Final Act and the Charter.

(13) Unchecked armed aggression and genocide threatens the lives of innocent civilians as well as the very existence of the sovereign and independent state of Bosnia-Herzegovina.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States should refuse to recognize the incorporation of any of the territory of Bosnia-Herzegovina into the territory of any neighboring state or the creation of any new state or states within the borders of Bosnia-Herzegovina resulting from the threat or use of force, coercion, or any other means inconsistent with international law.

SEC. 2703. THE LAOGAI SYSTEM OF POLITICAL PRISONS.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Chinese gulag, known as the Laogai, was created as a primary means of political repression and control when the Communists assumed power in China in 1949.

(2) The Laogai has caused millions of people to suffer grave human rights abuses over the past 46 years, including countless deaths.

(3) The Laogai continues to be used to incarcerate unknown numbers of ordinary citizens for political reasons, including workers, students, intellectuals, religious believers, and Tibetans.

(4) So-called "thought reform" is a standard practice of Laogai officials, and reports of torture are routinely received by human rights organizations from Laogai prisoners and survivors.

(5) Negotiations about unfettered access to Laogai prisoners between the Chinese Government and the International Red Cross have ceased.

(6) The Laogai is in reality a huge system of forced labor camps in which political and penal criminals are slave laborers producing an array of products for export throughout the world, including the United States.

(7) The Chinese Government continues to maintain, as part of its official propaganda and in defiance of significant evidence to the contrary gathered by many human rights organizations, that the Laogai is a prison system like any other in the world.

(8) Testimony delivered before the Subcommittee on International Operations and Human Rights of the Committee on International Relations of the House of Representatives has documented human rights abuses in the Laogai which continue to this day.

(9) The American people have repeatedly expressed their abhorrence of forced labor camps systems, whether they be operated by the Nazis, Soviet Communists, or any other political ideology.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should—

(1) publicly condemn the continued existence of the Laogai, and call upon the Government of the People's Republic of China to dismantle it, and release all of its political prisoners; and

(2) instruct the appropriate diplomatic representatives of the United States to cause a resolution condemning the Laogai to be put before the United Nations Human Rights Commission and work for its passage.

SEC. 2704. CONCERNING THE USE OF FUNDS TO FURTHER NORMALIZE RELATIONS WITH VIETNAM.

It is the sense of the Congress that none of the funds authorized to be appropriated or otherwise made available by this Act may be obligated or expended to further normalize diplomatic relations between the United States and Vietnam, until Vietnam—

(1) releases all of its political and religious prisoners;

(2) accounts for American POWs and MIAs from the Vietnam War;

(3) holds democratic elections; and

(4) institutes policies which protect human rights.

SEC. 2705. DECLARATION OF CONGRESS REGARDING UNITED STATES GOVERNMENT HUMAN RIGHTS POLICY TOWARD CHINA.

(a) FINDINGS.—The Congress makes the following findings:

(1) According to the 1994 State Department Country Reports on Human Rights Practices there continue to be "widespread and well-documented human rights abuses in China, in violation of internationally accepted norms . . . (including) arbitrary and lengthy incommunicado detention, torture, and mistreatment of prisoners. The regime continued severe restrictions on freedoms of speech, press assembly and association, and tightened controls on the exercise of these rights during 1994. Serious human rights abuses persisted in Tibet and other areas populated by ethnic minorities".

(2) The President, in announcing his decision on Most Favored Nation trading status for China in May 1994 stated that, "China continues to commit very serious human rights abuses. Even as we engage the Chinese on military, political, and economic issues, we intend to stay engaged with those in China who suffer from human rights abuses. The United States must remain a champion of their liberties".

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should take the following actions:

(1) Decline the invitation to visit China until and unless there is dramatic overall progress on human rights in China and Tibet and communicate to the Government of China that such a visit cannot take place without such progress. Indications of overall progress would include the release of hundreds of political, religious, and labor activists; an agreement to allow unhindered confidential access to prisoners by international humanitarian agencies; enactment of major legal reforms such as an end to all restrictions on the exercise of freedom of religion, revocation of the 1993 state security law, and the abolition of all so-called "counter-revolutionary" crimes; an end to forced abortion, forced sterilization, and the provision by government facilities of human fetal remains for consumption as food; and a decision to allow unrestricted access to Tibet by foreign media and international human rights monitors.

(2) Seek to develop an agreement on a multilateral strategy to promote human rights in China with other members of the G-7, beginning with the meeting of the G-7 industrial partners scheduled for June 1995 in Halifax, Nova Scotia. Such an agreement should include efforts to encourage greater cooperation by the Government of China with the human rights rapporteurs and working groups of the United Nations Human Rights Commission, as well as bilateral and multilateral initiatives to secure the unconditional release of imprisoned peaceful pro-democracy advocates such as Wei Jingsheng.

(3) Instruct the United States delegates to the United Nations Fourth World Conference on Women in September 1995 to vigorously and publicly support nongovernmental organizations that may be subjected to harassment or to restrictions or limitations on their activities, access to the media, or to channels of communication during the conference by the Government of China and to protest publicly and privately any actions by the Government of China aimed at punishing or repressing Chinese citizens who seek to peacefully express their views or communicate with foreign citizens or media during or following the United Nations Conference.

(4) Extend an invitation to the Dalai Lama to visit Washington, District of Columbia, in 1995.

(c) UNITED STATES GOVERNMENT HUMAN RIGHTS POLICY TOWARD CHINA.—It shall be the policy of the United States Government to continue to promote internationally recognized human rights and worker rights in China and Tibet. The President shall submit the following reports on the formulation and implementation of United States human rights policy toward China and the results of that policy to the International Relations Committee of the House of Representatives :

(1) Not later than 90 days after the date of enactment of this Act, the President shall report on the status of the "new United States Human Rights Policy for China" announced by the President on May 26, 1994, including an assessment of the implementation and effectiveness of the policy in bringing about human rights improvements in China and Tibet, with reference to the following specific initiatives announced on that date:

(A) High-level dialogue on human rights.

(B) Voluntary principles in the area of human rights for United States businesses operating in China.

(C) Increased contact with and support for groups and individuals in China promoting law reform and human rights.

(D) Increased exchanges to support human rights law reform in China.

(E) The practice of all United States officials who visit China to meet with the broadest possible spectrum of Chinese citizens.

(F) Increased efforts to press United States views on human rights in China at the United Nations, the United Nations Human Rights Commission, and other international organizations.

(G) A plan of international actions to address Tibet's human rights problems and to promote substantive discussions between the Dalai Lama and the Chinese Government.

(H) Efforts to use the 1995 United Nations Women's Conference in Beijing to expand freedoms of speech, association, and assembly, as well as the rights of women, in China.

(I) An information strategy for promoting human rights by expanding Chinese and Tibetan language broadcasts on the Voice of America and establishing Radio Free Asia.

(J) Encouraging the Chinese Government to permit international human rights groups to operate in and visit China.

The report required by this paragraph shall also assess the progress, if any, of the People's Republic of China toward ending forced abortion, forced sterilization, and other coercive population control practices.

(2) Not later than 120 days after the date of enactment of this Act, the President shall report on the status of Chinese Government compliance with United States laws prohibiting the importation into the United States of forced labor products, including (but not limited to) a complete assessment and report on the implementation of the Memorandum of Understanding signed by the United States and China in 1992. The report shall include (but not be limited to) the following:

(A) All efforts made by the United States Customs Service from 1992 until the date of the report to investigate forced labor exports and to conduct unannounced unrestricted inspections of suspected forced labor sites in China, and the extent to which Chinese authorities cooperated with such investigations.

(B) Recommendations of what further steps might be taken to enhance United States effectiveness in prohibiting forced labor exports to the United States from China.

SEC. 2706. CONCERNING THE UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.

It is the sense of the Congress that the President, acting through the United States Permanent Representative to the United Nations, should—

(1) request the United Nations Voluntary Fund for Victims of Torture—

(A) to find new ways to support and protect treatment centers that are carrying out rehabilitative services for victims of torture; and

(B) to encourage the development of new such centers;

(2) use the voice and vote of the United States to support the work of the Special Rapporteur on Torture and the Committee Against Torture established under the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and

(3) use the voice and vote of the United States to establish a country rapporteur or similar procedural mechanism to investigate

human rights violations in a country if either the Special Rapporteur or the Committee Against Torture indicates that a systematic practice of torture is prevalent in that country.

SEC. 2707. RECOMMENDATIONS OF THE PRESIDENT FOR REFORM OF WAR POWERS RESOLUTION.

It is the sense of the Congress that the President should transmit to the Congress recommendations for reform of the War Powers Resolution (50 U.S.C. 1541 et seq.) in order to permit the Congress and the President to more effectively fulfill their constitutional responsibilities with respect to the deployment of United States Armed Forces abroad.

SEC. 2708. CONFLICT IN KASHMIR.

It is the sense of the Congress that the United States reiterates the need for all parties to the conflict in Kashmir to enter into negotiations and resolve the conflict peacefully. The Congress urges the executive branch to work with all parties to facilitate a peaceful negotiated settlement of the Kashmir conflict.

SEC. 2709. UNITED STATES RELATIONS WITH THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA (FYROM).

It is the sense of the Congress that the Former Yugoslav Republic of Macedonia (FYROM) should be eligible for all United States foreign assistance programs, including programs of the Export-Import Bank and the Overseas Private Investment Corporation, if the government continues to respect the rights of all ethnic minorities.

SEC. 2710. SENSE OF THE CONGRESS RELATING TO INDONESIA.

It is the sense of the Congress that—

(1) the United States should continue to urge progress in promotion and protection of internationally recognized human rights by the Government of Indonesia;

(2) in its bilateral relations with the Government of Indonesia, the United States should place a high priority on public and private efforts to urge the Government of Indonesia to take specific steps to remove restrictions of freedom of expression and association, to allow freedom of the press, to allow freedom of religion, to end arbitrary arrests and torture and ill-treatment, to cease official attacks on nongovernmental organizations, to end the widespread denial of worker rights, and to hold members of the military accountable for human rights abuses;

(3) with respect to the situation in East Timor, the United States should call on the Government of Indonesia to make public the complete findings of the investigations into the killings of unarmed civilians in Liquica on January 12, 1995, including the reports of the Army Council of Military Honor and the findings of the National Human Rights Commission, and that those responsible for the killings be identified and brought to justice;

(4) the United States should continue to press the Government of Indonesia to fully comply with the 1994 and 1995 recommendations of the United Nations Human Rights Commission regarding the need for a full accounting of the Dili incident of November 1991;

(5) the United States should urge the Government of Indonesia to allow independent human rights monitoring organizations and foreign journalists unhindered access to East Timor;

(6) the United States should urge the Government of Indonesia to respect free practice of religion, including Christianity, in Indonesia, including East Timor; and

(7) the President should instruct the United States delegates to the annual Indonesia aid consortium donor meeting in July 1995 to again raise concerns about human rights violations in Indonesia, including restrictions of freedom of the press, attacks on nongovernmental organizations, and widespread violations of human rights in East Timor.

SEC. 2711. DISPLACED PERSONS.

It is the sense of the Congress that of the amounts made available to the United Nations Development Program (and United Nations Development Program-Administered Funds), at least $20,000,000 for fiscal year 1996 and $20,000,000 for fiscal year 1997 should be available for programs and services conducted in cooperation with the International Organization for Migration, the International Committee for the Red Cross, and nongovernmental organizations, for persons who are displaced within their countries of nationality.

DIVISION C—FOREIGN ASSISTANCE AUTHORIZATIONS

SEC. 3001. SHORT TITLE.

This division may be cited as the "Foreign Aid Reduction Act of 1995".

SEC. 3002. DECLARATION OF POLICY.

The Congress declares the following:

(1) United States leadership overseas must be maintained to support our vital national security, economic, and humanitarian interests.

(2) As part of this leadership, United States foreign assistance programs are essential to support these national interests.

(3) However, United States foreign assistance programs can be responsibly reduced while maintaining United States leadership overseas.

TITLE XXXI—DEFENSE AND SECURITY ASSISTANCE

CHAPTER 1—MILITARY AND RELATED ASSISTANCE

Subchapter A—Foreign Military Financing Program

SEC. 3101. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section—

(1) $3,284,440,000 for fiscal year 1996; and

(2) $3,240,020,000 for fiscal year 1997.

SEC. 3102. ADMINISTRATIVE EXPENSES.

Of the amounts made available for fiscal years 1996 and 1997 for assistance under the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not more than $24,020,000 for each such fiscal year may be made available for necessary expenses for the general costs of administration of military assistance and sales, including expenses incurred in purchasing passenger motor vehicles for replacement for use outside the United States.

SEC. 3103. ASSISTANCE FOR ISRAEL.

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,800,000,000 for each such fiscal year shall be available only for Israel.

(b) TERMS OF ASSISTANCE.—

(1) GRANT BASIS.—The assistance provided for Israel for each fiscal year under subsection (a) shall be provided on a grant basis.

(2) EXPEDITED DISBURSEMENT.—Such assistance shall be disbursed—

(A) with respect to fiscal year 1996, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, or by October 31, 1995, whichever is later; and

(B) with respect to fiscal year 1997, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, or by October 31, 1996, whichever is later.

(3) ADVANCED WEAPONS SYSTEMS.—To the extent that the Government of Israel requests that funds be used for such purposes, funds described in subsection (a) shall, as agreed by the Government of Israel and the Government of the United States, be available for advanced weapons systems, of which not less than $475,000,000 for each fiscal year shall be available only for procurement in Israel of defense articles and defense services, including research and development.

(c) FOREIGN MILITARY SALES.—Section 21(h) of the Arms Export Control Act (22 U.S.C. 2761(h)) is amended—

(1) in paragraph (1)(A), by inserting "or the Government of Israel" after "North Atlantic Treaty Organization"; and

(2) in paragraph (2), by striking "or to any member government of that Organization if that Organization or member government" and inserting ", any member government of that Organization, or the Government of Israel, if the Organization, member government, or Government of Israel, as the case may be,".

SEC. 3104. ASSISTANCE FOR EGYPT.

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,300,000,000 for each such fiscal year shall be available only for Egypt.

(b) TERMS OF ASSISTANCE.—The assistance provided for Egypt for each fiscal year under subsection (a) shall be provided on a grant basis.

SEC. 3105. LOANS FOR GREECE AND TURKEY.

Of the amounts made available for fiscal year 1996 under section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

(1) not more than $26,620,000 shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans for Greece; and

(2) not more than $37,800,000 shall be made available for such subsidy cost of direct loans for Turkey.

SEC. 3106. TERMS OF LOANS.

Section 31(c) of the Arms Export Control Act (22 U.S.C. 2771(c)) is amended to read as follows:

"(c) Loans available under section 23 shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.".

SEC. 3107. NONREPAYMENT OF GRANT ASSISTANCE.

Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of this section, the President shall not require repayment of any assistance provided on a grant basis under this section to a foreign country or international organization.".

SEC. 3108. ADDITIONAL REQUIREMENTS.

(a) AVAILABILITY OF FUNDS FOR PROCUREMENT OF DEFENSE ARTICLES, SERVICES, AND DESIGN AND CONSTRUCTION SERVICES NOT

SOLD BY U.S. GOVERNMENT.—Section 23 of the Arms Export Control Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(g) Funds made available to carry out this section for a fiscal year may be made available to a foreign country or international organization for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act only—

"(1) with respect to a country that is a member country of the North Atlantic Organization, a major non-NATO ally, or Jordan for which assistance was justified under this section in the annual congressional presentation documents under section 634 of the Foreign Assistance Act of 1961 for that fiscal year; and

"(2) if such country or international organization enters into an agreement with the United States Government that specifies the terms and conditions under which such procurements shall be financed with such funds.".

(b) AUDIT OF CERTAIN PRIVATE FIRMS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(h) For each fiscal year, the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, shall conduct audits on a nonreimbursable basis of private firms that have entered into contracts with foreign governments under which defense articles, defense services, or design and construction services are to be procured by such firms for such governments from financing under this section for such fiscal year.".

(c) PROHIBITION ON USE OF FUNDS FOR THE TRANSPORT OF AIRCRAFT TO COMMERCIAL ARMS SALES SHOWS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(i) Funds made available to carry out this section may not be used to facilitate the transport of aircraft to commercial arms sales shows.".

(d) NOTIFICATION REQUIREMENT WITH RESPECT TO CASH FLOW FINANCING.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(j)(1) For each country and international organization that has been approved for cash flow financing under this section, any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement of defense articles, defense services, or design and construction services in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act or the Foreign Assistance Act of 1961 shall be submitted to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 in accordance with the procedures applicable to reprogramming notifications under that section.

"(2) For purposes of this subsection, the term 'cash flow financing' has the meaning given such term in the second subsection (d) of section 25.".

(e) LIMITATIONS ON USE OF FUNDS FOR DIRECT COMMERCIAL CONTRACTS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(k) Of the amounts made available for a fiscal year to carry out this section, not more than $100,000,000 for such fiscal year may be made available for countries other than Israel and Egypt for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act.".

(f) USE OF FUNDS FOR DEMINING ACTIVITIES.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

"(l) Notwithstanding any other provision of law, funds made available to carry out this section may be used for demining activities, and may include activities implemented through nongovernmental and international organizations.".

Subchapter B—Other Assistance

SEC. 3121. DEFENSE DRAWDOWN SPECIAL AUTHORITIES.

(a) UNFORESEEN EMERGENCY DRAWDOWN.—Section 506(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)(1)) is amended by striking "$75,000,000" and inserting "$100,000,000".

(b) ADDITIONAL DRAWDOWN.—Section 506 of such Act (22 U.S.C. 2318) is amended—

(1) in subsection (a)(2)(A), by striking "defense articles from the stocks" and all that follows and inserting the following: "articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

"(i) for the purposes and under the authorities of—

"(I) chapter 8 of part I (relating to international narcotics control assistance);

"(II) chapter 9 of part I (relating to international disaster assistance); or

"(III) the Migration and Refugee Assistance Act of 1962; or

"(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

"(I) to support efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

"(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.";

(2) in subsection (a)(2)(B), by striking "$75,000,000" and all that follows and inserting "$150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—

"(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;

"(ii) not more than $75,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

"(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph."; and

(3) in subsection (b)(1), by adding at the end the following: "In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A.".

(c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL AUTHORITIES.—Section 652 of such Act (22 U.S.C. 2411) is amended by striking "prior to the date" and inserting "before".

SEC. 3122. STOCKPILES OF DEFENSE ARTICLES.

(a) LIMITATION ON VALUE OF ADDITIONS.—Section 514(b)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(1)) is amended by inserting "or in the implementation of agreements with Israel" after "North Atlantic Treaty Organization".

(b) ADDITIONS IN FISCAL YEARS 1996 AND 1997.—Section 514(b)(2) of such Act (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

"(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $50,000,000 for each of the fiscal years 1996 and 1997.

"(B) Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $10,000,000 may be made available for stockpiles in Thailand.".

(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—Section 514(c) of such Act (22 U.S.C. 2321h(c)) is amended to read as follows:

"(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—

"(1) LIMITATION.—Except as provided in paragraph (2), no stockpile of defense articles may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to stockpiles of defense articles located in the Republic of Korea, Thailand, any country that is a member of the North Atlantic Treaty Organization, any country that is a major non-NATO ally, or any other country the President may designate. At least 15 days before designating a country pursuant to the last clause of the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) in accordance with the procedures applicable to reprogramming notifications under that section.".

SEC. 3123. TRANSFER OF EXCESS DEFENSE ARTICLES.

(a) IN GENERAL.—Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) is amended to read as follows:

"SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

"(a) AUTHORIZATION.—The President is authorized to transfer excess defense articles under this section to countries for which receipt of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified, for the fiscal year in which the transfer is authorized.

"(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

"(1) such articles are drawn from existing stocks of the Department of Defense;

"(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

"(3) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

"(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

"(5) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

"(6) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

"(c) TERMS OF TRANSFERS.—

"(1) NO COST TO RECIPIENT COUNTRY.—Excess defense articles may be transferred under this section without cost to the recipient country.

"(2) PRIORITY.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

"(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DEPARTMENT OF DEFENSE EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

"(e) TRANSPORTATION AND RELATED COSTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

"(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

"(A) it is determined that it is in the national interest of the United States to do so;

"(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of part II of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

"(C) the total weight of the transfer does not exceed 25,000 pounds; and

"(D) such transportation is accomplished on a space available basis.

"(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

"(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at $7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 15 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

"(2) CONTENTS.—Such notification shall include—

"(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

"(B) an assessment of the impact of the transfer on the military readiness of the United States;

"(C) an assessment of the impact of the transfer on the national technology and industrial base, and particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

"(D) a statement describing the current value of such article and the value of such article at acquisition.

"(g) AGGREGATE ANNUAL LIMITATION.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $350,000,000.

"(h) CONGRESSIONAL PRESENTATION DOCUMENTS.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

"(i) EXCESS COAST GUARD PROPERTY.—For purposes of this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be deemed, with respect to such excess property, to include the Coast Guard.".

(b) CONFORMING AMENDMENTS.—

(1) ARMS EXPORT CONTROL ACT.—Section 21(k) of the Arms Export Control Act (22 U.S.C. 2761(k)) is amended by striking "the President shall" and all that follows and inserting the following: "the President shall determine that the sale of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred.".

(2) REPEALS.—The following provisions of law are hereby repealed:

(A) Section 502A of the Foreign Assistance Act of 1961 (22 U.S.C. 2303).

(B) Sections 517 through 520 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k through 2321n).

(C) Section 31(d) of the Arms Export Control Act (22 U.S.C. 2771(d)).

SEC. 3124. NONLETHAL EXCESS DEFENSE ARTICLES FOR ALBANIA.

Notwithstanding section 516(e) of the Foreign Assistance Act of 1961, during each of the fiscal years 1996 and 1997, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of nonlethal excess defense articles transferred under the authority of section 516 of such Act to Albania.

CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 3141. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $39,781,000 for each of the fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.).

SEC. 3142. ASSISTANCE FOR INDONESIA.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated for Indonesia only for expanded military and education training that meets the requirements of clauses (i) through (iv) of the second sentence of section 541 of such Act (22 U.S.C. 2347).

SEC. 3143. ADDITIONAL REQUIREMENTS.

(a) GENERAL AUTHORITY.—Section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347) is amended in the second sentence in the matter preceding clause (i) by inserting "and individuals who are not members of the government" after "legislators".

(b) TEST PILOT EXCHANGE TRAINING.—Section 544 of such Act (22 U.S.C. 2347c) is amended—

(1) by striking "In carrying out this chapter" and inserting "(a) In carrying out this chapter"; and

(2) by adding at the end the following new subsection:

"(b) The President may provide for the attendance of foreign military and civilian defense personnel at test pilot flight schools in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States test pilot flight schools and comparable flight test pilot schools of foreign countries.".

(c) ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.—Chapter 5 of part II of such Act (22 U.S.C. 2347 et seq.) is amended by adding at the end the following new section:

"SEC. 546. ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.

"Of the amounts made available for a fiscal year for assistance under this chapter, not more than $300,000 for such fiscal year may be made available for assistance on a grant basis for any high-income foreign country for military education and training of military and related civilian personnel of such country if such country agrees to provide for the transportation and living allowances of such military and related civilian personnel.".

CHAPTER 3—ANTITERRORISM ASSISTANCE

SEC. 3151. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $20,000,000 for fiscal year 1996 and $25,000,000 for fiscal year 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3152. ANTITERRORISM TRAINING ASSISTANCE.

(a) IN GENERAL.—Section 571 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa) is amended by striking "Subject to the provisions of this chapter" and inserting "Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act)".

(b) LIMITATIONS.—Section 573 of such Act (22 U.S.C. 2349aa–2) is amended—

(1) in the heading, by striking "specific authorities and";

(2) by striking subsection (a);

(3) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively; and

(4) in subsection (c) (as redesignated)—

(A) by striking paragraphs (1) and (2);

(B) by redesignating paragraphs (3) through (5) as paragraphs (1) through (3), respectively; and

(C) by amending paragraph (2) (as redesignated) to read as follows:

"(2)(A) Except as provided in subparagraph (B), funds made available to carry out this chapter shall not be made available for the procurement of weapons and ammunition.

"(B) Subparagraph (A) shall not apply to small arms and ammunition in categories I and III of the United States Munitions List that are integrally and directly related to antiterrorism training provided under this chapter if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under such section.

"(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.".

(c) ANNUAL REPORT.—Section 574 of such Act (22 U.S.C. 2349aa-3) is hereby repealed.

(d) TECHNICAL CORRECTIONS.—Section 575 (22 U.S.C. 2349aa-4) and section 576 (22 U.S.C. 2349aa-5) of such Act are redesignated as sections 574 and 575, respectively.

SEC. 3153. RESEARCH AND DEVELOPMENT EXPENSES.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.; relating to antiterrorism assistance) may be made available to the Technical Support Working Group of the Department of State for research and development expenses related to contraband detection technologies or for field demonstrations of such technologies (whether such field demonstrations take place in the United States or outside the United States).

CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

SEC. 3161. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $213,000,000 for each of the fiscal years 1996 and 1997 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3162. ADDITIONAL REQUIREMENTS.

(a) POLICY AND GENERAL AUTHORITIES.—Section 481(a) of the Foreign Assistance Act (22 U.S.C. 2291(a)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

"(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States."; and

(2) in paragraph (4), by adding before the period at the end the following: ", or for other related anticrime purposes".

(b) CONTRIBUTIONS AND REIMBURSEMENT.—Section 482(c) of that Act (22 U.S.C. 2291a(c)) is amended—

(1) by striking "CONTRIBUTION BY RECIPIENT COUNTRY.—To" and inserting "CONTRIBUTIONS AND REIMBURSEMENT.—(1) To"; and

(2) by adding at the end the following new paragraphs:

"(2)(A) The President is authorized to accept contributions from other foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

"(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

"(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.".

(c) IMPLEMENTATION OF LAW ENFORCEMENT ASSISTANCE.—Section 482 of such Act (22 U.S.C. 2291a) is amended by adding at the end the following new subsections:

"(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

"(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.".

(d) REPORTING REQUIREMENTS.—(1) Section 489 of such Act (22 U.S.C. 2291h) is amended—

(A) in the section heading, by striking "for fiscal year 1995";

(B) by striking "(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—"; and

(C) by striking subsections (b) and (c).

(2) Section 489A of such Act (22 U.S.C. 2291i) is hereby repealed.

(e) CERTIFICATION REQUIREMENTS.—(1) Section 490 of such Act (22 U.S.C. 2291j) is amended—

(A) in the section heading by striking "for fiscal year 1995"; and

(B) by striking subsection (i).

(2) Section 490A of such Act (22 U.S.C. 2291k) is hereby repealed.

SEC. 3163. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—The authority of section 1003(d) of the National Narcotics Control Leadership Act of 1988 (21 U.S.C. 1502(d)) may be exercised with respect to funds authorized to be appropriated pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and with respect to the personnel of the Department of State only to the extent that the appropriate congressional committees have been notified 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of that Act (22 U.S.C. 2394).

(b) DEFINITION.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 3164. WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE.

For each of the fiscal years 1996 and 1997, narcotics-related assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) may be provided notwithstanding any other provision of law that restricts assistance to foreign countries (other than section 490(e) or section 502B of that Act (22 U.S.C. 2291j(e) and 2304)) if, at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees (as defined in section 481(e) of that Act (22 U.S.C. 2291(e))) in accordance with the procedures applicable to reprogramming notifications under section 634A of that Act (22 U.S.C. 2394).

CHAPTER 5—NONPROLIFERATION AND DISARMAMENT FUND

SEC. 3171. NONPROLIFERATION AND DISARMAMENT FUND.

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1996 and 1997 to carry out bilateral and multilateral nonproliferation and disarmament activities for the independent states of the former Soviet Union, countries other than the independent states of the former Soviet Union, and international organizations under section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5854).

(b) SUPERSEDES OTHER LAWS.—Funds made available for fiscal years 1996 and 1997 under the authority of section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5854) may be used notwithstanding any other provision of law.

(c) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

CHAPTER 6—OTHER PROVISIONS

SEC. 3181. STANDARDIZATION OF CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)) is amended—

(1) in subparagraph (A), by striking ", as provided for in sections 36(b)(2) and 36(b)(3) of this Act";

(2) in subparagraph (B), by striking "law" and inserting "joint resolution"; and

(3) by adding at the end the following:

"(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

"(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section

601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of such Act (22 U.S.C. 2753(d)(3)) is amended—

(1) by inserting "(A)" after "(3)";

(2) in the first sentence—

(A) by striking "at least 30 calendar days"; and

(B) by striking "report" and inserting "certification"; and

(3) by striking the last sentence and inserting the following: "Such certification shall be submitted—

"(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

"(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

"(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

"(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(c) COMMERCIAL SALES.—Section 36(c)(2) of such Act (22 U.S.C. 2753(c)(2)) is amended by amending subparagraphs (A) and (B) to read as follows:

"(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

"(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.".

(d) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of such Act (22 U.S.C. 2753(d)) is amended—

(1) by inserting "(1)" after "(d)";

(2) by striking "for or in a country not a member of the North Atlantic Treaty Organization"; and

(3) by adding at the end the following:

"(2) A certification under this subsection shall be submitted—

"(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

"(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

"(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

"(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2)(A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

"(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

(e) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of such Act (22 U.S.C. 2796a) is amended—

(A) in subsection (a), by striking "Not less than 30 days before" and inserting "Before";

(B) in subsection (b)—

(i) by striking "determines, and immediately reports to the Congress" and inserting "states in his certification"; and

(ii) by adding at the end of the subsection the following: "If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved."; and

(C) by adding at the end of the section the following:

"(c) The certification required by subsection (a) shall be transmitted—

"(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand; and

"(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.".

(2) CONGRESSIONAL DISAPPROVAL.—Section 63(a) of such Act (22 U.S.C. 2796b(a)) is amended—

(A) by striking "(a)(1)" and inserting "(a)";

(B) by striking out the "30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a)," and inserting in lieu thereof "the 15-day or 30-day period specified in section 62(c) (1) or (2), as the case may be,"; and

(C) by striking paragraph (2).

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications required to be submitted on or after the date of the enactment of this Act.

SEC. 3182. STANDARDIZATION OF THIRD COUNTRY TRANSFERS OF DEFENSE ARTICLES.

Section 3 of the Arms Export Control Act (22 U.S.C. 2753) is amended by inserting after subsection (a) the following new subsection:

"(b) The consent of the President under paragraph (2) of subsection (a) or under paragraph (1) of section 505(a) of the Foreign Assistance Act of 1961 (as it relates to subparagraph (B) of such paragraph) shall not be required for the transfer by a foreign country or international organization of defense articles sold by the United States under this Act if—

"(1) such articles constitute components incorporated into foreign defense articles;

"(2) the recipient is the government of a member country of the North Atlantic Treaty Organization, the Government of Australia, the Government of Japan, or the Government of New Zealand;

"(3) the United States-origin components are not—

"(A) significant military equipment (as defined in section 47(9));

"(B) defense articles for which notification to Congress is required under section 36(b); and

"(C) identified by regulation as Missile Technology Control Regime items; and

"(4) the foreign country or international organization provides notification of the transfer of the defense articles to the United States Government not later than 30 days after the date of such transfer.".

SEC. 3183. INCREASED STANDARDIZATION, RATIONALIZATION, AND INTEROPERABILITY OF ASSISTANCE AND SALES PROGRAMS.

Paragraph (6) of section 515(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking "among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand".

SEC. 3184. REPEAL OF PRICE AND AVAILABILITY REPORTING REQUIREMENT RELATING TO PROPOSED SALE OF DEFENSE ARTICLES AND SERVICES.

(a) IN GENERAL.—Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is hereby repealed.

(b) CONFORMING AMENDMENT.—Section 36(b) of such Act (22 U.S.C. 2776(b)) is amended by striking paragraph (4) of such section.

SEC. 3185. DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.

Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(9) 'significant military equipment' means articles—

"(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and

"(B) identified on the United States Munitions List.".

SEC. 3186. REQUIREMENTS RELATING TO THE SPECIAL DEFENSE ACQUISITION FUND.

(a) ELIMINATION OF ANNUAL REPORT.—

(1) IN GENERAL.—Section 53 of the Arms Export Control Act (22 U.S.C. 2795b) is hereby repealed.

(2) CONFORMING AMENDMENT.—Section 51(a)(4) of such Act (22 U.S.C. 2795(a)(4)) is amended—

(A) by striking "(a)"; and

(B) by striking subparagraph (B).

(b) RETURN OF CERTAIN AMOUNTS IN FUND TO THE TREASURY.—During fiscal year 1996 the President shall return $6,281,000 to the miscellaneous receipts account of the Treasury from collections into the Special Defense Acquisition Fund pursuant to section 51(b) of the Arms Export Control Act in addition to the amount of such collections to be returned for such fiscal year as indicated in the President's budget of the United States Government for fiscal year 1996.

SEC. 3187. COST OF LEASED DEFENSE ARTICLES THAT HAVE BEEN LOST OR DESTROYED.

Section 61(a)(4) of the Arms Export Control Act (22 U.S.C. 2796(a)(4)) is amended by striking "and the replacement cost" and all that follows and inserting the following: "and, if the articles are lost or destroyed while leased—

"(A) in the event the United States intends to replace the articles lost or destroyed, the replacement cost (less any depreciation in the value) of the articles; or

"(B) in the event the United States does not intend to replace the articles lost or destroyed, an amount not less than the actual value (less any depreciation in the value) specified in the lease agreement.".

SEC. 3188. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) DESIGNATION.—

(1) NOTICE TO CONGRESS.—Chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.

"(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

"(1) designating a country as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.); or

"(2) terminating such a designation.

"(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.".

(2) DEFINITION.—Section 644 of such Act (22 U.S.C. 2403) is amended by adding at the end the following:

"(q) 'Major non-NATO ally' means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).".

(3) EXISTING DEFINITIONS.—(A) The last sentence of section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is repealed.

(B) Section 65(d) of such Act is amended—

(i) by striking "or major non-NATO"; and

(ii) by striking out "or a" and all that follows through "Code".

(b) COOPERATIVE TRAINING AGREEMENTS.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended in the first sentence by striking "similar agreements" and all that follows through "other countries" and inserting "similar agreements with countries".

SEC. 3189. CERTIFICATION THRESHOLDS.

(a) INCREASE IN DOLLAR THRESHOLDS.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in section 3(d) (22 U.S.C. 2753(d))—

(A) in paragraphs (1) and (3), by striking "$14,000,000" each place it appears and inserting "$25,000,000"; and

(B) in paragraphs (1) and (3), by striking "$50,000,000" each place it appears and inserting "$75,000,000";

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking "$14,000,000" each place it appears and inserting "$25,000,000";

(B) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking "$50,000,000" each place it appears and inserting "$75,000,000"; and

(C) in subsections (b)(1) and (b)(5)(C), by striking "$200,000,000" each place it appears and inserting "$300,000,000"; and

(3) in section 63(a) (22 U.S.C. 2796b(a))—

(A) by striking "$14,000,000" and inserting "$25,000,000"; and

(B) by striking "$50,000,000" and inserting "$75,000,000".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications submitted on or after the date of the enactment of this Act.

SEC. 3190. COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES AND SERVICES.

(a) COSTING BASIS.—Section 22 of the Arms Export Control Act (22 U.S.C. 2762) is amended by adding at the end the following:

"(d) COMPETITIVE PRICING.—Procurement contracts made in implementation of sales under this section for defense articles and defense services wholly paid from funds made available on a nonrepayable basis shall be priced on the same costing basis with regard to profit, overhead, independent research and development, bid and proposal, and other costing elements, as is applicable to procurements of like items purchased by the Department of Defense for its own use.".

(b) EFFECTIVE DATE AND IMPLEMENTING REGULATIONS.—Section 22(d) of the Arms Export Control Act, as added by subsection (a)—

(1) shall take effect on the 60th day following the date of the enactment of this Act;

(2) shall be applicable only to contracts made in implementation of sales made after such effective date; and

(3) shall be implemented by revised procurement regulations, which shall be issued prior to such effective date.

SEC. 3191. DEPLETED URANIUM AMMUNITION.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 620H. DEPLETED URANIUM AMMUNITION.

"(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M-833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

"(1) a country that is a member of the North Atlantic Treaty Organization;

"(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

"(3) Taiwan.

"(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.".

SEC. 3192. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

(a) IN GENERAL.—The Arms Export Control Act (22 U.S.C.2751 et seq.) is amended by inserting after chapter 3 the following new chapter:

"CHAPTER 3A—END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES

"SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

"(a) ESTABLISHMENT OF MONITORING PROGRAM.—

"(1) IN GENERAL.—In order to improve accountability with respect to defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the Secretary of State shall establish a program which provides for the end-use monitoring of such articles and services.

"(2) REQUIREMENTS OF PROGRAM.—To the extent practicable, such program—

"(A) shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification developed under section 38(g)(7) of this Act (commonly referred to as the 'Blue Lantern' program); and

"(B) shall be designed to provide reasonable assurance that—

"(i) the recipient is complying with the requirements imposed by the United States Government with respect to use, transfers, and security of defense articles and defense services; and

"(ii) such articles and services are being used for the purposes for which they are provided.

"(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the Secretary shall ensure that the program—

"(1) provides for the end-use verification of defense articles and defense services that incorporate sensitive technology, defense articles and defense services that are particularly vulnerable to diversion or other misuse, or defense articles or defense services whose diversion or other misuse could have significant consequences; and

"(2) prevents the diversion (through reverse engineering or other means) of technology incorporated in defense articles.

"(c) MONITORING RESPONSIBILITIES.—

"(1) IN GENERAL.—Pursuant to subsection (a), sections 3 and 38 of this Act, and sections 505, 622, and 623 of the Foreign Assistance Act of 1961, the Secretary of State, in consultation with the Secretary of Defense and officials of appropriate other Federal agencies, shall provide for the monitoring of defense articles and defense services described in subsection (a).

"(2) ADDITIONAL PERSONNEL.—Upon the request of the Secretary of State, the Secretary of Defense or the Secretary of the Treasury, as the case may be, shall provide to the agency primarily responsible for the licensing of exports under this section, on a nonreimbursable basis, personnel with appropriate expertise to assist in the end-use monitoring and enforcement functions under this section and section 38 of this Act.

"(d) Report to Congress.—Not later than 6 months after the date of the enactment of the Foreign Aid Reduction Act of 1995, and annually thereafter as a part of the annual congressional presentation documents submitted under section 634 of the Foreign Assistance Act of 1961, the President shall transmit to the Congress a report describing the actions taken to implement this section.

"(e) Third Country Transfers.—For purposes of this section, defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) includes defense articles and defense services that are transferred to a third country or other third party.".

(b) Effective Dates.—Section 40A of the Arms Export Control Act, as added by subsection (a), applies with respect to defense articles and defense services provided before or after the date of the enactment of this Act.

SEC. 3193. BROKERING ACTIVITIES RELATING TO COMMERCIAL SALES OF DEFENSE ARTICLES AND SERVICES.

(a) In General.—Section 38(b)(1)(A) of the Arms Export Control Act (22 U.S.C. 2778(b)(1)(A)) is amended—

(1) in the first sentence, by striking "As prescribed in regulations" and inserting "(i) As prescribed in regulations"; and

(2) by adding at the end the following new clause:

"(ii)(I) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

"(II) Such brokering activities shall include the financing, transportation, freight forwarding, or the taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service.

"(III) No person may engage in the business of brokering activities without a license, issued in accordance with this Act, except that no license shall be required for such activities undertaken by or for an agency of the United States Government—

"(aa) for official use by an agency of the United States Government; or

"(bb) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

"(IV) For purposes of this clause, the term 'foreign defense article or defense service' includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin or whether such article or service contains United States origin components.".

(b) Effective Date.—Section 38(b)(1)(A)(ii) of the Arms Export Control Act, as added by subsection (a), shall apply with respect to brokering activities engaged in on or after the date of the enactment of this Act.

TITLE XXXII—ECONOMIC ASSISTANCE

CHAPTER 1—ECONOMIC SUPPORT ASSISTANCE

SEC. 3201. ECONOMIC SUPPORT FUND.

Section 532(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2346a(a)) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,356,378,000 for fiscal year 1996 and $2,283,478,000 for fiscal year 1997.".

SEC. 3202. ASSISTANCE FOR ISRAEL.

(a) Minimum Allocation.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not less than $1,200,000,000 for each such fiscal year shall be available only for Israel.

(b) Terms of Assistance.—

(1) Cash transfer.—The total amount of funds allocated for Israel for each fiscal year under subsection (a) shall be made available on a grant basis as a cash transfer.

(2) Expedited disbursement.—Such funds shall be disbursed—

(A) with respect to fiscal year 1996, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, or by October 31, 1995, whichever is later; and

(B) with respect to fiscal year 1997, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, or by October 31, 1996, whichever is later.

(3) Additional requirement.—In exercising the authority of this subsection, the President shall ensure that the amount of funds provided as a cash transfer to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

SEC. 3203. ASSISTANCE FOR EGYPT.

(a) Minimum Allocation.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not less than $815,000,000 for each such fiscal year shall be available only for Egypt.

(b) Additional Requirement.—In exercising the authority of this section, the President shall ensure that the amount of funds provided as a cash transfer to Egypt does not cause an adverse impact on the total level of nonmilitary exports from the United States to Egypt.

SEC. 3204. INTERNATIONAL FUND FOR IRELAND.

(a) Funding.—

(1) In general.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not more than $29,600,000 for fiscal year 1996 and not more than $19,600,000 for fiscal year 1997 shall be available for the United States contribution to the International Fund for Ireland in accordance with the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415).

(2) Availability.—Amounts made available under paragraph (1) are authorized to remain available until expended.

(b) Additional Requirements.—

(1) Purposes.—Section 2(b) of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415; 100 Stat. 947) is amended by adding at the end the following new sentences: "United States contributions shall be used in a manner that effectively increases employment opportunities in communities with rates of unemployment significantly higher than the local or urban average of unemployment in Northern Ireland. In addition, such contributions shall be used to benefit individuals residing in such communities.".

(2) Conditions and understandings.—Section 5(a) of such Act is amended—

(A) in the first sentence—

(i) by striking "The United States" and inserting the following:

"(1) In general.—The United States";

(ii) by striking "in this Act may be used" and inserting the following: "in this Act—

"(A) may be used";

(iii) by striking the period and inserting "; and"; and

(iv) by adding at the end the following:

"(B) may be provided to an individual or entity in Northern Ireland only if such individual or entity is in compliance with the principles of economic justice."; and

(B) in the second sentence, by striking "The restrictions" and inserting the following:

"(2) Additional requirements.—The restrictions".

(3) Prior certifications.—Section 5(c)(2) of such Act is amended—

(A) in subparagraph (A), by striking "principle of equality" and all that follows and inserting "principles of economic justice; and"; and

(B) in subparagraph (B), by inserting before the period at the end the following: "and will create employment opportunities in regions and communities of Northern Ireland suffering the highest rates of unemployment".

(4) Annual reports.—Section 6 of such Act is amended—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) each individual or entity receiving assistance from United States contributions to the International Fund has agreed in writing to comply with the principles of economic justice.".

(5) Definitions.—Section 8 of such Act is amended—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) the term 'Northern Ireland' includes the counties of Antrim, Armagh, Derry, Down, Tyrone, and Fermanagh; and

"(4) the term 'principles of economic justice' means the following principles:

"(A) Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs.

"(B) Providing adequate security for the protection of minority employees at the workplace.

"(C) Banning provocative sectarian or political emblems from the workplace.

"(D) Providing that all job openings be advertised publicly and providing that special recruitment efforts be made to attract applicants from underrepresented religious groups.

"(E) Providing that layoff, recall, and termination procedures do not favor a particular religious group.

"(F) Abolishing job reservations, apprenticeship restrictions, and differential employment criteria which discriminate on the basis of religion.

"(G) Providing for the development of training programs that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

"(H) Establishing procedures to assess, identify, and actively recruit minority employees with the potential for further advancement.

"(I) Providing for the appointment of a senior management staff member to be responsible for the employment efforts of the entity and, within a reasonable period of time, the implementation of the principles described in subparagraphs (A) through (H).".

(6) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 180 days after the date of the enactment of this Act.

SEC. 3205. LAW ENFORCEMENT ASSISTANCE.

(a) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not more than $12,000,000 for each such fiscal year shall be available for law enforcement assistance under chapter 8 of part I of such Act (22 U.S.C. 2291 et seq.).

(b) AVAILABILITY.—Amounts made available under subsection (a) are authorized to remain available until expended.

CHAPTER 2—ASSISTANCE FOR PRIVATE SECTOR PROGRAMS AND ACTIVITIES

SEC. 3211. PRIVATE SECTOR ENTERPRISE FUNDS.

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 601 the following new section:

"SEC. 601A. PRIVATE SECTOR ENTERPRISE FUNDS.

"(a) AUTHORITY.—(1) The President may provide funds and support to Enterprise Funds designated in accordance with subsection (b) that are or have been established for the purposes of promoting—

"(A) development of the private sectors of eligible countries, including small businesses, the agricultural sector, and joint ventures with United States and host country participants; and

"(B) policies and practices conducive to private sector development in eligible countries;

on the same basis as funds and support may be provided with respect to Enterprise Funds for Poland and Hungary under the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

"(2) Funds may be made available under this section notwithstanding any other provision of law.

"(b) COUNTRIES ELIGIBLE FOR ENTERPRISE FUNDS.—(1) Except as provided in paragraph (2), the President is authorized to designate a private, nonprofit organization as eligible to receive funds and support pursuant to this section with respect to any country eligible to receive assistance under part I of this Act in the same manner and with the same limitations as set forth in section 201(d) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(d)).

"(2) The authority of paragraph (1) shall not apply to any country with respect to which the President is authorized to designate an enterprise fund under section 498B(c) or section 498C of this Act or section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

"(c) TREATMENT EQUIVALENT TO ENTERPRISE FUNDS FOR POLAND AND HUNGARY.—Except as otherwise specifically provided in this section, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421) (excluding the authorizations of appropriations provided in subsection (b) of that section) shall apply to any Enterprise Fund that receives funds and support under this section. The officers, members, or employees of an Enterprise Fund that receive funds and support under this section shall enjoy the same status under law that is applicable to officers, members, or employees of the Enterprise Funds for Poland and Hungary under section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

"(d) REPORTING REQUIREMENT.—Notwithstanding any other provision of this section, the requirement of section 201(p) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(p)), that an Enterprise Fund shall be required to publish an annual report not later than January 31 each year, shall not apply with respect to an Enterprise Fund that receives funds and support under this section for the first twelve months after it is designated as eligible to receive such funds and support.

"(e) FUNDING.—

"(1) IN GENERAL.—Amounts made available for a fiscal year to carry out chapter 1 of part I of this Act (relating to development assistance) and to carry out chapter 4 of part II of this Act (relating to the economic support fund) shall be available for such fiscal year to carry out this section, in addition to amounts otherwise available for such purposes.

"(2) AFRICAN DEVELOPMENT.—In addition to amounts available under paragraph (1) for a fiscal year, amounts made available for such fiscal year to carry out chapter 10 of part I of this Act (relating to the Development Fund for Africa) shall be available for such fiscal year to carry out this section with respect to countries in Africa.".

SEC. 3212. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

(a) IN GENERAL.—Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is amended to read as follows:

"SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

"(a) FINDINGS AND POLICY.—The Congress finds and declares that—

"(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

"(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process;

"(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

"(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

"(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

"(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

"(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

"(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—(A) There is authorized to be appropriated to carry out section 108 of the Foreign Assistance Act of 1961, in addition to funds otherwise available for such purposes, $2,000,000 for each of the fiscal years 1996 and 1997. Funds authorized to be appropriated under this subsection shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under section 108 of the Foreign Assistance Act of 1961.

(B) In addition, there are authorized to be appropriated $500,000 for each of the fiscal years 1996 and 1997 for the cost of training programs and administrative expenses to carry out such section.

(2) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

SEC. 3213. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

"SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

"(a) AUTHORIZATION.—(1) In carrying out this part, the administrator of the agency primarily responsible for administering this part is authorized to provide grant assistance for programs of credit and other assistance for microenterprises in developing countries.

"(2) Assistance authorized under paragraph (1) shall be provided through the following organizations that have a capacity to develop and implement microenterprise programs:

"(A) United States and indigenous private and voluntary organizations.

"(B) United States and indigenous credit unions and cooperative organizations.

"(C) Other indigenous governmental and nongovernmental organizations.

"(3) Approximately 50 percent of assistance authorized under paragraph (1) shall be used for poverty lending programs which—

"(A) meet the needs of the very poor members of society, particularly poor women; and

"(B) provide loans of $300 or less in 1995 United States dollars to such poor members of society.

"(4) The administrator of the agency primarily responsible for administering this part shall strengthen appropriate mechanisms, including mechanisms for central microenterprise programs, for the purpose of—

"(A) providing technical support for field missions;

"(B) strengthening the institutional development of the intermediary organizations described in paragraph (2); and

"(C) sharing information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

"(b) Monitoring System.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the administrator of the agency primarily responsible for administering this part shall establish a monitoring system that—

"(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

"(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

"(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.".

CHAPTER 3—DEVELOPMENT ASSISTANCE

Subchapter A—Development Assistance Authorities

SEC. 3221. AUTHORIZATIONS OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated the following amounts for the following purposes (in addition to amounts otherwise available for such purposes):

(1) Development assistance fund.—$858,000,000 for each of the fiscal years 1996 and 1997 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d).

(2) Development fund for Africa.—$629,214,000 for each of the fiscal years 1996 and 1997 to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.).

(3) Assistance for the independent states of the former soviet union.—$643,000,000 for fiscal year 1996 and $650,000,000 for fiscal year 1997 to carry out programs under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.) and other related programs.

(4) Assistance for east european countries.—$325,000,000 for fiscal year 1996 and $275,000,000 for fiscal year 1997 for economic assistance for Eastern Europe and the Baltic states under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

(5) Inter-american foundation.—$20,000,000 for fiscal year 1996 and $10,000,000 for fiscal year 1997 to carry out section 401 of the Foreign Assistance Act of 1969 (22 U.S.C. 290f).

(6) African development foundation.—$10,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 to carry out the African Development Foundation Act (22 U.S.C. 290h et seq.).

(b) Availability of Amounts.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3222. CHILD SURVIVAL ACTIVITIES, VITAMIN A DEFICIENCY PROGRAM, AND RELATED ACTIVITIES.

(a) Child Survival Activities.—

(1) In general.—(A) Of the amounts made available to carry out the provisions of law described in paragraph (2) for fiscal years 1996 and 1997, not less than $280,000,000 for each such fiscal year shall be made available only for activities which have a direct measurable impact on rates of child morbidity and mortality, with a particular emphasis on delivery of community-based primary health care and health education services which benefit the poorest of the poor.

(B) Of the amounts made available under subparagraph (A) for a fiscal year, not less than $30,000,000 for such fiscal year shall be provided to private and voluntary organizations under the PVO Child Survival grants program carried out by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.

(2) Provisions of law.—The provisions of law described in this paragraph are the following:

(A) Sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d; relating to the development assistance fund).

(B) Chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.; relating to the Development Fund for Africa).

(C) Chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund).

(D) The "Multilateral Assistance Initiative for the Philippines" program.

(3) Special rule.—Amounts made available under sections 103 through 106 of the Foreign Assistance Act of 1961 for the Vitamin A Deficiency Program, part I of such Act for iodine and iron fortification programs and for iron supplementation programs for pregnant women, chapter 9 of part I of such Act for international disaster assistance, section 104(c) of such Act for international AIDS prevention and control, and any other provision of law for migration and refugee assistance, shall not be included in the aggregate amounts described in paragraph (1) for purposes of the requirements contained in such paragraph.

(b) Vitamin A Deficiency Program and Related Activities.—Of the amounts made available to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d) for fiscal years 1996 and 1997, not less than $25,000,000 for each such fiscal year shall be made available for the Vitamin A Deficiency Program and for activities relating to iodine deficiency and other micronutrients.

(c) UNDP/WHO Tropical Disease Program.—Of the amounts made available to carry out section 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d) for fiscal years 1996 and 1997, not less than $15,000,000 for each such fiscal year shall be made available for the United Nations Development Program/World Health Organization Special Program for Research and Training in Tropical Diseases.

SEC. 3223. ASSISTANCE FOR FAMILY PLANNING.

(a) Restriction on Use of Funds for Voluntary Population Planning.—Section 104(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(b)) is amended by inserting after the first sentence the following new sentence: "Such assistance shall be available only for voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services."

(b) Prohibition on Use of Funds for Voluntary Population Planning to Organizations or Programs Supporting or Participating in the Management of Abortion or Involuntary Sterilization Programs.—Section 104(b) of such Act (22 U.S.C. 2151b(b)), as amended by subsection (a), is further amended—

(1) in the first sentence, by striking "In order to" and inserting "(1) In order to"; and

(2) by adding at the end the following new paragraph:

"(2) None of the funds made available to carry out this subsection may be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization.".

(c) Prohibition on Discrimination With Respect to Grants for Natural Family Planning.—Section 104(b) of such Act (22 U.S.C. 2151b(b)), as amended by subsections (a) and (b), is further amended by adding at the end the following new paragraph:

"(3) In providing grants for natural family planning under this subsection, the administrator of the agency primarily responsible for administering this part shall not discriminate against applicants because of any religious or conscientious commitment by such applicants to offer only natural family planning services.".

(d) Clarification With Respect to Prohibition on Use of Funds for Abortions.—Section 104(f)(1) of such Act (22 U.S.C. 2151b(f)(1)) is amended—

(1) by striking "None of the funds" and inserting "(A) None of the funds"; and

(2) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph, the term 'motivate' shall not be construed to prohibit the provision, consistent with local law, of information and counseling concerning all pregnancy options, including abortion.".

SEC. 3224. ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) Conditions on Assistance.—Section 498A(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(b)) is amended—

(1) in paragraph (4), by striking "or" at the end;

(2) by redesignating paragraph (5) as paragraph (10); and

(3) by inserting after paragraph (4) the following new paragraphs:

"(5) for the Government of Russia, unless the President certifies to the Congress that such Government—

"(A) is pursuing, without preconditions, an immediate and permanent ceasefire, and is pursuing a negotiated settlement to the conflict in the Russian Federation Republic of Chechnya;

"(B) is taking steps to provide unhindered access to the region of Chechnya and surrounding areas of the Russian Federation by elected officials of the Russian Federation and by independent Russian media;

"(C) is cooperating with the Organization for Security and Cooperation in Europe and other appropriate international organizations in undertaking steps to investigate and prosecute any and all individuals, including members of the Russian armed forces and internal security agencies, who may be responsible for atrocities, war crimes, or crimes against humanity in the region of Chechnya;

"(D) is cooperating with the Assistance Group of the Organization on Security and Cooperation in Europe established in Chechnya in fulfilling that mission's mandate;

"(E) is cooperating in assuring the unhindered delivery of humanitarian assistance to the civilian population in Chechnya;

"(F) has made the fullest possible accounting of all persons currently detained by Russian military or security forces as a result of the conflict in Chechnya and has allowed access to those individuals by the International Committee of the Red Cross;

"(G) is taking steps to repatriate refugees and displaced persons wishing to return to Chechnya; and

"(H) is taking steps to hold free and fair elections in Chechnya, based on the principles of the Organization on Security and Cooperation in Europe and conducted in the presence of foreign and domestic observers;

except that this paragraph shall not apply to the provision of such assistance for purposes of humanitarian, disaster, and refugee relief or assisting democratic political reform and rule of law activities, provision of technical assistance for safety upgrade of civilian nuclear power plants, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

"(6) for the government of any independent state that has agreed to provide nuclear reactor components to Iran, unless the President determines that the sale of such components to Iran includes safeguards that are consistent with the national security objectives of the United States and the concerns of the United States with respect to nonproliferation of nuclear weapons technology, except that this paragraph shall not apply to the provision of such of assistance for purposes of—

"(A) humanitarian, disaster, and refugee relief; or

"(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

"(7) for the government of any independent state that the President determines directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, except that this paragraph shall not apply to the provision of such assistance for purposes of—

"(A) humanitarian, disaster, and refugee relief; or

"(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

"(8) for the purpose of enhancing the military capability of any independent state, except that this paragraph shall not apply to demilitarization, defense conversion or nonproliferation programs, or programs to support troop withdrawal including through the support of an officer resettlement program, and technical assistance for the housing sector;

"(9) for the Government of Russia if the President determines that Government—

"(A) is not making progress in implementing comprehensive economic reforms based on market principles, including fostering private ownership, the repayment of commercial debt, the respect of commercial contracts, the equitable treatment of foreign private investment; or

"(B) applies or transfers assistance provided under this chapter to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures; or".

(b) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Section 498B(a) of such Act (22 U.S.C. 2295b(a)) is amended to read as follows:

"(a) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Assistance under this chapter shall be provided, to the maximum extent feasible, through the private sector, including private and voluntary organizations and other nongovernmental organizations functioning in the independent states of the former Soviet Union.".

(c) WAIVER OF CERTAIN PROVISIONS.—Section 498B(j)(1) of such Act (22 U.S.C. 2295b(j)(1)) is amended in the matter preceding subparagraph (A)—

(1) by striking "for fiscal year 1993 by this chapter" and inserting "to carry out this chapter"; and

(2) by striking "appropriated for fiscal year 1993".

SEC. 3225. DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN.

Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

"CHAPTER 12—DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN

"SEC. 499. STATEMENT OF POLICY.

"The Congress declares the following:

"(1) The historic, economic, political, and geographic relationships among the countries of the Western Hemisphere are unique and of continuing special significance.

"(2) Following the historic Summit of the Americas and the passage of the North American Free Trade Agreement, the countries of the Western Hemisphere have moved steadfastly toward economic and political integration.

"(3) The interests of the countries of the Western Hemisphere are more interrelated than ever, and sound economic, social, and democratic progress in each of the countries continues to be of importance to all countries, and lack of it in any country may have serious repercussions in others.

"(4) For the peoples of Latin America and the Caribbean to progress within the framework of social justice, respect for human rights, political democracy, and market-oriented economies, there is a compelling need for the achievement of social and economic advancement and the consolidation of political democracy and the rule of law adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America and the Caribbean for a better way of life.

"(5) The prosperity, security, and well-being of the United States is linked directly to peace, prosperity, and democracy in Latin America and the Caribbean.

"(6) Democratic values are dominant throughout Latin America and the Caribbean region and nearly all governments in such region have come to power through democratic elections.

"(7) Nonetheless, existing democratic governments and their supporting institutions remain fragile and face critical challenges, including, in particular, the consolidation of civilian control of such governments and institutions, including control of the military, the consolidation or establishment of independent judicial institutions and of the rule of law, and where appropriate, the decentralization of government.

"(8) In adherence to free market principles, it is essential to promote economic growth with equity—enlarging employment and decisionmaking opportunities and the provision of basic social services for traditionally marginalized groups, such as indigenous minorities, women, and the poor—and to protect and promote workers rights.

"(9) By supporting the purposes and objectives of sustainable development and applying such purposes and objectives to Latin America and the Caribbean, the Development Fund for Latin America and the Caribbean can advance the national interests of the United States and can directly improve the lives of the poor, encourage broad-based economic growth while protecting the environment, build human capital and knowledge, support participation in democracy, and promote peace and justice in Latin America and the Caribbean.

"SEC. 499A. AUTHORIZATION OF ASSISTANCE.

"(a) IN GENERAL.—The President is authorized to provide assistance for Latin America and the Caribbean to promote democracy, sustainable development, and economic growth in Latin America and the Caribbean.

"(b) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

"SEC. 499B. AVAILABILITY OF AMOUNTS.

"(a) IN GENERAL.—Of the amounts made available to carry out the provisions of law described in subsection (b) for fiscal year 1996 and for each succeeding fiscal year, not less than an amount requested by the President and approved by the Congress in appropriations Acts shall be made available to carry out this chapter.

"(b) PROVISIONS OF LAW.—The provisions of law described in this subsection are the following:

"(1) Sections 103 through 106 of this Act (relating to the development assistance fund).

"(2) Chapter 8 of this part (relating to international narcotics control).

"(3) Chapter 4 of part II of this Act (relating to the economic support fund).

"(4) Chapter 5 of part II of this Act (relating to international military education and training).

"(5) Titles II and III of the Agricultural Trade Development and Assistance Act of 1954.

"(6) The 'Foreign Military Financing Program' under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

"(c) AVAILABILITY.—Amounts made available under this section are authorized to remain available until expended.".

SEC. 3226. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2251 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 130. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.

"(a) REPORTS.—Not later than December 31, 1996, and December 31 of each third year thereafter, the President shall transmit to the Congress a report which analyzes, on a country-by-country basis, the impact and effectiveness of the United States development assistance provided during the preceding three fiscal years. Each report shall include the following for each recipient country:

"(1) An analysis of the impact of United States development assistance during the preceding three fiscal years on development in that country, with a discussion of the United States interests that were served by the assistance. Such analysis shall be done on a sector-by-sector basis to the extent possible and shall identify any economic policy reforms which were promoted by the assistance. Such analysis shall—

"(A) include a description, quantified to the extent practicable, of the specific objectives the United States sought to achieve in providing development assistance for that country; and

"(B) specify the extent to which those objectives were not achieved, with an explanation of why they were not achieved.

"(2) A description of the amount and nature of development assistance provided by other donors during the preceding three fiscal years, set forth by development sector to the extent possible.

"(3) A discussion of the commitment of the host government to addressing the country's needs in each development sector, including a description of the resources devoted by that government to each development sector during the preceding three fiscal years.

"(4) A description of the trends, both favorable and unfavorable, in each development sector.

"(5) Statistical and other information necessary to evaluate the impact and effectiveness of United States development assistance on development in the country.

"(b) LISTING OF MOST AND LEAST SUCCESSFUL ASSISTANCE PROGRAMS.—Each report required by this section shall identify—

"(1) those five countries in which United States development assistance has been most successful; and

"(2) those five countries in which United States development assistance has been least successful.

For each country listed pursuant to paragraph (2), the report shall explain why the assistance was not more successful and shall specify what the United States has done as a result.

"(c) REPORT TO BE A SEPARATE DOCUMENT.—Each report required by this section shall be submitted to the Congress as a separate document.

"(d) DEFINITION.—As used in this section, the terms 'United States development assistance' and 'development assistance' means assistance under this chapter.".

SEC. 3227. FUNDING FOR PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) IN GENERAL.—For each of the fiscal years 1996 and 1997, the President shall allocate an aggregate amount to private and voluntary organizations and cooperatives under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 which, at a minimum, is equal to the aggregate amount allocated to such organizations and cooperatives under such Acts for fiscal year 1994.

(b) DEFINITION.—For purposes of this section, the term "private and voluntary organization" means a private nongovernmental organization which—

(1) is organized under the laws of a country;

(2) receives funds from private sources;

(3) operates on a not-for-profit basis with appropriate tax-exempt status if the laws of the country grant such status to not-for-profit organizations;

(4) is voluntary in that it receives voluntary contributions of money, time, or in-kind support from the public; and

(5) is engaged or intends to be engaged in voluntary, charitable, development, or humanitarian assistance activities.

SEC. 3228. SENSE OF THE CONGRESS RELATING TO UNITED STATES COOPERATIVES AND CREDIT UNIONS.

It is the sense of the Congress that—

(1) United States cooperatives and credit unions can provide an opportunity for people in developing countries to participate directly in democratic decisionmaking for their economic and social benefit through ownership and control of business enterprises and through the mobilization of local capital and savings; and

(2) such organizations should be utilized in fostering democracy, free markets, community-based development, and self-help projects.

Subchapter B—Operating Expenses

SEC. 3231. OPERATING EXPENSES GENERALLY.

Section 667(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)(1)) is amended to read as follows:

"(1) $465,774,000 for fiscal year 1996 and $419,196,000 for fiscal year 1997 for necessary operating expenses of the agency primarily responsible for administering part I of this Act (other than the office of the inspector general of such agency); and".

SEC. 3232. OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL.

Section 667(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)), as amended by this Act, is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by striking "and" at the end of paragraph (1); and

(3) by inserting after paragraph (1) the following:

"(2) $35,206,000 for fiscal year 1996 and $31,685,000 for fiscal year 1997 for necessary operating expenses of the office of the inspector general of such agency; and".

CHAPTER 4—PUBLIC LAW 480

SEC. 3241. LEVELS OF ASSISTANCE FOR TITLE II.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1)(E), by striking "for fiscal year 1995" and inserting "for each of the fiscal years 1995 through 1997"; and

(2) in paragraph (2)(E), by striking "for fiscal year 1995" and inserting "for each of the fiscal years 1995 through 1997".

SEC. 3242. AUTHORIZATION OF APPROPRIATIONS FOR TITLE III.

No funds are authorized to be appropriated for either of the fiscal years 1996 and 1997 for the provision of agricultural commodities under title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727 et seq.).

CHAPTER 5—HOUSING GUARANTEE PROGRAM

SEC. 3251. AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—(1) Subject to paragraph (2), there are authorized to be appropriated $7,000,000 for fiscal year 1996 and $6,000,000 for fiscal year 1997 for administrative expenses to carry out guaranteed loan programs under sections 221 and 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2181 and 2182).

(2) Amounts authorized to be appropriated under paragraph (1) may be made available only for—

(A) administrative expenses incurred with respect to guaranties issued before the date of the enactment of this Act; or

(B) expenses incurred with respect to activities related to the collection of amounts paid by the United States in the discharge of liabilities under guaranties issued under section 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2182).

(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3252. ADDITIONAL REQUIREMENTS.

(a) EXPIRATION OF AUTHORITY.—Section 222(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182(a)) is amended by striking the third sentence and inserting the following: "No guaranties may be issued under this section on or after the date of the enactment of the Foreign Aid Reduction Act of 1995.".

(b) CANCELLATION OF CERTAIN EXISTING GUARANTIES.—Section 222 of such Act (22 U.S.C. 2182) is amended—

(1) by redesignating subsection (k) as subsection (d); and

(2) by adding at the end the following new subsection:

"(e) The President shall cancel all guaranties issued under this section with respect to which eligible investors have not (before the date of the enactment of the Foreign Aid Reduction Act of 1995) applied such guaranties to loans for projects under this title.".

(c) PROHIBITION ON ASSISTANCE FOR ENTITIES IN DEFAULT AND CERTAIN OTHER ENTITIES.—Section 620 of such Act (22 U.S.C. 2370) is amended by inserting after subsection (u) the following new subsection:

"(v)(1) Subject to paragraph (2), no assistance shall be furnished under this Act to any entity that—

"(A) fails to make timely payments on loans with respect to which guaranties have been issued under title III of chapter 2 of part I of this Act (relating to housing and other credit guaranty programs); or

"(B) causes amounts (including amounts for administrative expenses) to be paid by the United States in the discharge of liabilities under guaranties issued under such title, unless such entity has reimbursed the United States for such amounts.

"(2) The President may waive the prohibition in paragraph (1) with respect to an entity if the President determines that it is in the national interest of the United States to furnish assistance under this Act to such entity.".

CHAPTER 6—PEACE CORPS

SEC. 3261. PEACE CORPS.

Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended to read as follows:

"(b)(1) There are authorized to be appropriated to carry out the purposes of this Act $219,745,000 for each of the fiscal years 1996 and 1997.

"(2) Amounts authorized to be appropriated under paragraph (1)—

(1) with respect to fiscal year 1996 are authorized to remain available until September 30, 1997; and

(2) with respect to fiscal year 1997 are authorized to remain available until September 30, 1998.".

SEC. 3262. ACTIVITIES OF THE PEACE CORPS IN THE FORMER SOVIET UNION.

(a) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.; relating to assistance for the independent states of the former Soviet Union), not more than $11,600,000 for each such fiscal year shall be available for activities of the Peace Corps in the independent states of the former Soviet Union (as defined in section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992).

(b) AVAILABILITY.—Amounts made available under subsection (a)—

(1) with respect to fiscal year 1996 are authorized to remain available until September 30, 1997; and

(2) with respect to fiscal year 1997 are authorized to remain available until September 30, 1998.

SEC. 3263. PROHIBITION ON USE OF FUNDS FOR ABORTIONS.

Section 15 of the Peace Corps Act (22 U.S.C. 2514) is amended by adding at the end the following new subsection:

"(e) Funds made available for the purposes of this Act may not be used to pay for abortions.".

CHAPTER 7—INTERNATIONAL DISASTER ASSISTANCE

SEC. 3271. AUTHORITY TO PROVIDE RECONSTRUCTION ASSISTANCE.

Section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) is amended—

(1) in subsection (b), by striking "and rehabilitation" and inserting ", rehabilitation, and reconstruction"; and

(2) in subsection (c), by striking "and rehabilitation" and inserting ", rehabilitation, and reconstruction".

SEC. 3272. AUTHORIZATIONS OF APPROPRIATIONS.

Section 492(a) of such Act (22 U.S.C. 2292a(a)) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out section 491, in addition to funds otherwise available for such purposes, $200,000,000 for each of the fiscal years 1996 and 1997.".

CHAPTER 8—OTHER PROVISIONS

SEC. 3281. EXEMPTION FROM RESTRICTIONS ON ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.

Section 123(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(e)) is amended to read as follows:

"(e)(1) Subject to paragraph (3), restrictions contained in this Act or any other provision of law with respect to assistance for a country shall not be construed to restrict assistance under this chapter, chapter 10, or chapter 11 of this part in support of programs of nongovernmental organizations.

"(2) The President shall take into consideration, in any case in which a restriction on assistance for a country would be applicable but for this subsection, whether assistance for programs of nongovernmental organizations is in the national interest of the United States.

"(3) Whenever the authority of this subsection is used to furnish assistance for a program of a nongovernmental organization, the President shall notify the congressional committees specified in section 634A(a) of this Act in accordance with procedures applicable to reprogramming notifications under that section. Such notification shall describe the program assisted, the assistance provided, and the reasons for furnishing such assistance.".

SEC. 3282. FUNDING REQUIREMENTS RELATING TO UNITED STATES PRIVATE AND VOLUNTARY ORGANIZATIONS.

(a) IN GENERAL.—Section 123(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(g)) is amended to read as follows:

"(g) Funds made available to carry out this chapter or chapter 10 of this part may not be made available to any United States private and voluntary organization, except any cooperative development organization, that obtains less than 20 percent of its total annual financial support for its international activities from sources other than the United States Government.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to funds made available for programs of any United States private and voluntary organization on or after the date of the enactment of this Act.

SEC. 3283. DOCUMENTATION REQUESTED OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by inserting after subsection (v) (as added by this Act) the following new subsection:

"(w) None of the funds made available to carry out this Act shall be available to any private and voluntary organization which—

"(1) fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the agency primarily responsible for administering part I of this Act; or

"(2) is not registered with the agency primarily responsible for administering part I of this Act.".

SEC. 3284. FOREIGN GOVERNMENT PARKING FINES.

(a) IN GENERAL.—Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 620I. FOREIGN GOVERNMENT PARKING FINES.

"(a) IN GENERAL.—An amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia, Virginia, Maryland, and New York by the government of a foreign country as of the end of a fiscal year, as certified to the President by the chief executive officer of each State or District, shall be withheld from obligation for such country out of funds available in the next fiscal year to carry out part I of this Act, until the requirement of subsection (b) is satisfied.

"(b) REQUIREMENT.—The requirement of this subsection is satisfied when the Secretary of State determines and certifies to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia, Virginia, Maryland, and New York.

"(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fines certified as of the end of fiscal year 1995 or any fiscal year thereafter.

SEC. 3285. HUMAN RIGHTS REPORTS.

(a) SECTION 116 REPORT.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year;

"(4) the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement; and".

(b) SECTION 502B REPORT.—Section 502B(b) of such Act (22 U.S.C. 2304(b)) is amended by adding after the second sentence the following new sentence: "Each report under this section shall list the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year.".

SEC. 3286. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.

Chapter 3 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2401 et seq.) is amended by adding at the end the following:

"SEC. 668. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.

"(a) REQUIREMENT TO DEOBLIGATE.—

"(1) IN GENERAL.—Except as provided in subsection (b) of this section and in paragraphs (1) and (3) of section 617(a) of this Act, at the beginning of each fiscal year the President shall deobligate and return to the Treasury, any funds described in paragraph (2) that, as of the end of the preceding fiscal year, have been obligated for a project or activity for a period of more than 3 years but have not been expended.

"(2) FUNDS.—Paragraph (1) applies to funds made available for—

"(A) assistance under chapter 1 of part I of this Act (relating to development assistance), chapter 10 of part I of this Act (relating to the Development Fund for Africa), or chapter 4 of part II of this Act (relating to the economic support fund);

"(B) assistance under the 'Multilateral Assistance Initiative for the Philippines';

"(C) assistance under the Support for East European Democracy (SEED) Act of 1989; and

"(D) economic assistance for the independent states of the former Soviet Union under this Act or under any other Act authorizing economic assistance for such independent states.

"(b) EXCEPTIONS.—The President, on a case-by-case basis, may waive the requirement of subsection (a)(1) if the President determines, and reports to the appropriate congressional committees, that—

"(1) the funds are being used for a construction project that requires more than 3 years to complete; or

"(2) the funds have not been expended because of unforeseen circumstances, and those circumstances could not have been reasonably foreseen.

"(c) COMMENTS BY INSPECTOR GENERAL.—As soon as possible after the submission of a report pursuant to subsection (b), the Inspector General of the agency primarily responsible for administering part I of this Act shall submit to the appropriate congressional committees such comments as the Inspector General considers appropriate with regard to the determination described in that report.

"(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—As used in this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

TITLE XXXIII—REGIONAL PROVISIONS

SEC. 3301. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS PROVIDING ASSISTANCE TO CUBA.

(a) IN GENERAL.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

"(y)(1) No assistance may be provided under this Act (other than humanitarian assistance and assistance for refugees) for a fiscal year to any foreign government that the President determines has provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba or any entity controlled by such Government in the preceding fiscal year.

"(2) The President may waive the requirements of paragraph (1) if—

"(A) the President certifies to the congressional committees specified in section 634A of this Act (in accordance with procedures applicable to reprogramming of funds under that section) that the provision of such assistance is vital to the national security of the United States; or

"(B) the President determines and reports to the Congress that the Government of Cuba has met the requirements contained in section 1708 of the Cuban Democracy Act of 1992 (22 U.S.C. 6001 et seq.).

"(3) Not later than February 1st each year, the President shall prepare and transmit to the appropriate congressional committees a report containing a list of all foreign governments that the President has determined have provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba in the preceding fiscal year.

"(4) For purposes of this subsection—

"(A) the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate;

"(B) the term 'humanitarian assistance' means food (including the monetization of food), clothing, medicine, and medical supplies; and

"(C) the term 'nonmarket-based trade' includes exports, imports, exchanges, or other trade arrangements under which goods or services are provided on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

"(i) exports to the Government of Cuba on terms that involve a grant, concessional price, guaranty, insurance, or subsidy;

"(ii) imports from the Government of Cuba at preferential tariff rates; and

"(iii) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which such Government does not pay appropriate transportation, insurance, or finance costs.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the prohibition on assistance to a foreign government contained in section 620(y) of the Foreign Assistance Act of 1961, as added by subsection (a), shall apply only with respect to assistance provided in fiscal years beginning on or after the date of the enactment of this Act.

(2) EXCEPTION.—In the case of the fiscal year in which this Act is enacted, such prohibition shall apply with respect to the obligation or expenditure of assistance on or after the date of the enactment of this Act.

SEC. 3302. ASSISTANCE FOR NICARAGUA.

(a) RESTRICTIONS.—Amounts made available for fiscal years 1996 and 1997 for assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.; relating to development assistance) or chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.; relating to the economic support fund), including any unobligated balances of prior appropriations, may only be made available to the Government of Nicaragua if the Secretary of State determines and certifies to the appropriate congressional committees that—

(1) a full and independent investigation has been completed of the weapons caches discovered after the May 23, 1993, Santa Rosa arms cache explosion, including an investigation of passports, identity papers, and other documents found at weapons sites indicating the existence of a terrorist or kidnapping ring and whether the terrorist network was involved in the February 1993 World Trade Center bombing;

(2) prosecutions have been initiated against all individuals, including government officials and members of the armed forces or security forces of Nicaragua, identified in the investigation described in paragraph (1);

(3) Nicaragua has made substantial progress in meeting the requirements set forth in section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (relating to expropriation of United States property);

(4) substantial progress has been made in the timely implementation of all recommendations made by the Tripartite Commission with respect to individuals responsible for assassinations, including the immediate suspension of all individuals from the Sandinista Army and security forces who were named in such recommendations, and the expeditious prosecution of such individuals;

(5) all individuals responsible for the murders of Jean Paul Genie, Arges Sequeira, and Enrique Bermudez have been removed from the military and security forces of Nicaragua, and judicial proceedings against these individuals have been initiated;

(6) specific changes have been implemented which have resulted in verifiable civilian control over the Sandinista military, security forces, and police; and

(7) genuine, effective, and concrete reforms in the Nicaraguan judicial system have been initiated.

(b) CONTENTS OF CERTIFICATION.—

(1) IN GENERAL.—A certification made pursuant to subsection (a) shall include a detailed accounting of all evidence in support of the determinations listed in paragraphs (1) through (7) of such subsection.

(2) FORM.—A certification made pursuant to subsection (a) shall be submitted in unclassified form, and, to the extent necessary, classified form.

(c) EXCEPTION TO RESTRICTIONS.—The restrictions on the availability of funds in subsection (a) shall not apply to support for—

(1) programs facilitating the resolution of United States citizen property claims;

(2) the International Commission for Support and Verification of the Organization of American States for human rights monitoring, related assistance programs or election observation;

(3) independent human rights groups in Nicaragua;

(4) programs intended to ensure free and fair elections in Nicaragua;

(5) democracy-building programs administered through the National Endowment for Democracy and related nongovernmental groups; or

(6) programs to promote civilian control of the military.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 3303. SENSE OF THE CONGRESS REGARDING RELATIONS WITH BURMA.

It is the sense of the Congress that—

(1) official United States trade delegations to Burma should be indefinitely suspended;

(2) visits to Burma by senior officials of the United States Government should be minimized until Aung San Suu Kyi is released from house arrest;

(3) the Secretary of Labor should submit to the Congress a report on labor practices in Burma so that Members of Congress can better inform constituents, including stockholders and business leaders of the United States companies which transact commerce with Burma, on labor conditions in that country;

(4) the Secretary of State should submit to the Congress a report on resource exploitation and environmental degradation in Burma;

(5) no assistance should be used for cooperative counternarcotics efforts between the United States and members of the State Law and Order Restoration Committee (SLORC) regime;

(6) the United States should discourage the Association of Southeast Asian Nations (ASEAN) from including the SLORC regime in ASEAN activities;

(7) the Secretary of State should submit to the Congress a report which outlines a strategy for encouraging democratic transition in Burma; and

(8) the United States should encourage its allies to restrict the relations of such allies with Burma in accordance with this section.

SEC. 3304. DEBT RESTRUCTURING FOR EGYPT.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Government of Egypt owes the United States Government over $6,000,000,000 from prior economic assistance credit programs.

(2) Current annual debt service payments by Egypt to the United States are approximately $270,000,000, will climb in the near future to $350,000,000, and will continue until the year 2021.

(3) Egypt's debt service to the United States results in reduced investment capital and slower economic growth in Egypt.

(4) Restructuring Egypt's debt burden, and buying down Egypt's debt, could substantially reduce over time Egypt's requirement for economic assistance.

(5) Addressing Egypt's debt burden is in the mutual interest of Egypt and the United States.

(b) REPORT.—(1) Not later than January 31, 1996, the Secretary of State and the Secretary of the Treasury shall develop and submit to the appropriate congressional committee options to restructure Egypt's debt, and buy down, over a period of time through the use of funds authorized to be appropriated under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), all outstanding debt owed by the Government of Egypt to the United States Government, including debt owed under development assistance, agriculture, Export-Import Bank, and Commodity Credit Corporation credit programs.

(2) The Secretary of State and the Secretary of the Treasury shall develop the options required by paragraph (1) in such a way as to enable the United States to reduce assistance to Egypt in the future under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund). In the development of such options, the Secretaries shall consult with the Secretary of Commerce for the purpose of determining the impact of the options required under paragraph (1) on the level of United States exports to Egypt.

(3) For purposes of this subsection, the term "appropriate congressional committees" means the Committee on International

Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 3305. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS PROVIDING ASSISTANCE TO IRAN.

(a) FINDINGS.—The Congress makes the following findings:

(1) Iran is engaged in an intensive effort to develop nuclear weapons and some nations have indicated that they are prepared to cooperate with Iran in the nuclear field.

(2) The possession of nuclear weapons by Iran would represent a serious threat to the peace and security of the entire Middle East region and an extremely serious challenge to United States interests in that region.

(3) The United States places the highest priority on denying to Iran the capability to produce nuclear weapons and systems for the delivery of nuclear weapons and other weapons of mass destruction.

(4) The sale or transfer to Iran by any other government or with the permission of any other government of technology that may be critical for Iran to develop or deploy nuclear weapons is a serious threat to United States interests.

(b) ADMISSION TO NATO.—It is the sense of the Congress that the United States should vigorously oppose the accession to the North Atlantic Treaty and the admission to the North Atlantic Treaty Organization of any country which sells or licenses for sale any nuclear or dual-use technology or any military weapons, equipment, ammunition or munitions of any kind, including any item included on any lists covered by the Missile Technology Control Regime, to Iran or to any country which the Secretary of State has determined repeatedly provides support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979.

(c) PROHIBITION ON UNITED STATES ASSISTANCE.—No assistance authorized to be appropriated by this Act or any other Act may be provided by any agency of the United States Government to the government of any country which sells or licenses for sale any nuclear or dual-use technology or any military weapons, equipment, ammunition or munitions of any kind, including any item included on any lists covered by the Missile Technology Control Regime, to Iran or to any other country which the Secretary of State has determined repeatedly provides support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979.

(d) EXCEPTIONS.—The prohibition in subsection (c) shall not apply to—

(1) assistance provided to Russia, Belarus, Ukraine, or Kazakhstan under the authorities of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228; 105 Stat. 1691); and

(2) assistance provided under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.; relating to assistance for the independent states of the former Soviet Union) for the purposes of—

(A) humanitarian, disaster, or refugee relief; or

(B) assisting democratic political reform and rule of law activities, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control.

SEC. 3306. ASSISTANCE FOR PAKISTAN.

Section 620E(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2375(e)) is amended—

(1) by striking "No assistance shall" and inserting "(1) Except as provided in paragraph (2), no assistance shall"; and

(2) by adding at the end the following new paragraph:

"(2)(A) Assistance in support of nongovernmental organizations or microenterprises under chapter 1 of part I of this Act (relating to development assistance) and assistance under the provisions of law described in subparagraph (B) may be made available for Pakistan.

"(B) The provisions of law described in this subparagraph are the following:

"(i) Title IV of chapter 2 of part I of this Act (relating to the Overseas Private Investment Corporation).

"(ii) Chapter 8 of part I of this Act (relating to international narcotics control).

"(iii) Chapter 5 of part II of this Act (relating to international military education and training).

"(iv) Chapter 8 of part II of this Act (relating to antiterrorism assistance).

"(v) Any provision of law under which assistance is available to carry out the following activities:

"(I) Aviation safety.

"(II) Immigration and customs procedures.

"(III) Peacekeeping.

"(IV) Promotion of trade and investment interests of the United States.

"(C) Assistance described in subparagraph (B)(iii) may be made available for Pakistan under this paragraph for fiscal year 1997 and each subsequent fiscal year only if the President certifies to the Congress for such fiscal year that the Government of Pakistan is fully cooperating with United States counter-narcotics assistance programs and policies.".

SEC. 3307. RETURN OF MILITARY EQUIPMENT OF PAKISTAN.

It is the sense of the Congress that—

(1) the inability of the President since October 1, 1990, to make the necessary certification under section 620E(e) of the Foreign Assistance Act of 1961 (relating to the nuclear activities of Pakistan) has prevented the delivery of military aircraft for which Pakistan made nonrefundable cash payments to contractors and unnecessarily complicated the achievement of United States foreign policy and nonproliferation objectives in South Asia;

(2) in the absence of a Presidential certification for Pakistan under section 620E(e) of such Act, the United States should make a determined effort to find a third party buyer for the such military aircraft and should reimburse Pakistan with any proceeds derived from a sale to such third party, up to the amount paid by Pakistan for such military aircraft; and

(3) with respect to other military equipment imported into the United States from Pakistan prior to May 1, 1991, for repair or modification by the Department of Defense, the return of such military equipment, including spare parts thereof, or equivalent equipment or spare parts originally owned by another country, does not constitute a transfer of military equipment under the terms of section 620E(e) of such Act, provided such military equipment or spare parts are returned in an unrepaired state or without modifications for which they were originally imported into the United States.

SEC. 3308. ELIGIBILITY OF PANAMA UNDER ARMS EXPORT CONTROL ACT.

The Government of the Republic of Panama shall be eligible to purchase defense articles and defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), except as otherwise specifically provided by law.

SEC. 3309. FUTURE OF THE UNITED STATES MILITARY PRESENCE IN PANAMA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Panama Canal is a vital strategic asset to the United States, its allies, and the world.

(2) The Treaty on the Permanent Neutrality and Operation of the Panama Canal signed on September 7, 1977, provides that Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure.

(3) Such Treaty also provides that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

(4) The United States instrument of ratification of such Treaty includes specific language that the two countries should consider negotiating future arrangements or agreements to maintain military forces necessary to fulfill the responsibility of the two countries of maintaining the neutrality of the Canal after 1999.

(5) The Government of Panama, in the bilateral Protocol of Exchange of instruments of ratification, expressly "agreed upon" such arrangements or agreements.

(6) The United States Navy depends upon the Panama Canal for rapid transit in times of emergency, as demonstrated during World War II, the Korean War, the Vietnam conflict, the Cuban Missile Crisis, and the Persian Gulf conflict.

(7) Drug trafficking and money laundering have proliferated in the Western Hemisphere since the Treaty on the Permanent Neutrality and Operation of the Panama Canal was signed on September 7, 1977, and such trafficking and laundering poses a grave threat to peace and security in the region.

(8) Certain facilities now utilized by the United States Armed Forces in Panama are critical to combat the trade in illegal drugs.

(9) The United States and Panama share common policy goals such as strengthening democracy, expanding economic trade, and combating illegal narcotics throughout Latin America.

(10) The Government of Panama has dissolved its military forces and has maintained only a civilian police organization to defend the Panama Canal against aggression.

(11) Certain public opinion polls in Panama suggest that many Panamanians desire a continued United States military presence in Panama.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the President should negotiate a new base rights agreement with the Government of Panama—

(A) to allow the stationing of United States Armed Forces in Panama beyond December 31, 1999; and

(B) to ensure that the United States will be able to act appropriately, consistent with the Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, and the resolutions of ratification thereto, for the purpose of assuring that the Panama Canal shall remain open, neutral, secure, and accessible; and

(2) the President should consult with the Congress throughout the negotiations described in paragraph (1).

SEC. 3310. PEACE AND STABILITY IN THE SOUTH CHINA SEA.

(a) FINDINGS.—The Congress finds the following:

(1) The South China Sea is a critically important waterway through which 25 percent of the world's ocean freight and 70 percent of Japan's energy supplies transit.

(2) The South China Sea serves as a crucial sea lane for United States Navy ships moving between the Pacific and Indian Oceans, particularly in time of emergency.

(3) There are a number of competing claims to territory in the South China Sea.

(4) The 1992 Manila Declaration adhered to by the Association of South East Asian Nations, the Socialist Republic of Vietnam, and the People's Republic of China calls for all claimants to territory in the South China Sea to resolve questions of boundaries through peaceful negotiations.

(5) The legislature of the People's Republic of China has declared the entire South China Sea to be Chinese territorial waters.

(6) The armed forces of the People's Republic of China have asserted China's claim to the South China Sea through the kidnapping of citizens of the Republic of the Philippines and the construction of military bases on territory claimed by the Philippines.

(7) These acts of aggression committed by the armed forces of the People's Republic of China against citizens of the Philippines are contrary to both international law and to peace and stability in East Asia.

(b) POLICY DECLARATIONS.—The Congress—

(1) declares the right of free passage through the South China Sea to be vital to the national security interests of the United States, its friends, and allies;

(2) declares that any attempt by a nondemocratic power to assert, through the use of force or intimidation, its claims to territory in the South China Sea to be a matter of grave concern to the United States;

(3) calls upon the Government of the People's Republic of China to adhere faithfully to its commitment under the Manila Declaration of 1992; and

(4) calls upon the President to review the defense needs of democratic countries with claims to territory in the South China Sea.

SEC. 3311. SENSE OF THE CONGRESS REGARDING NARCOTICS CONTROL EFFORTS OF COLOMBIA.

It is the sense of the Congress that—

(1) relations between the United States and Colombia are at a critical stage, particularly following the President's March 1, 1995, decision to grant the Government of Colombia a national interest waiver in the 1994 narcotics certification determination;

(2) the Government of Colombia has undertaken efforts toward the elimination of drug trafficking organizations, especially the powerful "kingpins" based in Cali;

(3) important advances need to be taken to dismantle the operations of criminal enterprises in Colombia which seek to corrupt government institutions;

(4) the Government of Colombia should be encouraged to complete specific, attainable objectives in its overall narcotics control strategy, including—

(A) the arrest and prosecution of the acknowledged leaders of the Cali drug organization;

(B) the imposition of tougher sentencing of drug traffickers to ensure that such traffickers serve sentences commensurate with their crimes;

(C) the expeditious passage of legislation to criminalize money laundering;

(D) the aggressive eradication of illicit crops, including coca opium, and marijuana;

(E) the elimination of the industrial infrastructure of the narcotics trade, including laboratories, precursor chemicals, and aircraft;

(F) the destruction of the internal narcotics distribution export system, including the use of airports, rivers, and ports for such system;

(G) the elimination of the island of San Andres as a illegal narcotics transshipment point; and

(H) the end of the current policy of the Government of Colombia under which key drug traffickers are given lenient sentences in return for their surrender;

(5) the Secretary of State should make the issue of illicit narcotics the highest foreign policy priority of the United States with respect to relations with key illicit drug transit and producing nations, such as Colombia; and

(6) the Secretary of State should request our European allies to join the United States in sending a clear message to Colombia on the importance of attaining these counternarcotics goals and objectives in the shortest possible time so that reductions in United States foreign assistance will not be necessary in the future.

SEC. 3312. NOTIFICATION OF ARMS SALES TO SAUDI ARABIA.

(a) NOTIFICATION.—Until the certification under subsection (b) is submitted to the Congress, section 36(b)(1) of the Arms Export Control Act shall be applied to sales of Saudi Arabia by substituting in the first sentence "0" for $50,000,000, "0" for $200,000,000, and "0" for $14,000,000.

(b) CERTIFICATION.—Subsection (a) shall cease to apply if and when the Secretary of State certifies and reports in writing to the Congress that the unpaid claims of American firms against the Government of Saudi Arabia that are described in the June 30, 1993, report by the Secretary of Defense pursuant to section 9140(c) of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 106 Stat. 1939), including the additional claims noticed by the Department of Commerce on page 2 of that report, have been resolved satisfactorily.

SEC. 3313. ASSISTANCE FOR ZAIRE.

(a) SECURITY ASSISTANCE.—Assistance may not be transferred to the Government of Zaire for each of the fiscal years 1996 and 1997—

(1) under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund);

(2) under chapter 5 of part II of that Act (22 U.S.C. 2347 et seq.; relating to international military education and training); or

(3) from the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

(b) DEVELOPMENT ASSISTANCE.—Assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.; relating to development assistance) or chapter 10 of such part (22 U.S.C. 2293 et seq.; relating to the Development Fund for Africa) for each of the fiscal years 1996 and 1997 shall not be transferred to the Government of Zaire.

TITLE XXXIV—SPECIAL AUTHORITIES AND OTHER PROVISIONS

CHAPTER 1—SPECIAL AUTHORITIES

SEC. 3401. ENHANCED TRANSFER AUTHORITY.

Section 610 of the Foreign Assistance Act of 1961 (22 U.S.C. 2360) is amended to read as follows:

"SEC. 610. TRANSFER BETWEEN ACCOUNTS.

"(a) GENERAL AUTHORITY.—Whenever the President determines it to be necessary for the purposes of this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.), not to exceed 20 percent of the funds made available to carry out any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) or section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

"(1) may be transferred to, and consolidated with, the funds in any other account or fund available to carry out any provision of this Act; and

"(2) may be used for any purpose for which funds in that account or fund may be used.

"(b) LIMITATION ON AMOUNT OF INCREASE.—The total amount in the account or fund for the benefit of which transfer is made under subsection (a) during any fiscal year may not be increased by more than 20 percent of the amount of funds otherwise made available.

"(c) NOTIFICATION.—The President shall notify in writing the congressional committees specified in section 634A at least fifteen days in advance of each such transfer between accounts in accordance with procedures applicable to reprogramming notifications under such section.".

SEC. 3402. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.

(a) IN GENERAL.—Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 610 (22 U.S.C. 2360) the following new section:

"SEC. 610A. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.

"(a) AUTHORITY.—

"(1) IN GENERAL.—In order to provide for any unanticipated contingency in the programs, projects, or activities for which assistance is provided under this Act, the President is authorized to use funds made available to carry out any provision of this Act (other than chapter 1 or chapter 10 of part I of this Act) for the purpose of providing assistance authorized by any other provision of this Act in accordance with the provisions applicable to the furnishing of such assistance.

"(2) LIMITATION.—The authority of paragraph (1) may not be used to authorize the use of more than $40,000,000 in any fiscal year.

"(b) SUPERSEDES OTHER LAWS.—Funds made available under the authority of this section may be used notwithstanding any other provision of law.

"(c) NOTIFICATION OF CONGRESS.—

"(1) NOTIFICATION.—Except as provided in paragraph (2), the President shall notify the congressional committees specified in section 634A(a) at least 15 days before obligating any funds under this section in accordance with the procedures applicable to reprogramming notifications under section 634A(a).

"(2) EXCEPTION.—The President may waive the requirement contained in paragraph (1) if the President determines that complying with such requirement would pose a substantial risk to human health or welfare. If the President exercises the waiver under the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) as early as practicable, but in no event later than 3 days after the date on which the President took the action to which such notification requirement was applicable.".

(b) REPEAL.—Chapter 5 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2261; relating to contingencies) is hereby repealed.

SEC. 3403. SPECIAL WAIVER AUTHORITY.

Section 614 of the Foreign Assistance Act of 1961 (22 U.S.C. 2364) is amended to read as follows:

"SEC. 614. SPECIAL WAIVER AUTHORITY.

"(a) AUTHORITY.—The President may provide assistance and make loans under the provisions of law described in subsection (b), notwithstanding any other provision of law, if the President determines that to do so is vital to the national interests of the United States.

"(b) LAWS WHICH MAY BE WAIVED.—The provisions of law described in this subsection are—

"(1) this Act;

"(2) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

"(3) any provision of law authorizing the provision of assistance to foreign countries or making appropriations for such assistance; and

"(4) any other provision of law that restricts the authority to provide assistance or make loans under a provision of law described in paragraph (1), (2), or (3).

"(c) CONSULTATION WITH CONGRESS.—Before exercising the authority under subsection (a), the President shall consult with, and shall provide a written policy justification to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

"(d) NOTIFICATION TO CONGRESS.—A determination under subsection (a) shall be effective only if the President notifies the congressional committees specified in subsection (c) in writing of that determination.

"(e) ANNUAL CEILINGS.—

"(1) IN GENERAL.—The authority of this section may not be used in any fiscal year to authorize—

"(A) more than $750,000,000 in sales or leases to be made under the Arms Export Control Act (22 U.S.C. 2751 et seq.);

"(B) the use of more than $250,000,000 of funds made available under this Act or the Arms Export Control Act; or

"(C) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other provision of law.

"(2) SALES UNDER THE ARMS EXPORT CONTROL ACT.—If the authority of this section is used both to authorize a sale or lease under the Arms Export Control Act and to authorize funds to be used under this Act with respect to the financing of that sale or lease, then the use of the funds shall be counted against the limitation in paragraph (1)(B) and the portion, if any, of the sale or lease which is not so financed shall be counted against the limitation in paragraph (1)(A).

"(3) LEASES.—For purposes of paragraph (1)(A) the replacement cost, less any depreciation in the value, of the defense articles authorized to be leased shall be counted against the limitation in that paragraph.

"(4) COUNTRY LIMITS.—(A) Not more than $75,000,000 of the $250,000,000 limitation provided in paragraph (1)(B) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression.

"(B) Not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in paragraph (1)(A) and (1)(B) may be allocated to any one country in any fiscal year.".

SEC. 3404. TERMINATION OF ASSISTANCE.

Section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367) is amended to read as follows:

"SEC. 617. TERMINATION OF ASSISTANCE.

"(a) IN GENERAL.—(1) In order to ensure the effectiveness of assistance provided under this Act, funds made available under this Act to carry out any program, project, or activity of assistance shall remain available for obligation for a period not to exceed 8 months after the date of termination of such assistance for the necessary expenses of winding up such programs, projects, or activities and, notwithstanding any other provision of law, funds so obligated may remain available until expended.

"(2) Funds obligated to carry out any program, project, or activity of assistance before the effective date of the termination of such assistance are authorized to be available for expenditure for the necessary expenses of winding up such programs, projects, and activities, notwithstanding any provision of law restricting the expenditure of funds, and may be reobligated to meet any other necessary expenses arising from the termination of such assistance.

"(3) The necessary expenses of winding up programs, projects, and activities of assistance include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

"(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor to carry out any program, project, or activity of assistance under this Act that was subsequently terminated pursuant to law.

"(c) GUARANTEE PROGRAMS.—Provisions of this or any other Act requiring the termination of assistance under this Act shall not be construed to require the termination of guarantee commitments that were entered into before the effective date of the termination of assistance.".

CHAPTER 2—OTHER PROVISIONS

SEC. 3411. CONGRESSIONAL PRESENTATION DOCUMENTS.

Section 634 of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) is amended to read as follows:

"SEC. 634. CONGRESSIONAL PRESENTATION DOCUMENTS.

"(a) REQUIREMENT FOR SUBMISSION.—As part of the annual requests for enactment of authorizations and appropriations for foreign assistance programs for each fiscal year, the President shall prepare and transmit to the Congress annual congressional presentation documents for the programs authorized under this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

"(b) MATERIALS TO BE INCLUDED.—The documents submitted pursuant to subsection (a) shall include—

"(1) the rationale for the allocation of assistance or contributions to each country, regional, or centrally funded program, or organization, as the case may be;

"(2) a description of how each such program or contribution supports the objectives of this Act or the Arms Export Control Act, as the case may be;

"(3) a description of planned country, regional, or centrally funded programs or contributions to international organizations and programs for the coming fiscal year; and

"(4) for each country for which assistance is requested under this Act or the Arms Export Control Act—

"(A) the total number of years since 1946 that the United States has provided assistance;

"(B) the total amount of bilateral assistance provided by the United States since 1946, including the principal amount of all loans, credits, and guarantees; and

"(C) the total amount of assistance provided to such country from all multilateral organizations to which the United States is a member, including all international financial institutions, the United Nations, and other international organizations.

"(c) GRADUATION FROM DEVELOPMENT ASSISTANCE.—

"(1) DETERMINATION.—As part of the congressional presentation documents transmitted to the Congress under this section, the Secretary of State shall make a separate determination for each country identified in such documents for which bilateral development assistance is requested, estimating the year in which each such country will no longer be receiving bilateral development assistance.

"(2) DEVELOPMENT ASSISTANCE DEFINED.—For purposes of this section, the term 'development assistance' means assistance under—

"(A) chapter 1 of part I of this Act;

"(B) chapter 10 of part I of this Act;

"(C) chapter 11 of part I of this Act; and

"(D) the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).".

SEC. 3412. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 620J. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.

"(a) PROHIBITION.—None of the funds made available to carry out this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.) (other than humanitarian assistance or assistance for refugees) may be provided to any foreign government which the President determines is engaged in intelligence activities within the United States harmful to the national security of the United States.

"(b) PERIODIC REPORTS.—Beginning one year after the date of enactment of this section, and annually thereafter, the President shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives a report, in classified and unclassified forms, listing all foreign governments which the President determines are conducting intelligence activities within the United States harmful to the national security of the United States.

"(c) DEFINITION.—As used in this section, the term 'humanitarian assistance' means food (including the monetization of food), clothing, medicine, and medical supplies.".

SEC. 3413. DEBT RESTRUCTURING FOR FOREIGN ASSISTANCE.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 620K. SPECIAL DEBT RELIEF FOR POOR COUNTRIES.

"(a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States Government by a country described in subsection (b) as a result of—

"(1) loans or guarantees issued under this Act; or

"(2) credits extended or guarantees issued under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

"(b) Country Described.—A country described in this subsection is a country—

"(1) with a heavy debt burden that is eligible to borrow from the International Development Association but not from the International Bank for Reconstruction and Development (commonly referred to as an 'IDA-only' country); and

"(2) the government of which—

"(A) does not have an excessive level of military expenditures;

"(B) has not repeatedly provided support for acts of international terrorism; and

"(C) is cooperating with the United States on international narcotics control matters;

"(3) (including the military or other security forces of such government) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

"(4) is not prohibited from receiving assistance described in section 527(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 by reason of such section.

"(c) Limitations.—The authority under subsection (a) may be exercised—

"(1) only to implement multilateral official debt relief ad referendum agreements (commonly referred to as 'Paris Club Agreed Minutes'); and

"(2) only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

"(d) Certain Prohibitions Inapplicable.—A reduction of debt pursuant to the exercise of authority under subsection (a)—

"(1) shall not be considered assistance for purposes of any provision of law limiting assistance to a country; and

"(2) may be exercised notwithstanding section 620(r) of this Act or any comparable provision of law.

"(e) Authorization of Appropriations.—

"(1) In general.—There are authorized to be appropriated to the President for the purpose of carrying out this section $7,000,000 for each of the fiscal years 1996 and 1997.

"(2) Availability.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.".

SEC. 3414. DEBT BUYBACKS OR SALES FOR DEBT SWAPS.

Part IV of the Foreign Assistance Act of 1961 (22 U.S.C. 2430 et seq.) is amended by adding at the end the following new section:

"SEC. 711. AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES.

"(a) Loans Eligible for Sale, Reduction, or Cancellation.—

"(1) Authority to sell, reduce, or cancel certain loans.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, to the government of any eligible country pursuant to this Act, or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

"(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

"(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

"(2) Terms and conditions.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

"(3) Administration.—The facility shall notify the administrator of the agency primarily responsible for administering part I of this Act of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

"(4) Limitation.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

"(b) Deposit of Proceeds.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in an account or accounts established in the Treasury for the repayment of such loan.

"(c) Eligible Purchasers.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

"(d) Debtor Consultations.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

"(e) Authorization of Appropriations.—

"(1) In general.—For the sale, reduction, and cancellation of loans or portions thereof pursuant to this section, there are authorized to be appropriated to the President $3,000,000 for each of the fiscal years 1996 and 1997.

"(2) Availability.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.".

SEC. 3415. IMPACT ON JOBS IN THE UNITED STATES.

Section 636 of the Foreign Assistance Act of 1961 (22 U.S.C. 2396) is amended by adding at the end the following new subsection:

"(j)(1) Funds made available to carry out the provisions of this Act may not be made available to provide—

"(A) any financial incentive to a business enterprise located in the United States for the purpose of inducing that enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of individuals employed in the United States by that enterprise because that enterprise would replace production in the United States with production outside the United States;

"(B) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

"(C) subject to paragraph (2), assistance for any project or activity that contributes to the violation of internationally recognized workers rights (as defined in section 502(a)(4) of the Trade Act of 1974) of workers in the foreign country, including in any designated zone or area in that country.

"(2) Paragraph (1)(C) shall not apply with respect to the provision of assistance for the informal sector, microenterprises and small-scale enterprises, and small-holder agriculture of the foreign country.".

SEC. 3416. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) In General.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

"(z)(1) No assistance may be provided under this Act or the Arms Export Control Act to any foreign government that provides lethal military equipment to a country, the government of which the Secretary of State has determined pursuant to section 40(d) of the Arms Export Control Act is a government that has repeatedly provided support for acts of international terrorism.

"(2) The prohibition under paragraph (1) with respect to a foreign government shall terminate 12 months after the date on which that government ceases to provide such lethal military equipment.

"(3) The President may waive the requirements of paragraph (1) if the President determines that the provision of such assistance is important to the national security interests of the United States.

"(4) Whenever the waiver of paragraph (3) is exercised, the President shall prepare and transmit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers the national interests of the United States.

"(5) For purposes of this subsection, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.".

(b) Effective Date.—Section 620(z) of the Foreign Assistance Act of 1961, as added by subsection (a), applies with respect to lethal military equipment provided pursuant to a contract entered into on or after the date of enactment of this Act.

SEC. 3417. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT CONSISTENTLY OPPOSE THE UNITED STATES POSITION IN THE UNITED NATIONS GENERAL ASSEMBLY.

(a) Prohibition.—United States assistance may not be provided to a country that consistently opposed the United States position in the United Nations General Assembly during the most recent session of the General Assembly.

(b) Change in Government.—If—

(1) the Secretary of State determines that, since the beginning of the most recent session of the General Assembly, there has been

a fundamental change in the leadership and policies of the government of a country to which the prohibition in subsection (a) applies, and

(2) the Secretary believes that because of that change the government of that country will no longer consistently oppose the United States position in the General Assembly,

the Secretary may exempt that country from that prohibition. Any such exemption shall be effective only until submission of the next report under section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991. The Secretary shall submit to the Congress a certification of each exemption made under this subsection. Such certification shall be accompanied by a discussion of the basis for the Secretary's determination and belief with respect to such exemption.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the requirement of subsection (a) if the Secretary determines and reports to the Congress that despite the United Nations voting pattern of a particular country, the provision of United States assistance to that country is necessary to promote United States foreign policy objectives.

(d) DEFINITIONS.—As used in this section—

(1) the term "consistently opposed the United States position" means that the country's votes in the United Nations General Assembly coincided with the United States position less than 25 percent of the time, using for this purpose the overall percentage-of-voting coincidences set forth in the annual report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991;

(2) the term "most recent session of the General Assembly" means the most recently completed plenary session of the General Assembly for which overall percentage-of-voting coincidences is set forth in the most recent report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991; and

(3) the term "United States assistance" means assistance under—

(A) chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund),

(B) chapter 5 of part II of that Act (relating to international military education and training), or

(C) the "Foreign Military Financing Program" account under section 23 of the Arms Export Control Act,

except that such term does not include assistance under chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) or assistance under chapter 8 of part II of such Act (relating to antiterrorism assistance).

(e) EFFECTIVE DATE.—This section takes effect upon the date of the submission to the Congress of the report pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, that is required to be submitted by March 31, 1996.

SEC. 3418. LIMITATION ON ASSISTANCE TO COUNTRIES THAT RESTRICT THE TRANSPORT OR DELIVERY OF UNITED STATES HUMANITARIAN ASSISTANCE.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United States Federal budget deficit and spending constraints require the maximum efficiency in the usage of United States foreign assistance.

(2) The delivery of humanitarian assistance to people in need is consistent with the fundamental values of our Nation and is an important component of United States foreign policy.

(3) As a matter of principle and in furtherance of fiscal prudence, the United States should seek to promote the delivery of humanitarian assistance to people in need in a manner that is both timely and cost effective.

(4) Recipients of United States assistance should not hinder or delay the transport or delivery of United States humanitarian assistance to other countries.

(b) PROHIBITION ON ASSISTANCE.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

"(aa)(1) Notwithstanding any other provision of law, United States assistance may not be made available for any country whose government prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

"(2) The prohibition on United States assistance contained in paragraph (1) shall not apply if the President determines and notifies the Congress in writing that providing such assistance to a country is in the national security interest of the United States.

"(3) A suspension or termination of United States assistance for any country under paragraph (1) shall cease to be effective when the President certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that such country is no longer prohibiting or otherwise restricting, either directly or indirectly, the transport or delivery of United States humanitarian assistance.

"(4)(A) At the time of the annual budget submission to Congress, the President shall submit a report to the Congress describing any information available to the President concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance by the government of any country receiving or eligible to receive United States foreign assistance during the current or preceding fiscal year.

"(B) The President shall include in the report required by subparagraph (A) a statement as to whether the prohibition in paragraph (1) is being applied to each country for which the President has information available to him concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance.

"(5) As used in this subsection, the term 'United States assistance' has the same meaning given that term in section 481(e)(4) of this Act.".

SEC. 3419. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS, PRIVATE AND VOLUNTARY ORGANIZATIONS, AND OTHER ENTITIES THAT INHIBIT UNITED STATES-SUPPORTED DEMINING OPERATIONS AND ACTIVITIES.

(a) PROHIBITION.—None of the funds authorized to be appropriated by this Act may be made available to any foreign government, private and voluntary organization, or any other entity which the Secretary of State determines inhibits United States-supported demining operations and activities through the imposition of discriminatory customs duties, tariffs, or any other barrier to the entry of equipment or personnel designated for use or participation in such operations and activities.

(b) EXCEPTION.—(1) The prohibition contained in subsection (a) shall not apply with respect to a foreign government, private and voluntary organization, or any other entity if the President determines and reports to the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 (in accordance with procedures applicable to reprogramming notifications under that section) that the provision of assistance to such government, organization, or other entity, as the case may be, is important to the national interest of the United States.

(2) Any determination under paragraph (1) shall include a detailed justification of how the provision of assistance furthers United States national interests.

CHAPTER 3—REPEALS

SEC. 3421. REPEAL OF OBSOLETE PROVISIONS.

(a) 1988 FOREIGN OPERATIONS APPROPRIATIONS ACT.—Section 537(h)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as included in Public Law 100–202, is hereby repealed.

(b) 1987 FOREIGN ASSISTANCE APPROPRIATIONS ACT.—Section 539(g)(2) of the Foreign Assistance and Related Programs Appropriations Act, 1987, as included in Public Law 99–591, is hereby repealed.

(c) 1986 ASSISTANCE ACT.—The Special Foreign Assistance Act of 1986 is hereby repealed except for section 1 and section 204.

(d) 1985 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1985 is hereby repealed except for section 1, section 131, section 132, section 504, section 505, part B of title V (other than section 558 and section 559), section 1302, section 1303, and section 1304.

(e) 1985 JORDAN SUPPLEMENTAL ACT.—The Jordan Supplemental Economic Assistance Authorization Act of 1985 is hereby repealed.

(f) 1985 AFRICAN FAMINE ACT.—The African Famine Relief and Recovery Act of 1985 is hereby repealed.

(g) 1983 ASSISTANCE ACT.—The International Security and Development Assistance Authorization Act of 1983 is hereby repealed.

(h) 1983 LEBANON ASSISTANCE ACT.—The Lebanon Emergency Assistance Act of 1983 is hereby repealed.

(i) 1981 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1981 is hereby repealed except for section 1, section 709, and section 714.

(j) 1980 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1980 is hereby repealed except for section 1, section 110, section 316, and title V.

(k) 1979 DEVELOPMENT ASSISTANCE ACT.—The International Development Cooperation Act of 1979 is hereby repealed.

(l) 1979 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1979 is hereby repealed.

(m) 1979 SPECIAL SECURITY ASSISTANCE ACT.—The Special International Security Assistance Act of 1979 is hereby repealed.

(n) 1978 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1978 is hereby repealed, except for section 1, title IV, and section 603(a)(2).

(o) 1978 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1978 is hereby repealed.

(p) 1977 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1977 is hereby repealed except for section 1, section 132(b), and section 133.

(q) 1977 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1977 is hereby repealed.

(r) 1976 SECURITY ASSISTANCE ACT.—The International Security Assistance and Arms Export Control Act of 1976 is hereby repealed except for section 1, section 201(b), section 212(b), section 601, and section 608.

(s) 1975 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1975 is hereby repealed.

(t) 1975 BIB ACT.—Public Law 94–104 is hereby repealed.

(u) 1974 ASSISTANCE ACT.—The Foreign Assistance Act of 1974 is hereby repealed.

(v) 1973 EMERGENCY ASSISTANCE ACT.—The Emergency Security Assistance Act of 1973 is hereby repealed.

(w) 1973 ASSISTANCE ACT.—The Foreign Assistance Act of 1973 is hereby repealed.

(x) 1971 ASSISTANCE ACT.—The Foreign Assistance Act of 1971 is hereby repealed.

(y) 1971 SPECIAL ASSISTANCE ACT.—The Special Foreign Assistance Act of 1971 is hereby repealed.

(z) 1969 ASSISTANCE ACT.—The Foreign Assistance Act of 1969 is hereby repealed except for the first section and part IV.

(aa) 1968 ASSISTANCE ACT.—The Foreign Assistance Act of 1968 is hereby repealed.

(bb) 1964 ASSISTANCE ACT.—The Foreign Assistance Act of 1964 is hereby repealed.

(cc) LATIN AMERICAN DEVELOPMENT ACT.—The Latin American Development Act is hereby repealed.

(dd) 1959 MUTUAL SECURITY ACT.—The Mutual Security Act of 1959 is hereby repealed.

(ee) 1954 MUTUAL SECURITY ACT.—Sections 402 and 417 of the Mutual Security Act of 1954 are hereby repealed.

(ff) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 and 1983.—Section 109 of the Department of State Authorization Act, Fiscal Years 1982 and 1983, is hereby repealed.

(gg) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985.—Sections 1004 and 1005(a) of the Department of State Authorization Act, Fiscal Years 1984 and 1985, are hereby repealed.

(hh) SAVINGS PROVISION.—Except as otherwise provided in this Act, the repeal by this Act of any provision of law that amended or repealed another provision of law does not affect in any way that amendment or repeal.

TITLE XXXV—EFFECTIVE DATE

SEC. 3501. EFFECTIVE DATE.

Except as otherwise provided in this Act, this division, and the amendments made by this division, shall take effect on the date of the enactment of this Act or October 1, 1995, whichever occurs later.

The CHAIRMAN. The bill will be considered for amendment under the 5-minute rule for an initial period of 10 hours.

After that initial period, amendments shall be debatable only as provided in clause 6 of rule XXIII, or section 2 of House Resolution 155. Consideration of the bill for amendment will not continue beyond 2:30 p.m. on Thursday, May 25, 1995.

Other than pro forma amendments for the purpose of debate and amendments en bloc described in section 2 of the resolution, no amendment to the committee amendment in the nature of a substitute, as modified, is in order unless printed in the CONGRESSIONAL RECORD.

It shall be in order for the chairman of the Committee on International Relations or a designee to offer amendments en bloc consisting of printed amendments or germane modifications thereto. Those amendments en bloc shall be considered as read, except that the modifications shall be reported, shall not be subject to amendment or to a demand for a division of the question, and shall be debatable for 10 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations.

The original proponents of the amendment offered en bloc shall have permission to insert statements in the CONGRESSIONAL RECORD immediately before the disposition of the amendments en bloc.

Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. BROWNBACK

Mr. BROWNBACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWNBACK: In section 2101(a)(1) (relating to the Diplomatic and Consular Programs) strike "$1,676,903,000" and insert "$1,656,903,000".

In section 2101(a)(2) (relating to the Salaries and Expenses) strike "$355,287,000" and insert "$335,287,000".

In section 2101(a)(4) (relating to Acquisition and Maintenance of Buildings Aboard) strike "$391,760,000 for fiscal year 1997" and insert "$376,760,000 for fiscal year 1997".

In section 2101(a)(7) (relating to the Office of the Inspector General) strike "$23,469,000 for fiscal year 1997" and insert "$21,469,000 for fiscal year 1997".

In section 2101(a)(8) (relating to the Payment to the American Institute in Taiwan) strike "$14,710,000" and insert "$13,710,000".

In section 2102(a) (relating to the Assessed Contributions to International Organizations) strike "$867,050,000" and insert "$828,388,000".

In section 2102(b)(1) (relating to the Voluntary Contributions to International Organizations) strike "$302,920,000" and insert "$290,680,000".

In section 2102(c)(1) (relating to Assessed Contributions for International Peacekeeping) strike "$345,000,000" and insert "$300,000,000".

In section 2102(d)(1) (relating to the Voluntary Contributions to Peacekeeping Operations) strike "and $68,260,000 for fiscal year 1997" and insert "and $62,260,000 for fiscal year 1997".

In section 2102(e)(1) (relating to the International Conferences and Contingencies) strike "$6,000,000" and insert "$5,000,000".

In section 2106(1) (relating to Salaries and Expenses) strike "$428,080,000" and insert "$407,080,000".

In section 2106(3)(A) (relating to Fulbright Academic Exchange Programs) strike "$113,680,000" and insert "$93,680,000".

In section 2106(3)(F) (relating to Other Programs) strike "$87,341,400" and insert "$67,341,400".

In section 2106(4)(A) (relating to International Broadcasting Activities) strike "$286,191,000" and insert "$256,191,000".

In section 2106(5) (relating to Radio Construction) strike "$67,647,000" and insert "$57,647,000".

In section 2106(9) (relating to the Center for Cultural and Technical Interchange between East and West) strike "$10,000,000" and insert "$8,000,000".

In section 2106(10) (relating to the National Endowment for Democracy) strike "$34,000,000 for fiscal year 1997" and insert "$32,000,000 for fiscal year 1997".

In section 2107(1) (relating to the Arms Control and Disarmament Agency) strike "$40,500,000" and insert "$39,500,000".

In section 3101 (relating to the Foreign Military Financing Program) strike "$3,240,020,000" and insert "$3,226,020,000".

In section 3201 (relating to the Economic Support Fund) strike "$2,283,478,000" and insert "$2,248,478,000".

In section 3221(a)(1) (relating to the Development Assistance Fund) strike "for each of fiscal years 1996 and 1997" and insert "for fiscal year 1996 and $745,000,000 for fiscal year 1997".

In section 3221(a)(2) (relating to the Development Fund for Africa) strike "for each of fiscal years 1996 and 1997" and insert "for fiscal year 1996 and $614,214,000 for fiscal year 1997".

In section 3221(a)(3) (relating to the Assistance for Independent States for the Former Soviet Union) strike "$650,000,000" and insert "$625,000,000".

In section 3221(a)(5) (relating to the Inter-American Foundation) strike "$10,000,000" and insert "$7,000,000".

In section 3221(a)(6) (relating to the African Development Foundation) strike "$5,000,000" and insert "$4,000,000".

In section 3222(3) (relating to the Operating Expenses of the Office of the Inspector General) strike "$31,685,000" and insert "$30,685,000".

In section 3261 (relating to the Peace Corps) strike "for each of the fiscal years 1966 and 1977" and insert "fiscal year 1996 and $215,000,000 for fiscal year 1997".

Mr. BROWNBACK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BROWNBACK. Mr. Chairman, in cooperation with the gentleman from New York [Mr. GILMAN], the chairman, we are offering this amendment to bring H.R. 1561 in line with the budget resolution adopted last week. This amendment seeks further reductions and efficiencies without cutting essential functions that would support our national security, trade, or humanitarian interests.

Members will recall we voted to support $18.2 billion for function 150 spending in fiscal year 1996. Working with the chairman and the other members of the Committee on International Relations, we have crafted a bill to cut approximately $1 billion from programs under our jurisdiction, which, along with cuts from programs outside our jurisdiction, reaches the Committee on the Budget's targets.

For fiscal year 1997, the Committee on International Relations cut $1.5 billion from the foreign affairs budget, but since the Committee on International Relations was preparing this bill at the same time as the Committee on the Budget was crafting the budget resolution, we were not able to conform our numbers to the budget resolution. Therefore, my amendment is necessary to cut an additional $477.9 million from the bill so we can reach the Committee on the Budget's mandate and what this House voted on of $16.8 billion for fiscal year 1997.

There are some very clear and specific reasons why we need to do this. This amendment is crucial, first of all, Mr. Chairman, because we are broke. I want to turn Members' attention to the chart I have here which shows just where we are going with the Federal debt. We are at nearly $5 trillion today.

Under President Clinton's proposed budget, we would get to nearly $7 trillion by the year 2000, and the red ink continues to pile on. We cannot afford to continue to spend as much as we have on any program. That is why we passed a budget resolution last week that balances the budget by 2002 so our kids do not have to pay off our red ink. That is why we have to bring H.R. 1561 into compliance with that resolution.

□ 1600

People on the other side of the aisle will say that we are isolationists. I would refute that because of the number of things the Republican Party has done over the years to disprove that, and I would further say we may become a nation of isolationists if we do not get our fiscal house in order, because we are not going to have any more credit to be able to extend across the rest of the globe because of being broke.

There will be those that will say, as well, that this amendment is an outrage, that we cannot make these types of cuts, that it will kill U.S. foreign policy. To them I respond that what is outrageous to the American people is that Congress has mindlessly spent them into debt to the tune of nearly $5 trillion. It is an outrage that we have left this mortgage on America to our kids.

I would ask, will it kill foreign policy if we cut funding to the U.N. Industrial Development Organization, when we already have provided multilateral development assistance through the World Bank? Will it kill foreign policy if we force the State Department to close extraneous consulates and reduce the size of bloated embassy staffs? Will it kill foreign policy if we reduce educational and cultural exchange programs?

We are all going to have to sacrifice to balance this budget, to be able to get it in line so we do not sacrifice our kids because we were not willing to make the tough choices and the tough cuts. The sacrifices that we are asking to recipients of foreign aid are not inordinate, not whatsoever, given our precarious financial situation and the mountains and mountains of debt that we are piling on future generations.

We must sacrifice to achieve fiscal stability. We must get our own fiscal house in order for this country to be strong and grow into the future so our children can have a foreign policy, so they can push the initiatives that we desire rather than paying off our debt. For that, I think we should ask this of the recipients of our foreign aid, to make these responsible and reasonable cuts.

I submit this amendment, Mr. Chairman. I urge my colleagues to support and vote for the Brownback amendment. It gets us in line with the budget resolution passed by this body last week. It staunches the flow of red ink.

Mr. FARR. Mr. Chairman, I rise in strong opposition to the Brownback amendment.

Mr. Chairman, this is not even a pennywise issue. It is an issue that goes to the very heart of cutting what I think is one of the most important programs that this country has to offer, the U.S. Peace Corps.

The gentleman from New York [Mr. GILMAN], the chairman, has already reduced the President's request for the Peace Corps by $3 million. In tight times, although I do not like the reduction, I think we can live with that, but this amendment goes far beyond that. Now is the time in American history when we need to strengthen American awareness and American involvement in cost-effective ways abroad, and I think the Peace Corps does that.

Now is the time we need Americans working in Eastern Europe and South America, in Eastern Asia. I know, and nine other colleagues of mine in this body know what it is like to have been working in the Peace Corps because we were all former Peace Corps volunteers.

The 2 years that we spent overseas really taught us, and I think each of us and all of the other thousands of returned Peace Corps volunteers have been able to come home with a language, with an understanding of a culture, with an understanding of foreign governments, with an understanding of how to build infrastructure in a cost-effective way. Let me give one example.

We talk a lot about foreign aid and how we are going to try to get the world community into education. Most people do not realize that in developing countries, the youth of those countries in the rural areas have to deal with the basic necessities of life. Most of their time is spent gathering water. Indeed, if you want to have children go to school, you have to build a water system, because they are needed for the labor to support the families.

That is not going to be done by sophisticated foreign aid projects or international diplomacy. That is going to be done by people in the very areas, in the rural areas of this world being able to work with the people to develop the self-help programs that they need, to develop the infrastructure so that indeed we can have a stabilized world.

Also I would like to mention that the Peace Corps has been, throughout its history, strongly supported in a bipartisan fashion. I think to take this partisan amendment and to reduce the Peace Corps is essentially a blow to the strongest program that we have had throughout this world. There is not a country where the Peace Corps has served or is being asked to serve that does not realize the benefit that they provide in having a two-way system where volunteers from the United States of all ages can go and spend 2 years of their life working in a country, and at the same time come back with the strength of knowing the rest of the world.

I am in strong support of reauthorizing the program. I regret that it is going to be even reduced by the $3 million from what the President has requested, but this amendment goes much further than that. It is very destructive, and I urge its defeat.

Mr. SALMON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I thank the gentleman from Arizona [Mr. SALMON] for yielding.

Mr. Chairman, to respond quickly to the comment on the cuts in the Peace Corps, which I think is an excellent program, a very worthwhile program, I would note in our cuts that we are proposing it is a 2-percent cut in the Peace Corps. At a time when we have just got to balance the budget and we cannot afford to stack more debt on future generations, I think that is a responsible cut so that our future kids and our children can be in the Peace Corps as well.

Mr. SALMON. Mr. Chairman, I urge support for the well-crafted Brownback amendment. It is never easy to reduce Government spending but this amendment protects our top priorities while meeting our obligations to our children and our grandchildren to balance the budget by the year 2002. This amendment protects critical aid to our allies, Israel and Egypt, and ensures substantial levels of aid to the hungry and the needy across the world, while acknowledging that given $200 billion annual deficits, some programs like cultural exchange programs will have to look more to the private sector that to taxpayers and to deficit spending.

I urge bipartisan support for the Brownback amendment.

Mr. Chairman, I yield to the gentleman from Ohio [Mr. CHABOT].

Mr. CHABOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman from Kansas [Mr. BROWNBACK] for this important amendment. The people of this country spoke loudly and clearly last November. They clearly said, "Balance the budget," and not by raising taxes but by cutting spending.

One area that the American people said to cut is foreign aid. While I strongly agree with the sentiment of the American people that foreign aid must be cut, what the gentleman from Kansas does in this amendment is to make additional cuts of approximately $477 million. If we are going to ask some Americans, for example, those who are dependent upon welfare, to be less dependent on the Government, then surely we must insist that other countries be less dependent on our Government as well.

I strongly support the Brownback amendment and I urge its adoption.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SALMON. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, let me end up by saying when the budget resolution was passed, it was passed about the same time we were working on this bill. We are $477 million short of what the budget resolution requires, so it is really important that we pass this amendment.

It is going to take the overall foreign aid cuts down by about $2 billion, but at a time when the American people are being asked to bite the bullet as far as spending is concerned, it is only reasonable to say that we ought to cut foreign spending as well, so the cut of $2 billion and this additional cut of $477 million is in order. I urge my colleagues to support this amendment.

Mr. HAMILTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this afternoon the President said in his news conference that we should not handcuff the President. "If this bill passes," he is referring to the bill we are debating now on the floor, "if this bill passes in its present form, I will veto it."

I think all of us understand that it takes the Congress and the President working together to make American foreign policy. What we have now is kind of two ships passing in the night without dialog, without discussion and without debate, and we simply are fooling ourselves on this floor if we think we are making foreign policy. At the present time we are really engaged in kind of a political exercise, so far as I can see.

If this amendment passes, it will only make more difficult the accommodation that simply has to come about eventually between the President and the U.S. Congress in making foreign policy.

I am fully aware, of course, of the great popularity of cutting the budget and of cutting foreign aid. There are very few among us who do not recognize that that is a popular exercise. I want to lay out on the record, although I think I know how the votes fall here, the impact of this amendment.

Foreign aid has already been cut since 1985 by 40 percent. All of the foreign affairs agencies have undergone downsizing, and more downsizing is scheduled to come this year.

The committee bill that has been reported out unanimously on the majority side already cuts current levels of foreign assistance by 9 percent. The Brownback amendment increases that cut to 12 percent. One really wonders how far you go in this cutting game and still be able to maintain a semblance of leadership in the world. If cutting 12 is good, then why not cut 20, 30, 40, or 50 percent? Why stop now?

This amendment cuts another $58 million from the State Department. That is on top of $90 million in cuts in the bill already from 1995 levels. This amendment cuts 13 percent from an already low authorization for U.N. peacekeeping. We are adding almost weekly additional burdens on the United Nations for peacekeeping, and we are demanding more and more of the United Nations while we cut their budget more and more.

This amendment cuts another 4½ percent from our assessed international organization contributions. It cuts almost 9 percent from the contributions we make voluntarily for international peacekeeping, and it makes further additional cuts in economic assistance, especially development assistance. It would cut development assistance another 13 percent, and that results in a total cut of nearly 45 percent between fiscal year 1995 and fiscal year 1997.

I understand that I have thrown a lot of statistics out, but I hope, in sum, they convey to Members how deeply these cuts are impacting, or will impact, American foreign policy and one of its important tools, the foreign aid bill.

The New Independent States will take additional reductions here on top of the 20 percent from the President's fiscal year 1996 request. As my colleague from California has argued, we will also be cutting the Peace Corps, one of the most successful programs that we have had and one that enjoys overwhelming bipartisan support.

That, then, is the impact. But let me return to the principal point. The President has made his position clear. Are we in this House going to be a part of the process and work with him for an accommodation, or are we simply going to play a political game here with no real relevance to the foreign policymaking process?

I urge my colleagues to vote against this amendment.

□ 1615

Miss COLLINS of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by Representative BROWNBACK. Foreign aid must not be sacrificed in order to fund the Republican effort to balance the budget by any means necessary. Just as no man is an island, no country is isolated. America has always been a leader in foreign relations. We must continue to encourage diplomacy with our international neighbors.

This amendment will diminish our leadership in world affairs. U.S. interests and security dictate that we play a vital role in world affairs. This amendment will ensure that this legislation serves as a wall between ourselves and other countries.

Foreign aid is in the best interest of the United States. Maintaining effective aid programs will help developing countries make gains in health care, educational opportunities and small business development. We must be committed to creating an environment that promotes fair trade and investment opportunities. This will lead to sustained economic progress for both sides.

If we leave our world neighbors in the lurch it will certainly come back to haunt us. In a dangerous world, we are foregoing the protection that foreign assistance can often provide. This amendment undercuts our ability to conduct diplomacy, create new markets, and protect U.S. interests.

Foreign aid programs should not be singled out to fund the Republican goal of reducing the Federal budget by any means necessary. This amendment will undermine U.S. leadership in the world. This bill is a step in the wrong direction.

Mr. Chairman, I urge my colleagues to oppose this measure.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to make a couple of real brief points. We are going to be spending $17½ billion, that is $17.5 billion, in foreign assistance. Sure, we are cutting $2 billion, but we are still sending $17½ billion of taxpayers' money overseas. That is a lot of money.

For my colleagues who know we are under severe budgetary constraints, to say we are not doing enough for the rest of the world, they need to start telling us where they think we ought to cut. We have not had many suggestions from the other side on where to cut spending. Every time we bring a bill to the floor that cuts spending to get us on a trend line to a balanced budget, everybody starts complaining and says, oh my gosh, you are going to hurt these people, and this group and this group. The fact of the matter is the people who are getting hurt the most in the country are the American taxpayers, because the deficit continues to go up and up and up and the interest on the debt goes up and we have to do something about it.

So, the $2 billion out of the $19.5 billion we are sending overseas, a $2 billion cut is justifiable. We are not relinquishing our position in the world as the world leader, we are still helping wherever we can. We are going to be helping starving children, we are going to be helping countries rebuild, we are going to be helping countries do a lot of things, but at the same time we are doing it in a much more responsible way, we are watching taxpayers' money and spending taxpayers' dollar wisely, and that is the thing we should be doing.

So when my good friends on the other side of the aisle start complaining about where we are making these cuts, I hope everybody will remember the cuts have to be made. Otherwise we are going to have a fiscal disaster in the country in about the next 6 or 7 years. We have to have a balanced budget by the year 2002. We in the Republican leadership are heading in that direction, and this is one step that must be taken.

Mr. BERMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I understand this amendment would reduce from the committee-passed bill an additional $478 million in fiscal year 1997 authorizations. So on top of the $2 billion reduction in the 150 account that the budget resolution and this bill impose on our diplomatic and foreign relations account, the amendment further squeezes the whole series of accounts in the foreign affairs budget.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield.

Mr. BERMAN. Sure; I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, as I understand it, the cut originally proposed is $1.5 billion, and this takes us close to $2 billion, so it was not $2 billion initially, and this takes us to $477 million more.

Mr. BERMAN. The 150 account covers the items in this bill and the multilateral banks which are all tools of our foreign policy interests and the PL-480 program, which is not authorized in this bill. The 150 function, the most reduced function in the Federal Government over the last 10 years, which accounts for about 1.3 percent of our Federal spending, is being reduced as I understand it by close to $2 billion below last year's spending, $3 billion below the administration's request, and now in fiscal year 1997 we have a further cut.

I do not understand, and I would like to hear laid out at some point in this thing just how you think the foreign relations functions of the Federal Government are going to work to serve American interests. I listened during the general debate on this bill to your colleague from Oregon who said functions run by the Arms Control and Disarmament Agency, functions run by the Agency for International Development, functions run by the USIA are irrelevant in the post-cold war era. He does not think that verification and monitoring of arms control agreements has relevance simply because the cold war has ended? The fact that the republics, that Russia in particular has a substantial number of nuclear weapons left, that we are going to try and ratify and enforce a chemical weapons treaty to get rid of these functions, he does not think that radio broadcasts into totalitarian countries which do not allow free press still have some relevance, and world is all safe, the cold war is over?

We know that many of you do not believe that because you are concerned, understandably and correctly, about the level of defense spending. We know what history has brought us. We know the end of World War I led to just this kind of dynamic pullout from the world, go back, Fortress America. We heard one member of our committee talk about America First and for once, as if being involved with an active diplomatic agenda was not putting America first, that this was not all about serving America's interests.

We know the history of what happened between the wars. We know what happened after World War II. We know that the bipartisan leadership after World War II decided to do it a different way, and the result was that we had a long and difficult and expensive cold war, but ultimately we won it.

But we also know that there are threats of terrorism and proliferation and famine and poverty, all of which, apart from the humanitarian interests, undermine our own interests in the strength of future global markets, of regional stability, of controlling the proliferation of nuclear weapons, and I am telling you, I understand your focus on the deficit. I do not share where you want to go in the end, but I really think taking the function of government which has been the most cut for the past 10 years and thinking you can through drastic cuts and micromanagement run foreign policy in a way that maintains America's international leadership is terribly mistaken.

I urge this amendment be defeated. I think this is no longer a bill that just constrains the cuts to what were originally proposed. You are now going further, slashing even more than the bill that the committee brought to the floor, and I urge that the Brownback amendment be defeated.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. BROWNBACK. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Kansas.

Mr. BROWNBACK. Mr. Chairman, I thank the gentleman for yielding. I just point out in response to the last speaker briefly that was saying that we are pulling out completely away from the world, going isolationist on our policies, that what my amendment proposes is a 3-percent cut overall in the 150 account. A 3-percent cut it seems to me hardly qualifies for us completely disengaging in the world, particularly how engaged the United States is militarily, trade security. And also I would point out specifically on the Arms Control and Disarmament Agency area cut, it is an additional $1 million, $1 million cut, which again I do not believe really qualifies for the overstatement the gentleman has given of we are pulling out of the world.

What these are are targeted, specific cuts that, what we are trying to get at is balancing the budget, and if not this area, then somewhere else.

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the Brownback amendment. First of all, we are cutting the budget in order to balance the budget in the long run. And in doing so, we are cutting domestic programs, not drastically, but we are making prudent cuts throughout our domestic programs.

What we are suggesting here is that American foreign aid and what we give to others through, for our benevolence and other reasons, should also be reduced to be fair to our own people during this time of domestic budget cuts.

Overall, as we put the budget together, we plan to cut 9 percent, that is $1.5 billion, from the spending level from last year, and the gentleman from Oregon [Mr. BROWNBACK] is simply adding another 3 percent to that level of cuts, which leaves us $16.7 billion in aid left.

In the post-cold-war world that should make sense to the American people. If the American people want us to spend more and more money, more than $16.7 billion on direct foreign aid, let me note in terms of our foreign policy and in terms of foreign aid, in terms of what we are doing overseas, $16.7 billion outside of the military and what we are doing in the military seems like a prudent number.

In the post-cold-war world we do not have to spend as much as we did in the cold-war era. That makes sense, and it is not fair to our own people if we do not make prudent cuts. And we are not withdrawing from the world. We are just saying from now on, because we bore the whole burden of the cold war, because we, the American people, decided that we had to protect the world against communism and yes, before that, against fascism and Japanese militarism, and yes, before that, against the Germans invading Western Europe, but the fact of the matter is the American people do not have to bear all of the burdens of the world any longer. What we are saying is not isolationism, but that when we are spending our hard-earned tax dollars we must, No. 1, make sure that all of those dollars are being spent in the interests of the United States, and yes, there is a benevolent interest to the United States, but in essence we want to make sure that we are spending money that is in our interest, and also that the dollars are being spent effectively.

We are spending things in this, even left in the budget, we are spending things like for example paying for birth control for India, at a time when India ends up spending their money on developing nuclear weapons. That is not even cut out of this budget. I will tell Members if it was up to this Congressman we would cut a lot more out of the budget. And the gentleman from Oregon [Mr. BROWNBACK] has been absolutely responsible. I salute him, and I salute the gentleman from New York [Mr. GILMAN]. They have done a tremendous job, and I think they are trying to make our foreign aid more effective and they are trying to do what is in the interests of this country.

The CHAIRMAN. The time of the gentleman from California [Mr. ROHRABACHER] has expired.

(On request of Mr. BERMAN, and by unanimous consent, Mr. ROHRABACHER was allowed to proceed for 2 additional minutes.)

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding. We can go through foreign aid budgets and we can talk about any specific program, but I have worked with the gentleman on a number of issues, and, for instance, I know of his support and the importance he gives, unlike some of his colleagues, to, for instance, the surrogate broadcasting, the getting information into countries where there is not either a well-developed institutional free press and broadcasting, or totalitarian states where they block it.

Mr. ROHRABACHER. That is correct.

Mr. BERMAN. I look at the Brownback amendment and I say we started out with a bill that in fiscal year 1996, $121 million in reductions for USIA, USIA's presence abroad cut by 10 percent, a thousand positions in USIA eliminated. Broadcasting cut by over 10 percent, impairing the agency's ability to broadcast to the Middle East, Eastern Europe, the former Soviet Union, other important areas.

□ 1630

Let me just make the last one. Then under the Brownback amendment, we cut an additional $10 million for radio construction.

You and I, I thought, were hoping to create a support for Radio Free Asia transmitters, Free Asia transmitters construction expenses, get radio, get information into China, $30 million more in additional cuts, millions for broadcasting. I feel like I hear a mechanistic debate. We talk numbers, only 3 percent, 5 percent.

Mr. ROHRABACHER. Reclaiming my time, I will give you a better example. As you know, both of us have worked together for National Endowment for Democracy. No one has been a stronger supporter for National Endowment for Democracy than I have been. Yet, in the Brownback amendment, I understand they take another $2 million out of the NED budget. Yet we are in a situation where we owe it to our own people, even though we have priorities we would like to spend money on, to cut moneys out to make them more effective. Cutting the budget does not mean it is less effectively spent.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

You know, this debate that we are having here today is more than just about dollars. This debate basically is about political power. What we are hearing today is the President down at the Rose Garden saying that Congress is going to clip his wings. That is not true at all.

When our forefathers met in Philadelphia, they set up a Government with a separation of powers, some powers delegated to the executive, some to the judicial, some to the executive, legislative.

Since up to the Second World War, Congress was always involved in foreign affairs, but during the Second World War and after, because of the cold war and the President had to respond quickly, Congress abdicated these powers to the executive.

What we are saying now basically is that we are going to take some of these powers back. So it is not that we are cutting a billion dollars out of the $17 billion we are shipping overseas, which is really a pittance, the real issue here is what is Congress' role in foreign affairs? What is Congress' role in foreign policy?

And we, the more conservative element, are saying Congress should be involved because Congress speaks for the people, and when our forefathers set up the Constitution, they said, for example, the President our Executive, can ask for a declaration of war, but only Congress can declare war.

All the way down the line we have certain responsibilities given to the Congress, certain to the Presidency, certain to the judiciary, but in the last 50 years Congress has abdicated all of its powers and given them to the Presidency.

Now, in this particular bill we have some $17 billion in cuts. The argument here has been made with the $250 billion deficit, is that too much to ask? I do not think so. One of reasons the Soviet Union fell, we no longer have the Soviet Union, it is ancient history, is because they went bankrupt. Why? Because they spent themselves into bankruptcy.

While we are richer than old Soviet Union was, the truth of the matter is we are facing a $4.9 trillion national debt. We cannot keep going in this direction.

I know it is hard to change. Machiavelli told us that in his famous book "The Prince," that one of most difficult things to do is change, and we are changing. But there is still old thinking, the old mentality of the liberal welfare state; yes, we have welfare at home and we are going to have welfare overseas.

While we are changing the welfare at home, why not change the welfare overseas, too? You know, the only time a family can help itself and help its neighbors is when the family is able to take care of itself. When a family spends itself into bankruptcy, they cannot take care of their brothers or sisters or anyone else down the street. That is basically what we are saying here today. We have got to start taking care of our own problems here at home or else we will not be able to take care of anyone's problems.

We are now to the point, with a $4.9 trillion national debt, that we have got to stop and say, hey, wait a minute, we have got to stop and say, hey, wait a minute, we have got to stop and analyze where we are going.

There is a beautiful book, not a beautiful book but an interesting book, called "Wild Ride." You see it on the newsstand today. It is about that famous Kentucky horse farm, Calumet. They had so much money they thought they would never come to the end of dollars. What happened one day, they woke up and they were broke. You know something, when you see what happened to that farm, it is the same thing, a metaphor of what is happening here in the Congress and our own Government.

Let us start taking care of the problems we have got at home. Let us watch the dollars we have in our pocket because these pockets are empty and we have got to start analyzing where our money is going to come from and how we are going to set our priorities.

There are many areas in this budget, when we passed the balanced budget on Thursday, that cut much, much deeper than we are cutting in foreign aid. We do not need the crocodile tears on foreign aid. We are still sending billions overseas, and we are not nearly cutting as much in foreign aid as we are some of our domestic programs.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from Ohio.

Mr. KASICH. I just want to take a minute here and compliment the gentleman from Kansas for trying to get this overall spending level in 1997 to concur with the spending level in the Committee on the Budget resolution, and I want to associate myself with the remarks from various speakers who have risen in support of the amendment offered by the gentleman from Kansas [Mr. BROWNBACK].

We will still have a very robust program.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ROTH] has expired.

(At the request of Mr. KASICH and by unanimous consent, Mr. ROTH was allowed to proceed for 2 additional minutes.)

Mr. KASICH. If the gentleman will yield further, we will still have a robust program that will promote U.S. interests around the world, but, frankly, I think that the foreign aid budget for too long has represented an awful lot of interests that are not necessarily in line with promoting direct U.S. national interests.

Frankly, I think that the foreign aid bill to a large degree has become a bill that represents corporate welfare, and we have a number of changes in this bill.

This is only part of our attempt to get in the middle of reform. Frankly, the multilateral banks are another area where we will be directing some change.

But I think that the gentleman from Kansas is proposing makes good sense, and, frankly, I would be pretty well surprised if we did not get strong bipartisan support for this proposal.

I mean, if you are interested in responding to what your constituents want, which is a tight-fisted, responsible foreign aid budget, you want to come to the floor and support BROWNBACK, and this will be able to accomplish our goals around the world, but do it in a way that is responsive to hardworking Americans.

So I want to appreciate the gentleman yielding this time to me and would urge all of my colleagues on both sides of the aisle to come to the floor, conform this to the budget resolution, support the Brownback amendment.

Mr. ROTH. I thank the gentleman for his contribution.

I think it is true when you take a look at, for example, AID, and the gentleman from Ohio was talking about corporate welfare, well, we have a lot of waste, fraud, and abuse in these programs, and if the American people were voting here today, believe me, they would have much deeper cuts than we are asking for.

The President just had a news conference at the Rose Garden. Again, I want to point this out, he said that the Congress basically is going to be clipping his wings. He needs more power in foreign affairs. The truth of the matter is that he has had all the power in foreign affairs.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. BURTON of Indiana) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

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AMERICAN OVERSEAS INTERESTS ACT OF 1995

The committee resumed its sitting.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. I thank the distinguished chairman of the Committee on International Relations.

I just wanted to clarify one other point, if I could, of what is taking place here.

There has been some discussion about Radio Free Asia, and I do not touch any of the funding for Radio Free Asia in the amendment that I am putting in front of this body.

Furthermore, I just would point out that I think the gentleman from Ohio [Mr. KASICH] makes some good points about what has the foreign aid been used for, at different points in time. Is it really being used for foreign aid, or is it being used for some forms of corporate welfare, like Robert Riech, the Secretary of Labor, has talked about? I think there is a fair amount, and with the streamlining with this reasonable 3-percent cut, we can hope to get back some of that.

Mr. GILMAN. I thank the gentleman for his remarks, and I urge my colleagues to support the gentleman from Kansas in order to bring this bill within the budgetary resolution so that we can move forward.

Mr. FUNDERBURK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me first begin my remarks by complimenting the distinguished chairman of the Committee on International Relations for bringing to the floor of the House the first attempt to change the basic course of American foreign policy in several decades.

H.R. 1561 does send a message that America will no longer tolerate nations who receive the helping hand of the United States at the same time they thumb their noses at our generosity by voting against us at the United Nations.

That said, Mr. Chairman, the Committee on International Relations needs to do more. America's foreign policy structure needs to be overhauled immediately. The current system is a relic of the 1950's and 1960's.

The State Department is a labyrinth of competing and overlapping agencies, offices and bureaus whose redundancy and waste has hampered our national interest over the last 30 years. It is up to this Congress to abolish the residue of the cold war and bring the State Department in line with the diplomatic and security needs of the American people as we head into a new century.

Mr. Chairman, the new Republican Congress was sent to Washington to get America's priorities straight. Last week we began the glide path toward a balanced budget. It is not an easy process.

We will eliminate entire Cabinet departments, cut out the welfare programs of the 1960's, and end most Federal subsidies across the board.

Each of us has heard from students, seniors, veterans, and farmers in our districts. Many of them are upset, and they are looking at this bill. They have every right to be. How can we go home and say we are cutting out Commerce, Energy, and Education and perhaps HUD, and reducing the size of every Federal department at the same time we leave the State Department virtually untouched? Despite what some in Foggy Bottom and the bureaucracy there will tell you, will, cuts that are proposed by the Brownback amendment are not Draconian cuts, and the cuts which I would suggest that we also put into the process are not Draconian cuts.

According to the report the chairman, the gentleman from Ohio [Mr. KASICH], delivered to the House last week, the State Department budget has grown from $1.7 billion in the mid-1980's to $2.6 billion this fiscal year 1995. The Budget Committee's review notes that the continued increase in State Department funding has come from the growth in salaries and expenses, areas that should be addressed.

We need to wake up the State Department. We need to send the word that business as usual has ended.

I am sure that some will say that any cuts in the State Department will hurt our fight against terrorism and out-of-control immigration. Such cuts will do no such thing. The way to combat terrorism and immigration abuses is not to spend more on bureaucrats and diplomatic staff, but it is to boost the morale of our foreign and domestic intelligence agencies, to increase the rapid response capability of our Armed Forces, and to lower the numbers of people who can come to this country at any one time.

Mr. Chairman, the State Department employees over 33,000 people. We have over 300 embassies, consulates, consular agencies, and missions overseas.

The committee bill folds the USIA, the ACDA, and AID into the State Department, and in that sense the bureaucracy will continue to grow. The cuts proposed by both the Committee on International Relations and the Clinton administration merely accept the status quo, albeit on a slightly smaller scale.

As the American people said last year, the status quo is not good enough. America's foreign policy priorities need radical surgery. We can start the process by cutting the fat at Foggy Bottom.

We need to tell the American people we are serious about cutting the budget and we are serious about streamlining and downsizing the bloated bureaucracy at the State Department.

☐ 1645

AMENDMENT OFFERED BY MR. FUNDERBURK TO THE AMENDMENT OFFERED BY MR. BROWNBACK

Mr. FUNDERBURK. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FUNDERBURK to the amendment offered by Mr. BROWNBACK: In the matter amending section 2101(a)(2) of the bill (relating to authorizations of appropriations for salaries and expenses of the Department of State) strike "$355,287,000 for the fiscal year 1996" and insert "$337,522,265 for the fiscal year 1996 and

The CHAIRMAN. The gentleman from North Carolina [Mr. FUNDERBURK] is recognized for 5 minutes in support of his amendment.

Mr. FUNDERBURK. Mr. Chairman, this amendment reduces the bill's authorization level for State Department salaries and expenses for 5 percent for the fiscal year 1996.

Mr. Chairman, I feel that since we are asking the American people to cut the rate of growth and to cut in actual expenditures across the board, that the Gilman and the Brownback bills and amendments have cut USIA, ACDA, and AID drastically but have only asked for a very minimal cut of 1 or 2 percent in the State Department. The State Department should not be sacrosanct, and I feel, having worked in the State Department as a U.S. Ambassador overseas for 4 years, that there is a lot of waste and that we have too much money being spent in that area, in the modern age of high technology and instant communications, and what we have had and what we have seen there in the last few years is that, while other Government agencies and programs are being cut back or using a reasonable measure of trying to cut wasteful expenditures, we have actually had an increase in the building of consulates in countries where we really have no major problems and an increase in the building of embassies, and the salaries have been increasing at too high a level.

Now most of the people in this country are being asked to tighten their belts, those of us in Congress are going to either freeze or reduce our own salaries, and I think the very least we can do is ask for an additional 5-percent cut in State Department salaries and operating expenses, and that is why I propose this amendment to the amendment offered by the gentleman from Kansas [Mr. BROWNBACK].

Mr. BERMAN. Mr. Chairman, I move to strike the last word.

I would like to ask the gentleman on my time a question, if I might, the gentleman from North Carolina. Might I ask?

Mr. FUNDERBURK. Yes, please.

Mr. BERMAN. Go through this one more time with me:

The Brownback amendment, which cuts—the bill, as we know, cuts essentially the Foreign Affairs Committee or the Committee on International Relations' share of $2 billion from existing levels. The Brownback amendment cuts an additional $450 to $480 million from 1997 levels. The gentleman's amendment would cut first how much more in each fiscal year, 1996 and 1997?

Mr. FUNDERBURK. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from North Carolina.

Mr. FUNDERBURK. Well, only in the year 1996 we are asking for a 5-percent cut which would be 17.7 additional—$17.7 million. Now the Brownback amendment cuts across the board. This one is only in State Department salaries and operating expenses.

Mr. BERMAN. So, on top of—on top of what the committee cut the gentleman is cutting an additional 5 percent in operating expenses for State Department operations.

Mr. FUNDERBURK. And salaries; that is correct.

Mr. BERMAN. One other question.

I am confused by the gentleman's comment that AID and ACDA and USIA have taken their share of cuts, but the State Department has not. I thought this bill said there is no more ACDA, USIA, and AID. They are all going to be lumped into the State Department. The authorization is going to be for a new expanded, consolidated State Department, and these cuts are all going to impact on what will become the new State Department. So I am not clear what the gentleman means by disproportionate cuts in agencies that will no longer exist if this bill passes.

Mr. FUNDERBURK. They are not immediately done away with, and obviously we have, for example, a 26-percent cut in the actual funding, the actual expenditure, for USIA. That is my understanding.

To give the gentleman an example——

Mr. BERMAN. Reclaiming my time, I just say very quickly it is probably not going to have much meaning in all this thing. I had the privilege of chairing the subcommittee that authorized State Department functions for 4 years, the last 2 years of the Bush administration and the first 2 years of Clinton. We made cuts in operating expenses in the State over and over again. As I indicated earlier, the 150 functions had the most dramatic cuts of any——

Mr. FUNDERBURK. The gentleman is talking about cuts in the rate of projected growth spending probably as opposed to real cuts——

Mr. BERMAN. That is true, and we gave salary across-the-board pay increases. We did not select out State Department and say, "You won't get the salaries."

So the cuts were felt in those departments, and this just adds to what I think is the dramatic slashes of the bill as compounded by the even more dramatic slashes of the Brownback amendment.

Now on top of that we have——

Mr. FUNDERBURK. I think most Americans would find this a very minimal cut and very reasonable cut.

Mr. BERMAN. Mr. Chairman, I yield back the balance of my time.

Mr. BROWNBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Funderburk second amendment basically and point out that what this does is the proposal that I am putting forward in fiscal year 1997, it would do it in fiscal year 1996 and making those reductions in fiscal year 1996.

The other things that I would like to point out were that the gentleman from North Carolina [Mr. FUNDERBURK] can also properly be responded to and called Ambassador Funderburk. He was Ambassador to Romania. I do not know how many other people we have in this body that have been Ambassador, and have worked inside the State Department and been able to see the sorts of things that he has and the operations within the State Department. He comes with great credentials in that particular area and one that can say: "Look, folks, this is something that we can get done. This is something we are pushing to do in FY 97. I think it's reasonable to be able to do it in FY 96."

Now, as far as these are totally irresponsible, it is the sort of things we cannot do, we cannot make these sorts of things happen, I would point out again that this is we are talking about a 5-percent cut at a time when we are nearly $5 trillion in the hole. We have got to make these sorts of decisions, these sorts of reductions, if we are ever going to get to a balanced budget by 2002, and, if this is not reasonable, I am not sure what is, nor in what other functions we might look, that we would ask our own people at home to be making these sorts of reductions in the foreign affairs area.

So, with those points, Mr. Chairman, I would rise in support of this secondary amendment.

Mr. MORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are all familiar with the human emotion that some people have that when someone is down, they come and kick them again, kick them again. It is called bullying in most circles, and it has been going on toward Federal employees for the last several months. Here we have an example at the State Department, people who work very hard, people who have to have specialized training, go to the Foreign Service school, have devoted their careers to peace and diplomacy, and now we have a bill that substantially cuts personnel, and their compensation, and their ability to operate. We have another amendment on the floor just to show the American people we are going to kick them again for good measure, and now we have a secondary amendment that says, "Let's kick them a third time."

Mr. Chairman, it is not based upon any kind of analysis of how the State Department might better operate, how we might better ensure the spread of democratic values, the preservation of human rights, the development of free-enterprise markets for our businesses in the United States. Those are all the objectives of State Department personnel. They are really the principles upon which this country was founded. The people in the State Department believe very strongly in those principles.

Why are we doing this? It is not based upon any kind of organization analysis. We are doing it to punish people in the State Department because they fit into the larger context. They are part of the Federal bureaucracy.

We did a little analysis and found that the Federal bureaucracy has been used in derogatory terms 388 times since January. That cannot be any accident, and it is no accident that at every opportunity some people are going to try to gain political benefit among their constituencies by kicking Federal employees when they are already down, and that is what this amendment is all about.

Mr. Chairman, it is disappointing. I know that it is what a lot of people out there would like. But it is going to hurt us.

As my colleagues know, there is a book that has been written by Secretary McNamara, and there have been any number of books written about the tragedy of Vietnam. As my colleagues know, when the decisions were being made to get into Vietnam, the person who had been the desk officer who knew the most about Vietnam was selling refrigerators and air conditioners in New York City because he had been a victim of the McCarthy purge. The State Department has been kicked as a scapegoat in previous years, particularly during the 1950's, and it cost us. To some extent it cost us 58,000 lives in Vietnam. It is going to cost us in terms of democratic values.

We are trying to spread throughout the world in terms of development of free-enterprise markets. We are trying to create in terms of protecting the human rights of people who live in oppressed societies throughout the world. Those are the people who will pay for this kind of piling-on, bullying tactic against Federal employees who work within the State Department.

There is no loss; in fact, there is a lot of political gain, for people who offer these kinds of amendments, but they are not constructive amendments. They are destructive amendments, and I would urge my colleagues to vote against this particularly destructive amendment, Mr. Chairman.

Mr. ENGEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to speak out very vociferously against these amendments, which I think are ill-timed and, frankly, poorly thought out. The bill in my opinion devastates American programs abroad. The United States is not only the leader of the free world, but the leader of the world, and what are we doing in this bill? We are stepping back and taking back our leadership, and we are saying to other countries, "We really don't care what goes on."

Mr. Chairman, these amendments would make the bill even worse by further cutting back. I know it may be good politics to say to the folks back home, "Gee, I'm cutting back on this unpopular foreign aid program." But in reality I think it does our Government a great disservice and it does our country a great disservice.

Foreign policy for years has always been bipartisan. That has been the strength, in my opinion, of American foreign policy. During the Persian Gulf war I was one of a handful of Democrats to break with my party and supported President Bush in sending troops to the Persian Gulf. I did so not because the President was a Republican and I was a Democrat. I did so because he was the President and I felt that what he was saying was right. It was being conducted in the best way in terms of bipartisan foreign policy. In my opinion this bill is not and these amendments are not even more so.

We traveled, some of us, to foreign countries, or we met some people, foreign dignitaries, here in Washington. Last November a group of us on the Subcommittee on Africa visited West Africa, met with officials, leaders, of five countries. They pleaded with us for American assistance and helping democracy take root, and we are not talking about large sums of money here. A little bit of money goes such a long way.

□ 1700

We defeated the Soviet Union in the cold war, and now are we going to throw it all away? Are we going to say that we do not care if these countries all across the Earth have democratic values or democracy in governments or parliamentary governments? Are we now going to say we do not care? That is the effect of the cuts in this bill.

I just think it is a terrible, terrible thing to want to get up and say well, let us cut it all back, let us not even have any more. It may play great again to the folks back home, but in reality I believe it is one of the most destructive things that we in Congress could do.

Let us look at the effect of this. The effect of this proposal, cutting $227 in fiscal year 1996 and $625 million in fiscal year 1997 from the President's request, on top of the committee cut of $38 million, will absolutely devastate the Department's ability to carry out U.S. foreign policy. Four years of steep cost cutting has left the State Department where nearly all the funding is spent just to support basic operations. An additional reduction in 1996 alone would shut down 160 overseas posts and radically reduce presence at those remaining U.S. missions. It would close half of the domestic passport agencies. It would eliminate 5,700 positions, including 3,500 Americans. It would stop plant infrastructure investments that are essential to restructuring and streamlining both overseas and headquarters operations.

Are we to strip ourselves so bare that we can no longer effectively carry on foreign policy? Are we going to strip ourselves so bare we are now going to say America does not care what goes on in the rest of the world? Surely what happens in this ever-shrinking globe will affect us here back home.

So I would urge defeat of these amendments. I think they are very, very shortsighted, and very, very destructive.

I also do not think it is right to keep beating up on Federal workers, frankly, as the majority here, the Republicans, have been doing all session long. People are working hard at their jobs. They earn their money. They work hard. They took employment with the Federal Government knowing what the benefits were. For us now to simply cut them I think is absolutely ridiculous, unfair, demoralizing, and not something that ought to be done.

Again, foreign policy ought to be bipartisan. People who say that America is the strength of the world ought to put their money where their mouth is or else there is no way we can conduct foreign policy.

Foreign aid is 1 percent of the budget of the United States; 1 percent. It is the lowest in terms of gross domestic product of any democracy in the West. We are something like 25th. We are behind a country like Ireland and all the

Western democracies in terms of what we contribute in gross domestic product for foreign aid. This is shameful for us to think that we can cut it even further. I urge my colleagues to defeat these amendments. They are terrible for America and ill-thought.

MODIFICATION OFFERED BY MR. FUNDERBURK TO THE AMENDMENT OFFERED BY MR. FUNDERBURK TO THE AMENDMENT OFFERED BY MR. BROWNBACK

Mr. FUNDERBURK. Mr. Chairman, I offer a modification to my amendment to the amendment offered by the gentleman from Kansas [Mr. BROWNBACK], and I ask unanimous consent that the modification be accepted.

The Clerk read as follows:

> Modification offered by Mr. FUNDERBURK to the amendment offered by Mr. FUNDERBURK to the amendment offered by Mr. BROWNBACK: Strike "for the fiscal year 1996" both places it appears.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. ACKERMAN. Mr. Chairman, reserving the right to object, I would do so pending an explanation by the gentleman from North Carolina [Mr. FUNDERBURK].

Mr. FUNDERBURK. Mr. Chairman, will the gentleman yield?

Mr. ACKERMAN. I yield to the gentleman from North Carolina.

Mr. FUNDERBURK. Mr. Chairman, it was shown to me there was a typographical mistake, and the wrong year was entered into the amendment sent to the desk.

Mr. ACKERMAN. Mr. Chairman, to make a change in a year is not necessarily correcting a typographical mistake.

Mr. FUNDERBURK. That had to fit the figures that we had. I just did not change the year.

Mr. ACKERMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Once again, we hear these prophets of doom because we are making a draconian cut in a department, the State Department. This is a 5-percent cut, one twentieth of their budget. We cut the congressional staffs here by a third, 33 percent.

For people to tell the American taxpayers that we cannot cut this agency by 5 percent I think is giving them the wrong information. There is not any Government agency in the United States that cannot be cut at least 5 percent, including the State Department. When you are talking about making hard choices to get to a balanced budget, it seems to me that the State Department can take their share of the burden as well as any agency in the Government. A 5-percent cut is certainly not draconian.

Mr. FUNDERBURK. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from North Carolina.

Mr. FUNDERBURK. Mr. Chairman, I wanted to introduce this amendment to get the attention of the State Department, for one thing. There are a lot of very good people who work at the State Department. But at the same time, I think we need an America desk at the State Department. Maybe we can talk about that at some later point.

But we have asked a lot of people in this country to make some sacrifices, and the State Department was really making very few compared to other agencies under the foreign aid bill and the Overseas Interests Act. So I think this is a very minimal cut, and this is not a severe or draconian cut. I think the American people have sent us here after November 8th to actually do this.

So we are trying to put some reason into bloated government, waste in government, and the just never ending process of growth. We are living in a high tech age, and communications can zip around the world instantly. Of course we all know that we need a Foreign Service and we need a State Department. You need the personal contact. But I think in terms of the growth of consulates and embassies and salaries and operating expenses, it has gotten out of hand and we need to rein it back in.

Mr. BURTON of Indiana. Mr. Chairman, reclaiming my time, let me just end by saying we are concerned about Federal employees. We have some great people working for the Federal Government. But we have great people working in the private sector, too. When General Motors and Chrysler and other major companies across this country start feeling the financial pinch, they have to downsize and economize in order to keep their companies afloat.

The difference is the Federal Government does not have to answer to anybody because we can deficit spend. As we deficit spend, we create a terrible problem for the future generations of this country. So just like the private sector, Government has to downsize. For the State Department to cut 5 percent is not too much to ask.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will make this very brief. I rise in support of the Funderburk amendment. Let me just note that this is not, with all due respect to my colleague from Virginia, Mr. MORAN, who characterized this as kicking Federal employees while they are down, this is not kicking Federal employees while they are down.

The people that work at the State Department have our deepest respect and they have a very difficult job. To characterize it as kicking Federal employees while they are down is wrong, just as if I would say well, the Democrats have been kicking the American taxpayers around all of these years and the taxpayers are down, yet you are kicking them while we are trying to help them up. That is not really an appropriate analysis, just as I do not think the proper analysis is kicking Federal employees while they are down.

We are trying, as we have said over and over again, to make do with a bad situation. We are headed toward economic oblivion with this budget that is totally not only out of balance, but is leading us to an economic catastrophe unless we do something. So we are trying to be effective, make things more effective, to downsize the government that exists.

The Funderburk amendment is a fine amendment. All it does is say we are going to kick in this 5-percent reduction in the State Department a year earlier than what we had in and what was presented to us in the budget before.

Now, we are in the post-cold-war world. Can we absorb a 5-percent decrease in the State Department budget a year earlier? But of course we can. The fact is that since the cold war is over, perhaps we do not need the same presence that we had and that we needed 10 years ago and 20 years ago.

Furthermore, technology, the communications technology that has just exploded in the last 10 years, perhaps makes it less important that we have the same number of people stationed overseas and working for the State Department that we had 10 years ago.

In fact, the author of this amendment, Mr. FUNDERBURK, was an American ambassador for 4 years. He understands the necessities of what is needed overseas. Now with increased technological capabilities, the end of the cold war, Mr. FUNDERBURK was in Romania, I believe, perhaps we do not need that same type of staff in Romania that we needed before. He understands that.

Furthermore, the most important thing we are talking about, instead of saying we are attacking Federal employees, what we are really trying to do here is say that we need productivity increases in the Federal Government, just like we have had in the private sector. During the 1980's what happened was the private sector learned, our private businesses learned, if they were going to compete and could do a good job, they were going to have to become more productive. They actually downsized their work force and, lo and behold, some of our companies found that by downsizing and not spending so much on upper echelon management and employees at higher levels, what happened was they actually increased productivity and their companies are operating more efficiently.

Well, Government can do that. We should expect the same thing from Government that we had in the private sector. Furthermore, we have also asked other areas in the Federal Government, and we are asking that in our budget, to decrease in the amount of money they spend. It is not, it is not then some sort of an assault on people working for the State Department to suggest that they have to be part of this downsizing of Government, increase in productivity as well. That is what this is all about.

I applaud the gentleman from North Carolina [Mr. FUNDERBURK] and I know that every time that we try to have a responsible and minor reduction, that we are going to be attacked as if it is some sort of a malicious intent involved. But I applaud the gentleman from North Carolina [Mr. FUNDERBURK] and I applaud the gentleman from New York [Mr. GILMAN] for the great leadership that they have really shown at a time when we have to decrease the size of the budget. It is a very difficult thing to do and maintain the civility and mutual respect we should have here.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, is the gentleman aware, with all this talk of downsizing, that we hear about the downsizing efforts that worked, but the majority of corporations who have downsized in fact have failed? Their product, the quality of their product, has been reduced as well as their profits? I just mention that. The downsizing by itself is not necessarily the ultimate objective.

Mr. ROHRABACHER. Mr. Chairman, reclaiming my time, I am not sure about the gentleman's figures. It could be true. All I know is spending money for management is not the best thing at certain times. We here have cut our budgets for our committee staffs by one-third, and I would be willing to bet that in the end our Congress is going to be more effective because of that, and we have the same right to expect that same type of increase in productivity from the other Federal Government agencies and departments.

Mr. HASTINGS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me speak very briefly to my colleague from California on the remarks that he made. There are human faces on these people that are working for the State Department, and there is a critical need in order that we maintain a continuum throughout the world in the various diplomatic and consulate missions that are ongoing. Therefore, the downsizing in my opinion should not be analogized to private downsizing.

I am not so certain, based on the lack of service that I receive in the various institutions that I do business with, that downsizing is good. In that sense, and to answer my colleague, the gentleman from Indiana [Mr. BURTON], who spoke earlier about us cutting one-third of the staff here, I think that that was a mistake, too, because it has not produced any greater efficiency. It has produced greater stresses and greater problems overall in terms of the overall product.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, I thank my very good friend from Florida.

Mr. Chairman, this amendment was proposed without having done the analysis necessary to determine the ramifications of this amendment.

Mr. Chairman, this amendment would shut down 160 overseas posts and radically reduce the presence at the remaining missions overseas. It would close half of the 14 domestic passport agencies. It would eliminate 5,700 positions, including 3,500 Americans and 2,200 Foreign Service nationals, and it would stop the investments that have been made to restructure and streamline both the overseas and the headquarters operations.

□ 1715

The State Department tells us that this funding level, which is $227 million below the President's request, which was already a cut, and it is $625 million below the President's request for fiscal year 1997, would completely undermine the Department of State's ability to field a comprehensive overseas diplomatic platform for other Government agencies.

And anyone that has been overseas knows how many other Government agencies are dependent upon State Department funding and could only be viewed by our allies as well as our adversaries as signaling a dramatic retreat by the world's last remaining superpower.

Mr. Chairman, I know the direction that we have been going for the last few months, and I know that many times we do not let the facts stand in our way. But these are facts that we need to be aware of before we take such destructive action as is envisioned by this amendment.

Mr. HASTINGS of Florida. Mr. Chairman, I would like to ask the maker of the amendment, as he has proposed it, has any analysis been done with reference to cutting the Fulbright scholarships and cutting funds for arms control verification? I just would be interested to know if the offeror of this amendment has any analysis on the Fulbright scholarships?

Mr. FUNDERBURK. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from North Carolina.

Mr. FUNDERBURK. Mr. Chairman, does the gentleman mean how this amendment would affect the Fulbright scholarships?

Mr. HASTINGS of Florida. Mr. Chairman, I know that it would cut $20 million. But what about the good that the Fulbright scholarships have done? What about the good that arms verification has done? Is the gentleman saying that there is no good that has been done in these matters?

Mr. FUNDERBURK. Mr. Chairman, if the gentleman will continue to yield, my amendment does not address that question.

Mr. HASTINGS of Florida. The gentleman cuts the money?

Mr. FUNDERBURK. Mr. Chairman, no. We are cutting salaries and operating expenses for the State Department.

Mr. HASTINGS of Florida. But the underlying amendment addresses the subject.

Mr. FUNDERBURK. The gentleman is referring to the Brownback amendment, yes, sir.

Mr. LIVINGSTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I could address the gentleman, the sponsor of this most recent amendment and assure him that I share his intent to downsize the overall scale of the foreign aid effort. But I would also like to point out to the gentleman that when we consider the Brownback amendment, which already brings us down to the budget levels, if we act in haste, we may be stepping beyond our ability to downsize our efforts in an organized fashion.

I would like to take a look at what the gentleman has proposed. I would like to examine it within the 1996 appropriations process as well as the 1997 appropriations process. I would like to work with the gentleman, if I could, toward effecting the changes that he might like to see accomplished. If we could do that, I would ask that the gentleman consider withdrawing his amendment at this time and work with me on the appropriations process and that ultimately we may be able to effect the changes that he seeks here today.

Mr. FUNDERBURK. Mr. Chairman, after consultation with the appropriations chairman, the gentleman from Louisiana [Mr. LIVINGSTON], I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The amendment, as modified, to the amendment is withdrawn.

Mr. JOHNSTON of Florida. Mr. Chairman, I move to strike the last word.

I now address myself to the amendment of the gentleman from Kansas

[Mr. BROWNBACK], and I will be very brief.

I would like to point out some rhetoric that preceded the voice of sanity of the gentleman from Louisiana [Mr. LIVINGSTON] that came forth just then. The gentleman from California [Mr. ROHRABACHER], and the gentleman from North Carolina [Mr. FUNDERBURK], were both in the Reagan administration. During those 8 years, I do not recall at any time that the request made by the Reagan administration for the State Department was reduced below what their requests were.

As the saying goes, foreign policy stops at the shores of the United States. I think that is being violated in its worst here.

The gentleman from Indiana [Mr. BURTON] gets up and says, "Can the State Department take a 5-percent cut." And the rhetoric says, of course, it can. Why cannot the Defense Department take a 5-percent cut? Why cannot all the road projects that still remain in the budget take a 5-percent cut?

Do a little mathematics. Five percent of $250 billion is $12.5 billion. A 5-percent cut of the Defense Department would just about underwrite all the State Department's requirements. So I just say that there is a time in which we cannot continue to cut foreign policy here and remind my colleagues on the other side, Mr. Chairman, that there are four Senators down the hall that are running for President of the United States, all of whom think that they are going to be the next President. What you are doing to them, if for some strange reason, an aberration of the American public, they should win, any one of them would have to come back to this body and ask for supplemental appropriations in order to conduct foreign policy. You do not mind inflicting that upon a Democratic administration, but I ask you, in all good conscience, if you had, if President Bush had won re-election, whether you would be doing this to his administration? I seriously doubt it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. BROWNBACK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ACKERMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 276, noes 134, not voting 24, as follows:

[Roll No. 348]

AYES—276

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Danner
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Doggett
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
Mascara
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Traficant
Upton
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Young (AK)
Zeliff
Zimmer

NOES—134

Abercrombie
Ackerman
Baesler
Baldacci
Beilenson
Berman
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Davis
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hinchey
Houghton
Hoyer
Jackson-Lee
Johnson (SD)
Johnson, E. B.
Johnston
Kennedy (MA)
Kennelly
Kildee
LaFalce
Levin
Lewis (GA)
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Olver
Ortiz
Pallone
Pastor
Payne (NJ)
Pelosi
Porter
Rangel
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Slaughter
Stark
Stokes
Studds
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOT VOTING—24

Andrews
Becerra
Calvert
Clay
Coburn
Cubin
de la Garza
Dooley
Fazio
Hansen
Hoke
Horn
Jefferson
Kleczka
LaHood
Lantos
Meyers
Owens
Peterson (FL)
Reynolds
Rogers
Saxton
Torkildsen
Young (FL)

☐ 1742

Messrs. KLINK, POMEROY, RAHALL, SPRATT, and GORDON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer amendment No. 10.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: In paragraph (3) of section 3417(d) (relating to prohibition on assistance to countries that consistently oppose the United States position in the United Nations General Assembly), insert after the matter preceding subparagraph (A) the following new subparagraph (and redesignate subsequent subparagraphs accordingly):

(A) chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance),

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MODIFICATION TO AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I ask unanimous consent to modify the amendment.

The CHAIRMAN. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment, as modified, offered by Mr. BURTON of Indiana: In lieu of the matter proposed in the amendment, insert the following: In paragraph (3) of section 3417(d) (relating to prohibition on assistance to countries that consistently opposed the United States position in the United Nations General Assembly), insert after the matter after subparagraph (C) the following new subparagraph:

(D) chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance), except that such term shall not include assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 in the case of countries that voted in the United Nations General Assembly on less than 50 percent of the recorded plenary votes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. ACKERMAN. Mr. Chairman, reserving the right to object, we have had a chance to look at the perfecting language, and we have no objection, so I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the amendment will be considered modified.

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, this amendment just brings into accord with the rest of the bill the requirement that countries getting developmental assistance from the United States should vote with the United States in the United Nations at least 25 percent of the time. We think it is a good amendment, it is consistent with the bill, and we urge everyone to vote for it.

Mr. ACKERMAN. Mr. Chairman, we have had a chance to take a look at the bill, and have had discussions with the gentleman from Indiana. We think he is on the right track, and we have no objections to the amendment.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Indiana [Mr. BURTON].

The amendment, as modified, was agreed to.

□ 1745

Mr. GILMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HERGER) having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, had come to no resolution thereon.

PERSONAL EXPLANATION

Mr. HOKE. Mr. Speaker, due to an illness, I was forced to miss a vote on Tuesday, May 23. Had I been present, I would have voted "aye" on the Brownback amendment, rollcall vote No. 348.

PERSONAL EXPLANATION

Mr. COBURN. Mr. Speaker, I unavoidably missed several votes on Tuesday, May 23, due to family reasons—my daughter's high school graduation. Had I been present, I would have voted "aye" on passage of H. Res. 155 (Roll Call Vote 347) and the Brownback Amendment to H.R. 1561 (Roll Call Vote 348).

REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF ROMANIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–78)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed.

To the Congress of the United States:

I hereby transmit a report concerning emigration laws and policies of the Republic of Romania as required by subsections 402(b) and 409(b) of Title IV of the Trade Act of 1974, as amended ("the Act"). I have determined that Romania is in full compliance with the criteria in subsections 402(a) and 409(a) of the Act. As required by Title IV, I will provide the Congress with periodic reports regarding Romania's compliance with these emigration standards.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 19, 1995.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a precious order of the House, the following Members will be recognized for 5 minutes each.

STREAMLINING THE FEDERAL GOVERNMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes as the designee of the majority leader.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise to speak today about a very momentous occasion.

The freshman class of the Republican Conference along with representatives of the Senate and the House leadership that were involved in an overview and a study of the Federal agencies of the United States have come out with their results under the leadership of the gentleman from Kansas [Mr. BROWNBACK] and the gentleman from Michigan [Mr. CHRYSLER] in evaluating for the first time just what the costs are of our Federal bureaucracies and how we can reduce those costs.

In a detailed summary today by the gentleman from Michigan [Mr. CHRYSLER], we learned just how effective it can be to privatize, consolidate, and eliminate key functions that the Commerce Department has been undertaking up to this point; that a great deal of savings, $7 billion, in fact, over the next few years could be made by privatizing many of the functions, consolidating others and eliminating others that actually duplicate what other Federal agencies are doing.

Mr. Speaker, this is part of an overall review by Members of this House concerned with the fiscal responsibility that we have to make sure that we hold the line on costs. Before us today and in the coming weeks and months, we will be looking not only at the Commerce Department but the functions of the Department of Housing and Urban Development, the Energy Department as well as the Education Department.

We can no longer be spending funds as if it is someone else's money. It is our constituents' money. They must get their money's worth.

The question we are asking for every Federal agency, for every department, for every bureau: Is this function best accomplished by the Government, or is it best accomplished by the private sector? If it is best accomplished by the private sector, it is our job, whether it be in the House or the Senate or the executive branch, the President, to in fact make sure that the private sector is where the function will rest. While the question remains, if it is going to be a governmental function, is it best handled by the Federal Government or the State government, county government, or local government?

We should not be duplicating services and programs best administered by governments closest to the people. We have seen this time and time again that the governments closest to the people oftentimes can get the efficiencies and the personal contact that the Federal agencies have not been able to effectuate on behalf of the people.

In addition to the gentleman from Kansas [Mr. BROWNBACK] and the gentleman from Michigan [Mr. CHRYSLER] discussing the future of the Commerce Department today, we had former Secretary Mosbacher who himself was Secretary of the Department of Commerce who in very strong terms has recommended that in fact the department which has grown, from his point of view the department be privatized, be consolidated and certain functions be eliminated.

Secretary Mosbacher was someone who was well-respected as a secretary and who has been a leader in the public and private sector.

He was joined there today in our conference by none other than Senator BOB DOLE, Senator FAIRCLOTH, and Senator ABRAHAM. Senators ABRAHAM and FAIRCLOTH are part of the Senate committee which has been reviewing the Commerce Department and how it can be downsized and, for that matter, privatized and certain functions eliminated. We believe that this is a thoughtful and very contemplative report that has been issued.

If members of the public are interested in getting copies, if they would just contact Mr. CHRYSLER's office at the U.S. House of Representatives here in Washington, DC. His report has been exhaustive, it is over 3 months, it is part of the freshmen class and Republican leadership effort to in fact reexamine government to find out where we can make the savings, where we can take lessons from the private sector to in fact make sure that the services we are delivering are the ones the people want, that do not duplicate what State governments do but in fact provide the kinds of services that make a difference in people's lives.

We will be hearing forthcoming in the next few weeks the surveys and the reports and the analysis by those who have been involved with the other three departments I spoke of, HUD and its services, as well the Energy Department, and, in fact, the Education Department.

We heard today in the subcommittee headed by the gentleman from California [Mr. HORN] about how the Energy Department can be downsized as well. Many of the reasons for the creation of the Energy Department surrounded the shortage of energy two decades ago. We now have a better opportunity to provide the fuels we need, we can downsize according to two former secretaries of the Department of Energy who testified before our Committee on Government Reform and Oversight headed by the gentleman from California [Mr. HORN] today. The testimony was quite poignant about the savings that can be realized, about again the privatization that the Federal Government can have with the functions now being undertaken by the Department of Energy, and while there are many good public relations aspects of the Department of Energy, many of the functions have already been assumed by other agencies and in some ways duplicate some functions that the Department of Defense is now conducting.

We hope that these surveys on Energy, Education, HUD, and Commerce will give many of our citizens and hopefully many of our executives that work within the Federal agencies the enthusiasm to join us in this revolution to make our Federal agencies be more responsive, to reduce the waste, the abuse and the fraud that can exist in government, but to provide the funds for the services we really need. That way we will make the Government more responsive.

I know that the House, the Senate, and in fact the President for that matter will be very pleased to hear from constituents about services that the Federal Government is now trying to perform which may in fact duplicate services that are being performed by your State, your county, or local governments. It is not our intention to in fact duplicate those services but to make them outstanding.

At this time I would like to call on the gentleman from Kansas [Mr. TIAHRT] who is heading up the Energy Department task force. It has been his mission along with other Congressmen who whom he is working to analyze the Energy Department and where we can effectuate savings.

Like the gentleman from Michigan [Mr. CHRYSLER] who has chaired our task force on Commerce, the gentleman from Kansas [Mr. TIAHRT] has been hard at work over time to try to make sure that we make good use of the Federal executives and the services from the hardworking employees from the Department of Energy, but he is looking to the future where we can go.

At this time I would call on the gentleman from Kansas to join us in this discussion on how we can make sure that Government is more effective, it costs less and it is more answerable to the people than the Federal Government we have today.

Mr. TIAHRT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, when we started out in January, a group of us freshmen came together, we were subsequently called the New Federalists, with the idea of trying to make our Federal Government more user friendly, smaller, and make it comply with the requirements that we need to balance the budget.

We have not really talked about the significance of balancing the budget enough in my estimation. We have for the last 25 years existed without balancing the Federal budget. I have three children and I am concerned about the future that they have. My daughter Jessica is 14. I have two sons, John, who is 10 and Luke who is 7. If you take the 25 years that we have failed to balance the Federal budget and you add it to the 7 years which was in the budget resolution that we passed last week, we have a total of 32 years. If it takes as long to get out of this mess as it did to get into the mess, my 14-year-old daughter is going to be 53 years old. We have literally taken the problems of this generation and passed them on to the next generation.

In order to balance the budget, we are going to have to look at different methods of downsizing, of streamlining the functions that we now have. When we looked at our government, we picked out four departments: HUD, Housing and Urban Development; was one; Department of Education was another; Department of Commerce, which is the topic today at a news conference and here on the floor tonight; and the Department of Energy.

□ 1800

I selected the Department of Energy because after looking at it I determined that it was a 1970's tax guzzler, that it had really outlived its usefulness and it was time for a trade-in. We found out that many parts of the Department of Energy had duplicate missions, missions that existed elsewhere inside the Federal Government, and what we were trying to do was match up those missions.

We also found out, thanks to Vice President GORE and his national performance review, that parts of the environmental management within the Department of Energy were operating by missing 20 percent of their milestones; in other words, they were behind schedule. Every time they had a milestone, one in five of them were missed. If they scheduled five events one day, one of them would not occur.

He also found out according to the national performance review that they were 40 percent inefficient in environmental cleanup, 40 percent inefficient. That meant, according to Vice President GORE's report, that over the next 30 years it could cost taxpayers $70 billion, $70 billion, money that we could put to a lot better use in a lot of different ways, ways that we really have of meeting the needs in the Federal Government, but it is just going to be wasted unless we do something about it.

So we undertook the task of looking at the different parts of the Department of Energy and finding out what we would do in each one of them. One of them that came up was the power marketing administrations. The power marketing administrations, there are five of them in the U.S. They broker electric power that is generated like a hydroelectric plant, then broker it to the rural electric cooperatives, and then on to the consumers. It is a function that often occurs privately, it is done by the private sector, but now we have it under the Department of Energy, and it could best be fulfilled by the private sector. So we are going through this process of looking at consolidation, at privatizing and eliminating those parts we do not need.

We also have 28 laboratories that are funded by the Federal Government, and again we have duplication of missions, overlap. We are going to propose setting up a commission to go out and look at each one of these labs, develop a consolidation process, come back with a report that says which labs can combine their missions, which labs can privatize their missions to eliminate the corporate welfare that now exists in the structure, and just a consolidation process that is going to save hundreds of millions of dollars for the taxpayers.

So we have the environmental cleanup, inefficient labs, consolidating power marketing administrations that we are going to privatize. Then we have the Naval Petroleum Reserve, the Naval Petroleum Reserve at Elk Hills, which is an oil field, and the Government is in the process of pumping oil. We do not happen to do it as efficiently as the private sector would, so we are proposing to privatize the Elk Hills Naval Petroleum Reserve.

We also have the Strategic Petroleum Reserve, which we think we should sell off over a period of time. We have put oil into the ground at the cost of about $44 per barrel. Back in Kansas they cannot make a living on the current price of oil. It is about $18 per barrel. So if you could get the price up to $44 per barrel we would see renewed drilling in Kansas, stripper wells would become active, and then production would increase. So what we have is a very expensive oil supply. If the price ever got that high to justify it we would see a renewal of resources, we would see a pumping through the private sector to meet the need.

The last point I think I want to make on the Department of Energy is that we saw that the portion that was originally designed for waste gas lines, the perceived energy crisis in the 1970's, well that was in part brought on by cost and allocation controls imposed by the Government. During the Reagan administration we eliminated those cost and allocation controls, and by eliminating those cost and allocation controls we eliminated the problem.

We recently went through Desert Storm a few years ago and we had a large interruption in the supply of foreign oil coming into the United States, and yet we had no gas lines. So we had an original crisis and then we had the bureaucracy that developed to try to meet that need, then we had the need go away and we are left with the bureaucracy.

So if we are going to go about balancing the budget, if we are going to go about preserving a future for our children, if we are going to go about giving opportunity to those who are now just growing up, we are going to have to find ways of balancing the budget. Eliminating the Department of Energy is one; eliminating the Department of Commerce is another.

I stand in support of Congressman CHRYLSER and those on his committee, that he is heading up, to eliminate the Department of Energy, and MARK SANFORD is one, Congressman MARK SANFORD from South Carolina, Congresswoman HELEN CHENOWETH from Idaho, Congressman MARK NEUMANN of Wisconsin, Congressman WES COOLEY of Oregon, Congresswoman SUE KELLY of New York, Congressman JACK METCALF from Washington, Congressman ED BRYANT of Tennessee, and Congressman JIM TALENT of Missouri, all courageous young individuals who want to put this country back on the right track, who want to get a future preserved for their kids and all of the children in the country, and we are excited about the opportunity that is fresh and that we have to have the opportunity to provide a method to balance the budget.

I want to add that this is a historical event. When we started to draw up legislation we found out the legislative counsel had no reference point. We have never before eliminated Cabinet-level agencies in the U.S. Government. It is kind of like a hall tree. We had an umbrella, we did not know where to hang it, so we got a hall tree to hang it on. Then we started piling all kinds of stuff on top, and when we went back to the hall tree to find our umbrella, we found out it was gone. And the original purpose for these agencies is now gone, and it is time to pull out all of the duplication and consolidate and pull off all the stuff that can be privatized and put it in the private sector and eliminate the portions we do not need.

So I am proud to be a part of the new Federalists, part of consolidating this Government down to a more friendly, user-oriented government and saving the future for the children, not only in my family but across his Nation.

So I thank the gentleman from Pennsylvania for yielding.

Mr. FOX of Pennsylvania. We appreciate the gentleman's leadership on this task force to take the Department of Energy and make the consolidation, the privatization, and the elimination of functions that are best done in the private sector.

At this time, I would like to call on my colleague from Pennsylvania, Congressman CURT WELDON, who chairs the GLOBE International, which is an environmental cooperative of many nations working together for environmental support. And I would like to call on the Congressman for that purpose now.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise tonight to focus on an event that is about to take place here in Washington that I think is significant to the world community. Back when the late Senator John Heinz was a Member of the Senate, he came together with legislators from the countries of Japan, Russia, and the European Parliament to form what has become known as GLOBE International. The acronym stands for Global Legislators Organized for a Balanced Environment. This bipartisan group both in this Congress and from the Japanese Diet, the Russian Duma, and the European Parliament meet on a periodic basis throughout the year to focus on ways that we can deal with and solve the problems of the Earth's environment.

I have been a member of GLOBE for the past several years and in my capacity as a Republican Member of this body had the pleasure of working with our two cochairmen. It is chaired at this point in time by Senator JOHN KERRY from Massachusetts and Congressman JOHN PORTER from Illinois. There are approximately 30 of us in the Congress, Republicans and Democrats, who lend our names to the support for Global cooperation on environmental issues, getting together on a periodic basis in different countries involved with GLOBE and finding ways that we can cooperate together.

Approximately a year and one-half ago I began my focus on what I think is potentially one of the most devastating problems for the ocean ecosystem, and that is illegal dumping of waste, especially nuclear waste, which has been a real problem now documented and now admitted by the Russian leadership of the former Soviet State.

In fact, it was a leading Russian environmentalist by the name of Yablakov who a year ago in January published a report which for the first time documented in great detail the extensive amount of illegal dumping that took place by the former Soviet leadership in the Barents Sea, the Sea of Japan, illegal amounts at Murmansk and in the area of Novaya Zemlya and the area around there, dumping entire nuclear reactors and power plants, in other cases dumping nuclear waste from submarines in an uncontrolled manner.

The issue of Russians dumping the waste however is not alone. We, for the first time, as matter of fact, only after prodding through a subcommittee of the Committee on Armed Services that I served on in last session were finally able to get our own Navy to admit we have had two nuclear-powered submarines that have gone down. In fact, *Thresher* and *Scorpion* up until that admission last fall had not been acknowledged by our Government. Part of our effort is to get our governments to be more open and discuss not only the problems that exist but ways we can better improve the environment by working together.

To that end, last summer I suggested to the members of GLOBE International that we form a working task force on the oceans, and that we convene a forum in America, in Washington, sometime in 1995. They accepted my recommendation, and, in fact, asked me to chair that task force which I have done. And as chairman of that task force, along with Senator JOHN KERRY, we will be hosting the

GLOBE Forum, which will take place on Thursday of this week in Washington.

Tomorrow evening we will be hosting a special reception at the Smithsonian. The reception will focus on technologies and new, emerging research that is being done in terms of our ocean ecosystem. I am here to encourage our Members to stop by that reception, to see first hand the kinds of technologies that we are working on.

In attendance, besides Senator KERRY, will be from the Smithsonian approximately 300 leading scientists from throughout the world, Admiral Watkins, and other major nonprofit groups that are focusing on cleaning up our oceans. That reception will be held, by the way, from 7 until 9.

On Thursday, in the Cannon Caucus Room, we will have the International Forum on the Oceans, starting at 9 o'clock in the morning when Senator KERRY and I will open the session, moving to a presentation on the state of the world's oceans at 9:15 by Dr. Kathy Sullivan from NOAA and 10 o'clock a presentation by Adm. Jim Watkins on the importance of understanding the ocean, a question-and-answer session for those in attendance, and then a break, followed by two presentations, one by the Honorable Tim Wirth, from the U.S. Department of State, on land-based sources of marine pollution, and a presentation by Senator TED STEVENS from Alaska on the development of sustainable international fisheries.

The morning session will then adjourn. We will have a luncheon where a presentation will be made by a Dr. Sylvia Earle. Dr. Earle is from the Deep Ocean Engineering Center, and she will discuss the work they are doing in terms of deep-ocean technology.

In the afternoon we will have three panel sessions running at 1:30, 2:45, and 3:45. The 1:30 session will deal with the importance of understanding the ocean. We will have a combined session with Members of Congress and some of our leading academics and engineering and marine biologists from throughout this country and the world to discuss the importance of understanding the ocean. At 2:45 we will discuss land-based sources of marine pollution, specifically the illegal dumping of nuclear waste and radioactive waste, and at 3:45 we will focus on the issue of declining fish stocks. That session will be chaired by Senator KERRY.

The purpose of this forum is for Members of Congress to come together with Members of the Russian Duma, with Members of the Japanese Diet, and with Members of the European Parliament to see first of all what the problems are with our oceans, focusing on those three areas, declining fish stocks, the illegal dumping, especially radioactive dumping, in the oceans, and finally the sharing of technology.

From that, we will hope to put together a proactive agenda that each of us can work on in our respective legislative bodies and an agenda that will allow us to cooperate as we did in the London Convention, which now has every nation except Russia as a signatory, saying it will not dump nuclear waste in the oceans of the world.

In this way, Mr. Speaker, we can cooperate on marine problems, on environmental problems, not necessarily just imposing new legislation on the American people, but rather finding ways that we can cooperate as a world community, so that when we take steps to improve the quality of our marine ecosystem that we know full well that our other major industrial allies will be sharing in that effort.

So I would encourage our colleagues to attend the sessions, both the reception tomorrow evening in the Museum of Natural History and the conference all day on Thursday as we discuss the problems of the oceans of the world.

I want to thank my good friend and colleague for yielding to me, and want to applaud him for the outstanding work he is doing in this Congress. He has become a shining star in this institution in a very quick period of time, and I want him to know we appreciate his leadership, not just in Washington but all across the country.

Mr. FOX of Pennsylvania. If the gentleman will yield a moment, I want to ask a couple of followup questions, if I may, in relation to the conference you are having on the environment. We appreciate your leadership in moving ahead on positive ways in the environment and appreciate your kind comments about how the freshman class is trying to work with you as a senior Member.

With regard to the results of your conference, will they be shared with Senate and House Members even if we cannot be in attendance?

□ 1815

Mr. WELDON of Pennsylvania. Absolutely. In fact, one of the purposes of Globe is to try to expand the work of Globe to other legislators. We are growing. We have 30 members now in Globe USA. We hope to expand it and to find a basis for discussion and the ways that we can work together as nations, specifically, in my case, on areas concerning the ocean environment.

Other Members of the Congress are focusing on other areas. The gentleman from Illinois [Mr. PORTER] has done a tremendous amount of work on population issues, as has the gentlewoman from Maryland [Mrs. MORELLA] and Akika Damota from Japan.

So, yes, we will share these findings.

Mr. FOX of Pennsylvania. I know our fellow Members and colleagues will be interested especially in illegal dumping. Would your Globe environmental group be looking to the United Nations for purposes of finding a joint agreement? Or are you going to be talking about treaties as between countries?

Mr. WELDON of Pennsylvania. Basically, in the case of the oceans, we will be looking to the London Convention, which is that body which focuses on the control of the oceans relative to dumping issues and trying to get Russia to join the nations of the world in agreeing to, on the record, legally enact legislation prohibiting it from dumping nuclear waste in the future.

Now, they have made some major changes.

In fact, I might add, if the U.S. policy, had it been changed, and it was not supported by the London Convention until last year at our request and our urging; I applaud the Clinton administration for taking that step. We now have made that statement. In fact, I hope to codify that in this session of Congress.

But we will deal through the London Convention and nation to nation, not necessarily through the United Nations, but rather among the nations that are members of the Globe International.

Mr. FOX of Pennsylvania. I think the key feature of why your program is going to be successful and has been successful, I say to the gentleman from Pennsylvania [Mr. WELDON], happens to be the bipartisan nature, the fact you are looking to other countries to be involved and both sides of the aisle, Republicans and Democrats alike, in the House and Senate. Your cochairman is Senator KERRY. Am I correct?

Mr. WELDON of Pennsylvania. Yes. Senator KERRY and the gentleman from Illinois [Mr. PORTER] are cochairs of Globe International.

Mr. FOX of Pennsylvania. I appreciate the gentleman taking the time to share with my fellow Members here in the House about what your environmental efforts are underway with Globe. We look forward to your findings and summary so we can make sure we take legislative action under your leadership.

Mr. WELDON of Pennsylvania. I thank the gentleman.

Mr. FOX of Pennsylvania. Mr. Speaker, at this time I would like to thank the gentleman from Pennsylvania [Mr. WELDON] for his efforts on the environment and reform in that arena and turn, if I may, Mr. Speaker, again back to the press conference today that involved the gentleman from Ohio [Mr. CHABOT], who is part of a freshman task force and Republican leadership team looking to downsize Government, reform Government, and make it more responsive. He was part of that press conference today.

I yield to the gentleman from Ohio [Mr. CHABOT] for the purpose of sharing with our colleagues what was accomplished today and what the hope for the future is.

Mr. CHABOT. Mr. Speaker, I want to thank the gentleman from Pennsylvania for organizing this important special order tonight.

It should be absolutely clear by now. We are dead serious about limiting the size and scope of our overblown Federal bureaucracy. I do not think there is much doubt about that anymore—in anyone's mind. We mean to get this budget deficit under control; we mean to get the Federal Government out of areas it doesn't have any business being in; and we mean to improve the efficiency of the Federal Government in those areas where it does serve a useful role.

Today, I was proud to stand among a group of committed reformers pledging to reduce shameful corporate welfare by eliminating the Department of Commerce. Tomorrow, I and other colleagues of ours will announce plans to return control over our childrens' educations to parents, to teachers, and to local communities: Our Back To Basics Education Reform Act will bring an end to the meddlesome and wasteful Federal Department of Education, while enhancing local control over schools. And shortly, plans will be announced to dismantle the Federal Department of Energy, an agency that stands as a monument to bureaucratic solutions for problems of another era.

Let us be clear: The Department of Commerce is not being eliminated simply because the man currently in charge there labors under an ethics cloud so ominous that the Department of Justice has been forced to call for the appointment of a special prosecutor. No, the Department of Commerce is being eliminated because it is wasteful, because it duplicates the work of other agencies, and, yes, because it acts in part to funnel aid to corporations of vast wealth that frankly do not need to beg handouts from the taxpayers.

Our colleague from Michigan, DICK CHRYSLER, and the other members of the Commerce Task Force have done a superb job in crafting legislation to untangle the mess at the Commerce Department and save the taxpayers some $7¾ billion—that's "billion," with a "B"—over 5 years.

I venture to predict, Mr. Speaker, that our country can survive without the Federal Travel and Tourism Administration that is part of the Department of Commerce. Most of my constituents have never used the USTTA: We do not need it, and States, localities, and the private sector can do the job better.

Same for the Department's so-called Office of Technology Commercialization. Why should the Government pick winners and losers in the marketplace? The Government's not good at that, and it is just not fair for the Feds to come in on the side of one firm while completely ignoring other competitors. It is an insult to the productive, innovative private businesses in my district in Cincinnati and across this country to suggest that they need the Federal Department of Commerce in order to do their work. The business people I know do not need corporate welfare; what they need is a more rational, less oppressive Federal Government.

I could go on and on, but the bottom line is that the good things that the Commerce Department does could be done better and more efficiently in other existing agencies, while the wasteful programs that the Department pursues should not exist at all. The General Accounting Office has told us that the Department overlaps "with at least 71 [other] Federal departments, agencies, and offices." We will save those programs that are productive and shift them to more appropriate agencies. Those that serve no valid purpose will be eliminated altogether. That is only common sense.

Mr. Speaker, the taxpayers are watching. They have been in a cynical mood for quite some time now. And they want to be certain that they are not going to get the same old song and dance from Washington. We have made a lot of progress in the last few months and we can take further steps to restore their confidence by acting on this important and very necessary legislation.

Again, I want to thank the gentleman from Pennsylvania for organizing this special order.

Mr. FOX of Pennsylvania. I thank the gentleman.

I just wanted to ask a couple of questions in follow up to your far-minded work you have done on the special freshman class task force and the Republican leadership task force in reforming the Federal Government.

I believe you have experience as a school teacher yourself. Therefore, the Education Department review is something that is certainly going to come under your purview. Could you share with our colleagues here tonight what your thoughts are on how we can reform the Education Department as one of the four departments we are looking to donwsize and privatize and eliminate?

Mr. CHABOT Yes. I think the gentleman for that opportunity.

We are going to be holding a conference tomorrow and announcing the elimination of the Department of Education, and when you first say that, I think some people might listen very closely and say, well, eliminate the Department of Education, and I want to make very clear that we are very proeducation.

As you mentioned, I am a former schoolteacher. I taught in an inner-city school in Cincinnati.

What we want to do is improve education, make it better than it is now. But we do not need the bureaucrats here in Washington telling parents and teachers and local school boards how they should educate their children, and we should not be telling them how to spend their dollars.

So, what we are doing is shifting the emphasis out of Washington, getting the Federal bureaucrats out of it, and save those dollars and shift programs back to local communities, where they can be monitored, where they can be watched much more closely and for parents and teachers to make the decisions rather than the bureaucrats here in Washington.

Mr. FOX of Pennsylvania. That makes a lot of sense. Obviously, we want to make sure that while we want to make sure the student loans and grants programs are maintained, they will be.

Mr. CHABOT. Absolutely.

Mr. FOX of Pennsylvania. We want to make sure we have funds for local education with milk and textbooks and transportation. The fact is many of the policy-level items are best left to the local school districts closest to the people. I think that is what you are getting to as far as the reforms you discussed.

Mr. Speaker, at this time I yield to the gentleman from Kansas [Mr. BROWNBACK], who as the chairman of the Federalists, a group of freshman Congressmen dedicated to reform, dedicated to downsizing Government, keeping that which is important and vital, but to eliminate the fraud, abuse, and waste that we have in the Federal Government, and I would ask the gentleman from Kansas [Mr. BROWNBACK] if he could share with the colleagues tonight, if he would, exactly what the purpose of the elimination of the Commerce Department is, the downsizing, the privatizing, and the consolidation, how that can be achieved and just where you are going with the elimination or downsizing, privatization, of four departments. If you could give us the genesis of that, I think it would be instructive to the Members who are here tonight to listen to you.

Mr. BROWNBACK. I thank the Gentleman very much. I appreciate the distinguished gentleman from Pennsylvania yielding to me to explain a key project we are working on at this time in the Congress.

I would like to give a quick bit of background of where we have come with this.

Starting in January, actually even a little bit earlier than that, in December, before the freshman class had even become a part of the this Congress, a number of us gathered to start discussing how is it that we could reform the Federal Government. If there was one very clear message of the this last election, it was that people believe and know that the Federal Government is too big, takes too much, is on their back and in their pocket too much, and they want it less, they want it less in their lives, they want it to tax them less, they want it to be demanding less out of them.

A number of us were talking about how is it then we could go ahead and deliver to the American people a smaller, more focused, more efficient Federal Government, one that does its core missions very, very well but does not do the thousands of activities it has done over the past number of years and the many activities it got into it does not do well or really should not be in the Federal Government at all.

So, we began discussing that. Then, in February, a number of us, actually it was on February 14 of this year, we were joined by the chairman, the gentleman from Ohio [Mr. KASICH], the gentleman from Louisiana [Mr. LIVINGSTON], and the gentleman from New York [Mr. SOLOMON], and the gentleman from Ohio [Mr. BOEHNER], chairman of the Republican Conference, in announcing the creation of four task forces to develop legislation to eliminate four Federal Cabinet bureaucracies, Departments of Commerce, Education, Energy, and HUD.

At that time, our critics thought it could not be done.

Well, today we announced the first of those proposals on the Department of Commerce, to eliminate the Department of Commerce, and we are proving our critics wrong.

Three of these four Cabinet-level agencies have been targeted for elimination by the House budget that was passed last week by this body, as we move to balance the budget by the year 2002.

And I would point out for people who are watching and our colleagues that are looking at this, a clear reason why we need to do this, and there are a number of them, one I want to draw their attention to is the thing that is right to my left, and that is the Federal debt. This is the mortgage on America, and it is now at nearly $5 trillion. If we do not balance the budget, this mortgage on America goes to nearly $7 trillion by the year 2000. If we do nothing on this, if we keep adding nearly $200 billion annually, and we just keep mortgaging and mortgaging the future of our children, and somebody some day has to pay.

Well, I think it is time for this Congress to step up to the plate and to make the tough choices and to do that in a responsible fashion. I think we can actually do this and improve the Government, making it smaller, more efficient, and more focused.

We announced today the plans of eliminating the Department of Commerce. We were joined today in our efforts by the Senate task force to release the first of these four proposals which represents a thoughtful approach to dismantling the Commerce bureaucracy.

The question we applied to each of these programs and these bureaucracies is this: Is this program an essential and necessary function of the Federal Government, of a limited Federal Government that was never intended to be all things to all people? Let me repeat that question: Is this program an essential and necessary function of a limited Federal Government?

James Madison, one of the chief architects of the Constitution, said this about the Federal Government and its limitations, he said, "The powers delegated by the proposed Constitution to the Federal Government are few and defined."

Yet lately over the course of this century we have lost sight of this vision. The Federal Government has tried to become all things to all people and done a poor job in the process. Every time our Nation has faced an internal challenge, we respond with centralized solutions. We look to the Federal Government to solve our problems; yet, by nearly every measure, these centralized bureaucratic command-and-control solutions have failed, and you can just go off and tick off some of the things we have done recently.

In 1965 we decided we had an urban problem in this country. And what did we do? Let us create a Department of Housing and Urban Development, in 1965. Where are we? In 1995. We have worse urban problems than we had at that time. We created a centralized focus.

We are going to solve the problems out of Washington, where the truth of the matter is these problems are solved at the local community by individuals and States and by people committed there, rather those focus our attention and our focus here in a centralized, bureaucratic approach.

□ 1830

We said we had an energy problem in 1979, and what did we do? "Let's create a Department of Energy," that that is going to solve the problem, and yet I think, as we found, our real problem is we had too much regulation in a market sector in the Department of Energy, and we decided in 1979, or thereabouts, we had a problem in education. What do we do? "Let's create a centralized, command-and-control answer that we are going to answer it all out of Washington and create a Department of Education," and yet our test scores have gotten worse since 1979.

The truth is that the genius of America is not centralized planning, is not centralized control. The genius of America is the individual, that individual working out there, struggling, pushing to solve their own problems, and the more we focused on centralized answers, the more we will fail. We need to give it back to the people.

So we announced the program on the Department of Commerce today. Tomorrow we will announce the program on the Department of Education for a sensible, thoughtful elimination of the Department of Education that is proeducation, and elimination of the Department of Commerce is probusiness, and elimination of the Department of Housing and Urban Development is prohousing and urban issues, and elimination of the Department of Energy is proenergy. We just think the solutions are not here and we would be better off if we did not focus here. We would be better off if we got it out to the marketplace, to the community, to the individual, to States and local units of government, and certainly, if the debt is not enough of a reason, then we can just go back to our basic federalist principles of the Federal Government being a limited, focused Federal Government.

Those are the things that we are doing, and I think those are responsible, I think it is what the American people voted on this past November as things we are going to get done with this Congress, and I would yield back to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. I thank the gentleman for yielding back.

Congressman BROWNBACK, I think it is very clear today from the testimony that was given at the press conference that even former Secretary Mosbacher, who was in charge of the Department of Commerce, made eloquent testimony about the fact that many of these functions can be privatized, downsized, and eliminated, and I think that having a former Secretary of his renown coming forward certainly tells us a lot about what can be done.

Mr. BROWNBACK. It is interesting to note in all four of our task forces to eliminate these departments, we have a former Secretary of that department working with us on each of these that believes clearly we can get this eliminated, and do a better job in the process and get us back to that limited government.

One final point I would make is the Supreme Court is starting to look at this this way as well. The Lopez case that just came out said the Federal Government is a limited government, first time in 60 years that the Supreme Court has spoken about the Federal Government being a limited government. It is time we limited back in.

Mr. FOX of Pennsylvania. I hope you will remain with us as we call on a colleague, the gentleman from Minnesota [Mr. GUTKNECHT], to tell us his impressions of where he thinks the reforms should be made and where the agencies should be downsized.

Mr. GUTKNECHT. Thank you, Representative FOX, and I want to congratulate Representative BROWNBACK. He has been really the spirit behind a group that meets every Thursday morning at 7:30 in the morning, and I have been privileged to join him virtually every Thursday at that time. We do not seem to always get things done, so I suggested this morning we start meetings at 6:30 in the morning. It may be only SAM and I that will be at those meetings, but I want to thank you and congratulate you for sort of rekindling this whole notion of new federalism.

You know, if you look at what has happened in the private sector over the last number of years, the major corporations have understood that large, centralized bureaucracies cannot compete in the world marketplace, and, you know, earlier this year Speaker GINGRICH said to us—really he posed the question—can America compete in an increasingly competitive world marketplace going into the 21st century with a 19th century bureaucracy, and I think we all know the answer to that question, and the answer is "no," and so I think it has been cast upon us to try and come up with some solutions, and look at things differently, and find out if we cannot maybe reshape government, reform government, reorganize government, downsize government, reduce the dependency on centralized bureaucracy, ship more of the decisionmaking back to the States, back to the local units and ultimately back to individuals, because I think the American people understand that they can spend money more efficiently than the Federal Government. The decisions made at the local level are much better decisions and are much more responsive to what people really need and want in those local communities.

I would like to talk for a few moments this evening just about the Department of Energy, and the Department of Energy, like all of the other departments, I am certain, has a certain constituency out there, and people can say it does a number of good things, and it does some things well, and I am certain that there are people who believe it ought to be retained, but let me just talk a little bit tonight, if I could, about the—an act that the Congress passed in 1982. It was entitled the Nuclear Waste Policy Act and essentially made the U.S. Department of Energy responsible for developing permanent waste disposal facilities for nuclear waste sites.

So, in 1982, the Congress went on record that we wanted to do something at the Federal level. The Federal Government would take responsibility for nuclear waste, and they would develop a permanent storage site for this nuclear waste.

Well, I think it is time we get a little report card and find out exactly how well the Department of Energy has been doing. To date, the American nuclear utilities' customers have paid well over $10 billion into a Government-operated nuclear waste fund. Let me say that again: America's electric consumers have paid over $10 billion in fees to the nuclear waste fund. We have spent from that fund in excess of $4 billion. The Department of Energy is still in a state—still on the site of determining where exactly that should be. They have spent most of the money on a facility or potential facility in Yucca Mountain, NV, but we have spent over $4 billion studying that facility, and here is the incredible fact:

We are nearly 15 years away from coming up with a permanent site. In other words, we have spent 13 years and $4 billion, and according to the latest study that I have seen, we are probably at least 15 years away from having an operational permanent waste repository, and I should remind the people who are gathered here on the House floor and people who may be watching in other places that we won World War II in less than 4 years, we were able to put a man on the moon in less than 8 years, and yet we have already invested over $4 billion and spent 13 years, and we are still 15 years away from a permanent waste repository site, which makes it even more interesting to me that I was told by someone from the nuclear industry that they believe they can build a facility complete for less than $150 million, and I am not talking about billion dollars. I mean that is just one example, and probably there are other examples that we can repeat again and again here on the House floor.

But the point really is this: All of these departments, I think, were started for the best of intentions. I think that many of them employ people who were very sincere and believed that what they are doing is important, but the bottom line is that the bureaucratization of many of these Federal bureaucracies here in Washington really has not done a very good job of solving some of the fundamental problems that they were supposed to solve, and so, as happened in corporate America, I think the time has come to downsize the Federal bureaucracy to eliminate some of the bureaucracies that are here in Washington.

I congratulate Representative CHRYSLER on what he brought up today in leading the charge with the Department of Commerce. We hope they will be coming out soon with the reorganization of the Department of Energy, the Department of Education, and ultimately I am actively involved in working with a task force that is looking at how we can ultimately eliminate the Department of Housing and Urban Development, and again I want to repeat something that Representative BROWNBACK said.

This is not some mean-spirited accounting exercise. We are not trying to do this because we want to hurt school children or hurt electric utility customers or destroy our ability to compete internationally in energy or education or any other field. We are doing it because we honestly believe that the only way to really change the way we do business is to take a serious look and find out if there are not better ways that these programs and these issues can be tackled without these huge bureaucracies here in Washington. I think that is what the American people want, and I think they have seen it happen in the private sector. We have seen a downsizing in the private sector, and I think it is long overdue here in the Federal Government as well.

So I congratulate you, Representative FOX, and, as I indicated, Representative BROWNBACK has been doing an excellent job in articulating the basic message that I think our founding fathers had, and that is that the best government is the least government. There are obviously legitimate functions for the Federal Government, but I think it is our task as Members of this Congress to turn over every rock, to ask the tough questions and to try and find more efficient ways to solving problems. I think that is what the American people want, that is what they expect, and frankly I hope that is what we are going to deliver before this 104th Congress is gaveled into history.

So I appreciate a few moments to share tonight some of the issues that I am concerned about, particularly back in Minnesota as it relates to nuclear waste policy, how much money has been wasted, in my opinion, over the last 13 years, and we have got to somehow bring closure to this basic issue because I think American electric consumers have been paying for it long enough. I think they expect some real solutions.

Again I thank Representative FOX for asking for this special order tonight and thank him for allowing me to participate a few moments.

Mr. FOX of Pennsylvania. Thank you, Congressman GUTKNECHT. I want to thank you for your leadership in the freshman class and this new 104th Congress in looking for ways to downsize wasted Federal dollars, but to put them where they are most needed, and I think that your private sector experience and experience in the legislature in your own home State in Minnesota has brought you the kind of leadership that is going to help us save funds and help our seniors, and our families, our small businesses and our children.

At this time I call on one of the leaders of the freshman class who is on the Committee on the Budget, and he is working to move us forward into the 21st century in a fiscally responsible way. I would like to call on Congressman SHADEGG from Arizona for that purpose.

Congressman SHADEGG, I appreciate your joining us here on the House floor tonight to give us your view on where the reforms need to go for this House, and this Congress, and, for that matter, this country, that it can move forward.

Mr. SHADEGG. Thank you, Congressman FOX. I certainly appreciate your allowing me to participate in this effort tonight and the leadership you have demonstrated on it in seeking this time and giving us an opportunity to raise the issues for the American people to consider.

I would like to start, and I know this sounds a little silly, but it is important to thank people and to recognize their efforts. Representative BROWNBACK, who was just here, and Representative GUTKNECHT, who just spoke, have been two consistent leaders in this area.

I recall, as I am sure, Mr. FOX, you do from the early freshmen meetings when we first met as a group of revolutionaries, when we drafted the idea of calling ourselves the New Federalists, when we got bold and talked about, well, should we propose eliminating an agency or maybe two agencies, and then we got even bolder and said, "Well, why not four agencies?" And I noticed that the Senate is now matching our trend and saying that if we can eliminate four in the House, we can eliminate four in the Senate, and some of the conservative think tanks around town, Heritage, I think, with a tremendous national reputation, is proposing eliminating, I believe, nine agencies. I have to say that Representative GUTKNECHT and Representative BROWNBACK have been in the lead in that effort and have demonstrated great courage and great determination in going forward. It is also interesting to me tonight to note that most of the people involved in this effort right now, at least here on the floor tonight, are freshmen who came here with a new sense of the direction the American people want this Government to go. Having said that about the other leaders of this, I could not—I would be remiss if I did not mention Representative CHRYSLER from Michigan. He has done yeoman's work.

The announcement they made today to eliminate the Commerce Department is indeed a bold step forward and a very important step forward for the American people. It is this kind of change that the American people want from us, demand from us, and they do it, and it is important to understand they are doing it out of a sense of frustration. We have spent 40 years building up the Federal Government larger and larger, ever increasing its size, ever increasing its scope, ever increasing its power, saying to the American people time and time and time again that, if they will just give us a little more power and a few more tax dollars, we will solve their problems, and at the end of this 40 years' experience, one message is clear:

It is failed. Central planning does not work. We cannot solve the problems of commerce in this country by creating a Department of Commerce. What we can do is suck a ton of money out of an otherwise vibrant economy, put thousands of bureaucrats into high marble buildings, and burden the economy even further, and that is what we have proven, and the bold steps taken today by the gentleman from Michigan [Mr. CHRYSLER] and the others on his task force are testament to the fact we finally sat back and listened carefully and recognized that our efforts to centrally plan commerce in America has failed the way efforts to centrally plan commerce in the Soviet Union failed, and to centrally planned commerce in all the Eastern-bloc countries fails and to centrally planned commerce everywhere throughout the world has failed.

□ 1845

Since the rest of the world got the message that planned economies do not work, it is about time the American Government got that message and began moving in the right direction.

Mr. FOX of Pennsylvania. If the gentleman will yield for a moment, I think the gentleman has been at the forefront of working with Congressman KASICH, who is the budget chairman. His committee and your committee have done what has not happened since 1969, the last time we had a balanced budget in this Federal Government. So your fellow colleagues who are not on the Committee on the Budget, but respect what you have done, have to appreciate that we are part of a very important first, since 1969, that we have balanced the budget; that we are going to give our children and grandchildren, and in fact senior citizens, everybody, a chance to know that we can get out from under this debt.

I have to tell the gentleman that what you have done is handled in hand with what Congressman CHRYSLER has done and Congressman BROWNBACK in making sure we get the reform and the elimination of the duplication that we have seen here in the Federal Government.

Mr. SHADEGG. I appreciate that. It is actually a great segue into where I was going, and I would like to talk about that issue a little bit. I want to bring you some facts and statistics. Congressman GUTNECHT pointed out the elimination of these agencies is not just about numbers. It is not just about eliminating bureaucracy, but it is in part about that issue.

I want to bring you some facts and statistics, and I will try to go slow and want you to think about them. I am reading from statistics produced by the Browning Newsletter, and they tell an amazing, a shocking story.

Between 1963 and 1993, the average weekly wages of a blue collar worker in America went up 398 percent. Let's call it 400 percent. So average wages, blue collar worker, up 400 percent. The consumer price index is up 458 percent. Call it 460. Wages are up 400 percent, CPI is up 460 percent, consumer price index. That is the private sector, you and me at home trying to get by every-day. Let me talk to you about what has happened to the Federal Government.

Receipts at the Federal Government in that same time period, between 1963 and 1993, receipts are up 1,024 percent. Expenditures, we all know we have created a deficit. It is no accident I put the debt up here. Here it is, the red ink, and it scares us. Expenditures at the Federal level, they are not up 400 percent or 460 percent like wages and the Consumer Price Index. Expenditures at the Federal level are up 1,241 percent, a staggering increase, three times the amount of increase in Government spending as the amount of earnings for the average blue collar worker in America.

The figure I like to cite the most is the deficit. Between 1963 and 1993, while your wages and my wages and the average American's wages were going up 400 to 460 percent, the deficit that you and I ran up by spending too much on the floor of this Congress is up a staggering 6,102 percent. 6,000 percent increase in the deficit that we are racking up.'

That burden is immoral. I look here in the audience and there are some people, I would say some young people, watching us here tonight, late in the evening, kind of watching the floor of the House when most of the Members are gone. And those people in that audience tonight and the people back home need to understand that it is simply morally wrong to impose that deficit, an increase of 6,100 percent, and this red ink and debt, on them? To carry their lifetimes? On our children? On my children? I have a 13-year-old and a 9-year-old. I am going to ask them to pay that back because I didn't have the discipline? And on our grandchildren? I am telling you, we cannot do it.

So that brings us to why we are about this task. We are abut this task because in part it has failed. Central planning has failed. But it has not failed to burden our children and grandchildren.

By dismantling the four agencies we are working on, Education, Commerce, Energy and HUD, we are simply recognizing it is time to think outside the box, that we can do better. That education, I will tell you, in education in my district in Arizona, the constituents are clear. They sent me with one message: Education is not the business of the Federal Government. They believe that their local school board ought to be responsible for setting the policy and the parents and the teachers can do the job.

Energy, I am on the task force to eliminate the Energy Department. In 1970 there was an energy crunch. There was a security concern. Today, with a $7.8 trillion debt being the greatest threat to our children and grandchildren, the Energy Department is a demonstrated failure. If we cannot recognize that and go into it conscientiously, seriously, thoughtfully, as we have done today in Commerce and as we are doing in Energy and see what are these functions, which should be performed at the Federal level and which of these should not, and which should be performed by some other agency and which should be handed back to the States and which do not need to be done by Government at all. That is what this problem is about. And it will, if we dismantle these inefficient agencies, if we have the courage to be bold, it will save billions of dollars on our national debt and begin to eliminate that line.

Let me conclude with just one last point. Each time I go home to my district, I do not run into people who say to me "I need more government." I do not run into people who ask me for more programs. We did a town hall in my district a few weeks ago. A gentleman came up to me and said he was an executive, mid-level executive in a company in Phoenix, and that in the last 8 years his company had downsized 50 percent. It was half the size that it was simply 8 years ago. And he said,

> John, we are producing twice the product that we produced that 8 short years ago. Why? Because we have forced efficiencies. Each year I take my budget in from my department to this corporation. Each year I tell them what I think I need to get the job done. Each year they come back to me and give me a number that is too small. I tell them I can't do it. You know what? Each year I have done it. Each year we have become more efficient.

That kind of efficiency is what we need to bring to the Federal Government, and the elimination of these wasteful agencies, like Commerce, like Energy, like HUD, and like Education, which have small functions that perhaps should be borne by the Federal Government, but which ought to be passed on to other agencies, and then get rid of the Washington bureaucracy, the Washington bureaucrats, we do not need them. That is the way the American people expected us to lead their Government.

Mr. FOX of Pennsylvania. Thank you for your contribution and leadership not only on the Committee on the Budget, but as a federalist working to make sure the freshman class works with leadership to reduce the size of the Federal Government and make it more responsive.

Mr. Speaker, I appreciate the efforts to let us illuminate our colleagues on this issues.

REVITALIZING THE AMERICAN ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. Smith] is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Mr. Speaker, to continue this discussion of why it is important to downsize Government and how we reach our goal of having fewer taxes and greater responsibility in Government and greater individual responsibility for our citizens, I would call on the esteemed chairman of the task force that led the effort to structure the dismantling of the Department of Commerce, Mr. Dick Chrysler from Michigan.

Mr. CHRYSLER. Thank you very much, Nick. It is good to be here. You know, this task force that we put together to dismantle the Department of Commerce, we had some very courageous and energetic and innovative freshmen work on that committee as well as some sophomores. Between the freshmen and the sophomores, we are 54 percent of the majority, so we are the majority of the majority. But Helen Chenoweth, Mark Sanford, Sue Kelly, Wes Cooley, Jim Talent, Joe Scarborough, Mark Neumann, Jack Metcalf, Sam Brownback, Todd Tiahrt, and even Nick Smith from Michigan, helped us put this task force together and brought this proposal forward today.

It was only 3 months ago that we announced a goal that had been unthinkable in previous Congresses, and that was the elimination of the Departments of Commerce, Education, Energy, and Housing and Urban Development. The House budget resolution that passed last week calls for the elimination of three of those four Departments, and the Senate budget resolution calls for the elimination of the Department of Commerce.

We said it back in February that it was time to put the Department of Commerce out of business, and we promised to have specific legislation to do just that by the spring. Today we unveiled the vehicle to achieve this goal, the Department of Commerce Dismantling Act. It is promises made and promises kept.

Our Commerce task force spent the last 3 months studying every program in the Department, putting each one under the microscope. We asked three questions of every program: First, is this program necessary and is it worth borrowing the money to pay for it only to have our children pay it back? Second, if it is necessary, does the Federal Government need to be involved or is it something better left to the States, communities, and/or individuals? Third, if the Federal Government does need to be involved, are we currently doing the job in the most effective and efficient manner?

The result of this analysis is what I hold in my hand today, a specific step-by-step plan that will eliminate, privatize, or consolidate every aspect of the Department of Commerce.

The Department of Commerce Dismantling Act creates a temporary Commerce Program Resolution Agency that will oversee a 3-year windup period of the Department of Commerce. By cutting the unnecessary and wasteful programs immediately, we will save our constituents $7.765 billion over the next 5 years. By consolidating the beneficial programs to be more streamlined and efficient, we are creating a government that is more accountable and responsible.

This is not just a reckless effort to slash programs for the sake of cutting Government. Our plan is well thought out and clear in its intentions. If we found that a program was duplicative, we consolidated it. If a program was better performed by the private sector, we privatized it. If it was beneficial, we streamlined it. And if we found a program that was unnecessary, we eliminated it.

As we said in February, the November election was a clear call for a smaller, more efficient, and more focused Federal Government. The Department of Commerce Dismantling Act delivers on this mandate by beginning to downsize a government that is too big and spends too much money.

Mr. SMITH of Michigan. If the gentleman would yield on that point, I think, Dick, it is so important that we remind the American people the catastrophe that can happen if we do not do some of the things that you are talking about here today, that we are talking about in our efforts to balance the budget.

Let us just remind ourselves that we have got a huge deficit, and we use the words making our children and our grandchildren pay for our overindulgence.

But what does that mean? That means that today, with our overspending, we are taking money out of circulation by borrowing. We are borrowing this year 42 percent of all of the money that is borrowed in the United States.

Now, what happens when we demand that we have that money, not caring what the interest rate is? We drive up interest rates. By demanding that we have 42 percent of the money that is out there to loan, that pressure on interest rates alone is going to be a depressant. It is going to be a downward pressure on economic expansion and jobs.

It is estimated that we can save 1.5 percent reduction in interest rates if we end up balancing the budget. What else do we do? We take the money out of circulation. This year the money that we are overspending could be used for people to go to college, to build homes, maybe, more importantly, to expand their business and their jobs, to have better jobs in this country.

If we are going to encourage those businesses to buy the better tools to put in the hands of great American workers to make us more efficient, then the downward pressure on interest rates by balancing the budget is going to do just that by tremendously lowering costs. If we allow businesses to expense the items that they buy, we could reduce the cost of those items by an estimated 16 percent.

I think it is important to just note that we are not just doing this for the sake of cutting down government. We are going it because this pressure on the economy of America is going to do what all of the economists suggest, and that is we are going to lose jobs for our kids and our grandkids, in addition to making them pay back the tremendous debt that we have accumulated.

□ 1900

Five trillion dollars we have now accumulated in debt, having no idea how we are going to pay back. This effort to look at the different departments and agencies of government is so important, and I compliment you so very much for the tremendous 80- and 90-hour weeks that you have put in.

Mr. CHRYSLER. Certainly, we do need lower taxes and less government, and we need to let people keep more of what they earn and save. We need to let people make their own decisions about how they spend their money, not government, because people will always make a better decision. And we cannot continue business as usual in our Federal Government. We must make the tough choices, as the gentleman said, in our budget priorities.

Our plan to dismantle the Department of Commerce provides positive and constructive change in bringing government back to the role it should and must play. I know in the words of Robert Frost, one of my favorite poems, the last verse says, and I think this speaks volumes for both the freshman and the sophomore class, we do have promises yet to keep and miles to go before we sleep, and miles to go before we sleep.

Mr. SMITH of Michigan. I thank the gentleman very much.

I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman. I appreciate the opportunity to take a moment just to thank Congressman CHRYSLER and you for your leadership on this issue. Congressman CHRYSLER has for the last 3 months worked exhaustively to make sure that in a businesslike way because he is someone who came to the Congress, who has been involved himself in starting businesses and employing individuals, fighting the Federal regulations, trying to make a change.

Now he has brought that horse sense, that common sense, business sense to make us save dollars and cents here in the Federal Government. I think we as Members of Congress are the beneficiaries of DICK CHRYSLER's wisdom and his energy and the principles he has brought here to help us reshape our thinking.

We can talk about different agencies, as Congressman SMITH has talked about, in elimination and the duplication or consolidate or privatize. That all sounds good, but every American can make a difference in giving us recommendations on the kinds of activities that we are now involved with, Mr. Speaker, whatever they are. Whatever agencies that are now doing good activities for the country, if there are ways we can do them better, let your Congressman know, let Congressman CHRYSLER know, let Congressman SMITH know, let me know. Any agency that can do a better job because of an idea you have, they want to do their job better. If it is better done in the private sector, as Congressman CHRYSLER said, because it is really better left to the private sector because it is not a government function, we also need to know that.

We started with four agencies. We started historically for the first time since 1969 having a balanced budget. We think it is going to lead to a more responsible position, one that is more accountable to the American people.

I appreciate the time the gentleman has given me to reflect on where we are trying to go as a Congress in a bipartisan manner, Republicans and Democrats alike, Senators and Congressmen, alike to work with the President to move forward to make the Government better, to make it more responsive and more accountable. I think this is the beginning. We have finished the contract and we are now into looking closely at those Federal agencies. I think we can make a difference, not only in this Congress but in Congresses to come. I appreciate the time you have yielded to me.

Mr. SMITH of Michigan. Mr. Speaker, I appreciate the gentleman's bipartisan efforts. I was delighted when the President said that he was going to offer a balanced budget that might take 10 years to balance but such a difference between that and the budget that the President gave Congress here just 6, 7 weeks ago.

That budget actually increased deficit spending over the years so that by the year 2002, we would have been borrowing or overspending $314 billion in that year 2002. That is the year that we call it zero with the budget proposal that came out of the budget.

Mr. CHRYSLER. It is amazing to me that in just 18 months, we will be spending more money on just the interest on the debt than we spend right now on the Army, the Navy, the Air Force, the Marines, the CIA, the FBI, and the Pentagon combined. And that is money that is not going for any good programs or any good purposes, not for Medicare, not for Social Security, not to help people that need the help, not for Pell grants, not for education, nothing except interest on a debt.

I tell you, we have got to get this deficit under control. Then we have got to start working on eliminating this debt. I think by holding spending to 1 percent less than our revenues, we can have the debt paid off in this country by the year 2025. I think that is every bit as important as eliminating the deficit.

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman again. It is so important to our future economy. Greenspan, who is the head banker for this country, chairman of the Federal Reserve, said that if we do not balance the budget, because of the increased interest rates, because of the money that we take out of circulation, because of the overspending, because of the tremendous amount of this budget that it takes to service the debt, pay interest on the public debt, let me just mention as a footnote, the interest this year on the public debt is $339 billion. That represents 25 percent of all revenues coming in from all sources to the U.S. Government. We just cannot continue to dig ourselves deeper in this hole of public debt.

Then if we look at Social Security, the unfunded liability of Social Security, the actuary deficit now amounts to an estimated $5 trillion. Medicare, the unfunded liability or the actuary deficit amounts to close to $8 trillion. Depending on future workers to pay the bills for current expenses, whether we are talking about pension benefits or whether we are talking about Social Security or whether we are talking about Medicare or whether we are talking about borrowing from future generations to pay for the overzealous spending of this Congress must stop.

I complement WALLY HERGER for his extraordinary efforts on the Committee on the Budget and as a member, esteemed Member of this Congress that is looking for ways to bring about more responsible Government.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CALVERT (at the request of Mr. ARMEY), for today and the balance of the week, on account of official business relating to the Base Realignment and Closure Commission.

Mr. LAHOOD (at the request of Mr. ARMEY), for today, on account of attending his daughter's graduation from high school.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. JACKSON-LEE) to revise and extend their remarks and include extraneous material:)

Ms. Kaptur, for 5 minutes, today.

Mr. Owens, for 5 minutes, today.

Mr. Underwood, for 5 minutes, today.

(The following Members (at the request of Mr. Hayworth) to revise and extend their remarks and include extraneous material:)

Mr. Goss, for 5 minutes each day, for today and May 24.

Mr. McInnis, for 5 minutes each day, for today and May 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. Jackson-Lee) and to include extraneous matter:)

Mr. Poshard.
Mr. Ford.
Mr. Kleczka.
Mr. Moran.
Mr. Fazio of California.
Mr. Ackerman.
Mr. Torricelli.
Mr. Oberstar.
Mr. Vento.
Mr. Coyne.
Mr. Reed.
Mr. Underwood in two instances.
Mrs. Schroeder.
Mr. Waxman.

(The following Members (at the request of Mr. Hayworth) and to include extraneous matter:)

Mr. Talent.
Mr. Gilman.
Mr. Forbes.
Mr. Baker of California.
Mr. Lewis of Georgia in three instances.
Mr. Solomon.
Mr. Bereuter.
Mr. Packard.
Mr. Houghton in two instances.
Mrs. Johnson of Connecticut in two instances.
Mrs. Roukema.
Mr. Duncan.
Mr. Emerson.
Mr. Davis.
Mr. Shuster.
Mr. Largent.
Mr. Smith of New Jersey.
Mr. Rogers.

(The following Members (at the request of Mr. Smith of Michigan) and to include extraneous matter:)

Mr. Clay.
Mr. Bonilla.
Mr. Bentsen.

ADJOURNMENT

Mr. SMITH of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 7 minutes p.m.), the House adjourned until Wednesday, May 24, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

899. A letter from the Secretary of Defense, transmitting a report entitled, "Not-To-Exceed Cost Estimates for C-17 Aircraft"; to the Committee on National Security.

900. A letter from the Secretary of Defense, transmitting a report on assistance to Red Cross for emergency communications services for members of the Armed Forces and their families, pursuant to section 383 of the fiscal year 1995 National Defense Authorization Act; to the Committee on National Security.

901. A letter from the Director, Office of Legislative Affairs, Department of the Treasury, transmitting a copy of a certification by the President; regarding use of the Exchange Stabilization Fund and Federal Reserve in relation to the economic crisis in Mexico, pursuant to section 406 of the Mexican Debt Disclosure Act of 1995; to the Committee on Banking and Financial Services.

902. A letter from the Secretary, Department of Education, transmitting the interim report on the performance standards and measurement systems developed by States for their vocational education programs, pursuant to Public Law 101-392, section 404 (104 Stat. 809); to the Committee on Economic and Educational Opportunities.

903. A letter from the Secretary, Department of Health and Human Services, transmitting a report on the efforts of the National Center on Child Abuse and Neglect to assist States in implementing a voluntary reporting system on child abuse and neglect, pursuant to 42 U.S.C. 5106f-1; to the Committee on Economic and Educational Opportunities.

904. A letter from the Postmaster General, U.S. Postal Service, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

905. A letter from the Secretary, Department of the Interior, transmitting the 24th annual report of the actual operation during water year 1994 for the reservoirs along the Colorado River; projected plan of operation for water year 1995, pursuant to 43 U.S.C. 1552(b); to the Committee on Resources.

906. A letter from the Attorney General of the United States, Department of Justice, transmitting the 1994 annual report of the Federal Prison Industries, Inc. [FPI], pursuant to 18 U.S.C. 4127; to the Committee on the Judiciary.

907. A letter from the Comptroller General, General Accounting Office, transmitting a report entitled, "Military Bases: Analysis of DOD's 1995 Process and Recommendations for Closure and Realignment" (GAO/NSIAD-95-133, Apr. 14, 1995), pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on National Security and Government Reform and Oversight.

908. A letter from the Secretary of Defense, transmitting the annual report for the National Security Education Program, pursuant to 50 U.S.C. 1906; jointly, to the Committees on Intelligence (Permanent Select) and Economic and Educational Opportunities.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H.R. 1683. A bill to establish a Federal cause of action for failure of State and local public employee pension plans to meet the terms of such plans, subject to differing burdens of proof depending on whether changes in the plan relating to employer contributions are subject, under the law of the principal State involved, to qualified review boards; to the Committee on the Judiciary, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BLILEY (for himself, Mr. Scott, Mr. Wolf, Mr. Pickett, Mr. Boucher, Mr. Davis, Mr. Moran, Mr. Goodlatte, Mr. Payne of Virginia, Mr. Sisisky, and Mr. Bateman):

H.R. 1684. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison; to the Committee on Banking and Financial Services.

By Mr. HOUGHTON (for himself, Mr. Rangel, and Mrs. Maloney):

H.R. 1685. A bill to amend the Internal Revenue Code of 1986 to treat academic health centers like other educational institutions for purposes of the exclusion for employer-provided housing; to the Committee on Ways and Means.

By Mr. HOUGHTON (for himself, Mr. Kleczka, Mr. Jacobs, Mr. Crane, Mrs. Kennelly, Mr. Shaw, Mr. Herger, Mr. Bunning of Kentucky, Mr. McCrery, and Mr. Neal of Massachusetts):

H.R. 1686. A bill to amend the Revenue Act of 1987 to provide a permanent extension of the transition rule for certain publicly traded partnerships; to the Committee on Ways and Means.

By Mr. MILLER of Florida (for himself, Mr. Schumer, Mr. Armey, Mr. Berman, Mr. Borski, Mr. English of Pennsylvania, Mr. Foglietta, Mr. Forbes, Mr. Gibbons, Mr. Hancock, Mr. Hansen, Ms. Harman, Mr. Kennedy of Rhode Island, Mr. Kolbe, Mr. Markey, Mr. Meehan, Mr. Owens, Mr. Porter, Mr. Royce, Mr. Rush, Mr. Serrano, Mr. Shays, Mr. Studds, Mr. Waxman, Mr. Zimmer, Mr. Shaw, Mr. Rohrabacher, Mr. Frank of Massachusetts, Ms. Eshoo, Mr. Kasich, Mr. Dornan, Mr. Walker, Mr. Solomon, Mr. Visclosky, Mr. Jacobs, Mr. Davis, Mr. Petri, Mr. Fawell, Mr. Sensenbrenner, Ms. Lowey, Mrs. Schroeder, Mr. Barrett of Wisconsin, Mr. Lipinski, Mr. Hoekstra, Mr. Torkildsen, Mr. Klug, Mr. Wolf, Mr. Zeliff, Mr. Hyde, Mrs. Roukema, Mr. Cox, Mr. Blute, Mr. Chabot, Mr. Young of Florida, Mrs. Collins of Illinois, Mr. Talent, Mr. Wamp, Mr. Packard, Mr. Bass, Mr. Gejdenson, Mr. Yates, Mr. Franks of New Jersey, Mr. Hoke, Mr. Lewis of Georgia, Mr. Boucher, Mr. Wynn, Mr. McIntosh, Mr. Smith of New Jersey, Mr. Portman, Mr. Ney, Mr. Frelinghuysen, Mrs. Seastrand, Mr. Gekas, Mr. Largent, Mr. Hutchinson, Mr. Goodling, Mr. Franks of Connecticut, Mr. Ensign, Mr. Manzullo, Mr. Kennedy of Massachusetts, Mr. Brown of Ohio, Ms. Velazquez, Mr. Gutierrez, Mrs. Myrick, Mr. Goss, and Mr. Souder):

H.R. 1687. A bill to terminate the agricultural price support and production adjustment programs for sugar; to the Committee on Agriculture.

By Mrs. SCHROEDER (for herself, Mr. Lewis of Georgia, Ms. Norton, Mr. Foglietta, Mr. Richardson, Mr. Jacobs, Mr. Hilliard, Mr. Wilson, Mr. Serrano, and Mrs. Lowey):

H.R. 1688. A bill to amend the Public Health Service Act to establish a program of providing information and education to the public on the prevention and treatment of eating disorders; to the Committee on Commerce.

By Mr. UNDERWOOD (for himself, Mr. Gallegly, Mr. Faleomavaega, and Mr. Frazer):

H.R. 1689. A bill to amend title 10, United States Code, to provide for appointments to the military service academies by the Resident Representative to the United States for the Commonwealth of the Northern Mariana Islands; to the Committee on National Security.

By Mr. DORNAN:

H.J. Res. 90. Joint resolution proposing an amendment to the Constitution of the United States to protect the right to life; to the Committee on the Judiciary.

By Mr. SANFORD:

H.J. Res. 91. Joint resolution proposing an amendment to the Constitution of the United States to allow the States to limit the period of time U.S. Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. PICKETT:

H. Con. Res. 71. Concurrent resolution providing a sense of the Congress that the concurrent resolution on the budget for fiscal year 1996 should reach a balanced Federal budget by fiscal year 2001 through expenditure reductions and not tax increases; to the Committee on the Budget.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

88. By the SPEAKER: A memorial of the Senate of the Commonwealth of Pennsylvania, relative to Fort Indiantown Gap, PA; to the Committee on National Security.

89. Also, memorial of the Senate of the State of Hawaii, relative to requesting Hawaii's congressional delegation to support the continuation of community action in the State of Hawaii; to the Committee on Economic and Educational Opportunities.

90. Also, memorial of the General Assembly of the State of Indiana, relative to the Republic of China (Taiwan's) participation in the United Nations; to the Committee on International Relations.

91. Also, memorial of the Senate of the State of Nevada, relative to the Endangered Species Act of 1973; to the Committee on Resources.

92. Also, memorial of the Senate of the State of Nevada, relative to urging the U.S. Congress to maintain the U.S. Geological Survey; to the Committee on Resources.

93. Also memorial of the Senate of the State of Nevada, relative to the 10th amendment to the Constitution of the United States; to the Committee on the Judiciary.

94. Also, memorial of the Senate of the State of Nevada, relative to urging the U.S. Congress to pass legislation prohibiting each State from imposing a tax on the income from a pension of a person who is not a resident of that State; to the Committee on the Judiciary.

95. Also, memorial of the Senate of the State of Nevada, relative to proposing to amend the ordinance of the Nevada constitution to repeal the disclaimer of interest of the State in unappropriated public lands; to the Committee on the Judiciary.

96. Also memorial of the Senate of the State of Iowa, relative to border city trucking agreements; to the Committee on Transportation and Infrastructure.

97. Also memorial of the House of Representatives of the State of Texas, relative to the Water Pollution Control Act; to the Committee on Transportation and Infrastructure.

98. Also, memorial of the House of Representatives of the State of Texas, relative to NASA's proposed reorganization plan; to the Committee on Science.

99. Also, memorial of the Senate of the State of Hawaii, relative to requesting a study of the welfare system of the State of Hawaii; to the Committee on Ways and Means.

100. Also, memorial of the Senate of Hawaii, relative to urging the U.S. Congress to support legislation to safeguard veterans' disability compensation and Social Security disability compensation from elimination, reduction, or taxation; jointly, to the Committees on Veterans' Affairs and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 28: Mr. Baker of California, Mr. Herger, and Mr. Quillen.

H.R. 38: Mr. Funderburk, Mr. Salmon, Mr. Wise, Mrs. Cubin, Mrs. Seastrand, and Mrs. Maloney.

H.R. 57: Mr. Pickett and Mr. Nethercutt.

H.R. 193: Ms. Lofgren.

H.R. 195: Mr. Calvert.

H.R. 250: Mr. Vento, Mr. Abercrombie, Mr. Yates, and Mr. Thompson.

H.R. 311: Ms. Roybal-Allard, Mr. Underwood, Mr. Diaz-Balart, and Mr. Miller of Florida.

H.R. 353: Mr. Farr.

H.R. 359: Mr. Montgomery and Mr. Klug.

H.R. 491: Mr. Gallegly.

H.R. 553: Mr. Tucker and Mr. Wilson.

H.R. 580: Mr. McKeon, Mr. Barr, Mr. Gonzalez, Mr. Hoekstra, and Mr. Wamp.

H.R. 592: Mr. Gallegly.

H.R. 656: Mr. Shays and Mr. Bartlett of Maryland.

H.R. 674: Mr. Taylor of North Carolina.

H.R. 700: Mr. Luther.

H.R. 709: Ms. Velazquez.

H.R. 713: Mr. Klug.

H.R. 783: Mr. Peterson of Minnesota.

H.R. 788: Mr. Goss.

H.R. 789: Mr. Dornan, Mr. Pickett, Mr. Volkmer, and Mrs. Smith of Washington.

H.R. 820: Mr. Quillen, Mr. Kanjorski, Mr. Hutchinson, Mr. Cardin, and Mr. Funderburk.

H.R. 860: Mr. Kim.

H.R. 888: Mr. Gutierrez.

H.R. 891: Mr. Dellums and Mr. Fattah.

H.R. 912: Mr. Rohrabacher and Mr. White.

H.R. 940: Mr. Andrews, Mr. Costello, Mr. Hilliard, Mr. Moakley, Mr. Towns, Mr. Visclosky, and Mr. Yates.

H.R. 945: Mr. Coyne, Mr. Ney, Mr. Moran, Mr. Walsh, Mr. Rogers, Mr. Bishop, Mr. Doolittle, and Mr. Jones.

H.R. 951: Mr. Hayes.

H.R. 1000: Mr. Torricelli and Mr. Dixon.

H.R. 1018: Mr. Solomon.

H.R. 1021: Mr. Olver.

H.R. 1023: Mr. Roemer.

H.R. 1024: Mr. Chabot and Mr. English of Pennsylvania.

H.R. 1091: Mr. Boucher and Mr. Scott.

H.R. 1118: Mr. Hostettler.

H.R. 1120: Mr. Hefley.

H.R. 1124: Mr. Frazer and Mr. Nadler.

H.R. 1152: Mr. Evans.

H.R. 1201: Mr. Kennedy of Rhode Island.

H.R. 1204: Ms. Furse, Mr. Moran, Mr. Davis, Mr. Crapo, Mr. Canady, Ms. Lowey, and Mr. LaFalce.

H.R. 1210: Mr. Wise.

H.R. 1229: Mr. Thompson and Mr. Bonior.

H.R. 1274: Mr. Doolittle.

H.R. 1281: Mr. Sanders and Mr. Nadler.

H.R. 1317: Mr. Barcia of Michigan, Mr. Brewster, and Mr. Jacobs.

H.R. 1386: Mr. DeLay, Mr. Burton of Indiana, Mr. Thornberry, and Mr. Canady.

H.R. 1404: Mr. Engel, Mr. Fawell, Mr. Lewis of Georgia, Mrs. Roukema, Mr. Franks of New Jersey, Mr. Borski, and Mr. Towns.

H.R. 1434: Mr. Regula and Mr. Bunning of Kentucky.

H.R. 1460: Mr. Hinchey.

H.R. 1462: Ms. Pelosi, Ms. Lofgren, Mr. Ackerman, Mr. Evans, Mr. Hastings of Florida, Ms. Kaptur, Ms. Jackson-Lee, Mr. Rangel, Mr. Wise, and Mr. Moakley.

H.R. 1484: Mr. Torres, Mr. McHale, Mr. Barcia of Michigan, and Mr. Ney.

H.R. 1504: Mr. Zimmer, Ms. Lofgren, and Mr. Gibbons.

H.R. 1516: Mr. Luther.

H.R. 1521: Mr. Luther, Ms. Lofgren, Mr. Frost, Mr. Frazer, Mr. Markey, Mr. Deutsch, and Ms. Jackson-Lee.

H.R. 1542: Mrs. Collins of Illinois.

H.R. 1568: Mr. Ackerman, Mr. LaFalce, Mr. Beilenson, Mr. Luther, Mr. Jacobs, and Mr. Martinez.

H.R. 1617: Mrs. Johnson of Connecticut and Mr. Rogers.

H.R. 1642: Mr. Hamilton.

H.R. 1645: Mr. Walsh, Mr. Laughlin, Mr. Traficant, Mr. Roberts, and Mr. Pomeroy.

H.J. Res. 79: Mr. Coleman and Mr. Hilliard.

H. Con. Res. 10: Mr. Manzullo, Mrs. Kennelly, Mr. Rose, Mr. Gejdenson, Mr. Coleman, Mr. Hall of Ohio, Mr. Bishop, Ms. DeLauro, Mr. Porter, Mr. Hutchinson, Mr. Lewis of Georgia, Mr. Hefner, Mr. Franks of Connecticut, Mr. Young of Florida, Mr. Petri, Mr. Nethercutt, Ms. Furse, Mr. Rohrabacher, Mr. Heineman, and Mr. Abercrombie.

H. Con. Res. 23: Mr. Bevill, Ms. Woolsey, Mr. Stokes, Mr. Stupak, and Mrs. Collins of Illinois.

H. Res. 40: Mr. Hamilton.

H. Res. 118: Mr. Coleman, Mr. Hastings of Florida, Mr. Fazio of California, Mr. Lewis of Georgia, Ms. DeLauro, Mr. Levin, Mr. Boucher, Mr. Sanders, Mr. Gene Green of Texas, Ms. Norton, Mr. Leach, Mr. Clay, Ms. Roybal-Allard, and Mr. Berman.

H. Res. 127: Mr. Hamilton.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1561

Offered By: Mr. Abercrombie

Amendment No. 21: Page 108, lines 8 and 9, strike "$15,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997" and insert "$24,500,000 for the fiscal year 1996 and $24,500,000 for the fiscal year 1997".

H.R. 1561

Offered By: Mr. Ackerman

Amendment No. 22: On page 11, strike line 1 and all that follows through page 82, line 9 and insert in lieu thereof the following:

"DIVISION A—STREAMLINING OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This division may be cited as the "Foreign Affairs Agencies Streamlining Act of 1995".

SEC. 102. CONGRESSIONAL FINDINGS.

The Congress makes the following findings:

(1) With the end of the Cold War, the international challenges facing the United States

have changed, but the fundamental national interests of the United States have not. The security, economic, and humanitarian interests of the United States require continued American engagement in international affairs. The leading role of the United States in world affairs will be as important in the twenty first century as it has been in the twentieth.

(2) The United States budget deficit requires that the foreign as well as the domestic programs and activities of the United States be carefully reviewed for potential savings. Wherever possible, foreign programs and activities must be streamlined, managed more efficiently, and adapted to the requirements of the post-Cold War era.

(3) As part of an overall review to foster efficiencies in the executive branch, the President has had under review the organization and functions of those departments and agencies responsible for administering the international affairs (150) budget function.

(4) The President deserves commendation for the results of such review to date, including significant numbers of foreign posts closed and personnel reductions made by some foreign affairs agencies.

(5) In order to achieve further budgetary savings and eliminate overlapping responsibilities and duplication of efforts in the foreign programs and activities of the United States without jeopardizing United States interests, continued careful review and strong effective leadership will be required.

(6) A streamlined foreign affairs structure under the leadership of the President can more effectively promote the international interests of the United States in the next century.

TITLE II—ONGOING REVIEW OF INTERNATIONAL AFFAIRS MANAGEMENT

SEC. 201. REVIEW OF INTERNATIONAL AFFAIRS AGENCIES.

(a) Review.—The President shall review, as part of an overall effort to foster efficiencies in the executive branch, the programs described in the Foreign Assistance Act of 1961 and the Arms Export Control Act, as well as other initiatives within the administration of international affairs programs, to determine how best to achieve the cost savings and streamlining.

(b) Considerations.—The review conducted pursuant to subsection (a) shall include a review of—

(1) any additional costs or cost savings that would result from reorganizing the agencies administering programs under the international affairs (150) budget function;

(2) the management implications of any agency reorganization;

(3) the optimal organizational structure for the foreign affairs agencies;

(4) the implications for United States foreign policy and United States foreign assistance programs of any agency reorganization;

(5) the justification for staffing levels of non-foreign affairs agencies overseas, including the Departments of Commerce, Defense, Justice, Treasury, and any intelligence agencies;

(6) the extent to which the activities of such non-foreign affairs agencies contribute to United States foreign policy and national security interests;

(7) the implications for the United States foreign operations of recent developments in communications technology;

(8) the feasibility of centralizing worldwide financial services of all foreign affairs agencies in the United States, including the feasibility of moving all such services to a location outside of the Washington, D.C. metropolitan area;

(9) the feasibility and cost-effectiveness of contracting with private companies or other United States Government agencies for certain services, including payroll, vendor payments, and Foreign Service pension payments systems, medical examination programs, and certain training programs; and

(10) efforts to consolidate management of all U.S. international exchange programs to eliminate duplication and overlap.

(c) Report.—Not later than six months after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report on the results of the comprehensive review required by subsection (a).

SEC. 202. REORGANIZATION AUTHORITY

(a) Authority.—The President is authorized to submit to the Congress a reorganization plan, if he determines such reorganization is necessary, to enhance the coordination, effectiveness, and efficiency of programs within the international affairs (150) budget function.

(b) Exception.—Any plan submitted pursuant to the authority of subsection (a) may be submitted pursuant to chapter 9 of title 5 (relating to executive reorganization) of the United States Code, notwithstanding section 905(b) of that chapter.

H.R. 1561

Offered By: Mr. Ackerman

Amendment No. 23: On page 67, after line 9, insert the following new section:

SEC. 501. CONSOLIDATION REPORT.

(a) Report.—No agency of the United States Government may be abolished or its functions transferred or consolidated with another such agency pursuant to this division or any other provision of this Act relating to reorganization unless the Director of the Congressional Budget Office and the Director of the Office of Management and Budget independently calculate and submit to the Congress a joint report analyzing the costs and benefits of any such action.

(b) Contents of Report.—The cost/benefit analysis required by subsection (a) shall include, but not be limited to—

(1) An assessment of direct and indirect costs for the first five years associated with the implementation of the provisions of this division or any other provision of this Act relating to reorganization; and

(2) The effects of consolidation on personnel, management systems, real property, decisionmaking processes, administrative costs, and costs associated with terminating, amending, renegotiating, or negotiating existing and new contracts.

(c) Further Congressional Action Required.—Notwithstanding any other provision of this act, if the Director of the Congressional Budget Office and the Director of the Office of Management and Budget either jointly or independently determine and report that the costs associated with the consolidation required by this division or any other provision of this act relating to reorganization exceed the fiscal year 1995 operating costs of the affected agencies, such provisions shall not become effective unless—

(1) the President determines that such consolidation is in the national interest of the United States; or

(2) a joint resolution is enacted specifying that such provisions shall become effective upon enactment of such resolution.

Redesignate sections 501 through 511 as sections 502 through 512.

H.R. 1561

Offered By: Mr. Andrews

Amendment No. 24, At the end of title XXXIII (relating to regional provisions), add the following new section:

SEC. 3314. RESTRICTIONS ON ASSISTANCE FOR TURKEY.

(a) Restrictions.—Of the funds made available for fiscal year 1996 for assistance to the Government of Turkey under the Foreign Assistance Act of 1961 and the Arms Export Control Act, the President shall withhold, first from grant assistance, if any, and then from loan assistance, $500,000 for each day that Turkey does not meet the conditions of subsection (c).

(b) Waiver.—The President may waive the application of subsection (a) if the President determines that it is in the national security interest of the United States to do so.

(c) Conditions.—The conditions of this subsection are met when the President certifies to Congress that the Government of Turkey—

(1) allows free and unfettered monitoring of the human rights situation within its territory by domestic and international human rights monitoring organizations, including but not limited to, the Turkish Human Rights Association, the Conference on Security and Cooperation in Europe, Amnesty International, and Human Rights Watch;

(2) recognizes the civil, cultural, and human rights of its Kurdish citizens, ceases its military operations against Kurdish civilians, and takes demonstrable steps toward a peaceful resolution of the Kurdish issue;

(3) takes demonstrable steps toward the total withdrawal of its military forces from Cyprus and demonstrates its support for a settlement recognizing the sovereignty, independence, and territorial integrity of Cyprus, with a constitutional democracy based on majority rule, the rule of law, and the protection of minority rights;

(4) completely removes its blockade of United States and international assistance to Armenia; and

(5) removes official restrictions on Christian churches and schools and offers sufficient protection against acts of violence and harassment directed at members of the clergy, and offers sufficient protection against acts of vandalism directed at church and school property.

H.R. 1561

Offered By: Mr. Bereuter

Amendment No. 25, In section 3242 (relating to authorization of appropriations for title III for Public Law 480), strike "No funds are authorized to be appropriated for either" and insert the following: "(a) In General.—There are authorized to be appropriated $25,000,000 for each".

At the end of section 3242, add the following new subsection:

(b) Authority To Transfer Amounts.—Notwithstanding any other provision of law, amounts authorized to be appropriated by subsection (a) may be used to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 *et seq.*).

In section 2106 (relating to authorizations of appropriations for United States informational, educational, and cultural programs)—

(1) in paragraph (1) (relating to salaries and expenses) strike "$450,645,000 for the fiscal year 1996 and $428,080,000 for the fiscal year 1997" and insert "$445,645,000 for the fiscal year 1996 and $423,080,000 for the fiscal year 1997".

(2) in paragraph (3)(F) (relating to educational and cultural exchange programs) strike "$87,265,800 for the fiscal year 1996 and $87,341,400 for the fiscal year 1997" and insert "$67,265,800 for the fiscal year 1996 and $67,341,400 for the fiscal year 1997".

H.R. 1561

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 26: At the end of the bill, add the following:

DIVISION D—ADDITIONAL PROVISIONS

TITLE XLI—PUBLIC LAW 480

SEC. 4001. AUTHORIZATION OF APPROPRIATIONS FOR TITLE III.

(a) IN GENERAL.—Notwithstanding section 3242 of this Act, there are authorized to be appropriated $25,000,000 for each of the fiscal years 1996 and 1997 for the provision of agricultural commodities under title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727 et seq.).

(b) AUTHORITY TO TRANSFER AMOUNTS.—Notwithstanding any other provision of law, amounts authorized to be appropriated by subsection (a) may be used to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

SEC. 4002. REDUCTION IN AUTHORIZATIONS FOR CERTAIN UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

Notwithstanding paragraphs (1) and (3)(F) of section 2106 of this Act, the following amounts are authorized to be appropriated to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the North/South Center Act of 1991, the National Endowment for Democracy Act, and to carry out other countries in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $445,645,000 for the fiscal year 1996 and $423,080,000 for the fiscal year 1997.

(3) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—For "Hubert H. Humphrey Fellowship Program", "Edmund S. Muskie Fellowship Program", "International Visitors Program", and "Mike Mansfield Fellowship Program", "Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation", "Citizen Exchange Programs", "Congress-Bundestag Exchange Program", "Newly Independent States and Eastern Europe Training", "Institute for Representative Government", and "Arts America", $67,265,800 for the fiscal year 1996 and $67,341,400 for the fiscal year 1997.

H.R. 1561

OFFERED BY: MR. BERMAN

AMENDMENT NO. 27: On page 11, strike line 1 and all that follows through page 82, line 9 and insert in lieu thereof the following:

"DIVISION A—STREAMLINING OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This division may be cited as the "Foreign Affairs Agencies Streamlining Act of 1995".

SEC. 102. CONGRESSIONAL FINDINGS.

The Congress makes the following findings:

(1) With the end of the Cold War, the international challenges facing the United States have changed, but the fundamental national interests of the United States have not. The security, economic, and humanitarian interests of the United States require continued American engagement in international affairs. The leading role of the United States in world affairs will be as important in the twenty first century as it has been in the twentieth.

(2) The United States budget deficit requires that the foreign as well as the domestic programs and activities of the United States be carefully reviewed for potential savings. Wherever possible, foreign programs and activities must be streamlined, managed more efficiently, and adapted to the requirements of the post-Cold War era.

(3) As part of an overall review to foster efficiencies in the executive branch, the President has had under review the organization and functions of those departments and agencies responsible for administering the international affairs (150) budget function.

(4) The President deserves commendation for the results of such review to date, including significant numbers of foreign posts closed and personnel reductions made by some foreign affairs agencies.

(5) In order to achieve further budgetary savings and eliminate overlapping responsibilities and duplication of efforts in the foreign programs and activities of the United States without jeopardizing United States interests, continued careful review and strong effective leadership will be required.

(6) A streamlined foreign affairs structure under the leadership of the President can more effectively promote the international interests of the United States in the next century.

TITLE II—ONGOING REVIEW OF INTERNATIONAL AFFAIRS MANAGEMENT

SEC. 201. REVIEW OF INTERNATIONAL AFFAIRS AGENCIES.

(a) REVIEW.—The President shall review, as part of an overall effort to foster efficiencies in the executive branch, the programs described in the Foreign assistance Act of 1961 and the Arms Export Control Act, as well as other initiatives within the administration of international affairs programs, to determine how best to achieve the cost savings and streamlining.

(b) CONSIDERATIONS.—The review conducted pursuant to subsection (a) shall include a review of—

(1) any additional costs or cost savings that would result from reorganizing the agencies administering programs under the international affairs (150) budget function;

(2) the management implications of any agency reorganization;

(3) the optimal organizational structure for the foreign affairs agencies;

(4) the implications for United States foreign policy and United States foreign assistance programs of any agency reorganization;

(5) the justification for staffing levels of non-foreign affairs agencies overseas, including the Departments of Commerce, Defense, Justice, Treasury, and any intelligence agencies;

(6) the extent to which the activities of such non-foreign affairs agencies contribute to the United States foreign policy and national security interests;

(7) the implications for the United States foreign operations of recent developments in communications technology;

(8) the feasibility of centralizing worldwide financial services of all foreign affairs agencies in the United States, including the feasibility of moving all such services to a location outside of the Washington, D.C. metropolitan area;

(9) the feasibility and cost-effectiveness of contracting with private companies or other United States Government agencies for certain services, including payroll, vendor payments, and Foreign Service pension payments systems, medical examination programs, and certain training programs; and

(10) efforts to consolidate management of all U.S. international exchange programs to eliminate duplication and overlap.

(c) REPORT.—Not later than six months after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report on the results of the comprehensive review required by subsection (a).

SEC. 202. REORGANIZATION AUTHORITY.

(a) AUTHORITY.—The President is authorized to submit to the Congress a reorganization plan, if he determines such reorganization is necessary, to enhance the coordination, effectiveness, and efficiency of programs within the international affairs (150) budget function.

(b) EXCEPTION.—Any plan submitted pursuant to the authority of subsection (a) may be submitted pursuant to chapter 9 of title 5 (relating to executive reorganization) of the United States Code, notwithstanding section 905(b) of that chapter.

H.R. 1561

OFFERED BY: MR. BERMAN

AMENDMENT NO. 28: In section 2104(a)(1)(A) strike "$560,000,000" and insert in lieu thereof "$590,000,000".

Strike Section 2104(a)(4) and insert the following:

"(4) RESETTLEMENT OF VIETNAMESE, LAOTIANS AND CAMBODIANS.—Of the funds authorized to be appropriated in (a)(1)(A) up to $30,000,000 may be made available for fiscal year 1996 for assistance and admission of persons who—

(A) are or were nationals and residents of Vietnam, Laos, or Cambodia;

(B) are within a category of aliens referred to in section 599D(b)(2)(C) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167); and

(C) are or were at any time after January 1, 1989, residents of refugee camps in Hong Kong, Thailand, Indonesia, Malaysia, or the Philippines."

Strike Section 2104(b) and insert the following:

"(b) GENERAL LIMITATIONS.—None of the funds authorized to be appropriated by subsection (a) are authorized to be available for any program or activity that provides for, or promotes or funds the involuntary repatriation of any person to Vietnam, Laos or Cambodia, unless the President has certified that all persons described in subsection (a)(4) who were residents of refugee camps as of July 1, 1995, have been considered for resettlement to third countries, including to the United States."

H.R. 1561

OFFERED BY: MR. BERMAN

AMENDMENT NO. 29: At the end of chapter 6 of title XXXI (relating to other provisions of defense and security assistance), add the following new section:

SEC. 3194. REQUIREMENTS RELATING TO RECOUPMENT OF NONRECURRING COSTS FOR CERTAIN SALES OF MAJOR DEFENSE EQUIPMENT.

(a) RECOUPMENT OF COSTS IN COMMERCIAL EXPORT SALES.—

(1) IN GENERAL.—Section 38 of the Arms Export Control Act (22 U.S.C. 2778) is amended by adding at the end the following new subsection:

"(i)(1) Any sale involving the export of major defense equipment pursuant to a license or other approval granted under this section shall include an appropriate charge for a proportionate amount of the nonrecurring costs incurred by the United States in the research, development, and production of such equipment. Such charge shall be comparable to the charge imposed pursuant to section 21(e)(1)(B) of this Act relating to government-to-government sales of major defense equipment.

"(2) The charge provided for in paragraph (1) shall not apply with respect to major defense equipment that is at least 90 percent paid for from funds transferred under section 503(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2311(a)(3)) or from funds made available on a grant or other nonrepayable basis under section 23 of this Act.".

(2) EFFECTIVE DATE.—Section 38(i) of the Arms Export Control Act, as added by paragraph (1), applies with respect to major defense equipment sold pursuant to a contract entered into on or after the date of the enactment of this Act.

(b) ELIMINATION OF AUTHORITY TO REDUCE OR WAIVE CHARGES FOR COSTS IN FOREIGN MILITARY SALES FOR NATO MEMBER COUNTRIES AND CERTAIN OTHER COUNTRIES.—Section 21(e) of such Act (22 U.S.C. 2761(e)) is amended by striking paragraph (2) of such section.

H.R. 1561

OFFERED BY: MR. CONDIT

AMENDMENT NO. 30: After chapter 2 of title XXXIV (relating to special authorities and other provisions), insert the following new chapter (and redesignate the subsequent chapter accordingly):

CHAPTER 3—FOREIGN AID REPORTING REFORM ACT OF 1995

SEC. 3421. SHORT TITLE.

This chapter may be cited as the "Foreign Aid Reporting Reform Act of 1995".

SEC. 3422. ANNUAL FOREIGN ASSISTANCE JUSTIFICATION REPORT.

(a) IN GENERAL.—In conjunction with the submission of the annual requests for enactment of authorizations and appropriations for foreign assistance programs for each fiscal year, the President shall submit to the Congress a single report containing—

(1) an integrated justification for all foreign assistance programs proposed by the President for the coming fiscal year; and

(2) an assessment of when the objectives of those programs will be achieved so that the assistance can be terminated.

(b) SPECIFIC INFORMATION TO BE PROVIDED.—Each such report shall include the following:

(1) INFORMATION REGARDING A FOREIGN ASSISTANCE PROGRAM GENERALLY.—For each foreign assistance program taken as a whole—

(A) the total amount of assistance proposed to be provided under that program;

(B) the justification for that amount;

(C) the objectives that assistance under that program is intended to achieve;

(D) an explanation of the relationship of assistance under that program to assistance under other foreign assistance programs; and

(E) the President's estimation of the date by which the objectives of that program will be achieved and the program terminated.

(2) INFORMATION REGARDING SPECIFIC ASSISTANCE RECIPIENTS.—For each country or organization which is a proposed recipient of assistance under any foreign assistance program—

(A) the amount of each type of assistance proposed;

(B) the justification for providing each such type of assistance;

(C) the objectives that each such type of assistance is intended to achieve;

(D) an explanation of the relationship of each type of assistance proposed to other types of assistance proposed for that recipient; and

(E) the President's estimation of the date by which the objectives of assistance for such recipient under each foreign assistance program will be achieved and assistance under that program to that recipient terminated.

The information required by subparagraphs (A) through (E) shall be provided on a recipient-by-recipient basis.

(3) INFORMATION REGARDING CENTRALLY-FUNDED PROGRAMS.—For each centrally-funded program under a foreign assistance program—

(A) the amount proposed for such program;

(B) the justification for such program;

(C) the objectives each such program is intended to achieve;

(D) an explanation of the relationship of such program to other types of assistance proposed under that foreign assistance program and under other foreign assistance programs; and

(E) the President's estimation of the date by which the objectives of such program will be achieved and such program terminated.

SEC. 3423. REQUIREMENT FOR CONGRESSIONAL EXPLANATION OF PROPOSED CHANGES TO THE PRESIDENT'S FOREIGN ASSISTANCE BUDGET.

Any committee of the Congress reporting legislation authorizing the enactment of new budget authority for, or providing new budget authority for, foreign assistance programs shall include in the report accompanying that legislation an explanation for any change proposed by that committee—

(1) in the total amount of new budget authority authorized or provided (as the case may be) for any foreign assistance program as compared to the amount proposed by the President; or

(2) in the amount of assistance for any specific recipient of assistance, or for any centrally-funded program, under any foreign assistance program as compared to the amount proposed by the President.

SEC. 3424. DEFINITION OF FOREIGN ASSISTANCE PROGRAMS.

As used in this chapter, the term "foreign assistance program" includes—

(1) any program of assistance authorized by the Foreign Assistance Act of 1961 (such as the development assistance program, the economic support fund program, and the international military education and training program) or authorized by the African Development Foundation Act, section 401 of the Foreign Assistance Act of 1969 (relating to the Inter-American Development Foundation), or any other foreign assistance legislation;

(2) any program of grant, credit, or guaranty assistance under the Arms Export Control Act;

(3) assistance under the Migration and Refugee Assistance Act of 1962;

(4) assistance under any title of the Agricultural Trade Development and Assistance Act of 1954;

(5) contributions to the International Monetary Fund;

(6) contributions to the International Bank for Reconstruction and Development, the International Development Association, or any other institution within the World Bank group; and

(7) contributions to any regional multilateral development bank.

H.R. 1561

OFFERED BY: MR. FILNER

AMENDMENT NO. 31: Page 100, line 10, strike "$12,472,000" and insert "$21,825,000".

H.R. 1561

OFFERED BY: MR. GEJDENSON

AMENDMENT NO. 32: Page 196, after line 13, insert the following section:

SEC. 2712. POLICY TOWARD IRAN.

(a) IRAN'S ACTS OF INTERNATIONAL TERRORISM.—The Congress makes the following fundings with respect to Iran's acts of international terrorism:

(1) As cited by the Department of State, the Government of Iran was the greatest supporter of state terrorism in 1992, supporting over 20 terrorist acts, including the bombing of the Israeli Embassy in Buenos Aires that killed 29 people.

(2) As cited by the Department of State, the Government of Iran is a sponsor of radical religious groups that have used terrorism as a tool. These include such groups as Hezballah, HAMAS, the Turkish Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC).

(3) As cited by the Department of State, the Government of Iran has resorted to international terrorism as a means of obtaining political gain. These actions have included not only the assassination of former Prime Minister Bakhitiar, but the death sentence imposed on Salman Rushdie, and the assassination of the leader of the Kurdish Democratic Party of Iran.

(4) As cited by the Department of State and the Vice President's Task Force on Combating Terrorism, the Government of Iran has long been a proponent of terrorist actions against the United States, beginning with the takeover of the United States Embassy in Tehran in 1979. Iranian support of extremist groups has led to the following attacks upon the United States as well:

(A) The car bomb attack on the United States Embassy in Beirut killing 49 in 1983 by the Hezballah.

(B) The car bomb attack on the United States Marine Barracks in Beirut killing 241 in 1983 by the Hezballah.

(C) The assassination of American University President in 1984 by the Hezballah.

(D) The kidnapping of all American hostages in Lebanon from 1984–86 by the Hezballah.

(5) The Government of Iran provides several hundred million dollars annually in financial and logistical support to organizations that use terrorism and violence as a tool to undermine the Middle East peace process.

(6) The Government of Iran provides financial, political, and logistical support and safe haven to groups that seek the violent overthrow of secular governments in the Middle East and North Africa.

(b) IRAN'S PROGRAM TO ACQUIRE WEAPONS OF MASS DESTRUCTION AND THE MEANS BY WHICH TO DELIVER THEM.—The Congress makes the following findings with respect to Iran's program to acquire weapons of mass destruction and the means by which to deliver them—

(1) the Government of Iran has intensified its efforts to develop weapons of mass destruction and the means by which to deliver them;

(2) given Iran's petroleum reserves, the desire of the Government of Iran to obtain gas centrifuge equipment and light water nuclear power reactors clearly demonstrates what had already been apparent, that Iran

seeks to develop its nuclear weapons capability; and

(3) Iran has been relentless in its attempt to acquire the missiles needed to deliver nuclear and chemical weapons.

(c) IRAN'S VIOLATIONS OF HUMAN RIGHTS.—The Congress makes the following findings with respect to Iran's violations of human rights:

(1) As cited by the 1991 United Nations Special Representative on Human Rights, Amnesty International, and the United States Department of State, the Government of Iran has conducted assassinations outside of Iran, such as that of former Prime Minister Shahpour Bakhitiar for which the Government of France issued arrest warrants for several Iranian governmental officials.

(2) As cited by the 1991 United Nations Special Representative on Human Rights and by Amnesty International, the Government of Iran has conducted revolutionary trials which do not meet internationally recognized standards of fairness or justice. These trials have included such violations as a lack of procedural safeguards, trial times of 5 minutes or less, limited access to defense counsel, forced confessions, and summary executions.

(3) As cited by the 1991 United Nations Special Representative on Human Rights, the Government of Iran systematically represses its Baha'i population. Persecutions of this small religious community include assassinations, arbitrary arrests, electoral prohibitions, and denial of applications for documents such as passports.

(4) As cited by the 1991 United Nations Special Representative on Human Rights, the Government of Iran suppresses opposition to its government. Political organizations such as the Freedom Movement are banned from parliamentary elections, have their telephones tapped and their mail opened, and are systematically harassed and intimidated.

(5) As cited by the 1991 United Nations Special Representative on Human Rights and Amnesty International, the Government of Iran has failed to recognize the importance of international human rights. This includes suppression of Iranian human rights movements such as the Freedom Movement, lack of cooperation with international human rights organizations such as the International Red Cross, and an overall apathy toward human rights in general. This lack of concern prompted the Special Representative to state in his report that Iran had made "no appreciable progress towards improved compliance with human rights in accordance with the current international instruments".

(6) As cited by Amnesty International, the Government of Iran continues to torture its political prisoners. Torture methods include burns, arbitrary blows, severe beatings, and positions inducing pain.

(d) UNITED STATES POLICY AND RESPONSE.—The Congress makes the following findings with respect to United States policy and response to Iran:

(1) The actions by the Government of Iran identified in subsections (a), (b), and (c) threaten the national security and offend the democratic values of the United States and many other nations in the Middle East and elsewhere.

(2) In response to this record of violent, destabilizing, and antidemocratic conduct, it has been the policy of the United States to seek to isolate the Government of Iran diplomatically and economically, thereby making the continuation of such conduct increasingly costly.

(3) The policies the United States has pursued in an effort to pressure the Government of Iran diplomatically and economically have included refusing to conduct normal diplomatic relations with Iran; barring the importation of Iranian oil and other products into the United States; prohibiting the export or reexport to Iran of weapons or of goods or technology with potential military uses; voting against all loans to Iran by international financial institutions; and, most recently, imposing a total economic embargo on Iran.

(4) To further increase the cost to the Government of Iran of its objectionable conduct the United States has urged other countries with economic ties to Iran to take equivalent steps to isolate Iran economically and diplomatically.

(e) CONGRESSIONAL DECLARATIONS.—The Congress makes the following declarations:

(1) The imposition of an economic embargo on Iran by President Clinton was an important and necessary measure to increase economic and political pressure on Iran.

(2) The President should, as a matter of the highest priority, intensify efforts to persuade Iran's leading trade partners and creditors to join with the United States in ceasing all trade with Iran and ending any rescheduling or other relaxation of debts owed to them.

(3) The President should take whatever steps are appropriate to dissuade those who are aiding Iran's efforts to develop nuclear weapons and the means by which to deliver them from continuing such assistance.

(4) The United States should convene a special summit of the world's leading heads of state to address the issue of international terrorism and the means for improving the efforts to combat international terrorism.

(5) The Secretary of State should promptly take steps to strengthen each of the existing multilateral nonproliferation regimes to make them more effective in counteracting rogue regimes such as Iran.

(6) The President should make the development of a multilateral economic embargo on Iran a top priority on the agenda at the meeting of the G-7 industrial partners scheduled for June 1995 in Halifax, Nova Scotia.

H.R. 1561

OFFERED BY: MR. GILMAN

AMENDMENT NO. 33: In Title XXXI, Chapter 6, add the following new section:

"SEC. RETURN AND EXCHANGES OF DEFENSE ARTICLES PREVIOUSLY TRANSFERRED PURSUANT TO THE ARMS EXPORT CONTROL ACT.—

(a) For the purpose of improving procedures among the United States Armed Forces for the repair of defense articles under the Foreign Military Sales program, section 21 of the Arms Export Control Act is amended as follows:

(j)(1) AUTHORITY—The President may acquire a repairable defense article from a foreign country or international organization, if such defense article:

(A) previously was transferred to such country or organization under this Act;

(B) is not an end item; and

(C) will be exchanged for a defense article of the same type that is in the stocks of the Department of Defense

(2) LIMITATION—The President may exercise the authority provided in subsection (a) only to the extent that the Department of Defense:

(A)(i) has a requirement for the defense article being returned, and (ii) has available sufficient funds authorized and appropriated for such purpose, or

(B)(i) is accepting the return of the defense article for subsequent transfer to another foreign government or international organization pursuant to a Letter of Offer and Acceptance implemented in accordance with this Act, and (ii) has available sufficient funds provided by or on behalf of such other foreign government or international organization pursuant to a Letter of Offer and Acceptance implemented in accordance with this Act.

(3) REQUIREMENT—(A) The foreign government or international organization receiving a new or repaired defense article in exchange for a repairable defense article pursuant to subsection (a) shall, open the acceptance by the United States Government of the repairable defense article being returned, be charged the total cost associated with the repair and replacement transaction.

(B) The total cost charged pursuant to paragraph (1) of this subsection shall be the same as that charged the United States Armed Forces for a similar repair and replacement transaction, plus an administrative surcharge in accordance with subsection (e)(1)(A) of this section.

(4) RELATIONSHIP TO CERTAIN OTHER PROVISIONS OF LAW—The authority of the President to accept the return of a repairable defense article as provided in subsection (a) is not subject to chapter 137 of title 10, United States Code, or any other provision relating to the conclusion of contracts.

(b) For the purpose of establishing a more efficient process for the United States Armed Forces to acquire defense articles previously sold by the United States Government to a foreign government or international organization under the Arms Export Control Act, section 21 of that Act is amended as follows:

(k)(1) AUTHORITY—The President may accept the return of a defense article from a foreign country or international organization, if such defense article:

(A) previously was transferred to such country or organization under this Act; and

(B) is not significant military equipment (as defined in section 47(9) of this Act; and

(C) is in fully functioning condition without need of repair or rehabilitation.

(2) LIMITATION—The President may exercise the authority provided in subsection (a) only to the extent that the Department of Defense:

(A)(i) has a requirement for the defense article being returned, and (ii) has available sufficient funds authorized and appropriated for such purpose, or

(B)(i) is accepting the return of the defense article for subsequent transfer to another foreign government or international organization pursuant to a Letter of Offer and Acceptance implemented in accordance with this Act; and (ii) has available sufficient funds provided by or on behalf of such other foreign government or international organization pursuant to a Letter of Offer and Acceptance implemented in accordance with this Act.

(3) CONDITION—Upon acquisition and acceptance by the United States Government of a defense article under subsection (a), the appropriate Foreign Military Sales account of the provider will be credited to reflect the transaction.

(4) RELATIONSHIP TO CERTAIN OTHER PROVISIONS OF LAW—The authority of the President to accept the return of a defense article as provided in subsection (a) is not subject to chapter 137 of title 10, United States Code, or any other provision relating to the conclusion of contracts.

(c) REGULATIONS—Under the direction of the President, the Secretary of Defense shall promulgate regulations to implement the provisions of this section."

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 34. At the appropriate place in the bill, insert the following new section:

"SEC. . REPEAL OF TERMINATION OF PROVISIONS OF THE NUCLEAR PROLIFERATION PREVENTION ACT OF 1994.

Part D of the Nuclear Nonproliferation Act of 1994 (title VIII of the Foreign Relations Administration Act, Fiscal Years 1994 and 1995; Public Law 103-236; 108 Stat. 507) is repealed.

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 35. On page 203, line 2, section 3108(b) (relating to audit of certain private firms) is amended by striking the words "for such fiscal year".

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 36. At the end of chapter 1 of title XXI (relating to Department of State authorities and activities) insert the following new section:

SEC. 2211. REDESIGNATION OF NATIONAL FOREIGN AFFAIRS TRAINING CENTER.

The National Foreign Affairs Training Center is hereby redesignated as the "National Center for Graduate Instruction in Language, Management, and Advanced Negotiation.

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 37. In title XXV (relating to international organizations and commissions) insert the following new section at the end of chapter 1:

SEC. 2502. REPEAL OF AUTHORITY FOR PARTICIPATION BY THE UNITED STATES IN THE INTERPARLIAMENTARY UNION.

The Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276–276a–4) is repealed.

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 38. Strike section 3412 of the bill (relating to prohibition on assistance to foreign governments engaged in espionage against the United States).

H.R. 1561

Offered by: Mr. Gilman

Amendment No. 39. At the end of chapter 2 of title XXV (relating to the United Nations and affiliated agencies and organizations), add the following new section:

SEC. 2525. LIMITATION ON PLACEMENT OF UNITED STATES ARMED FORCES UNDER FOREIGN CONTROL FOR A UNITED NATIONS PEACEKEEPING ACTIVITY.

(a) In General.—Section 6 of the United Nations Participation Act of 1945 (22 U.S.C. 287d) is amended to read as follows:

"Sec. 6. (a) Agreements With Security Council.—(1) Any special agreement described in paragraph (2) that is concluded by the President with the Security Council shall not be effective unless approved by the Congress by law.

"(2) An agreement referred to in paragraph (1) is an agreement providing for the numbers and types of United States Armed Forces, their degree of readiness and general locations, or the nature of facilities and assistance, including rights of passage, to be made available to the Security Council for the purpose of maintaining international peace and security in accordance with Article 43 of the Charter of the United Nations.

"(b) Limitation.—Except as provided in subsections (c) and (d), the President may not place any element of the Armed Forces under United Nations command or control, as defined in subsection (g).

"(c) Exception for Presidential Certification.—(1) Subsection (b) shall not apply in the case of a proposed placement of an element of the Armed Forces under United Nations command or control if the President, not less than 15 days before the date on which such United Nations command or control is to become effective (or as provided in paragraph (2)), meets the requirements of subsection (e).

"(2) If the President certifies to Congress that an emergency exists that precludes the President from meeting the requirements of subsection (e) 15 days before placing an element of the Armed Forces under United Nations command or control, the President may place such forces under such command or control and meet the requirements of subsection (e) in a timely manner, but in no event later than 48 hours after such command or control becomes effective.

"(d) Additional Exceptions.—

"(1) Exception for Authorization by Law.—Subsection (b) shall not apply in the case of a proposed placement of any element of the Armed Forces under United Nations command or control if the Congress specifically authorizes by law that particular placement of United States forces under United Nations command or control.

"(2) Exception for NATO Operations.—Subsection (b) shall not apply in the case of a proposed placement of any element of the Armed Forces in an operation conducted by the North Atlantic Treaty Organization.

"(e) Presidential Certifications.—The requirements referred to in subsection (c)(1) are that the President submit to Congress the following:

"(1) Certification by the President that—

"(A) such a United Nations command or control arrangement is necessary to protect national security interests of the United States;

"(B) the commander of any unit of the Armed Forces proposed for placement under United Nations command or control will at all times retain the right—

"(i) to report independently to superior United States military authorities; and

"(ii) to decline to comply with orders judged by the commander to be illegal, militarily imprudent, or beyond the mandate of the mission to which the United States agreed with the United Nations, until such time as that commander receives direction from superior United States military authorities with respect to the orders that the commander has declined to comply with;

"(C) any element of the Armed Forces proposed for placement under United Nations command or control will at all times remain under United States administrative command for such purposes as discipline and evaluation; and

"(D) the United States will retain the authority to withdraw any element of the Armed Forces from the proposed operation at any time and to take any action it considers necessary to protect those forces if they are engaged.

"(2) A report setting forth the following:

"(A) A description of the national security interests that require the placement of United States forces under United Nations command or control.

"(B) The mission of the United States forces involved.

"(C) The expected size and composition of the United States forces involved.

"(D) The incremental cost to the United States of participation in the United Nations operation by the United States forces which are proposed to be placed under United Nations command or control.

"(E) The premise command and control relationship between the United States forces involved and the United Nations command structure.

"(F) The precise command and control relationship between the United States forces involved and the commander of the United States unified command for the region in which those United States forces are to operate.

"(G) The extent to which the United States forces involved will rely on non-United States forces for security and self-defense and an assessment on the ability of those non-United States forces to provide adequate security to the United States forces involved.

"(H) The timetable for complete withdrawal of the United States forces involved.

"(f) Classification of Report.—A report under subsection (e) shall be submitted in unclassified form and, if necessary, in classified form.

"(g) United Nations Command or Control.—For purposes of this section, an element of the Armed Forces shall be considered to be placed under United Nations command or control if—

"(1) that element is under the command or operational control of an individual acting on behalf of the United Nations for the purpose of international peacekeeping, peacemaking, peace-enforcing, or similar activity that is authorized by the Security Council under chapter VI or VII of the Charter of the United Nations; and

"(2) the senior military commander of the United Nations force or operation—

"(A) is a foreign national or is a citizen of the United States who is not a United States military officer serving on active duty; or

"(B) is a United States military officer serving on active duty but—

"(i) that element of the Armed Forces is under the command or operational control of a subordinate commander who is a foreign national or a citizen of the United States who is not a United States military officer serving on active duty; and

"(ii) that senior military commander does not have the authority—

"(I) to dismiss any subordinate officer in the chain of command who is exercising command or operational control over United States forces and who is a foreign national or a citizen of the United States who is not a United States military officer serving on active duty;

"(II) to establish rules of engagement for United States forces involved; and

"(III) to establish criteria governing the operational employment of United States forces involved.

"(h) Interpretation.—Except as authorized in section 7 of this act, nothing contained in this Act shall be construed as an authorization to the President by the Congress to make available to the Secretary Council United States Armed Forces, facilities, or assistance.".

"(b) Report Relating to Constitutionality.—No certification may be submitted by the President under section 6(e)(1) of the United Nations Participation Act of 1945, as amended by subsection (a), until the President has submitted to the Congress (after the date of the enactment of this Act) a memorandum of legal points and authorities explaining why the placement of elements of

United States Armed Forces under the command or operational control of a foreign national acting on behalf of the United Nations does not violate the Constitution.

"(e) Exception for Ongoing Operation in Macedonia and Croatia.—Section 6 of the United Nations Participation Act of 1945, as amended by subsection (a), does not apply in the case of activities of the Armed Forces as part of the United Nations force designated as the United Nations Protection Force (UNPROFOR) that are carried out—

"(1) in Macedonia pursuant to United Nations Security Council Resolution 795, adopted December 11, 1992, and subsequent reauthorization Resolutions; or

"(2) in Croatia pursuant to United National Security Council Resolution 743, adopted February 21, 1992, and subsequent reauthorization Resolutions.

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 40: In section 3286 of the bill (in section 668 of the Foreign Assistance Act of 1961, as proposed to be added by such section 3286)—

(1) in subsection (a)(1) of such section 668, strike "3 years" and insert "2 years"; and

(2) in subsection (b)(1) of such section 668, strike "3 years" and insert "2 years".

H.R. 1561

Offered By: Mr. Hastings of Florida

Amendment No. 41: On page 264, line 14, strike "$629,214,000" and insert in lieu thereof "$802,000,000".

H.R. 1561

Offered By: Mr. Hastings of Florida

Amendment No. 42: At the end of the bill add the following new title:

TITLE XXXVI—ADDITIONAL PROVISIONS

SEC. 3601. ADDITIONAL AUTHORIZATION FOR THE DEVELOPMENT FUND FOR AFRICA.

Notwithstanding section 3221(a)(2) of this Act, $802,000,000 is authorized to be appropriated for each of the fiscal years 1996 and 1997 to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.).

H.R. 1561

Offered By: Mr. Hoke

Amendment No. 43: At the end of chapter 2 of title XXXIV of division C (relating to special authorities and other provisions), add the following new section:

SEC. 3420. PROHIBITION ON FOREIGN ASSISTANCE TO FOREIGN GOVERNMENTS NOT IMPLEMENTING EXTRADITION TREATIES.

(a) Prohibition.—Except as provided in subsection (b), the President may not provide foreign assistance to the government of a country that is not effectively implementing a treaty entered into by such country with the United States relating to the extradition of individuals who have been charged with or who have committed felony offenses.

(b) Exception.—The President may provide foreign assistance to the government of a country that would otherwise be prohibited from receiving such assistance under subsection (a) if the President—

(1) determines that the provision of such assistance is in the national security interest of the United States; and

(2) notifies the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate of such determination.

(c) Definitions.—As used in this section:

(1) Felony offense.—The term "felony offense" means an offense punishable by death or imprisonment for a term exceeding one year.

(2) Foreign assistance.—The term "foreign assistance" means any funds made available to carry out any program, project, or activity funded under major functional budget category 150 (relating to international affairs), except such term does not include funds used to provide humanitarian assistance.

(d) Effective Date.—The prohibition contained in subsection (a) applies with respect to the provision of foreign assistance on or after the date of the enactment of this Act.

H.R. 1561

Offered By: Mr. Hoke

Amendment No. 44: Page 289, add the following after line 26 and redesignate the succeeding chapter accordingly:

CHAPTER 8—OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 3275. REDUCTION IN SUBSIDY COST OF OPIC PROGRAMS.

Section 235(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)) is amended by adding at the end the following:

"(C) The subsidy cost of the investment guaranties and direct loan programs under subsections (b) and (c) of section 234 may not exceed $45,000,000 for fiscal year 1996, and no subsidy cost of such programs may be incurred after September 30, 1996.".

SEC. 3276. FEASIBILITY STUDY ON PRIVATIZATION.

The Overseas Private Investment Corporation shall conduct and, not later than 180 days after the date of the enactment of this Act, report to the Congress on the feasibility of privatizing the noncredit activities of the Corporation.

SEC. 3277. PRIVATIZATION OF NONCREDIT ACTIVITIES.

The Overseas Private Investment Corporation shall take the necessary steps so that, by not later than 1 year after the report on the feasibility study is made under section 3276, all the evidences of ownership of the Corporation with respect to the noncredit activities of the Corporation, have been sold in the private market, whether through the sale of the Corporation's stock, contracts, leases, or other agreements or rights, or otherwise.

SEC. 3278. REPEAL.

Effective on the date that is 1 year after the report on the feasibility study is made under section 3276, title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is repealed, and any reference in any other law to the Overseas Private Investment Corporation shall cease to be effective.

SEC. 3279. ADMINISTRATION OF EXISTING CONTRACTS.

The Export-Import Bank of the United States shall, beginning October 1, 1996, exercise the functions of the Overseas Private Investment Corporation immediately before that date, only for purposes of administering guaranties and loans issued by the Overseas Private Investment Corporation before that date which are effective on such date, and for purposes of determining any claim pending on such date or brought after such date with respect to any guaranty or loan issued by the Corporation.

SEC. 3280. DEFINITION.

As used in this chapter, the term "noncredit activities" has the meaning given that term in section 238(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(e)).

H.R. 1561

Offered By: Mr. Hoyer

Amendment No. 45: In title XXVI (relating to foreign policy provisions) insert the following at the end of chapter 1:

SEC. 2604. BOSNIA AND HERZEGOVINA SELF-DEFENSE ACT.

(a) Short Title.—This section may be cited as the "Bosnia and Herzegovina Self-Defense Act".

(b) Findings.—The Congress makes the following findings:

(1) The Serbian aggression against Bosnia and Herzegovina continues into its third year, the violence has escalated and become widespread, and ethnic cleansing by Serbs has been renewed.

(2) It has been almost one year since the Bosnian Government unconditionally, and on time, accepted the "Contact Group" plan, which the Serb forces have rejected.

(3) The United Nations has failed to protect its declared safe havens from continuing and relentless Serbian aggression, and has failed to order North Atlantic Treaty Organization (NATO) air strikes against Serb forces in retaliation for their attacks on Sarajevo, despite calls from its own field commander to do so.

(4) The United Nations Security Council has not considered a resolution providing for the multilateral termination of the arms embargo against Bosnia and Herzegovina, which would be the preferred course of action to allow that country to defend itself.

(5) The United Nations Security Council has not taken measures necessary to maintain international peace and security in Bosnia and Herzegovina since the aggression against that country began in April 1992.

(6) For the reasons stated in section 520 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), the Congress has found that continued application of an international arms embargo to the Government of Bosnia and Herzegovina contravenes that Government's inherent right of individual or collective self-defense under Article 51 of the United Nations Charter, and therefore is inconsistent with international law.

(c) Statement of Purpose.—The Congress supports the efforts of the Government of the Republic of Bosnia and Herzegovina—

(1) to defend its people and the territory of the Republic;

(2) to preserve the sovereignty, independence, and territorial integrity of the Republic; and

(3) to bring about a peaceful, just, fair, viable, and sustainable settlement of the conflict in Bosnia and Herzegovina.

(d) Termination of Arms Embargo.—

(1) Termination.—The President shall terminate the United States arms embargo of the Government of Bosnia and Herzegovina upon receipt from that Government of a request for assistance in exercising its right of self-defense under Article 51 of the United States Charter.

(2) Definition.—As used in this section, the term "United States arms embargo of the Government of Bosnia and Herzegovina" means the application to the Government of Bosnia and Herzegovina of—

(A) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 F.R. 33322) under the heading "Suspension of Munitions Export Licensees to Yugoslavia"; and

(B) any similar policy applied by the United States Government as of the date of receipt of the request described in paragraph (1) pursuant to which approval is denied for transfers of defense articles and defense services to the former Yugoslavia.

(3) RULE OF CONSTRUCTION.—Nothing in this section shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

H.R. 1561

OFFERED BY: MR. HYDE

AMENDMENT NO. 46: Strike section 2707 (relating to recommendations of the President for reform of war powers resolution) and insert the following new section:

SEC. 2707. REPEAL OF WAR POWERS RESOLUTION.

(a) REPEAL.—

(1) IN GENERAL.—The War Powers Resolution (Public Law 93-148; 50 U.S.C. 1541 et seq.) is repealed.

(2) CONFORMING REPEAL.—Section 1013 of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (50 U.S.C. 1546a) is repealed.

(b) CONSULTATION WITH CONGRESS.—

(1) PRIOR CONSULTATION.—The President shall in every possible instance consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

(2) CONSULTATION AFTER INTRODUCTION OF ARMED FORCES.—The President shall, after every such introduction, consult regularly with Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

(c) REPORTING TO CONGRESS.—

(1) INITIAL REPORT.—The President shall, in the absence of a declaration of war, submit a report to Congress in any case in which United States Armed Forces are introduced—

(A) into hostilities or into a situation where imminent involvement in hostilities is clearly indicated by the circumstances;

(B) into the territory, airspace, or waters of a foreign nation, while equipped for combat, except for a deployment which relates solely to supply, replacement, repair, or training of such forces; or

(C) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation.

(2) TIME AND CONTENT OF REPORT.—A report under paragraph (1) shall be submitted within 48 hours of the introduction of United States Armed Forces described in that paragraph. Each such report shall be in writing and shall set forth—

(A) the circumstances necessitating the introduction of United States Armed Forces;

(B) the constitutional and legislative authority under which such introduction took place; and

(C) the estimated scope and duration of the hostilities or involvement.

(3) ADDITIONAL INFORMATION.—The President shall provide such other information as Congress may request in the fulfillment of its constitutional responsibilities with respect to committing the Nation to war and to the use of United States Armed Forces abroad.

(4) PERIODIC REPORTS.—Whenever United States Armed Forces are introduced into hostilities or into any situation described in paragraph (1), the President shall, so long as such Armed Forces continue to be engaged in such hostilities or situation, report to Congress periodically (and not less often than once every six months) on the status of such hostilities or situation as well as on the scope and duration of such hostilities or situation.

H.R. 1561

OFFERED BY: MR. HYDE

AMENDMENT NO. 47: Strike section 2707 (relating to recommendations of the President for reform of war powers resolution) and insert the following new section:

SEC. 2707. REPEAL OF WAR POWERS RESOLUTION.

(a) REPEAL.—

(1) IN GENERAL.—THE WAR POWERS RESOLUTION (PUBLIC LAW 93-148; 50 U.S.C. 1541 ET SEQ.) IS REPEALED.

(2) CONFORMING REPEAL.—Section 1013 of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (50 U.S.C. 1546a) is repealed.

(b) CONSULTATION WITH CONGRESS.—

(1) PRIOR CONSULTATION.—The President shall in every possible instance consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

(2) CONSULTATION AFTER INTRODUCTION OF ARMED FORCES.—The President shall, after every such introduction, consult regularly with Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

(c) REPORTING TO CONGRESS.—

(1) INITIAL REPORT.—

(A) IN GENERAL.—Subject to subparagraph (B), the President shall, in the absence of a declaration of war, submit a report to Congress in any case in which United States Armed Forces are introduced—

(i) into hostilities or into a situation where imminent involvement in hostilities is clearly indicated by the circumstances;

(ii) into the territory, airspace, or waters of a foreign nation, while equipped for combat, except for a deployment which relates solely to supply, replacement, repair, or training of such forces; or

(iii) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation.

(B) EXCEPTION.—The requirement that the President submit a report to Congress in accordance with subparagraph (A) shall not apply if the President determines that to submit such a report would jeopardize the operational success of United States Armed Forces in a situation described in clause (i), (ii), or (iii) of such subparagraph.

(2) TIME AND CONTENT OF REPORT.—A report under paragraph (1) shall be submitted within 48 hours of the introduction of United States Armed Forces described in that paragraph. Each such report shall be in writing and shall set forth—

(A) the circumstances necessitating the introduction of United States Armed Forces;

(B) the constitutional and legislative authority under which such introduction took place; and

(C) the estimated scope and duration of the hostilities or involvement.

(3) ADDITIONAL INFORMATION.—The President shall provide such other information as Congress may request in the fulfillment of its constitutional responsibilities with respect to committing the Nation to war and to the use of United States Armed Forces abroad.

(4) PERIODIC REPORTS.—Whenever United States Armed Forces are introduced into hostilities or into any situation described in paragraph (1), the President shall, consistent with the constitutional responsibilities of the President and so long as such Armed Forces continue to be engaged in such hostilities or situation, report to Congress periodically on the status of such hostilities or situation as well as on the scope and duration of such hostilities or situation.

H.R. 1561

OFFERED BY: MR. KANJORSKI

AMENDMENT NO. 48: In section 2106(10) of Title XXI (relating to authorization of appropriations to the National Endowment for Democracy), strike lines 10-13.

H.R. 1561

OFFERED BY: MR. KING

AMENDMENT NO. 49: Page 196, after line 13, insert the following section:

SEC. 2712. POLICY TOWARD IRAN.

(a) IRAN'S ACTS OF INTERNATIONAL TERRORISM.—The Congress makes the following findings with respect to Iran's acts of international terrorism:

(1) As cited by the Department of State, the Government of Iran was the greatest supporter of state terrorism in 1992, supporting over 20 terrorist acts, including the bombing of the Israeli Embassy in Buenos Aires that killed 29 people.

(2) As cited by the Department of State, the Government of Iran is a sponsor of radical religious groups that have used terrorism as a tool. These include such groups as Hezballah, HAMAS, the Turkish Islamic Jihad, and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC).

(3) As cited by the Department of State, the Government of Iran has resorted to international terrorism as a means of obtaining political gain. These actions have included not only the assassination of former Prime Minister Bakhitiar, but the death sentence imposed on Salman Rushdie, and the assassination of the leader of the Kurdish Democratic Party of Iran.

(4) As cited by the Department of State and the Vice President's Task Force on Combating Terrorism, the Government of Iran has long been a proponent of terrorist actions against the United States, beginning with the takeover of the United States Embassy in Tehran in 1979. Iranian support of extremist groups has led to the following attacks upon the United States as well:

(A) The car bomb attack on the United States Embassy in Beirut killing 49 in 1983 by the Hezballah.

(B) The car bomb attack on the United States Marine Barracks in Beirut killing 241 in 1983 by the Hezballah.

(C) The assassination of American University President in 1984 by the Hezballah.

(D) The kidnapping of all American hostages in Lebanon from 1984-86 by the Hezballah.

(5) The Government of Iran provides several hundred million dollars annually in financial and logistical support to organizations that use terrorism and violence as a tool to undermine the Middle East peace process.

(6) The Government of Iran provides financial, political, and logistical support and safe haven to groups that seek the violent overthrow of secular governments in the Middle East and North Africa.

(b) IRAN'S PROGRAM TO ACQUIRE WEAPONS OF MASS DESTRUCTION AND THE MEANS BY WHICH TO DELIVER THEM.—The Congress makes the following findings with respect to Iran's program to acquire weapons of mass destruction and the means by which to deliver them—

(1) the Government of Iran has intensified its efforts to develop weapons of mass destruction and the means by which to deliver them;

(2) given Iran's petroleum reserves, the desire of the Government of Iran to obtain gas centrifuge equipment and light water nuclear power reactors clearly demonstrates what had already been apparent, that Iran seeks to develop its nuclear weapons capability; and

(3) Iran has been relentless in its attempt to acquire the missiles needed to deliver nuclear and chemical weapons.

(c) IRAN'S VIOLATIONS OF HUMAN RIGHTS.—The Congress makes the following findings with respect to Iran's violations of human rights:

(1) As cited by the 1991 United Nations Special Representative on Human Rights, Amnesty International, and the United States Department of State, the Government of Iran has conducted assassinations outside of Iran, such as that of former Prime Minister Shahpour Bakhitiar for which the Government of France issued arrest warrants for several Iranian governmental officials.

(2) As cited by the 1991 United Nations Special Representative on Human Rights and by Amnesty International, the Government of Iran has conducted revolutionary trials which do not meet internationally recognized standards of fairness or justice. These trials have included such violations as a lack of procedural safeguards, trial times of 5 minutes or less, limited access to defense counsel, forced confessions, and summary executions.

(3) As cited by the 1991 United Nations Special Representative on Human Rights, the Government of Iran systematically represses its Baha'i population. Persecutions of this small religious community include assassinations, arbitrary arrests, electoral prohibitions, and denial of applications for documents such as passports.

(4) As cited by the 1991 United Nations Special Representative on Human Rights, the Government of Iran suppresses opposition to its government. Political organizations such as the Freedom Movement are banned from parliamentary elections, have their telephones tapped and their mail opened, and are systematically harassed and intimidated.

(5) As cited by the 1991 United Nations Special Representative on Human Rights and Amnesty International, the Government of Iran has failed to recognize the importance of international human rights. This includes suppression of Iranian human rights movements such as the Freedom Movement, lack of cooperation with international human rights organizations such as the International Red Cross, and an overall apathy toward human rights in general. This lack of concern prompted the Special Representative to state in his report that Iran had made "no appreciable progress towards improved compliance with human rights in accordance with the current international instruments".

(6) As cited by Amnesty International, the Government of Iran continues to torture its political prisoners. Torture methods include burns, arbitrary blows, severe beatings, and positions inducing pain.

(d) UNITED STATES POLICY AND RESPONSE.—The Congress makes the following findings with respect to United States policy and response to Iran:

(1) The actions by the Government of Iran identified in subsections (a), (b), and (c) threaten the national security and offend the democratic values of the United States and many other nations in the Middle East and elsewhere.

(2) In response to this record of violent, destabilizing, and antidemocratic conduct, it has been the policy of the United States to seek to isolate the Government of Iran diplomatically and economically, thereby making the continuation of such conduct increasingly costly.

(3) The policies the United States has pursued in an effort to pressure the Government of Iran diplomatically and economically have included refusing to conduct normal diplomatic relations with Iran; barring the importation of Iranian oil and other products into the United States; prohibiting the export or reexport to Iran of weapons or of goods or technology with potential military uses; voting against all loans to Iran by international financial institutions; and, most recently, imposing a total economic embargo on Iran.

(4) To further increase the cost to the Government of Iran of its objectionable conduct the United States has urged other countries with economic ties to Iran to take equivalent steps to isolate Iran economically and diplomatically.

(e) CONGRESSIONAL DECLARATIONS.—The Congress makes the following declarations:

(1) The imposition of an economic embargo on Iran by President Clinton was an important and necessary measure to increase economic and political pressure on Iran.

(2) The President should, as a matter of the highest priority, intensify efforts to persuade Iran's leading trade partners and creditors to join with the United States in ceasing all trade with Iran and ending any rescheduling or other relaxation of debts owed to them.

(3) The President should take whatever steps are appropriate to dissuade those who are aiding Iran's efforts to develop nuclear weapons and the means by which to deliver them from continuing such assistance.

(4) The United States should convene a special summit of the world's leading heads of state to address the issue of international terrorism and the means for improving the efforts to combat international terrorism.

(5) The Secretary of State should promptly take steps to strengthen each of the existing multilateral nonproliferation regimes to make them more effective in counteracting rogue regimes such as Iran.

(6) The President should make the development of a multilateral economic embargo on Iran a top priority on the agenda at the meeting of the G-7 industrial partners scheduled for June 1995 in Halifax, Nova Scotia.

H.R. 1561

OFFERED BY: MR. KING

AMENDMENT NO. 50: At the end of the bill, add the following:

DIVISION D—ADDITIONAL PROVISIONS

TITLE XLI—IRAN FOREIGN SANCTIONS ACT OF 1995

SEC. 4001. SHORT TITLE.

This title may be cited as the "Iran Foreign Sanctions Act of 1995".

SEC. 4002. IMPOSITION OF SANCTIONS ON PERSONS ENGAGING IN TRADE WITH IRAN.

(a) DETERMINATION BY THE PRESIDENT.—

(1) IN GENERAL.—The President shall impose the sanctions described in subsection (b) if the President determines in writing that, on or after the date of enactment of this Act, a foreign person has, with requisite knowledge, engaged in trade with Iran in any goods or technology (as defined in section 16 of the Export Administration Act of 1979).

(2) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions shall be imposed pursuant to paragraph (1) on—

(A) the foreign person with respect to which the President makes the determination described in that paragraph;

(B) any successor entity to that foreign person;

(C) any foreign person that is a parent or subsidiary of that person if that parent or subsidiary with requisite knowledge engaged in the activities which were the basis of that determination; and

(D) any foreign person that is an affiliate of that person if that affiliate with requisite knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

(b) SANCTIONS.—

(1) DESCRIPTION OF SANCTIONS.—The sanctions to be imposed pursuant to subsection (a)(1) are, except as provided in paragraph (2) of this subsection, as follows:

(A) PROCUREMENT SANCTION.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from any person described in subsection (a)(2).

(B) EXPORT SANCTION.—The United States Government shall not issue any license for any export by or to any person described in subsection (a)(2).

(C) IMPORT SANCTION.—The importation into the United States of any good or service from, or produced (in whole or in part) by, any person described in subsection (a)(2) is prohibited.

(2) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under this section—

(A) in the case of procurement of defense articles or defense services—

(i) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(ii) if the President determines in writing that the person or other entity to which the sanction would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(iii) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(B) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction;

(C) to—

(i) spare parts which are essential to United States products or production;

(ii) component parts, but not finished products, essential to United States products or production; or

(iii) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(D) to information and technology essential to United States products or production; or

(E) to medical or other humanitarian items.

(c) SUPERSEDES EXISTING LAW.—The provisions of this section supersede the provisions of section 1604 of the Iran-Iraq Arms Non-Proliferation Act of 1992 (as contained in Public Law 102-484) as such section applies to Iran.

SEC. 4003. WAIVER AUTHORITY.

The provisions of section 4002 shall not apply if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has substantially improved its adherence to internationally recognized standards of human rights;

(2) has ceased its efforts to acquire a nuclear explosive device; and

(3) has ceased support for acts of international terrorism.

SEC. 4004. REPORT REQUIRED.

Beginning 60 days after the date of enactment of this Act, and every 90 days thereafter, the President shall transmit to the appropriate congressional committees a report describing—

(1) the nuclear and other military capabilities of Iran; and

(2) the support, if any, provided by Iran for acts of international terrorism.

SEC. 4005. DEFINITIONS.

As used in this title:

(1) ACT OF INTERNATIONAL TERRORISM.—The term "act of international terrorism" means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committees on Banking, Housing and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(3) FOREIGN PERSON.—The term "foreign person" means—

(A) an individual who is not a United States national or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other nongovernment entity which is not a United States national.

(4) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(5) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(6) REQUISITE KNOWLEDGE.—The term "requisite knowledge" means situations in which a person "knows", as "knowing" is defined in section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2).

(7) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(8) UNITED STATES.—The term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(9) UNITED STATES NATIONAL.—The term "United States national" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States;

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity; and

(C) any foreign subsidiary of a corporation or other legal entity described in subparagraph (B).

H.R. 1561

OFFERED BY: MR. KLUG

AMENDMENT NO. 51: In section 2106 strike paragraph (5) (relating to authorizations of appropriations for radio construction).

H.R. 1561

OFFERED BY: MR. KLUG

AMENDMENT NO. 52: In section 2106(4)(A) (relating to authorizations of appropriations for international broadcasting activities) strike "$321,191,000 for the fiscal year 1996, and $286,191,000 for the fiscal year 1997" and insert "$159,095,500 for the fiscal year 1996, and $3,000,000 for the fiscal year 1997".

H.R. 1561

OFFERED BY: MR. LIPINSKI

AMENDMENT NO. 53: At the end of title XXVII (relating to congressional statements) insert the following new section:

SEC. 2712. FOURTH WORLD CONFERENCE ON WOMEN IN BEIJING.

It is the sense of the Congress that—

(1) the Fourth World Conference on Women in Beijing, China, should promote an authentic women's perspective on issues of equality, peace, and development; and

(2) if the United States sends a delegation to the Conference, the delegation should—

(A) in accordance with the United Nations Universal Declaration of Human Rights, ensure that "motherhood [is] entitled to special care and assistance.";

(B) in accordance with the Universal Declaration of Human Rights, uphold the family as "the natural and fundamental group unit of society" and therefore "entitled to protection by society and the state";

(C) oppose female feticide;

(D) define gender as the existence of woman and man as the two sexes and acknowledge that the roles of women and men in society are not necessarily linked with their sex; and

(E) in accordance with the United Nations Declaration of Human Rights uphold "the right to freedom of conscience", particularly with regard to the provision of health services.

H.R. 1561

OFFERED BY: MR. LIVINGSTON

AMENDMENT NO. 54: On page 265, line 22, strike "shall" and insert "should";

On page 266, line 6, strike "shall" and insert "should";

On page 267, line 19, strike "shall" and insert "should"; and

On page 268, line 2, strike "shall" and insert "should".

H.R. 1561

OFFERED BY: MR. MANZULLO

AMENDMENT NO. 55: Strike section 2106(3) (relating to authorizations of appropriations for United States educational and cultural exchange programs) and insert the following:

(3) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—For the "Fulbright Academic Exchange Programs", $117,484,200 for the fiscal year 1996 and $ 113,680,800 for the fiscal year 1997.

(B) SOUTH PACIFIC EXCHANGES.—For the "South Pacific Exchanges", $450,000 for the fiscal year 1996 and $450,000 for the fiscal year 1997.

(C) EAST TIMORESE SCHOLARSHIPS.—For the "East Timorese Scholarships", $400,000 for the fiscal year 1996 and $400,000 for the fiscal year 1997.

(D) CAMBODIAN SCHOLARSHIPS.—For the "Cambodian Scholarships", $70,500 for the fiscal year 1996 and $70,500 for the fiscal year 1997.

(E) TIBETAN EXCHANGES.—For the "Educational and Cultural Exchanges with Tibet" under section 236 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), $250,000 for the fiscal year 1996 and $250,000 for the fiscal year 1997.

(F) OTHER PROGRAMS.—For "Hubert H. Humphrey Fellowship Program", "Edmund S. Muskie Fellowship Program", "International Visitors Program", "Mike Mansfield Fellowship Program", "Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation", "Citizen Exchange Programs", "Congress-Bundestag Exchange Program", "Newly Independent States and Eastern Europe Training", "Institute for Representative Government", and "Arts America", $43,670,700 for the fiscal year 1996 and $43,670,700 for the fiscal year 1997.

H.R. 1561

OFFERED BY: MR. MICA

AMENDMENT NO. 56: At the end of chapter 3 of title XXXII (relating development assistance), add the following new subchapter:

Subchapter C—Personnel of Agency for International Development

SEC. 3236. LIMITATION ON NUMBER OF PERSONNEL.

On and after September 30, 1996, the number of individuals authorized to be employed by the Agency for International Development (excluding temporary and intermittent employees), as determined on a full time equivalent basis, and the number of individuals serving with such Agency under a personal service contract, shall not exceed 6,302.

H.R. 1561

OFFERED BY: MR. OBEY

AMENDMENT NO. 57: In section 2104(a)(1)(A) (relating to authorizations of appropriations for migration and refugee assistance) strike "$560,000,000" and insert "$590,000,000".

In section 2104 strike subsection (a)(4), subsection (b), and subsection (d).

In section 2104 redesignate subsection (c) as subsection (b).

H.R. 1561

OFFERED BY: MR. REED

AMENDMENT NO. 58: Strike section 3142 (relating to international military education and training assistance for Indonesia), and insert the following new section:

SEC. 3142. TERMINATION OF ASSISTANCE FOR INDONESIA.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may not be obligated for Indonesia.

H.R. 1561

OFFERED BY: MR. ROEMER

AMENDMENT NO. 59: At the end of title XXVII of division B (relating to congressional statements), add the following new section:

SEC. 2712. CONFLICT IN CHECHNYA.

(a) FINDINGS.—The Congress finds the following:

(1) Russian troops advanced into Chechnya on December 10, 1994, and were met with strong resistance from Chechen rebels who have now moved to the Caucasus mountains where they are engaging in what even the most optimistic Russian military officers predict will be a drawn-out guerrilla war.

(2) The cost of the Chechen battle is estimated to cost the Government of Russia at least $2,000,000,000 and will further exacerbate the budget deficit of the Government of Russia.

(3) The budget implications of the Chechen battle may compel the International Monetary Fund, in which the United States is the largest shareholder, to abandon its efforts to assist Russia in transforming itself into a free market economy.

(4) The United States has approved over $2,400,000,000 in loan guarantees through the Export-Import Bank of the United States and the Overseas Private Investment Corporation.

(5) The United States has provided Russia with significant direct assistance to promote a free market economy, support democracy, meet humanitarian needs, and dismantle nuclear weapons.

(b) DECLARATION OF POLICY.—The Congress declares the following:

(1) United States investment in Russia has been significant in promoting democracy and stabilizing the economy of Russia and this progress is imperiled and undermined by Russia's continued war with Chechnya.

(2) President Yeltsin has refused to negotiate an end to this crisis and this action illustrates an indifference to the economic implications the Chechen war would bring to bear on the ability of Russia to fulfill its commitments to the International Monetary Fund, the Export-Import Bank of the United States, and the Overseas Private Investment Corporation.

(3) The involvement of Russia in Chechnya shows an alarming disregard for abiding by the principles of economic cooperation contained in the Partnership for Economic Progress that were agreed upon in September 1994 during the United States-Russia Washington Summit.

(4) In further contacts with President Yeltsin, it is imperative that President Clinton request an immediate end to the war in Chechnya.

H.R. 1561

OFFERED BY: MR. ROEMER

AMENDMENT NO. 60: In paragraph (3) of section 3221(a) (relating to authorization of appropriations for development assistance for the independent states of the former Soviet Union), strike "$643,000,000" and insert "$578,000,000" and strike "$650,000,000" and insert "$585,000,000".

H.R. 1561

OFFERED BY: MR. ROHRABACHER

AMENDMENT NO. 61: At the end of title XXXIII (relating to regional provisions), add the following new sections:

SEC. 3314. ASSISTANCE FOR LAOS.

(a) It is the sense of Congress that—

(1) a permanent waiver on the prohibition of foreign assistance for Laos should be granted following the fullest possible accounting of all outstanding POW/MIA cases involving Laos;

(2) the United States should continue to improve its relationship with Laos as the mutual cooperation between the two countries on POW/MIA issues improves;

(3) no Lao citizen or government official should be held accountable by the United States for activities involved in holding America POW/MIAs if those citizens or officials cooperate with efforts to return such POW/MIAs alive or to otherwise account for such POW/MIAs;

(4) the future relationship of the United States with Laos should be characterized by economic cooperation and friendly diplomatic ties;

(5) such bilateral relationship will improve as respect for human rights in Laos improves, including human rights for Hmong people; and

(6) in the event an American POW/MIA is returned alive from Laos, the United States should view this action as a positive development and as strong incentive for the United States to rapidly improve our economic and diplomatic relationship with Laos.

(b) Notwithstanding section 620 of the Foreign Assistance Act of 1961 and any other provision of law, foreign assistance may be provided for Laos for fiscal years 1996 and 1997 only if the President determines and certifies to the Congress that the Government of Laos is fully cooperating with the United States on all outstanding POW/MIA cases involving Laos.

H.R. 1561

OFFERED BY: MR. ROTH

AMENDMENT NO. 62: At the end of section 501 (relating to reorganization authority) insert the following new subsection:

(c) REDUCTION IN EXPENDITURES.—A reorganization plan pursuant to any title of this division shall provide for a one-third reduction for the first full fiscal year after implementation of such plan in the total level of expenditures for the functions transferred to the Department of State from amounts appropriated for such transferred functions for fiscal year 1995.

H.R. 1561

OFFERED BY: MR. ROTH

AMENDMENT NO. 63: Add a new Section 2604 as follows:

"The Secretary shall assess the impact of the foreign policy of the United States on the ability of United States entities engaged in the manufacture, sale, distribution, or provision of goods or services to compete in foreign markets. The Secretary shall provide such assessments annually to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate and shall publish such assessments in the Federal Register."

H.R. 1561

OFFERED BY: MR. SANDERS

AMENDMENT NO. 64: Add the following at the end of Division A:

TITLE VI—OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 601. ABOLITION OF OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) ABOLITION.—The Overseas Private Investment Corporation is abolished, effective October 1, 1995.

(b) ADMINISTRATION OF EXISTING OBLIGATIONS.—The Secretary of State shall carry out the functions performed on September 30, 1995, by the Overseas Private Investment Corporation only for purposes of administering insurance, reinsurance, financing, and other contracts or agreements issued or entered into by the Corporation that are effective on October 1, 1995. Such functions shall terminate when all such insurance, reinsurance, financing, and other contracts or agreements expire.

(c) TERMINATION OF PROVISIONS.—Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 and following) shall cease to be effective on October 1, 1995, except that such title shall continue in effect with respect to the functions performed by the Secretary of State under subsection (b).

(d) TERMINATION OF AFFAIRS.—The Director of the Office of Management and Budget shall take the necessary steps to terminate the affairs of the Overseas Private Investment Corporation.

H.R. 1561

OFFERED BY: MR. SAWYER

AMENDMENT NO. 65: At the end of title XXVII (relating to congressional statements) insert the following new section:

SEC. 2712. UNITED STATES DELEGATION TO THE FOURTH WORLD CONFERENCE ON WOMEN IN BEIJING.

It is the sense of the Congress that the United States delegation to the Fourth World Conference on Women should include at least one representative of a United States-based nongovernmental organization representing Tibetan women.

H.R. 1561

OFFERED BY: MR. SAWYER

AMENDMENT NO. 66: At the end of chapter 6 of title XXXI (relating to other provisions of defense and security assistance), add the following new section:

SEC. 3194. ANNUAL MILITARY ASSISTANCE REPORT.

The Foreign Assistance Act of 1961 is amended by inserting after section 654 (22 U.S.C. 2414) the following new section:

"SEC. 657. ANNUAL REPORT ON MILITARY ASSISTANCE AND MILITARY EXPORTS.

"Not later than February 1 of each year, the President shall transmit to the Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act, by sale under chapter 2 of the Arms Export Control Act, by commercial sale licensed under section 38 of that Act, or by any other authority.".

H.R. 1561

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 67: Strike section 2252 (relating to persecution for resistance to coercive population control methods).

H.R. 1561

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 68: In subsection (b) of section 3104 (relating to assistance for Egypt under the Foreign Military Financing program), strike "The assistance" and insert "(1) The assistance" and add at the end of such subsection (b) the following new paragraph:

(2)(A) Such assistance may be provided for Egypt only if the President determines that the Government of Egypt does not officially sanction the practice of female genital mutilation.

(B) For purposes of this paragraph, the term "female genital mutilation" means—

(i) the partial or total removal of the clitoris;

(ii) the removal of the entire clitoris and the cutting of the labia minora; or

(iii) the removal of all external genitalia and the stitching together of the two sides of the vulva.

In subsection (b) of section 3203 (relating to assistance for Egypt under the economic support fund), strike "REQUIREMENT.—" and insert "REQUIREMENTS.—", strike "In exercising" and insert "(1) In exercising", and add at the end the following new paragraph:

(2)(A) The assistance provided for Egypt for each fiscal year under subsection (a) may be provided only if the President determines that the Government of Egypt does not officially sanction the practice of female genital mutilation.

(B) For purposes of this paragraph, the term "female genital mutilation" means—

(i) the partial or total removal of the clitoris;

(ii) the removal of the entire clitoris and the cutting of the labia minora; or

(iii) the removal of all external genitalia and the stitching together of the two sides of the vulva.

H.R. 1561

OFFERED BY: MR. SMITH OF NEW JERSEY

AMENDMENT NO. 69: In section 2102(b)(2)(C) (relating to voluntary contributions for the war crimes tribunal for the former Yugoslavia)—

(1) in the heading strike "FOR THE FORMER YUGOSLAVIA";

(2) strike "budget for the tribunal" and insert "combined budgets for the tribunals"; and

(3) after "Yugoslavia" insert "and the United Nations International Criminal Tribunal for Rwanda".

H.R. 1561

OFFERED BY: MR. SOLOMON

AMENDMENT NO. 70: In section 2201, add the following at the end:

(c) USE OF EARNINGS FROM FROZEN ASSETS FOR PROGRAM.—

(1) AMOUNTS TO BE MADE AVAILABLE.—Up to 2 percent of the earnings accruing, during periods beginning October 1, 1995, on all assets of foreign countries blocked by the President pursuant to the International Emergency Powers Act (50 U.S.C. 1701 and following) shall be available, subject to appropriations Acts, to carry out section 36 of the State Department Basic Authorities Act, as amended by this section, except that the limitation contained in subsection (d)(2) of such section shall not apply to amounts made available under this paragraph.

(2) CONTROL OF FUNDS BY THE PRESIDENT.—The President is authorized and directed to take possession and exercise full control of so much of the earnings described in paragraph (1) as are made available under such paragraph.

H.R. 1561

OFFERED BY: MR. TORRICELLI

AMENDMENT NO. 71: On page 326 of the committee substitute, after line 13 insert the following new section:

SEC. 3314. RESTRICTIONS ON ASSISTANCE FOR GUATEMALA.

(a) RESTRICTION.—None of the funds authorized to be appropriated for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to foreign military financing) or for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.; relating to international military education and training) may be made available to the Government of Guatemala unless the Secretary of State determines and certifies to the appropriate congressional committees that—

(1) substantial progress has been made in the prosecution of all those responsible for the human rights abuses against Michael DeVine, Nicholas Blake, Griffin Davis, Dianna Ortiz, Myrna Mack, and Efrain Bamaca Velasquez;

(2) former Guatemalan Lieutenant Colonel Carlos Rene Ochoa Ruiz, who is under indictment in the State of Florida for narcotics trafficking, has been extradited to the United States; and

(3) substantial progress has been made in the dismantling of the Voluntary Civil Self-Defense Committees, curbing their patrols, and returning their weapons to the Guatemalan military.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term "appropriate congressional committees" means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

H.R. 1561

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 72: After title XXXIV of division C (relating to special authorities and other provisions of foreign assistance authorizations), insert the following new title (and redesignate the subsequent title accordingly):

TITLE XXXV—REDUCTION IN AUTHORIZATIONS

SEC. 3501. REDUCTION IN AUTHORIZATIONS.

Notwithstanding the specific authorizations of appropriations in the preceding provisions of this division, each amount authorized to be appropriated for each of the fiscal years 1996 and 1997 under this division or any amendment made by this division (except for chapters 3 and 4 of title XXXI and for chapters 6 and 7 of title XXXII) is hereby reduced by 5 percent.

H.R. 1561

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 73: After title XXXIV of division C (relating to special authorities and other provisions of foreign assistance authorizations), insert the following new title (and redesignate the subsequent title accordingly):

TITLE XXXV—REDUCTION IN AUTHORIZATIONS

SEC. 3501. REDUCTION IN AUTHORIZATIONS.

Notwithstanding the specific authorizations of appropriations in the preceding provisions of this division, each amount authorized to be appropriated for each of the fiscal years 1996 and 1997 under this division or any amendment made by this division (except for chapters 3 and 4 of title XXXI and for chapters 6 and 7 of title XXXII) is hereby reduced by 10 percent.

H.R. 1561

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 74. At the end of chapter 2 of title XXXIV of division C (relating to special authorities and other provisions of foreign assistance authorizations), add the following new section:

SEC. 3420. LIMITATION ON PROCUREMENT OUTSIDE THE UNITED STATES.

Funds made available for assistance for fiscal years 1996 and 1997 under the Foreign Assistance Act of 1961, the Arms Export Control Act, or any other provision of law described in this division for which amounts are authorized to be appropriated for such fiscal years, may be used for procurement outside the United States or less developed countries only if—

(1) such funds are used for the procurement of commodities or services, or defense articles or defense services, produced in the country in which the assistance is to be provided, except that this paragraph only applies if procurement in that country would cost less than procurement in the United States or less developed countries;

(2) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in, and available for purchase from, the United States, less developed countries, or the country in which the assistance is to be provided; or

(3) the President determines on a case-by-case basis that procurement outside the United States or less developed countries would result in the more efficient use of United States foreign assistance resources.

H.R. 1561

OFFERED BY: MR. UPTON

AMENDMENT NO. 75. At the end of chapter 3 of title XXII (relating to refugees and migration) insert the following new sections:

SEC. 2256. VIETNAM POW/MIA ASYLUM PROGRAM.

(a) ASYLUM FOR ELIGIBLE ALIENS.—The Attorney General shall grant asylum in the United States to any alien described in subsection (b), upon the application of that alien.

(b) ELIGIBILITY.—Asylum shall be granted under subsection (a) to any alien (1) who is a national of Laos, Vietnam, Cambodia, or Burma, and (2) who, while acting other than in an official or unofficial capacity on behalf of any government or agency, personally delivers into the custody of the United States Government a living Vietnam POW/MIA (or participates in such a delivery).

(c) VIETNAM POW/MIA DEFINED.—

(1) For purposes of this section, the term "Vietnam POW/MIA" means an individual—

(A) who is a member of a uniformed service (within the meaning of section 101(3) of title 37, United States Code) in a missing status (as defined in section 551(2) of such title) as a result of the Vietnam conflict, unless it is official determined under section 552(c) of such title that such individual is officially absent from such individual's post of duty without authority; or

(B) who is an employee (as defined in section 5561(2) of title 5, United States Code) in a missing status (as defined in section 5561(5) of such title) as a result of the Vietnam conflict.

Such term does not include an individual who the Secretary of Veterans Affairs determines remained in Vietnam, Laos, or Cambodia voluntarily.

(2) For purposes of paragraph (1)—

(A) the Vietnam conflict began on February 28, 1961, and ended on May 7, 1975; and

(B) an individual in a missing status shall be considered to be in a missing status as a result of the Vietnam conflict if immediately before that status began the individual—

(i) was performing service in Vietnam; or

(ii) was performing service in Southeast Asia in direct support of military operations in Vietnam.

SEC. 2257. KOREA POW/MIA ASYLUM PROGRAM.

(a) ASYLUM FOR ELIGIBLE ALIENS.—The Attorney General shall grant asylum in the

United States to any alien described in subsection (b), upon the application of that alien.

(b) Eligibility.—Asylum shall be granted under subsection (a) to any alien (1) who is a national of North Korea, South Korea, or China and (2) who, while acting other than in an official or unofficial capacity on behalf of any government or agency, personally delivers into the custody of the United States Government a living Korea POW/MIA (or participates in such a delivery).

(c) Korea POW/MIA Defined.—

(1) For purposes of this section, the term "Korea POW/MIA" means an individual—

(A) who is a member of a uniformed service (within the meaning of section 101(3) of title 37, United States Code) in a missing status (as defined in section 551(2) of such title) as a result of the Korean conflict, unless it is officially determined under section 552(c) of such title that such individual is officially absent from such individual's post of duty without authority; or

(B) who is an employee (as defined in section 5561(2) of title 5, United States Code) in a missing status (as defined in section 5561(5) of such title) as a result of the Korean conflict.

Such term does not include an individual who the Secretary of Veterans Affairs determines remained in North Korea, South Korea, or China voluntarily.

(2) For purposes of paragraph (1)—

(A) the Korean conflict began on June 27, 1950, and ended on January 31, 1955; and

(B) an individual in a missing status shall be considered to be in a missing status as a result of the Korean conflict if immediately before that status began the individual—

(i) was performing service in the Korean peninsula ; or

(ii) was performing service in Asia in direct support of military operations in the Korean peninsula.

H.R. 1561

Offered By: Mr. Wynn

Amendment No. 76: In section 2102(a) (relating to assessed contributions to international organizations) strike "$873,505,000 for the fiscal year 1996 and $867,050,000 for the fiscal year 1997" and insert "$861,505,000 for the fiscal year 1996 and $852,050,000 for the fiscal year 1997".

In section 3414 of the bill (in subsection (e) of section 711 of the Foreign Assistance Act of 1961)—

(1) in paragraph (1) of such subsection (e), strike "$3,000,000" and insert "$15,000,000";

(2) redesignate paragraph (2) of such subsection as paragraph (3); and

(3) insert after paragraph (1) of such subsection the following new paragraph:

"(2) Use of Amounts for Latin America and the Caribbean.—Of the amounts authorized to be appropriated under paragraph (1) for fiscal years 1996 and 1997, $12,000,000 for each such fiscal year shall be made available for the sale, reduction, and cancellation of loans, or portions thereof, for countries in Latin America and the Caribbean.

H.R. 1561

Offered By: Mr. Wynn

Amendment No. 77: In section 3414 of the bill (in subsection (e) of section 711 of the Foreign Assistance Act of 1961)—

(1) in paragraph (1) of such subsection (e), strike "$3,000,000" and insert "$15,000,000";

(2) redesignate paragraph (2) of such subsection as paragraph (3); and

(3) insert after paragraph (1) of such subsection the following new paragraph:

"(2) Use of Amounts for Latin America and the Caribbean.—Of the amounts authorized to be appropriated under paragraph (1) for fiscal years 1996 and 1997, $12,000,000 for each such fiscal year shall be made available for the sale, reduction, and cancellation of loans, or portions thereof, for countries in Latin America and the Caribbean.

H.R. 1561

Offered By: Mr. Zimmer

Amendment No. 78: At the end of title XXXIII (relating to regional provisions), add the following new section:

SEC. 3314. PROHIBITION ON ECONOMIC ASSISTANCE, MILITARY ASSISTANCE OR ARMS TRANSFERS TO THE GOVERNMENT OF MAURITANIA UNLESS APPROPRIATE ACTION IS TAKEN TO ELIMINATE CHATTEL SLAVERY.

(a) Prohibition.—The President may not provide economic assistance, military assistance or arms transfers to the Government of Mauritania unless the President certifies to the Congress that such Government has taken appropriate action to eliminate chattel slavery in Mauritania, including—

(1) the enactment of anti-slavery laws that provide appropriate punishment for violators of such laws; and

(2) the rigorous enforcement of such laws.

(b) Definitions.—For purposes of this section, the following definitions apply:

(1) Economic assistance.—The term "economic assistance" means any assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and any assistance under chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.) (relating to the economic support fund), except that such term does not include humanitarian assistance.

(2) Military assistance or arms transfers.—The term "military assistance or arms transfers" means—

(A) assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.) (relating to military assistance), including the transfer of excess defense articles under sections 516 through 519 of that Act (22 U.S.C. 2321j through 2321m);

(B) assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) (relating to international military education and training);

(C) assistance under the "Foreign Military Financing Program" under section 23 of the Arms Export Control Act (22 U.S.C. 2763); or

(D) the transfer of defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).

SENATE—*Tuesday, May 23, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

The earth is the Lord's and all its fullness, the world and those who dwell therein.—Psalm 24:1.

Creator and Sustainer of all, Lord of all life, Sovereign of this Nation, and owner of all that we are and have, we humbly accept Your calling to be stewards of the resources and riches You have so bountifully given our Nation. You have written Your signature in the beauty of our land, blessed us with opportunities, and entrusted us with material prosperity. We ask for only one thing more, Lord: Give us a grateful heart.

In gratitude, we press on in the crucial discussion of the budget today. We will talk in terms of billions and trillions. At times we may be tempted to think that we control the money to be budgeted. Instead, we turn to You for guidance in these fiscal matters so that what is decided will be creative for the people of this Nation, now and for future generations. Lord, help us to listen for truth as intently as we seek to speak our understanding of it. We praise You that we live in a dynamic democracy in which great leaders like these Senators can give this quality and quantity of time to the crucial issues of this budget. God bless them, and through their deliberations and decisions, bless America. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. THOMAS. Mr. President, this morning the time for the two leaders has been reserved and the Senate will immediately resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

Rollcall votes are expected throughout the day on or in relation to amendments to the budget. The Senate will not recess during the afternoon today for policy luncheons, but will continue in session debating the budget.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER (Mr. CAMPBELL). The Senate will resume consideration of Senate Concurrent Resolution 13.

The clerk will report the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

Roth Amendment No. 1121, to express the sense of the Senate that the number of Federal full-time equivalent positions should be further reduced.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, thank you. I simply say that as we open this very important day, it will be a very long day on the budget resolution. I would simply say that as usual at this particular time we have an inordinate number of amendments that have been suggested from Members on both sides of the aisle.

I simply say that we very likely—if we are going to finish this up tomorrow some time, which we must, given the time constraints that we are under—are going to have to have some give and take today. We will have to begin the process very early today of trying to come to some specific time agreements. With the large number of amendments that we have to offer, we obviously are heading for one of those traditional situations that we do on the budget resolution where a great number of amendments to the bill are going to be offered and we are not going to have time to debate those.

Under the rules, all amendments that are offered can be voted on if a rollcall vote is ordered, which indicates to me very clearly that tomorrow afternoon sometime we are going to have a great number—and I mean a great number, maybe 2 to 3 hours—of successive votes on many amendments that will not have been thoroughly discussed or debated at all in the U.S. Senate.

Therefore, I would hope that we could all conserve time as best we can. Last night, the Senate completed debate on an amendment offered by the Senator from Delaware, on that side of the aisle. Under the usual procedures, the next amendment would be offered from someone on this side of the aisle.

I see Senator BRADLEY is here to offer an appropriate amendment that had been scheduled for some time. Depending on what the acting majority leader would like to do, we are prepared to offer the amendment that had been scheduled to be offered by the Senator from New Jersey, unless there is intervening business.

Mr. THOMAS. Mr. President, I believe the plan is to move forward with the amendment by Senator BRADLEY.

Mr. EXON. Mr. President, I am, therefore, pleased to recognize the Senator from New Jersey.

Would he please indicate to me about how much time he thinks would be necessary?

Mr. BRADLEY. I say to the distinguished Senator from Nebraska I expect that we would need several hours on this amendment. I know there are many people who want to speak, and I will just have to see how many people come to the floor.

Under the rules, we are allowed 2 hours equally divided, an hour on each side. We could start with that and see if there are others who want more time.

Mr. EXON. I thank my friend from New Jersey, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. BRADLEY] is recognized.

AMENDMENT NO. 1122

(Purpose: To lessen tax increases on working families by using amounts set aside for a tax cut)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the pending amendment?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. BREAUX, and Mrs. MURRAY, proposes an amendment numbered 1122.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $16,900,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).".

Mr. BRADLEY. Mr. President, the amendment that I have sent to the desk makes one simple point: Although we need to balance the Federal budget, we should not do it on the backs of America's working and middle-class families.

The budget resolution before the Senate attempts to claim that it will balance the budget without raising taxes. However, buried deep in this budget proposal is a $20 billion tax increase—a $20 billion tax increase—on America's working families.

The amendment that I have introduced on behalf of myself, Senator BREAUX, Senator MURRAY, and others, would correct the numerous problems posed by the current earned income tax proposal in the budget resolution.

The amendment would repeal the worst aspect of the $20 billion tax increase on working families. Specifically, the amendment would repeal the $12.8 billion tax increase on working families with children and the $4.1 billion tax increase on working Americans without children.

At the same time, however, the amendment would ensure that we continue to improve the program's administration to fight against any potential fraud or abuse and to ensure that the benefits of this program go to those for whom it was intended.

Mr. President, since its creation in 1975, the earned income tax credit has been one of the most important sources of support for working and lower-middle-class families. In 1996, the earned income tax credit will provide a tax cut for over 21 million workers and their families.

In my own State of New Jersey, the earned income tax credit provided 372,000 taxpayers with families with an average of over $1,000 in tax relief in 1993, a $1,000 tax cut for over 300,000 New Jersey families.

The EITC helps families move off the welfare roles and into the work force. The incentive only goes to working families. No one on welfare gets this. These are working families. If you do not work, you do not qualify for the tax cut. It is as simple as that.

Social Security taxes and various means-tested programs create disincentives for welfare recipients to work. Without the EITC's offsetting tax reduction, the working poor lose benefits and pay higher taxes for each extra dollar that they earn.

The historic 1993 deficit reduction package expanded the earned income tax credit. Just as a point of reference, in my State about 40,000 people ended up paying higher income taxes because of that deficit reduction package and nearly 400,000 ended up paying less taxes because of the earned income tax credit. So, as a result of that deficit reduction package, nearly 10 times more people in my State got a tax cut than got an income tax increase.

When fully phased in, the credit will be available for families with two or more children, earning up to approximately $28,500. Two children and family, up to $28,500, that is roughly half the median income for a family of four. So what we are saying here is roughly a fourth of all families with two kids will qualify for the earned income tax credit. These are working families.

Because the minimum wage has not kept pace with inflation, without these changes in the EITC many working families have fallen deeper into poverty as a result of higher taxes and lost benefits. The EITC works in a very important way for working families. For every added dollar a lower income working family earns, payroll taxes take 15.3 cents and certain other benefits drop. For example, food stamps drop 24 cents for every additional dollar. The EITC was intended to offset some of these disincentives by providing a tax reduction of 40 cents for every dollar earned by a working family with two children. In other words, that means the EITC can make a big difference in people's lives.

Most eligible families earning between $5,500 and $15,500 will qualify for at least $1,000 in credits. That is another $1,000 in someone's pocket that can go to pay for food, for utility bills, for tuition to parochial school, for health insurance, or for mortgage payments.

Not only does the EITC help families work their way out of poverty, the EITC is good for business. It puts more purchasing power in low-income consumers' pockets and lets them keep more of what they earn. It also increases the effective wage rate paid by employers, providing the neediest Americans with an even greater incentive to go to work. By helping these families we also ease the burden on public services provided by State and local government.

Even President Ronald Reagan recognized the value of the earned income tax credit. At the signing of the 1986 Tax Reform Act he stated that the bill's expanded EITC provisions were a very important thing. Ronald Reagan called the EITC provisions "the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress."

In addition to President Reagan, the EITC has received widespread bipartisan support, including that of Presidents Ford, Carter, Bush, and Clinton. However, the current budget proposals would repeal many of the gains realized under this bipartisan group of leaders during almost two decades.

So, what is the impact of this tax increase on working families? In the face of declining real wages and Republican proposals to cut important aid programs, more and more American families are going to face increasingly tough times. These are working families who need every penny of the wages they earn just to make ends meet. We simply should not tax these families into poverty by cutting the earned income tax credit.

The goal of the 1993 expansion of the EITC was to ensure that individuals who work full time do not have to raise their children in poverty. Achieving this goal is just as important today as it was 2 years ago. By the year 2000, roughly 17.8 million taxpayers, 80 percent of the total recipients, would feel a tax increase as a result of the proposals that are embodied in this budget. On average, taxes would be raised for affected working families by over $600 each.

In New Jersey, working families will face a $452 million tax increase. Over the next 7 years that amounts to about $1,500 for the 297,000 recipients of the earned income tax credit who are working families.

The tax increase on working families with children amounts to $329 million. On an average, that would raise taxes by $1,733 over 7 years on 190,000 New Jersey families with children. So this is a significant tax increase in the middle of a budget proposal that purports to have no tax increase.

Who are the people who receive the earned income tax credit? Let me just give you a snapshot of a couple of people.

Michael Thompson from Newark, NJ, is 32 years old, married, with two daughters. He earns $7.75 per hour working in a warehouse for the Community Food Bank in New Jersey. His wife worked over 5 years for a large health insurance company but was laid off in 1994 and has been unable to find new work. Last year the Thompsons received an earned income credit that they used to pay the rent and to make up back payments on their utility bills.

How about Deborah Hammerstrung from Barnegat, NJ, a clerical supervisor for the Visiting Home Care Service in Ocean County. When Mrs. Hammerstrung and her ex-husband separated 2 years ago, she could not afford to move into an apartment on her own. Instead, she was forced to move back with her mother. By providing her with a small credit against the taxes she has paid, the EITC is helping Ms. Hammerstrung pay the utility hookups for her own apartment.

And last year, Ms. Linda Bailey, of Elizabeth, NJ, received a small earned income tax credit. Ms. Bailey worked as a registration clerk at St. Elizabeth's Hospital and is the mother of two children aged 6 and 14. She used the $1,000 credit she received to help pay her gas and electric bills.

These are only a few examples. I could give you countless other examples in my own State of New Jersey where the earned income tax credit has allowed struggling families to send a child to parochial school, to begin to make a payment on college tuition, to fully pay the utility bills, and on and on. These are struggling working Americans. The earned income tax credit has put a little money in their pockets so they can get by. This is not the time to increase taxes on these working Americans.

Like most other working Americans, the recipients I have described live from paycheck to paycheck. As a credit against taxes they paid, the EITC provides these families with a little breathing room.

They are not using the EITC to pay for fancy meals out or hire high-paid lobbyists. No, they are not using it for that. Instead they use the EITC to help buy clothes for their kids, to pay utility bills, and to put meals on the table.

The higher taxes this budget will impose on them will make it increasingly more difficult for New Jersey families to meet these basic needs and work their way out of poverty. Of course, working families in New Jersey are not the only ones who will suffer as a result of the Republicans' proposed tax hike.

Almost 30 percent of all taxpayers in Mississippi will lose under this budget. There taxes will go up. Twenty percent of the families in Texas will face a larger tax burden as a result of these proposals. And in Oklahoma, almost 215,000 working families will find it harder to make ends meet after the proposed tax increase by the changes in the earned income tax credit.

Recently, I have heard statements that these cuts in the EITC are not really a tax increase because recipients do not have an income tax liability. Critics of the EITC would have us believe that just because someone receives a tax refund that person could not be paying more tax.

Mr. President, if the Federal Government owes you a $1,000 tax refund and we change the Tax Code so you end up getting only a $500 refund, then we have raised your taxes, notwithstanding the fact that you still get something back.

In addition, there are claims that this budget is not increasing taxes because some of the EITC recipients do not owe any income tax. That claim ignores all the other taxes that working families have to pay. When working families receive their paychecks, the stub does not just show how much they pay in income tax withholding. It also shows what was subtracted for Social Security taxes, for Medicare taxes, for State taxes, and others. The EITC is intended to help offset these taxes, as well as Federal income tax.

Let me demonstrate this point by an example. Imagine a young married couple with two children. If this family earned $16,500 per year, they will be just above the poverty level. Although they would not owe any individual income tax, they would incur $2,525 in Social Security taxes. That is what they would have to pay. Under current law, they would qualify for an EITC that offsets practically all of that Social Security tax, $2,532, just enough to offset the Social Security tax liability. But under the proposal that is in this budget the EITC would fall, and their taxes would go up by over $300, a tax increase.

Mr. President, it is important to recognize that the proposal in this budget is a straight tax increase on working families. None of the proposals do anything, beyond what the administration has already suggested, to reduce errors in the program.

The amendment that I offer would implement the compliance provisions, such things as matching Social Security numbers, et cetera—there are many different elements of the compliance provision—and thereby build on our past efforts to eliminate tax fraud and ensure that the EITC goes on only to those most in need.

Further, the Republican attack on the EITC stems from reports of fraud in the program. In a small January 1994 study the IRS found 13 percent of all EITC refunds could be in error. It is important to note that many of these errors result in ordinary mistakes that taxpayers make on all kinds of tax returns. We have already taken a number of significant steps to eliminate fraud and to focus the benefits of the 1993 tax cut on those most in need. We have also made some additional changes in the last year or so to narrow eligibility for the EITC.

In the Uruguay round legislation, for example, we prohibited the EITC from going to undocumented aliens. We deny the tax break. Also, we allow the IRS to use simpler procedures with certain types of questionable returns. We deny it to individuals who have $2,350 in investment income. So the eligibility has been narrowed.

Then there are people who argue about the planned growth of the EITC. They are claiming that the EITC is expanding. To bolster these claims, some critics have carted out graphs and charts—and we will probably see some here today—that show the growth of the EITC since the early 1990's. Of course, these graphs present only a snapshot of the EITC and ignore the fact that the increases in the EITC are a result of a conscious effort by Congress and Presidents Reagan, Bush, and Clinton to expand the program and to provide a modicum of tax relief to America's working families.

Mr. President, if I could, as this chart demonstrates, once these changes are fully phased in, once you make eligibility, up to $28,500 for a family of four, the EITC will grow only at the pace of inflation and population growth, a straight line.

So people on the other side who say this program is out of control because we tried to help lower middle-class families—and when you help lower middle-class families, you provide a bigger tax cut to more people; it is going to increase—they want to raise taxes on these very same people. But once the eligibility is fully phased in, it is a national revenue loss. In fact, beginning in 1996, if you simply took the EITC relative to the rest of the economy, it is on the way down.

So, Mr. President, at the same time that we have listened to the other side's attempts to explain why we need to raise taxes on working families in order to balance the Federal budget, we have not heard a single word about the truly uncontrolled growth in so many other areas of the budget.

Take, for example, one of the provisions in the Tax Code called section 29. Section 29 refers to a little known provision in the code that gives a handful of oil and gas producers billions of dollars' worth of subsidies at the cost of other taxpayers. Between 1989 and 1994, section 29 tax subsidies grew by over 1,000 percent. This uncontrolled growth—uncontrolled 1,000-percent growth in 6 years—dwarfs the planned, controlled, and short-term growth of the EITC.

So why does the Republican budget raise taxes on millions of American families without touching a single penny in special interest loopholes like section 29, that went up 1,000 percent in 6 years? The answer I think is fairly simple. The supporters of section 29 and a lot of the other special interest corporate loopholes—loopholes that are used by the wealthy—like these subsidies and they spend millions of dollars each year to hire lobbyists to insert their special provisions in the Tax Code.

Mr. President, working families are too busy with their kids, trying to make ends meet, holding down two or three jobs, to have either the money or the time to come down to Washington and lobby for their provision in the Tax Code. As a result, taxes are raised on working families while special-interest loopholes proliferate.

In 1996, spending through the Tax Code will total $380 billion. It is the second fastest increase of the deficit, beyond entitlements, $480 billion, more than double the size of the projected deficit. Between now and 2002, tax expenditures will total more than $4 trillion.

I support, like many Members of the Senate, some of these provisions: Home mortgage interest deductions, property tax deductions, charitable deductions. These are valuable tools. However, for every one of these provisions, there are numerous other loopholes, such as section 29, that simply benefit one industry or a few taxpayers over the large mass of taxpayers.

Mr. President, reducing the budget deficit will require shared sacrifice. However, raising taxes on millions of working Americans while consciously ignoring the billions of dollars that we give away each year through special interest tax loopholes is not my definition of shared sacrifice.

So this amendment is really just about setting priorities, determining how we should share the burden of balancing the budget. There is no serious disagreement between Democrats and Republicans on the need to balance the budget. In fact, this amendment would reduce the deficit by the exact same amount as the original budget proposal. The real question that this amendment raises is how we should balance the budget. 3 Either we can balance the budget by raising taxes on working families, as contemplated in the Republican budget proposal, or we can forgo a small proportion of proposed tax cuts for corporations and the wealthy, as this proposal would do. I believe the choice is clear: Tax cuts for lower-middle-class working Americans and no tax giveaways to corporate and wealthy Americans. That is what this amendment is all about.

The PRESIDING OFFICER. Who yields time? Does the Senator yield back the floor?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I yield myself 5 minutes.

Mr. President, as we go forward with this debate, each day starts in about the same way: We should balance the budget but we should not do it on the backs of—fill in the blank. Every day it is a different one. Do not balance it on the backs—fill in the blank.

For example, let me talk just a minute about the earned income tax credit. Under the Republican proposal, the budget proposal that we are talking about, the EITC is not cut. It is a slowing in the rate of growth. The EITC proposal contained in the budget plan simply reins in the explosion in Federal Government spending in this program. Under the Senate budget plan, the cost of EITC will increase from $28 billion in 1996 to $32 billion in the year 2002. Under the current law, EITC costs would go to $36 billion in 2002, not exactly the flat leveling off the Senator had mentioned a moment ago.

In general, the EITC is one of the fastest growing programs in the Federal Government. The 1994 cost was $21.8 billion, eclipsing the Federal cost of Aid to Families with Dependent Children, AFDC, and the program is fully indexed to inflation.

Unfortunately, errors and fraud are rampant. In 1988, the IRS found that 42 percent of the EITC recipients received too large a credit and 32 percent were not able to show they were entitled to any credit at all. Something does need to be done about it. Given the generosity of the program, it is not surprising the number of recipients has grown from 6 million in 1975 to 18 million today, and that growth continues.

Another way to increase the number of people eligible for the EITC is to raise the qualifying amount. For families with one child, the qualifying amount will rise from in 1995 $24,396 to $30,000; families with two children will rise from $26,000 to $33,000 to qualify in this particular program.

So, Mr. President, certainly it is hard to call this a cut when it goes up at this rate.

The baseline, if we leave it, will increase 48 percent between now and the year 2000, from $20 billion to $30.8 billion. Instead, under the chairman's mark, it grows at 31 percent from $20.8 billion to $27.2 billion.

Also, it is interesting to point out that the chairman's mark accepts the proposal of President Clinton's to deny EITC to undocumented workers and targets EITC to working poor with children.

Mr. President, we will go forward again today with our budget proposal, and we will cite, as we have in the past, the difference of philosophy in terms of approaching this business of cutting spending. And that is legitimate, to have a different view. It is appropriate to have a different view. The Republicans want to transform Government to make it more efficient, more responsible, less expensive. On the other hand, the other side of the aisle supports the status quo: No plan to balance the budget, no options to save Medicare, no welfare reform proposal.

So, Mr. President, we will see a difference of opinion, and that is good. That gives us a choice, whether we want more Government and more spending or whether we want less Government and less spending.

We should take a look, I suppose, at the track record as to how we got here, raising taxes and expanding Federal Government. In 1993, of course, we had the largest tax increase in history, $259 billion. President Clinton talks about only raising taxes on the rich.

Let me tell you that gas taxes increased in my State of Wyoming, where we have more miles to drive than any other State other than Alaska, it was not a tax increase on the rich, it was a tax increase on those least able to pay for it. The increase in Social Security taxes was another change that hurt more than just the rich.

The PRESIDING OFFICER. The Senator's 5 minutes he yielded himself have expired.

Mr. THOMAS. Mr. President, if my time has expired, I will yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. I yield 7 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is yielded 7 minutes.

Mrs. MURRAY. I thank the Chair. And I thank my colleagues, the Senator from New Jersey [Mr. BRADLEY], and the Senator from Louisiana [Mr. BREAUX], and many other Senators who are submitting this amendment to help correct one of the troubling aspects of the budget resolution before us, the tax increases on working American families.

By cutting the earned income tax credit, by taking away a tax break for working families, this resolution will raise taxes an average of $270 for low-income families next year. That is wrong.

Mr. President, frankly, I am amazed by this Republican proposal. The EITC has always received bipartisan support because it is a commonsense tax credit. It rewards work. It provides a real incentive, and it gives people the means to move from the welfare rolls to the work force.

In 1986, Ronald Reagan praised the earned income tax credit. As you know, I was not here in 1986. I was at home serving on my local school board in the State of Washington, but I remember watching the debate surrounding the Tax Reform Act of 1986. We might forget sometimes under all these television lights that the actions we take and the words we say matter a great deal to average Americans across this country. I cannot forget that because I remember when Congress approved the tax reform package that included an expansion of the EITC, and I remember President Reagan signing that bill into law, saying the EITC is the best anti-poverty, the best pro-family, the best job-creation measure to come out of Congress. These were important words then, and they are important words today.

Mr. President, many hard-working American families are just trying to make ends meet, send their kids to school and provide some hope for the future.

Average Americans are worried about their jobs. They are anxious about the cost of education. And, there is genuine concern out there about the costs of health care. So, how does this budget respond to these legitimate and real concerns? It creates more fear and more insecurity. It takes away hope.

And taking away this tax credit adds insult to injury.

Mr. President, the EITC keeps people off welfare. It offsets other forms of Federal assistance. It gives American parents the security they need to enter the work force. It is astounding that the other side has chosen this time to cut the EITC. Cuts to Medicaid; cuts to education; taxes on working Americans who can least afford them.

In my home State of Washington, more than 224,000 families earned the tax credit in 1993. This budget resolution will raise taxes on those families in my State by $1,468 over the next 7 years.

Maybe this increase is not a big deal to some of our colleagues here in the Senate, Mr. President. But, believe me, these are real increases to average Americans. I know what it is like to drive to work every day, worrying about doctors' bills and school clothes. I know how it feels to be squeezed between caring for elderly parents and young kids. Maybe that is why I understand how nasty this cut is.

Mr. President, recently, there has been a lot of talk about tax cuts on Capitol Hill. The House of Representatives has already passed a tax plan that cuts taxes on capital gains and expands IRA deductions, and I expect we will hear a debate on a tax cut this week in the Senate.

A tax cut is a great idea as long as we pay for it in a sensible way, but a tax cut is a terrible idea if we pay for it by raising taxes on low-income Americans, or by raising the Medicare payments of our Nation's elderly.

Mr. President, we cannot balance the budget on our working poor, our elderly or our children. And, we cannot justify cutting taxes for the wealthy while increasing taxes on our poor.

Mr. President, I have said it many times in the past 2 weeks and I will say it again now, this budget has no conscience. This budget hurts the little guy—those who need help, those who are struggling to make a living and provide for their children, and, it rewards the rich. This budget gives Goliath an advantage.

Let us put things back in perspective. Let us help those who really need our help. Let us not go back to the days of the Industrial Revolution; Back to survival of the fittest. Mr. President, I urge my colleagues to support this amendment. It tells working families that we are fighting in their corner. It says we are against increasing their taxes and we for ensuring their financial security. I urge all our colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, does the other side wish to make their case? We are anxious to hear their defense of this tax increase. Would the other side at any point like to argue the tax increase?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield time?

Mr. THOMAS. Yes, I yield 5 minutes to the Senator.

Mr. NICKLES. Just in response to the Senator, I will make a few comments in just a couple of moments.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, I yield 8 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. GLENN] is recognized for 8 minutes.

Mr. GLENN. Mr. President, I rise in support of the amendment by my colleague from New Jersey. I think it is an extremely important amendment.

You know, if we were to assign music to some of our proposals here on the Senate floor, I think a good theme song for this particular amendment would be "Bridge Over Troubled Waters," because what this amendment does is to say that those who are in trouble economically, those lowest on our economic scale get a helping hand. It is a bridge over troubled waters for those people on welfare into productive jobs in a productive society.

And for people who are paying taxes, too. That is who it is for. It is not just for people who are on welfare. They do not get this. It is for the people who are trying to get up the ladder. They are the poorest of the poor who may once in awhile even get more than they are paying in taxes because it encourages them to work, to job train, to try to get up that economic ladder instead of just sitting on welfare with little incentive to get off.

In early April, the Governmental Affairs Committee held 2 days of hearings on EITC. During those hearings, I heard all of the arguments for and against the EITC. I left those hearings more convinced than ever that this tax credit is one of the most important parts of our Tax Code.

It has suffered from abuse and mistakes and we have to crack down on fraud and be tough on the error rates. I am happy to report that IRS has taken on this issue, and they are making progress with this. They have made improvements, and are continuing to crack down on those who abuse the system. Unfortunately, the cuts we are talking about in the budget resolution have nothing to do with improving this important tax credit.

Instead, the cuts seem to be all about trashing the credit. Instead of addressing fraud, we are going to decimate the EITC and effectively raise taxes on the working poor.

I cannot imagine that any Government that says, yes, we are family oriented; yes, we want to help the least advantaged in our society, is about to raise taxes on the working poor.

Let us not throw out the baby with the bath water. It is like cutting your arm to get rid of a wart on your finger. The earned income tax credit is too important for that.

The EITC has enjoyed bipartisan support since Russell Long helped create it in 1975. Republicans and Democrats alike have viewed the EITC as a nonbureaucratic way to make work/pay better than welfare.

President Reagan called the EITC "The best anti-poverty, the best profamily, the best job creation measure to come out of the Congress."

That is not someone on this Democratic side of the aisle or this administration, that is President Ronald Reagan.

Senator PACKWOOD said in 1991 that the EITC is "a key means of helping low-income workers with dependent children get off and stay off welfare."

Senator DOMENICI said in 1990, "The EITC is a great way to help low-income families with the cost of raising their children. It sends assistance to those in need, to those who work hard and yet struggle to make a living and provide for their children."

And I agree with Senator DOMENICI in that statement.

Others who have expressed especially strong support have included Senators DOLE, HATCH, and GRASSLEY; Representatives ARMEY and PETRI; and former Representative Kemp.

The less fortunate of our society too often find themselves fighting just to feed their families, pay their bills, and stay off public assistance. They are not crooks. They are not tax cheats. They are working hard to earn their tax credit. It is not some sort of a handout. They do not get it if there is no earned income. And it is one of the best tools we have to bridge the gap—bridge the gap, a bridge over troubled waters—between welfare and work. We all talk about making work. We all talk about making work affordable. Well, the EITC is doing just that. In my home State of Ohio, more than half a million working families are getting a little extra back from their paycheck to help make ends meet. I would like to share some of their stories. I think they will shed some light on just what the EITC is all about.

Brenda Manders is a divorced mother of a 3 year old who lives in Columbus, OH. She has earned the credit for 3 years. Brenda, who works for Legal Services and has been training to become a legal secretary, this year received a total refund of $2,740. This was very fortunate, because after a separation from her husband, Brenda and her child were left with no place to live. Faced with homelessness, she was able to use her tax credit to pay for a security deposit and rent on an apartment for her and her child. Without it, Brenda and her child may well have wound up on the street.

And Zorida Hart of Cleveland, OH, is a single parent who works as a switchboard operator at the Council for Economic Opportunities. She received a credit of $1,978 which she is using to pay for day care. And she's put $900 of that credit in the bank to save it for a rainy day. I wish the U.S. Congress were as pennywise as Zorida. Over the past few days, I have heard from a lot of Ohio parents who rely on the EITC to help them with child care so that they can have a job. This is a tax credit that is working for Americans. More importantly, it is keeping Americans working.

We have heard several complaints about the EITC. I would like to address these one at a time, because I suspect we might hear them again and again. I hope we can put them to rest. First, the problems of fraud and error. This is a critical issue.

I think if we learned any lesson from the hearings that the Governmental Affairs Committee held in April, it is that we had better keep pushing to prepare the IRS for the 21st century through projects like compliance initiative.

Senator SIMON and I will be offering an amendment on this shortly to ensure that this important antifraud program continues. As one of the witnesses at the April hearings said, the IRS is seeking to crack down on fraud but is hampered by antiquated systems. We need to change that to uphold public confidence not only in the EITC, but in our Tax Code generally.

We have heard dramatic statistics about the EITC error rates. We are told that according to a 1994 IRS study they are as high as 35 to 45 percent. Well, those figures are very deceiving. They deal with those filers whose tax returns were off by just a few dollars and filers who incorrectly claimed too small an amount. Mr. President, I think that bears repeating. These large percentages include those who actually claimed too little.

The more important statistic involves not such small discrepancies, but rather whether the EITC was claimed in error. The IRS study found that about 25 percent of the EITC benefits claimed were claimed in error. While there was fraud, most erroneous claims were found to be unintentional. But this 25-percent figure still overstates the problem. It deals with what was claimed, not what was actually paid out, and that is the bottom-line question. The IRS detected many of those erroneous claims, corrected them, and avoided making any overpayments. Unfortunately, the 1994 IRS study did not determine the actual EITC overpayment rate.

The error rate figure is deceivingly high for another reason. The 1,000 returns examined in the study were not representative of the EITC returns filed in 1994. They were only the returns filed electronically during the first 2 weeks of the filing season. Error rate is likely to be higher among early electronic returns than among EITC returns overall.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRADLEY. I yield 2 minutes to the Senator.

Mr. GLENN. Mr. President, what is most important is that the IRS, in response to the 1994 study, has initiated tough measures to scrutinize EITC returns. Before sending a payment, the IRS now verifies not only the Social Security numbers of all adult claimants, but also the numbers of all children in the EITC families to make sure that the claims are valid and that no child is claimed twice. Also, the GATT legislation enacted last fall included a provision requiring for the first time that Social security numbers be provided for all infants. Several million returns have been delayed this year because of discrepancies with Social Security numbers.

In addition, the IRS now pulls all EITC returns falling into error-prone categories, sends the families a questionnaire and requires the families to provide additional documentation.

So Mr. President, all the figures that we have heard, and are about to hear, are outdated. And given the new IRS compliance measures, they are not entirely relevant to the current debate. The IRS has recognized the problem, and its seeking to correct it.

Do not get me wrong. I am not saying that fraud and error rates are OK. I am the last one who would imply such a thing. But I believe that, instead of seeking to reduce working people's tax credit, we should instead work with the IRS to reduce error rates. The IRS is making a lot of headway here. And we should all work to make sure it continues. That is progress. Increasing the tax burden on our lowest income working families is not something that we want to sponsor.

Next, we have heard that the EITC is simply out of control. Well, I am here to tell you—it is not. The increases that we have seen in this tax credit have been mandated very specifically by Congress. We have scheduled increases by law and phased them in several years at a time.

The first major increase in this tax credit took place under President Reagan in 1986. The second was initiated under President Bush in 1990.

And in 1993 under President Clinton, the Congress approved this budget reconciliation act which very specifically sets forth the years that program increases will take place. These expansions took place to make work pay. They were done in recognition of the fact that other policies to assist the working poor—like the minimum wage—have become much weaker. And they were done so that a parent who works full time throughout the year would not have to raise his or her family in poverty. In fact, the 1993 increase was designed to do just that—it was designed so that a family of four in which the parent works at the minimum wage would be lifted to the poverty line.

But even with these planned expansions, the disposable income of a working mother with two children will be up to $3,000 lower, after adjusting for inflation, than in 1972 before the EITC was even created.

Mr. President, after the three expansions specifically enacted under Presidents Reagan, Bush, and Clinton, the tax credit will return to its normally low rate of growth. In fact, after 1997 it will grow at a rate less than the GDP. I am sure there are not many provisions you could say that about in the tax package that the House put together.

We have also heard allegations that 80 percent of the EITC goes to those with no income tax liability at all. Well, the truth of the matter is that the EITC was intended to offset not only income taxes, but also payroll taxes and excise taxes. More than 80 percent of the EITC goes directly to offset all of these taxes which are being paid by workers who are fighting to get out, and stay out, of poverty.

Some also say this program discourages work. The argument is that—because the credit phases out as family income increases spouses will be discouraged from getting jobs. It's an interesting theoretical argument. But what I find more persuasive is the way the tax credit has enabled people to work by helping them pay for things like child care, transportation or work clothes. I have heard from a lot of people who have used the credit for these things. But I have not heard from anyone who turned down job opportunities because it would affect their tax credit. Let me give another example from Ohio. Carol and Roy Wilmonts of Columbus, OH received the EITC for the past 2 years. They used it to help pay bills. And Carol has had the flexibility to care for their kids—Amber, Ashley, Autumn, and Nicholas. You see, that's part of the equation people ignore. Some use the EITC to pay for child care. Others use it to provide the financial flexibility for one spouse to stay at home and care for the kids. It is not a work disincentive for Carol. Roy received a promotion and is now manager at a Muffler King. He and Carol no longer receive a tax credit. But they are glad that they got one when they really needed it most.

We have also heard that you get the credit even if you work just a tiny little bit. Well—what do you know—then you get just a tiny little credit.

And we heard that those with little earned income but a lot of interest income can take advantage of the system. Well, at the request of the Clinton administration we are putting an end to that through language in the self employed health care deduction bill that has now become law.

Then we heard about the so-called marriage penalty. But no one bothered to mention that the EITC can also encourage marriages. Without the EITC, there is a great deal of financial risk for a mother on AFDC who does not work and is considering marrying someone with low earnings. If she marries, she and her children will become ineligible for AFDC and also lose some of their food stamps, not to mention the loss of Medicaid.

The EITC helps to offset those losses. By tying the knot, the couple will gain an EITC benefit of up to $2,157 if they have one child and up to $3,564 if they have two or more children. This will partially, and in some States fully, make up for the loss of AFDC benefits. Encouraging single mothers who are on welfare to marry into working families is certainly worthwhile in my book.

Some people may view the amount of credit that we are talking about as of little consequence. But let me offer an illustration provided by Dan Grunberg in testimony before the Governmental Affairs Committee. For someone who has a weekly take home pay of less than $200, the average EITC payment of $1,500 is almost 8 weeks pay. That makes a big difference.

Mr. President, it is hard to escape the harsh irony that we are discussing tax increases on those fighting to escape poverty, while at the same time the House is proposing a massive package of tax cuts that will benefit the wealthiest Americans and largest corporations. Since I came to the Senate, I have worked for fairness and progressivity in the Tax Code. The majority's EITC proposal, especially in the face of the House tax cut package, is neither fair nor progressive. It is Robin Hood in reverse.

So, Mr. President, count me as a supporter of the EITC. We can sit around here all day with fancy charts, graphics, and statistics. But nothing will substitute for the personal experiences of real people like Roy and Carol Wilmonts. They are working hard to get by. They needed that little extra help that EITC offers. And they worked hard for it.

Mr. President, I encourage my colleagues to support the Bradley amendment and oppose tax increases on the working poor.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. GLENN. I appreciate the time.

Mr. BRADLEY. Mr. President, we will withhold further comment on this side until the other side has a chance to state their case as to why they want a tax increase on working Americans. That is the basic question.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Who controls the time on the other side? Does Senator BRADLEY? How much time have they used so far?

The PRESIDING OFFICER. The Senator from New Jersey has used 40 minutes, and has 20 minutes left. The Senator from New Mexico has 55 minutes.

Mr. DOMENICI. The Senator from Pennsylvania, Senator SANTORUM, desires to speak for how much time?

Mr. SANTORUM. Five minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from Pennsylvania.

Mr. President, I designate Senator NICKLES to be the manager of the time remaining on this amendment in my behalf.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from the Pennsylvania, Senator SANTORUM, is recognized for 5 minutes.

Mr. SANTORUM. Mr. President, I rise in opposition to this amendment. I was struck by the arguments presented by the Senator from New Jersey in favor of this amendment about this Republican budget being a tax increase.

Let me just first state, again, this goes without saying, all of the amendments that are being offered by the other side of the aisle are, in a sense, bogus because they take us off the path to a balanced budget. As a result, this money that they draw from, this $170 billion that is being used to pay for this amendment, does not exist because once you put the tax credit back in, you then throw us off the line to get us to a balanced budget which then, according to the Congressional Budget Office, gets us the $170 billion.

So by putting this amendment on, the budget is no longer balanced, there is no $170 billion and, guess what? We do not have a balanced budget, we have no $170 billion, and we are back to the same place as before, which is adding to the deficit, not getting to a balanced budget.

Anyone who believes that there is money here for this program—there just is not money here for this program. This blows the whole deal. This is another attempt by the other side to say we do not want a balanced budget because if we pass this we do not have a balanced budget. So let us put all this tax cut or no tax cut—that is a red herring. This proposal destroys the balanced budget, period. It destroys it, No. 1.

No. 2, I found it absolutely amazing that the Senator from New Jersey would talk about all these tax cuts or tax benefits or tax expenditures, $480 billion in tax expenditures and then, admission against interest, he admitted most of those tax expenditures he supports. Of course, the lion's share of them, the biggest is health insurance; second is home mortgage deduction; and third is property taxes and income tax deduction.

I am sure he does not oppose any of those. That is, by far, the lion's share. What does he point out as the big one? Section 29. Section 29. This little provision in the Tax Code for tight sands drilling of oil and natural gas.

Now, let us look at section 29, this big glaring one that makes everything else illegitimate. Section 29 applies only to wells drilled prior to 1993. This thing has been phased out. It is not even around anymore. It is only for old wells. This was taken care of a few years ago. So he is arguing we should get rid of a provision we have already gotten rid of.

Mr. BRADLEY. Will the Senator yield?

Mr. SANTORUM. I will be happy to yield.

Mr. BRADLEY. Does the Senator deny that the provision in the Republican proposal will increase the tax on working families?

Mr. SANTORUM. The Senator will admit that by reducing the rate of growth in this program, people will not get the tax breaks that were intended under the Clinton 1993 budget, yes.

Mr. BRADLEY. Yes. So it is a tax increase on working families.

Mr. SANTORUM. It is not a tax increase. What it says is that people who are—I find it absolutely amazing to suggest that people who get a refund, and 90 percent of the people in this program do not pay any income tax. Let me repeat that, almost 90 percent of the people who get the earned income tax credit pay no Federal income taxes.

Mr. BRADLEY. Will the Senator yield for another question?

Mr. SANTORUM. I have not yielded.

Mr. BRADLEY. Will the Senator yield?

Mr. SANTORUM. Let me finish my point. I do not know how you can say that it is a tax increase if 90 percent of the people receiving this money do not pay taxes. To me, when you are giving money back, in fact you are giving a negative income tax to a group of people and you are saying you are not going to let that increase so they can get more negative income tax. I do not know how you consider that a tax increase, an increase in taxes. What we are saying is we are not going to give you more money that you have not paid already.

Mr. BRADLEY. Does the Senator agree that these working families pay Social Security taxes?

Mr. SANTORUM. This is a tax credit for Federal taxes. That is what this program is.

Mr. BRADLEY. I am sorry. We will hear later from the Senator from Louisiana, who can address the purpose of the originator, Senator Long of Louisiana. The point the Senator misses, and I think the other side admits this consistently——

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. SANTORUM. Can I have an additional 2 minutes?

Mr. NICKLES. I yield the Senator 2 additional minutes.

Mr. SANTORUM. I will just suggest 90 percent of the people in this program do not pay any Federal income taxes, and that when you have a program, as the Senator from Oklahoma I know is going to point out, that is fraudulent to the point of—the Senator from New Jersey said 13 percent. There are reports it is as high as 45 percent.

I know myself, I am waiting for my tax return to come back, and the reason the Internal Revenue gave me, in writing, why I am 2 months delayed in getting my tax return back is because they are having so many problems in trying to track down the fraud in the earned income tax credit provision of the Tax Code. This program has a lot of problems.

I want to get back to the original point the Senator made, how we have all these terrible provisions in the Tax Code that benefit corporate America. He points out, one, section 29, which has been eliminated, he supports programs like section 936.

It is funny, the Senator from New Jersey did not comment on the preferential tax provision for drug companies in New Jersey, and in fact supported that provision as recently as the last budget go-around when the Clinton administration cut that program back and there was an amendment on the floor of the Senate to eliminate that program, and the Senator from New Jersey refused to eliminate it.

Now, we can play this double standard. Because they do not have oil in New Jersey, they are against section 29; but if there are drug companies in New Jersey, they are not against section 936.

That is the demagoguery that goes on around here. We will point to corporate tax cuts, unless of course, the corporation is in your State.

Mr. BRADLEY. Would the Senator yield?

Mr. SANTORUM. I have been very generous in yielding.

Mr. BRADLEY. The Senator is wrong. In 1993 we cut that provision by 40 percent. If the Senator is arguing that we should cut every other corporate provision by 40 percent, his argument would be consistent. I do not think he is arguing that.

Mr. SANTORUM. Reclaiming my time, Mr. President.

The PRESIDING OFFICER. The additional 2 minutes has expired.

Mr. SANTORUM. Mr. President, 30 seconds, Mr. Chairman.

Mr. DOMENICI. I yield 1 additional minute.

Mr. SANTORUM. If we look at the amendment on the floor to eliminate section 936, the Senator from New Jersey voted against it. He voted to keep section 936 for drug companies, many of whom are based in New Jersey.

So we can look through the entire Tax Code. There are lots of provisions in there that benefit specific industries, some of them for very good reasons, others not so good. To suggest that the entire Tax Code is one big loophole for corporate America belies the numbers. No. 1, where most of the tax expenditures are, in fact, for the earned income tax credit, health insurance, property taxes, local income taxes, and the home interest deduction.

I would just suggest, as the Senator from Oklahoma will talk about, this program has problems with fraud, is a very harsh program as far as work disincentive, and there is a lot of information out there how the folks in this program are, in fact, not full-time workers who are just above the poverty level, but in fact only part-time workers who get a subsidy.

I yield the floor.

Mr. BRADLEY. Mr. President, I find it ironic that the Senator from Pennsylvania is aggressively defending all the special interest provisions in the Tax Code, while at the same time he is for a flat tax.

How can the Senator be for a flat tax and want to eliminate all the special interest tax provisions.

I yield 5 minutes to the distinguished Senator from Louisiana.

Mr. BREAUX. I thank the Senator from New Jersey for yielding.

There is a great country and western song. I think country and western writers are some of the best philosophers that we will ever see in society. In one of the songs this guy is singing, he says, "After the breakup, she got the gold mine and I got the shaft."

If you are a working family in America that makes $28,500 a year—which I would point out is most of the people in my State of Louisiana by a huge amount—you are getting ready to get the shaft; somebody else is going to get the gold mine.

Budgets are about priorities. There is no clearer priority than what we are talking about right now. What the budget that is pending says, "If you are a working family that works every day, works hard, pays your taxes, follows the law, and does what society tells you to do, you are getting ready to get the shaft."

We can argue about whether this is a tax cut or a tax increase, but the facts are very clear: What the budget proposal says, for a family that makes $28,500 or less with two children in this country, that family is getting ready to have to pay a lot more to Uncle Sam. That family is getting ready to have to dig into their wallet at the end of the year and send money to Washington that they did not have to do last year because of this budget.

Now, somebody can say that is not a tax increase. But I must say, if a person has to pay more than they paid last year, that "ain't" fun. If a person has to pay more than they paid last year, call it anything, but that person is going to be hurt.

Now, we have heard people talk about what people said, and Senator DOMENICI is on the floor, who talked about this program in the past. My predecessor in the U.S. Senate, Senator Russell Long, a person I have tremendous amount of respect for, says we have to start making work more attractive than welfare.

How many times have we heard speeches on the floor, "The problem is people don't work enough. We have too many people on welfare."

Ronald Reagan said this program, when it was passed, was "The best antipoverty, the best profamily, the best job-creation measure to ever come out of the Congress."

Today, this budget says we are going to slash it, and we are going to give the shaft to the people of this country who are hard-working Americans who are trying to make ends meet, trying to send their kids to school, trying to make sure they do not go on welfare. We will make it a lot harder. That is one thing.

Again, budgets being about priorities, what are they doing with the money? It is one thing to cut people who work every day really hard and are barely making it, can barely afford to pay the rent, and say "We will take this money away from you, that we are trying to help you with," and we are going to try and give a tax cut to families that make up to $200,000 a year—a tax cut of about $5,000 over the next 5 years—and wealthy taxpayers earning up to $350,000 get a tax cut of $20,000 when all of their tax cuts are fully phased in.

Now, people say we do not want to get into class warfare. I am not talking about class warfare. I am talking about something called fairness. Is it fair to say to someone making $28,000, "We will make you pay more," in order to say to people who make $200,000, "You will pay less."

What are our priorities? Budgets are about priorities. It is one thing to say this program is not working exactly like it was supposed to. I would suggest it is. I would suggest the Senator from Pennsylvania who says that it only applies to offset income tax knows not of what he is speaking, because it is clearly not correct to say that. It is clearly not correct.

This program was expanded by a bipartisan effort, I would point out, to include not only income taxes. We know people making that amount of money do not pay a lot of income taxes. But we have increased a payroll tax five times. These people get hit with a payroll tax, get hit with a gasoline tax Congress passed, get hit with excise tax, and alcohol and tobacco and other products. All of these taxes can be used to offset the earned income tax credit, not just the income tax.

We know the figures, that a lot of the people do not pay income taxes, but everyone pays payroll taxes, excise taxes, gasoline taxes, and all the other things that get hit and keep them in the bowels of poverty.

Again, who is getting the shaft and who is getting the gold mine? I think it is pretty clear that this suggestion says we will repeal any of the increases.

What else do they do with regard to this proposition? I think it is very important to know.

Here is what the proposal does: No. 1. It repeals the 1996 increase in deductions that people who are working and making 28,000 a year get. It repeals it outright. It also repeals the workers who do not have children, the credit that they would get.

Is it not fair to have people who do not have children to not be able to benefit in the program? In 1993 Congress added this section. In a bipartisan effort, under that credit, taxpayers without children would be eligible for some credit. This budget says they are out of here, forget them, we are not going to help them. I do not understand that. Well, you can say that is not a tax increase but, by golly, they are going to pay more money to the Federal Government. And I do not think it helps them or makes them feel better to say those people in Washington told me this was not a tax increase, but I am paying more money than the last time. How can that not be a tax increase? It definitely comes out of their back pocket at a time when Congress is saying: Get off the dole, go to work, support your family, follow the law and, by the way, we are going to make you pay more so we can give a tax cut to people making $200,000 a year. Priorities. It is a question of priorities.

Now, I know some people are going to say, well, this program has increased so much and we have this huge increase, and it is just going out of control. Let me suggest that the growth rate is not explosive and it is not out of control. It is doing exactly what Congress intended it to do. It is growing because it was designed to grow because of expansions in the bill that were signed into law. The charts are going to show something that goes up like that. That is because Congress said, in a bipartisan manner, that in addition to income tax, we are going to cover things like payroll tax, which is the most regressive tax of all; we are going to cover the gas tax, which we have increased; the payroll tax, which is increased; the excise tax on products, which has increased several times. Of course, it has increased and it is starting to level off.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I rise in opposition to the amendment offered by my friends on the other side of the aisle because we need to restrain the growth of the earned-income tax credit. I want to make several comments, and I am going to insert several charts and figures into the RECORD.

I ask unanimous consent that at the conclusion of my statement, these charts be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NICKLES. Mr. President, my colleagues are certainly entitled to their own opinions, but they are not entitled to their own facts. The fact is that this program is growing rampantly out of control. It has been, without a doubt, the fastest growing entitlement program in Government. It is also probably the most fraudulent program we have in Government. I want to refute the statement I have heard almost all of my colleagues on the other side say—that this is a tax increase on the working poor. They are totally wrong.

The changes we are talking about making in the EITC program are not a tax increase on anyone. What we are doing is reducing the rate of growth of a program that is growing in cost by leaps and bounds. We are not talking about tax credits. We are talking about reducing the amount of checks that we are writing—outlays. This is a cash benefit program. Eighty percent of the money in this program is written in a check at the end of the year.

It is not a reduction in somebody's taxes. It is a payment; it is a negative income tax. In almost 99-plus percent of the cases, it is a check paid as a refund to people in a lump sum payment. These lump sum payments have been rising dramatically. My colleagues need to be aware of the exploding costs in this program. The numbers on this chart are what the Federal Government is actually spending. I will have this inserted into the RECORD so my colleagues can see it. The growth in this program is astronomical. I heard a couple colleagues saying Ronald Reagan and others were supporters of this program. Let us put their support in context.

In 1980, this program's outlays were $1.4 billion. In 1986, they were $1.5 billion. So in 5 or 6 years, the outlays almost had no increase. So it was very, very small, program. In 1986, we had some increases, and by 1990, this program's outlays were $5.3 billion.

Mr. BRADLEY. Will the Senator yield?

Mr. NICKLES. I want to make a significant statement, and I will yield at a later time.

That is a pretty significant growth, from $1 billion to $5 billion. Look at this chart to see what happened since 1990, because now we are talking about a program that is going to be 30 billion dollars plus. Again, I am just talking about outlays, what the Federal Government is writing a check for. I am not talking about a tax credit that somebody has to reduce their taxes. I am talking about what the Government is writing the check for—outlays where the Government is writing a check.

These figures are exploding. In 1990, outlays were $5 billion. In 1992, they doubled and went to $10 billion. By 1995, the outlays went to $20 billion, and they continue to escalate. In 1997, outlays for the EITC will be $23.8 billion. Again, I will have these inserted into the RECORD. The growth rate for the last several years in EITC outlays, beginning in 1990, was 14 percent, 55 percent, 22 percent, 21 percent, 42 percent in 1994, and 18 percent in 1995.

Those are increases in outlays where we are writing checks, not reducing someone's tax liability. Uncle Sam is writing a cash payment benefit. Again—this is 10 times the rate of growth of inflation over most of these years.

The cost of this program now exceeds the cost for Aid for Families with Dependent Children. We are going to talk about welfare reform very soon. Senator BRADLEY, myself, and others are going to be working on a welfare markup tomorrow. We will focus on AFDC because it has been the largest cash assistance program for welfare dependents. The EITC exceeds AFDC. It did not a couple years ago.

This chart maybe is a little more confusing, and thus needs explanation. You see the red, which is the outlays. The green here is the credit portion. So the total cost of this program, estimated by the year 2002, is going to be $36.2 billion. That is an unbelievable explosion of a program that only cost a couple of billion dollars back in the late 1970's and even in the early 1980's. The total cost of the program in 1986 was $2 billion. The total cost of the program in 1990 was $6.9 billion. The total cost of the program in 1994 was $21.8 billion. It tripled between 1990 and 1994—tripled; it went from less than $7 billion to $21.8 billion. By 1996, it goes up to $28.4 billion. Again, the growth rate in the total cost of this program, outlays and credits, is astounding. In 1991, it went up 60 percent; in 1992, 17 percent; in 1993, 20 percent; in 1994, 40 percent; in 1995, 16 percent; and in 1996, 12 percent.

Now, the cost of the EITC is growing for a lot of different reasons. One, Congress has increased the amount of money people are eligible for. But I will give you some figures. The maximum credit in 1990 for two or more children was $953. From 1976 through 1978, the maximum credit anybody could receive out of this program was $400. In 1979, all the way through 1984, it was $500. Then, in 1985 and 1986, it was $550. Then it has increased substantially every year. In 1990, a person could receive $953. So it basically doubled from 1979 to 1990—the maximum amount of credit that anybody could receive for two or more children.

Again, keep in mind that 99 percent of the people who file returns for this receive a lump sum payment. So $1,000 is not a bad deal. More and more people found out about it and thought, hey, this is a pretty good deal. They can file an income tax return even though most of these people have income such that they are not going to pay any Federal income tax. Maybe they will pay some Social Security tax, but they will file a return and get $953. Then more and more people became eligible. Congress increased eligibility and people became aware that it could be very easily cheated.

The maximum amount went up dramatically. In 1995, it was $1,511. It went up another 50 percent over that period of time. From $953 in 1990; and in 1993, $1,511. In 1994, Congress made some changes in a tax bill that not any Republican voted for. I do not remember anybody saying we are going to increase the maximum amount on the income tax credit from $1,511 to $2,528 in 1 year. The maximum tax credit went from $1,511 to $2,528. In 1995, the maximum tax credit is $3,110. In a few years, we went from less than $1,000 to $3,110. It has tripled. No wonder the cost of this program is climbing up out of control. We went from a maximum credit for a family with two or more children of less than $1,000 to $3,000 in 5 years. You can see why there was an explosion in cost.

Unfortunately, there was also an explosion in fraud. For my colleagues to defend a program that has had this kind of fraud and error rate I think is unbelievable. I am just looking at a GAO study that was given to the Senate in March 1995. It says, "The most recent taxpayer compliance measurement program shows that about 42 percent of EIC recipients receive too large a credit and 32 percent were not able to show they were entitled to any credit."

Think of that, 32 percent of those surveyed could not show that they are entitled to receive any credit. One-third of the beneficiaries were not able to show that they were entitled to any credit? And we are expanding it on this kind of scale? People can receive $3,100 and one-third could not even defend that they were entitled to receive it and 42 percent showed an error? Maybe some of those errors were small, maybe some of them were large, maybe some of them were intentional, maybe some of them were not, but about 34 percent of EIC paid out was awarded erroneously.

Mr. President, 34 percent was awarded erroneously? Wow, think of that. We are talking about a program that is bigger than AFDC, a program that is growing at this kind of rate, and it has that kind of fraud and error rate.

What are these radical Republican proposals that I keep hearing about that we are taxing working poor? That is false. I just totally deny that accusation. That irritates me. What we are trying to do is stem the tide of a program that is totally out of control. Republicans think we should control it. As my colleagues know, we are not passing tax law on the floor of the Senate. We are not rewriting the program. We are saying we have a program that is out of control and we ought to contain its growth.

Under the Republican package, let me mention, the total cost of this program grows from $25 billion in 1995 to $28 billion in 1996. It continues to grow about $1 billion a year to $32 billion by the year 2002. In other words, under the proposal we are suggesting to the Finance Committee, EITC would continue to grow, but it would grow about $1 billion per year, a little over 3 or 4 percent per year, whereas under current law it continues to grow much faster than that.

Let me give a couple of specific examples. As I mentioned, right now under the earned-income tax credit, a person with two or more children is able to receive $3,110. Under the plan that some of us are proposing, next year that person could receive $3,119 and that figure would continue to increase every year so by the year 2000 a person with two or more children could receive $3,560. So, again the maximum credit allowed would increase every single year. Granted, it will not increase as fast as provided under current law. A person could receive, again, lump sum payments under current law from $3,110 in 1995 to over $4,000 by the year 2000. We allow the increase to go from about $3,110 in 1995 to $3,560 by the year 2000. So we have smaller increases.

The current law says let us take it up to $4,000. Again, keep in mind most people are receiving this as a lump sum payment. I think that is a great incentive for fraud. If you cheat on your tax return, not only do you reduce your taxes, which is what happens in most cases, but Uncle Sam is going to write you a check. Right now the check is $3,110. We found a lot of fraud when people were getting just $953. What are they going to do when they can get $4,000? So we think we need to curb this abuse. We need to eliminate the fraud. We need to slow, not expand, this program. We did not even freeze the program. Maybe we should have.

A program this fraudulent probably should have been frozen. We did not do that. Actually, if you had frozen the program for 7 years I think you save $50 billion. We did not do that. We just slowed the rate of growth. For my colleagues to insinuate that is a tax increase on the working poor, I beg to differ. I think that is totally false.

If we are ever, ever going to balance the budget, we have to curtail the growth of programs that are growing a lot more rapidly than inflation. I have already given the figures of the rapid cost of this program. We are trying to constrain it in our proposal. If we allow Uncle Sam to continue writing checks that grow from $953 in 1990 to $3,110 in 1995 to $4,000 in 2000, this program will not be contained. These numbers will continue to climb off the charts and we will have deficit spending. Not only will we continue to have deficit spending but we are going to find that too many people are eligible for this program—I have read in one case where 30 to 40-some-odd percent of the District of Columbia is now eligible for this program.

You are going to continue to have rampant, rampant abuse, I am afraid, because the dollars are so large. And that would be a serious mistake. So I will send a second degree amendment to the desk and ask for its immediate consideration.

I will postpone that. I yield the floor.

EXHIBIT 1

EARNED INCOME TAX CREDIT—TWO OR MORE CHILDREN

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Zero credit income
Historical					
1976	10.00	$400	$4,000	$4,000	$8,000
1977	10.00	400	4,000	4,000	8,000
1978	10.00	400	4,000	4,000	8,000
1979	10.00	500	5,000	6,000	10,000
1980	10.00	500	5,000	6,000	10,000
1981	10.00	500	5,000	6,000	10,000
1982	10.00	500	5,000	6,000	10,000
1983	10.00	500	5,000	6,000	10,000
1984	10.00	500	5,000	6,000	10,000
1985	11.00	550	5,000	6,500	11,000
1986	11.00	550	5,000	6,500	11,000
1987	14.00	851	6,080	6,920	15,432
1988	14.00	874	6,240	9,840	18,576
1989	14.00	910	6,500	10,240	19,340
1990	14.00	953	6,810	10,730	20,264
1991	17.30	1,235	7,140	11,250	21,250
1992	18.40	1,384	7,520	11,840	22,370
1993	19.50	1,511	7,750	12,200	23,049
1994	30.00	2,528	8,425	11,000	25,296
1995	36.00	3,110	8,640	11,290	26,673
Current Law					
1996	40.00	3,564	8,910	11,630	28,553
1997	40.00	3,680	9,200	12,010	29,484
1998	40.00	3,804	9,510	12,420	30,483
1999	40.00	3,936	9,840	12,840	31,529
2000	40.00	4,068	10,170	13,280	32,596
Senate GOP Proposals					
1996	35.00	3,119	8,910	11,630	27,720
1997	35.00	3,220	9,200	12,010	28,634
1998	35.00	3,329	9,510	12,420	29,504
1999	35.00	3,444	9,840	12,840	30,620
2000	35.00	3,560	10,170	13,280	31,656

Provided by Senator Don Nickles, 05/18/95.

Source: Joint Committee on Taxation.

EARNED INCOME TAX CREDIT—ONE CHILD

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Phase-out income
1976	10.00	$400	$4,000	$4,000	$8,000
1977	10.00	400	4,000	4,000	8,000
1978	10.00	400	4,000	4,000	8,000
1979	10.00	500	5,000	6,000	10,000
1980	10.00	500	5,000	6,000	10,000
1981	10.00	500	5,000	6,000	10,000
1982	10.00	500	5,000	6,000	10,000
1983	10.00	500	5,000	6,000	10,000

EARNED INCOME TAX CREDIT—ONE CHILD—Continued

Year	Credit percent	Maximum credit	Min income for max credit	Max income for max credit	Phase-out income
1984	10.00	500	5,000	6,000	10,000
1985	11.00	550	5,000	6,500	11,000
1986	11.00	550	5,000	6,500	11,000
1987	14.00	851	6,080	6,920	15,432
1988	14.00	874	6,240	9,840	18,576
1989	14.00	910	6,500	10,240	19,340
1990	14.00	953	6,810	10,730	20,264
1991	16.70	1,192	7,140	11,250	21,250
1992	17.60	1,324	7,520	11,840	22,370
1993	18.50	1,434	7,750	12,200	23,054
1994	26.30	2,038	7,750	11,000	23,755
1995	34.00	2,094	6,160	11,290	24,396
Current Law					
1996	34.00	2,156	6,340	11,630	25,119
1997	34.00	2,227	6,550	12,010	25,946
1998	34.00	2,305	6,780	12,420	26,846
1999	34.00	2,383	7,010	12,840	27,755
2000	34.00	2,462	7,240	13,280	28,584
Senate GOP Proposals					
1996	30.15	2,156	7,150	11,630	25,120
1997	30.15	2,225	7,380	12,010	25,934
1998	30.15	2,300	7,630	12,420	26,816
1999	30.15	2,379	7,890	12,840	27,726
2000	30.15	2,460	8,160	13,280	28,676

Provided by Senator Don Nickles, 05/18/95.

Source: Joint Committee on Taxation.

EARNED INCOME TAX CREDIT

Year	Total cost (billions)	Percent growth	Outlay cost (billions)	Percent growth	Revenue cost (billions)	Percent growth	Number of family beneficiaries	Percent growth	Average credit	Percent growth
1975	1.3		0.9		0.4		6,215,000		$201	
1976	1.3	4	0.9	−1	0.4	16	6,473,000	4	200	0
1977	1.1	−13	0.9	−1	0.2	−39	5,627,000	−13	200	0
1978	1.0	−7	0.8	−9	0.2	0	5,192,000	−8	202	1
1979	2.1	96	1.4	74	0.7	166	7,135,000	37	288	43
1980	2.0	−3	1.4	−2	0.6	−6	6,954,000	−3	286	−1
1981	1.9	−4	1.3	−7	0.6	3	6,717,000	−3	285	0
1982	1.8	−7	1.2	−4	0.6	−13	6,395,000	−5	278	−2
1983	1.8	1	1.3	5	0.5	−8	7,368,000	15	224	−19
1984	1.6	−9	1.2	−10	0.5	−6	6,376,000	−13	257	15
1985	2.1	27	1.5	29	0.6	24	7,432,000	17	281	9
1986	2.0	−4	1.5	−1	0.5	−10	7,156,000	−4	281	0
1987	3.9	96	2.9	98	1.0	89	8,738,000	22	450	60
1988	5.9	50	4.3	45	1.6	64	11,148,000	28	529	18
1989	6.6	12	4.6	9	2.0	20	11,696,000	5	564	7
1990	6.9	5	5.3	14	1.6	−17	12,612,000	8	549	−3
1991	11.1	60	8.2	55	2.9	78	13,700,000	9	813	48
1992	13.0	17	10.0	22	3.0	3	14,100,000	3	924	14
1993	15.6	20	12.1	21	3.5	17	15,200,000	8	1,027	11
1994	21.8	40	17.2	42	4.6	31	19,500,000	28	1,118	9
1995	25.3	16	20.3	18	5.0	9	19,800,000	2	1,283	15
1996	28.4	12	22.9	13	5.5	10	20,200,000	2	1,407	10
1997	29.6	4	23.8	4	5.8	5	20,400,000	1	1,452	3
1998	30.9	4	24.9	5	6.0	3	20,600,000	1	1,501	3
1999	32.2	4	26.0	4	6.2	3	20,800,000	1	1,548	3
2000	33.5	4	27.0	4	6.5	5	21,000,000	1	1,593	3
2001	34.8	4	28.0	4	6.8	5	21,200,000	1	1,639	3
2002	36.2	4	29.1	4	7.1	4	21,400,000	1	1,687	3

Provided by Senator Don Nickles, 05/18/95.

Source: CBO.

IMPACT OF REFORMING THE EARNED INCOME TAX CREDIT

	1996	1997	1998	1999	2000	2001	2002	Total
EITC baseline (CBO)	28	30	31	32	34	35	36	226
EITC reforms	(0)	(3)	(3)	(3)	(4)	(4)	(4)	(21)
EITC baseline after reforms	28	26	28	29	30	31	32	204

Provided by Senator Don Nickles, 05/18/95.

Source: CBO and Senate Budget Committee majority staff (billions of dollars).

Mr. LEAHY. Mr. President, I rise in strong support for the amendment offered by the distinguished Senator from New Jersey. This amendment makes sense. It restores $21 billion in cuts over the next 7 years in the earned income tax credit in the Senate Republican budget resolution. Like their cuts in Medicare and education, the Republican's cuts in this tax credit are shortsighted and wrong.

At a time when many working Americans are struggling to make ends meet, the Senate Republican budget plan would hike taxes on low-income workers by as much as $350 a year. It would repeal the final phase of the earned income tax credit expansion enacted as part of the 1993 budget act, and it would repeal the earned income tax credit for workers without a child

I do not understand the desire to cut the earned income tax credit. Ronald Reagan, a President that I did not always agree with, had it right when it came to the earned income tax credit. President Reagan called the earned income tax credit: "the best antipoverty, the best pro-family, the best job-creation measure to come out of Congress."

President Reagan was right. This tax credit does reward low-income Americans for working. It makes a huge difference for families struggling to pay the rent and buy food for their kids.

The tax credit is available to low-income workers only. If you do not work, you do not get the credit. The credit starts phasing out at $11,000 for families with children and at $5,000 for workers without children. It ends for families with two children at $25,296, families with one child at $23,755, and workers with no children at $9,000.

In my home State of Vermont, the earned income tax credit has been a big success making work pay for low-income workers.

In 1993, 25,279 working Vermonters benefited from the earned income tax credit. Under the Senate Republican budget resolution, however, the earned income tax credit in Vermont would be cut by $29 million over the next 7 years. The Treasury Department estimates this cut would increase taxes on 20,156 working Vermonters by an average of $1,433 per taxpayer over the next 7 years.

Some of my colleagues on the other side of the aisle claim that these cuts are necessary because of some fraudulent claims involving the earned income tax credit. But that argument is more than a little disingenuous.

An IRS study has found some error rates in the credit, but the Clinton administration has responded aggressively to address this problem. Specifically, the administration has developed 12 measures to ensure simplicity and verifiability of the earned income tax credit. And the IRS is now matching social security numbers with tax returns to further verify credit takers.

The Senate Republican budget resolution, however, contains only one of the administration's antifraud proposals. Instead of adopting the administration's antifraud proposals or other antifraud measures, this budget resolution simply cuts the tax credit. In fact, this budget resolution cuts the earned income tax credit by $21 billion over the next 7 years because it's a quick way to collect budget-cutting dollars at the expense of a constituency that rarely votes—the working poor.

Cutting the earned income tax credit and raising taxes on the working poor is exactly the wrong thing to do now. Unfortunately, we are suffering through an era of stagnant wage growth. Just last month, the Department of Labor reported that median weekly earnings of nonsupervisory workers rose just 1.9 percent over the past year. While at the same time, consumer prices rose 2.8 percent.

And last year just continued the losing trend of the 1980's. During the 1980's, the gap between the rich and poor grew faster in the United States than anywhere else in the Western world. According to an April 1995 study by Prof. Edward Wolff of New York University, three-quarters of the income gains during the 1980's and 100 percent of the increased wealth went to the top 20 percent of families. The remaining 80 percent of U.S. families lost in real wage power.

Workers are treading water or worse against the rising tide of inflation. Now is not the time to cut a tax credit that rewards the poor for working. Instead, I urge my colleagues to support this amendment to restore the earned income tax credit.

Mr. KOHL. Mr. President, I rise in support of the amendment offered by Senator BRADLEY to restore funding for the earned income tax credit. The Bradley amendment would restore the EITC by redirecting $16.9 billion of the proposed $170 billion budget surplus to working lower income Americans. Simply stated, the Bradley amendment offers a clear choice to the Members of this body: We can impose a $16.9 billion tax increase on working Americans or we can ask well-to-do people to bear some portion of the economic sacrifice necessary to restore our Nation's economic vitality.

Mr. President, tax expenditures are one of the fastest growing items in the Federal budget. Over the next 7 years, the U.S. Government will spend in excess of $4 trillion—that's right, trillion—on tax writeoffs, loopholes, and hidden breaks. And while there are some tax expenditures that help middle- and lower-income Americans, most of our tax expenditures end up benefiting the upper end of the economic ladder.

The budget before us today does not touch tax benefits for the wealthy and powerful. We all know that situation exists because the special interests that benefit from our current tax scheme have both the resources and ability to protect their advantages. On the other hand, Americans who rely on the EITC are too busy working—or worrying about their childrens' health or education—or struggling to make ends meet in these challenging and difficult times—to know that the Congress is about to hit them with a hidden tax increase. Because that is just what a reduction in the ETIC is—a tax increase.

Mr. President, the EITC provides a tangible economic incentive to lower income Americans to work for a living. In my own State of Wisconsin, 2,294,126 returns were filed for the 1993 tax year. Of this total, 189,831 returns contained earned income tax credit refunds, and a total of $182,548,000 in EITC refunds were paid to Wisconsin citizens. The average refund in Wisconsin was $961.63. Now that might not sound like a lot of money to some people from other parts of the country—or even to some in this Chamber. But make no mistake about it, to the Wisconsin taxpayers who qualified for those refunds, they made the difference between work and welfare; between hard work and a hand-out; and between self-worth and self-doubt.

Mr. President, I also recognize that few things in this world are perfect, and that includes the earned income tax credit. As a number of my colleagues have correctly observed, there are deficiencies in the current administration of this credit. In particular, Senators have identified problems associated with electronically filed tax returns that contain EITC claims. And while there is some disagreement over the severity of the problems, it is clear to all concerned that remedial action is required. The choice that we face today is whether we will retain the EITC and effect bipartisan reforms or whether we will drastically reduce one of the few tax expenditures that helps working class Americans.

I would urge my colleagues to continue the bipartisan approach that has been the hallmark of the EITC. My colleagues may recall that Presidents Reagan and Bush worked with Democratic Congresses to develop and expand the EITC. I hope that this Congress will continue that bipartisan spirit.

Mr. President, we are at an important crossroad in our history. We in Government have finally heard the message of the American people: That it is time to put our fiscal house in order. We must now decide whether we share the burdens that confront us equally or whether we exacerbate the growing disparities that exist within our society. I believe that the Bradley amendment is a step in the right direction. Senator BRADLEY'S amendment is a fair and reasonable proposal that helps working Americans. I therefore urge my colleagues—on both sides of the asile—to support his amendment. I yield back the balance of my time.

Mr. ROCKEFELLER. Mr. President, I rise in strong support of the earned income tax credit [EITC], and Senator BRADLEY's amendment to rescue one of this country's clearest incentives and rewards for hard-working families.

We are forced to offer this amendment to fix one of the worst parts of the budget offered by the other side of the aisle. Believe it or not, the architects of this budget are trying to cancel tax relief for the families in this country struggling every day to make ends meet so the funds—$21 billion in all—can be redirected to households and corporations in the upper tiers.

They justify their attack on tax relief for working families by claiming that the credit—the EITC—is growing out of control. That is totally misleading, and deliberately so. Yes, the EITC is growing. That's because an economic and deficit reduction plan enacted in 1993 included an initiative to increase this tax credit for very logical reasons. There is nothing to hide or apologize for. Those of us who voted for that budget, with $600 billion in deficit reduction and many cuts in spending, put our priority on hard working Americans who are working to make ends meet and raise their children. We wanted the EITC to grow because of its fundamental role in helping parents who are teetering on the economic edge to be able to choose work over welfare, independence over dependence, dignity over the indignities of the welfare system.

I am proud of my vote to expand the EITC because it is needed tax relief for more than 100,000 West Virginia families. That may be another statistic, but it stands for real people and families across my State working as hard as they can to make it each day.

The McCumbers of Frametown, WV, count on the EITC to make ends meet. She works full-time as a receptionist at the Mountaineer Food Bank, and her husband works full-time as a maintenance worker. They have two children, ages 8 and 10. For the past 4 years, the McCumbers have gotten tax relief thanks to the EITC. And let me tell you how they used that money. Three years ago, their EITC helped them make a down payment on a home. They also have used it to pay property taxes and homeowners insurance. Another year, it covered glasses for their daughter, and a new bed for their son. The McCumbers family is like many of our neighbors next door. Parents who work hard, but struggle to pay the bills each month.

Let me tell you about another West Virginia family that relies on the EITC—the Helmicks of New Milton. He works full-time driving a truck for Mountain View Construction. She is a full-time homemaker caring for six children, ranging in age from their 15-year-old twins to a 4-year old. The first time this family used the EITC was when the twins were born and they needed extra baby furniture and twice as many supplies. Over the years, the EITC has helped the family buy a used truck to ensure Mr. Helmick had reliable transportation for work. It has helped them paint their home, put a concrete floor in their basement, and even put up a home basketball court so they could keep their teenagers close to home.

Hard working families like the McCumbers and the Helmicks deserve our admiration and support. We should not pull the rug out from under them and their children by eliminating the tax relief promised to them. And we certainly should not take tax relief away from hard working people who are struggling in order to give a bonus to wealthy Americans. That's what this budget resolution proposes to do, believe it or not. That's why we should pass the Bradley amendment, and reject an idea as dumb and unfair as robbing struggling families to give something more to the well off.

If the proponents of the Republican budget get their way on the EITC, it will mean that more than 80,000 West Virginia families will lose about $1,494 over the next 7 years that they would have gotten for playing by the rules and doing something called work. That would renege on a promise to 12 million families in West Virginia and across our country.

I urge my colleague to support the Bradley amendment and the men and women who work hard every day, struggling to provide for themselves and their children.

The other side wants to focus on all the excuses for backing away from a policy of rewarding work and discouraging welfare. They talk about error rates, fraud, other problems. Where these problems need to be fixed, let's fix them. Let's not hide behind excuses to walk away from families who deserve every reward possible in a country that says it values work and children above all. The McCumbers and the Helmicks are my guidepost in this debate. They should serve as a reminder to every one of my colleagues that a growing EITC is exactly where our priorities should be.

OPPOSING CUTS TO THE EARNED INCOME TAX CREDIT AND THE REPEAL OF THE DAVIS-BACON ACT

Mr. AKAKA. Mr. President, as we continue to debate the budget resolution, I am concerned about Republican spending proposals that will balance the budget on the backs of children, middle-class families, the working poor, and the Nation's veterans. The more I study it, the more I realize that the majority's budget resolution will be a very bitter pill for hard-working American families to swallow. The budget resolution preserves special interest tax loopholes and other forms of corporate welfare. The wealthy will continue to receive billions of dollars in tax breaks and the proposed budget promises an additional $175 billion in future tax relief.

The most troubling feature of the Republican budget proposal is the $21 billion cut in the earned income tax credit. During the past decade, working families suffered a slow, steady erosion in their standard of living. Families simply had to work harder and longer to make ends meet. Despite their hard work and long hours, the number of working poor families and individuals living at or below the poverty line continues to grow.

The most effective way to improve the economic well-being of the middle class and working poor is to promote policies that reward work and lessen dependency. That is why the earned income tax credit was established. The earned income tax credit helps parents in low-income families remain in the work force. It also acts as a safety net for middle-class families confronted with a sudden loss of income.

Despite long-standing bipartisan support for policies that make work pay, the majority budget resolution would cut the earned income tax credit by $21 billion over 7 years. Congress recently expanded the earned income tax credit to lift a family of four with a full-time working parent to a level at least equal to the poverty line. The Republican budget proposal abandons this policy. Their proposed cut in the earned income tax credit would increase Federal income taxes on millions of low-income working families with children. Under the majority proposal, the Treasury Department estimates that 7.8 million working families with more than one child will see their earned income tax credit reduced by $270. A working family with two children earning $20,000 would see a $290 reduction in their credit.

Mr. President, only $1 billion of this $21 billion cut would result from the adoption of the Clinton administration proposal to deny the earned income tax credit to undocumented workers and implement procedures to reduce errors and fraud in the program. The remaining $20 billion cut represents a tax increase for millions of working families, many of which live just above the poverty level. Why raise taxes on individuals who are struggling to work, make ends meet, and avoid welfare? What message are we sending to America's working men and women? The last thing we need is a budget that raises the income taxes on Americans who are committed to work, rather than collecting welfare.

To add insult to injury, the Republican budget proposal cuts job training assistance by 25 percent. This cut will make it more difficult for our youth and adults to receive the technical training and job assistance necessary to gain employment in a technology-driven, global marketplace. Without job training and education programs, displaced, first-time, and entry-level workers will be relegated to low-wage, low-skill service sector jobs with no chance for economic or educational advancement. Has any consideration been given to the impact of a 25-percent cut in job education and training on long-term productivity and prosperity or on blue-collar families and their communities? I don't think so. These cuts will deprive workers of educational opportunities which could increase their earning power and productivity, along with the productivity and prosperity of businesses and the country. A rising tide lifts all boats, but only if the boats are seaworthy.

Mr. President, the budget plan also calls for the repeal of the Davis-Bacon Act. Repeal of Davis-Bacon would jeopardize the provision of fair, prevailing wages and labor standards on construction projects. For over six decades, the Davis-Bacon Act has assured local construction workers and contractors a fair opportunity to bid competitively on Federal construction projects. I believe dismantling the act would adversely impact local workers and contractors, and as a consequence, reduce the quality of construction on Federal projects.

In addition, Davis-Bacon ensures that workers on low-skill, low-wage jobs can participate in training programs to improve their skills and qualifications for better paying positions. Repeal of the law would remove most incentives for contractors to provide these workers such training opportunities.

Programs and agencies that promote safe and healthy working conditions and procedures also face drastic cuts. The Occupational Health and Safety Administration and other workplace safety agencies face a 50-percent reduction in funds which are necessary to ensure a safe working environment for working men and women.

Mr. President, the Republican budget dismantles the safety net for millions of working Americans and eliminates or cuts programs that are investments for a brighter, more competitive, and prosperous future for American families and our country. It is nothing more than a promise of a golden parachute for our wealthy.

TARGETING THE POOR UNDER THE GOP BUDGET RESOLUTION

Mr. BYRD. Mr. President, the Senate, in debate on the Fiscal Year 1996 Concurrent Resolution on the Budget, is in the process of considering many necessary spending reductions to achieve a balanced budget by the year 2002. There is a consensus in the Senate—on both sides of the aisle—on the need to balance the budget, and this Senator is committed to eliminating the Federal deficit. However, as expected, there exists much less unanimity on the appropriate spending cuts for reaching the goal of a balanced budget.

As approved by the Budget Committee, the Budget Resolution would reduce funding for the earned income tax credit (EITC) by $21 billion over the next 7 years. Senator BRADLEY has proposed an amendment to the Budget Resolution that would restore $16.9 billion in funding for the EITC. Senator BRADLEY would fund this restoration of the EITC with money earmarked by the Budget Committee for a future tax cut. In essence, Senator BRADLEY's amendment seeks to repeal a tax increase on America's working, low-income families by reducing a future tax cut that—if similar to the House-passed tax-cut measure—would primarily benefit upper-income families. A future tax cut is promised in the Budget Resolution if the "fiscal dividend" from deficit reduction is scored by the Congressional Budget Office.

Mr. President, it is important that the Senate consider the primary beneficiaries of the EITC, which is a refundable Federal income tax credit created in 1975 to supplement the earnings of low-income workers. The EITC primarily benefits low-income, working families—those with incomes below $28,000—with one or more children. In light of the upcoming debate on welfare reform, can we in the United States Senate expect to provide viable alternatives for families receiving welfare benefits if we do not reward work for low-income families? The EITC does exactly that. It rewards work.

Critics of the EITC have pointed out that the program is subject to fraud and that it is too expensive. In response to these and other concerns, President Clinton included two legislative proposals in his Fiscal Year 1996 Budget that seek to reduce the cost of the EITC. First, the President proposed denying the tax credit to otherwise eligible recipients if they have substantial investment income. Earlier this year, the Senate approved and the President signed legislation (Public Law 104-7) that addressed this problem. Secondly, the President proposed requiring a valid Social Security number for all EITC recipients. The Budget Resolution includes the President's proposal and I support it. I do not support, however, the tradeoff proposed in the Budget Resolution that cuts the EITC over the next 7 years to pay for a future tax reduction for the wealthiest in our society. It is interesting, even tendentious, that the only tax expenditure targeted by the Republican Budget Resolution is a program that benefits our Nation's low-income, working families. The Joint Committee on Taxation estimates the total cost of the more than 120 tax expenditures to be $453.0 billion for Fiscal Year 1995. The EITC, by comparison, will cost approximately $18.6 billion this year.

Mr. President, the Administration has estimated that a total of 12,200,000 working taxpayers in the United States receive benefits from the EITC. In West Virginia alone, an estimated 101,229 families received approximately $99,323,000 in EITC benefits in 1994. That represents 14.6 percent of all West Virginia tax filers. As an elected representative of the people of West Virginia, I support the Bradley amendment because it seeks to repeal the effective tax increase on low-income working families by reducing the Republican-promised tax cut for the wealthiest in our society.

The PRESIDING OFFICER. Who yields the floor?

Mr. BRADLEY. Mr. President, how much time is remaining on my time?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. BRADLEY. Mr. President, I yield 7 minutes to the distinguished Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 7 minutes.

Mr. REID. Mr. President, the Budget Committee's mark would in effect raise taxes by some $21 billion for people who make less than $28,000 a year. That is a fact. About 7.8 million people who would benefit from this program, and their children, would be affected. Families with two or more children would be the hardest hit by the proposal that is coming from the other side of the aisle. Under the Budget Committee mark that we received, this would result in a tax increase for over 12 million Americans.

As the senior Senator of Nevada, I am concerned what effect this tax increase would have on the State of Nevada. The increase in taxes would affect almost 100,000 people who live in the State of Nevada. Nevada is a State whose large numbers of people are employed in the service industry. It would have a tremendous impact on them.

Over the next 7 years, these families in Nevada can expect to pay over $100 billion more in taxes because of this policy. This results in a tax of about $1,500 more per family. It would increase the taxes of families with children, it would result in a dramatic increase in annual taxes of $250.

This tax increase is being carried out for one purpose. That is to produce the crown jewel in the so called Contract With America. An enormous tax break for the wealthiest of this country courtesy of an enormous tax increase on working Americans.

In the budget proposal we are now debating, the tax cut is camouflaged. In fact, it took the press a few days to pick up the fact that there was a $170 billion earmark in this budget proposal that could only go to the Finance Committee and could only be used for tax cuts. This is not a fiscally sensible policy and it is not morally right either.

There has been some talk about fraud. It is really too bad we are talking about fraud as it relates to the poorest people who benefit from our tax policies. Why are we picking on people who are working, making under $28,000 a year?

I think we should make sure there is no fraud or abuse in this program. There is no question about it. But why do we not look at some of the other problems we have. They are too numerous to mention, but let me talk about 73 percent of foreign corporations who do business in America that pay no taxes—none. We are losing tens of billions of dollars a year because they are not paying their fair share. Why do we not talk about doing something about that?

I think it is important we talk about policies and how they affect individual human beings. We talk about numbers but they become just statistics. What would this do to people in the State of Nevada? Let us take, for example, a woman by the name of Denise Mayfield. She is a single mother with four children. She lives in Las Vegas. She began working at a program called Head Start in Las Vegas in 1985 as a teacher's aid at the lowest possible salary, minimum wage.

She is now director of that program. Before she worked at Head Start she worked at the YWCA, and received welfare—Aid to Families With Dependent Children. This year, 1994, she received an earned-income tax credit of $1,530.

She used this money to buy a washing machine for her family and clothes for her four children. That does not sound too unreasonable to me.

Kanna White is a single mother, has one daughter, and also lives in Las Vegas, is going to school, has a full-time job, and she is working toward a degree in child development. She received $1,000 this year in earned income. She is using some of this money to pay for summer day care services. This earned income allows her to pay her bills on time and to do things that her daughter can now do that other families take for granted.

Kyle Estrada lives in Henderson, NV, and has three young children. She teaches parenting skills and job preparation skills at the Head Start Program. She has health coverage for herself, but like many Americans, is underinsured. She has no insurance for her children. She has three. She received a $1,300 earned income tax credit in 1994. She has used this money to cover her rent. This program, she said, has kept her off welfare. How much money did she get from the earned income tax credit? She got $1300. She would get this much perhaps in 2 months if she went on AFDC. But she chose to continue working, like millions of Americans have done and thousands of Nevadans have done—to continue working rather than going on welfare. That was the purpose of this program. It is working well.

I conclude by saying that these three people are just a few of the thousands in Nevada of hard-working people who would rather work and support their families than go on welfare.

This is an example of three people in Nevada who are representative of tens of millions of people in America who are now working instead of being on welfare. We need to continue this program.

For me, this illustration represents the difference of philosophy between this side of the aisle and those on the other side of the aisle. We do not live in a Darwinian society. We cannot expect all Americans to succeed and make millions, like Bill Gates in the computer business or Forrest Mars in the candy business. They are good, there is no question about it. I applaud them for being entrepreneurial billionaires. But they were also a little lucky. Not everyone can be like them. We cannot expect everyone to be like Bill Gates or Forrest Mars. But we can expect everybody to continue to try.

That is what earned income is all about. On the other side of the aisle, they lecture about the need to eliminate handouts. What we do is do something to eliminate handouts.

Mr. President, earned income reflects the Democratic philosophy because it involves giving a hand-up, not a hand out.

It is unfair to raise taxes on 12 million hard-working Americans, and that is what this budget proposal would do.

I think this amendment should be adopted in a bipartisan fashion.

Mr. BRADLEY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Jersey has 4½ minutes left.

Mr. BRADLEY. I ask the distinguished Senator from Oklahoma, is it his intention to offer the amendment at the conclusion of all time on this amendment?

Mr. NICKLES. The Senator is correct.

Mr. BRADLEY. At which point there would be, under the rules, an hour of debate on the second-degree amendment; is that correct?

The PRESIDING OFFICER (Mr. INHOFE). That is correct.

Mr. BRADLEY. It does pertain to the earned income tax credit?

Mr. NICKLES. That is correct.

Mr. BRADLEY. Mr. President, other speakers will be able to speak in that half hour. I would simply like to make a few points in the remaining minutes we have before this amendment will come to the point of second degree.

First, the argument that we are having is that there is an explosion in this program, that this program has exploded, says the opponent of this amendment. Do you know why it has exploded? It has exploded because in 1975, if you earned over $8,000, you could not get this benefit. You could not get any tax relief from this. Now you can earn up to $28,000. There are millions more Americans that are now eligible for this tax cut. There are millions of Americans eligible for the tax cut. And, indeed, we have broadened it, as the distinguished Senator from Oklahoma has pointed out, from a few hundred dollars in the mid-1980's to $2,500 today, heading up to $3,000.

So it is a bigger tax cut. So lo and behold, a ray of insight, a stroke of wisdom; if you give a bigger tax cut to more people, it will cost more money. That is the explosion that the Senator is talking about. I thought giving tax cuts was a good idea. That is all we have heard from the other side. We want a tax cut, a tax cut, a tax cut. Here is a tax cut. But no. For families earning under $28,000 a year, we want a tax increase. Oh no, no, no, they say. They do not pay any income tax.

Just for the record, 48 percent of the people who receive the earned income credit with children pay income tax; just for the record, the facts. But that is not the point. The point is the earned income credit is meant to offset not only income tax but other taxes, such as Social Security tax, and also the loss of certain benefits as you earn more money so that you are not pushed farther down the ladder.

So the fact of the matter is that this is a significant tax cut. It offsets not only income tax, if you pay income tax, and 48 percent of the families with children who are eligible for this do, but it offsets the Social Security tax. That is the cruelest tax on families, and it offsets the loss of certain benefits as you earn more income going up the scale.

So there is no dispute that under the proposal before us on the other side, that families earning under $28,000 a year will pay more in taxes. They will pay more on the Social Security taxes that they do not have offset with this, or they will pay more in income taxes.

Let us make a point about the Senator's data. "Oh, what a terrible error rate; oh, what a terrible fraud, a waste." Of course, all of his numbers are from 1988. Well, a few things have happened since 1988 that tightened this program up. In fact, many things have happened since 1988.

For example, we repealed the supplemental credit for health insurance. We repealed the supplemental credit for children under the age of 1. We denied it to nonresident aliens. We denied it to anybody who is a prisoner. We required a taxpayer identification number. The Department of Defense is required to report both the IRS and the military personnel nontaxable earned income credit paid.

We also said if you have investment income over $2,500 you do not get it. We said that now you have to have a Social Security number provided for children, as well as adults, and on and on.

We have made major steps to correct this. This is not the time to increase taxes on working families.

I am really surprised that that is the position, inconsistent as it is with the espousal of the other insight.

The PRESIDING OFFICER. All of the time of the proponents has expired.

Mr. NICKLES. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 31 minutes remaining.

Mr. NICKLES. It will be my intention to yield the balance of my time as soon as we have our amendment ready.

I continue to hear the proponents of this amendment say that our efforts to reduce the growth rate of EITC is a tax increase on working poor. I want to say that is flatly wrong. Eighty percent of the money in this program is going to people in lump sum, cash payments.

My friend from Nevada gave some excellent examples of people who qualified for the credit. I heard him say that one person received $1,000, and another received $1,200. Under the assumptions in this budget resolution, they could receive more than they received last year.

Let me repeat that. Under our proposal, they could receive more than they received last year. No one's payment, if they received an earned income tax credit and their income was the same, would be less. We did not roll back the program. We did not lower the credit or income eligibility amounts.

Again, here are the growth rates of this program, and it has exploded. For its first 10 years, the EITC cost less than $2 or $3 billion. Now the program has outlays of over $20 billion in the last few years. Even under our proposal, it continues to increase about $1 billion per year.

Granted, that is about a 3-percent growth instead of a growth rate that was at 20 and 40 and 55 and 60 percent. So it grows a lot more slowly.

I am putting all these tables into the RECORD. People right now, in 1995, can receive a $3,110 lump sum; 99 percent of the people who qualify for this receive the benefit in a lump sum.

Now, my colleagues call this a tax increase, even though next year we would give them slightly more $3,110. We say next year the maximum amount under our proposal would be more than that but it would be only slightly more than that. My colleagues on the other side say, well, wait a minute, next year we want to increase that to $3,500, and in a few years we want to take it to $4,000. We are saying that, no, we are going to be more conservative; we are going to increase it to $3,560. So instead of giving somebody $4,000, we are going to say we will give you $3,560. Every year we are going to give you more than last year under our proposal, but our colleagues are calling this a tax increase.

I disagree. The handouts will be a little less. The cash payments will be a little less under our proposal. They will be more than last year, but they will not continue to grow at this unaffordable rate. We cannot afford this. Our Government cannot afford it.

And again I was surprised to find that the cost of this program now exceeds the Aid to Families with Dependent Children, the largest cash welfare benefit program in our Nation's history.

The earned-income tax credit is a great name, but it does not fit this program. This is a negative income tax program. I have heard my colleagues say this affects anybody who makes under $26,000—I will put tables in the RECORD on this subject. In 1995, the figure is $26,673. That is the maximum amount of income you can make and still receive some EITC. But that figure increases. Under current law, by the year 2000, you can receive EITC if you make up to $32,596. Under the so-called radical assumptions in this budget, you can receive EITC if you make up to $31,656.

So the EITC still goes to the same people, but we just have just slowed the growth of the maximum credit amount.

What we have done, in my opinion, is respond to the studies of GAO. I heard my colleague say it was an old study. The IRS in 1994, in a 2-week study on electronic returns, said that 29 percent of those audited received too much earned income credit. That is a total of $358 million. They said 13 percent were judged to have intentional errors, outright fraud. That was $183 million.

That was just a short, little 2-week study. In 1988, another tax compliance measure showed that 42 percent of EITC recipients received too large a credit and 32 percent were not able to show they were entitled to any credit. That was when the program was much smaller, and that was when the incentives to cheat were much less. Now we have tripled the amount of money that individuals can receive. Now people have found out that you can get a big check if you make $12,000—and it does not make any difference if you made $12,000 working 40 hours a week or if you made $12,000 working 100 hours a year. Maybe for some reason you are working part time, whatever. You can qualify for this benefit and be able to receive $3,110 dollars. And when people find that out, there is a lot of incentive to cheat a little bit. In the past people cheated to reduce their tax liability, and now we find that people have other incentives; if you cheat a little bit now, we are going to give you a check, and the check is not just a few hundred dollars as this program used to be. It is not just $953 as it was in 1990. Now it is $3,110 and growing to $4,068.

We think that is too rapid a growth. We think this program is too fraudulent. We think we should curtail the growth of that program. I tell my colleague from New Jersey, I will share with him a copy of the second-degree amendment I have. We are trying to make sure it conforms with his amendment, and I will give that to him in just a moment.

I reserve the remainder of my time.

I suggest the absence of a quorum.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Will the Senator withhold the request?

How much time remains?

Mr. NICKLES. I withhold.

Mr. DOMENICI. I reclaim the time on our side.

The PRESIDING OFFICER. The Senator has 24 minutes 10 seconds.

Mr. DOMENICI. Mr. President, let me just recap and then I would like a quorum call charged to our side where I can talk with Senator NICKLES for a minute.

Mr. BRADLEY. Will the Senator yield just for a question?

Mr. DOMENICI. Sure.

Mr. BRADLEY. If the Senator still has time that will be unused, I have people on my side who do want to use time, and while Senators are in conference, does the Senator mind if they speak?

Mr. DOMENICI. Mr. President, I say to the Senator, I do not think I can do that because we are running up against a real shortage of overall time to get a lot of amendments in. We both get charged 50-50, or we benefit 50-50 on that time. I do not get the benefit of the whole 20 minutes. That side gets 10 of it in the overall, but I do not think I would do that yet.

Mr. EXON. Will the Senator yield?

Mr. DOMENICI. Yes.

Mr. EXON. Following up on this, it is pretty obvious we are coming down to crunch time. I am just going to make the suggestion now without asking for any commitment now of the chairman of the Budget Committee. It seems to me that after the Gramm amendment is offered, which I understand will be the next one up—and I am not trying to limit debate on that—I would suggest that we at least consider getting a unanimous-consent agreement on both sides that after the Gramm amendment all amendments to follow would be limited to some timeframe, I do not know, half an hour, 15 minutes, equally divided, or something of that nature, and possibly eliminate second-degree amendments. Otherwise, we are going to run into a real train wreck tomorrow about noon.

I just make the suggestion if we could consider contemplating after the Gramm amendment to enter into a unanimous-consent agreement on all amendments that would follow.

Mr. DOMENICI. Mr. President, in the Senator's usual way of helping things along, the Senator has made a good suggestion. Clearly, I cannot agree to that at this point,

Mr. EXON. I cannot either. I have not cleared it on this side. But we have to provide some leadership if we are going to allow any time at all to the whole stack of amendments that the Senator and I know are waiting on each side.

Mr. DOMENICI. The Senator asked that we contemplate it and we will contemplate it.

Mr. EXON. I thank the Senator.

Mr. DOMENICI. We are spending a little time, Mr. President, incidentally, trying to find out what the President's plan is. I saw in the paper today he may have a plan. I have never heard of it until I read it in the Post today. I do not expect any Democrat on the Senator's side has seen it yet. But in any event, we are working a little bit here to see if we can find out what that might be.

I just would like to recap this argument and then I will yield the time back to Senator NICKLES after a brief discussion with him.

Let me talk about this earned income tax credit this way. We would seek to return the earned income tax credit—that is the name it is given so that is the name I will use—to its original intention. Its original intention was that it should go to families with children, so it was not just an earned income tax credit. It was a family earned income tax credit. We return it to that: working families are entitled to this tax rebate in some cases or this check from the Federal Government in most cases.

The concept was a good one. It still is a good one. We have expanded it. We think it should be returned to the concept that came about when President Reagan was in office, about which I have been quoted in the Chamber as being a strong proponent. That is for working families to get an incentive to work instead of quitting work.

Now, what will happen if the assumptions in the budget resolution are ultimately adopted—families with one qualifying child in 1995, the maximum credit amount—that is, the check they get back—$2,094. That is the maximum. In 2002, it will be $2,630. That is a plus change, a positive change of $536. The maximum income eligibility for that family with one qualifying child is $24,396 now.

It will increase to $30,659. That is an increase in maximum income eligibility of $6,263.

Now let me just move to families with two or more qualifying children, remembering we are returning it to families, as was originally intended. So that single wage earners who are not earning sufficient money do not get a tax check back from the Government. This is intended for working families.

For working families with two or more children, the maximum credit today is $3,110. In the year 2002, the tax credit will be $3,806, an increase of $696, almost $700. The maximum eligibility, Mr. President, how much money you can earn—and this all has to be earned income—$26,673 in 1995; $33,845, for an increase of $7,172, in the year 2002.

Frankly, there are some who might say that is not enough. There are some who would say it should be more because current law says it should be more. Well, we passed a law and now we find ourselves with a new responsibility and it is a very simple responsibility. And it is to balance the budget of the United States. That is the responsibility.

If we were saying this good program should stop, we should take it out of the budget, cause it to cease and desist, then obviously we would be saying to working families, "We no longer want to give you an incentive to stay at work." We are not saying that. We are saying this is more like what we can afford. We think it is a pretty fair increase, not a cut, an increase.

Now, just to put it in perspective that this is not just a little program that indeed we came upon and Republicans helped put it in place, a President who supported it named Ronald Reagan, to say that it is not a significant program even after we asked for a little restraint in getting at a little bit or a lot of fraud—which I did not even mention, the Senator from Oklahoma did—this earned income tax credit will be a $193 billion program for the years 1996 through 2002.

We will spend, in taxpayers' dollars—that is, we will collect money from taxpayers—we will give checks back to the working poor families in the amount of $193 billion between 1996 and 2002; hardly abolishing a program; hardly taking away the basic concept of a program; hardly increasing anybody's income taxes.

It is taking income taxes and saying we want to help people to the tune of $193 billion in checks we will give back. Those are the numbers when we are finished, I say to my friend.

The Senator would like it to be $230 billion.

Mr. BRADLEY. Will the Senator yield?

Mr. DOMENICI. I am happy to yield.

Mr. BRADLEY. I do not dispute the numbers, but to argue that this is not a tax increase is a little bit like arguing that when Ronald Reagan wanted to phase in tax cuts over 3 years, if we did not phase in the third 10 percent of the tax cut, that would not have resulted in higher taxes.

Mr. DOMENICI. Does the Senator have a question?

Mr. BRADLEY. The question is, does the Senator dispute that under the proposal offered in the budget resolution working families will pay more in taxes? Does he deny that working Americans would end up paying more income tax or have less relief for Social Security taxes than under the amendment that is offered by the Senator from New Jersey?

Mr. DOMENICI. I say to the Senator, if I might respond, I do not agree at all. We have decided in our wisdom to say we are going to give money back to certain American taxpayers. We are going to give them a check. We did not equate that with income taxes. We just had a whole litany of things saying we just would like to relieve your burden.

You choose to call that raising the income tax. I choose to say that we are not going to give a single individual a paycheck from other taxpayers of the United States because he does not have a family. We are not going to give him a $500 check.

We are just saying this is for working families. It is an idea that we put some flesh into the law. Now today you are saying if we are not going to give it to that single person, we are taking a paycheck away from him. But it really is not income taxes rebated to him that he already paid. It is other people's income taxes that we collected and give to him in a paycheck. You can call it what you like. That is my description of it as best I understand the program.

So we choose to do that. For those who want to spend more and give that person I just described either $300 or $400 or $500, fine. We choose to say the working family continues to get the money. And we just gave the numbers.

And for those who say it goes down, the number that we intend, if the Finance Committee passes it—and that is the irony; they may not even pass it. The Senator is on the Finance Committee. You may choose to do something else.

But we were compelled in the Budget Committee to tell you how we might get there, and this is one way we might get there.

Mr. BRADLEY. Will the Senator yield on that point?

Mr. DOMENICI. Yes.

Mr. BRADLEY. You do something else. You mean to equal the amount of revenues that the Finance Committee will be asked to raise under this proposal. You mean to raise other kinds of taxes as opposed to raise taxes on these working people. That is what you mean.

So, by the Senator's own admission, this is a tax increase. It is a requirement of the Finance Committee to raise taxes.

Mr. DOMENICI. Mr. President, that is not what I said. I say the Finance Committee has a lot of options, and they can choose to do this the way it is scheduled here or they can choose to do it a different way. That is in their hands.

We show one way to get to a balance. And this is part of the one way to get to a balance.

Now, frankly, I do not believe the American people would believe that what we have talked about today means we are raising taxes. We have the prerogative and responsibility to change a program that is rampant with fraud that we find we cannot now afford, but we want to keep its basic concept.

And for those who run to the floor on the other side, who say, "Well, you are cutting the millionaire's tax," that is not true, either.

The budget resolution before us says it is the sense of the Senate—it passed by every single vote of the Budget Committee except one—that any tax cuts, if they occur, will go 90 percent to people with $100,000 worth of income or less. So speaking of red herrings, that is one. That is all we hear.

Frankly, we just, every now and then, have to remind people they can take the budget resolution and read it and they will find it right in there. Senators BOXER and BROWN were the proponents of it and it passed overwhelmingly.

Now, Mr. President, we have some time left.

Mr. President, I suggest the absence of a quorum on our time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield the remaining time to Senator NICKLES.

Mr. NICKLES. Mr. President, I have a couple comments I want to clarify for my friend from New Jersey, I was hoping we could get some time reduction. I understand that he was not able to get that. My guess is that a point of order will be made when time expires on this side.

A couple points on this amendment. Right now we are spending a total, for the so-called earned income tax credit of $25.3 billion per year. Under the budget proposal we have before us, if you add up the next 7 years, that total will be $204 billion. A freeze would be $176 billion. So we are spending about $30 billion more than a freeze. So the total amount of money that we spend on this cash payment program still goes up. Most of the beneficiaries receive a lump sum. I am tired of hearing people talk about tax cuts and tax increases. The EITC is primarily a cash payment, a lump-sum cash payment to a lot of individuals, and the cost of the program is going up every year. It goes up even under our proposal. I wanted to make that perfectly clear.

I also want to inform people that if they received an earned income tax credit last year of $3,110, next year they will receive, even if the Finance Committee passed this as we proposed, a little more. It will not continue to escalate as rapidly as it has. It cannot continue to escalate as rapidly as it has.

I might mention, if we do nothing, if we follow the guidelines of some people, the status-quo type budgets as they propose, this entitlement program will continue to explode, and it certainly has exploded. We will be spending $226 billion over the next several years.

How can people call a program where 80 percent of the money is handed out in cash payments, where 99 percent of the benefits are received in an annual lump-sum payment, a tax cut.

I might mention, I am going to put in the RECORD a chart for the earned income tax credit for two or more children. I also have one for persons with one child. The figures I was using before were two or more children. When a lot of people find out they are eligible for this, they are going to start filing. A lot of people are going to start working to have their income come in right on that level.

You say, how can you do that? I tell you, in the private sector, I used to hire some people who were retired from other companies, and they wanted to work just enough so they could make a little money before they started losing Social Security. So people can adjust their incomes; they can be paid just about that much. That happens.

Or they can work part time until they make this amount of money, and you do not have to work 2,000 hours to receive the maximum credit. There is no hour limitation. As a matter of fact, the average number of hours people worked in this program is 1,300. That is about 24 hours a week. That is not 40 hours a week. You could actually be a lobbyist or something and work 100 hours in a year, and if you happen to make about the right amount of income, you could receive a $3,100 check from Uncle Sam.

We are talking about reducing the growth of these checks. We are not even reducing the amount, but we are saying they will not be growing as fast. I think that is important. Some people call that a tax increase. It means we are going to write smaller checks, these checks will not be growing as fast. It is not affecting anyone's tax cuts, tax rebates, or anything like that. Most of these people are receiving cash payments, so we are trying to curtail a program that has been growing seriously out of control.

Mr. BRADLEY. Will the Senator yield on that point?

Mr. NICKLES. Not quite yet. The growth in this program has been unsustainable. The people advocating this amendment want that growth to continue. We cannot afford it. If you are going to balance the budget, you are going to curtail the growth of entitlement programs. This is an entitlement program. This is one of the fastest growing entitlement programs.

I mentioned before the cost of the program totally exceeds the cost to Aid to Families with Dependent Children. Aid to Families with Dependent Children in 1995 cost $18 billion. This program in 1995 cost us $25.3 billion. It is past AFDC big time. AFDC provides cash payments; this program provides cash payments. This program provides cash payments for a family with two children of $3,110. With one child, it provides for a maximum credit of $2,094. So you get an extra $1,000 if you have two or more children.

Some people who are talking about changing the welfare program say they want to take some of the incentives away from having more children. This program is a big incentive for people to say, "We want our income to be at this particular level so we can get a nice big check from Uncle Sam."

I have also found that in some cases, 20, 30, maybe even 40 percent of the people living in a particular area could be eligible for this cash payment program. Then you start finding con artists who will sign people up who do not pay taxes and have not filed returns in the past. They will go on a recruiting trip and encourage people to have their income fall into this category, file an electronic return and maybe split it with them because they weren't going to do a return in the first place.

There has been a lot of fraud in this program. I am quoting these figures from a recent GAO report. The most recent study shows 42 percent of EITC recipients receive too large a credit, and 32 percent were not able to show they were entitled to any credit—wow, 32 percent, the study showed, were not entitled to any credit. And then in 1994, the IRS did a 2-week study on electronic returns and showed 29 percent received too much EITC and 13 percent——

Mr. BRADLEY. Will the Senator yield on that point?

Mr. NICKLES. And 13 percent were judged to have intentional errors. That is a fraudulent program.

I will tell my colleagues, Senator DOMENICI wants to save an hour of time so that we can consider more amendments. I do not blame him. He has a lot of amendments pending.

I will tell my colleagues, I had hoped to offer a Sense-of-the-Senate amendment in the second-degree to tell the Finance Committee, "Reform this program and in the process we think you can save some money."

This happens to be a program that needs to have some waste, fraud, and abuse taken out of it. That was the essence of the Sense-of-the-Senate amendment I had intended to offer, saying to the Finance Committee, "Preserve this program in a way that you eliminate the waste and the abuse and the fraud that we see now and as reported by the GAO."

That is what we should be doing. I think the Finance Committee can do it. GAO says one-third of this program is fraudulent. We did not even cut it that much. We maybe should have frozen the program until we eliminated the fraud. We did not do that. We allowed the program to grow.

I urge my colleagues to vote against the amendment of the Senator from New Jersey. I will be happy to yield for a question.

Mr. BRADLEY. The Senator said one-third fraudulent. Could the Senator justify that? Could he give us some documentation that says one-third fraud?

Mr. NICKLES. Will the Senator hold a second?

Mr. DOMENICI. Mr. President, could I make a request before he answers the question? How much time do we have remaining?

The PRESIDING OFFICER. One minute fifty-two seconds.

Mr. DOMENICI. Mr. President, I say to Senator EXON, I have discussed with Senator NICKLES, and the Senator from Nebraska has discussed with Senator BRADLEY an arrangement that we might make. I am shortly going to make a point of order, and I understand either Senator EXON or Senator BRADLEY will move to waive it.

I ask unanimous consent that when I make the point of order and Senator EXON or Senator BRADLEY seeks to waive it, that the time be limited on the motion to waive to 10 minutes a side.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. There is no objection on this side, and just so I understand what the Senator is suggesting, the Senator from New Mexico will move to waive, we will object to that and then we will limit debate to 10 minutes on this side and 10 minutes on that side on that motion to waive; is that correct?

Mr. DOMENICI. The Senator from Nebraska or the Senator from New Jersey will be making the motion to waive. The Senator is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield back the remainder of our time, which is a minute and something.

Pursuant to the pending amendment, the pending amendment is not germane to the provisions of the budget resolution. And pursuant to section 305(b)(2) of the Budget Act, I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305 of that act for the purposes of the pending Bradley amendment.

The PRESIDING OFFICER. Under the previous order, the debate is 20 minutes evenly divided.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to ask for a rollcall vote on the motion to waive at this time.

The PRESIDING OFFICER. The motion to waive is pending.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. I ask unanimous consent that the motion to waive with respect to the Bradley amendment be set aside after the debate and that the vote occur at a time to be determined by the two leaders, which is the way we have done the other ones.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I will yield our 10 minutes to Senator NICKLES.

Mr. EXON. I yield the 10 minutes on our side to be controlled by the Senator from New Jersey.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. The distinguished Senator from Oklahoma says this is not a tax cut that I am trying to save, but, instead, that this is a spending program. And he continually refers to AFDC. Then why are you telling the Finance Committee to raise an additional $20 billion? In effect, the budget resolution tells the Finance Committee to increase revenues by $20 billion—that is what this does, by $20 billion. Now, the Senator thinks he will do it by increasing taxes on families with under $28,000 in income. The Finance Committee might choose to do something else. But make no mistake, this results in increased taxes.

Mr. NICKLES. Will the Senator yield?

Mr. BRADLEY. Certainly, on your time.

Mr. NICKLES. I will be brief. I would like to point out to my colleague that I think he is totally incorrect. The revenue numbers in our budget are the CBO baseline revenues. We did not change revenues. We did not direct the Finance Committee to change revenues. They have to reduce outlays. We do not raise revenues, we reduce outlays.

Mr. BRADLEY. The effect of this will be to increase either the offset for Social Security taxes or, for 48 percent of the people receiving the earned income tax credit, income tax increases. That increases net revenues.

I yield 2 minutes to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise to strongly support the Bradley amendment. It is amazing to me that the Budget Committee could review the totality of tax expenditures, $480 billion, and yet has selected the one area that is for working people, working men and women. Who are the people that are going to benefit from the earned income tax credit? They are the construction workers, the secretaries, the janitors, the hard-working backbone of this country and its economy. They have been singled out.

The Budget Committee could have said we are going to take care of the billionaires' tax loophole, that benefits people who reject their citizenship in order to take their bounty and go to another country. But oh, no; they didn't go after the billionaires.

You do not get the earned income tax credit unless you work. We are trying to reward work and particularly, the work of men and women that have children. They are the group of Americans that are falling furthest behind over the period of the last 15 years. This is the one program that helps and assists them.

I do not know what it is about the Budget Committee that wants to single out working men and women who are making less than $28,000 a year to raise their taxes. They are the ones who are going to be targeted by this budget resolution—having their sons and daughters that go to college paying more in terms of the guaranteed loan programs. They are the ones whose kids are not going to have the summer jobs. They are the ones who are going to find out that the support and assistance for school-aged children that go to the public schools have been cut, that they are not going to get the Government's help.

What in the world is it about the Republicans to want to put that kind of burden on the working families of this country? That is wrong.

The Bradley amendment addresses that, and it deserves our support. The Budget Committee should have found, out of $480 billion, some other way to make up that difference without targeting the working families in this country.

Mr. BRADLEY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 6½ minutes remaining.

Mr. BRADLEY. I yield 3 minutes to the distinguished Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I rise in support of this amendment to restore a portion of the cuts to the earned income tax credit envisioned by this budget.

This program is such a great example of the kinds of public policies we should be pursuing. We have spent countless hours in this Chamber trying to figure out ways to get people to work and get them off the welfare rolls. That debate is sure to continue. But in the meantime, our Tax Code always contains the incentive for the working poor in this country to keep on working. It helps these people stay above the poverty line and off the welfare rolls which is just where each and every one of us in this Chamber would like them to be. And as if all of that were not enough, in a time when Americans demand less Government, the EITC accomplishes all of this without a new Government agency, without an elaborate bureaucracy, without creating a new payroll for a new program.

I have made it clear that I believe the Senator from New Mexico has engaged in a noble and honest effort in presenting the budget we have before us today. While I do not agree with all of the priorities represented by the budget before us, I very much appreciate the effort and admire the bottom line. Which is why I am so puzzled by the EITC cuts. In the quest for a leaner, more efficient Government, I believe that cutting the EITC is an odd choice. The budget before us proposes to reduce the EITC by $13 billion by the year 2000 and by an additional $2 billion by the year 2002. These rollbacks in the program will come from repealing the final phase of the 1993 expansion of the EITC and the repeal of the EITC for workers without children.

In practical terms, this rollback of the EITC will mean an increased tax burden of $21 billion over the next 7 years on more than 12 million American households. In my home State of Connecticut alone, this would mean an average tax increase of $1,408 over 7 years on 67,660 working families. This increased tax burden on the very sector of the population that can least afford to sustain it, the working family, just does not make sense. It is a policy that takes us further from, not closer to, our goal of encouraging work and self-sufficiency.

The EITC encourages people to work toward a higher standard of living. Specifically, it supplements the earnings of eligible lower- and moderate-income workers and families with a Federal income tax credit that increases their disposable income. Families move off welfare dependence to full-time work because EITC makes work pay. Thus, parents who work full time are not forced to raise children in poverty.

And I know that one of the stated purposes of these cuts is to eliminate fraud in the EITC program. That is a noble goal but I am afraid, that like the news of Mark Twain's death, fraud in this program may be greatly exaggerated. The President has proposed denying the EITC credit to illegal aliens and I am pleased that the proposal before us incorporates that idea. It also makes sense to require a Social Security number in order to qualify for the credit. The IRS is making a good faith effort to ensure that this credit is going to the people who need it the most.

I also think it is wise to adopt the President's proposal to deny the EITC to otherwise eligible tax filers with interest and dividend income exceeding $2,500. If your investments are generating that much income, it is hard to argue that you really need the EITC. For that reason, I am pleased that we moved forward with this proposal as a way to offset part of the cost of reinstating the self-employed health insurance deduction.

Historically, the EITC has enjoyed bipartisan support. My colleagues on the other side of the aisle have had many positive things to say about the EITC. They have described the program as a key means of helping low-income workers with dependent children get off and stay off welfare and a great way to help low-income families with the cost of raising their children. It sends assistance to those in need; to those who work hard and yet struggle to make a living and provide for their children.

Jack Kemp, George Bush, and Ronald Reagan have all been strong advocates of the EITC. President Reagan described the EITC as "The best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress."

The Republicans other budget proposals regarding the EITC are identical to those in the President's fiscal year 1996 budget. They include a proposal to roll back the EITC by denying the credit to illegal aliens, and the denial of the EITC to otherwise eligible tax filers whose interest and dividend income exceeds $2,500. I strongly support these two proposals.

First, I agree that with the President that compliance measures must be strengthened. A prerequisite to EITC eligibility should be the possession of a valid Social Security number. This would create a simple and efficient screening process which would allow the IRS to deny the credit in the absence of a valid Social Security number.

The Republicans second proposal to deny the EITC to eligible tax filers is another Clinton administration proposal. I agree with the President's position that taxpayers with $2,500 of taxable interest and dividends do not need the EITC. Indeed, this proposal has already been included in H.R. 831 to offset a portion of the cost of reinstating the income tax deduction for health insurance premiums paid by the self-employed.

In closing I'd like to take a few moments to stress the emphasis that the EITC places on work. The EITC is a work incentive and by law it is only available to working families. If you are not working, you are not eligible for the EITC. It is just that simple. Additionally, for those in the lowest income levels, the EITC increases with each dollar of earnings. Therefore, if an individual in the eligible income bracket works longer hours, he will receive a larger EITC. This is tax fairness.

I urge my colleagues to vote against any rollbacks in the EITC by supporting this amendment.

Mr. President, the debate on this amendment is about priorities since this amendment does not affect the bottom line of this budget resolution. The amendment leaves intact the substantial, I would say, historic, feat of balancing the budget by the year 2002.

This amendment says we do not want the earned income tax credit funds cut. The reason is that this is a program that rewards work. It is a low-bureaucracy, low-overhead program. It has worked by rewarding work and it is a program that has traditionally enjoyed bipartisan support. The Democratic Leadership Council, which I am pleased to chair, has long supported this program as has former Presidents Reagan and Bush as well as Jack Kemp.

The budget before us has an impact on the program. It would reduce tax relief for 12 million American families by $21 billion. In my home State of Connecticut, this would mean a reduction in tax relief over the next 7 years of $1,400 for more than 67,000 working families. As a matter of priority, I do not want the bulk of these reductions.

Mr. President, the cost of this program has grown. But that is not because it is out of control. The cost of this program has grown because we in Congress have directed that it grow because we believe in this program.

My friend from Oklahoma says that the EITC is costing more annually than the AFDC. I say that is good news. That means we are finally spending more to reward work than to reward those who do not work. I hope the gap between these two programs continues to grow as time goes by.

Mr. President, it is important to note here, finally, that the increase in the program in recent years is not by fraud and deviousness in the program, it is by congressional design and congressional intent. When the changes we made to the program in 1993 are fully phased in at the end of fiscal year 1996, this program, the EITC, will actually grow by a very modest rate of 4.5 percent a year.

So as a matter of priority, as a matter of sustaining a bipartisan consensus on supporting those who are poor and work and need our help and encouragement so they not go onto welfare, I support this amendment.

Finally, I would like to quote former President Reagan who described the EITC as "the best antipoverty, the best profamily, the best job creation measure to come out of the Congress." That is absolutely right. That is why I support the amendment.

I yield the floor.

Mr. BRADLEY. How much time remains?

The PRESIDING OFFICER. Three minutes remain.

Mr. BRADLEY. I yield myself 2 minutes.

Mr. President, the earned income credit is called the earned income credit for a very specific reason. You do not get it unless you earn money. You do not get it as a gift. You get it because you work. You get it because you work and have earned money. You do not earn much money, but you do earn some money. And you also frequently are eligible for various benefits. As you earn more money, you lose those benefits. As you earn more money, you pay more Social Security.

What the earned income tax credit is supposed to do is to give that working family that earns money some break for the Social Security and other taxes they pay and for the benefits that they lose as they earn more money. It is a very simple concept in terms of the Social Security tax. It could have the same impact as a tax credit against Social Security. But we do not have a credit against Social Security taxes. The earned income credit is essentially giving people who pay significant Social Security taxes some of that back. So it is clearly a reduction of an overall Federal tax burden, both income tax and Social Security tax. While people who are at $16,000 or $17,000 a year do not pay in a lot of income tax, they pay in over $2,000 in Social Security taxes. With the earned-income tax credit, because they work, they get a break for those Social Security taxes.

They get a refund from the Government so they pay less Social Security tax, in reality.

Mr. NICKLES. Mr. President, I want to try and clarify some of the statements that have been made.

In the first place, I will repeat what I told Senator BRADLEY. This budget resolution does not direct the Finance Committee not to raise taxes. We do not have a tax increase in this budget.

I know many of my colleagues on the other side want to have a tax increase. We do not have a tax increase. This says reduce the outlays.

My colleague from Connecticut said we are saving $21 billion. We reduced the rate of growth in this program. That is our direction or suggestion to the Finance Committee to reduce the growth by $21 billion over 7 years. If we froze the program, we would have $50 billion in savings.

Frankly, I think we probably should freeze it because it is so rampant with abuse. It is so fraudulent. There are so many people taking advantage of this program. The more people find out about it the more they like it, especially if they find out that their neighbor or somebody else is taking advantage of it, and received a nice cash lump sum of $2,000 or $3,000.

Unfortunately, the amount of dollars are so significant more people will be filing fraudulent returns. That is what the IRS has told Congress. The IRS has made some interesting statements. They said 13 percent of returns they judge to have intentional errors. In other words, fraud. They said 29 percent, in a 1994 study, 29 percent received too much earned-income credit. Regarding illegal aliens, the IRS suspects that more than 160,000 receive earned-income credits in 1994.

I am afraid we spent a lot of money for GAO to do some homework for Congress, and then we do not pay any attention to their work. Maybe we should not in some cases. In this case, they have clearly shown this is a fraudulent program that needs to be reformed.

Some of our colleagues are saying, no, no, keep the status quo, keep going as usual. So what if 30-some percent have abused the program. So what if it went from a few billion dollars a year to a $30 billion program. Allow it to continue.

Mr. President, I do not think we can afford to. We can achieve every bit of the savings, and allow the program to go by eliminating the fraud in this program. If we do not, we ought to be ashamed of ourselves.

GAO says look at a wealth test. We enacted an EITC wealth test earlier this year, but its thresholds are too high. A person can have a lot of assets and receive a lot of income from those assets and they can still qualify for the earned-income credit. For hours of work, there is no minimum. People can work 100 hours and qualify for $3,000 benefit in this program. People do not have to work 2,000 hours. The average recipient last year worked, I think, 1,300 hours. Some people could work 100 hours and still receive it.

This program is set up for abuse. The GAO has done a pretty significant study. This is recent study, in March 1995. I encourage my colleagues to look at it. It is available. We paid for it. We should look at that information.

I know my colleagues on the other side supported this massive increase in 1993, and they are very proud of it. They have gone back and quoted Ronald Reagan who stated it was a good thing. However, the total cost of this program in 1980 was $2 billion; in 1986 it was still $2 billion.

This program did not grow very fast, initially. By 1988 it grew to $5.9 billion. Then its cost really exploded. I heard a couple of my colleagues say it is primarily for families, but in 1993 their tax bill opened the program up to people who do not have children.

Originally, as conceived by Senator Russell Long and others, the EITC was for families. Senator Long has written an op-ed piece saying he supported the earned-income program, but he said Congress went too far in 1993 when they expanded this program to apply to people without children. Originally, people had to have one or two kids to qualify for the program. Now you do not. Again, we make a lot more people eligible and we increase the amount of money they are eligible for.

In 1990, the maximum amount anybody could receive out of this program was $953. In 1995, the maximum that someone can receive with two kids is $3,110. In the year 2000, that maximum amount under current law will be $4,068. We have millions of people that are eligible. So we are saying, no, we do not think we can afford that. So we allow the maximum to increase every year but at much smaller levels. So we say by the year 2000 the maximum amount that someone could receive with two or more children would be $3,560, over $450 more than what they are receiving today, but not going all the way to $4,068.

Granted, the EITC is not growing as fast under our proposal. It should not because the program is so rampant with fraud and abuse. It is growing too fast. We need to curtail it. We need to have some containment on entitlement programs or we will never, ever, get to a balanced budget.

Then, Mr. President, I want to mention one other thing. That is the way our colleagues on the other side of the aisle want to pay for this. They will take it from the so-called reserve fund that we are setting aside, if we balance the budget, to give back to the American taxpayer.

This is about the third or the fourth amendment, and I am sure we will receive more, where our colleagues on the other side of the aisle are saying how they want to spend the so-called economic dividend. They want to spend it before we get there. That is, in a nutshell, the reason why the Democrats have never had balanced budgets. They want to spend it before we get it. They want to spend more than we take in. They are more popular spending money than taking it away.

When we call this program an earned-income tax credit, it makes people think we are reducing taxes. We are not. This program is a negative income tax. We ought it call it what it is. It is a negative income tax.

George McGovern campaigned on a negative income tax in 1972, and now we have it in law. Perhaps it has maybe a better title, but for 80 percent of the people, it is a lump sum negative income tax. It is a cash payment. It is a cash payment that is growing a lot faster than AFDC.

We should be discussing this when we get into welfare reform. I am all for trying to create incentives to get people to work, but this is a lump sum payment that discourages work. There are a lot of people that might work just enough to maximize this payment, by either reporting income, or not reporting income.

We had some people on this case that might report income they did not receive so they could get into this level, and others might not report income that they received, cash or otherwise, so they could stay at this level.

I do not even want to get into the confusing stuff about the marginal tax rates this program creates, but we find people in the phase-out side of this program that will end up paying 80 percent or 90 percent of their additional, marginal income in taxes. Think about that. I do not want to get too confusing with facts, but they can have the highest marginal tax rate of anybody in America. And that is not fair, either.

That is a real disincentive to earn more income. I do not think we should have that.

The direction of the Finance Committee and the direction of this budget is to limit the growth of this program. It is growing too fast. It is out of control.

GAO says—not just Don NICKLES and Bill ROTH who had a hearing on this in the Governmental Affairs Committee—that the cost of this program is exploding. I compliment Senator ROTH for his efforts. We need to respond. The Finance Committee and Ways and Means Committee needs to respond. We need to get this program under control.

The PRESIDING OFFICER. The Senator from Oklahoma has 1 minute remaining, and 1 minute is remaining on the other side.

Mr. NICKLES. I reserve the balance of my time.

Mr. KENNEDY. Mr. President, I yield myself the 1 remaining minute.

Mr. President, let the Senate think about who we are talking about here. We are talking about Americans who are working. If they are making the minimum wage and if they are getting food stamps, and they are getting EITC, they are still below the poverty line. Still below the poverty line.

Now, that is what the issue is. Four trillion dollars in tax benefits or tax expenditures over the length of this measure, $4 trillion, will be accumulated. But the only place that the Republicans could find a place to collect money was $20 billion from these working families. If they are working full time for minimum wage, are getting food stamps, getting the EITC, these people still do not have enough, to bring up a family. And still they are trying to take that benefit away. It is wrong.

I hope the BRADLEY amendment will be successful.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. EXON. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator from Oklahoma has 1 minute.

Mr. EXON. If I understand it correctly, we have finished debate and under the previous agreement we will have the vote on this at some succeeding time, is that correct?

The PRESIDING OFFICER. The Senator from Oklahoma has 1 remaining minute.

Mr. EXON. I thought the Senator has yielded back. He has not yielded back? I am sorry.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I will be brief. We have one minute remaining and we will be voting at a time designated by the two leaders.

It is vitally important we pass the budget. We have a chance for the first time in history to pass a budget that is going to call for a balanced budget. Many of us thought we should do that whether we passed a constitutional amendment to balance the budget or not. It is not possible to pass a balanced budget unless we curtail the growth of expensive programs. This program has been growing out of control. This program cost a few billion dollars a few years ago. It cost $25 billion this year. It will be costing $36 billion by the year 2002. We cannot continue that rate of growth. We have to slow it down.

Under this proposal it continues to grow about $1 billion a year, not as rapidly as proposed under current law. We cannot sustain current law growth. We cannot sustain 55 percent growth per year, so this is an effort to curtail it.

I urge my colleagues to vote against the amendment and I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, has all time has expired?

The PRESIDING OFFICER. All time has expired on both sides.

Mr. EXON. Mr. President, I am pleased to yield a maximum of 45 minutes to my great friend and colleague, the senior Senator from West Virginia, off the minority side's time allotted.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Nebraska, the ranking manager of the bill.

Mr. President, both Houses of Congress waited for weeks beyond the time when budget resolutions are normally brought before the House and Senate. In fact, as Senators are aware, section 301(a) of the Congressional Budget Act requires that on or before April 15 of each year the Congress shall complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. Nevertheless, Congress has often missed this deadline, so the lateness of this particular budget resolution is not extraordinary.

It is particularly understandable that this year's budget resolution would be late, in light of the fact that it contains more deficit reduction than has ever been proposed in any budget resolution. I believe the figure is nearly $1 trillion in deficit reduction that would purportedly be achieved over the next 7 years if this budget resolution is agreed to, and if all of its reconciliation instructions were enacted into law. That is what the Congressional Budget Office's current projections show.

At the end of that 7 years, according to table 1 on page 6 of the Budget Committee's report, under this budget resolution we will have achieved a budget surplus of $1.3 billion. Apparently that surplus occurs only under a unified budget. For those who are not intimately familiar with budget terminology, a unified budget is one that allows the use of trust fund surpluses to mask the true size of the deficit.

For this particular budget resolution, the use of such trust fund surpluses, and particularly the Social Security surplus, is necessary to achieve the $1.3 billion surplus in the year 2002. If one turns back one page in the Budget Committee's report to page 5, one will find another table. This table, table 1, sets forth the projected deficits recommended by the Budget Committee through the year 2002 without using the trust fund surpluses. This table shows that even if we adopt this budget resolution lock, stock, and barrel, we will still have a deficit—according to the Budget Committee—of $113.5 billion in 2002. In other words, if we do not apply the Social Security trust fund surplus against the deficit, the budget will not balance in the year 2002 under this budget resolution. Instead, there will be a deficit of $113.5 billion.

Having said that, I am quick to acknowledge the tremendously difficult work that has been done by the able chairman of the Budget Committee, Mr. DOMENICI. He has spent months on this budget resolution and, having worked closely with him on appropriation and budget matters for many years, I know that he is thoroughly familiar with virtually every item in this budget resolution. I would expect no less from this very able and distinguished Senator. It cannot have been easy to recommend the difficult choices that were necessary to achieve $1 trillion in deficit reduction without including any additional revenues and without cutting military spending. I would note, however, that the task would have been even more difficult had not the 1993 Reconciliation Act been enacted. So let us not lose sight of that fact. That measure, at the time of its passage, was estimated to cut the deficit by $433 billion below the CBO baseline over 5 years.

President Clinton deserves a great deal of credit for having proposed a major deficit reduction package shortly after he assumed office in 1993. Subsequently, Congress enacted the Omnibus Reconciliation Act of 1993, which resulted in reducing 5-year deficit projections by $433 billion. Not one Republican, not one in either House, voted for the package, but, as I said, the Budget Committee has benefited from that 1993 deficit reduction package. Without that package that we enacted in 1993, the committee would have had to come up with another $433 billion in deficit reduction in this resolution in order to reach their target in 2002.

Mr. President, despite the rhetoric to the contrary—let me say this. I hope all Senators will hear it. Despite the rhetoric to the contrary, this is not the first budget resolution that has projected a balanced budget. I hear many Senators say, "For the first time we have a budget resolution here that projects a balanced budget."

That ain't so. This is not the first budget resolution that has projected a balanced budget. In fact, it is not even the second, or third budget resolution that has done so. That this is so is supported by the Budget Committee's report accompanying this year's resolution. In Mr. EXON's minority views, on page 314, the following statement is made:

> Contrary to Republican statements, this is not the first budget resolution to achieve balance. It is the fifth in line. The 1980, 1981, 1982, and 1991 budget resolutions were in balance. In the 1991 budget, Democrats did not use the Social Security trust fund surplus to reach balance. This all goes to demonstrate that the universe covered by a budget resolution can change in the course of the years.

That is the language, that is the committee report, and I quoted from Mr. EXON's statement there.

So, there have been four other occasions when budget resolutions have projected a balanced budget. We have done this before. This is not the first time. In fact, I recall that President Carter's fiscal year 1981 budget contained a deficit of something like $15.9 billion. We in the Senate found that to be intolerable, and as majority leader at that time, I convened a session at which the chairman and ranking members of the Budget, Appropriations, and other relevant committees sat down for several days including an entire weekend to come up with the necessary changes to balance President Carter's 1981 budget. We accomplished our purpose and the fiscal year 1981 budget resolution, therefore, showed a balanced budget. but, as with all other budget resolutions, including this one, as we shall see, changes in economic and technical forecasts caused the actual 1981 budget to be out of balance. The latest such budget resolution prior to the pending one was that for fiscal year 1991. Some Senators will recall that the 1991 budget resolution was adopted subsequent to the 1990 Budget Summit. That Budget Summit was requested by President Bush in May of 1990. I participated in it, as did a number of other Senators, including Mr. DOLE, Mr. DOMENICI, and Mr. GRAMM, to name a few—Mr. HATFIELD and Mr. Bentsen, who was a Senator at that time. From the House side, the summit participants included Mr. GEPHARDT and Mr. GINGRICH, among a number of others.

We spent literally weeks and weeks and weeks, and even months negotiating a bipartisan deficit reduction package which, it was agreed by all, should be no greater than $500 billion over five years. The fear was that anything over $500 billion would throw the economy into recession. We had the best Democratic and Republican brains in the Nation sitting around that summit table at Andrews Air Force Base. In addition to Members of Congress and their staffs, we had the benefit of the wisdom of Mr. Richard Darman, President Bush's OMB Director; Mr. John Sununu, the President's Chief of Staff; and even the Secretary of the Treasury, Mr. Nicholas Brady. Also present was the CBO Director, Dr. Robert Reischauer, and several of his key staff. I should mention that Leon Panetta was there. As anyone can see, we did not suffer from a lack of expertise at the 1990 bipartisan Budget Summit. Well, after all those months of intense negotiations, which often ran into the night and included Saturdays and Sundays, we finally reached an agreement.

That agreement cut the projected 5-year deficits for fiscal years 1991–95 by $500 billion. When first presented to the House, in the form of a budget resolution, the summit agreement was voted down. After some modifications were made, however, a budget resolution was agreed to by the House on October 8, 1990, and by the Senate the next day.

I have here the fiscal year 1991 budget resolution conference report. It is numbered report 101–820, and was submitted by Mr. Panetta, who was the House Budget Committee chairman at the time. On page 2 of this 1991 budget resolution conference report, we see a heading entitled "Recommended Levels and Amounts." Under that heading in section 3(a)(4), one will find the on-budget deficits for fiscal years 1991–94 and an on-budget surplus for fiscal year 1995.

Specifically, the conference report itself reads as follows:

> SEC. 3. (a)(4)(A) The amounts of the deficits are as follows: Fiscal year 1991: $143,700,000,000. Fiscal year 1992: $100,900,000,000. Fiscal year 1993: $62,000,000,000. Fiscal year 1994: $14,700,000,000.
>
> (B) The amount of the surplus is as follows: Fiscal year 1995: $20,500,000,000.

So there you have it. The budget resolution for fiscal year 1991, which incorporated the budget cuts agreed to at the 1990 Budget Summit, showed an on-budget surplus of $20.5 billion in the fifth year; namely, fiscal year 1995. That surplus was to be achieved under that budget resolution without using the Social Security surplus. In fact, if one turns to page 21 of the 1991 budget resolution conference report, there one will find a table which, among other things, shows that if the Social Security and other trust fund surpluses are used to reduce the deficits, then there were supposed to be surpluses, not deficits, for fiscal years 1993, 1994, and 1995. In fact, the surpluses were to be: for fiscal year 1993, $44.8 billion; for fiscal year 1994, $108.5 billion; and for fiscal year 1995, $156.2 billion.

My purpose, Madam President, in raising these matters is to put to rest the misconception that somehow the Republican leadership in the Congress has come up with the first budget resolution ever that projects balance; and the further misconception that past Congresses failed to bite the bullet and make the tough choices to balance the budget. The fact is that we thought we had enacted the necessary spending restraints in 1990, on a bipartisan basis, to achieve a balanced budget by 1995. The experts told us we had done so. But, as is the case now, and, as I have said many times, there is no earthly way that any human being can accurately predict what the deficit will be 5 years from now.

We all know what happened to those 1991 budget resolution projections. They went south. No sooner was the ink dry on the Summit Agreement, and its accompanying reconciliation act, than CBO changed its projections.

I have here a CBO document entitled "CBO Papers—The 1990 Agreement: An Interim Assessment" dated December 1990. On page 8, this paper lays out major changes in the 1991–95 deficit calculations upon which the Congress and President Bush had just depended when they enacted the provisions of the Summit Agreement, which was supposed to achieve a budget surplus by fiscal year 1995. Here is what CBO had to say about their changed projections, only 1 month after enactment of the Summit Agreement:

> The October interim economic assumptions increase the projected deficit by $41 billion in 1991 and by about $60 billion per year thereafter, compared with CBO's summer baseline. The October forecast reflects significant signs of weakness that appeared in the economy after CBO completed its summer forecast in June. The Iraqi invasion of Kuwait in early August has caused a sharp increase in oil prices, which has boosted inflation. In addition, the revision of the national income and product accounts for the past three years suggests that the economy's potential rate of growth is lower than previously thought.
>
> Taken together, these economic developments reduce projected revenues by about $30 billion per year. Higher inflation increases cost-of-living adjustments for Social Security and other benefit programs, as well as discretionary inflation adjustments for defense and non-defense appropriations. Higher unemployment raises spending for unemployment compensation and for income-assistance programs. Finally, lower revenues and higher spending increase federal borrowing requirements and debt service costs, by amounts growing from $2 billion in 1991 to $17 billion in 1995.
>
> During the final months of fiscal year 1990, the Resolution Trust Corporation (RTC)—the agency charged with resolving insolvent savings and loan associations—spent $10 billion more than CBO projected in July. This surge in spending suggests that the RTC is resolving cases more quickly and needs more working capital than previously thought. As a result, CBO has increased its estimates of deposit insurance spending in 1991 and 1992. Together with the resulting increase in debt service costs, deposit insurance reestimates increase the projected deficit by $16 billion in 1991 and $42 billion in 1992, have little effect in 1993, and reduce the deficit somewhat thereafter.

So, Madam President, it became obvious, rather quickly then, that budget balance would not be achieved without further major deficit reduction packages. President Bush chose not to undertake further budget summits, nor to propose further deficit reduction for fiscal years 1992 or 1993.

It was left up to President Clinton to propose further deficit reduction. He rose to the challenge in his "Vision For America," which was submitted to Congress on February 17, 1993. President Clinton laid out a blueprint for improving the lives of Americans and for reducing the Federal deficit, while at the same time, addressing the Nation's investment deficit in both human and physical infrastructure. The 1993 Omnibus Reconciliation Act was subsequently enacted and resulted in $433 billion in deficit reduction—and it had to be done without a single Republican vote.

That brings me to the pending budget resolution, which, as I stated at the beginning of my remarks, calls for some very difficult budget cuts which, according to OMB, will total $961 billion below a baseline which already assumes a non-defense discretionary freeze for the next 7 years. From this baseline, this budget resolution would cut: $256 billion from Medicare; $175 billion from Medicaid; $209 billion from other entitlements; $190 billion from nondefense discretionary spending (as measured from a 1995 freeze extended through 2002; defense is increased by $25 billion); and $155 billion from reduced debt service.

For nondefense discretionary spending, this budget resolution would cut $190 billion below a 1995 freeze; the equivalent of a $300 billion cut below the levels in the President's budget. By the year 2002, nondefense discretionary spending will be cut by nearly one-third, declining to 2.5 percent of the gross domestic product, and that would be a record low.

For military spending, on the other hand, this budget resolution proposes no cuts to the President's budget, as opposed to its proposed $300 billion in cuts below the President's nondefense budgets, over the next 7 years. That is preposterous. If we accept this budget resolution, we will cut by one-third—provided the instructions are carried through—we will cut by one-third that portion of the budget which funds education, the National Institutes of Health, environmental cleanup, health and safety programs to ensure the safety of food and water for our citizens, research and development, School-To-Work and other job training programs, NASA, aviation safety (including air traffic control), civilian and military retirement, agriculture, highway and bridge construction and maintenance, transit assistance, the Small Business Administration, the judiciary and the courts, nuclear waste cleanup, our national parks, law enforcement, and the operating costs of every department and agency of the Federal Government.

These and all other nondefense programs—all other nonmilitary programs—will suffer devastating cuts over the next 7 years.

But not the military; not the military. No cuts are proposed for the military over the next 7 years.

Does anyone believe that the military budget cannot be cut? Does anyone believe that the military budget ought not be cut? Does anyone believe that there are not items in that military budget that can be cut, ought to be cut, and still maintain the kind of security for our country that we expect?

Well, apparently some of our friends on the other side of the aisle do believe that. Not only that, this budget resolution will reestablish a wall so that military spending will have its own separate caps for the next 7 years. This will prohibit Congress from cutting military spending and using those cuts to ease the pain on nonmilitary spending. This means that we will limit our ability to set priorities by removing from the budget-cutting pot the entire military budget. It is off limits.

Furthermore, this budget resolution will eliminate the hold-harmless provisions of the Budget Enforcement Act for discretionary spending. This means that discretionary caps will no longer be adjusted for economic and technical miscalculations which are beyond the control of Congress.

I fought for that in connection with the 1990 summit and the budget resolution that flowed therefrom. I fought for that. I sat right down in my office and discussed that with Mr. Darman. I said, "There's no give on that. Nondefense discretionary has got to be held harmless." And we were, and we have been held harmless since. But that is out now with this budget resolution.

Finally, this budget resolution will create a new requirement that, in order to not be charged against discretionary spending, emergencies will have to achieve a 60-vote supermajority in the Senate.

So if we have a disaster in Texas, get ready to produce 60 votes, or else it will be charged against discretionary spending. And where do we have the money? Discretionary spending is on the block. The ax is going to fall, as it has fallen time and time again in recent years.

It is clear that nondefense discretionary spending will suffer the greatest harm of any area of the Federal budget under this budget resolution. And the American people will not have to wait for reconciliation to feel the effects of the nondefense, nonmilitary, discretionary cuts. Those cuts will be coming to the House and Senate floors very soon after the adoption of the budget resolution conference agreement. Each of the 11 nondefense discretionary appropriation bills will contain a large dose of reality as to what is being asked of the American people in the way of cutbacks in government services. And these cuts will keep coming each and every year for the next 7 years. There will be no relief. If the caps are exceeded, then automatic cuts, or sequesters, will occur to bring nonmilitary spending back within each year's cap on both budget authority and outlays. Rest assured, if this budget resolution is agreed to, and I have no doubts that it will be agreed to, these cuts will occur. We will no longer have to speculate about the pain that will occur. It will have arrived.

For the entitlement portion of the budget, this budget resolution also calls for tough medicine. As the debate has already brought out, cuts of $256 billion for Medicare; $175 billion for Medicaid; and $209 billion from other entitlements will be very harsh upon those in our society who, in many cases, are the least able to afford to pay more for their benefits. The changes called for in the budget resolution for entitlements will be taken up later this year in a massive reconciliation bill. Only if enacted by Congress and signed into law by the President, will these entitlement cuts take place.

So there will be another day to make that decision.

Page 5 of the committee report, Madam President, contains this statement:

> The committee's recommendations are real, enforceable, and achieve the fiscal policy goal of a comprehensive, unified balanced budget in 2002.

I ask Senators where is the enforcement on entitlement spending in this resolution? Let me read again page 5 of the committee report. I quote:

> The committee's recommendations are real, enforceable, and achieve the fiscal policy goal of a comprehensive, unified balanced budget in 2002.

I ask the committee, where is the enforcement on entitlements? The committee report says these are enforceable. Where? Where is the enforcement on entitlement spending in this resolution? I have asked my staff to find that. My staff has searched in vain to find caps on entitlements and sequesters to enforce the caps. There are no such provisions. Despite the committee's claim, there is no enforcement on entitlement spending for the next 7 years. Yet, as any knowledgeable observer knows, entitlements are where the growth in Federal spending is occurring. The cuts in discretionary spending will occur—you can bet—they will occur because there are caps every year and automatic, across-the-board cuts discretionary spending within those caps.

Yes, they are enforceable, those cuts in nonmilitary discretionary spending. Cuts in nonmilitary discretionary spending will occur because there are caps every year and automatic, across-the-board cuts to keep the nonmilitary discretionary spending within those caps. Yet, for entitlements, this resolution contains no caps and no other enforcement mechanisms.

Similarly, for revenues, there is nothing in this resolution to ensure that each year's revenue projection will be achieved. What if we have a recession? What if we have a recession, as we probably will? How will the shortfall be accounted for?

The only way in this resolution is by increasing the deficit.

For entitlement spending and revenues, this budget resolution is no different—no different—from any of the other budget resolutions in the past. In fact, the proposed balanced budget amendment to the Constitution suffers from the same flaw. We pointed that out time and time again in the debate. That amendment suffered from that flaw. Human beings simply cannot accurately forecast budgets 7 years, or 5 years or 4 years or 3 years or 2 years, or even 1 year in advance. This budget resolution is no different from the budget resolution for fiscal year 1991 which, as I have already pointed out, was not worth the paper it was written on. When all is said and done, it was not worth the paper it was written on. It took CBO just 1 month—1 month—to change the revenues downward and the entitlements upward. The pending resolution will not improve the negative effects of those misestimates for revenues and entitlements at all.

This brings me to a final area of the pending resolution, which is disturbing to me, perhaps as much as any of the other matters I have raised, if not more. That is the portion of this budget resolution which states that after enactment of reconciliation, the Congressional Budget Office will provide the Senate with a revised estimate of the deficit for the years 1996 through 2005, and if there is any additional deficit reduction, the "surplus" can be used for a cut in revenues. The resolution would not allow the surplus to be explicitly used for additional deficit reduction or to lessen the impact of proposed Medicare or Medicaid cuts.

CBO has already indicated that if the deficit is eliminated by the year 2002, there will be a "bonus surplus" gained from a reduction in interest rates and an improvement of one-tenth of a percentage point in the growth rate. The mark requires the fiscal dividend to be limited to the amount CBO certifies is the additional deficit reduction that results from the enactment of reconciliation legislation based upon the Republican mark.

Madam President, first of all, I do not believe there will be any windfall if this budget resolution is agreed to and if its accompanying reconciliation measure is signed into law. This budget resolution assumes there will be no recessions over the next 7 years. Furthermore, any objective review of the past history of CBO's 5-year deficit projections would lead one to find highly suspect the 7-year projections contained in the pending resolution. I do not believe the chances are any better than 1 in 1,000 that, if we accept this budget resolution to carry out its entire contents without change, we will achieve a balanced budget in 2002.

Regarding the tax cut provided in this resolution, I am frankly amazed. For all the talk—all the talk—about balancing the budget and all the mighty effort expended, we turn right around again in the same budget balancing document and spend $170 billion that we do not have and will, in all likelihood, never have on a tax cut. It is folly. Here we go again. Like the old song says: "Livin' on money that we ain't made yet."

"Livin' on money that we ain't made yet." That money is not going to be there when the day rolls around.

In case I am wrong, I do not support the use of any resulting windfall for tax cuts. And I do not care who recommends the tax cuts. It can be President Clinton, if he wants to. I am not going down that road with him. I do not think he should have gone down that road. I do not think anybody ought to be recommending tax cuts at this time. I am not supporting Mr. Clinton and I am not supporting the Republicans on any tax cuts.

If there are any windfalls, we should apply them toward the deficit rather than give them away in tax cuts. That is what we wanted to do. We want to balance the budget. It is the height of ridiculosity to propose tax cuts for the wealthy which total over $350 billion over the next 7 years, while at the same time we are devastating domestic discretionary programs that are investments in the Nation's future and in the people's future.

I believe that the other side of the aisle would do well to tone down the partisan rhetoric and the blame game. Democrats did not put us in this downward spiral. We all had a hand in it. We had a Democratic House, but we had a Republican President and we had a Republican Senate. Democrats have done their best to lead the efforts to eliminate the Federal deficit in the past. We recognize it has to be done. We did not ignore the problem in the past. We did not ignore it in 1993, and we stand ready to do our part again to do what is necessary to achieve budget balance. But it is obvious that we cannot do this if all we are interested in is partisanship. Virtually every substantive amendment that was offered by Democrats in the Budget Committee markup was rejected on a party line vote. Here on the Senate floor, the same partisan approach has been used by the Republican majority.

I, therefore, do not kid myself by holding out any hope that there will be any attention paid by the Republican side to the suggestions or proposals made by this side of the aisle. That is unfortunate. We are all here to do our solemn duty in, once again, making tough choices which affect the lives of virtually every American in order to balance the budget. None of us shy away from that duty. But, I submit that the Senate and the American people would be far better served if, at some point during this year's budget and reconciliation battles, we put aside partisan and Presidential politics, and vote for the best possible legislation in all instances—no matter whose idea it may be.

I close by congratulating again, Mr. DOMENICI, the chairman of the Budget Committee. He is an extremely capable and bright and dedicated Senator, and he has demonstrated a great deal of courage in bringing this resolution forward.

But I like to look at history in a situation like this, just as in many other situations. I have related some recent history to show that budget resolutions have a way of being overly optimistic and that there are conditions that occur in the economy which, in the final analysis, result in changing the expected and hoped-for outcomes of the budget resolutions.

I also compliment Senator EXON, who has done a fine job, a dedicated job on the Budget Committee. It is not easy. And all of the members on that committee are to be complimented. I am not on the committee, and I do not envy those who have worked so hard. They have spent hours and days and weeks, and they have done their best. I know they have done their best.

I know the Senator from New Mexico has done his best. He believes in this product. But he has no control over the future. Nobody has any control over tomorrow. "Boast not thyself of tomorrow, for thou knowest not what a day may bring forth." Recessions can occur, military conflicts may arise. There are things we cannot foresee. We cannot foresee what inflation will be, what the unemployment rate will be, what the gross domestic product will be, what interest rates will be.

In closing, I compliment the managers and I hope that what I had to say today will be of some benefit and that it will at least cause us to look back over the road we have traveled in the past and possibly to temper what we may have to say with regard to the future's optimist projections.

Madam President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 2 minutes 10 seconds remaining.

Mr. BYRD. I yield back my 2 minutes.

Mr. DOMENICI. Madam President, I yield myself 1 minute off my side. Before he leaves the floor, I thank Senator BYRD very much for his remarks. I know we do not agree on the details, but I thank him very much for the way in which he described the Budget Committee, as hard-working people. It is very hard to get people together on such diverse issues. I compliment Senator EXON for his hard work. Again, I thank Senator BYRD for his remarks.

There is no question that if we could predict with specificity exactly what will happen 3 years, 7 years, 20 years from now, we would be greater than the Roman Senate. But in any event, we cannot do that. I understand we are doing our very best. But I think the assumptions and expectations of this budget are realistically conservative in terms of economics and the like, even more so than the President's budget, which did not do much to the deficit but had less conservative estimates in the next 4 years. I thank him for his remarks.

I yield the floor.

Mr. EXON. Madam President, let me take a moment and thank my friend and colleague, the chairman of the committee, Senator DOMENICI, with whom I have worked for a long, long time. I have saluted him during this debate before and I do so again now.

I also want to take a moment to compliment my very dear friend, the senior Senator from West Virginia, for his outstandingly considerate and thoughtful remarks. I just hope that the Senate will be wise enough to recognize and realize that someone with the wisdom, dedication and the evenhandedness that has been part and parcel of Senator BYRD's lengthy and very distinguished career would give us pause for consideration. I think sometimes we get carried away, and I can think back and make talks on several measures that have been introduced in the U.S. Senate to solve the deficit problem. I voted against most of them because I did not think they held water.

I simply say that there are many concerns that we have on both sides of the aisle. Some of the sharp debate we have had on this measure is a very legitimate process of the consideration—the debate and deliberations that the U.S. Senate has been known for a long time.

As a personal aside, let me say that I have often said with my experience in politics, the great reward has been the people that I have met and have been associated with that would have never come my way had I not been chosen by the great people of the State of Nebraska to represent them as Governor and then as a U.S. Senator. One of the finest things that has happened to this Senator, with all of the outstanding people that I have met and been associated with and worked with, Senator BYRD has always been a pillar of what I think a U.S. Senator should be all about. And I think the remarks that he just gave demonstrate better than I could have said it how important he has been and remains as a Member of this body. I thank my friend from West Virginia.

Mr. BYRD. Madam President, I thank both managers of the bill.

Mr. DOMENICI. Senator GRAMM of Texas is going to offer an amendment. Technically, under the rules, I am supposed to manage the opposition. But I choose today to designate, if he will assume the responsibility, Senator EXON as the manager in opposition to the Republican amendment.

Mr. EXON. I appreciate those remarks by Senator DOMENICI. We are prepared to cooperate as he has outlined. If I understand it correctly, we are now moving back and forth, and we are now prepared to listen to the beginning of the debate on what I understand is called the Gramm amendment. We are prepared for that if the Chair is.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Texas.

AMENDMENT NO. 1123

(Purpose: Setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002)

Mr. GRAMM. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. COATS, Mr. COVERDELL, Mr. CRAIG, Mr. FAIRCLOTH, Mr. GRAMS, Mr. HELMS, Mr. KEMPTHORNE, Mr. KYL, Mr. LOTT, Mr. MACK, Mr. MCCAIN and Mr. SMITH, proposes an amendment numbered 1123.

Mr. GRAMM. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Madam President, I ask unanimous consent further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Madam President, I have offered an amendment which will reduce Government spending from the level recommended in the Senate budget, that will include the heart of the tax cuts contained in the Contract With America, and that will, for all practical purposes, bring the budget which is now under consideration in the Senate into line with the budget that has already been adopted in the House.

In short, if the amendment that I have offered is adopted, we can virtually guarantee that the tax cuts which Republicans across the land committed to in the 1994 elections will become the law of the land.

I would like to outline what this debate is about. I would like to talk about the amendment. I would like to outline what the amendment does, and then I would like to talk about the issue that we are going to decide when we cast a vote on this amendment.

In September of last year on the north plaza of the Capitol Building, Republican candidates for the U.S. Senate, in fact, every Republican challenger in the country that was running in an open seat or against a Democratic incumbent except one who could not be there on that occasion, gathered to issue to America, a statement that we called "7 more in '94."

I want to read the opening part of that statement, and then I want to refer to a couple of things in it. We said, "We pledge to the American people that if they empower us as a majority in the U.S. Senate on November 8, 1994, we will dedicate ourselves to the adoption of these legislative priorities." Among those priorities, we had a tax exemption for children, we had the reestablishment of individual retirement accounts for families, we had the reduction of the capital gains tax rate, and the indexing of capital gains, and we pledged to repeal the earnings test under Social Security.

One week later, as everyone in America now knows, Republican candidates for the House of Representatives gathered on the west front of the Capitol and presented their Contract With America which outlined two goals as it related to the budget.

One goal was to balance the Federal budget, a commitment we also had made 1 week earlier on the northern approach to the Capitol; and also they outlined a comprehensive program to cut taxes, to let families keep more of what they earn, to provide incentives for people to work and to save and to invest.

That was in September 1994. We all know that the American people on November 8 changed American Government in the most sweeping congressional election since 1932. We won a majority in both Houses of Congress. The House of Representatives, good to its word, not only made promises in the campaign but they fulfilled each and every one of those promises. They adopted a budget last week that balanced the Federal budget over a 7-year period and that mandated tax cuts as they had outlined in the Contract With America.

Now, that brings the Senate to this point in the debate. Where we are today is that we have a budget before the Senate that fulfills half the fiscal commitments we made that September day. We have before the Senate a budget that over a 7-year-period limits the growth of Government spending to 3.3 percent a year, down from an average of about 5.5 percent a year growth over the previous 5 years, down from about 7.5 percent growth in Government spending since 1950.

As a result of constraining the growth in Government spending, the budget that is before the Senate is a budget that will achieve balance over a 7-year-period.

I want to congratulate Senator DOMENICI. I want to congratulate my colleagues for having achieved half of the commitment that we made prior to the elections in 1994.

My amendment today seeks to achieve the other half of those commitments. Now, what is the difference at this moment between the House budget and the Senate budget? Stated in its most simple terms, the budget that we are considering in the Senate spends $175 billion more on nondefense spending programs over the next 7 years than the budget which was adopted in the House. That is the first difference. Our budget spends a lot more money than the House budget spends, on nondefense expenditures.

The second difference is that the budget in the Senate does not mandate a tax cut, whereas the budget in the House does.

My amendment is a very simple amendment. What my amendment does is make two changes in spending. No. 1, it phases in the reductions in the growth of spending under Medicaid so that while Medicaid expenditures grow every year over the next 7 years, and while Medicaid grows faster than Government spending is growing, we slow down the rate of growth in Medicaid more quickly under the substitute which I have offered than under the budget that is currently pending before the Senate.

Many people believe that those savings are not only achievable but desirable.

The most significant change in spending that I have proposed in this amendment reduces nondefense discretionary spending below the level contained in the budget that is before the Senate, so that overall we are spending $142 billion less under my amendment than we are spending in the budget that is currently before the Senate.

If we look at this chart, Mr. President, it shows basically what the amendment does to spending. The red line is a line that shows the growth of Government spending under the Domenici budget; that growth averages 3.3 percent a year.

What my amendment does, by reducing the growth of discretionary spending, and by phasing in savings in Medicaid more quickly, rather than growing at 3.3 percent a year, Government spending would grow at approximately 3 percent a year. Government is still spending more each year than it spent the year before, but not spending as much as it would have spent had this amendment not been adopted.

This amendment then provides for tax cuts for the American people. These tax cuts basically contain the following items: A $500 tax credit per child; cutting the capital gains tax rate by 50 percent and indexing it for inflation; estate tax relief for small business and small farms; faster depreciation through expensing for small business to encourage investment in small business in America; beginning the process of phasing out the so-called marriage penalty, this perverse provision in the Tax Code where if two people with incomes meet, fall in love, and decide to get married, they pay the Government as much as $4,500 a year—for the right to be married—in additional taxes; this amendment reestablishes individual retirement accounts for all Americans; it allows spouses working in the home to have an individual retirement account on exactly the same basis as if they worked outside the home; it allows the deduction with a credit for expenses in adopting a child; it raises the threshold for the earnings test under Social Security so that if senior citizens need to work to supplement their income, if they have the ability to work, they can do it without losing Social Security in the process; and finally, if someone takes care of an elderly person in their home, they are allowed a credit for part of those expenses.

This, in essence, is the tax cut that is contained in the House budget and is the heart of the Contract With America.

Now, let me take on the issues that are going to be raised. There are going to be some people who will say, "Look, let us balance the budget before we talk about tax cuts."

That is very easy to respond to. We are both balancing the budget. The Domenici budget balances the budget, certifies the savings, locks them in with enforcement mechanisms, and so does the amendment I have offered. In terms of balancing the budget, both amendments will balance the Federal budget.

What my amendment does is spend less money, and by reducing spending by $142 billion over the next 7 years, my amendment makes it possible for us to adopt as part of the reconciliation process a tax cut, fulfill the commitment we made in the campaign, and to do something more: To begin the process of not only balancing the budget but changing who is doing the spending in America.

The debate here is really between those who say we want the Government to spend $142 billion more, in the Senate, than Government spends in the House budget, and those who support my amendment and say let us have the Federal Government spend $142 billion less so families can spend more of their own money on their own children, so that businesses can invest more of their own money in their own businesses.

I know there are those who will say this is a debate about how much money we spend on children, this is a debate about how much money we spend on education, housing, and nutrition. But this is not a debate about how much money we spend on children. It is not a debate about how much money is spent on nutrition or housing or education. It is a debate about who is going to do the spending.

In the budget that is before us, the Government is going to continue to do the spending. In the amendment that I have offered, the family will do the spending. I know Government and I know the family and I know the difference. I believe if the American family is allowed to have a $500 tax credit per child so parents can spend more of their own money on their own children, on their own future, that they will do a better job in spending that money than the Federal Government is doing.

In the House they propose eliminating public funding for public television. In the House, they propose eliminating the Federal Department of Education. And they give part of that money back to parents, to let parents decide how it is spent. I believe that is a clear choice and I want to be absolutely certain that people know that we can make that choice in this amendment. If you want families to spend more of their own money rather than having the Government spend it, you want to be for this amendment.

Second, this amendment cuts the capital gains tax rate, provides incentives for investment, and I know there will be those in this debate who will say this helps rich people. "If you cut the capital gains tax rate, rich people are going to exploit the situation because what they are going to do is mobilize their money; they are going to invest it; they will create jobs. But if they are successful, they will earn profits."

Welcome to America. That is how our system works. If we want people to create jobs there has to be an incentive to do it. I do not understand people who love jobs but hate the people who create them. I do not understand how we can expect people to make investments and take risks, and yet somehow resent allowing them to benefit when they are successful from the investments they make and the risks they take.

As I listen to all this talk about rich people versus poor people, it has started me thinking about my own life's experience. I have been blessed in having a lot of jobs in my life, especially when I was growing up. I worked as a peanut processor, I worked in a cabinet shop, I worked in a boat factory, in addition to all the jobs we all had working in a grocery store, throwing a newspaper. No poor person ever hired me in my life. Every job I ever got in my life, I got because somebody beat me to the bottom rung of the economic ladder, climbed up, saved his money, invested it wisely, and made it possible for someone like me to get my foot on the bottom rung of the economic ladder.

What my amendment seeks to do, by cutting the capital gains tax rate and by providing incentives for people to work and to save and to invest, is to guarantee that tens of millions of additional young Americans will get an opportunity to put their foot on the bottom rung of the economic ladder and start climbing up themselves. By cutting discretionary spending we have the opportunity to cut programs where Government is subsidizing business and, instead, cut the capital gains tax rate and provide investment incentives so that investment decisions are not made by the Government but where investment decisions are made in the private sector of the economy.

Some people are going to say, "Look, we ought to forget this $500 tax credit per child because it is not enough money to make any difference." For a two-child family, this $500 tax credit is going to mean that family is going to get to keep $1,000 more every year of what they earn to invest in their own children. That may not be much money in Washington, DC, but in Texas, where I am from, the ability of a family to spend $1,000 more of its own money on its own children is real money. The fact that that is not real money in Washington, DC, tells you something about the problems that we have in Washington, DC. I think these are changes we need to make.

So here is the choice we are about. The choice is this. The House of Representatives has controlled Government spending, and using the words we use in Washington, cut Government spending. Even though spending grows every year in their budget, it just does not grow as fast as it would have grown had they not changed policies. But in the House, they spent roughly $175 billion less on nondefense spending than the budget that we are now considering in the Senate. My amendment simply cuts spending by roughly that amount and gives that money back to parents to invest in their own children, cuts the capital gains tax rate, encourages savings and investment by changing the tax code so that rather than the Government spending this $175 billion, it can be spent in the private sector, where families and businesses are making the decisions instead of the Government.

This is not a debate about balancing the budget. Both budgets balance the budget. This is not a debate about spending money on children or investing in businesses. Both budgets do that. But it is a debate about who is going to do the spending. Under my amendment, families will do more spending and the Government will do less spending. Under my amendment, Government will make fewer investment decisions and private business will make more investment decisions.

Not only do I believe this is good policy, I think it is important for two reasons. One is economic and one is political.

Economically, I think the economy is beginning to soften. Economically, I think we are beginning to feel, now, the impact of the tax increase that was adopted 2 years ago.

I think the impact is being felt on the American economy, and I think we are beginning to see troublesome signs in the economy. I think it is very important, as part of this budget, because we want it to work and we want to balance the budget, that we as part of this budget provide incentives for private investment. As Government does less, it is important that we give parents the ability to do more by letting them keep more of their own money. It is important, as Government does less, that we provide incentives for business to do more in creating jobs and growth and opportunity.

I think that is especially true given that we are going to reform the welfare system and we are going to ask millions of people to get out of the welfare wagon and help the rest of us pull. Cutting the capital gains tax rate, providing incentives for investment and growth I think is a vital part of this.

Finally, we had an election. We all see the results of that election. We have a Republican majority. We have 54 Republicans in the Senate. We have a Republican majority in the House for the first time in 40 years. We won that election based on commitments that we made to the American people, and in terms of the budget we committed to do two things. No. 1 to balance the Federal budget. That is a commitment on which we are clearly going to deliver. But we also committed to reduce spending further so that families can keep more of what they earn and so that businesses can make more investment decisions to create more jobs, more growth, more opportunity for our people. That is a commitment that we are not going to fulfill unless we adopt this amendment.

Finally, before I yield the floor and allow the opposition to speak and begin to recognize our colleagues who are cosponsors to the amendment, let me say this. I know there are others who are talking about cutting a deal—compromising, coming up with a temporary tax cut. I think if we are going to change America, if we are going to change Government policy, we have to stop cutting deals in Washington, DC. We promised that we would do this in the election. As chairman of the Republican senatorial committee, I went all over the country and with Republican candidates everywhere committed to this program, and so did others of our colleagues on the Republican side of the aisle.

Now we come down to the moment of truth. There are many who say, look, it was hard enough balancing the budget. This was excruciatingly painful. This was difficult. We do not want to go the final step to live up to what we committed in the election.

I think that is a mistake. I think America will be richer and freer and happier if we do it. It is not only the right thing to do economically, it is the right thing to do because we committed to do it.

I reserve the remainder of our time.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, we have spent a lot of time discussing the basic unfairness of the tax cut proposed by some Members on the other side of the aisle. The American people are wise to Republican tax shenanigans that benefit the wealthiest in this Nation. The amendment that has just been offered by the Senator from Texas embraces the unworkable and unrealistic tax cut described by Speaker GINGRICH as, "The heart and soul, the crown jewel of the Contract With America."

It is a phony jewel at best and a very deceptive one, I hasten to suggest. The plain fact is that we cannot afford a tax cut, and there should not be one in this budget if we are going to balance the budget. Our primary goal, the goal that the American people overwhelmingly endorse, should be to reduce the deficit. A tax cut like the one in the House Contract With America would only add to the problem by forcing us to make even deeper and more painful spending cuts.

Poll after poll has shown that voters want Congress to get the Nation's fiscal house in order by balancing the budget, not by cutting taxes.

Mr. President, we have just spent the majority of Friday and Monday talking about the draconian impact of the Republican budget cuts. Those cuts are in Medicare, and lower income beneficiaries are all going to suffer. We also talked about Medicare cuts and the cuts to education, the cuts to the EITC program, the cuts to veterans programs, and the cuts to agriculture. But no matter how the deficit is eliminated, the fact is that achieving balance is an extraordinarily difficult and painful task. It requires more than $1 trillion in spending cuts—cuts that have a real impact on real people. Adding tax cuts to the mix would only ensure that the pain goes even deeper. And in this budget that translates to even harsher treatment for our seniors, our schools and education, our children, and the least well off in our society.

There has also been a great deal of talk in this Chamber especially about the so-called economic bonus that will magically occur if this budget is enacted. According to CBO, it would be possible for a total of some $170 billion over the next 7 years and balloon to $356 billion over 10 years if those figures work out—if those figures work out. The bonus has become the financing source for the tax cuts being advocated by our friends on the other side of the aisle. If this bonus does occur—and I think that point is very debatable—I submit there are many better purposes to which it could and should be put. In fact, the driving force behind the Democratic amendments center on this very issue.

The question is very simple: Should any economic bonus be reserved for tax cuts for the best off in our society or should it be used to soften the blows of some of the extraordinarily harsh cuts that will be meted out under the plan? Our position is very simple: we cannot afford a tax cut. It makes the job of balancing the budget just that much more difficult and disproportionately unfair.

Furthermore, in the event that an economic bonus or surplus should accrue as a result of the painful choices that are being made, this bonus should be used to lessen the pain of those cuts rather than a tax cut and thus better assuring a realistic balanced budget by a day certain.

That is where we stand, Mr. President, and that is where the American people stand, too. That is where realistic and reasonable people stand. I certainly strongly recommend that we disapprove the amendment offered by the Senator from Texas.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH). Who yields time?

Mr. GRAMM. Mr. President, if we go back and forth——

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Let me respond very briefly and then I would yield to Senator GRAMS.

Mr. President, let me first say that the amendment I have offered cuts spending by another $142 billion to make it possible for us to let families keep more of what they earn and to provide incentives for businesses to invest their own money in their own future and generate jobs.

I hear our colleagues on the Democratic side of the aisle talking about difficult choices. I am not aware that a single one of them plans to make a single difficult choice, and these are difficult choices being made by Republicans. Their proposal is that if we make the difficult choices so that we balance the budget, if any benefit should accrue from that we allow Government to spend the benefits. Our proposal is that if we make the tough choices and benefits accrue as a result of those tough choices in lower interest rates and higher growth because we have balanced the budget, because the

Government is not borrowing half of all the money that is loaned in America, we give that money back to the people who earned the money to begin with, the people who do the work, pay the taxes, and pull the wagon.

So I do not think the distinction between the two visions for the future that we are debating here could be any clearer.

I do not think the American people believe that the tax cuts adopted in the House of Representatives are unreasonable or unworkable. I do not think the American people think that the idea of letting families spend more of their own money by having Government spend less of it is an unrealistic or unworkable idea. In fact, it has worked in reverse for 40 years. The average family in 1950, with two children, sent $1 out of every $50 it earned to Washington. Today, it is sending $1 out of every $4.

I am just proposing to take a very small step back in the right direction for a change.

I yield 10 minutes to the distinguished Senator from Minnesota, Senator GRAMS.

Mr. GRAMS. I thank the Senator very much. And I want to thank him very much for giving me the time on this amendment, and also give a lot of credit to the Senator from Texas for bringing this amendment to the floor.

Mr. President, we have heard strong and passionate statements from my colleagues on the subject of the $500 per-child tax credit and other tax reductions.

But there is one thing we have not heard.

We have not heard from the people themselves, those who would benefit most from tax relief, those who pay the bills—that is, the middle-class Americans who work every day—and a lot of nights and weekends, too—just trying to make a better life for themselves, their children, their families.

And they do it at the same time they are paying more and more taxes to the Federal Government.

Who is speaking up for them? Who is speaking up for the taxpayers?

As their elected representatives, it is supposed to be us. But sometimes I am not so sure we are.

November was only 6 months ago, but in a city where the headline-making political promises of yesterday too often end up lining the bottom of the bird cage, the message of November already seems to have been forgotten by many of us in the Senate.

And so, if not us, who is speaking up for the taxpayers?

Believe me, Mr. President, they may not be here to speak for themselves, but they have a voice in this debate, and they have a right to be heard today.

Fortunately, the taxpayers in my State of Minnesota are prolific letter-writers. And, thanks to their letters, some of which I have brought with me to the floor, they will be heard today.

And this is just a very small sample but a representation of what I have received in the mail.

Listen carefully—their thoughtful words reflect a deep dissatisfaction with the status quo in Washington.

Listen to Ralph Krasky of Minneapolis:

> We are just being killed in taxes. We both work and all we do is save for April 15. Let us keep what we make. After all, it is not the government's money. It is our money.

Or listen to Elaine Haataja, 53 years old and living in Menagha.

She lost her husband to cancer a year ago:

> I am very angry at our Federal and State tax system. I had no choice but to go to work for $5 an hour to support myself and keep up the taxes and insurance on my house and car.
>
> "I receive $700 a month from my husband's pension, which isn't enough a month to pay utilities and insurance plus the upkeep on the house and my old car. And now I have to pay $1,100 for Federal and State taxes.

The frustration is real, Mr. President, in Minneapolis, in Menagha, and every town in between. People feel as if their own Government has let them down; that somehow Government has gotten off the right track.

"I urge you to continue to cut taxes and cut spending and cut the Federal bureaucracy," writes Ralph Grant of Rockford, MN.

"There is more than enough waste and fraud and pork and duplication in the Federal budget to sustain a severe reduction without affecting any necessary and required services."

Minnetrista residents Kathy and Gary Hejna agree:

> We believe this country was built with hard work and sacrifice, not sympathy and handouts.
>
> We also believe that we can spend this money more effectively than the Government, who has only succeeded in creating a permanent, dependent welfare class with our money over the last 40 years.
>
> Any bill that takes money away from the Government and gives it to the families, the basic unit of society, can only benefit everyone in this country.

With seven children, Kathy and Gary would receive a tax credit of $3,500 every year under the Gramm amendment.

Think what a difference an extra $3,500 could mean for a family.

It could mean health insurance, a special education for a gifted child, or simple necessities like groceries and clothing.

Think how the $500 per-child tax credit could strengthen the American family.

Kathleen and William Bart of Roseville have given it a lot of thought. "A $500 Federal tax credit for each dependent is not a Federal hand-out," they write, "but would allow parents to keep more of the money that they make and to use it to care for their own children.

"A $500 Federal tax credit for each dependent would unquestionably strengthen many families—especially middle-class and economically-disadvantaged families."

Lori Brandt, who lives in Plymouth, MN, has thought about it, too. "Families desperately need a break today," she says, "and tax relief is long overdue."

From Duluth came this letter by Justin Black. "So many families starting out these days are as poor as dirt because they have to pay so much taxes when they haven't had the time to barely start their lives.

"They need a break like this tax bill so they can afford to raise a healthy family. Remember: they're the hope for the next generation and they need to have a strong family life to take over where the last generation left off."

"My husband, Jay, is an executive with a small manufacturing business and I am a mother and homemaker, as well as teacher to our two small children," says Patty Meacham of Audubon, MN, in her letter to my office.

"We are helping to support Jay's 69-year-old-mother, because we don't feel the government should be responsible for every person within our borders.

"Tax cuts would enable us to do much more Grandma, and perhaps she could get off the rolls of people accepting rent assistance.

"It is no source of pride for us that she has to go to a government agency for help, but how can we do what is right for her, when we are so greatly strapped by the tax burden placed upon us?"

A young couple from Coon Rapids tried to buy a new home to fulfill the American dream, only to learn after meeting with their realtor that they simply could not afford to do it on their own.

"I have finally reached the point of complete frustration and anger over the amount of taxes being deducted from my check each month," said their letter.

"When we got home that evening my husband and I sat down with our checkbook and our bills and tried to determine what we were doing wrong. After taking everything into consideration we determined that we weren't spending our money foolishly.

"The only real problem we found was when we looked at our paycheck stubs and actually realized how much of our income was going to pay for taxes.

"It saddens me to think of how hard my husband and I work and how much time we have to spend away from our daughter to be at work * * * and we still cannot 'reach the American dream.'"

The $500 per-child tax credit would help families like Natalie's realize their dreams. And Minnesotans know it will help the economy, too.

David Clark, a taxpayer from Eden Prairie writes: "Taxation is an awesome burden in the U.S. today, and it is sucking away resources from the economy that could be used to create jobs and opportunities for everyone, including the poor.

"I urge you to use the new Republican majority to enact the legislation needed to get the Government off our backs."

Walter Wilder, a doctor from Edina, writes: "Tax cuts will help to balance the budget by stimulating growth, bringing in more income, including from the high-income people."

And J. Randy Brown of Oakdale says: "I agree with your position that tax cuts are also a necessary part of the overall budget solution. Reduced taxes will result in renewed growth, job-creating, and the result of that would be increased revenues."

Mr. President, if it were up to the American people, we would have tax relief, and the vote would not even be close.

The House heard the people and passed its budget last week, with the $500 per-child tax credit as its centerpiece.

But now it is our turn. The American people are not sure we are up to the task. And I am afraid they may be right.

"I just finished my '94 taxes. What a disappointment," writes Tim Hulst of New Hope.

"The government can't seem to get enough of my money. Last year, I worked two jobs—seven days per week—and my wife worked full time to try and support ourselves and three children.

"After all we've paid in, we still owe $1,000 more. Please convince your fellow Senators how important it is to cut taxes. I wonder sometimes if the Republicans in the Senate really get it."

Dean Fairbrother of Minneapolis has the same concerns. "The status-quo, too-cautious approach exemplified by many of the senior members of the Republican Senate caucus is unacceptable. Keep pushing for family tax relief," he urged.

"Ignore the tired lamentations coming from the Old Bulls. They are wrong—you, me, and the majority of Americans pleading for such relief are dead right."

The letter-writer who leveled the harshest criticism at this Chamber is Folkert Breitsma of Maple Grove, who writes:

"It is a disgrace to see billions of our money squandered by politicians who are out of touch with real life and have the audacity to say that the national government can be entrusted with the money—that they know what is good for us.

"I have watched the Senate stonewall most of the initiatives brought forth by the House. It is defended by the Senators as being 'more deliberate' and 'take time to study the initiatives.'

"However it is promoted, I see it as stonewalling by a group of people that do not have a clear vision of what they want to achieve and have the arrogance to claim they know what is best for the country."

Those are strong words—not my words, but words in which I find a good deal of truth.

But there is hope, Mr. President—the hope offered by the $500 per-child tax credit we debate today.

Mr. President, look what the $500 per-child tax credit could do for the Minnesotans who wrote asking for our help:

We would return $1.4 million to the people of Wadena County, home of Elaine Haataja; we would return $48.7 million to the people of Ramsey County, home of the Bart Family; $3 million to Becker County, home of the Meacham Family; $20.8 million to Washington County, home of the Browns; and $101.5 million would be returned to Hennepin County, which the Brandts, the Breitsmas, the Kraskys, the Hulsts, and the Fairbrothers call home.

By passing the $500 per-child tax credit, we would return $500 million to Minnesota families—$25 billion annually to families across America.

We have heard what the people have to say. I think the question, again, is who is speaking up for the taxpayers?

As I close, Mr. President, I want to remark that the senior Senator from Nebraska said a few moments ago the tax cut would more deeply increase the pain to balance the budget. The pain of the tax burden on this country's families is growing more and more, and they are demanding and asking for tax relief.

I strongly urge my colleagues to support and adopt the Gramm amendment.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, what I am hearing in the Senate today is almost word for word what I heard in the early 1980's: Give the people a tax cut and do not worry about the deficit. We are for tax cuts, too, but only after we get our deficit under control.

I yield 5 minutes to my colleague from Wisconsin.

Mr. FEINGOLD. Mr. President, I certainly thank the Senator from Nebraska, and I want to say I admire how straightforward the Senator from Texas is with his amendment and his approach. He lays it right on the line. He believes we can afford at this point a $350 billion tax cut and still balance the budget.

In fact, I appreciate the candor of the whole Republican contract in admitting that this really is the centerpiece, this is the crown jewel of the Republican contract, as stated by the Speaker and as stated by the Senator from Texas.

I was amazed when they first came up with that formulation. Of all the different things you could pick from the Republican contract: regulatory reform, trying to get the Government off our back; line-item veto; the balanced budget amendment—for a moment I thought that was the crown jewel of the Republican contract—the issue of unfunded mandates we already dealt with; issues having to do with Congress, living by the rules that it creates for others. All of these things are apparently swept aside when it comes to the importance of delivering a tax cut at this time even though this country has reached a $5 trillion debt and a deficit that has only recently been brought down through the efforts of the Clinton administration.

So I agree with the Senator from Texas. This is the key amendment on this whole issue. The Senator says that the tax cut is the heart of the Contract With America. Well, this is the test: Is your heart with the tax cuts or is your heart with deficit reduction? You cannot have it both ways, and this is the test and this is what the American people are looking for.

What is very unfortunate is that the Senator from Texas fails to tell what this amendment really does. It takes $170 billion that is already in the budget resolution, adds that much again, makes the cuts deeper for the various programs that are going to be cut, and you know what, Mr. President, it still does not balance the budget in the year 2002, unless you take the money of Social Security.

This is not a balanced budget in the first place, Mr. President, and this amendment will only make it worse. Do not let anyone on the Republican side kid you, this budget resolution does not balance the budget in the year 2002, unless you take the money from Social Security. So this amendment cannot possibly solve that problem.

The Senator from Texas talks about two visions. He sees this as all about whether we are going to return the money to the people. But that is not what the November 8 election was all about. I think both in 1992 and 1994, the American people spoke with a very clear voice. They did not call for tax cuts. They said get rid of the Federal deficit, get rid of the huge interest payments we have to pay on the debt, do not saddle our children and our grandchildren with this deficit. That was the message in 1992 and it was the message in 1994. It is not a partisan message. People are just saying, clean up the mess that was made in the 1980's that the Senator from Nebraska just referred to.

The amendment of the Senator from Texas would make the mess much worse. It would say that even though all these deep cuts are being made in so many important human programs, we still have $350 billion in spare change around for tax cuts. I do not think anyone out there really believes that.

Let me agree with the Senator from Texas that this should not be about class warfare. I support neither the Senator's proposal nor the proposal for a tax cut in the budget resolution, nor do I support the President's proposal for a much tinier tax cut. I say we cannot do any of it, and there is a moderate bipartisan coalition in this body of Republicans and Democrats alike who say just get rid of all the tax cuts; whatever we have to reduce spending with, let us use that money to reduce the deficit.

You know, Mr. President, my biggest concern is not this amendment. This amendment is going down to defeat, I am happy to say. The crown jewel of the Republican contract will be soundly defeated on the floor of this Senate in a very short while. The Speaker's crown jewel will be gone. The $350 billion is not going to be voted by this body. We will defeat the crown jewel of the Republican contract. But I will say, Mr. President, that this is a stalking horse to make the $170 billion that is already in the budget resolution look moderate. We also cannot afford that, and we will have amendments later to deal with this. If I may have 1 additional minute?

Mr. EXON. Thirty seconds. If I give you another minute, there will not be enough. Thirty seconds.

Mr. FEINGOLD. I thank the ranking member very much.

Mr. President, this amendment, more than anything else, offends the common sense of the American people—they know better than we do—if we vote for this. It offends them because they know darn well you cannot balance the budget and spend $350 billion on tax cuts and tell them it is going to work. It does not work. It is phony and it should be defeated.

I thank the Chair.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. The Senator from Texas.

Mr. GRAMM. Mr. President, I know it breaks the hearts of our colleagues, but in this amendment, I am proposing cutting Government spending, their precious programs, so that families can spend their own money on their own children on their own future, and invest in their own businesses. If that violates common sense, I think it says there is a difference between common sense in Washington, DC, and on the floor of the U.S. Senate as compared to common sense around every kitchen table in the kitchen of every working family in America.

I yield 8 minutes to the Senator from Indiana, Senator COATS.

Mr. COATS. Mr. President, I thank my fellow Senator from Texas, Senator GRAMM, for yielding, and I rise today in very strong support of his amendment, which has the courage to confront an issue that I believe is essential to our future: The preservation of the American family.

The amendment before us strengthens—not weakens—strengthens the budget resolution by recognizing that cutting budgets and cutting taxes are part of the same movement in America, a movement to limit our Government and empower our people.

These twin goals, I contend, are not inconsistent. They are inseparable, and we can prove our commitment to both if we are willing to cut Federal spending just an additional three-tenths of 1 percent. Let us understand that. These two goals are not incompatible if Members are willing to take three-tenths of 1 percent more in Federal programs and apply it as a return to the American taxpayer.

While I support the progrowth and savings provisions provided in this amendment, in the limited time I have, I would like to focus my remarks on the profamily elements of this amendment.

Opponents have argued that the only way to help children is to maintain record high levels of Federal spending on every Government program. But there is a better way. What we are asking today is simply, who is better informed and who is more compassionate to make choices in the interest of our children, the Federal Government or America's families? Can there be any serious debate on how that question is answered?

The lessons that we have learned from decades of social spending are clear: Government programs have proven incapable of fighting social despair and disorder. But strong families can, and it is time to admit that when families fail, so does our society. It is also time to understand that when our families are involved and favored and supported, they construct a hopeful future for America.

This Congress today is presented with a choice between the failed, discredited compassion of Government and the proven power of strong families to build hope in their children and order in our society.

I believe, Mr. President, it is a transparent ploy to say this is simply a matter of rich versus poor. Rather, it is a matter of where resources and authority should rest: in Government or in our families and our communities?

Much of the opposition to tax relief seems to be based on a myth, a myth that tax cuts somehow waste the Government's money.

The Government produces nothing. It has no resources of its own to spend. Tax cuts are not a waste of Government funds; they are simply a method to allow Americans to keep their own money. They are a method to build working independence as an alternative to Government paternalism which has proven so destructive, despite the honorable intentions of its proponents.

It is tax cuts that are the best form of social investment, an investment in the ability of people to care for themselves. In 1993, the Bipartisan Commission on America's Urban Families found that, "The trend of family fragmentation drives the Nation's most pressing social problems—crime, educational failure, declining mental health, drug abuse, and poverty. These, in turn, further fragment families."

One of the key policy recommendations of the commission was to "increase the self-sufficiency and economic well-being of families by either significantly increasing the personal exemption or a child tax credit for all children through age 18."

Those were the conclusions of the Bipartisan Commission on American Urban Families, and I think we should listen to their words. The findings on the National Commission of Urban Families were remarkably similar to the findings advocated 3 years ago by the Democratic Progressive Policy Institute; in an impressive report entitled "Putting Children First," a progressive family policy for the nineties, this group found, "There are some things that only families can do, and if families are placed under so much stress that they cannot raise children effectively, the rest of the society cannot make up the difference in later years."

Mr. President, the time of political change is the time to reassess our national priorities. We need to redirect our focus and our funds to strengthen the family. While Government's role in preserving the family is limited, it is not insignificant. Perhaps the single most important thing Government can accomplish for families is to lift the economic burdens that can cripple the family.

Over the last 50 years, we have had a lousy track record in doing that. The personal exemption is now just 12 percent of income, where it used to be at 42 percent in 1948 when it was first introduced. Since the end of World War II, it is families that have borne the burden of increased taxes. That burden increased more than 200 percent for families with two children.

Their average after-tax income is below that, even of elderly households, single persons, and couples without children. In my home State of Indiana, the median family income for a family of four is $30,000 and, of that, nearly $11,000 is devoted to Federal, State, and local taxes. The average family in Indiana pays more in taxes than it does in housing, food, and clothing expenses combined.

The Gramm amendment completes the budget resolution by addressing not only the Government's budget deficit, but also the deficit and the resources of families to care for their own. It is a deficit created by increased taxation of the family through the erosion of the personal exemption. For too long we have ignored this growing burden and its growing social costs.

Mr. President, the promise of tax relief for the American family is now before us to be fulfilled or to be ignored. At the end of this process, I want to vote on a budget that tackles both threats to the American family—the threat of the budget deficit and an ever-growing threat of a tax burden. I want to support a budget that contributes to a growing economy and builds new momentum for job creation. For too long we have dismissed the needs of families to answer the call of other interests. With this vote, that trend can end.

I urge my colleagues to vote for passage of this critical amendment. Again, the fundamental choice before us is, do we want to leave more money in the hands of Federal bureaucrats to spend in their so-called wisdom on behalf of our families and the needs that are pressing on our society, or do we want to rest that decision with parents and with families?

By cutting spending just an additional three-tenths of 1 percent, we can give that decision to families rather than rest it in the hands of Government bureaucrats. That is the decision before us. We can have both. It is a fundamental choice that we must make. I am pleased to join the Senator from Texas, and I am pleased that he offered this amendment because that presents us and grants us that choice.

If I have any additional time, I know the Senator is pressed for time, I am happy to yield any additional time back.

Mr. EXON. Mr. President, in view of the fact that we have more time left than that side, would the Senator from Texas object to two rather short statements in a row?

Mr. GRAMM. I would not object.

Mr. EXON. Then I would yield at this time 4 minutes to the Senator from Michigan, followed by 2 minutes by the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank the Chair and my friend from Nebraska.

Tomorrow, or the next day, the Senate is likely to approve a budget which would be described as being balanced by the year 2002, although it will not be. It will not be balanced because it relies heavily on surpluses in the Social Security Trust Fund to achieve that so-called balance.

But the proposed budget resolution before us is unbalanced in another important way. The budget blueprint represented here penalizes middle-income working families, reduces our investment in education, and penalizes our senior citizens, in order to provide a tax reduction which will benefit mainly the wealthiest of Americans.

One of the most inequitable aspects of the budget before us is that it raises taxes on working families. The proposal to cut back the earned-income tax credit for working families—in other words, to raise taxes on working families who make less than $28,000 per year will, according to the Department of the Treasury, raise their taxes, and in the case of a single parent with two children, for instance, who makes $8,800 a year, raise his or her taxes by $354. That is a minimum-wage parent making $8,800. That is a tax increase of $354, according to the Department of the Treasury, and that is what is in the budget resolution before us.

Now, Kevin Phillips, a conservative commentator, says this about the Republican budget proposal and this particular tax increase on people making $28,000 or less. He said,

> It is the senior citizens, the poor, students, and ordinary Americans who will see programs that they depend on gutted by this proposal, while the richest 1 or 2 percent, far from making sacrifices, actually get new benefits and tax reductions.

President Reagan described the earned income tax credit, which is being cut back in the proposal before us, as "the best antipoverty, best profamily, best job creation measure to come out of the Congress." That is what President Reagan told us about the earned income tax credit. That is what the proposal before us will cut back. That is the law which benefits families that earn under $28,000, and that is the proposal before us which will cut back that earned income tax credit so that families earning under $28,000 will pay more in taxes.

Why are we doing this? Mainly to cut some taxes. And, according to the proposal of the Senator from Texas, most of the tax cut will go to the wealthiest of Americans. Over 50 percent of the benefits in the amendment of the Senator from Texas goes to Americans earning over $100,000. Now, what a contrast that is.

In the budget proposal before us, if you earn less than $28,000, you are slated for a tax increase. If we adopt the Bradley amendment, we will cure that unfairness. But then comes along another amendment which compounds the unfairness, and that is the amendment of the Senator from Texas, which then says we ought to take that pot of money created by the cuts on seniors and on students and on working people and give those dollars mainly, over 50 percent, to people earning over $100,000.

Now, the contrast could not be sharper. It could not be clearer. The unfairness is clear. We can correct that unfairness in two ways, by adopting the Bradley amendment and defeating the Gramm amendment.

Mr. President. I rise to oppose the Gramm amendment which would provide for a $345 billion tax cut over the next 7 years.

This tax cut provides more than half of its benefits to people making more than $100,000 a year. It gives a $20,000 tax break to those who make $350,000.

On Wednesday or Thursday, the Senate will likely approve a budget which will be described as balanced in the year 2002 although it will not be. It relies heavily on surpluses in the Social Security trust funds to achieve balance. The proposed budget resolution before us is already unbalanced in another important way. The budget blue print represented here penalizes middle-income working families, reduces our investment in education, and penalizes our senior citizens, in order to provide for a tax reduction which will benefit mostly the wealthiest of Americans.

The Gramm amendment would make the inequities of this budget worse and would remove from conference with the House the possibility that the unfairness might be somewhat reduced. One of the most inequitable aspects of the proposal before us is that to pay for these tax cuts for the most well-off Americans, it raises taxes on working families. The proposal to cut back the earned income tax credit for working families making less than $28,000 per year would, according to the Department of the Treasury, raise taxes by $354 on a single parent with two children making only $8,840 a year. That's minimum wage.

Yesterday, I quoted noted conservative commentator Kevin Phillips, as have a number of my colleagues this week, but his recent public remarks sum up the problems with the Republican budget proposal and this particular tax increase on people making $28,000 a year very well. He said:

> If the budget deficit were really a national crisis instead of a pretext for fiscal favoritism and finagling, we'd be talking about shared sacrifice, with * * * the people who have the big money making the biggest sacrifice. Instead, it's senior citizens, the poor, students, and ordinary Americans who'll see programs they depend on gutted while * * * the richest 1- or 2-percent, far from making sacrifices, actually get new benefits and tax reductions.

The earned income tax credit has a long history of bipartisan support. President Reagan called the EITC, "The best anti-poverty, the best profamily, the best job creation measure to come out of the Congress." The EITC has played an important role in providing incentives to keep people working who are struggling to get on the lowest rungs of America's economic ladder and to stay off the welfare roles.

And our Republican colleagues do not, look to the $2½ trillion over the next 5 years in all tax expenditures. There is no effort in this budget to control the growth of corporate tax deductions, no effort to restrain the growing tax breaks for the largest and richest among us. In fact, the Gramm amendment would eliminate the corporate alternative minimum tax, a tax designed to assure that profitable companies have to pay some reasonable amount in Federal income taxes. This is a more than $25 billion tax reduction for such companies.

Instead, the Republican budget aims a $21 billion tax increase at the working families with children. In Michigan, this means a $457 million tax hike over 7 years on nearly 316,000 hardworking taxpayers making less than $28,000 a year. Over the next 7 years, they'll pay an average of nearly $1,500 more.

Mr. President, the budget before us has its priorities wrong. The Bradley amendment on which we will vote shortly is a step in the right direction. The Gramm amendment is just wrong. It would provide tax cuts for the wealthiest while leaving intact this tax increase on working families. It's simply a question of fairness.

I urge my colleagues to defeat the Gramm amendment and support the Bradley amendment.

I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. Mr. President, I would apologize as a teacher for not doing justice to the issues before the Senate. It is just impossible in 2 minutes.

Let me start out by saying that there is an old Yiddish proverb that I think applies to this amendment on the floor. That Yiddish proverb says you cannot dance at two weddings at the same time. Quite frankly, this is a perfect example of that.

On the one hand, we tell people we are serious about deficit reduction. On the other hand, we are talking about $300 or $350 billion of tax cuts going disproportionately to the wealthiest and highest-income citizens.

Mr. President, I just have to say that that does not pass the test of intellectual rigor in the State of Minnesota. People want the Senate to get real with them. They want the Senate to be straightforward with them. They do not believe for a moment that we can have hundreds of billions of dollars of tax cuts while, at the same time, we are pretending to be serious about deficit reduction.

Second of all, Mr. President, and it is very difficult to talk about what the statistics mean in personal terms, but honest to God, when we are talking about severe cuts in Medicare for elderly people, and Medicaid for elderly people, and nutrition programs for children, and support for students to be able to go on to higher education, a higher education that they can afford, and when we give away an investment in education and health care and jobs for people, and we want to do all of this deficit reduction on the backs of these citizens, middle-income citizens, families, working people, all on behalf of hundreds of billions of dollars of tax cuts for the wealthiest people in the United States of America, it not only does not meet the Minnesota standard of rigor, it does not meet the Minnesota standard of fairness.

Mr. GRAMM. Mr. President, I yield the junior Senator from Arizona 6 minutes.

Mr. KYL. I thank the Senator from Texas for yielding. Mr. President, I express my strong support for the Gramm amendment.

This amendment is about keeping our promises to the American people to provide tax relief to the American families. We have heard a lot of criticism about this amendment. It provides a $500 per child tax credit for the American family. It provides for marriage penalty relief, spousal IRA, a new American dream savings account to allow people to buy a home, provides a credit to families caring for elderly family members.

It keeps faith with our seniors. It does not take a nickel from Social Security. In fact, it raises the Social Security earnings limitation, something that the senior citizens from Arizona have been fighting for since I have been here. It enables seniors to be able to work without having a penalty.

It provides estate and gift tax relief, provides incentive for the purchase of long-term care insurance, something all of our seniors are interested in. This amendment also provides incentives for businesses to grow and create new jobs.

Capital gains tax reform—there is over $5 trillion in backed-up capital, in pent-up capital, in our society that could be freed with this kind of capital gains tax relief. That means jobs for Americans.

This amendment provides for a home office deduction. For small business expensing. It repeals the corporate alternative minimum tax and provides for neutral cost recovery. Balancing the budget, Mr. President, is important, but balancing the budget is not the only goal. At best we will produce a Government that still taxes too much, spends too much, and regulates too much.

With the Gramm amendment we are saying to the American people that we trust them to spend their own hard-earned tax dollars more wisely than the bureaucrats in Washington. They know how to take care of their family and how to invest and create new jobs.

While some here talk of ordinary Americans, we believe that Americans are extraordinary. Given the opportunity, they can improve their own lives and the lives of their families. They just need the resources to do so.

Who cares, Mr. President, more about a child's education than a parent? Give them the $500 child tax credit. Who spends the money more wisely and efficiently? The St. Mary's Food Bank in Arizona or the Department of Agriculture, that administers nutrition programs? If I had $500 to contribute to an entity to provide for the poor, I am going to contribute it to a local charity sooner than to the U.S. Government.

Who is a better job creator, the Federal Government or private business? The Gramm amendment means Congress has to prioritize the remaining spending, like American families have to do. By reducing taxes, it provides a chance to stimulate economic activity and produce more revenue for the Treasury.

Mr. President, when a retailer has a sale on a Saturday, does he expect to receive less income as a result of that sale? No. By reducing the rates, he intends to bring more people in and more than make up by increased volume what he has lost in the price that he charges.

The same thing occurs when we reduce taxes rates. We are not producing less revenue to the Treasury. We actually—and experience proves this—produce more revenue to the Treasury by virtue of that reduction.

Finally, Mr. President, I heard some conversation a while ago that basically suggests the liberals in this body believe that this amendment will make it more difficult to balance the budget and deliver. They oppose it. Here is my challenge to all of the liberals who have spoken here. Will they support the budget resolution without this tax increase in it? Do any of our liberal colleagues want to stand up and say yes, they will vote for this amendment, for the budget resolution before the Senate, so long as we do not have the tax increases in it?

The answer, Mr. President, is no. And the reason they will not support the budget resolution even without the tax increases is because fundamentally they do not support a balanced budget.

Mr. GRAMM. Tax cuts, not increases.

Mr. KYL. Mr. President, I am sorry if I misspoke with regard to the tax cuts being proposed by the Gramm amendment.

The bottom line, the liberals who oppose the Gramm tax cuts do so because they like taxes, because they want the money to spend, not because they are going to support a budget resolution that does not have these tax cuts in it.

If any of our liberal colleagues are willing to stand up and prove me wrong by saying no, they will vote for this budget resolution so long as it does not have the Gramm tax cuts in it, then I will eat these words and say, fine, I accept their vote.

I suggest, Mr. President, that the talk about opposing this amendment, because they are interested in balancing the budget, is just so much talk because in the end they will vote against the budget resolution that balances the budget. They would rather have the tax money to spend. That is why they oppose the Gramm tax cuts.

I hope that our colleagues will support the Gramm tax cuts. Mr. President, I believe if they do so they will be striking a blow for the American economy and for the American family.

Mr. EXON. Mr. President, I yield 5 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished leader on our side.

Mr. President, the amendment of the Senator from Texas is premised on the idea that both House and Senate budget resolutions balance the budget: Absolutely false. Let me refer specifically to the House budget, page 4: The deficit for the year 2002 is estimated at $120.7 billion. They make no pretense, they print it in black and white.

Moreover, if we look at the figures on page 4, lines 20 and 21, we will find that the debt increases from 2001 to 2002 by $192 billion; that is the real deficit under the House resolution.

The real deficit under the Senate budget for the year 2002 is listed on page 7, line 21 as $113.5 billion. If we turn to page 9, we can see that the debt increases $177 billion—the real deficit.

So the very notion that we have done a good job, that we have balanced the budget, or that we deserve a reward, is all based on a false premise. Mr. President, the biggest falsity, one perpetrated on both sides of the aisle, is the belief that we can balance the budget through spending cuts alone and without increasing revenues.

I laid out the harsh budget realities in January of this year. I continue to report it, but in the limited time I have, I cannot go through the entire document. Thus, I would ask unanimous consent to have it printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality No. 1: $1.2 trillion in spending cuts is necessary.

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes are necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Here is a list of the kinds of nondefense discretionary spending cuts that would be necessary now as a first step to get $37 billion of savings and put the country on the road to a balanced budget:

Nondefense discretionary spending cuts	1996	1997
Cut space station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate low-income home energy assistance	1.4	1.5
Eliminate arts funding	1.0	1.0
Eliminate funding for campus based aid	1.4	1.4
Eliminate funding for impact aid	1.0	1.0
Reduce law enforcement funding to control drugs	1.5	1.8
Eliminate Federal wastewater grants	0.8	1.6
Eliminate SBA loans	0.21	0.282
Reduce Federal aid for mass transit	0.5	0.1
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. funding and end misc. activities	0.1	0.2
End P.L. 480 title I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate USTTA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate untargeted funds for math and science	0.1	0.2
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Develop.	0.2	0.5
Reduce Superfund cleanup costs	0.2	0.4
Reduce REA subsidies	0.1	0.1
Eliminate postal subsidies for nonprofits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-local assistance grants	0.1	0.2
Reduce export-import direct loans	0.1	0.2
Eliminate library programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD special purpose grants	0.2	0.3
Reduce housing programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for export marketing	0.02	0.02
Reduce maternal and child health grants	0.2	0.4
Close veterans hospitals	0.1	0.2
Reduce number of political employees	0.1	0.1
Reduce management costs for VA health care	0.2	0.4
Reduce PMA subsidy	0.0	1.2
Reduce below cost timber sales	0.0	0.1
Reduce the legislative branch 15 percent	0.3	0.3
Eliminate Small Business Development Centers	0.056	0.074
Eliminate minority assistance score, small business interstate and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the United Nations	0.873	0.873
Eliminate participation in U.N. peacekeeping	0.533	0.533
Eliminate Byrne grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on new Federal prison construction	0.208	0.140
Reduce Coast Guard 10 percent	0.208	0.260
Eliminate Manufacturing Extension Program	0.03	0.06
Eliminate coastal zone management	0.03	0.06
Eliminate national Marine sanctuaries	0.007	0.012
Eliminate climate and global change research	0.047	0.078
Eliminate national sea grant	0.032	0.054
Eliminate State weather modification grant	0.002	0.003
Cut weather service operations 10 percent	0.031	0.051
Eliminate regional climate centers	0.002	0.003
Eliminate Minority Business Development Agency	0.022	0.044
Eliminate Public Telecommunications Facilities Program grant	0.003	0.016
Eliminate children's educational television	0.0	0.002
Eliminate national information infrastructure grant	0.001	0.032
Cut Pell grants 20 percent	0.250	1.24
Eliminate education research	0.042	0.283
Cut Head Start 50 percent	0.840	1.8
Eliminate meals and services for the elderly	0.335	0.473
Eliminate title II social service block grant	2.7	2.8
Eliminate community services block grant	0.317	0.470
Eliminate rehabilitation services	1.85	2.30
Eliminate vocational education	0.176	1.2
Reduce chapter 1 20 percent	0.173	1.16
Reduce special education 20 percent	0.072	0.480
Eliminate bilingual education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate child welfare services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate maternal and child health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate agricultural research service	0.546	0.656
Reduce WIC 50 percent	1.579	1.735
Eliminate TEFAP:		
Administrative	0.024	0.040
Commodities	0.025	0.025
Reduce cooperative State research service 20 percent	0.044	0.070
Reduce animal plant health inspection service 10 percent	0.036	0.044
Reduce food safety inspection service 10 percent	0.047	0.052
Total	36.941	58.402

Mr. HOLLINGS. Mr. President, government is big. But what is big is the interest costs on the national debt.

I was here when we balanced the budget under President Lyndon Johnson. The gross interest cost at that time was $4 billion.

Think of it, 36 Presidents, Republican and Democrats, all the wars from the Revolution, World War I, II, Korea, and a good part of Vietnam—the interest costs on the debt were only $4 billion. The interest costs on this year's deficit and debt are estimated at $340 billion. The cost of Government as you and I know it, domestic discretionary, is $275 billion. That is the courts, the Congress, the President, the departments, FBI, DEA and all other non-defense appropriated accounts. Thus, even if you eliminate all of those departments, you still have a deficit.

What you are doing in the Gramm amendment is a charade, requiring people to pay higher interest costs and saying you are giving it to them in a tax cut. We are misleading the people on the idea that the work is done.

I agree that the people are better able to spend their money than we are. But they expect us to come to Washington and to be honest about budget matters. It is time to get out of the wagon and help us pull—the trouble is that we here are in the wagon. It is the children who are doing the pulling.

Mr. DOMENICI. Will the Senator yield?

Mr. HOLLINGS. I will be delighted to yield, on your time.

Mr. DOMENICI. I just want to make three unanimous-consent requests on my time.

Mr. HOLLINGS. I am through with my time. But I would be delighted to get into a debate with my distinguished chairman.

In closing, let me just reiterate that I really am tired of this fraud. The greatest fraud I know exacted on the American people is the idea we have choices. We are broke. And the single biggest government program that we have is the interest costs on the debt that we have to spend year after year. To honestly stop this hemorrhaging we have to freeze, we have to cut, we have to close loopholes and increase taxes. When we finally admit that, we will get on top of the problem.

Mr. DOMENICI. Thank you, Senator.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator GRAMM be allocated 20 minutes on the Thurmond-McCain amendment, the upcoming amendment, to be subtracted from the Thurmond-McCain time on their amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, this has been cleared by the Democratic leader and by Senator EXON.

I ask unanimous consent that just prior to the final vote on the budget resolution there be 30 minutes for debate to be controlled by the Democratic leader, to be followed by 30 minutes for debate to be controlled by the Republican leader, or the manager, Senator DOMENICI, this in addition to the time allotted under the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I yield 2 minutes to the senior Senator from Arizona.

Mr. McCAIN. Mr. President, I rise in support of the Gramm amendment. I would direct my remarks to my colleagues on this side of the aisle rather than the other side of the aisle, because, in 1993, the Senator from South Carolina and the Senator from North Dakota and the Senator from Illinois and the majority of those on that side of the aisle who were in the majority at that time voted in favor of the largest tax increase in the history of this country. That was their decision. And, because they were in the majority at the time, that was the will of Congress.

In 1994, however, the American people repudiated that massive tax increase. The American people said they want their taxes cut and they said they want to keep some of the money for themselves.

If the Senator from South Carolina does not think a $500 per child tax exemption would be appreciated by average Americans in this country, he is free to have his own views. The fact is, the people in Arizona, the families in Arizona, would be more than pleased to have a $500 a child tax cut and would have money to spend on their own children rather than to send to Washington.

What this amendment is all about is whether we are going to have the status quo where we have accepted the largest tax increase in the history of this country, enacted in 1993, or whether we are going to carry out the message of the American people who said we want less Government, we want less regulation, we want less taxes.

I see the Gramm amendment, frankly, as a real stark choice and perhaps the most important vote we will take in this budget debate, because it will determine basically the future—not of the party on that side of the aisle, but of the party on this side of the aisle—as to whether we intend to keep the commitment and promise we made to the people of this country.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 4 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, in the old western movies we used to see these folks traveling around selling these bottles of tonic they claimed would cure everything from the hiccups to the gout. Of course, the bottle of tonic did nothing of the sort.

This proposal—to cut taxes—reminds me of that. It is really dealing with myths. Let me deal with a couple of facts. People say, "The budget is going to be balanced. Now let us talk about a tax cut." In the budget resolution in this Chamber today on page 7—this is a reproduction of page 7—it says "Deficits." In the year 2002 the deficit is $113.5 billion. Balanced? Where?

I want one person today on the majority side to come to the floor and tell us what this says, on page 7. It says a $113 billion deficit after 7 years.

Second, tax cut. Do not take it from me, take it from a Republican, Kevin Phillips, who says,

> Spending on government programs [speaking of this budget] from Medicare and education to home heating oil assistance, is to be reduced in ways that principally burden the poor and the middle class while simultaneously taxes are to be cut in ways that predominantly benefit the top 1 or 2 percent of Americans.

Do not take it from me. Take it from a Republican who tells it like it is.

Here is the paragraph of what he is talking about on the tax cuts. They call it middle-class tax cuts. Families under $30,000 a year get $120. Families over $200,000 a year are given $11,200 tax cut. That is a middle-class tax cut? Not where I come from.

No, this budget is clear. With this amendment calling for tax cuts for the wealthy, this budget says to working families: We are going to make it harder for you to send your kids to college because we do not have enough money but we are going to give a big tax cuts to the wealthy. It says to the elderly and poor: We are going to make it harder for you to get health care because we cannot afford it but we are going to give a big tax cut to the wealthy. It says to 2,000 corporations that we will give a $2 million check to each one of them, because we are going to eliminate the alternative minimum tax.

I do not understand those priorities. Those priorities make no sense at all. The first job in this Chamber is to balance the Federal budget. For those on the other side to stand up and say we do not care about balancing the budget, and then to offer an amendment that says, "By the way, the budget is not in balance now that we have brought to the floor, but we also want to give very big tax cuts to those who need them least in this country and take it out of the hides of other folks who want to send their kids to school or to get health care or to buy home heating fuel in the cold winter," somehow I think those priorities do not sell very well back home, because the people see through them.

This is a curious and tortured claim that is brought to the floor, that somehow if we do not support tax cuts for the rich we do not care about the Federal deficits. We are the ones who care about the Federal deficit. We want to balance this budget, but you do not balance the budget by trotting out something that is popular, a big tax cut, call it a middle-class tax cut, and butter the bread of the wealthy in this country, and then tell other folks we are sorry, we cannot afford things that are essential for you.

No, this does not fly. This does not make sense. I think the American people will see it for that. This is pure politics, pure politics.

This budget resolution on the floor today does not balance the budget. It does not claim it does. On line 21 of page 7 it says the Federal deficit in the year 2002 is going to be $113 billion.

Would that those who called themselves warriors in the past debate on the deficit not turn out to be wallflowers on this issue and better serve this country and their constituents by deciding if there is money to be achieved anywhere, any place, on revenue or the spending side, to use it to bring this down to zero and put this country back on track. Really balance the budget, really give us some truth in labeling. Yes, that would better serve this country's interests.

I know it may not be the most popular thing, but I happen to think it is the right thing.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Texas.

Mr. GRAMM. Mr. President, I have to give our dear colleagues on the left credit for one thing. They do not propose budgets. They do not vote for balanced budget amendments to the Constitution. They never propose cutting anything. But they can stand up in front of God and everybody else and say they are for balancing the budget. It is like Bill Clinton, who feels our pain and does not share with us that he causes it all the time.

I believe that we have a clear and stark choice here. You can support or not support Senator DOMENICI's budget, but he makes the hard choices to balance the budget over the next 7 years. What my amendment does is make more hard choices, cut spending more so that in addition to balancing the budget, we can let the working men and women of America keep more of what they earn.

Mr. DORGAN. Mr. President, will the Senator yield for a question?

Mr. GRAMM. I yield to the distinguished Senator from New Hampshire.

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. GRAMM. I will not yield.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. I thank the Senator from Texas.

Mr. President, in one of his debates, Ronald Reagan said "There you go again." And here we go again. This is a historic debate in this Chamber. At no point in recent times have the differences between the two political parties been more evident than right now. On the Republican side, you have somebody offering tax cuts, spending cuts, slowing the rate of growth, balancing the budget, and on the other side it is business as usual: More spending, more taxes, no alternatives.

I was in this Chamber for many hours during the debate on the balanced budget amendment, and I heard it over and over and over again, speaker after speaker after speaker: We do not need the amendment. All we have to do is do it. What is the Republican plan? How come you do not tell us how you are going to do it?

Well, here we are. We are saying how to do it. We are saying balance the budget. You would not give us the amendment because you would not give us enough votes. We are now offering the amendment. We are offering the opportunity to balance the budget without the amendment. What are you doing? Talking and walking. That is what they are doing, talking and walking over there.

The Gramm amendment adds one more important component to the underlying Domenici proposal that has been missing, and that is very simply this. Either you want to let working Americans keep more of what they earn or you do not. You want to cut taxes for families and businesses so they can have more money to invest on their kids or in their businesses or you do not. That is what the Gramm amendment is all about. And I wish to commend the Senator from Texas for having the courage to come up with this bold proposal because the Senator from Texas knows that this is the essence of the Republican contract, the Contract With America, that was made with the American people, that put the Republican Senators in the majority in this Senate and put the Republicans in the majority in the House of Representatives. Republicans ought to be on this floor unanimously supporting the Gramm amendment today because without that contract and without that promise to the American people, you would not be in the majority. So if you want to break that contract, then vote against the Gramm amendment.

I am talking to my colleagues on this side of the aisle because I know where my colleagues are coming from on the other side of the aisle. This amendment, the Gramm amendment, allows for a 3-percent growth in the overall budget—not a cut. The Domenici plan is 3.3. So for 0.3 percent, Senator GRAMM is offering businesses and families more money to invest and to provide for growth.

The Gramm amendment makes a statement. It says we need to enact incentives for Americans to save and invest, penalty free withdrawals for homes, for education, medical expenses, marriage penalty tax credit, cut the capital gains rate, and index it for inflation, and a $500-a-child tax credit.

This is the essence of the difference between the two parties, Mr. President, as I said. The tax cuts in the Gramm proposal are paid for with spending cuts. It does not undercut the Domenici proposal. It simply provides deeper cuts to provide the tax benefits to the American people.

We have seen a lot of polls lately that suggest the American people really do not want tax cuts. They are asked whether we would rather have tax cuts or deficit reduction. Well, of course, people will say we would like to have both, and you can get both right here in this proposal. When it is offered either/or, they will say, fine, balance the budget. We do not need the tax cuts. We will sacrifice. Balance the budget.

This is both. This is both. Ask the American people if they would support a budget that reaches balance and gives them a capital gains tax. Ask the American people if they would support a budget that reaches balance and allows penalty-free withdrawals for education or a downpayment on a loan. Ask the American people if they would support a budget that reaches balance and provides a $500 tax credit for each child. Ask them that and see what the answer is—not either/or, both. And that is what the Gramm amendment is all about. The choice is not between tax cuts and a balanced budget. The question is are you willing to cut spending enough to do both.

And again, the word "cut" is used very loosely because we are asking our colleagues on the other side of the aisle and some of the colleagues on this side of the aisle to support a proposal that limits the growth of the U.S. Government over the next 7 years to 3 percent. That is what we are asking you to do.

You were out in the Chamber time after time after time during that balanced budget amendment debate saying give us your plan; give us your plan; we do not need an amendment. All right, we did not get the amendment. Where is your plan? You defeated your President's plan 99 to nothing joining with us on the Senate floor. I have not seen yours. I am hearing all this talk, but I do not see any plan.

Frankly, I think the American people are sick of it. They were sick of it in the elections in 1994, and they are going to be even sicker of it after this debate. We have an opportunity here. History shows us that tax cuts create jobs. It is not the Government's money. It is your money. You provide it to the Government. Give the Government less. Leave it in your pocket, and you will create jobs, and you will employ more people, and we will have more tax revenues, and we will balance the budget even more quickly.

In closing, Mr. President, let me just say every Republican Senator and House Member, as I said, voted against that budget, the President's budget. The tax cuts included in the Gramm package total $173 billion. We are getting $173 billion back out of the $250 billion tax increase the President provided us last year. We do not even get as far at cutting taxes as Clinton went in raising taxes. Now, that is not really too much to ask.

So, Mr. President, let me conclude by complimenting Senator DOMENICI for his courageous decision to meet this head on, and again to compliment Senator GRAMM for adding what I believe is a stronger amendment to this package to balance the Federal budget and to cut taxes, to do what the American people asked us to do when they elected us into the majority in November.

I yield back the remainder of any time I may have.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank him for his patience, and I am pleased to yield 4 minutes to my distinguished colleague, the senior Senator from Illinois.

Mr. SIMON. Mr. President, I thank my colleague.

I am pleased to stand up and say I think this is a bad amendment. Would I like a tax cut? Of course. We would all like a tax cut.

I have three grandchildren. I face the choice of sacrificing a little bit or building a better future for my three grandchildren. That is the fundamental choice. I do not have a hard time making that choice, and I do not think the American people have a hard time making that choice.

Let us move to a balanced budget. I commend PETE DOMENICI for moving toward a balanced budget. I do not happen to agree with the priorities, but he is moving in that direction. But the Gramm amendment would take, over a 10-year period, $594 billion in tax cuts.

Our history on these things, on legislative answers—and this is why we need the constitutional amendment—is they last for about 2 years, as our friend from Texas knows better than anyone else, and then they blow up in our face.

The danger is the Domenici plan will last 2 years and then we will discard it because it becomes too politically potent and we will keep the tax cut.

When the Senator from Arizona, Senator KYL, says you cut taxes and you get more revenue for the Federal Government, in 1981 we had both a Republican—the Ronald Reagan plan—and a Democratic plan to do precisely that. I voted against both the Republican plan and the Democratic plan. But I can remember Ronald Reagan saying, "If you pass this, by 1984 we are going to have a balanced budget in our country." It did not make sense. This amendment does not make sense now.

And to cut back from the Domenici numbers, $40 billion in Medicaid—who are Medicaid recipients? Half of them are poor children. Forty billion dollars we are going to get here. If anyone thinks that $40 billion is not a tax cut, talk to any hospital administrator. That means we are going to cut back on what hospitals get for Medicaid. And what will hospital administrators do? They will shift it to the non-Medicaid, non-Medicare payment to the insurance companies, and our insurance rates go up all over the country.

If anyone thinks that is not a tax increase, they are just fooling themselves.

Oh, this is great politics. And my friend from Texas is good at politics. I commend him for standing up frequently on the courageous side of things. But this one is wrong. He is wrong. It is not in the national interest and his amendment should be defeated.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, I yield 4 minutes to the junior Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much.

Mr. President, at the outset of my remarks, I would like to point out to the sponsor of this amendment that, without this broad-brushing, these issues that a number of us on—the Senator said "on the left"—on this side of the aisle voted for and supported the balanced budget amendment. In fact, Senator SIMON, my senior Senator, who is leaving the floor now, was an original sponsor of the balanced budget amendment and continued to press for that matter over the years. And so, this is not a partisan issue.

Mr. President, we ordinarily consider tax cuts when our economy needs economic stimulus, but economic growth is strong, so strong, in fact, that the Federal Reserve raised interest rates seven separate times to ensure that the economy would not overheat. And unemployment is low; our economy has created 6 million new jobs. Jump-starting the economy, therefore, is unnecessary at this time, and cannot be the motive for this amendment.

What is behind this amendment—as the chart over there indicates—is the notion that the Federal Government is too big. Now, that is something of an arguable point. It is true, for example that national defense consumed $81 billion in fiscal 1970, and increased to over $281 billion by fiscal 1994. However, in 1970, the $81 billion financed over 3 million soldiers, sailors, Air Force personnel, and marines, whereas the $281 billion we spent last year financed Armed Forces only about half that amount. The large dollar increases, therefore, do not really represent growth at all.

It is true, of course, that as a percentage of the economy, Government has grown. The Federal Government accounted for about 19.2 percent of the economy in 1959, and 22 percent last year. That is an increase of about 14 percent over the past 35 years. Where did that money go. Well, most of it went to Medicare and Social Security. These two programs alone increased from 2 percent of the economy in 1959 to over 7.2 percent in 1994—that is, they more than accounted for all of the growth in Government over the last 35 years. Everything else—discretionary spending, cash, nutrition, and housing assistance for the poor, agriculture—almost everything else went down. The only other Federal activities to increase in size as a percentage of the economy since 1959 are interest expense and Medicaid.

What these numbers all mean is that, to the extent the Federal Government has grown over the past 35 years, it has grown because Social Security and Medicare have become mature programs over that period. If you ask Americans whether they would prefer a tax cut, or whether they would prefer to reduce their retirement or health care security, the answer is, I think quite obvious.

Now, this amendment does not quite ask that question, but it does raise another one: would Americans rather have a tax cut, and sacrifice long-term medical care for the elderly, and medical care for the poor, and investment in our children's education, or would they rather give up the tax cuts, balance the budget, but continue to make essential public investments in education, and in health. I think the answer to that question is equally obvious. While Americans would very much like to balance the budget, they want to do so in a way that preserves essential investments in our future.

They know that the reason balancing the budget is so important is because we do not want to deprive future generations of their opportunity to live the American dream. And they know that trying to balance the budget in a way that reduces educational opportunity and cuts access to health care does not meet our obligation to our children—and their children. They know that simply is not fair. They know that it hurts both individuals and our country, because our future is diminished if every American does not have the opportunity to strive for the American dream.

And it is not just individual Americans who know that America's future depends on making the right choice. Financial markets know it also. If the Senate adopts this amendment and the tax cuts become law, we will have undermined our commitment to real deficit reduction, and we will have ignored our responsibility to the future of Americans and to America. The results of that will be continued declines in our national wealth, a renewed fall of the dollar, a widening of the gap between rich and poor, and diminished opportunities for many Americans and for our Nation as a whole.

The simple truth is that we are all in this together—we are all Americans—and the way we balance the budget should reflect that fact. A tax cut that is unneeded to stimulate our economy makes no sense. A tax cut that creates confusion in the minds of financial markets as to whether the United States is committed to deficit reduction makes no sense. And a tax cut that undermines the essential purpose of balancing the budget in the first place—protecting future opportunities for our children and our country—is not what Americans want and must be defeated.

I would point out, my previous colleague made the point that fiscal year 2002 still has a deficit here of $113 billion. It seems to me that a $113 billion deficit is like being just a little bit pregnant. I believe we should focus our attention on deficit reduction instead of irresponsible promises of a chicken in every pot to make political points.

I urge my colleagues, therefore, to defeat this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. GRAMM. Mr. President, I yield 10 minutes to the distinguished Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 10 minutes.

Mr. LOTT. Mr. President, I want to thank the distinguished Senator from Texas for yielding me this time.

I rise in support of the Gramm amendment to the 1996 concurrent budget resolution. I have said on the floor of the Senate before that, along with balancing the budget, which is very important, we need to provide some tax relief for all Americans, especially families.

Slowing the rate of growth in Federal spending is not just a political exercise or an accounting endeavor. The Federal Government is financed by the hard work of the people. If Government is to be made smaller and, thus, costs less, then Americans should be able to keep more of their hard-earned cash.

As I listened to the debate here in the Senate, it seemed to me that there are Senators or a Senator that will speak for almost every group in the country, many times for good reasons: whether it is education or Medicare or the elderly or the defense program. But rarely do we have people that stand up here in the Senate and speak up for the working taxpaying Americans.

Who among us is willing to do that? Senator GRAMM of Texas is willing to do that.

It seems to me if we are going to control the rate of growth in the Federal Government spending by over $1 trillion over the next 7 years, should not the people that are paying the bills, carrying the load, doing the work, get just a little bit of the relief?

And I want to ask my colleagues: What is it you object to in this list of tax cuts? I felt very strongly that we should have had these tax cuts in the body of this resolution. I am pleased that we have the dividend that is designated for tax cuts. But I really think we should make it clear that we want some of these changes. And what we are talking about is some tax cuts that will encourage growth.

Whatever happened to the idea that one of best ways to reduce the deficit is to have growth in the economy? We have heard that for years. President Clinton has even talked about that.

And the economists all indicate they are worried about savings. How about the idea of letting the people get a little consideration to encourage them to save more?

So let us encourage investment and growth and savings. That is what these tax cuts do.

And, also, how about a little more fairness in the Tax Code? There are so many problems with the Tax Code you cannot begin to enumerate them all. But when you start talking about things like allowing wives working in the home to be able to have an individual retirement account, who is against that? That is fundamental fairness. Everybody can have an individual retirement account at certain levels of income, but not the spouse working in the home. To me, correction of this is just basic fairness.

How about the marriage penalty credit? For years, Congress has talked about how we need to get rid of this marriage penalty, and yet it just lives on. This tax cut would deal with that problem.

What about the idea of our elderly? We have a lot of our elderly who would like to keep working. But now if they keep working, many times when they need it and when we need them, they get penalized.

These tax cuts would include, among other good things, raising the Social Security earnings test threshold. We should do that. I would like to eliminate it, but this proposal would take the threshold up to $30,000.

So you see, we are talking about some things that will help families and wives, married couples, small businesses and our elderly in a real way.

We have a provision in here that would provide small businesses estate and gift tax relief. The people who own small businesses run the risk of losing everything they have or affecting what they do because of these tax penalties.

And we should have the capital gains tax rate cut. When I go home and I ask the people of all backgrounds and economic stations in life, should we have a capital gains rate cut, "Absolutely," they say, we should do that. It never ceases to amaze me that in Washington, DC, a capital gains tax rate cut is fought. But out where people are creating the jobs and when they want to be able to sell timber or timberland, they understand that a capital gains tax rate cut would help them and would help the economy and would create jobs. But not in Washington, no.

What about the $500 tax credit per child? Why do we not want to let the families with children keep a little bit more of their own money, let them decide how they want to spend money for clothing and schools and food for their children? Oh, no, it is much better to have a program from Washington that does it for you or tells you how you must do it. This would allow the decisions to go back to the families with children. Let them decide how to spend their money.

I want to point out that this is not an insignificant consideration either. It really would make a difference in the family income. I would like to have printed in the RECORD, Mr. President—it may have already been done, but I want to make sure it is in here—an article in the Washington Post on May 16 by James K. Glassman entitled "Yes, Cut Taxes." I ask unanimous consent that that be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YES, CUT TAXES

(By James K. Glassman)

Critics of the Republican budget in the press, Congress and the White House may be drastically underestimating the power—both political and economic—of those tax cuts the House passed in April. I know I did.

First, a little history. The Republicans won the November congressional elections, using a contract that pledged a balanced budget and a tax cut.

President Clinton figured they couldn't do it, so his strategy was to sit back and let them take the heat for overreaching. His February budget opted for the status quo, which means annual deficits of $200 billion-plus forever.

Now, the Republicans are offering their official budget plans, and—whaddaya know?—they show they can indeed balance the budget by their target year, the palindromic 2002. And they can do it by increasing spending in each year by an average of $45 billion.

But skeptics see two problems. The first is Medicare. Republicans want to increase spending on the program by about 6 percent annually instead of 10 percent. In Washington parlance, this is a "cut" of $280 billion, so it's not expected to be easy to sell.

The second problem is tax cuts. Sen. Pete Domenici (R-N.M.), who heads the Senate Budget Committee, said Sunday, "We don't have a tax cut until we balance the budget." But his House counterpart, Rep. John Kasich (R-Ohio), things, the country can have both at the same time.

The trouble with tax cuts is that they're hard to justify at the same time you're ordering painful limits—and some outright reductions—in spending. Also, it's likely that a total restructuring of the tax system (a flat tax or a national sales tax) will be a big issue in next year's presidential election. So why piecemeal changes now?

In the past, I made these same arguments in urging Congress to shelve the tax cuts. But that was before I did something that most journalists (and even politicians) still haven't done: I took a close look at the tax bill.

Now I'm changing my mind. The tax changes are a political plus—and likely an economic plus as well. Once Americans understand them (and few do now) they're apt to become very, very enthusiastic. Reluctant politicians risk being trampled.

The two main provisions of the tax bill, H.R. 1215, are these:

(1) Nearly every family with children can reduce its final tax bill by $500 per kid.

For example, the average household headed by a married couple has an income of about $50,000 a year. If that family has three children, its current federal income tax bill, according to a study by Price Waterhouse, is $4,643.

But if H.R. 1215 becomes law, the family's tax bill well be reduced by $1,500—to $3,143, a cut of a whopping 32 percent. Such a family with two children would save 20 percent, with four children, 47 percent.

These are huge cuts, perhaps unprecedented in U.S. fiscal history. Yet I doubt that most Americans know much about them. The press coverage of H.R. 1215 earlier this year was dominated by a specious controversy over whether tax relief benefited the wealthy. Of course, it does—but only if the rich are willing to invest their money, not spent it. Which brings us to the second element . . .

(2) Taxes on capital gains will be cut dramatically.

This is the part that's meant to encourage investing, and it's a fact that most investing is done by families with higher incomes. But the capital gains cuts in H.R. 1215 aren't a replay of the Reagan tax cuts, which didn't work as advertised.

Those 1986 cuts lowered the tax rates on income (salaries, bonuses, interest on bonds) but actually raised the rates on capital gains (profits from the sales of assets like stocks and real estate). As a result, the changes encouraged consumption, but not investment. In fact, the paltry U.S. savings rate actually fell.

The changes in the tax bill the House passed in April are directly targeted at investment—and they're extremely powerful.

The bill does two things: First, it reduces a family's capital gains rate to one-half of its income-tax rate. So, if you're in a 28 percent bracket (taxable income of $38,000 to $92,000 for a couple filing jointly), you'll pay just 14 percent on your stock profits.

Second, the bill indexes capital gains, which means that you only pay taxes on real profits, not on inflation. Indexing can produce huge tax savings—but only for long-term investors. And long-term investors are what the U.S. economy desperately needs; they provide the capital that creates good jobs.

Consider a family with taxable income of $80,000 a year that buys 200 shares of Wal-Mart at $25 a share, holds the stock for six years, then sells it for $50 a share—a profit of $5,000.

Right now, taxes would be $1,400 (28 percent of $5,000). But under H.R. 1215, if inflation over those six years averaged about 3 percent, the family would pay tax only on its "real" (non-inflationary) gain—on $4,000 rather than on $5,000. And the rate would be just 14 percent. So the tax bill would be $560 instead of $1,400, a reduction of 60 percent.

Would capital gains cuts of that magnitude entice Americans to save and invest rather than to consume? It's a good bet.

The tax changes in H.R. 1215 would mean that the Treasury would receive about $80 billion less revenue in 2002 than it now expects. That's a shortfall of about 4 percent that would have to be met with extra spending restraint. Is the trade-off worth it? It's more and more clear the answer is yes.

Mr. LOTT. Mr. President, I quote from that article I think the most pertinent part:

(1) Nearly every family with children can reduce its final tax bill by $500 per kid.

For example, the average household headed by a married couple has an income of about $50,000 a year.

Not rich folks; these are middle-income, working people.

If that family has three children, its current Federal income tax bill, according to a study by Price Waterhouse, is $4,643.

But if—this amendment is added to the budget resolution—

The family's tax bill will be reduced by $1,500—to $3,143, a cut of a whopping 32 percent. Such a family with two children would save 20 percent, with four children, 47 percent.

This is a significant move to help families with children.

So, Mr. President, when I look down the list of provisions in this tax cut, I ask—in fact, I challenge—Senators to come out here and tell me which one of these they are against.

Are you against providing tax incentives for the purchase of long-term care insurance? How about a home office deduction for small business men and women, individual entrepreneurs that work out of their homes? Everybody else gets a deduction for office expenses but not if you work in your home. More and more Americans are doing that, are able to do that, or are going to have to do it in the future.

So I think there are many good provisions in this legislation. I urge the Senate to support it. It does have the support of a number of groups that are interested in encouraging growth and savings in the business community. The Heritage Foundation indicated that 490,563 children in my State of Mississippi would be eligible for the per child credit that I spoke of a moment ago. That means almost $245.3 million of this hard-earned cash would be returned to the families in my State.

In President Clinton's home State of Arkansas, there are 458,547 children who would benefit from the per child tax credit. That is about $229 million more than Arkansas families will get back without this tax credit.

So I think, Mr. President, we have an opportunity to really help the economy and to help the families in this country. We should add this amendment to the resolution. Then, when we go to conference, while there still would be some differences, we could work out those differences and have tax relief in this very important legislation.

So I urge the support of the Gramm amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I ask unanimous consent to print a series of letters in the RECORD in support of the amendment by the National Taxpayers Union, by Citizens for a Sound Economy, by the Christian Coalition, by Traditional Values Coalition, by the Family Research Council, by Concerned Women of America, by the Business and Industrial Council, and by the National Federation of Independent Business.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION,
Washington, DC, May 22, 1995.

DEAR SENATOR: The 300,000-member National Taxpayers Union (NTU) strongly supports the FY 1996 Budget Resolution (S. Con. Res. 13) as reported by the Senate Budget Committee. A vote FOR the Committee's Budget Resolution will be scored as one of the most heavily-weighted pro-taxpayer votes in our 1995 Rating of Congress. NTU opposes any attempts to increase the spending projected in the Budget Resolution. "No" votes on such amendments will likewise be included as pro-taxpayer votes in our Rating.

We are pleased that for the first time in fifteen years the Senate Budget Committee has reported a Budget Resolution to balance the budget without raising taxes. While the Budget Committee has outlined significant spending cuts, the final proposals will be drafted by the authorizing and appropriations committees. The Committee has made suggestions that NTU has supported for many years, including the termination or privatization of many government programs. It also begins the long-overdue process of reforming Medicare, which is headed for bankruptcy in a few years.

Unless current trends change soon, funding increases in major entitlement programs will slash the after-tax income of the average American worker by almost 60% over the next 45 years. After-tax income would plunge from $19,000 in 1995 to $7,821 in 2040. As bleak as this projection may seem, it is based on an optimistic assumption that pre-tax incomes will rise faster over the next 45 years than they have over the past 20. This spending growth is not sustainable, and if allowed to grow unchecked will permanently damage our children's hope for a better future.

In the world economy, the advent of the Information Revolution will give a huge advantage to efficient governments. Because computers allow most economic transactions to occur literally anywhere, competition between jurisdictions expands by the day. That necessitates a revolution in the way government is financed and a radical downsizing of its activities. The budget restraint in this resolution will force necessary reexamination and reform of many government programs.

While we fully support the Budget Resolution, we are disappointed that it does not project passage of the important tax reduction proposals that the House passed last month. Therefore, we support an amendment by Senator Phil Gramm and others that would further restrain spending growth, accommodate most of the House-passed tax cuts, and still balance the budget by 2002. It is vitally important that Congress also reduce the tax burden on middle-class taxpayers and the present tax disincentives for savings, investment, and economic growth. The typical American taxpayer has to work until May 6 this year just to pay his federal, state, and local taxes. Overburdened taxpayers expect and deserve substantial relief from this crushing tax load. A vote for the Gramm amendment will be included as pro-taxpayer vote in our Rating.

Through almost 200 years of American history, our leaders strove to follow Thomas Jefferson's wise advice: "We shall consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." Passage of the Budget Resolution is essential if Congress hopes to restore a fiscally sound future for the next generation.

Sincerely,

DAVID KEATING,
Executive Vice President.

CITIZENS FOR A
SOUND ECONOMY,
Washington, DC, May 17, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing on behalf of the 250,000 members of Citizens for a Sound Economy (CSE) to register our support for your proposal to balance the budget by 2002 by cutting taxes and slowing federal spending growth.

In order to encourage a growing economy that creates new, high-paying jobs and rising living standards for our children and grandchildren, we must bring federal spending under control. Your proposal does this by limiting federal spending increases to 3.3 percent per year. Cutting taxes and capping the dollars available for the federal government to spend would mean more dollars for American families to spend. Letting Americans spend and invest their money as they like, instead of allowing the government to spend their money for them, is one of the best things Congress could do to strengthen our economy.

Americans are faced with chronic federal budget deficits because of ever-increasing government spending. CSE strongly supports your plan because it would cut taxes and help bring federal spending under control, thereby resulting in the first balanced budget in a generation.

Sincerely,

PAUL BECKNER,
President.

CHRISTIAN COALITION,
CAPITOL HILL OFFICE,
Washington, DC, May 8, 1995.

DEAR SENATOR: On behalf of the 1.5 million members and supporters of the Christian Coalition, I am writing to urge your support for Senator Phil Gramm's proposed substitute amendment to the Concurrent Budget Resolution for FY '96 when it comes to the floor next week. This amendment will provide for tax relief and growth incentives as promised in the Contract With America.

The American family has repeatedly been promised tax relief, only to see those promises broken. That is why the recent passage by the House of Representatives of the family tax relief promised in the Contract With America was particularly gratifying. But the American people do not make differentiations between the House and the Senate—they only know that Republicans campaigned on the Contract With America and that the 1994 elections were a mandate to the Republican party to pass the Contract. That is why we are writing today to urge the Senate to stick with the tax relief promised in the Contract With America.

Although all Americans have been impacted by today's high taxation level, families with children have particularly felt the impact due to the diminished value of the personal exemption. The personal exemption protected 68 percent of the average family of four's earnings from taxation in 1948, but it has not kept up with inflation and higher income. If it had done so, it would today be between $7,000 and $8,000. The American family pays more in federal, state, and local taxes, than it does for food, clothing, and housing combined.

It is important to remember that in asking for the $500 per child tax credit, families are not asking for a new subsidy, a new entitlement, or a new spending program from the government. They are asking to keep more of their own hard-earned income in order to raise their families.

We urge the Senate to put families first and support the Gramm substitute amendment when it comes to the floor next week. This is the family dividend of budget reduction. Thank you for your attention to our concerns.

Sincerely,

RALPH E. REED, JR.,
Executive Director.

TRADITIONAL VALUES COALITION,
May 12, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM. Next week the Senate will begin consideration of the budget resolution. On behalf of Traditional Values Coalition's 31,000 member churches I am writing to urge you to support Senator Phil Gramm's amendment.

For too long special interests have had more clout and control over the budget process than working families. In addition, over the last few decades Washington has shown a lack of financial discipline, forcing working families to shoulder the burden of increased government spending and higher taxes. Traditional Values Coalition believes that it is now time for Congress to change its priorities and focus by providing tax relief to the parents of 52 million children. With the passage of the Contract with America, the House has acknowledged this injustice toward working families. I hope the Senate will as well.

Senator Gramm's amendment will restrain the growth in federal spending by $94 billion over five years and provide desperately needed tax relief for 29 million hardworking families. TVC believes cuts in wasteful government spending will pay for the family tax relief. These spending cuts should come from eliminating hundreds of programs ranging from the Uranium Enrichment program ($1.6 billion) to the National Endowment for the Arts and Humanities ($1.4 billion) and by privatizing the Corporation for Public Broadcasting ($1 billion).

In the 1950's, the average American family paid 3% of their income in federal taxes. Today, the average family sends 25% of its income to Washington. It is outrageous that the average working family pays more to the tax man than it spends on shelter, food and clothing.

Traditional Values Coalition believes that working families are better equipped to make decisions on how to spend their own money than bureaucrats in Washington. Working families are not asking for anything special or an entitlement. They are simply asking for the government to return what rightfully belongs to them—their hard earned money.

Traditional Values Coalition considers Senator Gramm's amendment pro-family and pro-growth. Last year Congress put spending first, this year put families first.

Sincerely,

REV. LOUIS P. SHELDON,
Chairman.

FAMILY RESEARCH COUNCIL,
Washington, DC, May 10, 1995.

DEAR SENATOR: I am writing to express my support for an amendment Senator Gramm plans to offer to the budget resolution when it reaches the Senate floor later this month. The amendment would significantly reduce the tax burden on America's families by adopting a $500 per-child tax credit and a variety of other tax measures (including a deduction for adoption expenses, spousal IRA benefits, etc.) which are very much needed.

The Gramm proposal allows the Senate to adopt the "crown jewel" of the House GOP's Contract With America. It recognizes that the electoral revolution that occurred last November 8 was driven in no small part by a desire on the part of the American people to see the size of government reduced and the amount of disposal income available for their use increased.

As you know, the 1986 White House Working Group on the Family that I chaired for President Reagan had as its central recommendation a dramatic increase in per-child tax benefits. The Senate has an historic opportunity to address this long overlooked area of tax law and to demonstrate to the American people that it is working to make the kinds of changes Americans voted for last November.

While I recognize that some legislators perceive tax relief to be at odds with the important goal of deficit reduction, it is important to point out that the Gramm proposal—like the House GOP Contract—provides both significant tax relief and significant deficit reduction. As such, it recognizes that these two important goals are not mutually exclusive.

I urge you, therefore, to enthusiastically support Senator Gramm's efforts. Please let me know if you would like additional information about this subject from me or any member of my staff.

Sincerely,

GARY L. BAUER,
President.

CONCERNED WOMEN
FOR AMERICA,
Washington, DC, May 12, 1995.

Hon. PHIL GRAMM,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR GRAMM: Concerned Women for America is the nation's largest pro-family women's organization with over 600,000 members. For many years CWA has worked on legislative efforts to allow American families to keep more of their hard-earned money. Thus, we have worked diligently in favor of the $500-per-child tax credit, homemaker IRA equity, and tax credits for adoption expenses.

We are very disturbed by the increased tax burden on families which often compels both parents to enter the work force in order to make financial ends meet. In 1948 the median family of four paid only two percent of its income to the federal government in taxes. However, in 1989 the same family paid nearly 24 percent in federal taxes. Adding on state and local taxes, over one-third of that family's income will be spent on taxes.

Families in your state need you to stand firm on their behalf. The House GOP "Contract With America" was passed because the voters made their voices heard last November. Tax relief for families was a vital component that helped to spark that revolution. Now it is time for the Senate to do its part to fight for families. Otherwise, the Senate will shoulder the voters' outrage and become the weak link in the fight for smaller government and less taxes.

CWA cannot compromise on this principle. This issue is not about class warfare. It is arrogant and baseless to assert that government cannot afford to allow families to keep more of their own money. Families should not have to suffer for the appalling lack of discipline and will in Congress to cut federal spending!

Please join Concerned Women for America in supporting the Gramm amendment to the Senate Budget. CWA members in your state, and all America's families, will remember your vote.

Sincerely,

BEVERLY LAHAYE,
President.

UNITED STATES
BUSINESS AND INDUSTRIAL COUNCIL,
Washington, DC, May 16, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: In recent testimony to the Congressional Joint Economic Committee, Milton Friedman has calculated the aggregate cost of direct and indirect government expenditures at a staggering 50 percent of national output. About half of the U.S. Gross Domestic Product is taken in taxes by the government at the federal, state, and local levels, including the costs of complying with excessive government regulations. Moreover, the Institute for Policy Innovation states that 50 percent of the average family's budget goes to pay taxes to all levels of government. Clearly, the federal government is far too big and is taking too much from our economy. The Congress needs to drastically cut spending and also cut taxes.

USBIC strongly supports your proposed amendment to the Senate Budget Resolution which would cut spending further in order to achieve the crucially important tax cuts already passed by the House as part of the Contract with America. Your amendment would combine the savings from lowering non-defense discretionary spending ($117 billion over seven years) beyond the reductions already in the Senate Budget Committee Resolution, with Medicaid savings derived from accelerating the decrease in the rate of growth in Medicaid. In addition, your amendment would use the "dividend" projected by the Congressional Budget Office resulting from balancing the budget by 2002. All of these additional spending cuts and savings would be combined to pay for $173 billion in tax reductions over five years. We are delighted that your amendment would preserve the following crucial tax cuts already in the Contract—capital gains tax reduction and indexing, small business estate and gift tax relief, small business expensing, and repeal of the corporate alternate minimum tax. USBIC believes that the capital gains tax cut alone, if scored dynamically rather than statically, will increase revenues by $150 billion over five years, thereby in-and-of itself almost paying for all the other tax cuts yet a second time.

We represent 1,000 small and medium-sized, mostly family-owned businesses nationwide. As you know, such businesses employ half of our nation's workforce and create two thirds of all new jobs. Such businesses are the bedrock of the nation's economy, yet they are being severely squeezed by high taxes and excessive regulations. Your amendment preserving the vitally needed House tax cuts will strongly improve the nation's economy by stimulating investment, growth, and new jobs.

Sincerely,

KEVIN L. KEARNS,
President.

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, May 16, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: On behalf of the more than 600,000 members of the National Federation of Independent Business (NFIB), I am writing to support your amendment, the Contract with America Tax Fairness and Deficit Reduction Act, to the FY 1996 Budget Resolution.

For the first time in decades, the Congress is debating a resolution that puts the federal budget on a permanent path to a balanced federal budget. Your amendment would make possible significant tax relief for American families and small businesses while balancing the budget by the year 2002. It returns hard-earned money to families and small businesses who know best how to spend it.

NFIB members strongly support a balanced federal budget and believe their taxes should be reduced. High taxes consistently rank at the top of the list of concerns for small business owners in surveys conducted by the NFIB Education Foundation.

Important tax relief for small business includes: small business and family farm estate tax relief, incentives for retirement savings, and capital gains tax reduction and indexing. Your plan includes all of these proposals and more.

We applaud your efforts and look forward to working with you.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 4 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 4 minutes.

Mr. DODD. Mr. President, I thank my colleague from Nebraska.

Let me just begin by stating something that may put me within the minority here. I am opposed to all tax cuts in this bill, not because I am opposed to tax cuts. I think they ought to all be postponed—that is my own view—whether they come from one source or another. If we are honestly dealing with deficit reduction, tax cuts ought not be on the table.

But I do want to rise and express my opposition to the particular proposal being offered today because I think it is particularly egregious and creates serious problems for our country.

My colleague from Texas, with whom I serve on the Banking Committee, has often and very colorfully talked about who is in the wagon and outside the wagon. I raise here a picture of the good old chuck wagon. I call it the Republican tax cut wagon.

I am going to use the wagon metaphor to explain to people, if I can, what we are talking about with this proposal. The wagon metaphor is a potent one.

If we apply it to the Contract With America's tax cut, I think people will get a clear picture of what we are talking about. If you take off the wagon's cover and show what is inside this tax-cut wagon, you get a clear picture of what is occurring.

More than 51 percent of those riding in this tax-cut wagon are the wealthiest 12 percent of our population in this country earning more than $100,000 a year. In fact, the richest 1 percent, the best off of the population, of those earning over $350,000 will reap, under this proposal, an average windfall of $20,000 in tax breaks. People earning over $200,000 will receive a tax break in excess of $11,000. Is it any wonder that a recent Wall Street Journal article described the House GOP tax-cut package, much of what we are voting on today, in these words, and I quote the Wall Street Journal:

> Don't do anything yet, but start salivating. The tax bill passed Wednesday by the House of Representatives could turn out to be the biggest tax-saving bonanza in years for upper-income Americans.

While the tax-cut package represents a bonanza to the very well off, families earning $20,000 to $30,000—this area down here, Mr. President—will have their tax cut by only $247 per year. Those earning $30,000 to $50,000 will get a tax cut of $569 a year. That is about $1.50 a day.

Collectively, these families, shown in orange on the chart, represent 35 percent of all American families, but they will receive less than 15 percent of the benefits under this tax cut.

The least affluent, 25 percent of American families, earning less than $20,000 a year, shown in red, Mr. President, this thin column here, will receive a tax cut of $20 to $90 a year.

Now that we have a better understanding of who is riding in the wagon, let us take a look at who is truly pulling the weight. The contract's tax cut package will cost $345 billion over 7 years and $639 billion over 10 years. How is this going to be paid for? By some of the most draconian, in my view, cuts presented on the floor of this body. Medicare recipients who have a median income of $17,000 will pay an additional $3,200 in the next 7 years.

I do not argue the fact that Medicare needs to be addressed, but we might be more creative in solving that problem than using those dollars to pay for a tax cut, as I pointed out earlier, that goes to upper-income people. After decades of hard work, the seniors face retirement years full of anxiety—all of us know it—and squeezed by medical bills. Medicare problems are a symptom of a larger problem. It did not create the problem. More than 12 million working families will have to pay higher taxes because of the Republican proposal to cut some $21 billion from the earned income tax credit, a program that President Ronald Reagan called "one of the best programs we can possibly have to offer to the working poor in this country."

In Connecticut, these cuts will increase taxes on 87,000 working families by an average of $1,400 over 7 years. College students, Mr. President, will see the cost of a diploma rise by anywhere from $2,000 to $5,000 as a result of cuts in the student loan interest subsidy and other programs.

Mr. President, in my opinion, it is the height of hypocrisy to bemoan the fact that some Americans are riding in the wagon while others are pulling and then turn around and offer a massive tax cut and ask working families, students, and seniors to foot the bill for a tax break for the more affluent in our society.

Mr. President, I just feel, here again—and I say this with all due respect to my colleagues that are proposing this—this is not a time for this kind of a tax cut here at all. We cannot afford it. Deficit reduction ought to be the name of the game. If we are going to have deficit reduction, if we are going to ask people to pay, then to offer 12 percent of the American population to become a beneficiary of 51 percent of this break, it seems to me ill-advised and wrongheaded.

My hope is that this amendment will be rejected and we will come together around a sound budget alternative. I thank my colleague from Nebraska.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I would like to say to my dear colleague from Connecticut that that is a fine looking wagon.

Mr. DODD. Not if you look on the inside of it.

Mr. GRAMM. It is beautiful both inside and out.

I would like to make a couple of simple points. No. 1, our colleagues always get confused when we are talking about tax cuts. They are always thinking about welfare. So they cannot understand when we cut taxes that people who do not pay any taxes do not get a tax cut. Those people are already riding in the wagon. I did not see 40 million people on welfare riding in that wagon. I did not see $350 billion taken away last year from working people to give to the people riding in the wagon.

When our colleague says that someone with a certain income level only got a $120 tax reduction, since the credit is $1,000 for a two-child family, that means they were only paying $120 in taxes. Tax cuts are for people who are paying taxes. In terms of all this business about rich people, I go back to my point: How can we be a country that loves jobs and hates the people that create them? The only way rich people will benefit from the capital gains tax rate is to invest money and be successful. If they invest money and they are successful and they do create jobs and the Federal Government takes a substantial portion of what they earn, why should they not benefit? What is wrong with profits? Is America the only country in the world as we are going into the 21st century where capitalism is a dirty word?

This is something I do not understand. This is a different perspective on America than I have ever seen. Again, I think it does clearly define the vision that I am talking about versus the old and tired vision which has dominated American Government for 40 years. It is almost as if it is better to have people in misery as long as we can rub everybody's nose in it, rather than trying to create incentives for economic growth. Redistributing wealth does not solve poverty. Creating wealth does solve it, and that is what the debate is about.

I reserve the remainder of my time.

Mr. EXON. Mr. President, I yield 4 minutes to my colleague from Arkansas.

Mr. BUMPERS. Mr. President, I thank the distinguished floor manager. Let me say, first of all, capitalism is not a dirty word. Crazy budgeting is what is crazy. It is not dirty, but it is crazy. Everybody in this body is always saying, "This is what the people want. They want term limits, and they want a constitutional amendment to balance the budget."

Let me show you what 70 percent of the people in this country want. This chart shows a USA Today poll which asks, "Do you prefer deficit reduction or tax cuts?" Seventy percent say that if we are going to cut spending, we should apply it toward deficit reduction. That's almost three times the number of people who prefer tax cuts.

So what are we doing here? We are thwarting the obvious will of the people. The amendment of the Senator from Texas reminds me of turning a child loose in a candy store. I cannot think of anything in this amendment that I would not love to vote for, except the very regressive part of the tax which rewards the rich and takes from the poor. The Senator's amendment has a new IRA, it has a deduction for caring for the elderly. It has all kinds of tax breaks that I would love to vote for. But Mr. President, we cannot afford this, and the people of this country do not believe it is possible to have these tax cuts and balance the budget, too.

When I ride home on an airplane, I talk to the people around me, and they say, "Senator, the thing that troubles me about you Democrats is you engage in class warfare." I hear that very often. I suppose Rush Limbaugh has talked about it, otherwise, so many people would not be talking about it.

But who is really engaging in class warfare here? Look at what the amendment of the Senator from Texas does. It gives a whopping $124 a year to people who make zero to $30,000 a year. That is a pizza every third Friday night. And when you take away the earned income tax credit, they pay a lot more. They not only do not get the $124, they wind up losing a substantial amount every year. But what about people who make over $200,000 a year? What kind of tax cut would they get out of this amendment? They would get a cut of $11,266. Why, Robin Hood would be whirling in his grave—taking from the poor to give to the rich.

They say, "You Democrats talk too much about class warfare." If that is not class warfare, I do not know what is.

Mr. President, the last time we had a balanced budget was when Lyndon Johnson dumped the Social Security trust fund into the budget. And since that time, we have had integrated budgets. Social Security has been counted. Otherwise, the deficit would have been much, much bigger. So what do we do under this budget? We are going to take $600 billion of Social Security funds over the next 7 years to pretend to the American people that we have achieved a balanced budget. And the Senator from Texas comes with an amendment that will only cost $350 billion—talk about deja vu. I heard all of this in 1981, $3.5 trillion ago, how we can cut taxes and balance the budget.

Mr. President, I divinely hope our colleagues will not accept this amendment. I yield the floor.

Mr. EXON. Mr. President, I have one or two speakers scheduled to come. I will make a few comments before recognizing those who indicated they would like to speak on this subject.

Let me say that the debate has been very interesting and very challenging. I will simply say that I hope all Senators will realize and recognize that this is a very key amendment that we must defeat if we are going to truly balance the budget and not try to fool the American people.

Time and time again, it has been said that we cannot have a tax cut and balance the budget, too. I reference once again the fact that I was hearing the same story on the floor of the Senate in the early 1980's when a massive tax cut was proposed at the same time the President of the United States was going to balance the budget in 4 years.

Now, I think the President of the United States at that time was just not well informed. I happen to think that the numbers simply will not add up. I think most realistic people will say, while it would be nice—this Senator and everyone on this side and certainly everyone on that side would like to have the opportunity to provide a tax cut—the overriding problem in America today is the deficit.

Certainly, this Senator would be the first one to join the bandwagon for a tax cut that was targeted at middle-income America. Certainly, the $500 credit for school-age children would be one that I would be attracted to.

I have to say, as a fiscal conservative, and I think no one can question that, as one who voted for the balanced budget amendment, the last big vote we had in the Senate with regard to who wants to get things done, I simply say that I believe the measure being offered by the Senator from Texas, which is an incorporation of Speaker GINGRICH's crown jewel of America, as far as the Contract With America is concerned, is simply unrealistic. I hope very much it will be defeated.

Mr. DORGAN. Mr. President, I wonder if the Senator will yield to me for a question.

Mr. EXON. I am happy to yield.

Mr. DORGAN. Mr. President, I used this chart a while ago and the Senator from Texas did not yield for a question. This chart is page 7 of the budget resolution that is before the Senate.

I ask the Senator from Nebraska if this is not accurate. I notice that the Senator from Texas says, "With this plan of ours, the budget is balanced. So now, we will go give tax cuts." Of course, tax cuts for the wealthy but, nonetheless, tax cuts.

Page 7 of the budget resolution says "Deficits." On line 21, the year 2002, a $113 billion deficit remaining in the year 2002.

Is it not true that this budget resolution does not come to the floor saying we balanced the budget; it comes to the floor saying we have a $113 billion deficit in the year 2002?

Mr. EXON. Mr. President, I answer my colleague from North Dakota by saying he is absolutely correct. The figures that he cites are in the budget resolution.

What I think the Senator from North Dakota fails to recognize is that the tooth fairy is going to take care of that deficit. With that explanation, I am sure that the Senator will be fully satisfied.

I reserve the balance of my time.

Mr. GRAMM. I guess one of the things that is always frustrating about political debate is that it is so seldom that we will really talk about the issues that are involved. So we have drifted far afield from those issues.

I would like to go back and try to set them all in perspective. I am going to reserve my final moments to conclude the debate, and I will allow the Democrats to speak until their time has expired.

First of all, this is not a debate about balancing the budget versus cutting taxes. I am not proposing to cut taxes, except to the degree that spending is being cut beyond the level contained in the budget resolution.

I am proposing, if we look at this chart, very simply to do this: The red line here starts off with the Federal Government spending roughly $1.5 trillion this year. It shows how much the Government can spend over the next 7 years and still balance the unified budget of the United States of America.

What I am proposing is to cut spending below that level so that rather than the Federal Government investing in the education of our children, families can invest in the education of our children; only the families will know the names of the children they are investing in. Only the families will have a stake directly in those children.

My proposal is to cut Government spending on things like Government subsidies to business, so we can cut the capital gains tax rate, so that we can provide incentives for investment decisions to be made by people who are going to benefit or lose in those investment decisions, so that the marketplace, based on competition and efficiency, can make investment decisions.

With regard to the debate about the income level of the people paying the taxes, the point is if we give a $500 tax credit per child in America, if someone is not paying $500 worth of taxes, they do not get the tax credit.

But then what we are trying to do is to deal with a problem that in 1950, the average family with two children was sending $1 out of every $50 it earned to Washington for the Congress to spend; today the average family in America with two children is sending $1 out of every $4 to Washington for the Congress to spend. I want to let families spend more of their own money on their own children for their own future. That is what this debate is about.

If we ask people if they want to balance the budget or cut taxes, they say balance the budget. I agree. If we ask do I want my children to be healthy or do I want them to go to college, I want them to be healthy. When their health is secured, I then want them to go to college. I do not have only one objective for my children.

We have set out a budget that balances the budget. What I am proposing to do is to cut Government spending further, eliminate the Federal Department of Education, reduce subsidies to business and cut taxes by that amount so that families can invest more of their own money rather than having Government spend their money for them, and cut the capital gains tax rate and let businesses invest their money as they see fit, rather than us subsidizing businesses to invest money where we would like it to be invested.

That is what this debate is about. I reserve the balance of my time.

Mr. EXON. Mr. President, I yield 6 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 6 minutes.

Mr. LAUTENBERG. Mr. President, I thank my friend and colleague, the ranking member of the Budget Committee.

I think we are getting down to where this debate is all going to be in the RECORD and the decisions will have been made. It focuses or centers around a couple of fairly narrow issues, as I see them.

We can discuss forever whether there were tax cuts intended when the Budget Committee passed the resolution on the floor, or whether there were not; and at times, it was said in the slip of a tongue that, yes, they were for tax cuts; no, they were not for tax cuts because the Finance Committee was going to be making its decision. It was just going to be kind of set aside, $170 billion set aside that would be there to provide savings, but everybody knew it was there, but for the wink of an eye was reserved for tax cuts.

Today we have heard a debate about the real thing. We have come face to face, finally, with what the issue is. The issue, very simply, is whether or not we are going to deprive people of programs that are essential; that is, to take care of those seniors who are beneficiaries of Medicare, to make sure that Medicaid has the funding so that in places like Newark, NJ, and throughout this country, hospitals that derive 60 percent, 70 percent, 80 percent of their income from Medicaid because they serve a poverty-stricken population will not have to close.

We want to do that, as I hear the argument today, so that we can take care of the tax cuts that benefit primarily those in the upper income levels.

As a matter of fact, roughly, for every person earning $350,000 it is estimated by Treasury that there will be a $20,000 reduction in taxes. That is a pretty hefty present at the end of the year, $20,000, while they are asking senior citizens who, on average, 75 percent of them, make $25,000 a year or less, who are totally dependent on $25,000 a year or less for their income and, on top of that, are having to supplement their Medicare Program with about 20 percent of their income, or roughly $5,000, for that group that is at the $25,000 level. It does not leave much for ordinary living. And heaven forbid that a nursing home long-term care program is involved. That is the end of it.

But we want to do that so we can take care of the tax cut, a tax cut primarily for those who are at the top of the income ladder.

The question resolves itself very much, whose side are you on? On this side of the aisle we are on the side of the working Americans, the people who are doing their darnedest to try to keep home and family together, to try to provide for the education of their children, to give them a hand up so when it is their turn to takeover family responsibilities and leadership in the country they are prepared to do it.

An America falling behind competitively is not a sight that is pleasant to see. An America whose health, whose longevity is declining compared to other nations in the world is not a pleasant sight to see. An America who is 25th among nations in foreign aid —25th among the 25 most advanced nations in this world. They leave us behind. When there are not only important diplomatic objectives to be gained but important commercial objectives to be gained as well.

We see what happens. We need border guards. We know the State of Texas likes to see more border guards to help curb illegal immigration. We need more FBI agents, as we have seen very recently.

We have to change the way we deal with security issues. But, no, all of those things are put on hold so we can take care of a tax reduction for those who in many cases do not need it.

Yes, when you get to the middle class Americans, when those who are in the level of income where they need all the help they can get, that is a worthwhile consideration. But for someone who is making $150,000 a year, $350,000 a year, or more? That is not necessary, in my view, when it comes to considering the price that is paid for it.

The statement was made just a few minutes ago about whether we would like to see our children healthy or educated? I could not agree more with what the Senator from Texas said. I would like to see the kids healthy first. But I also want my kids to be secure. I want them to know in the next century that instability within our society was not created by the elimination of some programs to give people job training, a decent education, an opportunity for full participation in our society. Instead of pretending we are going to be able to shield off some of the problems that we have.

The PRESIDING OFFICER (Mr. KYL). The 6 minutes of the Senator has expired.

Mr. LAUTENBERG. I close with the question very simply put on this chart, and that is: Whose side are we on? We here are on the side of the average American and our friends on the other side of the aisle want to take care of those who have enough, who have enough power, to give them an extra edge they do not need.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, what is the remaining time on each side?

The PRESIDING OFFICER. The Senator from Nebraska has 2 minutes and 22 seconds. The Senator from Texas, 4 minutes.

Mr. EXON. Is the Senator from Texas ready to yield back his time?

Mr. GRAMM. No, I am going to be the final speaker. I intend to use my last 4 minutes.

Mr. EXON. Mr. President, winding up the debate, I just want to reiterate, if I might, some very fundamental points that have been made over and over again.

First, we have high hopes that this particular amendment that is universally opposed on this side of the aisle is also substantially opposed on that side of the aisle and, therefore, this might well be the first victory that we have had in the whole series of debates on the budget, inside the Budget Committee and on the floor of the Senate.

I hope my optimism about this vote is not ill founded, because if the amendment offered by the Senator from Texas comes to pass and is agreed to by this body, I think it is going to cause such havoc that the conference with the House of Representatives would be essentially meaningless. If we pass this what I think is an ill-advised amendment, regardless of the fact that it passed in the House of Representatives, regardless of the fact that it is the so-called crown jewel of the Contract With America, regardless of the fact that I see no reasonable person could sit down and pencil out the figures and come up with any conclusion that we could possibly balance the budget by the year 2002 then if we proceed not to vote down the amendment offered by the Senator from Texas, the House and the Senate in conference would be placed in a position to where I think it would be nearly impossible to work out anything that would be halfway reasonable.

I think under those circumstances it would be a foregone conclusion that whatever system eventually passes through the authorization and through the appropriations process would be vetoed by the President of the United States.

This is the time for reason. This is the time for reality. Let us vote down the amendment offered by the Senator from Texas.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Texas.

Mr. GRAMM. Mr. President, if this amendment is adopted, both the House and the Senate will have adopted the tax cut in the Contract With America. We will have cut the growth in spending sufficiently to balance the Federal budget and to let working men and women keep more of what they earn to invest in their future, to invest in their children, to invest in their businesses. If we reject this amendment we will have a budget in the Senate that spends $175 billion more on nondefense spending over the next 7 years than the House budget does, and by not reducing spending as much, we will not give a tax cut to working families, we will not cut the capital gains tax rate, we will not transfer spending authority back to parents. We will continue to take the position, as this budget does, that the Congress of the United States knows better how to spend $175 billion than parents would know how to spend it, if they got to keep it to invest in their own children; that we, by spending $175 billion more than the House in this budget, believe we can do more to help the economy through Government subsidies than the private sector can do by cutting the capital gains tax rate and by having real investment in the private sector of the economy.

A new day is dawning in the House of Representatives. They did something virtually unheard of in the modern era of American politics. They set out in black and white what they would do if we gave them a majority in the House of Representatives, as we did in the Senate, and then they did it. What we are doing here is fulfilling only half of our contract.

Now, I know from having talked to enough of my colleagues that the fix is in, that there is talk about coming up with a compromise. There is discussion of cutting a deal so that we can go on in the Senate spending substantially more than the House is spending and yet we are going to act as if we are giving a tax cut, possibly in some kind of temporary tax-cut proposal.

I do not believe that is what Americans had in mind when for the first time in 40 years they gave us a majority in both Houses of Congress.

I think they believe that we were going to change the way our Government does our business. This amendment gives us a very, very clear choice. If you support the Contract With America, if you want to control spending so we can balance the budget and so that we can let working men and women keep more of what they earn to invest in their own children, in their own businesses, in their own future, then vote for this amendment and guarantee that the Contract With America will be embodied in the final budget we adopt.

But if you want the Senate to be able to spend $175 billion more than the House budget, if you think we can spend money better than the people who earn it, then you want to vote no. I think that coming back later with some temporary tax cut, with some cut-a-deal proposal, undermines what we committed to the American people we would do, and I am opposed to it. I support this amendment, and I urge my colleagues to vote for it.

The PRESIDING OFFICER. The time of the Senator has expired.

All time on this amendment has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand under the sequencing that the next amendment is Senator Exon's amendment, and I ask unanimous consent that time on the Exon amendment be limited to the following: 15 minutes under the control of Senator EXON, 5 minutes under the control of Senator DOMENICI, and there be no second-degree amendments in order to the Exon amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. At this time I would like to yield for purposes of a statement on the budget to the Senator from Montana for 10 minutes. And then we will proceed, if it is all right with the manager of the bill, with the Exon amendment.

Mr. DOMENICI. I thank the Senator.

Mr. President, let me just ask, if I could, we have made some commitments that after the Senator from Nebraska we have a defense amendment. Then after that the Senator has told us Senator FEINGOLD——The Senator has no plan beyond that?

Mr. EXON. No plan.

Mr. DOMENICI. We would like very much to try to reduce the time. We are going to have Senator THURMOND reduce the time to one-half hour and maybe we can start doing half hours or less regularly. But that will be the next one after this.

I thank the Senator.

Mr. EXON. Mr. President, with regard to the vote on the Gramm amendment, I ask unanimous consent that the vote in relation to the Gramm amendment occur in the stacked sequence at a time to be announced by the two leaders and that no second-degree amendment be in order thereto.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. I should have made that request. I failed to, and I thank the Senator for making it for me in my behalf.

Mr. EXON. I yield 10 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I rise to discuss the Budget Resolution.

PROTECTING THE AMERICAN DREAM

The Budget Committee has given us a sound accountant's budget. It calls for the downsizing or elimination of many programs that have outlived their usefulness. It uses much more realistic assumptions than the House budget.

It would put us on the path toward a balanced budget. That is a goal I strongly support. And I hope we will write it into the Constitution by passing the balanced budget amendment.

But, as we work to live more within our means, it is more important than ever that we set the right priorities.

A budget is, after all, more than numbers and programs. It is people. It is middle class Americans working harder than ever just to make ends meet. It is middle class parents who scrimp and save in order to realize the dream of sending their kids to college.

It is our seniors—that generation of Americans who worked so hard to build our economy while, at the same time, winning World War II and the cold war. They have earned a right to live with the independence and dignity that Medicare and Social Security help provide.

And it is our farmers—the families who have worked so hard and so successfully to feed America and the entire world.

For me, the ultimate test of any budget is how it affects these ordinary middle class Americans. Are they being treated fairly? And, if they work hard and play by the rules, will they share in the American dream of building a better life for themselves and for their children?

At the outset, let me provide one example where I firmly believe this budget sets the wrong priorities. It proposes to cut just over $10 billion from the farm program. This will make American agriculture less competitive in foreign markets and cause serious financial hardship for our farmers.

At the same time, it recommends funding an even greater amount for the NASA space station—a scientific boondoggle that has a long history of cost overruns. It is time to get our priorities back down to Earth by eliminating the space station and restoring funding for the farm program.

While I believe there is room to make such commonsense changes to this budget, it contains a more fundamental flaw. While the very wealthy get a free ride—and maybe a big tax break—working families and the elderly are called upon to sacrifice.

The commentator Kevin Phillips—a Republican—recently pointed this out. Here is what Mr. Phillips had to say about this budget process:

> [This] legislation . . . especially as put forward by the House of Representatives—has major overtones of special-interest favoritism and income redistribution. Spending on government programs—from Medicare to home-heating oil assistance—is to be reduced in ways that principally burden . . . the middle-class while, simultaneously, taxes are to be cut in ways that predominantly benefit the top one or two percent of Americans. . . . We should be talking about shared sacrifice. Instead, it's senior citizens . . . and ordinary Americans who will see programs they depend on gutted while business, finance and the richest one or two percent—far from making sacrifices—actually get new benefits and tax reductions.

Over the past 25 years, the rich in this country have gotten a lot richer. Back in 1969, the wealthiest 1 percent of Americans controlled about 20 percent of our national wealth. Yet today, this figure has skyrocketed to nearly 40 percent. And that leaves a smaller piece of the pie—a smaller piece of the American dream—for the middle class.

Wealth is no crime. We should encourage risk taking and investment by business. But it is time for the most wealthy Americans to get out of the wagon and help the rest of us—seniors, working families, farmers, and students—pull it across the line to a balanced budget.

MONTANANS ARE ALREADY PULLING THE WAGON

And most Montanans are already doing all they can to pull this wagon.

Montana is a great place to live. But it can be a tough place to make a living. The average Montana family works hard, but takes in less than $25,000 each year.

That is not a lot of money to put food on the table, to pay the mortgage, to make the car payment, and to save for the kids' education.

And, with each passing year, things get even tougher. Prices rise; but wages stay flat. Last year, for instance, working Montanans just barely kept pace with inflation. And, if you lived in a fast-growing community with skyrocketing housing prices—places like Missoula, Bozeman, Hamilton, or Kalispell—you almost certainly lost ground.

It is every bit as difficult for most of our senior citizens. All too often, Montana seniors living on fixed incomes just cannot make it. When you go into a fast-food restaurant or convenience store in Montana, you are just about as likely to be waited on by a senior citizen as you are by a teenager.

It is not that Montanans are afraid of hard work. In good times and bad, we have always done what it takes to make ends meet and build a better life for our children.

But we cannot do that when the Government keeps reaching into our wallets and gives nothing back in return. And, when you get to the bottom line, that is what this budget means to most Montanans. It is a tax; a tax on our seniors; a tax on our property owners; a tax on our parents; a tax on our students; a tax on our consumers; and a tax on our working families:

The cuts in Medicare are a back door tax on Montana seniors who will end up paying an additional $900 each year for health care. And, sadly, some seniors living on fixed incomes will be forced to rely on their children and grandchildren to make up the difference.

The cuts in education are a back door tax on Montana students, parents and property owners. This budget would eliminate 33 percent of the Federal investment in educating our children. Consequently, States and local school districts are bound to face the prospect of raising local property taxes in order to make up the difference.

Beyond this, the proposed increased costs for the student loan program amount to nothing more than an increased tax on our students and parents working to send their kids to college. For example, the costs of a $17,000 undergraduate student loan are estimated to increase by almost $5,000 over the life of the loan. And it you are a teacher in a rural Montana school district making—let us say—just $17,000 a year, that translates into a large chunk of your monthly paycheck just to pay off your student loan.

And, finally, this budget includes an expensive surprise for electric ratepayers in eastern and central Montana. The proposed sale of the Western Area Power Administration [WAPA] will increase their electric bills, probably by about a third. And, ironically, WAPA is not subsidized. It is a program that protects ratepayers while also making money for the Government.

FORGET POLITICS: USE A LITTLE COMMON SENSE

Despite these flaws, I believe this budget could be salvaged. Many of the cuts it proposes make sense. All it would take is agreement—bipartisan agreement—to rethink our priorities and find a way to protect rural America and restore funding to education and Medicare.

If we put partisanship aside, we could get the job done. All it would take is a little common sense.

First, let us bring our priorities down to Earth. Let us kill the space station and protect the family farmer. The costs are about the same. But the benefits of providing a stable supply of food and fiber for America and the world are far greater.

This budget also sets aside $170 billion to eventually provide tax relief—most of it probably going to the very wealthy. It is just common sense that we should use these funds to protect Medicare and education. If we did that, this budget would be a good start; something I could work with.

Unlike some in my political party, I do not believe we should spare just about every domestic program and take a meat ax to the defense budget. There must be real cuts in a broad range of Federal programs.

Here are seven areas where we can make a good start:

First on my list is foreign aid. I am sick and tired of seeing the United States pay more than its fair share to support wasteful organizations like the United Nations and the World Bank. It is high time we demand that other countries pay their fair share of the U.N. budget. Moreover, I was pleased to see that this budget calls for a significant cut in funding for the U.S. Agency for International Development.

Second, I am tired of seeing the United States spend billions of dollars for the defense of countries like Korea and Japan. While those countries do all they can to keep our products out of their market. It is time that they share more in the burden of their own national defense.

Third, I also agree with the Budget Committee's call to abolish the Arms Control and Disarmament Agency. We do not need to spend an additional $60 million on this agency when we already have the Defense, State, and Energy Departments to do the same thing. It is time to get rid of it.

And the same is true of a boondoggle called TV Marti, a wasteful Federal program that attempts to broadcast sitcom reruns to Cuba.

Fifth, I was encouraged to see that the Budget Committee recommends the abolition of the Department of Commerce. This bureaucratic behemoth—a mish-mash of agencies ranging from the National Institute of Standards and Technology to the National Marine Fisheries Service—has long lacked a clear mission.

Let us move those Commerce programs that are worth saving—like the Economic Development Administration that just helped create over 700 high-wage jobs in Butte—to other departments. And let us scrap the bureaucratic over head and the Commerce programs that have outlived their usefulness.

Sixth, I also believe the Budget Committee missed another opportunity to clean house by abolishing a second Cabinet Department. There is no better example of a failed Great Society program than the Department of Housing and Urban Development.

HUD's history is one of scandal, waste, and failed housing projects; places where drug dealers and other criminals intimidate and prey upon women and children. I believe we can find ways, through block grants and tax incentives, to promote good, affordable housing without HUD's expensive and too often failed bureaucracy.

And seventh—last but certainly not least—welfare is another place we must make savings. I intend to work on the Finance Committee to bring the costs of this program down. And, just as importantly, we must restore the value of the American work ethic to our welfare program. I hope Democrats and Republican can work together to make this happen.

CONCLUSION

In closing, we all need to make sacrifices. We need to bring the budget into balance and give our children some relief from debt.

I go home just about every weekend. And I hear it time and time again, Montanans are willing to do their part to bring down the deficit. In order to get this done, they are willing to make great sacrifices.

They ask only one thing in return: fairness. They want to know that no one region or class of people is getting a free ride; that we are all pulling the wagon together toward a balanced budget.

I wish that were the case with this budget resolution. But it is not. We can do better. We can be fair. We can set the right priorities. And we owe the people we represent nothing less.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAUCUS. I thank the Chair and I thank the Senator from Nebraska.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1124

(Purpose: To restore funding for seniors, education, agriculture, working families, veterans, and other Americans, using amounts set aside for a tax cut)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of myself and Senators LAUTENBERG, HARKIN, KENNEDY, MURRAY, BREAUX, DASCHLE, and DODD, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the Gramm amendment is temporarily set aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. LAUTENBERG, Mr. HARKIN, Mr. KENNEDY, Mrs. MURRAY, Mr. BREAUX, Mr. DASCHLE, and Mr. DODD, proposes an amendment numbered 1124.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike beginning with line 12 through line 12 on page 77 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect—

"(1) $100,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on medicare and medicaid of—

"(A) increased premiums;

"(B) increased deductibles;

"(C) increased copayments;

"(D) limits on the freedom to select the doctor of one's choice;

"(E) reduced quality of health care services caused by funding reductions for health care providers;

"(F) reduced or eliminated benefits caused by restrictions on eligibility or services;

"(G) closure of hospitals or nursing homes, or other harms to health care providers; or

"(H) other costs to beneficiaries;

"(2) $18,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on education and $12,000,000,000 in budget authority and outlays for legislation that reduces the adverse efforts on direct spending for education;

"(3) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on direct spending within the jurisdiction of the Committee on Agriculture;

"(4) $17,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986;

"(5) $3,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on programs for veterans; and

"(6) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) which shall be subject to allocation by the Committee on the Budget, by majority vote. The amounts provided by paragraphs (1) through (6) shall be proportionally adjusted based on any increase or decrease in the projected allowance of $170,000,000,000.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, discretionary spending limits under section 201(a) of this resolution, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).

"(c) CBO REVISED DEFICIT ESTIMATE.—After the enactment of legislation that complies with the reconciliation directives of section 6, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

"(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term "additional deficit reduction" means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

"(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

"(1) legislation has been enacted complying with the reconciliation directives of section 6;

"(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

"(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

"SEC. 205. SCORING OF EMERGENCY LEGISLATION.

"Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.".

Mr. EXON. Mr. President, this amendment is very concise; it is very clear. We have cut down the time to 15 minutes on our side and 5 minutes for the opposition.

Essentially, this amendment would take $160 billion from the $170 billion reserved in the Republican budget for tax cuts for the rich and redistribute $100 billion to Medicare and Medicaid; $30 billion to education; $17 billion to the earned income tax credit; $3 billion to Veterans Affairs; and $10 billion to agriculture.

The largest part of this amendment has been offered in part or in total in previous amendments to alleviate the hit that we think is unfair on many of the programs as they were produced out of the Budget Committee.

We have discussed at length the distribution of taxes contained in the House Republican passed tax bill. It provides a $20,000 tax cut for taxpayers earning over $350,000. Fully 51 percent of the Republican tax cuts go to Americans with incomes over $100,000.

We have to get our priorities back on track and that is what my amendment does.

Let me walk my colleagues through the reasons for the redistribution of the $170 billion contingent fund.

First is Medicare and Medicaid. My amendment restores $100 billion of the overall cut in Medicare and Medicaid is intended to reduce the adverse effects of increased premiums, deductibles and co-payments on beneficiaries.

Most, if not all, of these add-backs would affect part B of the program and would not—I repeat—would not worsen the solvency of the HI trust fund.

My amendment states that any add-backs will be structured in such a way to ensure that the fund remains solvent for the same time period attained through cuts made in this year's reconciliation bill.

I am restoring these reductions in order to protect the 1 in 4 Medicare beneficiaries who rely on Social Security for their only source of income.

Second is Medicaid. Two-thirds of all Medicaid dollars are spent on seniors and disabled people. This is the only program which pays for long-term care.

Many middle-income people who develop disabling conditions—like Alzheimer's or Parkinson's—end up spending all of their incomes for care. They often have nowhere else to turn but Medicaid.

Under the Republican budget, nearly 1 million seniors and disabled people could lose their coverage. This amendment would add back funding to reduce the hit on that population.

The funding in my amendment could also be used to reduce the cuts to children.

Third, is education which would receive $30 billion through this amendment. Over 500,000 graduate and professional students currently receive subsidized loans. Nearly 50 percent of full-time, full-year students rely on the subsidized loans to pay for their education.

Eliminating the in-school interest subsidy means graduate and professional students could have their total debt increase by $3,000 to $6,600 depending on how long they are in school. The subsidy is critical for these students, most of whom are independent and going back to school to pursue higher learning that is critical to the future of our Nation.

My amendment also helps restore some of the Republican budget cuts to the impact aid program.

Impact aid is a critical program that provides funds to school districts that educate children of military personnel, children who live on Indian lands, and children who live in federally subsidized housing.

For school districts with large areas of Federal property within their boundaries, raising sufficient revenue to provide for the education of these children is a daunting challenge. Federal land is exempt from local property taxes—the mainstay of local education finance—causing a greater tax burden on the residents and owners of non-Federal land.

In my own State of Nebraska, Bellevue School District relies upon impact aid funding for almost 25 percent of its annual operating budget. Cuts in impact aid would be devastating to the quality of education for children of military personnel in Bellevue. My amendment softens the blow.

Fourth is the EITC which would receive $17 billion. The EITC helps keep working families off of welfare. It also assists middle-class families who have sudden losses of income.

The Republican budget cut for the EITC is particularly cruel since real wage growth has been slow, and many people are having to take lower-wage jobs as a result of downsizing and restructuring.

Fifth, is veterans. My amendment adds $3 billion back to veterans programs.

This Republican budget is a sad tribute to America's men and women who have worn their country's uniform.

Let us be clear, by funding the VA's medical system at the 1995 level for the next 7 years, the Republicans are dramatically cutting access to health care services for veterans' across the country.

The Republican budget also increases veterans' contributions for GI bill education benefits. It increases the co-payment for prescription drugs for higher-income vets.

Finally is agriculture. Mandatory agriculture spending is already projected to decline by 17 percent over the budget resolution timeframe. The Republican budget would cut an additional 20 percent from these programs primarily CCC commodity programs.

This amendment would ensure that farm programs make a fair contribution to deficit reduction without devastating the entire farm economy and severely hampering the ability of the

Agriculture Committee to draft a workable farm program and a workable farm bill in the future.

Finally, it would reduce the reconciled cut to the committee by $10 billion and thus lessen the overall projected cuts from farm commodity programs from $12 billion to $2 billion.

Finally, I would note that if the CBO scores this surplus differently, the numbers provided would be adjusted accordingly.

The amendment does not allocate $10 billion of the projected $170 billion tax cut now in the Republican budget.

I intend to leave that amount open to be used to restore cuts in other programs that may have been unfairly hit. Or, it could be used as a cushion to further reduce the deficit and help us reach a balanced budget.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Is the Senator finished with his time?

Mr. EXON. No, I have time.

The PRESIDING OFFICER. The Senator from Nebraska has 5½ minutes remaining, and the Senator from New Mexico has 5 minutes.

Mr. DOMENICI. Actually, I only want to use 2 minutes. If the Senator will let me do that in wrap-up, I will let him finish and I will use only 2 minutes.

Mr. EXON. Mr. President, I believe the arguments can be made pro and con and have been made pro and con on this amendment. Very simply in the time remaining—I will consider yielding back after making these closing statements.

Once again, we are not attempting to change the date that we would balance the budget as prescribed in the Republican budget, we are not adding to the deficit, we are not adding to the national debt. We have been staying, as we have through all of these amendments—all of these amendments—within the parameters laid down, the overall figures of the Budget Committee.

What we are simply saying is that rather than provide a kitty, if you will, in the Senate budget, which is clearly earmarked for tax cuts and is so established by the chairman of the committee in this resolution, an earmark of $170 billion dollars which could come, according to CBO, if we balance the budget by the year 2002, to simply take a portion of that $170 billion and, instead of cutting taxes, cut the hit on these programs that I have outlined. This amendment merely alleviates the substantial and unfair cuts in each and every one of them.

I reserve the remainder of my time and may be in a position to yield back after the Senator has made his statement.

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Mexico has 4½ minutes.

Mr. DOMENICI. Let me speak very briefly, after which when time has been used up on the amendment, Senators should know that I plan to raise a point of order.

Mr. President, what we have now is, as I view this, we have the budget resolution produced by the gallant 12 budgeteers from the Republican side. We have a budget resolution that gets to balance. In that, we decide that many programs have to be reformed, changed, some eliminated, but we say we are going to stop spending in the red. We are not going to charge our children with our bills any longer. In 2002, we stop that.

Now it just so happens, Mr. President, I say to fellow Senators, that in 2002, according to the Congressional Budget Office, according to their economists and other economists, that essentially when you put down a balanced budget and you make it enforceable and you pass a whole batch of laws that change current entitlements so less is spent and they certify that for you and say you have a balanced budget, there is a dividend—the dividend could be in the neighborhood of $170 billion—an economic dividend for doing what is right.

What is right? What is right is to get in balance by the year 2002. So by doing what is right, the Republicans on the Budget Committee, and Republicans and hopefully some Democrats, when they vote for this budget resolution, have earned something for the American people. What have they earned? They have earned reduced long-term interest rates for starters—very significant for homeowners, auto buyers, for everyone, including business people and mothers and fathers sitting around talking about student loans. If they are affluent enough to pay their own student loans, there is less interest on those loans. That is what we get from that side.

Indeed, there is a bonus of $170 billion that is kind of a surplus sitting there. We are now in the black and we have this surplus. What the Republicans say at this point in time is that we should transfer that $170 billion from a reserve fund to the tax writing committee and say to them, give the American people a modest dividend by cutting some taxes. Now, not rich people, not $300,000 earners. We have said in this budget resolution that it will go—90 percent—to middle-income Americans. That is the Senate's position if they adopt ours.

Let me say that, in a nutshell, Senator EXON would then say instead of doing that with that $170 billion, let us spend it. So we have a balanced budget and my good friend from Nebraska says, now, spend $100 billion of it on Medicare, spend $30 billion on education, spend $10 billion on agriculture, spend it on et cetera, et cetera. We hardly get to balance and we hardly get the dividend for Americans that they are entitled to, because most of them say, "Give us a balanced budget." They are entitled to a bonus when we do what they have been telling us to do. So we say leave it there for a possible tax cut for Americans.

Senator EXON would say for all of these good things, let us spend it, and all of a sudden we start spending again after we got in balance, and we add $170 billion in spending.

The purposes are good. Senators pick some very, very interesting programs that Americans are interested in but everybody is worried about. He says, use the dividend for them. We have explained them in detail. We believe we are going to make the Medicare trust fund solvent. We believe education is not going to get harmed under our assumptions. We believe we have been fair to agriculture, and on down the line.

So I do not believe we ought to adopt the amendment. It is out of order under the Budget Act. When my time comes, I will so move.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. EXON. I will be very brief. I simply want to say that I have listened once again to my good friend and colleague from the State of New Mexico, my chairman. We do not happen to agree on this matter, but we happen to agree on many, many things. Time and time again, I have heard that those of us who realize that these programs are taking a considerable hit are being accused of being spenders if we do not try to alleviate some of the unfairness that I see in the Republican budget.

When this debate first started, I complimented my talented friend from New Mexico for the courageous job he has done. Time and time again, I have said that we in the amendments that we offered in the committee, and the amendments we have offered on the floor, have not done anything to reach the goal that the Senator from New Mexico is espousing. We are simply asking, do we honestly feel that we should make some changes in the approaches on certain programs? I do not believe it is fair to say, nor do I think the American people are particularly concerned because their main worry is balancing the budget and keeping it balanced and to quit borrowing more money, which is crippling America with the interest we are paying on that borrowing. Suffice to say that we really believe that we can work with the Republicans, with Senator DOMENICI, if they would just listen to some of our pleas.

I really think that the people of America would be most satisfied if we realistically face the challenge that we have to balance the budget and reduce the deficit. That is primarily the only thing that most of them are looking for. With that, I yield the remainder of my time and urge support of the amendment.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds off the bill.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, it would be interesting to search the souls and hearts and minds of those on that side of the aisle to see, if this amendment were adopted, if they would vote for this budget resolution. It is most interesting. Take the dividend created through all of this hard work, tell us now here is how we would like it spent, then prevail on that and watch the budget go down in flames, because clearly we would not get very much support from that side of the aisle. We might get Senator EXON, but I will not even ask him.

Mr. EXON. If the Senator will yield——

The PRESIDING OFFICER. The Senator has yielded himself 30 seconds.

Mr. EXON. Off of my time. The Senator has made an interesting proposition. I would say to him that with all of the reservations that I have, if he will accept this amendment, he will at least get one vote on this side and, I think, considerably more. That may be a partial answer to his question, and I am acting in very good faith.

Mr. DOMENICI. I agree. We may get one.

Mr. DASCHLE. Mr. President, the Exon-Daschle amendment would reorder and re-balance the spending priorities in this proposed budget.

Specifically, the amendment would shift funding from a proposed tax cut for the wealthiest Americans to several key programs upon which our national interests depend. The Exon amendment would restore $100 billion to Medicare, $30 billion to education, $17 billion to the earned income tax credit, $3 billion to veterans' programs, and $10 billion to agricultural programs. The amendment would also exclude the proposed sale of the country's power marketing administrations, including the Western Area Power Administration, from the budget. All of these are important priorities for our Nation and, especially, for rural America.

This amendment, like the amendments we offered yesterday, are completely paid for. It does not add one penny to the deficit.

Yesterday I spoke of the importance of the restoration of Medicare funding, and, earlier today, I referred to the importance of the earned income tax credit. So, today, I will focus on the other elements of this amendment.

First, the amendment would restore $30 billion in education funds. The underlying budget resolution proposes to balance the budget at the expense of educating our youth. That is unacceptable. It is myopic, and it is a false economy. The next generation cannot afford to be shortchanged in this manner. Educational investments are one of the best investments this country can make, especially as our youth prepare for the 21st century.

This amendment, which provides $30 billion to restore funding for critical education programs, will help young Americans and their families by restoring funding in student loans and education programs.

The $30 billion restores funding for the student loan in-school interest subsidy and other critical programs such as title 1, Pell grants, impact aid, special education, and safe and drug-free schools.

Impact Aid is especially important to South Dakota. Last year the program received a $70 million reduction in fiscal year 1995 funding. Further reductions are intolerable. These funds—which represent the money the Federal Government is obligated to pay to reimburse local school districts for Federal displacement of the local tax base—are absolutely critical to over 50 schools in my State, and hundreds of schools throughout the country, that depend on Impact Aid to meet our children's basic educational needs.

The Impact Aid program provides critical dollars to over 50 schools in South Dakota. These payments are not a Government subsidy. Quite simply, their purpose is to compensate school districts for the loss of taxable revenue from what once was local taxable land. The message in the continued trend of decreased funding is that Congress has decided we do not need to uphold our obligation to the school districts that rely so greatly on these funds.

In the McLaughlin school district in South Dakota the Impact Aid funds represent approximately 37 percent of the school's budget; in the Lake Andes school district, 20 to 25 percent of their budget comes from Impact Aid monies; 30 percent of the Dupree school's general fund revenue budget is generated by Impact Aid funds; in Smee, South Dakota, if Impact Aids funds continue to dwindle, they will be unable to operate; in Pollock, South Dakota, they would have to close their doors if this funding is eliminated.

The list goes on and on, Mr. President. This means that teacher pay, books, facilities, desks, buses—everything it takes to run a school—is dependent on whether this Congress lives up to the commitment that was made to these schools when the lands in their districts were taken.

I simply ask this question of my colleagues. Is it fair to eliminate a program that was designed to help alleviate a very clear Federal burden that was imposed on certain local communities and school districts because the Federal Government decided to acquire land in their particular district? The answer is no. This is a Federal responsibility, not a Federal subsidy.

The Exon-Daschle amendment would also restore $3 billion in funding for veterans' programs, including veterans' health care. In light of the budget's proposed Medicare cuts, the cuts in VA funding are especially egregious, for reduced Medicare funding will undoubtedly lead to increased pressure on, and a shift in costs to, the VA health care system. As my colleagues know, the VA health care system is an already overburdened and underfunded one, so I fail to understand how the majority justifies this proposal.

The $3 billion in this amendment would ease some of that pressure and help us ensure that our fundamental commitment to the men and women who have served this Nation is fulfilled. To do otherwise sends exactly the wrong message to veterans and the men and women who currently serve in the Armed Forces.

While Senator EXON and I will talk more about the budget resolution's treatment of agriculture tomorrow, when we will offer an amendment to restore some of the agricultural funding cut in the Republican budget, I want to take a moment to speak on that issue today. This amendment would restore $10 billion of the agricultural funding cut in the budget proposal.

The amendment directs the funding where it is most needed—to farmers who struggle each year to stay on the farm, to keep producing America's food and fiber supply, and to families who strike a rough patch when there is job loss or other bad luck, people trying to put food on the table and keep their families together.

The Republican budget, on the other hand, raids rural America to aid the comfortable. The Republican budget proposal would cut $45.9 billion out of the Agriculture Department over the next 7 years. That is likely to translate to around $12 billion in direct cuts to farm programs. It is a 20-percent cut in farm spending. It will contribute to the further deterioration of the economic and social fabric of rural America. No other sector of American life is being asked to absorb such a hit. We can not have a prosperous urban America riding on the back of an impoverished farm America. Yet that is what Republican budget cuts will provide.

Farmers in South Dakota would see a devastating decline in their income of over $57 million. Other rural States will suffer similar pain. This budget is short-sighted for rural America and self-interested for the best-off. It is not a balanced, fair proposal. It is not a budget that sustains the American tradition of building a strong farm sector, a tradition that has enjoyed bipartisan support until this Republican majority.

Finally, this amendment would prevent the budget resolution from counting the sale of the power marketing administrations and other assets toward deficit reduction. This would remove the incentive to sell the Power Marketing Administrations [PMAs] in order to balance the budget, and would help ensure that decision is made on the basis of what would be the best policy for the United States. Since the sale of PMA's makes no economic sense, this amendment would substantially hinder their sale.

I have been concerned because the Clinton administration has announced plans to sell three of the five PMA's, including the Western Area Power Administration [WAPA], which markets power from the main stem dams on the Missouri River to South Dakota utilities and cooperatives. The administration has stated it intends to sell WAPA in 1998.

Despite the fact that the administration stated in the budget that "the proposal will provide customer protection from significant rate increases," I am deeply concerned that if this plan is approved by Congress and goes forward, then significant rate increases will be inevitable, affecting consumers and the overall economies of rural states such as South Dakota.

The PMA's are an example of a Government program that works well. South Dakota, the Western Area Power Administration, which markets power from the main stem dams along the Missouri River, has ensured a consistent and affordable supply of electricity. The program is being run on a sound financial basis, as it recovers all expenses relating to its annual operation and the initial construction expenses, with interest. By providing low-cost power, the PMA's have substantially assisted in the economic development of many States.

Any one-time savings from the sale of WAPA would be offset by long term revenue losses. The administration and the Republicans expect a one-time budget savings from the sale, that over the long-run, will not save the Federal Government any money at all. Since the operational and capital costs of the program are more than paid back currently, the sale simply allows the Federal Government to collect the debt faster. But since the debt is being paid back with interest now, there is no long-term financial benefit to the Government. Long-term revenue losses from the sale offset the near-term revenue gains.

Some claim that the power marketing administrations can be sold without causing substantial rate increases. In reality, today's rates are set at the lowest possible level, while still ensuring that the debt is paid off. If the power marketing administrations are sold, then it is likely that rates will increase substantially. Those who buy the PMA's will attempt to maximize the return on their investment. And electric rates for existing Federal power customers will rise as a result. Some predict rate increases as much as 300 percent for some communities.

This sale will not only affect the economy of South Dakota or a few western States. Power marketing administrations sell power in 34 States across the country. I would ask all of my colleagues from these States to consider the impact of the sale of PMA's before they cast their vote.

In conclusion, Mr. President, we need to reduce the deficit. No one argues that point. This amendment restores essential funding—upholding our obligation to rural America, children, and the elderly—and is completely offset with the reserve fund set aside by the GOP to pay for tax breaks for the wealthy. Again, the amendment does not contribute one penny to the deficit.

I urge the adoption of the amendment.

Mr. DOMENICI. The pending amendment is not germane to the provisions of the budget resolution pursuant to section 305(b)(2) of the Budget Act. I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305 of the act for the purpose of the pending Exon amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. I ask unanimous consent that this amendment also be stacked pursuant to the previous order, subject to leadership control on when we vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Can I inquire of my friend at this time?

Mr. DOMENICI. Yes.

Mr. EXON. We have stacked a series of votes now. I do not believe we have indicated when we might start our voting so that everybody would be properly advised. Are we going to start voting in an hour, 2 hours, 3 hours? Could the Senator give us some information on that?

Mr. DOMENICI. That is a very good question. I thank the Senator. We are, hopefully, going to get through with the Thurmond-McCain amendment, which is next, and then we will start voting about 4 p.m. That is the best I can give you at this point.

Mr. EXON. I thank my friend from New Mexico.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I understand Senator THURMOND is next. I yield to him to offer his amendment.

AMENDMENT NO. 1125

(Purpose: To restore adequate defense budget levels and to provide for offsetting reductions from nondefense discretionary spending and nondefense spending in the defense budget)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND], for himself, Mr. MCCAIN, Mrs. HUTCHISON, Mr. WARNER, Mr. COATS, Mr. INHOFE, Mr. KEMPTHORNE, Mr. LOTT, Mr. SMITH, Mr. COHEN and Mr. SANTORUM, proposes an amendment numbered 1125.

Mr. THURMOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 7, increase the amount by $9,600,000,000.

On page 11, line 8, increase the amount by $4,000,000,000.

On page 11, line 14, increase the amount by $15,900,000,000.

On page 11, line 15, increase the amount by $8,300,000,000.

On page 11, line 21, increase the amount by $17,700,000,000.

On page 11, line 22, increase the amount by $10,800,000,000.

On page 12, line 3, increase the amount by $15,100,000,000.

On page 12, line 4, increase the amount by $11,700,000,000.

On page 12, line 10, increase the amount by $11,300,000,000.

On page 12, line 11, increase the amount by $11,500,000,000.

On page 12, line 17, increase the amount by $11,400,000,000.

On page 12, line 18, increase the amount by $11,600,000,000.

On page 12, line 24, increase the amount by $11,300,000,000.

On page 12, line 25, increase the amount by $10,000,000,000.

On page 54, line 20, decrease the amount by $9,600,000,000.

On page 54, line 21, decrease the amount by $4,000,000,000.

On page 55, line 2, decrease the amount by $15,900,000,000.

On page 55, line 3, decrease the amount by $8,300,000,000.

On page 55, line 9, decrease the amount by $17,700,000,000.

On page 55, line 10, decrease the amount by $10,800,000,000.

On page 55, line 16, decrease the amount by $15,100,000,000.

On page 55, line 17, decrease the amount by $11,700,000,000.

On page 55, line 23, decrease the amount by $11,300,000,000.

On page 55, line 24, decrease the amount by $11,500,000,000.

On page 56, line 5, decrease the amount by $11,400,000,000.

On page 56, line 6, decrease the amount by $11,600,000,000.

On page 56, line 12, decrease the amount by $11,300,000,000.

On page 56, line 13, decrease the amount by $10,000,000,000.

On page 65, line 14, increase the amount by $9,600,000,000.

On page 65, line 15, increase the amount by $4,000,000,000.

On page 65, line 17, decrease the amount by $9,600,000,000.

On page 65, line 18, decrease the amount by $4,000,000,000.

On page 65, line 21, increase the amount by $15,900,000,000.

On page 65, line 22, increase the amount by $8,300,000,000.

On page 65, line 24, decrease the amount by $15,900,000,000.

On page 65, line 25, decrease the amount by $8,300,000,000.

On page 66, line 3, increase the amount by $17,700,000,000.

On page 66, line 4, increase the amount by $10,800,000,000.

On page 66, line 6, decrease the amount by $17,700,000,000.

On page 66, line 7, decrease the amount by $10,800,000,000.

On page 66, line 10, increase the amount by $15,100,000,000.

On page 66, line 11, increase the amount by $11,700,000,000.

On page 66, line 13, decrease the amount by $15,100,000,000.

On page 66, line 14, decrease the amount by $11,700,000,000.

On page 66, line 17, increase the amount by $11,300,000,000.

On page 66, line 18, increase the amount by $11,500,000,000.

On page 66, line 20, decrease the amount by $11,300,000,000.

On page 66, line 21, decrease the amount by $11,500,000,000.

On page 66, line 24, increase the amount by $11,400,000,000.

On page 66, line 25, increase the amount by $11,600,000,000.

On page 67, line , decrease the amount by $11,400,000,000.

On page 67, line , decrease the amount by $11,600,000,000.

On page 67, line 6, increase the amount by $11,300,000,000.

On page 67, line 7, increase the amount by $10,000,000,000.

On page 67, line 9, decrease the amount by $11,300,000,000.

On page 67, line 10, decrease the amount by $10,600,000,000.

On page 68, after line 12, add the following new paragraph:

(3) It is the sense of the Senate that the Senate should waive all points of order that would preclude increasing non-defense spending in any one fiscal year by up to $2 billion and, at the same time, decreasing defense spending in any one fiscal year by up to $2 billion, from the levels of discretionary spending in this section. It is further the sense of the Senate that defense spending may not be reduced by more than a total of $10 billion and non-defense spending may not be increased by more than a total of $10 billion over the seven years of the resolution, from the levels of discretionary spending in this section.

Mr. THURMOND. Mr. President, I have been asked "What do Americans expect of their Armed Force?" I believe Americans expect a capable and ready force, ready to meet our Nation's security needs, able to safeguard our national interest and maintain our position as a world leader. The budget resolution from the Senator from New Mexico was a good effort. It required many hard decisions. The problem remains that the planned defense budget, as offered in the budget resolution, does not meet the needs of our Armed Forces or give us the ability to meet our global commitments.

We live in a dangerous world. It is our responsibility not to repeat history and drastically reduce defense. This path will leave our forces in a dangerously unprepared state, and we will pay the price in the future. The international environment requires the United States to maintain a strong defense to deter aggression and maintain our vital interests. The Armed Services Committee has already received indications that the Defense Department is planning further end strength reductions to pay for needed modernization. The Bottom-Up Review described a minimum force, said to be necessary to support our military strategy. This review was not based on strategy. Force structure levels were too low, and the required modernization was mortgaged.

Over the last year, the Armed Services Committee has continued to hear testimony concerning present and future readiness problems. Lack of funds is placing combat readiness in danger. The ability of our commanders in the field to maintain their forces is being jeopardized by an underfunded program. GAO and other sources have estimated shortfalls in defense to range from $20 billion to $150 billion over the next 6 years. Defense spending has been reduced every year since 1985, and as a percentage of gross domestic product is at pre-World War II levels. Modernization and procurement accounts remain at 50-year lows as modernization projects are continually pushed farther into the future or canceled all together. This is a trend that cannot continue. The defense budget, in the budget resolution, simply does not provide the minimum resources necessary to sustain our force or meet the Department's pressing needs.

At the same time, requirements for our service men and women have not decreased. Instead, contingency operations and other deployments have increased requirements for American forces, placing greater stress on our service members, family members, and their equipment. These deployments have a price and are taking a toll on our force readiness. We must support our forces and not cripple our Nation's defense.

Our responsibility is to ensure that the bill for these funding shortfalls is not paid for by the sacrifice of men and women in our Armed Forces. These young Americans have been asked to live without proper housing and barracks, to make do with constrained training, and do without new systems and technology, because we cannot afford it. Quality-of-life programs have been ignored to support increasing operating tempos. Benefits are continually under review for further reductions. We should expect increasing recruiting and retention problems, if we do not support these young Americans who are serving our Nation.

I am strongly in favor of cutting Federal spending and reducing the deficit, but we must meet our national security needs. The first responsibility of government is to provide for its defense. This amendment reverses a dangerous trend and provides for that commitment. It does not increase the deficit in Senator DOMENICI's budget resolution. The amendment improves the balance between current and future readiness. We provide for an adequate quality of life for service members and their families. We can take care of shortfalls in important new systems such as national and theater missile defense systems. We must not allow our Nation's defense needs to be decided by purely fiscal considerations. If we do, then sooner than we may realize, a bill is going to come due. Hopefully, that bill will not be paid with the lives of our service men and women, and great harm to the Nation.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from South Carolina has consumed 5 of the 7 minutes.

Mr. THURMOND. Mr. President, I reserve the remaining 2 minutes.

I yield to the Senator from Arizona, Mr. McCAIN.

Mr. McCAIN. I thank my distinguished leader and chairman of the Armed Services Committee, Senator THURMOND, and I also want to thank my colleague from Texas, Senator HUTCHISON, for their leadership, especially Senator THURMOND's leadership, on this very important amendment.

Mr. President, I am sorry we are short of time. This amendment deserves a great deal more consideration if Members believe, as I do, that the first priority of any government is to preserve the security of its citizens.

Senator THURMOND has described the amendment. I would just like to remind my colleagues for 2 years, Republicans have charged that the administration has failed to maintain a defense adequate to confront the myriad challenges we face in this period of instability. Now it is our responsibility to correct that failing.

I am disappointed that the budget resolution submitted to this body by Republicans is the Clinton numbers, the same numbers that we attacked so vociferously for 2 years.

Mr. President, no decade in this century began more auspiciously than the 1990's. That gross impediment to human liberty, the Berlin Wall, was breached by the stronger forces of human yearning. The central security problem of our time, the possible clash of East and West on the plains of Germany, was resolved by the dissolution of the Warsaw Pact, the reunification of Germany, and the collapse of the Soviet Union.

The euphoria that accompanied these events anticipated the imminent arrival of a new world order of independent democracies engaged only in peaceful commercial competition with one another.

The resurrection of ancient conflicts and hideous barbarism in the Balkans; the reappearance of other incidents of irrational nationalism that had been sublimated by the cold war; the haunting familiarity of Zhirinovsky's odious appeal to perverse patriotism; the accelerating proliferation of weapons of mass destruction; and the waging of over 50 conflicts around the world have dimmed our hopes for a more just and tranquil world, and reminded Members that we have interests and values that are still at risk in this promising but uncertain world.

The world is still a very dangerous place. American vigilance and struggle are required now more than ever. There are numerous potential threats to our national security in the world today:

In North Korea, one of the world's remaining Communist dictatorships seeks to acquire nuclear weapons, and this administration has failed to exercise the decisive leadership necessary to halt, once and for all, the threat of nuclear warfare on the Korean Peninsula.

In Asia, China has laid claim to the entire South China Sea and enhanced its claim with a massive buildup of its armed forces, including the acquisition of new submarines, marine forces, and aircraft carriers.

In the Middle East, Iran poses a serious threat to the security of the region with their own efforts to acquire nuclear weapons, their longstanding support of terrorist movements, and their aggressive military buildup in the Straits of Hormuz.

Iraq remains a potential trouble spot as Saddam Hussein maintains a stranglehold on political and economic power in that state.

Russia's involvement in its near abroad, the ongoing horrible conflict in Chechnya, and its advocacy of changes in stable arms control agreements causes serious concerns.

Ethnic conflicts continue to rage from Sri Lanka to Rwanda.

And in Bosnia, United States military personnel may soon be sent in harm's way to assist in extracting international forces from the failed U.N. peacekeeping effort in that state.

These and many other examples of instability in the world today make it imperative that we support an adequate national defense posture in this Nation.

Mr. President, the defense budget has declined 35 percent in real terms between 1985 and 1994. President Clinton promised in his State of the Union Address in January of 1994, "* * * we must not cut defense further." Yet, his fiscal year 1996 defense budget submission cuts defense for 4 more years, totaling another 10 percent decline by 1999.

Mr. President, what we are faced with is a Hobson's choice. We are spending money to maintain a ready force. That money is well spent, and we still have the finest and highest quality men and women this Nation can recruit and maintain in our Armed Forces. However, in exchange for that, we are sacrificing totally, the modernization of our force.

In 1985, we procured 325 tactical aircraft; in 1996, we will procure 289. In 1985, we procured 80,000 missiles; in 1995 we procured 3,000. In tanks, in 1985, we procured 2,680 tanks and other vehicles; in 1995, 34 tanks and vehicles. Ships, in 1985, we procured 34; in 1996, we will procure 3.

Mr. President, we cannot—we cannot—maintain the capability that won the Persian Gulf with the kind of lack of modernization that is part and parcel of this proposal.

The PRESIDING OFFICER. The Senator from Arizona had 5 minutes, and has 4 minutes remaining.

Mr. McCAIN. Mr. President, I, not unlike other Members of this body, am a student of history. I am certainly a confirmed believer in the old adage that those who ignore the lessons of history are doomed to repeat them.

In 1917 the United States of America was not prepared to go to war. In 1941, on December 7, America was not prepared to go to war. In June of 1950, when North Korea attacked across the 38th parallel, the United States was not prepared to go to war. In the 1970's, when we had a hollow Army, the United States was not prepared.

We must understand that what we are doing here is mortgaging the blood and treasure of America by adopting a proposal which cannot meet our national security requirements and needs. It is an enormous responsibility of this body, to assume a responsibility in contravention to the knowledge, wisdom and advice of our military leaders and all objective observers, and that is that we cannot modernize our forces so victory, if conflict comes, can only be purchased through enormous expenditure of treasure, and far more important than that, American blood.

Mr. President, I reserve the remainder of my time. I will use it at the end of the debate.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time does Senator THURMOND or MCCAIN have remaining?

The PRESIDING OFFICER. The Senator has 27 minutes and 45 seconds remaining.

Mr. DOMENICI. I am in control, technically, of the time in opposition. But, frankly, I want to give that opposition time to the distinguished Senator from Nebraska for his side. They are going to have the time in opposition, not the Senator from New Mexico.

But I will reserve, now, before I give that over—I will keep 10 minutes for myself and Senator LOTT. He, I understand, will not be able to fit in, in the time allotted. I will arrange to give him that time, not in opposition but in favor. Is that correct?

Mr. LOTT. That is correct.

Mr. THURMOND. I yield 3 minutes to Senator WARNER.

Mr. WARNER. Mr. President, over the past several days, I have listened closely to the debate over this budget resolution which, I believe, has the potential to set our Nation on the road to fiscal responsibility. I want to commend the Senator from New Mexico, Senator DOMENICI, for his courageous proposal which will balance the Federal budget by the year 2002. I support what he and the other Republicans on the Budget Committee intend to do with this budget resolution—eliminate the Federal deficit and relieve the enormous burden of debt that we are currently loading on the backs of our children and grandchildren. However, I take exception with the spending levels for defense included within the budget resolution before the Senate.

Mr. President, I am concerned about the security of our Nation and the risks we face in a world that—despite the demise of the cold war—remains a very dangerous and unpredictable place. As we speak, our Armed Forces are preparing for the possibility of a mission to assist in the withdrawal of U.N. forces from the former Yugoslavia. Whether or not you believe that we should put U.S. forces at risk to carry out this mission, I am certain that every Senator in this Chamber would support funding to ensure that our forces are trained and equipped to facilitate the rapid accomplishment of this mission with minimal risk to the lives of U.S. military personnel. We learned in Operation Desert Storm that well-trained troops equipped with modern weapons and equipment suffer fewer casualities.

Today we are facing a world proliferating with new threats based on centuries-old ethnic, racial and religious hatreds.

The problem with preparing our forces to defend against threats in this new world of disorder is that we may not be able to anticipate where and whom we will have to fight. We will have to be prepared for the unexpected, for major regional crises that arise suddenly—in other words, for contingencies. The case in point is the gulf war. Prior to August 1990, no one ever expected we would end up in a major land war against Iraq.

Fortunately, we had a superior military capability that was more than a match for Iraq. But, in the past, this has not always been the case. The outbreak of World Wars I and II and Korea found us woefully unprepared, and the result was many thousands of Americans lost in the opening days of those conflicts. Consequently, in an era of uncertainty, combined with multiple potential dangers, the No. 1 threat could be our own unpreparedness.

Mr. President, the administration's ways of dealing with these uncertainties was to conduct a Bottom-Up Review which resulted in a force structure that is supposed to be able to fight and win two nearly-simultaneous major regional contingencies. It is highly questionable, however, whether or not this planned force will be capable of meeting this requirement. There is also general agreement that the administration's future years defense plan [FYDP] is inadequate. The General Accounting Office estimated that the FYDP may be underfunded by as much as $150 billion.

The administration has made readiness a high priority at the expense of modernization of our military. They have kept personnel and readiness accounts funded at high levels, but because the overall budget is underfunded, modernization—the R&D and procurement accounts—have paid the bills. Procurement is at intolerably low levels. A Marine Corps general officer testifying at an Armed Services Committee hearing recently stated that the Marine Corps procurement budget was only about one-third of what it should be for the third straight year. "You can't modernize on pocket change," he told the committee.

I should also point out that even with all of the administration's emphasis on readiness, significant readiness problems have occurred within our military over the past year.

Last September, three Army divisions reported readiness levels of C-3. Not since the days of the Carter administration, have that many divisions reported such poor readiness levels.

Overall readiness for active Navy aviation squadrons declined from about 75 percent in fiscal year 1990 to 61 percent last year.

Funding shortfalls in the 2d Marine Air Wing's flying hour program resulted in 11 of 30 squadrons reporting in the two lowest readiness categories (C-3 or C-4) for the 4th quarter of fiscal year 1994.

Admiral Boorda, the Chief of Naval Operations stated recently, "We have gone to the well and it is dry. We must fund training if we are to prevent a 'hollow force.'"

Mr. President, I believe it is clear that our military services are underfunded in the administration's proposed budget and future years defense plan. For the past 2½ years, members of the Armed Services Committee have been expressing that view. Every Republican on the Armed Services Committee signed a letter to the chairman of the Budget Committee recommending that fiscal year 1996 funding for defense be frozen at last years level, adjusted for inflation. This would result in a $12.5 billion increase over the President's request for fiscal year 1996.

Unfortunately, the Budget Committee's proposal accepts the administration's recommended budgets now and in the outyears for defense. If we accept the administration's budgets, then the responsibility for shortfalls in defense funding and the resulting deficiencies in our Armed Forces will lie with those of us in the Congress.

Mr. President, in his State of the Union Address in 1994, the President implored the Congress not to cut defense further—that defense had been cut enough. Then, this year, in his budget request for fiscal year 1996, the President recommended $5.7 billion less than he recommended last year—in real terms, this is over $13 billion less than last year. Mr. President, that sounds like a cut to me.

There are those who state that defense should pay its fair share. Mr. President, I maintain that defense has already paid more than its fair share—that defense has already been cut too deeply. Fiscal year 1996 represents the 11th consecutive year of declining defense budgets—the longest continuous decline in post WW II history. DOD spending as a share of the Federal budget has declined from 42 percent in 1968 to 18 percent in 1994 and continues to decline.

As I indicated earlier, Defense procurement spending has suffered greatly under the Clinton administration. During the hollow force days of the mid-1970's, procurement spending was only about $46.7 billion; in 1985, at the height of the Reagan buildup, procurement spending reached $120 billion; in 1995, procurement spending is down to $39.4 billion—representing a 67-percent decrease from fiscal year 1985 and 16-percent less than the mid-1970's low point.

Mr. President, when we fail to modernize our forces with new weapons and equipment, we not only cause maintenance and operating costs to rise, but more importantly, we condemn our future soldiers, sailors, airmen, and marines to fight their battles with obsolete weapons and equipment.

Mr. President, when I asked an old Marine sergeant, who was a combat veteran of several wars, why he was so sure there would be another war, he replied, "There always has been." It is certain that our forces will be called upon again to go into battle. The time may be sooner than we think. I hope the Congress will not put our servicemen and women at greater risk because we cannot find additional funds from a budget of almost $1.3 trillion.

I support the Thurmond-McCain amendment and urge my colleagues to vote for it also.

Mr. DOLE. Mr. President, I rise today in support of the Thurmond-Stevens-McCain amendment. I commend my colleagues for their efforts to ensure an adequate defense budget. Under this amendment, defense spending would be increased to meet the levels approved by the House last week. However, the measure is deficit neutral in each year of the resolution, and keeps us on path to achieve a balanced budget by the year 2002.

We are committed to cutting Federal spending. But we must ensure that our military is prepared to meet future challenges. Over the past few years, the Clinton administration has sacrificed the readiness and modernization of our forces. However, around the world, potential enemies are increasing and modernizing their military capabilities.

For the past 2 years, the administration has justified its reduction-in-force structure by promising to provide our troops with the most modern technology available. During last year's hearings on the fiscal year 1995 budget, General Shalikashvili stated, and I quote:

> The structure is adequate only if we stick with two linchpins: We must improve our capabilities, and we must improve and maintain our readiness.

Unfortunately, this has turned out to be empty rhetoric. Procurement spending and procurement rates are at their lowest levels in 45 years. Despite promises to enhance force capabilities, modernization has come to a virtual standstill. The result is that our Armed Forces are smaller, but not more capable.

Where President Clinton has failed to recognize the long-term needs of the military, we in Congress must take the lead. Our defense budget must balance our need to maintain near-term readiness and our need to provide enhanced capabilities for the future. It must prepare us for tomorrow's challenges. Failure to do so will jeopardize the security of this Nation. I urge my colleagues to support this amendment.

Mr. COHEN. Mr. President, much of the debate over the defense budget in recent weeks and months has been based on misperceptions and half-truths.

A good example can be found in one editorial entitled "Grasping the Obvious," which lashed out at defense spending, claiming that President Clinton wanted to increase the defense budget and that:

> The Defense Department has somehow become untouchable, taking a place alongside Social Security and Medicare in the pantheon of sacrosanct Federal enterprises.

The editorial went on to argue that defense budgets should be reduced just as much if not more than other areas of Federal spending, and that the Pentagon and the White House would have to realize that in a time of "diminishing military threats," deep cuts would have to be made.

The writer is not alone in failing to grasp the obvious. The post-cold-war period has seen a proliferation of efforts to cut American defense budgets dangerously deeply. These efforts have been accompanied by accusations that, in an era of budget balancing and deficit reduction, the military is not absorbing its fair share of cuts.

Nothing could be further from the truth.

Far from being placed on a pedestal, protected from America's budget cutting zeal, defense spending has already been subjected to a frenzy of profound and often damaging reductions. The defense budget has been cut every year for the past decade, for an overall real decline of some 35 percent. In contrast, real spending on Medicare and Social Security over the same period has increased 63 and 23 percent, respectively.

The portion of the defense budget used to buy weapons and other equipment has already suffered a reduction of more than two-thirds over the past decade:

A decade ago we purchased 720 tanks a year. Today, we buy none.

Annual purchases of ships and aircraft have declined 80 and 87 percent respectively.

Dozens of major weapons programs and more than a hundred smaller ones have been terminated.

As the nonpartisan Congressional Budget Office has put it, the Pentagon has entered a "procurement holiday."

For the past decade, it has been defense that has borne the blows of the budget cutting axe as domestic spending has steadily grown.

The very real reductions in defense budgets over the past decade may not seem important from the vantage point of defense spending critics, but for those whose job it is to ensure military readiness and to guarantee American security, the cuts have already made their tasks difficult to the point of being almost impossible. The question for these professionals is whether minimum levels of reliability and readiness can be ensured, given current spending cuts.

Earlier this year, Gen. Carl Mundy, Commandant of the Marine Corps, warned:

> We are stretched thin. Actual operational commitments over the past 3 years have actually grown steadily and have greatly exceeded those predicted by either the Marine Corps assessment or the Bottom-Up Review * * *. We have not to date received sufficient resources to fund * * * minimum essential requirements * * * to provide a reasonable assurance that we can meet our commitments with operationally ready and effective forces, not only today, but throughout the program years * * *.

This assessment has been echoed by senior officers in all of the Nation's armed services. It illustrates the well-founded concerns of those who understand the importance of readiness and modernization in military planning, especially in today's uncertain world.

The past few years have shown that the end of the cold-war standoff with Soviet Russia has not simplified and brought harmony to the world, rather it has increased uncertainty and made the world more susceptible to a host of festering regional conflicts. Many of these conflicts have the potential for escalation, spillover, and major destabilization in areas critical to the security and interests of the United States and our closest allies.

While the United States is not the world's policeman, we are the only global power, and we have global interests that can be threatened by regional powers, great and small. Defending our interests requires us to station forces abroad and to be able to project power around the globe.

A brief glance around the world shows the variety of dangers the United States must be prepared to meet:

Russian troops are turning Chechnya into a wasteland and Russian neighbors into colonies, while Russian engineers prepare to build nuclear reactors in the terrorist theocracy of Iran and Russian officials threaten the independence of the Baltics;

China also plans to sell Iran nuclear reactors and seems intent on becoming a regional hegemon, claiming sovereignty over the strategic South China Sea, extending its coastal defense perimeter 10-fold out to 2,000 miles, and backing these claims up with military deployments;

Iran is aggressively pursuing nuclear weapons while also deploying Russian-built submarines and Chinese- and North Korean-built missiles in order to gain control of the Persian Gulf and dominate its neighbors;

North Korea has violated last October's nuclear agreement and continues to mass troops and artillery on the DMZ, making an Asian nuclear arms race and another Korean war real possibilities.

NATO is edging closer to intervening in Bosnia in order to rescue the U.N. troops deployed there, which would put some 25,000 United States troops in the midst of a seemingly intractable war.

Those who view this as merely a list of hypothetical risks unlikely to require American military deployments would do well to recall that since the end of the cold war, U.S. Armed Forces have been sent into action repeatedly on some 2½ dozen operations.

While members of the Armed Services Committee are on record as favoring increases in the defense budget, this amendment would merely slow the decline in defense spending over the next 7 years. Even if this amendment is adopted, defense spending will continue to decline in real terms for another 7 years, resulting in 17 straight years of cuts in the defense budget.

Given the tremendous cuts imposed on the defense budget in recent years and the great uncertainty we face around the world, we cannot continue to gut America's Armed Forces. The military is already strained by the unprecedented number of peacetime operations it is being ordered to undertake.

Mr. President, listening to the leaders of our Armed Forces and looking around the world, we are compelled to conclude that putting the brakes on military spending cuts is not merely a wise position, it is a national security imperative.

I urge my colleagues to support the Thurmond amendment.

Mrs. MURRAY. Mr. President, I rise in strong opposition to the Thurmond-McCain amendment, which seeks to increase defense spending by $68 billion over the next 7 years, and pay for that increase by making further cuts in domestic programs.

In this era of shared sacrifice where no one is spared the budget ax—not children, seniors, nor veterans—I fear that those who would now ask the Senate to increase the level of defense spending simply do not understand the true war this country is fighting.

Mr. President, it is America's families who are on the front lines today, fighting to find a safe place to live, a sound education for their children, affordable health care, and job security.

It is the war against crime, poverty, ignorance, and AIDS that needs to be this country's priorities as we approach the next century.

During the cold war, Americans made sacrifices here at home so that our national resources could be used to defeat communism around the globe. The Berlin Wall fell in 1989, and with it, the Warsaw Pact. The Soviet Union officially dissolved in 1991. We fought the war, and we won.

In the aftermath of the cold war, I believe American families deserve to live in a safer and more stable world. They deserve to know that more of their tax dollars are going to educate their children and police their streets.

The Republican budget before us today, which outlines their spending priorities for the next 7 years, makes deep cuts in programs for children, the poor, veterans, and the elderly, while insulating defense spending from cuts.

And now we are asked to support an amendment which would add $68 billion more in defense spending, and to pay for that increase, American families would have to accept yet deeper cuts in domestic programs.

Even without this amendment, let us remember what the Republican budget is asking of American families.

Teachers and students are asked to accept dramatic cuts in education spending, worker training programs, and student loan assistance.

Preschoolers and their parents must accept a 30-percent cut in Head Start funding, which will deny as many as 100,000 low-income children the benefit of a preschool education.

Rural Americans will be asked to accept 20-percent cuts in mandatory agriculture spending.

Children and the elderly will be asked to shoulder $400 billion in Medicare and Medicaid cuts. In America today, one in four children, and one in three infants, are covered by Medicaid.

The earned income tax credit, a program to help keep working families off welfare, will be cut by 11 percent.

Our Nation's scientific community must accept $25 billion in cuts for basic research.

The budget blueprint before us increases the veterans' contribution for GI bill education benefits, and freezes funding for the VA's medical system at the 1995 level for the next 7 years, cutting access to health care for veterans around the Nation. Under the Republican proposal, the VA will be forced to close the equivalent of 35 of its 170 hospitals and deny care to over 1 million of our Nation's vets.

And if we accept the amendment now pending before the Senate, American families would be asked to accept even deeper cuts in education funding, crime control, and other important domestic programs.

Proponents of this amendment point to recent declines in defense spending with alarm. While spending for our military is down from the mid-1980's level, we must keep this trend in perspective. The United States today has the largest military budget and the most powerful military force in the world.

The combined military budgets of Russia, Iraq, China, North Korea, Libya, Iran, Syria, and Cuba total $95 billion annually. That is one-third the level of U.S. defense spending. Each year, the United States spends more than the next nine of the world's biggest military spenders combined.

In fact, this country spends so much for defense, even the Pentagon can't keep track of it all. According to the GAO and the Pentagon's inspector general, as well as the Pentagon's Controller John Hamre, billions of defense dollars are lost year after year due to poor recordkeeping and lax accounting practices at the Department of Defense.

According to GAO, each year the pentagon pays private contractors up to $750 million it does not owe them—with businesses often paid twice for the work they have done. And at this point, according to the Pentagon, there is really no way to retrieve these lost funds, or to stop the massive overpayments.

Billions of dollars simply lost in the system, Mr. President, in an era when we are saying no to university scientists looking for cures to devastating diseases.

Billions of dollars lost in the system when we are saying no to preschoolers who need HeadStart programs.

Billions of dollars lost in the system, when we are saying no to our Nation's elderly, who thought they could rely on Medicare in their final years.

Billions of lost dollars when we are saying no to basic scientific research, which has fueled our economy for decades.

At the very least, Congress should hold defense spending to the President's level until the Pentagon can fix their payment procedures and bring some accountability to the system. We owe that much to the Nation's taxpayers.

Our debate today is about deficit reduction—which requires hard choices. Under the Senate budget plan, the United States will continue to maintain the strongest military in the world. Today the military's share of the gross domestic product is 4.6 percent, which is higher than the entire Federal domestic discretionary budget combined 3.7 percent.

And in the current international climate, where the United States remains the only military superpower, we are also the dominant economic and political actor on the stage. In this role, we must increasingly emphasize nonmilitary solutions to global conflicts—diplomatic negotiations, multilateral efforts, and regional responses.

But most of all, in order to project strength abroad, we must gain strength here at home. Our national security, in my view, will not be strengthened by yet more guns and missiles. We need to restore global economic leadership. We must invest in our children and their future—in their education and their health. We must rebuild our cities and our infrastructure, and invest in technology and scientific research.

We must ensure that the economy our children inherit in the next century is sound and growing.

Mr. President, I will end with a quote from Dwight Eisenhower, who observed in 1953,

> Every gun that is fired, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. The world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children.

General Eisenhower had it right. Mr. President, I urge my colleagues to defeat the Thurmond-McCain amendment.

Mr. COATS. Mr. President, I am a supporter of this historic budget. But I want briefly to comment on the level of defense spending it recommends—a level I believe is clearly inadequate to retain our long-term readiness and the quality of life of our men and women in uniform.

Balancing the books is one of the most important duties of Government. But it is not the first duty of Government. That duty is the defense of our country, this means more than defending our borders. It means shaping a security environment that will be favorable to America in the future. It means providing our troops with the training they need and the equipment they require.

The Armed Services Committee has spent a good deal of time and effort this spring, through hearings and briefings, exploring the current and future needs of our military.

Although the cold war is over—we have found that the demands we place on our military have not diminished. If anything, they have expanded—into quick deployments, in high-risk situations, under tremendous danger and strain. For example:

Our shrinking forces in Europe—from 314,000 prior to the fall of the Berlin wall and now rapidly approaching 100,000—have been deployed in more missions in the last 5 years than in the previous 45 years.

The average soldier now spends approximately 138 days each year away from home on extended, short notice deployments. This must be combined with extensive training to maintain key skills.

Our Navy surface ships, and the men and women who man them, are deploying and training at tempos that keep them away from home in excess of 130 days per year, on average.

The Marines currently have 24,000 people deployed overseas carrying out 911 fast reaction assignments. Just to give you some concept of the pace of change in the Marines, the total manning level for the Marines has been stabilized at 178,000. During the last 5 years, the Marine Corps downsized 24,000 personnel—the same figure which is currently deployed.

The Air Force has gone from 18 active fighter wings to 13 wings resulting in a four-fold increase in deployment obligations over the last 7 years—while drawing down the overall end strength by one third. These commitments have required a quadrupling of the total number of people deployed over the last 5 years.

My point is this: A serious gap is opening between the military mission we define and the level of funding we provide. Unfortunately, the budget resolution before us continues this dangerous trend, which may leave our forces without the tools, training or equipment to fulfill future tasks we will ask of them.

The Gulf war is our benchmark of American military success. It is an effort we must be able to duplicate, well into the future. But even that war was conducted under the most favorable circumstances.

We had 6 months to move equipment and troops into the region. It is very unlikely we will enjoy that sort of advantage in other situations.

Our training and logistics were given extensive time to put into place.

Our opponent had inferior technology, and no known weapons of mass destruction.

All the surrounding countries in the region were friendly.

The international community was solidly behind us.

As we plan for the next war—a war we hope will never come—it would be foolish to base our strategy on advantages we enjoyed in the last one. And I am deeply concerned we have squandered some of the advantages we can control.

If we attempted today to engage in a major regional conflict, I believe we have placed artificial handicaps on our ability to project American power. Future enemies have gained from the lessons learned by Iraq, and will not allow a protracted buildup to take place. We would not be able to conduct such a war because the shortfalls in air and sea lift capabilities would prevent it.

The drawdown in personnel over the last 4 years is another critical element in this debate. The proposed budget levels will not allow us to adequately address these shortfalls. We need additional funding in defense to develop capable and modern equipment, and allow our men and women to do the job assigned to them.

In addition, with this continued decline of our defense, we are sending the wrong message to the world, especially to our allies—a message of retreat and withdrawal. America has world-wide commitments and national interests which must be maintained. Our ability to back-up those obligations, with a strong and viable military, should be one of our highest priorities.

If we build our economic security but cripple our military capability in the process, then we will have failed both our children and our Nation. Maintaining America's national strength is our best assurance of peace—and that peace is worth the price.

Mr. President. I support the Thurmond amendment. It is an effort to reverse a dangerous trend, and restore a national resource—the strength of our Nation. I urge the Senate adopt the amendment from the Senator from South Carolina.

Mr. THURMOND. Mr. President, before the Senate votes on this amendment, I want to be sure that my colleagues on both sides of the aisle understand the importance of this vote.

If the Senate elects not to support an increase in defense spending, then the responsibility for underfunding defense for the last 2½ years will no longer rest with the administration. By accepting the Budget Committee recommendation to accept the administration's proposed defense budgets we, the Members of the Senate, must bear full responsibility for decreasing readiness and the lack of modernization in our Armed Forces.

The Armed Services Committee has received a large number of letters requesting assistance and support for items in the defense budget or funds to be added in the authorization process. I want to make it clear that it will be very difficult to include any new programs or proposals that add money to existing defense programs without the increase in funds this amendment provides. Furthermore, resources to provide additional equipment for the National Guard and Reserves will not be available. Programs within the budget that are already at jeopardy such as the third *Seawolf* submarine are at greater risk without the increase this amendment provides.

Mr. President, this is not a threat but reality. I hope all my colleagues will consider this amendment carefully and vote to provide the funds needed for an adequate defense for our Nation.

Mr. ABRAHAM. Mr. President, I rise in support of the Thurmond-McCain amendment to increase the level of defense spending to a reasonable level. Throughout my campaign, I promised the voters to oppose additional cuts in defense, and sufficiently fund important weapons systems modernization programs needed to ensure our forces' technological supremacy. Although there may no longer be a monolithic threat to our existence, there are a myriad of threats and strategic interests which warrant a United States military force level capable of protecting them.

In defining and protecting the U.S. strategic interests, the Clinton administration has been negligent. It has consistently failed to request the funds necessary to field, maintain, and train the forces necessary to carry out its own National Security Strategy. Estimates of this budget shortfall range from almost $50 billion to over $480 billion during the next 5 years. In fact, the President's budget will allow military spending to fall below the anemic levels provided to the hollow forces of the Carter administration. From 1985 to the end of the Clinton administration's budget in 2001, critical procurement modernization programs will fall over 57 percent, while research and development spending is cut by almost 40 percent.

Therefore I believe our military capability is seriously compromised. Senator MCCAIN's February 1995 Report on Military Capabilities and Readiness stated that although smaller forces can still be militarily effective, they must also be "continually enhanced through modernization." The former service Chiefs of Staff who conducted this study found military modernization at a standstill, while procurement and research and development budgets were insufficient to maintain our force's technological superiority.

Mr. President, in light of these conditions, I find it imperative to support the amendment proposed by Senator THURMOND. This amendment would increase defense spending by $67.9 billion over 7 years and finance it by an equivalent reduction in non-defense discretionary spending. As I mentioned during the debate on the Gramm tax cut amendment, I agree that it is possible to reduce discretionary spending further than what is proposed in the budget resolution. However, I do not think it is prudent to do so on a proportionate across-the-board basis. In my judgement, additional program eliminations and consolidations in targeted areas of the budget is the proper course to follow.

In closing, providing for the Nation's defense is the Federal Government's first and primary responsibility. To allow the President to deplete our military below that level necessary to protect our strategic interests is irresponsible and ill-advised. We must increase the funding to the National Defense account and we must do it now.

The PRESIDING OFFICER (Mr. ABRAHAM). Who yields time?

Mr. DOMENICI. Mr. President, I think the time is getting out of balance in terms of those in favor and those opposed. Do we have any people who might speak in opposition?

Mr. EXON. We will have somebody in just a moment.

There has been some misunderstanding on time. At the present time, will the Chair advise the Senate how much time is allocated and remaining to the proponents of the amendment, and what is the split on the time with regard to the other side?

The PRESIDING OFFICER. The proponents have 25 minutes remaining. The opponents, the Senator from Nebraska, would have 50 minutes.

Mr. EXON. Mr. President, I did not hear the time in answer to my question.

The PRESIDING OFFICER. I am sorry. The proponents would have 25 minutes remaining. Senator DOMENICI would have 10 minutes. And you would have 50 minutes remaining.

Mr. EXON. I thank the Chair.

Mr. DOMENICI. Did Senator THURMOND want to yield some time or did he want to wait?

Mr. THURMOND. I will wait and let them speak.

Mr. DOMENICI. I think that would be fair.

Mr. EXON. I inquire of the Senator from Iowa, [Mr. GRASSLEY], who asked for some time, is he prepared to offer his remarks at this time?

Mr. GRASSLEY. Yes, I am.

Mr. EXON. How much time does the Senator from Iowa wish?

Mr. GRASSLEY. Could I have 5 minutes for the moment. I may want some time later on.

Mr. EXON. I yield 5 minutes, and if the Senator needs more time I will be glad to yield it.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this is a battle that is mainly being fought on the Republican side. There are Republicans who are bent on pumping up the defense budget once again. There are a lot of Republicans on this side who are of the opinion that that should not be done. They may not speak as well about that issue, so I am going to do what I do quite often, oppose the efforts by my distinguished colleagues on the Republican side of the aisle, to make sure that we do not spend any more money on defense than what is in the very well-crafted compromise put together by the distinguished chairman of the Budget Committee, Senator DOMENICI.

The proposal to pump up the defense numbers makes no sense at all. I think it defies all reason and all understanding. I am baffled by their proposal; more important, baffled by the number of $92 billion, higher than anything I had heard spoken of behind the scenes over the last month that might come up at this particular time.

What they are doing is starting back on the slippery slope towards higher defense budgets that is a license for further waste and mismanagement. Not only that, but the world situation does not call for spending more money at this particular time. The Soviet threat is gone. The cold war is over. But the debate in Congress for spending more for defense is reminiscent of that era.

There has been a dramatic decrease in the primary threat to our national security as we knew it. We have rewritten our national security goals, but the budget that my colleagues want the increase for is defined in those cold war terms.

The defense budget is coming down, and it should be coming down. So why do they say that it needs to go up? Why and for what? There is no good reason. The bureaucrats at the Pentagon say that they need more money, and they say they need it right now. That is the reason. That happens to be the only reason.

Once again I wish to remind my colleagues what happened on May 2, 1985. The Reagan administration was trying to continue the pumped up defense numbers that had been in existence for 3 years at that particular time. They were trying to push defense spending from around $255 billion in fiscal year 1985 to around $300 billion in fiscal year 1986, and then to $400 billion, and then to $500 billion in the years beyond.

Now, that was at the height of the cold war and the height of Soviet military power. The rise in the Soviet military power was the principal driver behind the plan to push the Pentagon budget to $500 billion by the year 1990. But on May 2, 1985, the Senate rejected this Reagan defense budget buildup even in the face of massive Soviet military power.

This measure, the fiscal year 1986 budget resolution, put a brake on that, effectively ending the planned growth of the Pentagon budget. If we rejected a defense budget buildup to those numbers in 1985 when we were confronted with a serious military threat, why would we now move to pump up the budget when that threat has literally evaporated? Why would we do that?

As we learned back in the 1980's, higher defense budgets only bring higher costs, more overhead, and more waste, as long as the Department of Defense management leadership remains AWOL. More money for defense when the threat to our national security has decreased dramatically cannot be justified. The numbers before us in this amendment then cannot be justified.

May I have 2 more minutes?

Mr. EXON. I yield 2 additional minutes.

Mr. GRASSLEY. The international situation today as we know it points to decreasing threats and a call for defense numbers to stay flat. If we pump up the budget now, we will be buying weapons that we do not need, weapons like the *Sea Wolf* submarine, the F–22 fighter, more B–2 bombers, *Comanche* helicopters, all designed to defeat a threat that no longer exists. The *Sea Wolf*, the F–22, the B–2 and the *Comanche* are all cold war relics. The cold war warriors are trying to buy cold war weapons on a post-cold war budget. That is the only reason we are having the debate on this amendment today.

This kind of defense policy will give us another hollow force like we had in the 1970's. We will end up with another hollow force because the cold war warriors have to rob the readiness accounts to pay for the cold war relics. They have to rob the readiness accounts because all the cold war weapons are underfunded. They are underfunded because this outrageous price tag cannot be justified in the absence of a Soviet military threat.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield 12 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Nebraska. I congratulate him on his excellent work on this measure.

Mr. President, a number of recent newspaper articles, in the Washington Post and the Baltimore Sun, have reported on the extent of financial mismanagement in the Department of Defense. These reports indicate that this mismanagement has resulted in at least $28.8 billion lost in overpayments to defense contractors or simply unaccounted for over the past decade. Unbelievably, this amount is down from $48.7 billion in 1993. The current Department of Defense comptroller, Mr. John Hamre, has had the unenviable task of trying to sort out the extent of the problem and the multiple causes for it. He is to be commended for his diligence and honesty in dealing squarely with this issue, and he deserves our support as he attempts to correct the underlying morass of multiple and confusing payment and accounting systems that created the current crisis. But the fact is, the Department of Defense cannot adequately safeguard the roughly $260 billion that it is entrusted with each year. Yet the amendment before us would increase the money entrusted to the Department of Defense by $92 billion over 7 years. This amendment would cut deeper into the shrinking accounts for energy, agriculture, education, and law enforcement programs—programs that directly benefit every American citizen—in order to pour more money into a defense money bucket that has so many holes in it that it might better be described as a money sieve.

According to the press reports, which also cite Department of Defense Inspector General and the General Accounting Office reports, basic accounting and record-keeping procedures, required of even the smallest private office, are not widely followed in the Department of Defense and the military services. Invoices and payment records are not reconciled, yearly tracking of funds spent on equipment or programs is not done, and program managers are authorized to write checks on the Department of Defense account without checking the balance in the central registry. And the Department of the Treasury covers the Department of Defense's bad checks, so no one is ever held accountable for their profligate spending. Charles A. Bowsher, the Comptroller General of the United States for the General Accounting Office, has stated in written testimony before the Appropriations Subcommittee on Defense that "none of the military services or major DOD components have produced reliable financial statements since the passage of the CFO [Chief Financial Officers] Act of 1990."

According to the DOD Inspector General, $14.7 billion cannot be accounted for with invoices, so the Department of Defense cannot say that it is not buying unneeded or unnecessary items. Over $7 billion worth of goods and services were purchased by military offices in excess of the amounts authorized by Congress. Every year, the Department of Defense overpays defense contractors by $500–750 million. According to the General Accounting Office, while contractors generally notify the Department of Defense when they are overpaid, they may not return the payments unless instructed to do so. As of July 1994, a sample of large and small defense contractors were holding approximately $231.5 million in contract overpayments, including one that had been outstanding for about 7 years, costing the Government about $5 million in interest. This is not a system that needs more money added to it.

While many of these appalling examples of waste are due to the problems inherent in antiquated and confusing accounting systems, 19 different payroll systems, and over 200 different contracting systems, there are also troubling examples of potential fraud that are being investigated. One involves an investigation into whether Air Force officials used money from various weapons programs to construct a golf course. In today's difficult fiscal environment, it is essential that every defense dollar goes toward maintaining the readiness of our fighting forces and is not diverted to golf courses or to purchasing items in excess of defense needs because we cannot keep track of our money.

Secretary of Defense Perry and Mr. Hamre have made great progress in correcting this mess, which stretches back over decades but was exacerbated during the defense buildup in the 1980's. The number of accounting programs are being reduced, the financial staff is being halved and consolidated from 300 offices nationwide to 25, and a system is being implemented to check all payments against invoices. The number of different military and civilian pay systems have also been reduced.

These are important steps, and they are necessary steps. In his written testimony before the Senate Appropriations Defense Subcommittee this morning, Mr. Hamre estimated that through the consolidation and standardization of its financial systems and operations, the Defense Finance and Accounting Service will achieve substantial savings in its own operating costs, on the order of $57 million in fiscal year 1997. I would hope that these savings would be put to use further upgrading and consolidating the Department of Defense accounting systems into a smoothly functioning system. Improvements in financial management at the Department of Defense should whittle down the current $28.8 billion in so-called "problem disbursements." These savings should fund increases in defense programs, not false savings brutally carved with a meat ax from already lean energy, agriculture, education, and law enforcement programs.

Mr. President, I urge my colleagues to vote against this amendment, and I say that with all due respect to the cosponsors thereof.

Mr. President, I ask unanimous consent that the articles to which I referred in my statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

[From the Baltimore Sun, May 17, 1995]

PENTAGON UNABLE TO ACCOUNT FOR $28.8 BILLION; ERROR-PRONE PAYMENT SYSTEM CITED

(By Gilbert A. Lewthwaite)

WASHINGTON.—The Pentagon is facing an accounting gap, with discrepancies on its books totaling $28.8 billion, its top financial officer told Congress yesterday.

The problem includes a $13 billion imbalance between checks the Pentagon has written over the past 10 years and the vouchers it can produce to account for those payments. The other $15 billion is from a variety of bookkeeping shortcomings.

Pentagon comptroller John Hamre said $1 billion worth of "problem" disbursements were being made monthly without being properly matched to invoices.

"We got into this sad state of affairs because we designed a system where you pay now and account later," he told the Senate Armed Services subcommittee on readiness. "It isn't that we have wicked people trying to screw up, it's that we have a system that's so error-prone that good people working hard are going to make mistakes."

The Pentagon's finances are in such bad shape that Sen. Carl Levin, a Michigan Democrat, said the Defense Department may need the sort of financial control board imposed on the District of Columbia.

"This is totally unacceptable. There is a lot of money here which is going through the sieve," said Mr. Levin, adding that voters experienced "frustration, disappointment, indeed, anger" over reports of continuing Pentagon waste, fraud and abuse, particularly at a time when Congress was ordering major spending cuts in other programs.

Mr. Hamre, in an effort to explain the accounting difficulties, said the Pentagon each month processes 2.5 million invoices, spends $9.2 billion and issues 10 million paychecks.

"So that's 10 million times to get things screwed up," he said.

His own pay, he said, had been miscalculated six times in the 18 months he has spent in the department, adding: "And it's really bad when you screw up your boss' pay. And I've done that a couple of times."

Mr. Hamre's boss, Defense Secretary William J. Perry, has made financial reform a priority in an effort to save money, which can be spent on improving the combat readiness of the armed forces.

The Perry plan calls for reducing the 250 accounting systems the Pentagon operates, halving of the financial staff of 46,000 to 23,000 in five years, and consolidating 300 accounting offices nationwide into 25 financial centers.

To phase out the practice of paying first and accounting for the payment later, beginning July 1 any Pentagon payment of more than $5 million will have to be checked against an invoice, said Mr. Hamre. After October 1, the new rule will apply to payments of more than $1 million. Eventually it will apply to all payments.

The military pay systems for uniformed personnel has been reduced from 18 in 1991 to six today, and will be down to two in 1997. Civilian pay systems have been reduced from 18 to 10. By 1998 there will be a single civilian pay system.

Mr. Hamre said the Defense Department was also screening its retirement rolls after 1,000 military pension recipients in the Philippines failed to turn up at the U.S. Embassy to confirm their status. They were then struck from the rolls.

The Senate panel heard that in fiscal 1994 the Pentagon was accountable for more than $1 trillion in assets, 3 million military and civilian personnel, and $272 billion in expenditures—approximately equivalent to 50 percent of the federal government's discretionary spending.

"It's big bucks," said Sen. John Glenn, a leader in the decade-old campaign to reform the Defense Department's accounting systems. "If any of the civilian agencies on the chopping block had [the Pentagon's] record on financial management, they would probably be at the top of the hit list."

Charles A. Bowsher, U.S. comptroller general and the top federal financial watchdog, said the Perry blueprint for financial reform was "a good overall plan," but he added that only "modest progress" had been made in implementing it.

Asked about overpayments of an average $750 million yearly to defense contractors, Mr. Bowsher said that frequently it was the contractors themselves who revealed the overpayments to the Pentagon.

An accounting firm, hired by the General Accounting Office to check on 5,000 defense contracts since 1990, found $285 million in overpayments. To date the Pentagon has demanded repayment of $133 million, but has actually collected only $85 million, a GAO official said.

Mr. Bowsher also pointed to the "Byzantine" process of obtaining a military travel voucher, which involved 40 transactions costing the defense department 30 cents for every travel dollar. Administrative charges in the private sector were down to 1 cent for every dollar, he said.

[From the Washington Post, May 14, 1995]

BILLIONS GO ASTRAY, OFTEN WITHOUT A TRACE

(By Dana Priest)

Each year, the Defense Department inadvertently pays contractors hundreds of millions of dollars that it does not owe them, and much of the money is never returned.

In addition, the department has spent $15 billion it cannot account for over the past decade.

And Pentagon purchasing agents appear to have overdrawn government checking accounts by at least $7 billion in payment for goods and services since the mid-1980s, with little or no accountability.

Unlike the infamous $7,600 coffee pot and $600 toilet seat pricing scandals of years past, these problems, and many more, are the result of poor recordkeeping and lax accounting practices that for years have characterized the way the Defense Department keeps track of the money—$260 billion this year—that it receives from Congress.

According to a series of investigations by the department's inspector general and the General Accounting Office, and ongoing work by Pentagon Comptroller John J. Hamre, the Department's systems of paying contractors and employees are so antiquated and error-prone that it sometimes is difficult to tell whether a payment has been made, whether it is correct, or even what it paid for.

Just how much money does the poor accounting waste?

Former deputy defense secretary and new CIA Director John M. Deutch wouldn't hazard a guess. "Lots," he scribbled recently on a reporter's notebook in response to a question.

For months after he took the job as chairman of the Joint Chiefs of Staff in late 1993, Gen. John Shalikashvili received paychecks for the wrong amount. In the last year and a half, Comptroller Hamre counted six problems with his own pay.

A paper-based system in which items frequently are misplaced or lost and computers that often cannot talk to each other are part of the problem. But there are other major systemic weaknesses. A lack of basic accounting procedures—such as matching invoices and payment records, or keeping track of money spent on a given piece of equipment from one year to the next—has made it impossible to determine how billions of dollars have been spent by each of the service branches.

In addition, Hamre explained, tracking the money has been nearly impossible because 300 different program directors—the Air Force F-16 fighter program director, the commanding officer of an aircraft carrier, the head of a maintenance depot, for example—have had separate checkbooks, each one free to write checks without regard to the balance in the Pentagon's central registry.

The U.S. Treasury has always paid the bills, even when there was no money in a given project's account, because it assumes any error was unintentional and someday would be corrected, said Pentagon officials and inspector general investigators.

"There's this huge pot of money over there in the Treasury that you can keep drawing down," said the Deputy Inspector General Derek J. Vander Schaaf. "As long as your [overall] checkbook's good," he said, meaning the Treasury, "nobody screams."

The problems were created over several decades and made worse during the 1980s Reagan administration defense buildup during the latter days of the Cold War, when there was little political will to scrutinize the record sums being spent.

Today, however, even ardent defense hawks have become disturbed over the mismanaged flow of funds. Some Republicans who looked deeply into the matter are suggesting a freeze on military spending until the Pentagon's corroded payment system can be permanently fixed.

"The defense budget is in financial chaos," said Sen. Charles E. Grassley (R-Iowa), who is advocating a freeze. "The foundation of the defense budget is built on sand."

A Senate Armed Services subcommittee is scheduled to hold a hearing on the problems Tuesday. It will be chaired Sen. John Glenn (Ohio), a Democrat, who was authorized by Republicans to conduct it because of his long-standing interest in the subject.

Among the problems detailed by the Defense Department, the Pentagon inspector general and the GAO:

Of the 36 Pentagon departments audited by the inspector general (IG) in the last year, 28 used "records in such terrible condition" as to make their annual financial statements—an accounting of money collected and money spent—utterly worthless, said Vander Schaaf.

Financial officials cannot account for $14.7 billion in "unmatched disbursements," checks written for equipment and services purchased by all military units within the last decade. This means that accountants know only that a certain amount of money was spent on the overall F-16 jet account, for example, but not how much was spent on F-16 landing gear or pilot manuals because they cannot find a purchase order from the government to match the check.

"You don't know what you're really paying for," Vander Schaaf said.

The $14.7 billion represents "hard-core problems" where department accountants have tried but failed to find the records. "We could be paying for something we don't need or want," said Russell Rau, the IG's director of financial management.

In the last eight years, various military offices appear to have ordered $7 billion worth of goods and services in excess of the amount Congress has given to them to spend. These "negative unliquidated obligations" may indicate that a bill has been paid twice or mistakenly charged to the wrong account because bookkeepers at hundreds of maintenance depots, weapons program offices and military bases did not keep track of payments they made, said Vander Schaaf.

Of the $7 billion "the government has no idea how much of this balance is still owed," Rau said.

Hamre has threatened to take part of the $7 billion out of the military services' current operating budget if they cannot find documentation for the expenditures by June 1.

Every year the Defense Department pays private contractors at least $500 million it does not owe them, according to Vander Schaaf. The GAO believes the figure is closer to $750 million.

The payment system is in such bad shape that the Pentagon relies on contractors to catch erroneously calculated checks and return them. Many of the overpayments are due to errors made on a paper-based system in which harried clerks are judged by how quickly they make payments. And because there is no adequate way to track the amount of periodic payments made on a contract, businesses often are paid twice for the work they have done.

Defense Department finance officials believe they are recouping about 75 percent of the overpayments, although they admit they have no way of knowing exactly how much is being overpaid.

Today, after an 18-month struggle by Hamre to turn the situation around, the department still has 10 payroll systems and 200 different contracting systems.

Hamre, who wins praise from Republicans and Democrats for his efforts, has undertaken a major consolidation of payroll and contracting offices. He has opened more than 100 investigations into whether individual program managers or service agencies violated the law by using money appropriated for one program for something else or for paying contracts that exceeded their budget.

He has frozen 23 major accounts and has stopped payment to 1,200 contractors whose records are particularly troublesome. In July, clerks will be prohibited from making payments over $5 million to any contractor "unless a valid accounting record" of the contract can be found. By October, the amount drops to $1 million, which means it will affect thousands more contracts.

According to Hamre and Rau, a number of cases are under investigation for possible violations of the Anti-Deficiency Act, the law that governs how congressionally appropriated money must be spent. Penalties range from disciplinary job action to criminal prosecution. Investigators are trying to determine:

Why there is an unauthorized expenditure of around $1 billion on the Mark 50 torpedo, and the Standard and Phoenix missiles. Hamre and Rau suspect that Navy officials used money appropriated for other items or wrote checks on empty accounts to pay contracts from 1988 and 1992.

Whether Air Force officials used money from various weapons programs to build a golf course at Wright-Patterson Air Force Base in Ohio beginning in 1987.

What happened when some programs ran out of money. "There are some [cases] in the Air Force now that really stink," Hamre said. When money for the Advanced Cruise Missile ran out, Air Force officials simply terminated the existing contract and rewrote another, more expensive one the following day, Pentagon investigators recently concluded. In order to pay for cost overruns associated with the new C-17 cargo plane, contract officials simply reclassified $101 million in development costs as production costs.

Hamre said the services allowed such money mingling to go on partly because of the complexity of the yearly congressional appropriations process. "People want to find an easier way to get the job done," he said. "They are trying to get some flexibility in a very cumbersome system."

But, he added, some services also have resisted correcting problems and punishing wrongdoers. "I'm very frustrated by it," he said. "In the past, they just waited until people retired. It was the old boy network covering for people."

The Defense Department is unlike any government agency in scope and size. It sends out $35 million an hour in checks for military and civilian employees from its main financing office in Columbus, Ohio. And it buys everything from toothbrushes to nuclear submarines; about $380 billion flows within the various military purchasing bureaucracies and out to the private sector each year.

It takes at least 100 paper transactions among dozens of organizations to buy a complex weapons system. Some supply contracts have 2,000 line items and, because of the congressional appropriations process, must be paid for by money from several different pots.

Fixing the problems without throwing the entire system into chaos, Hamre said, "is like changing the tire on a car while you're driving 60 miles per hour."

But some argue it has never been more important to make the fixes quickly.

"Here we are in a period of reduced spending, it's critically important today that we get a bigger bang for the buck," said Sen. William V. Roth Jr. (R.-Del.), chairman of the Government Affairs Committee, where many of the current problems were first revealed. "We've got to put pressure on to expedite it. At best, it will take too long."

But in the world of Defense Department financing, time is not always a solution, as one small example illustrates.

In 1991, because of a computer programming error, the department's finance and accounting service centers erroneously paid thousands of Desert Storm reservists $80 million they were not owed. When officials realized the mistake, they began to send letters to service members to recoup the overpayments. Many veterans complained to Congress, which then prohibited the Pentagon from collecting any overpayment of less than $2,500 and made it give back money collected from people who received less than that amount.

To comply, the Defense Finance and Accounting Service (DFAS) payment centers in Cleveland, Denver, Indianapolis and Kansas City created new computer programs to cancel the debts and issue refunds. But they did not adequately test the new programs, IG and GAO investigators found.

As a result, the appropriate debts were not canceled, and improper amounts of refunds were issued, often to the wrong service member. The DFAS center in Denver, for example, canceled $295,000 that service members owned it for travel advances. In all, the botched effort to follow Congress's direction

> cost taxpayers an additional $15 million, Pentagon officials said.
>
> "It isn't possible now" to recoup the money, Hamre said. "We can't reconstruct the records. We admit were really, really bad. We don't do it again." The IG's office has agreed that it would be too costly to reconstruct the records and recoup the loss.
>
> As he often does when he testifies about these matters on Capitol Hill, Hamre confessed to the Senate Armed Services Committee recently: "We've made a lot of progress. But we've got a long way to go."

Mr. BYRD. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield Senator NUNN 5 minutes.

Mr. NUNN. I thank my friend from South Carolina.

Mr. President, I rise in support of the Thurmond-McCain amendment to increase the defense spending levels in this budget resolution.

For over 2 years, I have been expressing my concern that projected defense budgets are not sufficient from four standpoints: First, to maintain the current readiness of our forces; second, to provide the standard of living that military personnel and their families expect and deserve; third, supporting the force structure necessary to carry out the full range of missions that we expect our military forces to be able to perform; and fourth, to provide for the modernization that is the key to the future capability of those forces. The modernization of our forces, which is essential to future readiness, is an area of increasing concern, Mr. President, and this is an area where we are most deficient today.

The men and women in the military continue to perform superbly every time they are called on, and we are calling on them all the time. We owe it to them to give them the support they need to do their job. We also have to ensure that the men and women who will be called on 5, 10, or 20 years from now will have the same advantages vis-a-vis their opponents that our forces have today, including the technological superiority that played such a key role in Operation Desert Storm and plays such a key role everywhere our forces are deployed today.

While I am encouraged by the funding for readiness, military pay raises, and quality of life initiatives Secretary Perry has recommended in the President's budget, I think there are clearly insufficient funds going into modernizing the force. Modernization, for the most part, is delayed into the outyears under the current future years defense program. We all know how illusory these budget projections become 4 or 5 years down the road.

Under the current budget, 1996 and 1997 will be the second and third straight years during which the Air Force will not purchase a single new fighter aircraft. The Air Force has no bomber program. Our leading standoff weapon program has been canceled, yet the budget, at this stage, contains no funds to replace that capability. The number of Navy ships is not nearly enough to replace even a 300-ship Navy, and the Marine Corps is years away from having a replacement for its aging amphibious assault vehicles. It would not take long to list the Army's modernization programs, but it would take a long time to list the deficiencies in that program.

The fiscal squeeze on the defense budget is already intense. As we seek to balance the budget, and properly so—especially if we try to enact tax cuts, which I think are ill-advised, and which I hope this body will vote against this afternoon—if we do that, however, the pressure is going to get more and more intense on the defense budget. This gives me even less confidence in the outyear funding predictions that show funds for defense modernization increasing.

In my view, we need to increase the defense topline now particularly in the outyears, to restore the balance to our defense program. We also need to reinstate the firewalls.

And I congratulate the chairman of the committee and the members of the Budget Committee for doing this in the resolution. That is enormously important to protect any defense increases we are able to achieve and to provide some stability in the defense budget. Firewalls have not and will not mean that defense cannot be cut. What it does mean is that these cuts will not be shifted to other programs, and that means that if there are defense cuts and the firewalls are in, then the cuts will go to deficit reduction. I believe that is appropriate, and I think that is the way that defense is best protected.

We have been reducing the defense budget for a long time. The current builddown started during President Reagan's second term, even before the fall of the Berlin Wall, and continued, accelerated, throughout the Bush administration and the current administration. I believe the time has come to stabilize the defense budget as much as possible, since the defense budget has already made a greater contribution to deficit reduction than any other part of the budget; I might add, than all of the budget combined.

In my judgment, the administration needs to restore some balance to the defense program but Congress' recent action are a good news/bad news story.

The good news is that the House budget resolution provided an increase for the defense budget. This amendment would do the same in the Senate budget resolution. And the Senate budget resolution, unlike the House version, contains firewalls. But there has been bad news for defense as well.

THE SENATE RESOLUTION DOES NOT INCREASE DEFENSE

First, although there have been a lot of statements that the President's defense budget and Bottom-Up Review force structure are inadequate, this resolution as reported out by the Budget Committee contains no increase for defense above the levels proposed by the administration—in fact in the final 2 years it is lower than the administration's plan.

And while the House version of this resolution does increase defense, the House voted earlier this year in their tax cut bill to pay for the tax cut largely by cutting discretionary spending, which includes defense, and the House did not include firewalls in either the tax cut bill which reduced the discretionary caps or in their budget resolution. So the House has put discretionary spending on the table to pay for cutting taxes, which certainly makes it more difficult to find the money to increase the defense budget.

REQUIREMENT THAT DOD ABSORB THE COST OF CONTINGENCIES

Second, despite the frequent complaints about the cost of contingency operations and their effect on readiness, the defense supplemental enacted earlier this year required the Department of Defense to absorb almost the entire cost of these contingency operations—the very practice that had been criticized in the past. In fact, the House leadership wrote to the President earlier this year stating their intention that as a matter of policy all future supplementals would have to be offset.

This resolution would essentially adopt that same approach by requiring 60 votes for any future emergency supplementals, instead of a majority vote as has been the case in the past. Of course this only applies to discretionary funding, since entitlement programs could continue to increase without even requiring votes, let alone supermajority votes.

Mr. President, I have several concerns with the approach the Congress has taken on supplementals so far this year. The defense supplemental did not provide the net increase in defense spending for readiness that was requested by the Clinton Administration, despite the concerns many of my colleagues have expressed about readiness. The cost of these contingencies were made up almost entirely by cutting elsewhere in the defense budget, and those cuts came in modernization.

So the scorecard so far in this new Congress is that the defense budget, as it now stands, counting the supplemental, is below what President Clinton had asked for. So to those in the Congress of the United States who are saying the Clinton defense budget is too low, and people on both side of the aisle are saying that, I say to them we are cutting below the President's budget, not in this resolution, but in the overall supplemental and that approach.

I am also troubled by the impact that a policy of making DOD absorb the full cost of these contingencies could have on the defense budget and on defense management. It largely defeats the purpose of having supplementals, and I can already predict some of the problems we are going to have with this policy.

I am not sure we have really thought through the impact of what we may be doing to the military with this 100 percent offset approach. Earlier this year, Gen. Gordon Sullivan, the Chief of Staff of the Army, told the Armed Services Committee that if the Congress adopts a policy of forcing the military to completely offset the costs of any contingency operation:

> * * * it is just going to destroy our training programs, our quality of life programs, and it is going to be difficult to manage the readiness of the force * * *. It is going to come out of reducing real property maintenance. We may have to furlough civilians, terminate temporary employees, curtail supply requests, park vehicles, reduce environmental compliance. It is going to have a major impact.

General Sullivan said that in the event the military is told to assist a large-scale evacuation of U.N. personnel from Croatia:

> I just have to stop training, and I will have to move money around from elsewhere to keep that operation going since obviously what you expect me to do is to fight and win you wars. So, I will have to get the money from people who are not doing that to support it.

Now that may sound like an exaggeration to some, but if you understand the laws that govern the defense budget, you will see why General Sullivan's comments are right on target. The cost of an operation, such as paying for the airlift to get there, the fuel, spare parts, and so on, must come out of the operating budget. The military does not have the authority to fund contingency costs by diverting funds from the procurement of weapons, or from research or military construction or military personnel accounts, even if they wanted to.

And even within the operating budget, there are further constraints. A large portion of the operating account is civilian pay, so you cannot save money there without firing civilians. And you cannot cut really cut the money to operate the bases—you have to pay the light bill. So the areas General Sullivan is talking about—training, maintenance and repair of the buildings on our military bases—are the only areas where the military has the flexibility to change its plans halfway through the year. And in fact that is exactly what happened last year—money had to be diverted from training.

In addition to my concerns about the financial impact on the Defense Department if this bill is viewed as a precedent, I also share the concerns expressed by my friend Senator INOUYE about the long-term policy implications of telling the military any future contingency they are involved in is going to come out of their budget dollar for dollar. This is going to have an impact on their ability and their willingness to respond to situations like Haiti or Cuba, or especially a much more expensive operation like peace enforcement in Bosnia, in the future. In effect, we could have our funding and budgeting procedures dictating our foreign policy and our decisions on the use of force.

I hope we do not set in concrete a policy of making the Defense Department absorb the costs of contingency operations, because if we are telling the Department of Defense that any time there is an emergency that comes up and they come over and request supplemental funds that they are going to have to provide a 100-percent offset, then we are going to change the nature of the responsiveness of the Department of Defense itself to the missions that may, indeed, be crucial to our Nation's security.

If the Department of Defense is told that any unanticipated operation they undertake, either unilaterally or with NATO or the United Nations, is going to have to be completely offset within the defense budget, which means they are going to have to basically kill or substantially alter crucial defense programs in order to absorb those costs, then the result is going to be a very strong signal that the United States is not going to be as involved as we have been in world affairs, including commitments to our allies and commitments that we have voted for at the U.N. Security Council.

MODERNIZATION FUNDS ARE THE FIRST TO BE CUT

The future readiness and future capability of the Defense Department requires modernization and it requires research and development, and those are the programs that were cut to fund the defense supplemental earlier this year, and those are the programs that will continue to be hurt by this policy of requiring complete offsets for contingency operations. Five or ten years from now, people will have a very serious problem with readiness if we continue to declare there is no emergency even when our forces are responding to the unanticipated events that we all know will take place somewhere in the world from time to time.

This is why I am supporting this amendment to increase the defense topline number. We have cut the defense budget so much already that there is very little flexibility left to deal with the unexpected, even though we all know that the Defense Department always has to be ready for the unexpected—we expect them to be ready for the unexpected. And I am very concerned that as we struggle to live within these drastically reduced budgets without further reducing our military capability, the Congress will, acting in good faith to preserve readiness, make cuts that will cause great harm over the long term.

You need look no further than the supplemental enacted earlier this spring to see the warning signs. What was cut to offset the cost of contingency operations? Basic science and technology research. Dual-use technology programs that are designed to better integrate our defense and civilian technology bases in order to get the Defense Department better technology at lower cost. In other words, programs that will pay off in the long term but seem easy to cut in the short term.

Another example is environmental cleanup at military installations, which was cut by $300 million in the supplemental. Is this program as important to our combat capability as funding training and modernization? Of course not. But the reason that environmental cleanup costs are so high now is that for years these problems were ignored. And if we push them under the rug again, we are only going to wind up with an even bigger bill down the road.

CONCLUSION

In conclusion, Mr. President, so far we have seen a lot more talk than action about enhancing our national security and increasing the defense budget. Many of my colleagues share my concern that we have cut the defense budget too far, too fast and that we are mortgaging our future by sacrificing the capability of our forces 10 years down the road in order to fully fund current readiness. The Thurmond-McCain amendment represents real action to enhance our national defense while at the same time putting us on a path to a balanced budget, and I urge my colleagues to support it.

I ask unanimous consent that a table showing real reductions in the defense budget be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1996 SENATE BUDGET RESOLUTION

	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002
Nat Def BA (current dollars)	$143.9	$294.7	$303.3	$263.5	$257.7	$253.4	$259.6	$266.2	$276.0	$275.9	$275.9
DOD fiscal year 1996 deflators[1]	0.5383	0.7130	0.8378	0.9727	1.0000	1.0294	1.0595	1.0900	1.1195	1.1494	1.1801

FISCAL YEAR 1996 SENATE BUDGET RESOLUTION—Continued

	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002
NAT Def BA Const (1996 dollars)	$267.2	$413.3	$362.0	$270.9	$257.7	$246.2	$245.0	$244.2	$246.5	$240.0	$233.8
GDP (CBO estimates)	$3,746	$4,207	$4,853	$7,036	$7,370	$7,747	$8,152	$8,572	$9,013	$9,843	$9,978
Defense BA as percent of GDP	3.8	7.0	6.2	3.7	3.5	3.3	3.2	3.1	3.1	2.8	2.8

[1] CBO assumes higher inflation.

Real Changes

	(In percent)
1980–85	54.6
1985–90	−12.4
1990–95	−25.2
1995–2000	−9.0
1980–1990	35.4
1985–1995	−34.5
1990–2000	−31.9
1980–1995	1.4
1985–2000	−40.3
1980–2000	−7.7
1980–2002	−12.5
1985–2002	−43.4
1990–2002	−35.4
1995–2002	−13.7

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. Mr. President, I thank my colleague from South Carolina and my colleague from Arizona for sponsoring this amendment. I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I yield 5 minutes to the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. I thank the Senator from South Carolina, the chairman of the Armed Services Committee, for offering this amendment, along with Senator MCCAIN.

I commend both of my colleagues for this amendment to restore much needed funds to our defense program and to do it without adding to the deficit but by setting priorities throughout the budget, including the defense budget. I might add that that also has priorities shuffled around in order to help with this amendment.

I want to emphasize from the outset, again, it does not undermine the objective of a balanced budget by the year 2002. This amendment will not change that objective in any way. We still get to a balanced budget by the year 2002.

But what this amendment does do is to help stave off terrible shortfalls in military readiness training and modernization. We owe it to our troops in the field to have the training and modernization that they deserve if we are going to ask them to go into harm's way.

The defense reductions under President Clinton's budget, frankly, are wreaking havoc on our military capability. Most of us in this Chamber know that, especially those of us who are on the Armed Services Committee who see it every day.

I hope that my colleagues would listen carefully to those of us on the Armed Services Committee in both parties who have spoken so eloquently on this matter. This body simply cannot and must not legitimize a blueprint for disaster by approving these kinds of defense numbers.

Mr. President, I am troubled that the Budget Committee has endorsed the Clinton defense numbers. These spending totals are simply inadequate to safeguard our national security. And they are already having a very serious effect on readiness.

I am also troubled that the President has chosen to blame Congress for current deficiencies in military readiness. I would emphasize that this is the same administration that entered office and immediately cut defense by $178 billion, the same administration that has dramatically underfunded operations, maintenance, and readiness modernization and quality of life programs for our military families.

This is the same administration that has turned our Armed Forces into a 911 force all over the world on behalf of the United Nations, and yet we ask more and more and more and give them less and less and less.

This is the same administration that committed our military forces to occupy Haiti without the consent of Congress, costing taxpayers hundreds of millions of dollars.

This is the same administration that turned our naval base at Guantanamo into a refugee camp leaving the Defense Department stuck footing the bill to feed, clothe, and bathe thousands of refugees indefinitely while subjected to the insults of many of them.

This is the same administration that has pledged $4 billion in nuclear reactors for North Korea at the time we are spending tens of billions of dollars to defend against a North Korean military threat.

I find these types of inconsistency preposterous. The truth is that the Clinton defense program is decimating our Armed Forces. Personnel tempo is going through the roof, our troops are being constantly deployed all over the world from Haiti to Somalia to Southwest Asia and back home, with little or no time to spend with their families, and they are out again going someplace else.

I urge my colleagues to talk to them, talk to the military personnel, talk to their families and find out how tough this is.

Depot maintenance backlogs are increasing; critical modernization programs are being terminated; morale is down; retention is down; 25 percent of our Army divisions were recently classified as unprepared to meet their mission requirements.

Mr. President, if Senators support this blueprint, which is so devastating our military capabilities, then they ought to oppose the Thurmond-McCain amendment. It is as simple as that. If you do not want to give our Armed Forces what they deserve, then go ahead and oppose the amendment. But if you share the view of the majority of Americans that this President has gone too far with these military reductions and our international security is in jeopardy, you should support the Thurmond-McCain amendment.

In conclusion, I want to emphasize this amendment does not add to the deficit, it will not undermine the balanced budget, and it will restore much needed funds back to our defense program to stave off an imminent disaster in military readiness.

I yield back any time I may have.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Does the opposition have any speakers, Mr. President? Mr. President, we will have to charge time over there.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I ask again, does the opposition have any speakers?

Mr. EXON. Mr. President, I suggest the absence of a quorum and the time be equally charged.

Mr. McCAIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. THURMOND. Mr. President, I yield 5 minutes to Senator LOTT.

Mr. DOMENICI. We have an additional 10 minutes we can yield, too. Why do I not yield 5 of the 10 I have to Senator LOTT.

Mr. LOTT. Mr. President, if I could make a parliamentary inquiry, but not counted against my time, what is the status? Are we going to try to get some debate back and forth, or should I proceed at this point?

Mr. DOMENICI. I do not see how we can make them do that if they do not—the best we can do is put a quorum call in. When you put a quorum call in, under the statute, it is charged equally to both sides.

The PRESIDING OFFICER. It is charged to the side who suggests it.

Mr. DOMENICI. We have two alternatives. We can wait around and see if they suggest it or, if they do not, then we can just let the time run and it is equally charged. The Senator asked that it be equally charged under a UC?

Mr. EXON. Yes.

Mr. DOMENICI. Yes. What we are attempting to do is unsnarl a potential problem. If we can have a moment to talk we might be able to unsnarl it.

Mr. DOMENICI. Mr. President, I ask unanimous consent that we have 5 minutes charged to no one.

Mr. EXON. There is a suspicion somebody is trying to fool somebody else.

Mr. DOMENICI. Five minutes charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we have to advise Senators that the time has come to start a vote shortly. So I ask unanimous consent that at 3:45 p.m., the Senate proceed to vote on the stacked votes that had been postponed earlier today, in the following sequence: The Bradley motion to waive; on or in relation to the Roth amendment; on or in relation to the Gramm amendment; on or in relation to the Exon amendment.

I further ask unanimous consent that the first vote in the voting sequence be 20 minutes and that thereafter they be limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the conclusion of the stacked votes, the Senate resume the pending amendment, which would be placed in status quo.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I suggest the absence of a quorum until 3:45 p.m.

The PRESIDING OFFICER. With the time to be equally divided?

Mr. DOMENICI. That is fine.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The vote on the Exon motion to waive the Budget Act is in order.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 47, nays 53, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER (Mr. GORTON). On this question, the yeas are 47, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained.

The amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

PRIVILEGE OF THE CHAIR—SENATE CONCURRENT RESOLUTION 13

Mr. HARKIN. Mr. President, I ask unanimous consent that Don Wiberg from the American Association for the Advancement of Science, a science fellow in my office, be granted the privilege of the floor for the duration of debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 1121

The PRESIDING OFFICER. The question is on agreeing to the Roth amendment, No. 1121. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any Senators in the Chamber who desire to change their votes?

The result was announced, yeas 50, nays 50, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—50

Abraham
Ashcroft
Baucus
Bennett
Biden
Bond
Brown
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Feingold
Frist
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond

NAYS—50

Akaka
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Cohen
Conrad
Daschle
Dodd
Domenici
Dorgan
Exon
Feinstein
Ford
Glenn
Gorton
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Warner
Wellstone

So, the amendment (No. 1121) was rejected.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1123

The PRESIDING OFFICER. The question now occurs on agreeing to the Gramm amendment, No. 1123.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 31, nays 69, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—31

Abraham
Ashcroft
Bennett
Brown
Campbell
Coats
Coverdell
Craig
Dole
Faircloth
Frist
Gramm
Grams
Hatch
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Nickles
Roth
Santorum
Shelby
Smith
Thompson
Thurmond

NAYS—69

Akaka
Baucus
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Chafee
Cochran
Cohen
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Gregg
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum

Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Warner
Wellstone

So the amendment (No. 1123) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

UNANIMOUS-CONSENT AGREEMENTS

Mr. DOMENICI. Mr. President, I want to put several unanimous-consent requests which will finish out the day and set the amendments in order for today and early morning.

I ask unanimous consent that all the time be yielded back on the Thurmond amendment and that the Senate proceed to a vote on that amendment without any intervening action or debate after the disposition of the Exon amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, further, I ask unanimous consent that immediately following the disposition of the Thurmond amendment, Senator HARKIN be recognized to offer an amendment on which there be 15 minutes under the control of Senator HARKIN and 5 minutes under the control of Senator DOMENICI; that no amendments be in order to that amendment; and that following the conclusion of the time on that amendment, it be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the debate on the Harkin amendment, Senator FEINGOLD be recognized to offer an amendment on which there be 20 minutes under the control of Senator FEINGOLD, 20 minutes under Senator DOMENICI's control, 10 of which will belong to the Senator from Alaska, Senator MURKOWSKI; that no amendments be in order to the Feingold amendment; and that following the conclusion of time it be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the first vote on the Harkin amendment be limited to 20 minutes, followed by a 10-minute vote on the Feingold amendment, to occur Wednesday at a time to be determined by the two leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that following the conclusion of the debate on the Feingold amendment this evening, Senator SNOWE be recognized to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion to waive the Budget Act for the consideration of the amendment by the Senator from Nebraska [Mr. EXON].

Mr. DOLE. Following that, there will be a vote on the amendment by the Senator from South Carolina [Mr. THURMOND] and the Senator from Arizona [Mr. MCCAIN]?

The PRESIDING OFFICER. The next vote would be a vote on the Thurmond amendment, debate on which is not yet concluded.

Mr. DOLE. As I understand, time has been yielded back.

The PRESIDING OFFICER. Time has been yielded back by consent.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I advise my colleagues, that will be the last vote today. We will continue to work on the measure until we are down to 4 hours remaining, but there will be no more votes.

Mr. HARKIN. Mr. President, is it still in order to reserve the right to object? We could not hear the unanimous-consent requests.

Mr. DOMENICI. It says "on the amendment." It means up or down. We had agreed to that and that was in the unanimous-consent request.

VOTE ON MOTION TO WAIVE THE BUDGET ACT FOR CONSIDERATION OF AMENDMENT NO. 1124

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act for the consideration of amendment No. 1124, offered by the Senator from Nebraska [Mr. EXON]. The yeas and nays have been ordered. The clerk will call the roll.

The yeas and nays resulted—yeas 47, nays 53, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. The point of order is sustained and the amendment falls because it is not germane to the underlying resolution.

VOTE ON AMENDMENT NO. 1125

The PRESIDING OFFICER. The question is on agreeing to the Thurmond amendment, numbered 1125.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. BROWN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—40

Abraham
Ashcroft
Bennett
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
Dole
Faircloth
Frist
Gramm
Grams
Hatch
Heflin
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lieberman
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Santorum
Shelby
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—60

Akaka
Baucus
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Byrd
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Gregg
Harkin
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Sarbanes
Simon
Simpson
Specter
Wellstone

So the amendment (No. 1125) was rejected.

The PRESIDING OFFICER. Under the previous order of the Senate, the Senator from Iowa is recognized to offer an amendment. The time is divided, according to that agreement, 15 minutes for the Senator from Iowa and 5 minutes for the Senator from New Mexico.

CHANGE OF VOTE

Mr. MURKOWSKI. Mr. President, I wonder if the Senator from Iowa would yield for a unanimous-consent request in regard to a vote.

Mr. HARKIN. Yes.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, on rollcall vote No. 178, I am embarrassed to say that I voted yes. It was my intention to vote no. I have been a proponent of the position of no. Therefore, I would ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Is there objection to the request?

The Chair hears none, and it is so ordered.

Mr. MURKOWSKI. I thank the Chair. I apologize to my colleagues.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Chair. I understand I have 15 minutes, is that right?

AMENDMENT NO. 1126

(Purpose: To reduce unnecessary military spending, holding military spending to a freeze in overall spending over 7 years protecting readiness and modernization activities and shifting the savings to education and job training, restoring a portion of the reductions proposed for those programs in the resolution)

Mr. HARKIN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. BUMPERS, proposes an amendment numbered 1126.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 3, decrease the amount by $4,800,000,000.

On page 12, line 4, decrease the amount by $1,000,000,000.

On page 12, line 10, decrease the amount by $10,000,000,000.

On page 12, line 11, decrease the amount by $3,400,000,000.

On page 12, line 17, decrease the amount by $10,000,000,000.

On page 12, line 18, decrease the amount by $6,200,000,000.

On page 12, line 24, decrease the amount by $10,000,000,000.

On page 12, line 25, decrease the amount by $6,200,000,000.

On page 32, line 11, increase the amount by $4,800,000,000.

On page 32, line 12, increase the amount by $1,000,000,000.

On page 32, line 19, increase the amount by $10,000,000,000.

On page 32, line 20, increase the amount by $3,400,000,000.

On page 33, line 2, increase the amount by $10,000,000,000.

On page 33, line 3, increase the amount by $6,200,000,000.

On page 33, line 10, increase the amount by $10,000,000,000.

On page 33, line 11, increase the amount by $6,200,000,000.

On page 66, line 10, decrease the amount by $4,800,000,000.

On page 66, line 11, decrease the amount by $1,000,000,000.

On page 66, line 13, increase the amount by $4,800,000,000.

On page 66, line 14, increase the amount by $1,000,000,000.

On page 66, line 17, decrease the amount by $10,000,000,000.

On page 66, line 18, decrease the amount by $3,400,000,000.

On page 66, line 20, increase the amount by $10,000,000,000.

On page 66, line 21, increase the amount by $3,400,000,000.

On page 66, line 24, decrease the amount by $10,000,000,000.

On page 66, line 25, decrease the amount by $6,200,000,000.

On page 67, line 2, increase the amount by $10,000,000,000.

On page 67, line 3, increase the amount by $6,200,000,000.

On page 67, line 6, decrease the amount by $10,000,000,000.

On page 67, line 7, decrease the amount by $6,200,000,000.

On page 67, line 9, increase the amount by $10,000,000,000.

On page 67, line 10, increase the amount by $6,200,000,000.

Mr. HARKIN. Mr. President, we have before us a proposed budget that cuts over $1 trillion in Federal spending. It cuts health, education, training, veterans, and virtually everything else but for one item. The Pentagon is increased by $34.5 billion over what a hard freeze would be over the 7 years. Simply put, this budget jeopardizes our long-term national security by failing to invest in education, training, and infrastructure in order to preserve a bloated Pentagon budget and its cold war relics.

Mr. President, the cold war is over, I would like to inform everyone. And guess what? We won.

First let me explain exactly what my amendment does. My amendment will provide over the next 7 years for a hard freeze for Pentagon spending.

Now, for the next 3 years, my amendment would track exactly what the Budget Committee does—exactly. For 1996, 1997, and 1998, my amendment would provide the same funding for the Pentagon as does the Republicans' budget proposal.

Beginning then in 1999, 2000, 2001, and 2002, I increase spending for defense but not as much as the Budget Committee.

For example, in 1999, the Budget Committee provides $266.2 billion for defense. My amendment would provide $261.4, less than $5 billion less. So I track it, but what happens is over the 7 years my amendment freezes it—over the 7 years—and thus saves $34.8 billion.

My amendment would take that $34.8 billion and put it into function 500, which is education and job training. Education and job training is way below a hard freeze in the committee bill. The Defense Department, the Pentagon is above a hard freeze. I am bringing the Pentagon down to a hard freeze, taking that money, putting it into education and job training to bring it up to just under a hard freeze. It still would be below a hard freeze level of funding for education and job training, but at least it brings it up close to a hard freeze.

But I wanted to make the point very clear, that for the first 3 years my amendment spends the same thing on defense as does the Budget Committee. And so those who would like to just kind of freeze everything, well, this is a freeze amendment. It freezes Pentagon spending for the next 7 years.

Mr. President, I keep picking up these articles. I know Senator BYRD earlier talked about the articles that were in the Washington Post: Billions go astray often without a trace in the Defense Department is the headline in this recent story on Pentagon waste. It says the Department has spent $15 billion it cannot account for over the past decade. And Pentagon purchasing agents appear to have overdrawn Government checking accounts by at least $7 billion in payment for goods and services with little or no accountability.

You want to talk about waste and inefficiency, start reading some of these articles about waste and inefficiency in the Defense Department. It boggles the mind and it picks taxpayers' pockets.

I also want to point to a scandal that happened last December in the Air Force, and to my knowledge it still has not been resolved—a scandal. Gen. Joseph W. Ashy was in Italy. He wanted to get to the U.S. Space Command in Denver, CO. He could have flown commercially, could have gotten on a United Airlines flight. No, he got an Air Force C–141 transport jet that flew empty from here to Italy, picked him up and flew him to Colorado at an estimated cost of $120,000.

Did he fly alone? No, he took his cat with him. I guess he paid $85 for his cat. But he listed on the manifest that his wife was going to be with him, that she was traveling with him. His wife was already in Colorado, and it turned out that there was a young Air Force aide, a 21-year-old senior airman Christa Hart, a young woman traveling with him, and she was not even listed on the manifest but his wife was.

You wonder why she was on that flight with him, at a cost of $120,000 to fly this general. And the Air Force tried covering it up, and as far as I know they still have not explained it except to say that no regulations were broken.

Well, I might just say that one-way, first-class fare from Rome to Colorado Springs is $1,617. But, no, General Ashy had to fly himself and his young female aide and his cat in a C–141 for $120,000, and they still have not fessed up to it. And I will bet you General Ashy will not even get his wrist slapped for wasting taxpayers' dollars like that.

So there is a lot of waste in that Pentagon that we can clamp down on, and I think if they have a hard freeze over 7 years, then maybe they will start doing a little bit better accounting and they will start knocking out these luxury flights for generals and their cats and their 21-year-old female aides.

The real story is here in the chart I have here as to why we do not need to continue to increase Pentagon spending. This chart illustrates how much the United States is spending this year on the military. It says $260 billion. Actually, it is $261 billion. Our NATO and other allies will spend $250.9 billion. So total U.S., NATO, and our allies spending, $510 billion this year, fiscal year 1995 on defense.

Well, what is the rest of the world doing? How about our potential adversaries? Here is Russia, $12 billion this year.

In fact, last year the sum in Russia was $79 billion. This year, Russia cut military spending from $79 billion to $12 billion this year.

Mr. President, I will ask consent to have an article printed in the RECORD about the Russian budget. The military defense officials in Russia have called it a disaster, but the Parliament did not listen to them. They went ahead and cut it to $12 billion.

I ask unanimous consent to have that printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RUSSIAN MOD LABELS BUDGET A CATASTROPHE

(By Anton Zhigulsky)

MOSCOW.—Members of Russia's parliament, failing to heed the military's call for increased funding, set defense spending for 1995 at 46.5 trillion rubles ($12 billion).

Defense Ministry officials have lobbied the government during the past several months for a budget more than twice as large—up to 110 trillion rubles ($29 billion).

Defense Minister Pavel Grachev called the budget "a total catastrophe for the Army." The spending plan as passed put the future of the armed forces "under threat," he said after the March 15 vote. "It is a sin to keep an army in poverty and half-starved."

On March 15 parliament's lower house, the Duma, passed the fourth and final draft of the government budget, which will take effect April 1. That budget saddles Russia with a deficit of about 73 trillion rubles ($18 billion), or 8 percent of gross national product.

The argument over the Russian defense budget has been particularly contentious, especially since the costly invasion of the separatist region of Chechnya in December.

Grachev has argued that a defense spending level of 46 trillion rubles will affect readiness, equipment maintenance and troop morale, all of which have been in a downward spiral since the collapse of the Soviet Union.

In a front-page appeal to parliament in the Defense Ministry daily Krasnaya Zvezda on March 10, the ministry warned that "parliament has one last chance to prove that the armed forces is not a stepchild."

In the past several weeks Krasnaya Zvezda has warned that a demoralized armed forces, without the resources to train or even house troops, may not be politically reliable if the government is forced to quash a coup as it did in October 1993.

On March 15, Russian soldiers suffered an additional setback when the Duma voted to spend 1 trillion rubles ($250 million) to purchase weapons from the ailing defense industry.

The money had been earmarked earlier for the Army's day-to-day needs, such as housing and provisions, but deputies decided to aid the cash-strapped defense factories instead.

Finance Minister Vladimir Panskov acknowledged that the 1995 military budget is "tough and even cruel," but said the state could provide no more.

"There are matters of principle on which there can be no concessions," he told the deputies.

Krasnaya Zvezda blasted the vote, stating the following day that it would be easier to disband the Army completely than to subject it to the budget.

"This Duma has never understood the problems of the Army. It is absolutely indifferent to the defense capacity of Russia," the newspaper said.

The Russian Defense Ministry also is under fire for its handling of the crisis in Chechnya, and President Boris Yeltsin has promised to pursue long-overdue changes in the Army, which suffered humiliating losses to partisan fighters in Chechnya.

"Chechnya has convinced us once again that we are too late in conducting military reform. We must not delay any more. The Army is starting to disintegrate," Yeltsin said Feb. 23.

But military officials, complaining of a lack of money, said reform can be carried out only if it is properly funded. "Without funding, there will be no reform," Grachev said in the parliament March 16.

According to Pavel Felgenhauer, a military analyst with the daily newspaper Sevodnya, Russia's armed forces must be reorganized quickly to avoid more combat deaths in the war-torn northern Caucasus region and in Tadzhikistan, where Russian soldiers are bolstering the government in a civil war.

"The situation in the Army is beginning to get out of control. The new budget doesn't allow Russia to keep the Army as it is. A combat-ready professional army will have to be started urgently, within 12 to 18 months," Felgenhauer said.

Mr. HARKIN. I also ask unanimous consent to have printed in the RECORD a table that indicates what my amendment would do in terms of budget authority and budget outlays.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Fiscal year—								
	1995	1996	1997	1998	1999	2000	2001	2002	Total
Budget authority:									
Committee	261.4	257.7	253.4	259.6	266.2	276.0	275.9	275.9	1864.6
Harkin	261.4	257.7	253.4	259.6	261.4	266.0	265.9	265.9	1829.8
Savings	0	0	0	0	4.8	10.0	10.0	10.0	34.8
Budget outlays:									
Committee	269.6	261.1	257.0	254.5	259.6	267.8	267.7	269.2	1836.9
Harkin	269.6	261.1	257.0	254.5	258.6	264.4	261.1	263.0	1820.1
Savings	0	0	0	0	1.0	3.4	6.2	6.2	16.8

Mr. HARKIN. Mr. President, what this chart says is that the United States and its allies are spending almost 10 times more than all of our potential adversaries put together. Here is Russia at $12 billion; China, 27.4 billion; North Korea, $5.3 billion; Iraq, $2.6 billion; Iran, $2.3 billion. Libya, Syria, and Cuba spend even less.

You total up all of our potential adversaries—and I put Russia in there even though Russia is not a potential adversary at this time; and we have diplomatic relations with China—you add them all up and it comes to $54.37 billion. That is in the whole world what our adversaries are spending. We are spending $510 billion total; for the United States, $260 billion.

If you just look at the United States, we are spending almost five times more than all of our adversaries put together. And yet the budget before us says it is not enough. We are going to increase it in the next 7 years, while we cut education, cut job training, cut Head Start, cut Pell grants. That simply defies common sense.

We had this other chart yesterday when we talked about education. Look at what is happening. Here is the line that shows the cost of going to State universities per year, rising by the year 2002 to about $8,000 a year. Here is line for Pell grants that student rely on, going from $2,590 down to $1,500, almost a 40 percent cut in Pell grants over the same year—a 40 percent cut in Pell grants. That is what we are being asked to do. But, at the same time, we are being asked to increase military spending.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining of his time.

Mr. HARKIN. Mr. President, I ask to be notified when I have 3 minutes remaining.

Mr. President, I am sure you are going to hear from the opponents of this modest amendment Senator BUMPERS and I are offering the argument, "Well, if we freeze it, it is going to cut into readiness, our ability to respond."

That is simply not true. This amendment would fully protect readiness and modernization. Believe me, there are places we can cut that have nothing to do with readiness or modernization. We can cut out some of this high-flying stuff that General Ashy was doing.

Mr. President, I ask unanimous consent to have printed in the RECORD an article regarding General Ashy and his $120,000 flight last December.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 9, 1994]

AIR FARE, ROME TO COLORADO: $120,000; GENERAL'S COSTLY FLIGHT RUNS INTO FLAK ON HILL (BUT THE CAT PAID)

(By John F. Harris)

A commercial flight was leaving the next day, but that was not soon enough for Air Force Gen. Joseph W. Ashy.

Instead, the new leader of the U.S. Space Command traveled on an Air Force C–141 transport jet, which flew him, one aide and the Ashy family cat from Italy to Colorado at an estimated cost of at least $120,000.

Ashy's Sept. 9 flight on a 200-passenger plane specially equipped with a luxury cabin and carrying a steward on its crew of 13 was more convenient at the time, but it is causing big trouble now.

After a complaint from Capitol Hill, Defense Department Acting Inspector General Derek J. Vander Schaaf agreed this week to investigate the propriety of the flight and whether Air Force public affairs personnel were truthful in answering reporters' inquiries.

Ashy, who followed Pentagon regulations by paying $85 fare for the cat, declined to comment.

A spokesman at the Space Command in Colorado Springs, Lt. Col. Dennis Gauci, said Ashy and his aide considered flying a commercial flight out of Rome on Sept. 10, but worried the schedule would not give him enough time in Colorado the next day to take an eight-hour training course on procedures for alerting the president in event of an air attack.

He was sworn in as head of the Space Command Sept. 13.

Ashy, 54, a 32-year Air Force veteran and fighter pilot, could not leave earlier, the Air Force said, because he was still commander of the 16th Air Force in Italy, a job that included directing air missions over Bosnia.

Air Force officials in Washington acknowledge Ashy's flight looks bad, but said no regulations were broken. Ashy, they said, was on an especially tight schedule to get to his new posting, and asked an aide to see if any government planes were heading his way.

Subordinates went overboard in accommodating his request, according to an Air Force official at the Pentagon familiar with the case, and an empty C–141 was ordered across the Atlantic and back again to ferry Ashy to his new home.

United Airlines is quoting a one-way, first-class fare from Rome to Colorado Springs of $1,617.

The C–141, which costs about $3,400 an hour to operate, was dispatched from McGuire Air Force Base in New Jersey to Italy and on to Colorado.

Total flight time was 31 hours, Air Force officials said, and two mid-air refuelings were required that added to the cost.

The price tag gave Sen. Charles E. Grassley (R-Iowa) a case of sticker shock, and he asked Vander Schaaf to investigate.

In a letter to the inspector general, Grassley said he learned about the incident from Newsweek military affairs columnist David Hackworth, a highly decorated retired Army colonel who is planning a story about the flight in next week's issue of the magazine.

Hackworth is "disturbed by the arrogance that General Ashy's behavior appears to represent," and believes "Air Force officials have 'repeatedly lied' to him" and an ABC News producer who collaborated with him in investigating the episode, Grassley wrote.

The inspector general's office will "determine whether the travel was proper and reasonable, and address a number of related matters, the most important of which appears to be whether Air Force personnel were truthful in answering press inquiries about the flight," Vander Schaaf said in a memorandum Tuesday to Defense Secretary William J. Perry.

Ashy had no idea until he got on the flight, according to Gauci, that a C–141 had been dispatched especially for him.

When an aide contacted the Air Mobility Command to ask about transport, Gauci said, Ashy assumed he would be on a flight that was already traveling from Europe to the United States.

"General Ashy didn't specifically request that plane," Gauci said, "and he had no idea where that plane originated."

The spokesman said Ashy also did not know the C–141, ordinarily used for carrying troops and equipment, would be equipped with a special "comfort pallet," which includes such amenities as first-class seating, a kitchen and a sleeping area.

The plane had recently been carrying U.S. Ambassador to the United Nations Madeleine K. Albright on a flight to Russia, the Air Force reported.

Ashy's flight might not have been publicized, except for a coincidence before taking off in Naples. Two retired military officers and their wives, who are allowed to travel on military planes on a space-available basis, asked the crew if they could tag along.

Even though the flight was flying nearly empty, Air Force officials said the crew told them no, because they believed Peterson Air Force Base in Colorado was not an allowed port of entry into the United States for travelers not on Air Force business. An Air Force official in Washington said the crew was mistaken, and that accommodations for the foursome could have been made.

Vowing revenge, the spurned retirees took their grievances to Hackworth, who began investigating. ABC's "20–20" is also planning a piece on the incident for tonight's broadcast.

Air Force officials said the crew made other mistakes. The manifest on the plane said Ashy's wife was with him on the flight. In fact, the Air Force said, Ashy's wife was already in Colorado, and the woman traveling with him was his 21-year-old aide, Senior Airman Christa Hart.

"Why did a young female enlisted aide . . . accompany General Ashy on this flight?" Grassley asked in his letter. "Why is Hart's name not listed on the flight manifest? Was Hart performing normal official duties, or was there some other reason for her presence?"

Hart was on the flight because she is joining Ashy in his new assignment, an Air Force official said. She serves as a valet to Ashy and performs some protocol functions.

Mr. HARKIN. We can cut that out. We can start having better accounting procedures. We can reduce the Milstar, for example, this relic that is no longer needed. If we cancel that, we save $3 billion over 7 years.

Stopping production of the Trident D–5 missiles after 1996. After 1996, we will have enough to equip all of our nuclear subs at START II levels. So why buy more D–5's? This would save $3.7 billion over 7 years. And we could, for example, reinstate the fees on commercial arms sales to pay the U.S. Government for R&D costs, that again gives us about $500 million over this period of time.

So, Mr. President, there are a lot of things we can do. We do not have to cut into readiness or modernization. I would not want to cut into readiness or modernization. But there is a lot of waste and a lot of inefficiency in the Pentagon that can and should be eliminated.

Quite frankly, when you look at the defense budget, what it is now is a jobs program. That is what we are spending money in the Pentagon for. It is a jobs program. But I submit to you, Mr. President, there are more effective and efficient ways to invest in jobs programs than throwing it at the Pentagon.

The PRESIDING OFFICER. The Senator is advised that he has 3 minutes remaining on his time.

Mr. HARKIN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator reserves the remainder of his time.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes of my time.

First of all, let me say to every Senator around, the argument that the U.S. Defense Department does not manage its business with perfection should come as no surprise. But should it surprise anyone that the Department of Education does not manage its business very well? Might that be a shock? I would assume there is as much waste and inefficiency in the Department of

Education of the United States as there is in the Defense Department.

Mr. President, I would say that HUD has more waste than the Defense Department.

To talk about the fact that the Defense Department has made some mistakes is no argument at all to take $40 billion out of defense now on this budget resolution.

Actually, this amendment should be turned down. I am hoping it will be turned down by a large number, by a large vote. But I think there are some who will say "Well, let's just take it out of defense and put it on education."

Well, Mr. President, fellow Americans, the argument can be made on every single domestic need. Think of one: the National Institutes of Health. We are not able to fund them fully. A tremendous program. Take it out of defense. Defense is getting too much.

We could have an array of amendments here and, by the time we were through, saying, pay for all these things we need, guess what would happen, Mr. President? The United States of America would have no military left.

Now it seems to me that everybody knows we have put defense on a downward path over the last 8 years. This budget resolution still has to go to conference with the House. In this resolution, we have assumed the President's numbers. I am the first one to suggest I have not been very happy with the President's numbers. I did not vote on the last amendment to add some $80 or $90 billion in budget authority to defense.

But I am here to say we ought to leave it alone. It is probably about as low as it ought to get.

That does not mean that every American program on the other domestic side, from health to education, is fully funded either. There are many who would say defense is not fully funded either. The Chiefs of Staff of the United States military could tell us some things we ought to be doing that we are not doing.

Mr. President, when we need the defense of the United States, when we need those men and women, we are not going to be arguing about some general using an airplane that he ought not use. We are going to say, "We hope they take care of that."

But let us take care of the men and women and our needs. And we know what they are.

I only reserved 5 minutes on this amendment. I hope nobody assumes that I do not think it is a serious amendment. I do. And I hope no one gets the idea that all we have to do the rest of this debate is to bring amendments down here and offer to take money out of defense.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield myself one additional minute.

After all, the point of it is that it is a big department of Government. It is the evidence of America's strength in the world. It ought to be big. It ought to be powerful. It ought to be strong.

We have an all-volunteer Army. Nobody compares with that. When people say we spend more than everyone, of course we do. We pay our men and women in the military. They are not drafted. They are paid good salaries and have a good retirement because we decided that is how we wanted keep a strong military. This will begin the demise of the military and everybody will think it is for a good purpose. It will actually have a very serious, bad effect on America's future.

I reserve whatever time I have.

The PRESIDING OFFICER. The Senator reserves 1 minute and 17 seconds.

The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, to hear the comments by my friend from New Mexico, you would think the amendment I am offering would totally gut the Department of Defense.

As I pointed out, my amendment keeps the same spending for the Department of Defense as the Budget Committee does over the next 3 years. That is my amendment. It continues the same spending. And then, for the next 4 years, it provides for just slightly less growth than what the Budget Committee has, slightly less growth.

I am not cutting defense spending. I am just growing it a little bit less than what the Budget Committee does in the out years.

Well, for example, as I said, for the next 3 years, spending under my amendment is the same as the Budget Committee. In 1999, the Budget Committee would spend $266.2 billion. I spend $261.4 billion. Over the total of the 7 years we would spend $34.8 billion less, bringing the Pentagon to a freeze level.

Do you know what the difference is, Mr. President? Do you know what the difference between my amendment and the Budget Committee is? Two percent.

You mean to tell me that someone can stand here with a straight face and say, "Over the next 7 years, the Department of Defense cannot contribute 2 percent?" What a joke.

Then we hear people in the military, military officers, saying, "Oh, we have to have more money."

Here is what Defense Minister Pavel Grachev called the Russian budget. He said it is "a catastrophe for the Army."

Of course, military people are going to say that.

But back to my chart, back to my chart, Mr. President. The United States is spending $260 billion this year.

All of our adversaries combined only spend $54 billion—one-tenth of what we alone spend. Yes, we have to remain strong in the world. Yes, we have to pay our military people. Yes, we have to keep a strong presence around the globe. But at what expense? By wastefully throwing this kind of money at it?

I am sorry, it is simply ridiculous to think that our modest amendment would even cause a disturbance for the Pentagon. It will not hurt readiness or modernization one iota. It will not cut one paycheck from the military. Two percent? We are cutting education. We are cutting everything a lot more than 2 percent. My amendment is just 2 percent less than the committee's level for defense, a freeze, and we are told the Pentagon cannot even do that to help balance the budget.

We are asking for sacrifice from our senior citizens, sacrifice from our students to make them pay more for their college loans, sacrifice from our poor to give up the earned-income tax credit, but we cannot ask the Pentagon to live with a freeze at a time when our enemies are spending only one-fifth as much as us combined? Two percent less than the recommended increase. It is not even a cut. And yet some argue we cannot even ask them to do that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. I will close by saying 2 percent is not too much to ask to help balance the budget of the future.

Mr. LOTT. Mr. President, the world is not a utopia. There are dangers all over the world and there are growing questions as to whether we will be able to meet these challenges in the future.

Must we repeat history and not be ready when the next major threat occurs? The readiness of our military is slipping. We are not procuring the equipment we need to meet a growing and unpredictable threat. The morale of the men and women who serve in uniform is declining.

Mr. President, we are not even providing sufficient ammunition for proper training. We have already cut defense spending by over 35 percent. Must we be doomed to repeat history—again?

We need to take a look at where we are, and what we have done to our defense spending levels over the last 11 years. Since 1985:

Ship purchases are down 80 percent; aircraft purchases are down 86 percent; tank purchases have dropped to zero—a 100 percent reduction; and strategic missile purchases have dropped 95 percent.

In 1993, the President proposed a 5-year defense spending plan which added $126.9 billion in cuts to defense spending—over and above the reductions previously made by President Bush. Now we need to understand, the cold war ended during the Bush administration—and significant realignment of defense priorities occurred immediately following the fall of the Berlin Wall.

Prior to 1993, defense spending was already cut—and cut deeply. Before the Members vote on the amendment by the Senator from Iowa, it is important to know what was cut prior to 1993.

Military personnel were reduced by more than 350,000; overall defense spending declined by about 20 percent; our Navy dropped from 536 ships to 448 ships in the fleet; three aircraft carriers were eliminated from the fleet; eight Fighter Wings were cut from the Air Force; we slashed our strategic bomber fleet to 181 planes; and we terminated dozens of weapon systems.

All of this was cut from our defense forces prior to 1993.

The budget request this year, cuts defense spending even further. The procurement budget this year is at its lowest level in 50 years—and is $6 billion less this year, than last. Procurement spending under this budget is only 39 percent of the total defense budget.

Now, I completely agree that we should only spend what is necessary for our national security needs. The question raised by this amendment is: Do we need to spend more for defense—or less? In order to answer this important question, you need to review the facts.

Fact No. 1: The Defense Planning Guidance calls for a Navy fleet of 346 ships in order to meet our national security requirements.

But this budget does not provide funding sufficient to achieve and maintain a fleet level of 346 ships. Only by not retiring older, less capable ships are we able to even come close to the ship numbers we require.

Fact No. 2: The Defense Planning Guidance calls for 184 heavy bombers in order to meet our security requirements.

But this budget barely provides more than 55 percent of the required heavy bombers to meet our security requirements. The bomber plan is so bad, in fact, we will be forced—under this budget—to keep the B-52 in service until the year 2030. In 2030, the B-52 will be over 60 years of age.

Fact No. 3: Before the budget was submitted to the Congress, the Secretary of Defense, on November 15, 1994 reported that fully one-forth of our Army Divisions were far below peak preparedness.

But this budget does not aggressively increase funding to solve this problem until the year 2000 and after.

This century, America has failed to be prepared to protect her interests on three occasions. We failed to be ready in 1942 at Pearl Harbor, We failed to be prepared in Korea in the 1950's. Just over two decades later, we failed to be prepared to deal with the military challenges facing us in the deserts of Iran.

Failure to prepare leads to a certain outcome—preparation for failure. Loss of military capability does not announce itself—except by failure.

No Member of this body can predict when or where America will next be challenged. But just as the mighty Mississippi flows southward with lumbering power, on this you can be certain: American will again be challenged.

America will again be forced to defend her interests.

The only question yet to be answered is—will we be ready to meet these future challenges? If you believe America will not be challenged again, you should vote for Senator HARKIN's amendment.

If you believe however, that preparation is essential for victory and vigilance is our strength—then you should oppose this amendment. I urge my colleagues to oppose this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, in 1996 dollars, the Department of Defense has been reduced from $402 to $246 billion. Now, is there anyone that would like the American military and American defense to be like the Soviet Union? Of course they do not pay anything. They hardly pay their military. Would we like to do that? Would we like to say we do not need any new technology or innovation, or do we want to remain the strongest Nation on Earth? We have cut defense enough. If there is more money needed for education, we ought to take it out of some other program, not out of the Defense Department and the men and women who serve us there.

I believe my time has expired. If not, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico yields back the balance of his time. All time has expired on this amendment.

Under the previous order, the amendment will be laid aside at this moment.

Under the previous order, we will go to the amendment of the Senator from Wisconsin. On the amendment of the Senator from Wisconsin, Senator FEINGOLD has 20 minutes and the Senator from New Mexico has 20 minutes; 10 minutes of the time of the Senator from New Mexico is granted to the Senator from Alaska.

The Senator from Wisconsin is recognized.

AMENDMENT NO. 1127

(Purpose: To strike provisions providing for a tax cut)

Mr. FEINGOLD. Mr. President, on behalf of myself and the Senator from South Carolina, Senator HOLLINGS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. HOLLINGS, Mr. BYRD, Mr. NUNN, Mr. BUMPERS, Mr. KERREY, Mr. ROBB, Mr. DORGAN, Mr. SIMON, Mrs. MURRAY, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 1127.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike beginning with line 8 through page 75, line 22.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, this amendment, in addition to being jointly offered by Senator HOLLINGS and myself, is also cosponsored by Senator BYRD, Senator NUNN, Senator BUMPERS, Senator KERREY, of Nebraska, Senator ROBB, Senator DORGAN, Senator SIMON, Senator MURRAY, and Senator MOSELEY-BRAUN.

Senator HOLLINGS will speak in a moment or two about this, but let me just say, first of all, this is really the moment when the Members of this body can convey to the American people whether they believe tax cuts are a priority or not. It is a clean vote.

We can ensure the focus of this budget resolution stays on deficit reduction and deficit reduction alone by adopting this amendment. Other amendments before us that have been rejected have suggested we use the $170 billion tax cut fund for restoring Medicare cuts or education, earned-income tax credit. I think those were all worthy priority choices. They are all more important than a tax cut at this point. Mr. President, none of those amendments were adopted, and we stand here with there still being the $170 billion kitty, or cookie jar, existing in the budget resolution that came out of the Budget Committee.

My amendment simply strikes the section of the resolution which establishes a special budget surplus account. The result will be that any additional savings that would have accrued to this account will instead simply go toward the purpose of deficit reduction. By striking the budget surplus allowance, any fiscal dividend that flowed to the Federal Treasury as a result of the deficit reduction contemplated in the resolution would reduce the amount the Government would otherwise have to borrow.

It would eliminate the indebtedness of this country to the tune of $170 billion. Eliminating this cookie jar also brings us that much closer to really balancing the Federal budget without using Social Security, and this point has to be stressed and stressed again. It is my understanding that even under this budget resolution, we will still be using $113 billion of Social Security funds to balance our books in fiscal year 2002. Mr. President, this is not a balanced budget by the year 2002 unless you raid the Social Security funds.

CBO estimates that in 2002, the so-called fiscal dividend might be $50 billion for that year by adopting this amendment. So instead of the $113 billion bite out of Social Security, we will reduce it by $50 billion.

This tax cut that is hidden in the budget resolution is the loose thread that threatens to unravel the budget, the potential tax cut funded from the so-called budget surplus allowance. This is the symbol of irresponsibility that remains in the budget resolution, and it is not just a little bit of money. It is three times the total that President Clinton proposed in terms of tax cuts earlier this year. He proposed about $60 billion. This is almost three times greater than that, Mr. President, and people did not think that was an insignificant amount either. It is a giant tax cut.

At best, the budget that passes this body and finally the one that is agreed upon by both Houses will be unpopular. It cannot help but be unpopular. Some feel that adding a tax cut will sugar coat the medicine and make it politically a little bit less risky to balance the budget. But it will not. In fact, it will do just the opposite. A tax cut will only undercut any work that will be accomplished by Congress.

First, it will make those tough cuts we do make suspect. Those whom we ask to sacrifice for the cause of deficit reduction will not be persuaded that their own sacrifice will not instead go to provide tax cuts to someone else, someone who may well be a lot wealthier than they are. The Senator from South Carolina and I think that is a formula for trouble. We simply cannot pass what may be a $1 trillion package of spending cuts, including massive cuts in Medicare, Medicaid and education and other programs, and then ask the Nation to support that package while promising tax cuts to everyone. It will not wash. Beyond that, the potential in this budget resolution for a tax cut is just too great of a temptation.

What this $170 billion fund does, Mr. President, is essentially lay out a series of low-calorie menus for a dieter, asking them to eat only celery, carrots, some cottage cheese, maybe a little water, but at the same time we put right next to them a big piece of banana cream pie. That is what this tax cut is. We are not going to put the Federal budget deficit on a diet by providing for a tax cut. Nor will we assure the Federal Reserve and the financial markets by claiming we can do both.

It is possible the prospects of lower interest rates that might flow from really lowering the deficit will be lost, and if we do not act responsibly in this matter some will reject the claims we can have it all. By every measure I know, the Nation has expressed an overwhelming preference for deficit reduction over a tax cut. The mail and phone calls I have received from Wisconsin since November on this have been absolutely clear, because the people of the United States know what is at stake. They know there is no free lunch here. We can reduce the deficit and help ensure their children and grandchildren will have a Government that is financially sound or we can give a nice big tax break now and stick future generations with the tab. By significant majorities, people want the former. They want us to start paying off the bills that have been run up, and they want us to do it now. This is not a partisan issue. For my own part, I have opposed the tax cut plans of both parties because I believe it is the fiscally responsible thing to do.

Mr. President, I hope that both sides come together in a bipartisan fashion. I have heard Members of both parties make absolutely unequivocal statements on the floor that they do not believe tax cuts can be a priority at this time. This is an opportunity to come together and say we can have a balanced budget by the year 2002 but only if we resist the temptation to go forward with a tax cut we all would like to vote for but cannot afford.

With that, Mr. President, I yield 5 minutes to the distinguished Senator from South Carolina.

Mr. HOLLINGS. I thank my colleague.

Mr. President, this is the same amendment that I presented in the Budget Committee which was defeated by a 12 to 10 vote. At the markup in the Budget Committee markup, Democrats were characterized as wanting to take the surplus, and spend it, whether for Medicare, education or whatever; Republicans were criticized for taking the surplus to give tax cuts.

The truth of the matter is that there will be no $170 billion surplus. But if part of it does materialize, it ought to go to reducing the deficit. That was the amendment I offered in committee, and that is the amendment that should today be adopted by the Senate if we are really sincere. But rather than have any light shed on the subject, we have been bombarded by irresponsible reporting on the budget in the last several weeks. Specifically, I refer to Time magazine's cover which said, "This time it's serious. Budget resolution . . . for the first time in decades, Congress is committed to balancing the budget." Absolutely false. Turn to page 7 in the budget resolution itself. What word appears? "Deficit" by the year 2002. It does not appear "balanced."

On page 7, line 21, for fiscal year 2002 a deficit of $113.500 billion, or, more accurately, on page 9, you can see how much the debt actually increases by the year 2002 over just 1 year—2001. It is $177.7 billion. That is the real deficit. We are all rhetoric and no reality. Republicans are already giving themselves credit and claiming to have done a wonderful thing which to some on the other side justifies a tax cut. But Mr. President, the American people know what is going to happen. Under this proposal, the tax cuts in stone and the spending cuts are going to slip by the board.

Specifically, on this idea of committing to balancing the budget for the first time in decades, I submitted when I was chairman of the Budget Committee—and again in 1985. Everyone remembers Gramm-Rudman-Hollings. That was a balanced budget—not in 7 but in 5 years. In 1991, we were treated to the budget summit. I remember at that time that members were slapping each other on the back and congratulating themselves on really getting the budget under control.

I ask unanimous consent that the 1991 budget resolution deficit surplus figures appearing on page 21 of the budget report be printed in the RECORD at this particular time.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

CONFERENCE AGREEMENT TOTAL BUDGET

[In billions of dollars]

	1991	1992	1993	1994	1995
Budget authority	1,485.6	1,562.6	1,582.4	1,593.4	1,668.4
Outlays	1,236.9	1,269.3	1,305.0	1,324.8	1,355.5
Revenues	1,172.9	1,260.8	1,349.8	1,433.3	1,511.7
Deficit (−) / surplus (+)	−64.0	−8.5	44.8	108.5	158.2

Mr. HOLLINGS. So, Mr. President, yes, they had a deficit for 1991 and 1992. But at that time, their estimates projected a surplus in 1995 of $156.2 billion. The reality was much different. Instead of $156.2 billion surplus, we have a $317 billion deficit—a swing of some $474 billion off in the 3 or 4 years.

There is no education in the second kick of a mule. We have been through this gamesmanship. Let us cut out the nonsense and get serious here and report accurately that we are not balancing the budget. You cannot do it without a balanced approach of spending cuts and tax increases.

If there is any surplus, heavens above, let us allocate it to the deficit, because by 2002, we will have a $6.6 trillion debt with interest costs growing at the rate of almost $500 billion a year. That is, one-third of the budget is automatically going to interest costs, just the carrying charges, not to reduce the debt but just to open up the doors early every morning up here in Washington in the Government.

So we cannot engage in this nonsense and gamesmanship. We have to get real.

The PRESIDING OFFICER. The time allocated to the Senator has expired.

Eight minutes remain of the Senator from Wisconsin's time.

Mr. FEINGOLD. Mr. President, if a Senator on the other side wishes to speak, we can go forward.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, let me commend my good friend from Wisconsin, Senator FEINGOLD, for offering this amendment. I certainly support the idea that we can do more in deficit reduction and that a tax cut is ill-advised. However, I must reluctantly oppose the pending amendment.

Mr. President, the Senate Budget Committee, I think we agree, has performed a very remarkable job in putting this budget resolution together. Senator DOMENICI and the staff of the majority and the staff of the minority have worked in good faith, and I think they have fulfilled the commitment that everyone of us in this body has made when he or she voted for the balanced budget amendment earlier this year.

We have demonstrated that we can balance the budget and put our Nation's fiscal house on the road to solvency.

Now, in addition to the savings that will occur under this budget resolution, the Congressional Budget Office has projected that a credible reduction in the deficit by the year 2002 would produce a fiscal dividend for the Federal treasury. We are all in agreement on that. CBO estimates that interest rates would be 1 to 2 percent lower, and real GNP would be nearly 1 percent higher by the year 2002 if we achieve a balanced budget.

Now, because of these two factors, CBO estimates that we would reap a fiscal dividend of some $170 billion over a 7-year period, and as much as a $356 billion dividend over 10 years.

The issue that has divided many Members on both sides of the aisle, and is the subject of this debate, is what should we do with this financial windfall if indeed there is one? During the debate we have been confronted with two specific choices. One, using the dividend to increase Federal spending, or, two, using the dividend to provide tax cuts. So far, we have not been able to reach an accord on either proposal.

The amendment being offered by my friend from Wisconsin would use the fiscal dividend to further reduce the deficit and, as a consequence of that—and this is the discomfort I have—it would absolutely preclude any possibility of a tax cut for this year.

I really believe that this is the wrong time for the Senate to completely close off the tax reduction option—I emphasize option—at this time. Despite what many Members on the other side have said, this budget resolution—and I emphasize this—does not mandate a tax cut. In fact, there is no specific tax cut in this plan. What this budget resolution says is that if all of the committees in Congress adopt reconciliation legislation that produces a balanced budget in the year 2002 and if—I emphasize "if"—that reconciliation legislation makes it through a conference committee—and that is a big "if"—and then is signed into law by the President, then and only then may Congress consider reducing taxes.

The CBO will have to certify that the reconciliation legislation does, in fact, produce a balanced budget. That is, CBO must certify that the budget is balanced in the year 2002. CBO will have to provide an estimate of how much additional savings will be achieved through lower interest rates and increased economic growth. CBO may determine that the savings are as projected, $170 billion; on the other hand, they may be lower or higher.

Once CBO has provided that savings estimate, only then can Congress consider cutting taxes. Obviously, we do not necessarily know what interest rates might be.

In any event, in the Senate, the decision whether to cut taxes is going to be first made by one committee. That is the Finance Committee, and that is a committee that I serve on. As a consequence, in the Finance Committee, I intend to make every effort to convince my colleagues on the committee that the CBO economic dividend should be used for further deficit reduction rather than tax cuts.

Mr. President, if this amendment by my good friend from Wisconsin is adopted, and if we completely foreclose the future option of reducing taxes, this Senator, the Senator from Alaska, is concerned that this balanced budget resolution may not receive a sufficient number of votes to pass this body.

I believe it would be far worse for our Nation's economic health if we fail at this effort to bring the deficit to zero than it would be if we merely retained the longer-term option of reducing taxes. It is for that reason, Mr. President, that I must reluctantly oppose the amendment of the Senator from Wisconsin.

Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The Senator retains 3 minutes 35 seconds of his time; Senator DOMENICI of New Mexico has 10 minutes of his time.

Mr. MURKOWSKI. I yield the balance of my time to the Senator from New Mexico.

Mr. DOMENICI. How much time does the other side have?

The PRESIDING OFFICER. The Senator from Wisconsin has 8 minutes 1 second.

Mr. DOMENICI. Mr. President, I yield myself about 3 or 4 minutes and then will have to absent myself from the floor, and I will be back. Perhaps the other side can use part of their time.

Mr. President, the budget that we crafted that is currently before the U.S. Senate, I believe, is a fair way to handle the American people and to say to them, "Once you get a balanced budget, for all the sacrifice that goes into that, there is some positive to come out of it."

We all understand that when we get a balanced budget and we no longer are borrowing money, when those out there that set interest rates based upon money supply see that America is for real, interest rates come down. There is no question.

Americans should not think we are going through this event in our history, one of the most significant in modern times, of putting our fiscal house in order, deciding that we finally want to pay our bills ourselves as adults instead of having our children and grandchildren pay them—there ought to be a bonus for that. We ought to get something out of that.

Incidentally, in this case, the major economists that look at fiscal policy of this Nation—perhaps they are just startled by the fact that we are finally going to live within our means and be rational and talk about what we can afford and what we cannot afford—they say there will be an economic bonus, an economic dividend. There will be a change sufficiently large in interest rates that when we get to balance, we get an economic dividend of somewhere between $150 to $200 billion if it is done in the manner prescribed in this budget resolution.

So what did we say? We said simply, we are not going to have tax cuts until the event is completed—the balancing of the budget. So we say, when all of these laws are changed by the Congress, that is finished, then we can ask the CBO, the real number estimators for our land, are we there? Have we reached that point, that event? Is it real? When they say, "Yes," they will then say there is an economic dividend. We will say then and only then is that released to the Finance Committee of our U.S. Senate to be used for tax cuts.

Now, Mr. President, there are many people in this body and many American people who think we ought to have a tax cut for the American people. Especially one that focuses in on the American family.

Frankly, I agree with that. I said my first priority as the chairman of the

Budget Committee would be to get a balanced budget. I believe we got one. I believe that this is historic, and if carried out, the economy will get better, interest rates will come down, and I believe we have a brighter future if we stay there for about 10 years, in balance, paying bills, reducing the debt, instead of borrowing more and more every year.

Now, I think the Senator from New Mexico thinks at that point in time when we finish that work, we ought to give the American people at least an opportunity to get a tax cut, to get some relief, especially for families. That is what this budget resolution does.

Now, frankly, there are some who would like to spend that dividend. We have heard from them. I do not know that there will be any more opportunities on the Senate floor to spend that dividend again or to use it differently. We have been through that.

Now we have reached the point in time where those who are not for this budget resolution—and I assume the Senator who offers this amendment is not for this budget resolution. Perhaps that is a false assumption. If it is, he might tell the American people he will vote for this budget resolution. That would be interesting. I surmise he will not say that. If he does, I would say, "Wonderful."

From that side of the aisle there will be a huge number of votes saying after we get there, we want to say what to do with it, and we do not want to give the American people a tax cut even after the balanced budget when the economic dividend is available and we are still in balance.

I do not believe that amendment ought to pass. I do not believe the motion to strike that part of the budget should pass. That is why I am speaking tonight. I have spoken enough, perhaps, today and I am not sure I will speak much more. Maybe another 3 or 4 minutes before this amendment is finished.

Essentially, while I compliment the Senator who offered the amendment, he obviously is really interested in fiscal prudence, in making sure that we use common sense, as he says. I believe the common sense was all exercised before he ever got to the floor, before this amendment ever arrived, when Republican Senators decided to balance the budget. We hope when we are finished that some Democrat Senators will join Republicans.

That event was completed. Now we come to the floor and say, "No dividends to America. Just strike it out of this budget resolution."

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator has a little over 7 minutes remaining on his time. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. I yield 3 minutes to the Senator from Virginia.

Mr. ROBB. Thank you, Mr. President. I thank the Senator from Wisconsin.

While the distinguished Senator from New Mexico is still on the floor, let me tell him I fall into the latter category of one who is thinking if we do not do any more damage, that I may be one, and there are several on this side of the aisle, I might inform the Senator, who are thinking about voting for the budget that emerges —not because we think it is the perfect vehicle.

Indeed, tomorrow, some Members will have an alternative, hopefully, to that particular vehicle.

I want to compliment the Senator from New Mexico. I have known him for about 15 years. I have respected his willingness to make tough, principled decisions in attempting to bring some sense of fiscal responsibility to an otherwise undisciplined Federal Government over a long period of time. I said on this floor the other day, that I thought he deserved enormous credit for giving us a target, something that was truly important.

I support the amendment of my friend, the distinguished Senator from Wisconsin, because I believe we ought to make it clear that deficit reduction is the most important objective we are attempting to achieve at this particular time. We are not truly balancing the budget even if we stick to the numbers we are dealing with, because we continue to mask the total budget in the Social Security surplus. It will be about $113 billion out of true balance, but it is exactly the same kind of obfuscation we have been using for years and I am certainly willing to give all the credit that is due for moving in that direction. But in this particular case, if we are serious about deficit reduction, I think the only message we can leave at this point is we are prepared to make some tough choices.

Several on this side are willing to make those tough choices with our colleagues on the other side of the aisle. One of the most difficult votes for me was one just two votes ago when I had to vote ultimately against a very substantial increase in defense spending. Not because I do not think we need it, because if we are serious about fighting two major regional conflicts and winning in the years ahead we are going to have to put more money into the defense budget, even more than the President has added back right now. I accept that responsibility and will continue to work on it. But I thought it was a discordant message with respect to deficit reduction.

That is why I am prepared, with several colleagues, I believe, to support the ultimate product of this debate. I hope we will find ways to amend that particular end product so we can have something that has the kind of balance that many of us want to achieve. But I think the most important thing we can do is keep our eye ultimately fixed on the target, which is to bring it into what is balance using the $113 billion that will be available from the Social Security surplus.

With that I yield whatever time I have remaining and I thank the Senator from Wisconsin for offering this particular amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. FEINGOLD. First of all let me thank the Senator from Virginia for his tremendous support on this issue all along.

Now I would like to yield to the Senator from Illinois, who has also been as solid as can be in trying to impose these tax cuts.

Mr. SIMON. Mr. President, I want to commend Senator FEINGOLD who, from day one, when both parties were talking about tax cuts, said, "This does not make sense. Our priority has to be to get this budget balanced."

As I have said half a dozen times on the floor, and I said it in the Budget Committee, I commend Senator DOMENICI for moving toward a balanced budget. I disagree with how we get there. But the question is right now on a tax cut. The next best thing to passing this amendment is to do what Senator MURKOWSKI said on the floor just a few minutes ago. He said, as a member of the Finance Committee he is not going to vote for a tax cut. And I commend him for that statement.

When my friend from New Mexico says there ought to be a bonus, we ought to get something out of it, I think the bonus is to have this budget in balance to get our fiscal house in order. When he says we ought to get something out of it—I know he has more children, and more grandchildren I believe, than I do. If my three grandchildren can have a better future, that is what we ought to be interested in. I think, frankly, passage of the Feingold amendment moves us in that direction.

I know the Senator from New Mexico well enough to know he will not be heartbroken if the amendment of the Senator from Wisconsin is agreed to. I hope it will be agreed to. I am certainly going to vote for it.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I just take 30 seconds and say to my good friend, Senator SIMON, I think you know a lot. But you do not know whether I will be heartbroken or not. That is pure speculation. I spoke rather vigorously against it. All my instincts and all my abilities are to speak against it. I have done the very best I can.

You draw your conclusion. I draw my own.

Mr. SIMON. All right.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I yield 1 minute to the distinguished Senator from Nebraska, who has also been extremely helpful on this issue.

Mr. EXON. Mr. President, I thank my friend for yielding for 1 minute. I find myself very much in the position just articulated by my friend and colleague from the State of Virginia. We have to make hard choices here. I felt about that amendment that he referenced about like he did. But if we are going to make the hard choices then I think we should make them. Therefore I endorse thoroughly the amendment offered by my friend from Wisconsin and my friend from South Carolina.

Certainly, in times like these, when we are talking about the concern for the defense needs and all the other needs we have been talking about all during this debate, it seems to me we have no way or reason to be talking about a tax cut. If there is any money left over after doing what we think is obviously necessary for national defense and these other programs we would be talking about, then that is where the money should be spent. If not there, to reduce the deficit.

I hope the Senator accepts the amendment that is being offered and debated at this moment.

I yield any remaining time I might have.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the ranking member and ask how much time we have left on our side?

The PRESIDING OFFICER. The Senator has 1 minute and 10 seconds.

Mr. FEINGOLD. Mr. President, let me use the last brief period of time to say in response to the Senator from New Mexico that one thing has been accomplished even if we do not win on this vote. That is, the early effort to pretend there was not a tax cut in the Senate budget resolution is over. They are admitting it now, that there is this fund and they are not willing to eliminate it. That is progress. Because that was the first attempt.

Why are we not able to support the resolution in this form? It is because the proposal of the Senator from New Mexico is out of balance in the year 2002 because of this very problem of this $170 billion. In fact, what it is, is what is left of the crown jewel of the Republican contract. It is basically lying on the floor now after the vote earlier today; 69 to 31 the U.S. Senate rejected the Gramm amendment which was the crown jewel of the Republican contract. This is all that is left of it.

This amendment is an opportunity to say what all the American people really know, which is we cannot afford this. As the Senator from Nebraska said, we are either going to do deficit reduction or we are not. This amendment is the one that allows both parties to come together and strike the iron while it is hot.

I hope the Senator from Alaska is right and we get it done in the Finance Committee but we should do it now on the budget resolution.

The PRESIDING OFFICER. The Senator from Colorado controls 6 minutes and 36 seconds.

The Senator from Colorado.

Mr. BROWN. Mr. President, I am an admirer of the Senator from Wisconsin. He has, I think, forthrightly brought forth before the Senate a number of proposals that are meant to save money. So I rise out of concern over his amendment, not over concern over the Senator himself but concern over the implication. Let me simply go directly to the point.

He made what I thought was a very interesting analogy. He talked about this amendment as a proposal to go on a diet, to eat carrots and celery and other such things. But then to put at the end of the diet a large piece of pie.

I do not think that is an appropriate analogy. Let me tell you why. What this budget resolution is is a diet. I think the Senator from Wisconsin is right about that. There is no question the Federal budget is overweight and this is a diet. This is carrots and celery. As a matter of fact, I think it is so good there might be some lean beef in here, too, all of which is very helpful to lose weight. But the potential at the end of the rainbow here is not a piece of pie. What it is, is the question of whether or not, when you have gone on the diet, you can have your suit altered. What it is is a question of whether or not you can put a swimming suit on.

If the Senator from Wisconsin wins, what he is going to say is you can go on your diet, which is the first time you have done it in many, many years. You can lose the weight, you can eat that celery, you can eat those carrots. But at the end of the period we are not going to let you take your suit off. You are going to have to walk around in the same baggy suit. There is no reward.

You can do your job. You can make the tough decisions. But, by golly, you cannot put on a swimming suit and let other people see how trim and attractive you are. Believe me, America is trim and attractive, if ever it gets its budget in balance.

Now, that is what the issue is. It is not a piece of pie. It is whether or not you can enjoy the fruits of your efforts.

Mr. President, we have had lots of inflated rhetoric about budgets. Everyone knows it. Everyone knows every time we promise to get the budget in line, it has not worked. And the reason it has not worked is because this Congress continuously overspends its own budget. So we need some help. There is no question about it. And is the promise that if we mind our P's and Q's, if we eat our carrots and celery, that we will get some reward at the end, some help? I think so. We need some help. I do not think anybody can seriously suggest that this Congress does not need help in sticking with its budget resolution.

Now, there is a unique aspect of this. This budget resolution does not commit to a tax cut. What it says is if you pass the budget resolution, if it all scores out and if you come back and fully reconcile it and fully pass that reconciliation—and I think everybody knows that is going to be tough and is perhaps unlikely—and if you reconcile in a way that the President signs—and that is an even more difficult question because the President has not been enthusiastic about signing things that cut spending—if you get all that, then you may be able to talk about this.

So what we are talking about is a little incentive for a Congress that I believe is desperately in need of some incentive, is desperately in need. What happens here is if you eliminate any incentive and you have a Congress that goes back to its old ways of overspending its own budget, you make it much less likely that we will ever get to the promised land, that we will ever keep on our diet.

Mr. President, what is the impact of going to someone who is on a diet and saying if you make the diet, there is going to be no reward at the end? Well, it is pretty clear. You diminish the incentive to get it done.

It is my judgment, Mr. President, and I think one of the American people, that we ought to be talking about more incentives to get this Congress to stay on its diet, not less. I hope the Members will reject this amendment.

Mr. President, I retain the remainder of my time.

Mr. President, I believe the Senator from Maine wishes to speak on this subject. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes.

Mr. BROWN. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to yield 5 minutes off the resolution to the Senator from Georgia on the subject at hand.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from Nebraska.

Mr. President, I rise in support of the Feingold amendment of which I am a coauthor, to apply the $170 billion fiscal dividend to deficit reduction. The $170 billion set aside in this resolution for a later possible tax cut is certainly more responsible than the House approach beginning with a $1.2 trillion deficit exercise by cutting taxes. The House approach to me is like going on the wagon and beginning with chugalugging a bottle of whiskey. To me that is the analogy.

The Senate approach is to set the money aside until after a reconciliation bill is enacted and then making it available for a tax cut at the discretion of the Budget and Finance Committees and, of course, Congress' later approval.

Mr. President, I believe this fiscal dividend brought about by lower interest rates and higher economic growth will exist if we balance the budget by 2002. I do not think it is funny money, but I think it is very fragile. If we touch it by using it either for increased spending or tax cuts, I am afraid it may break. There is a strong probability that the spending slowdown in Medicaid, Medicare, education, agriculture, and other areas will generate more and more opposition from substantial segments of America before the cuts are passed by the Congress and certainly before they are fully implemented over a period of years.

There is also a probability that in cutting projected spending by over $1 trillion in a 7-year period Congress will inadvertently make some serious errors which cause extreme hardship and which will have to be corrected.

Mr. President, if my choice is to use the dividend, the $170 billion, for tax cuts or for easing the most severe impacts on Medicare, education and low-income working Americans, I believe the priority should be on easing the impact, and my votes reflect this.

However, those are not the only two choices. In effect, until this amendment is voted on, we will have been choosing between either spending the $170 billion or refunding it. In either case, we will be spending and refunding before we have earned the dividend, in my view. If I have a choice, as we do on this amendment, however, of using the $170 billion, which has not yet been earned because we passed no reconciliation bill—and even when we pass one, we all know, looking at catastrophic insurance and others, when the public rises up in arms over some action by the Congress, it does not take us long to step back, and that may happen. I hope it does not, but it may happen in some of these cuts. I think the Feingold amendment is the responsible way to go because we will be putting this $170 billion on the deficit from the very beginning, and it will in effect be a contingency fund so that if we have to back up or some of the cuts do not work out as projected, we can still work on the goal in the year designated.

If this amendment passes, there will be a small cushion, a small margin for error in economic assumptions or other assumptions in this plan to achieve a balanced budget by 2002.

I would also remind all of my colleagues who believe, as I do, that we should be balancing the budget without using the Social Security surplus, leaving the fiscal dividend alone and applying it to deficit reduction, as we will do if this amendment passes, would help us move toward the goal of a real balanced budget in the operating accounts rather than simply a unified balance which we all know simply postpones the day of pain when the general fund has to start reimbursing the Social Security fund for the billions and billions of dollars owed. In fact, it will be trillions by the 2010–2013 range.

Mr. President, I understand the analogy my friend from Colorado used about going on a diet and eating celery and carrots and getting thin. But I would remind my colleagues that when we get to 2002, if everything works out in this budget as planned, we will still have to borrow the Social Security trust fund of $107 billion. And if we keep adding to the deficit, we will, under this resolution, at the time we get to 2002, instead of being slim and trim in a swimsuit, we are going to still owe to the people holding bonds and notes and Treasury bills all over this country something to the tune of about $6 trillion to $7 trillion. I believe the number is now about $4.9 trillion that is the national debt.

So we will not be slim and trim. We will be bulging over our bathing suits, but we will simply stop in that year adding to the fat and the bulge. So I am not sure we are going to all want to put on our bathing suits in 2002 and show the bulges that have been building up for the last 40 years. Nevertheless, that would be a rather optimistic view.

While the exact estimate would depend on what savings and enforcement provisions were enacted in the reconciliation bill, CBO's previous estimate of the fiscal dividend was about $350 billion in 2002. If we applied that to the deficit reduction, we could cut the real deficit, excluding Social Security, in half from about $100 billion to $50 billion in that year.

The PRESIDING OFFICER. The Senator has used the 5 minutes yielded to him.

Mr. NUNN. Will the Senator yield me 1 more minute? I think I can complete in 1 more minute.

Mr. EXON. If the Senator could complete in 1 minute. We are in a real crunch tomorrow for time, much more than most people realize.

Mr. NUNN. I will complete in 30 seconds.

Mr. EXON. One more minute.

Mr. NUNN. Thirty seconds.

We all know that someone has to face up to the Social Security problem. We all know the Social Security system is not going to be the same for those in their 20's, 30's, and 40's today. It cannot be. And the longer we avoid facing up to that problem, the worse the problem is going to be. Balancing the budget without the continued use of the Social Security surplus to finance other Government spending is an absolute necessary first step in that effort. I urge my colleagues to strike the reserve fund in this resolution and thereby apply these funds to the deficit. We must focus all of our efforts on creating a fiscal dividend before we refund it or consume it.

I thank the Senator from Nebraska. I thank my colleagues.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Maine is recognized.

AMENDMENT NO. 1128

(Purpose: To increase funding for mandatory spending in Function 500)

Ms. SNOWE. Mr. President, I have an amendment to offer.

Mr. DOMENICI. Mr. President, while that amendment is en route, might I ask, did I yield back the remainder of my time?

The PRESIDING OFFICER. That time was yielded back.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. BROWN, Mrs. KASSEBAUM, Mr. COHEN, Mr. LOTT, Mr. CHAFEE, and Mr. SIMPSON, proposes an amendment numbered 1128.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, decrease the amount on line 20 by $200,000,000.

On page 26, decrease the amount on line 21 by $100,000,000.

On page 27, decrease the amount on line 3 by $200,000,000.

On page 27, decrease the amount on line 4 by $300,000,000.

On page 27, decrease the amount on line 11 by $200,000,000.

On page 27, decrease the amount on line 12 by $300,000,000.

On page 27, decrease the amount on line 19 by $200,000,000.

On page 27, decrease the amount on line 20 by $300,000,000.

On page 28, decrease the amount on line 2 by $200,000,000.

On page 28, decrease the amount on line 3 by $300,000,000.

On page 28, decrease the amount on line 10 by $200,000,000.

On page 28, decrease the amount on line 11 by $300,000,000.

On page 28, decrease the amount on line 18 by $200,000,000.

On page 28, decrease the amount on line 19 by $300,000,000.

On page 31, increase the amount on line 12 by $900,000,000.

On page 31, increase the amount on line 13 by $500,000,000.

On page 31, increase the amount on line 20 by $1,000,000,000.

On page 31, increase the amount on line 21 by $800,000,000.

On page 32, increase the amount on line 3 by $1,000,000,000.

On page 32, increase the amount on line 4 by $900,000,000.

On page 32, increase the amount on line 11 by $1,000,000,000.

On page 32, increase the amount on line 12 by $1,000,000,000.

On page 32, increase the amount on line 19 by $1,000,000,000.

On page 32, increase the amount on line 20 by $1,100,000,000.

On page 33, increase the amount on line 2 by $1,000,000,000.

On page 33, increase the amount on line 3 by $1,100,000,000.

On page 33, increase the amount on line 10 by $1,000,000,000.

On page 33, increase the amount on line 11 by $1,100,000,000.

On page 48, decrease the amount on line 10 by $300,000,000.

On page 48, decrease the amount on line 17 by $300,000,000.

On page 48, decrease the amount on line 24 by $300,000,000.

On page 48, decrease the amount on line 25 by $100,000,000.

On page 49, decrease the amount on line 6 by $300,000,000.

On page 49, decrease the amount on line 7 by $200,000,000.

On page 49, decrease the amount on line 13 by $300,000,000.

On page 49, decrease the amount on line 14 by $300,000,000.

On page 49, decrease the amount on line 20 by $300,000,000.

On page 49, decrease the amount on line 21 by $300,000,000.

On page 50, decrease the amount on line 2 by $300,000,000.

On page 50, decrease the amount on line 3 by $300,000,000.

On page 54, decrease the amount on line 20 by $400,000,000.

On page 54, decrease the amount on line 21 by $400,000,000.

On page 55, decrease the amount on line 2 by $500,000,000.

On page 55, decrease the amount on line 3 by $500,000,000.

On page 55, decrease the amount on line 9 by $500,000,000.

On page 55, decrease the amount on line 10 by $500,000,000.

On page 55, decrease the amount on line 16 by $500,000,000.

On page 55, decrease the amount on line 17 by $500,000,000.

On page 55, decrease the amount on line 23 by $500,000,000.

On page 55, decrease the amount on line 24 by $500,000,000.

On page 56, decrease the amount on line 5 by $500,000,000.

On page 56, decrease the amount on line 6 by $500,000,000.

On page 56, decrease the amount on line 12 by $500,000,000.

On page 56, decrease the amount on line 13 by $500,000,000.

On page 64, decrease the amount on line 9 by $500,000,000.

On page 64, decrease the amount on line 10 by $4,300,000,000.

On page 64, decrease the amount on line 11 by $6,500,000,000.

On page 65, decrease the amount on line 17 by $900,000,000.

On page 65, decrease the amount on line 18 by $500,000,000.

On page 65, decrease the amount on line 24 by $1,000,000,000.

On page 65, decrease the amount on line 25 by $800,000,000.

On page 66, decrease the amount on line 6 by $1,000,000,000.

On page 66, decrease the amount on line 7 by $900,000,000.

On page 66, decrease the amount on line 13 by $1,000,000,000.

On page 66, decrease the amount on line 14 by $1,000,000,000.

On page 66, decrease the amount on line 20 by $1,000,000,000.

On page 66, decrease the amount on line 21 by $1,100,000,000.

On page 67, decrease the amount on line 2 by $1,000,000,000.

On page 67, decrease the amount on line 3 by $1,100,000,000.

On page 67, decrease the amount on line 9 by $1,000,000,000.

On page 67, decrease the amount on line 10 by $1,100,000,000.

Ms. SNOWE. Mr. President, I think that there is no question that education is one of the highest priorities that we can give in this budget resolution, and certainly we should do everything that we can to ensure that it receives our greatest attention.

So I am very pleased to be able to offer an amendment in conjunction with many of my colleagues—Senator ABRAHAM, Senator GRASSLEY, Senator COHEN, Senator BROWN, Senator KASSEBAUM, Senator LOTT, Senator CHAFEE, and Senator SIMPSON—to restore $6.3 billion in the education account. While education will play a key part in the future of America's children, let us not also forget the goal of this entire process of this budget resolution and the debate we are engaged in to balance the budget by the year 2000 is the greatest gift we could possibly bequeath to future generations of Americans.

I know there have been various efforts to restore funding toward education, but the amendments that have been offered have certainly contained fundamentally flawed funding mechanisms. There has been much talk and discussion here in the Senate about the dividend that the Congressional Budget Office may provide to score the budget if we put in place a balanced budget by the year 2002, and that we may achieve a savings of up to $170 billion.

But that may or may not materialize at the end of 7 years and, obviously, as each year goes by, it will be determined whether or not the targets have been met under this balanced budget resolution that hopefully will be enacted into law, as well as reconciliation.

But I do not think that on an issue as important as education that we can premise the restoration of funding through an illusory estimate that, as I said, may or may not be there at the end of this budgetary process.

But furthermore, the purpose of the budget resolution is to provide instructions to the Appropriate Committees, both the authorizations as well as the Appropriations Committees, as to what funding levels they can rely upon in which to conduct their work.

So they need to know what the bottom line is, and that is what the budget resolution is all about, to tell them how much they can spend and they, accordingly, make the determinations as to how they will proceed within the aggregate numbers that have been provided to them in the respective functions within the Federal budget.

I think we are playing a dangerous numbers game if we think we are going to just restore funding based on this dividend that, again, may not materialize. I do not think that we can be fiscally presumptuous in basing these numbers on such a funding mechanism. I think that we have the obligation to provide reliable, straightforward, factual estimates and data to the Appropriations Committees and the other committees which will be engaged in the work in trying to determine how they reach these funding levels that will be contained in this budget resolution.

But the amendment that I am offering today with my colleagues, as I said earlier, takes a fiscally responsible approach but, at the same time, helps to address the educational needs of the next generation.

Mr. President, we restore $6.3 billion in additional funding, but at the same time we provide for specific offsets. Now, of course, the appropriate committees may not follow those recommendations. They have the option of pursuing other categories for specific reductions in spending. But we have provided the offsets by reductions in funding for the intelligent vehicle program, NASA R&D for commercial aircraft, new Federal building construction, reducing the executive branch air carrier fleet from 1,500 planes to 1,350 planes and capping employee bonuses, Federal employee bonuses at $100 million from the present $300 million.

We think that there are certain priorities that we should target in any budget resolution and throughout the budgetary process of this year, one of which certainly should be to help provide very critical and important assistance to low- and middle-income families who depend upon Federal assistance to provide the educational assistance for their children.

Our amendment ensures adequate funding to protect several very important policies regarding student financial aid. What we want to do and accomplish as a result of this amendment is to ensure that the Labor and Education Committee is enforced to make changes in the student loan programs that affect home and farm equity, in the determination of eligibility for student loans, increasing the student loan origination fee or eliminating the grace period for beginning payments upon graduation.

Our aim and goal is to ensure that there are sufficient funds within this account to preclude the Labor and Education Committee from taking these steps, and our amendment is intended to provide enough money to protect those policies.

The impact of including home and farm equity in the calculations of eligibility for Federal assistance would be enormous on so many families all across this country. All we need to do is to examine the situation which occurred prior to the enactment and the reauthorization of the Higher Education Act of 1992, when home and farm equity was considered in determining income eligibility for student assistance.

The inclusion of the value of family home or farm in the need calculation meant that many hard-working middle-income families were not able to qualify for student aid. These hard-working families, for whom their home or farm was their only real asset, were punished by being shut out of Federal student aid programs.

So in 1992, Congress recognized what a serious problem this had become for many families in America. So, consequently, the 1992 higher education amendments exempted a family's farm or principal resident from the student aid program in the calculations of their need. This made it possible for low- to middle-income families to receive help from the Federal Government to send their children to college, rather than requiring them to try to mortgage their home or farms in order to pay for their education.

We want to make sure that Congress does not change the present law, which has made college more affordable for thousands of low- and middle-income families, and that is why we worked so hard to provide reasonable offsets which will hopefully guarantee the continuation of present law which eliminates consideration of the home and the farm from the needs analysis for student aid programs. We think that these offsets are a fair trade.

As I said earlier, the committees may determine that they can use other offsets, and that is certainly within our purview and the prerogatives of the committee.

Our amendment is intended to ensure that those individuals and families living off limited incomes will continue to have access to Federal student aid to send their children to college. The fact is that farms and homes should not be included in the calculation of a student's eligibility for student grant or loan assistance because those assets are not liquid and cannot be easily converted to cash for students to use toward their college education.

The second aspect of our amendment is student loan original fees which, I think, is also a critically important issue in terms of costs regarding education. OBRA 1993 reduced the original fee for both subsidized and unsubsidized loans from 5 percent to 3 percent. We believe that that is an important change and would like to see the Labor and Human Resources Committee maintain this policy. Increasing the loan origination fee increases the principal amount that borrowers must repay to the Federal Government and the amount of interest the student must pay.

Our amendment would provide enough money to hopefully protect the present origination fee formula. Finally, our amendment would also ensure there is an adequate grace period for those students after they graduate from college. We know that certainly in these difficult economic times, students upon graduation do not easily find employment, and the current grace period is up to 6 months.

We think it makes sense for us to continue to provide a grace period because students do not often find gainful employment immediately, and we do not want to force them into a situation where they end up defaulting on their student loan almost immediately upon graduation. So this grace period gives them a chance not only to find employment but also to begin planning so that they can eventually make the payments on their monthly loans.

As we know from the cost of college education and postsecondary education, it has become a very, very expensive proposition for the students, as well as their families.

We are offering this amendment because we recognize that productivity and the performance of our economy is intertwined with the investments that we make as a Nation in education.

The structural changes in the American economy, the revolution technology, have made it necessary for students to attain training beyond high school for the work force of the future.

While nearly 40 percent of today's jobs are in low-skill occupations, only 27 percent will fall into that category by the year 2000. At the same time, jobs in high-skill occupations will rise from 24 percent to 41 percent of the work force.

Looking at the new jobs that are being created, and will be created in this decade, more than half of the new jobs created presently between now as well as the year 2000, will require education beyond high school.

In fact, the median year of education required by the new jobs is 13.5. This is a year and a half beyond high school. Therefore, every worker is going to have to recognize that they will require not only high school education but certainly a postsecondary education of some kind, whether it is a 4-year college degree or technical education. Whatever it will be, it will require not only postsecondary education but schooling beyond that, as well.

Men and women who continue their education beyond high school, as we have seen in study after study, have consistently earned more money on average each year than those who do not.

In 1990, for example, the average income for high school graduates was almost $18,000. For those who had 1 to 3 years of a college education, earned on the average $24,000. Those who graduated from college and received a college diploma received on average salary of $31,000. These statistics are from the Census Bureau.

The entire country benefits, as well. For every $1 we invest in education we get enormous returns as a result. Back in 1990, another study was conducted that analyzed the school assistance that was provided to high school students back in 1972. For every $1 that the Federal Government invested in the student loan programs at that time, the Government received $4.3 in return in tax revenues.

According to a study by the Brookings Institute, over the last 60 years, education and advancements in knowledge have accounted for 37 percent of our Nation's economic growth.

At a time in which education is becoming paramount in this global arena, where it is going to make the difference for an individual and the kind of living that can be enjoying for themselves and their families, education puts them on the cutting edge. It puts our Nation on the threshold of competition for the future.

If we deny individuals the opportunity to receive an education because they lack the financial assistance or the access to financial assistance, clearly, we as a Nation, are going to suffer.

Costs of education have increased significantly, two to three times faster than the growth of median incomes. Without student aid, increasing costs make higher education out of reach for millions of Americans.

At a time when college costs are increasing dramatically, in fact, since 1988 college costs have risen by 54 percent. We know salaries and income for families have not increased 54 percent.

We have to make sure that we carefully retain policies that will make higher education accessible to millions of low- and middle-income families.

I also would like to read part of a letter from the American Council of Education which supports this amendment, saying "It will help millions of low- and moderate-income students fulfill their goal of a college education. Passage of your amendment is essential if the fundamental promise of the Federal student loan program is to remain available to future generations of college students. We are grateful to you for offering it, and we urge all Members to vote in favor of it."

I know this amendment will make a significant contribution to students pursuing a higher education. I am pleased to be joined by several of my colleagues who have cosponsored this legislation.

I would now like to yield to the Chair of the Labor and Human Resources Committee who is a cosponsor of this amendment.

Mrs. KASSEBAUM. Mr. President, I appreciate the Senator from Maine yielding. I am very pleased to offer my support to the amendment that has been offered by Senator SNOWE and Senator ABRAHAM.

As Senator SNOWE has pointed out, this amendment would soften the impact of the budget resolution on Federal student loan programs by reducing the reconciliation instruction to the Committee on Labor and Human Resources by $6.3 billion over 7 years.

At the same time, it maintains the objective of the resolution to achieve a balanced budget by the year 2002 by making offsetting reductions in other budget functions.

During the course of the debate on this budget resolution, I have listened to my colleagues speak about the significance of restoring sound fiscal policy. Many have spoken to the fact that the true beneficiaries of this effort will be future generations—our children. I strongly agree.

I was privileged, and it was certainly a lesson in learning about the works of the budget and the Senate and the operations of Government, to serve on the Budget Committee for a number of years. I would like to at this time, Mr. President, particularly commend Senator DOMENICI, as chairman of the Budget Committee, who has for years, labored in the vineyards of budgetary policy and has put forward for the Senate, at this time, I think, an extraordinary budget. All who served on the Budget Committee should be commended because it is not an easy task.

This amendment that is being put forward by Senator SNOWE and Senator ABRAHAM does not compromise the resolve to put our fiscal house in order. Nor does it impair the budget resolution. What it does is revise and realign our priorities just slightly in the context of the entire budget, but significantly in our ability to fulfill what I think most agree is an appropriate and valuable role for the Federal Government.

I recognize that as chairman of the Labor and Human Resources Committee I might be accused of having adopted a "not in my backyard" attitude toward the budget resolution. Let me assure my colleagues that this is not the case.

The committee will do its fair share toward reducing the size and scope and expense of Government. In fact, we started early making a 25-percent reduction in the committee's own budget, which was the largest cut in any of the Senate committee budgets.

This is an amendment that should pass. It has offsets that keep the budget on course toward balance. It makes no overly optimistic assumptions. It does not touch taxes. It is a serious attempt to stay within the parameters which a majority of the Senate Committee on the Budget endorsed in reporting this resolution.

I think it is also important to remember what the budget resolution is. It is a resolution that makes no reference to any specific program; rather, it divides spending into broad overall categories.

I understand this amendment assumes some specific outsets. There are many other assumptions that could have been used to specifically define those offsets.

However, at this stage they are just that—assumptions—and nothing more. They are not mandates on authorizers and appropriators. In the end, authorizers and appropriators will make the decisions on individual programs.

Some of my colleagues may have objections to any specific offsets that may have been delineated and discussed in relation to this amendment.

While I am concerned about some of the assumptions, one which may be regarding the NASA aviation research program, aviation research is vital not only to industry but also to public safety and the environment.

However, Mr. President, it is important to remember that the amendment itself does not refer to the advanced subsonic technology program or high-speed research, or NASA, for that matter.

It refers only to a slight reduction in the overall transportation function. Less than one-half of 1 percent, in fact.

I would like to ask Senator SNOWE, is that not correct?

Ms. SNOWE. I would like to answer the Senator from Kansas. The Senator is absolutely correct. We recommend offsets so that we determine the credibility of our numbers and ensuring the committee can reach those funding levels, but certainly it is within the prerogative of the respective committees to determine how they reach those numbers.

They may choose to arrive at them in a different way and make different reductions and offsets than the ones we recommended. The specific offsets are not included in the legislation. We want to make sure they understand that we have some credible numbers that have been scored by the CBO.

Mrs. KASSEBAUM. Mr. President, I thank the Senator from Maine.

I am confident, Mr. President, that the authorizers and appropriators will evaluate programs under their jurisdiction and set their own priorities. That has always been the case. It will continue to be the case.

This amendment leaves them more than enough room to preserve a vital NASA function, for instance, aviation function, and meet the country's pressing transportation infrastructure needs.

Likewise, the budget resolution makes no specific assumptions about how the Senate Committee and Labor and Human Resources will meet its instruction on mandatory spending. Yet, the range of options available to the committee on mandatory programs is much more limited.

Even the adoption of this amendment will not leave the committee with an easy task—as we still must produce over $7 billion in savings among a rather limited number of options. I would like to go further, but I do not believe it would be realistic to do so.

I share the goal of assuring that our Nation's young people do not face a future in which the burden of public debt smothers their capacity to benefit from the fruits of their own labor.

I thought Senator SNOWE, in her comments, very eloquently laid out exactly why it was very important to be able to add this money back to assist with the student loan program in ways that I think we all recognize would be very beneficial.

I believe the Snowe-Abraham amendment strikes a reasonable balance between these two important objectives. I urge its adoption by the Senate when this amendment comes to a vote.

Thank you, Mr. President, I yield the floor.

Ms. SNOWE. Mr. President, I yield 5 minutes to the Senator from Iowa, Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, I want to speak briefly in support of the amendment offered by Senators SNOWE, ABRAHAM, and myself.

Let me just say that as the 2d ranking Republican on the Budget Committee, and having served on the Budget Committee for over 14 years, how much the committee has benefitted from the infusion of knowledge, ideas, and energy from these two Senators, Senator SNOWE and Senator ABRAHAM, as well as Senator FRIST, the other newcomer to the committee.

I am pleased to be joining these two Senators as an original cosponsor of this amendment which lessens the debt our undergraduate students will face and also ensures that students will not be denied eligibility for loans because of the value of their family's home or farm.

I commend the Senators for offering this amendment.

It should not be forgotten though that it is this budget resolution and the tremendous work of Chairman DOMENICI that will do so much to benefit our students, both undergraduate and graduate.

The lower interest rates that will be achieved by getting to balance by 2002, will translate into hundreds of millions in savings for students who are paying off their student loans.

It is important to note that this amendment offers real offsets for the programs it wants to fund. This amendment doesn't do across-the-board cuts, or worse, tries to pay for it by assuming funds from the economic dividend. This amendment provides real offsets from other discretionary spending.

I would like to comment briefly on one of the offsets—cutting back part of the Government's private airlines.

I have asked the GAO to review the number of planes that are owned by the Federal Government. Incredibly, the Federal Government, not including DoD, has over 1500 planes—most of which are owned.

Agencies like the Panama Canal Commission, the Resolution Trust Corporation, and the General Services Administration all have planes.

Now many of these planes are necessary, and do have important missions. However, GAO has found that a significant number of these planes have as their primary mission ferrying senior Government officials around.

Similarly, the President's Commission on Integrity and Efficiency has found that many of these aircraft are not necessary.

When we are asking others to tighten their belts we cannot continue to fund a private airfleet for Government officials.

A good example of the wastefulness of these Government-owned aircraft is highlighted in a recent report by the NASA inspector general:

> Several NASA aircraft were used by NASA employees, other Government employees, and non-Federal travelers for official travel at higher costs than using commercial airlines.
>
> An analysis of fiscal year 1992 and fiscal year 1993 travel, comparing the cost of travel using seven of the eight aircraft—NASA owned aircraft—with the cost of using commercial air flights, showed $5.9 million could be saved annually by using the commercial flights.

This amendment assumes the selling of only a small number of planes, 150, approximately the number that GAO believes are being used for travel purposes. The amendment still allows the Government to retain over 1,400 planes to achieve their missions.

This is a good amendment. I am proud to be a cosponsor of this amendment that will help young people to attend college.

I yield the remainder of my time.

Ms. SNOWE. Mr. President, it gives me a great deal of pleasure to yield as much time as he may consume to Senator ABRAHAM of Michigan, who helped in developing this amendment. I was pleased to work with him because we share the goal in advancing the needs for our families in this country with respect to education.

Mr. ABRAHAM. Mr. President, today I join Senator SNOWE in offering an amendment to restore $6.3 billion in mandatory education spending through offsetting cuts to corporate welfare and general Government.

Before I discuss the details of the amendment, let me make clear that my sponsorship in no way detracts from the chairman of the Budget Committee or his resolution. Senator DOMENICI and his staff have done a Herculean task of putting this budget together and they should be applauded. In the area of education, however, I have some concerns.

Mr. President, going to college has been an integral part of the American dream ever since Harvard University was established by the General Court of Massachusetts in 1636. For millions of young Americans from lower and middle-class families, a college education is the first step towards a brighter and more productive future. For many of these families, however, that dream is out of reach without some form of assistance. The student loan program makes it possible for children from families of modest means to attend college and get their degree.

Because of the important role the student loan program plays in so many lives, I am concerned that the spending reductions included in the education, training, employment, and social services function will result in decreased access for low- and middle-income students to a college education. While it should be noted that the reductions in this function will not necessarily come out of the student loan program, the size of the reconciliation instructions included for the Labor and Human Resources Committee make such cuts possible.

By reducing these instructions by $6.3 billion, I hope to relieve pressure on the authorizing committee so that in reaching their target, they don't have to resort to some of the cuts listed in the CBO "Spending and Revenue Options" book for mandatory education spending.

Options like increasing the student origination fee, including home and farm equity for when calculating financial need, and eliminating the 6-month grace period between graduation and when the loan payments begin hit students and then families hard when they can afford it the least. The goal of this amendment is to protect undergraduate students from higher out-of-pocket-costs when they apply for Federal loans.

To pay for this restoration of funding, we are offering the offsets from the transportation, general government, and allowances function. Speaking generally, I am certain a good case could be made for each of these spending areas. With the goal of balancing the budget, however, the Senate must set priorities, and trading corporate welfare for the dream of a college education is a good bargain.

In conclusion, Mr. President, let me just say that the Federal Government has been helping students gain access to higher education for over 40 years. This partnership has enabled millions of men and women to go to college, get their degree, and go on to live more productive and creative lives. This amendment would protect that tradition and ensure that student loans continue to be available to all Americans. It is a good amendment, and I hope the Senate will support it.

I yield back the balance of my time.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I would like to inquire as to how much time is remaining?

The PRESIDING OFFICER. The Senator has 27 minutes 50 seconds.

Ms. SNOWE. I would now yield 5 minutes to the Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Maine for yielding me some time and congratulate her and Senator ABRAHAM for the amendment which they have presented and of which I am a cosponsor.

I believe they are on the right track. Any time you make substitutions, as the Senator from Kansas pointed out, it is difficult. But I think the selection of the substitutions that Senators SNOWE and ABRAHAM made are good ones. So that is a fine amendment and I am glad to be a cosponsor of it.

I would just like to say, if I might, a few words about this budget we are considering here today and will vote on tomorrow. It seems to me tremendously important that we bear in mind that for 33 straight years this Nation of ours, through wars and recessions, through good economic times and through bad economic times, the Federal Government has continually had to borrow money each year to pay its bills. Why is this so bad? What it means is that each year we continue to finance the Government with debt, and in doing so we steal the economic prosperity of our children and our grandchildren. Interest expenses this year totaled $235 billion. Not a penny of that for principal—$235 billion; 15 percent of the total budget of the United States now is being spent on interest on the debt. That amount of $235 billion will increase to $400 billion in just 10 years unless we do something about this budget.

With the problem so clearly defined, you would think the President would have addressed it when he sent up a budget this year. But he did not. Instead, the President sent us a budget that had $200 billion of deficit this year, and over the next 7 years he continued with deficits of the same nature.

I do not think that continuing on the path of deficit spending is acceptable. To me it is morally wrong to be sending these bills on to our children and future generations. Some Members on the other side of the aisle have suggested that selecting 7 years from now, the year 2002 is arbitrary. I mean why do you select 2002? How about 2005? There is nothing magic about 2002. But let us get on with the job. Once you start down the slippery slope of saying how about 2005, how about 2015 or 2020? I do not go with the thinking of postponing it beyond 7 years. Seven years provides us with enough time to implement the cuts in a manner that does not jeopardize our economy.

Like every Senator, I have heard from people who come up to me, as every Senator here has had the experience, and they say, "I am for balancing the budget, but"—the next word is always "but"—"but please protect this particular program I am interested in," whether it is education or the environment or health care or doing something about law enforcement. You always hear that word "but," but do something about greater research at the NIH—whatever it might be.

If we are going to balance this budget, we have to have hits right across the board, in a whole series of attractive programs. Is this the perfect budget? I do not think it is. I suppose, if they had asked me to draw up a budget, I could have done a better job, probably. That is what I think. And every single Senator here thinks the same thing. But this budget is the first one in three decades that puts us on a path of fiscal responsibility. I congratulate the chairman of the Budget Committee, Senator DOMENICI, for the extraordinary work he has done. Not only Senator DOMENICI, but the members of his committee likewise deserve congratulations.

We have a choice. We can stick with the status quo. We can do nothing. And we can just go on with $200 billion of deficit this year going up to $400 billion in a few years. Or we can end these deficits and do it now. The budget before us leads America away from the red ink and toward a better future for our children.

If we succeed in balancing this budget, as we are on the path to doing now, we will reap the benefits of lower interest rates, stronger economic growth, and the feeling, that wonderful feeling that we are passing this Nation on to our children in better condition than we found it. What could be more worthwhile than that? What more worthy goal than to say we are not going to continue passing these bills on to our children and grandchildren?

Mr. President, I just hope this budget before us will receive the support from every single Senator when we vote on it tomorrow afternoon. Again, I congratulate the distinguished Senator from Maine and the distinguished Senator from Michigan for the excellent amendment which they have submitted.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Mr. President, I would now yield 2 minutes to the Senator from Michigan.

Mr. ABRAHAM. Mr. President, I want to elaborate a little further on some of the reasons why I think this amendment is so important. As a candidate for the Senate during the 1994 campaign, I traveled throughout my State. I was struck by the extent to which young people in Michigan, college students, high school students, and others really believe that it was important that we focus on the future. They were looking to us, I think, those of us had who were running, to try to address how we could make our Nation more competitive, how we could expand opportunities, particularly opportunities in the private sector in the next century, how we could be more competitive in a global environment in which we compete no longer with just three or four other industrial nations but with virtually the whole world.

I think, as I talked to people, both those who might themselves be beneficiaries of student loans in this 7-year period we are discussing but also to leaders of industry in my State, it became increasingly clear to me that a top priority had to be a well-educated work force, a work force prepared to be competitive with the kind of global economy which we will encounter.

That is why I think it is important that we make our citizenry as competitive as it can be. I believe this amendment, by producing the kinds of environments in which not only the volume of student loans that are available does not decrease but the access to those loans by people of more modest means remains unchanged, is the way by which we can fulfill for many people their dreams to be able to participate fully in the kind of competitive economic environment of the future.

For that reason, I think the amendment particularly is sensible, one that I hope other Members of the Senate will join us in supporting when we cast our votes on this.

Mr. President, I yield the remainder of my time.

Mr. COHEN. Mr. President, I am pleased to join Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, and others in offering an amendment to the fiscal year 1996 budget resolution to restore funds to valuable education programs by reducing funding for Federal building projects by 50 percent.

I strongly support this amendment and believe that it represents a much better use of scarce Federal resources. I am very concerned about the cost of Federal construction projects. Last Congress, I introduced legislation to reform the way the Federal Government manages its office space. I was concerned that the Government had billions of dollars in construction projects in the works and did not seem to be focusing enough attention on whether these projects were being constructed or renovated in the most cost-effective manner, whether the Federal Government was building in areas already glutted with commercial real estate, or even whether projects were truly needed.

Numerous General Accounting Office [GAO], and General Services Administration [GSA], Inspector General [IG] reports over the years have consistently identified problems in GSA's real estate portfolio and its chronic history of wasteful spending and mismanagement. The agency's long standing problems have significantly impaired its ability to meet the property needs of the Federal Government in a cost-effective and business-like manner. My legislation directed OMB to review Federal property management policies and implement changes to ensure better coordination among Federal agencies, focus on longer term cost-effectiveness, and achieve cost savings. While my legislation was passed by the Senate, it was amended in conference to require GAO to do a study to determine the feasibility and effectiveness of establishing a single Federal agency responsible for selling and otherwise disposing of real property owned by the Department of Housing and Urban Development [HUD], Farmers Home Administration, Department of Agriculture, Federal Deposit Insurance Corporation [FDIC], and the Resolution Trust Corporation [RTC]. This report is due out later this year.

In July 1993, I held a hearing in the Senate Subcommittee on Oversight of Government Management to examine how GSA manages its real estate. The results were quite disturbing. The hearing highlighted the fact that the Federal Government was constructing it did not need and leasing buildings it could not afford. Last May, the full Governmental Affairs Committee examined waste in the Federal courthouse construction program. The hearing illustrated that the Federal Government was wasting millions of dollars on courthouses that were padded with extravagant features such as brass doorknobs, kitchenettes, custom lighting, and expensive wood paneling.

During these hearings, R.S. Means, a Boston company that surveys construction costs, reported that the Federal Government was paying at least two to three times as much to build a Federal courthouse or office building than it cost to build a State courthouse or construct a building for the private sector.

The GAO also found major flaws in the methodology used by the Federal judiciary for estimating future court space needs. As a result, future space needs for a 10-year period were overestimated by more than 3 million square feet which, if authorized, could result in $1.1 billion in unneeded courthouse space. I, along with a number of my colleagues, wrote GAO to request an audit of the Federal courthouse construction program. That report is due out later this year.

Last March, Senator KERREY and I offered a sense-of-the-Senate amendment to the fiscal year 1995 budget resolution calling for a 1-year moratorium on construction of new Federal courthouses. Although it passed the Senate, the provision was dropped in conference and a number of courthouses and other Federal office buildings were subsequently funded.

More recently, I joined Senator KERREY in offering an amendment to the rescission bill that would have added over $300 million in deficit reduction to be taken from wasteful or unnecessary GSA projects. The amendment would have scaled back projects that were not authorized or that the GSA itself has either never asked for or said are unnecessary or lavish. Senator SHELBY offered a second degree amendment which expanded the projects covered to all Federal new construction, repair and alteration projects, including those that had gone through the normal authorization process, eliminating $1.9 billion in funding for Federal construction projects. Unfortunately, much of the $1.9 billion cut by the Shelby amendment was restored in conference. Mr. President, at a time when we are looking at cuts in education and many valuable programs, I find it hard to believe that we cannot find the means to cut funds for Federal building projects first.

I have commended GSA Administrator Roger Johnson in the past for his efforts to reform GSA and save taxpayers' dollars. At his confirmation hearing, I asked Johnson to suspend and review all Federal construction projects to determine if the projects were truly needed. GSA Administrator Roger Johnson's time out and review looked at about 200 construction and leasing projects and recommended changes with potential savings of $1.2 billion. While this is certainly a step in the right direction, more still needs to be done.

As Congress looks for ways to address the Federal budget deficit, we must ensure that Government programs and agencies are operating in the most cost effective manner possible. In these times of tight budgetary constraint, this amendment makes sense. I am pleased to cosponsor this amendment which will reduce funding of Federal buildings projects by 50 percent, on top of the 25 percent already assumed in the budget resolution, and target these funds to helping students go to college. This amendment represents a better use of scarce Federal dollars and puts money back into important education programs. I urge my colleagues to support the adoption of this amendment.

Mr. GLENN. Mr. President, I rise in opposition to the amendment proposed by Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, COHEN, LOTT, and CHAFEE.

I support the goal of the amendment—to provide increased funds for higher education. My record is clear and unequivical on education funding. These funds must be increased, but not in the way proposed by the proponents of this amendment. I would like to speak about two of the offsets that the amendment identifies and discuss the impact which these cuts would have on our economy.

First, the amendment would zero out two important NASA programs. These programs are the R&D or seed corn type programs which many of my colleagues have heard me speak about in the past. This amendment would zero out NASA's High-Speed Research Program, and NASA's Advanced Subsonic Technology Program.

Before I talk about these specific programs, I would like to observe that NASA has already absorbed more than its share of budget cuts. A couple of figures will illustrate what I am talking about: In fiscal year 1993, NASA's 5-year budget request was about $122 billion. The fiscal year 1996 request is now $82 billion for the next 5 years. NASA has been cut by one-third in just over 2 years.

NASA has stepped up to the plate to reduce bureaucracy and improve the way it does business. Under Dan Goldin's leadership the agency is currently going through a painful process of reducing its budget by $5 billion over the next 5 years. Mr. Goldin believes that this can be achieved without eliminating programs. He has a tough row to hoe to achieve this. Further cuts in NASA's budget will simply result in the elimination of current programs.

Now, let me talk about the High-Speed Research Program first. The goal of this program is to help develop the technologies industry needs to design and build an environmentally compatible and economically competitive high-speed civil jet transport for the 21st century. The technology developments are to reach an appropriate stage of maturity to enable an industry decision on aircraft production by 2001.

Mr. President, the technologies currently needed to develop such a transport are beyond the state of the art. NASA estimates that industry will need to invest more than $20 billion to bring such a transport to market.

Studies have identified a substantial market for a future supersonic airliner to meet rapidly growing demand for long-haul travel, particularly across the Pacific. Over the period from 2005 to 2015, this market could support 500 to 1,000 aircraft, creating a multibillion dollar sales opportunity for its producers. Such an aircraft will be essential for capturing the valuable long-haul Pacific rim market.

As currently envisioned an HSCT aircraft should be designed to carry 300 passengers at Mach 2.4 on transoceanic routes over distances up to 6,000 nautical miles at fares comparable to subsonic transports.

Now let me talk about the Advanced Subsonic Technology Program.

The goal of NASA's Advanced Subsonic Technology Program is to develop, in cooperation with the FAA and the U.S. aeronautics industry, high payoff technologies to enable a safe, highly productive global air transportation system that includes a new generation of environmentally compatible, economical U.S. subsonic aircraft. Some of the technologies and issues being studied and developed in this program include:

Fly by light/power by wire: a fully digital aircraft control system which would be substantially lighter, more reliable, and efficient than current control systems.

Aging aircraft: to develop new ways of inspecting aircraft to determine their airworthiness. New approaches are being developed to determine the residual strength in airframes using advanced nondestructive technologies. It might be worth thinking about this program the next time you are sitting in a 727 that is 20 years old waiting to take off on a cross-country flight.

Noise reduction: This program is developing technologies to reduce aircraft noise by 10 decibels or more by the year 2000.

Terminal area productivity: Technologies, chiefly involving air traffic control, that can improve the efficiency of operations on the ground at busy airports.

Integrated wing design: New concepts, design methodologies, model fabrication and test techniques are being developed to provide industry an integrated capability to achieve increased aircraft performance at lower cost.

Propulsion: Technologies to improve fuel efficiency of future commercial engines by at least 8 percent and reduce nitrogen oxides by 70 percent over current technology. These are only some of the technologies being developed under the program which the amendment's proponents would completely gut. It is a truly shortsighted amendment that would eliminate these important applied technology programs.

Mr. President, it is no secret that aerospace business is a Government-private sector partnership. Historically our Government has funded aeronautics R&D, and industry has taken this basic technology and developed aircraft that have dominated the world market. Over the last decade or so, other governments have gotten into the act. Currently the U.S. Market share is about 65 percent, down from about 91 percent in the 1960's.

Cutting these two important programs will not help us regain this market share—quite the opposite. We will be sending a signal that the U.S. aircraft industry will be less competitive.

In summary, the advanced subsonic technology:

Meets future technology needs for next generation aircraft.

Enables NASA to develop high-risk, high-payoff, precompetitive technology to prove feasibility so that industry may complete development and apply technology to specific products.

Will result in accomplishments in noise prediction codes for quieter engines, nondestructive evaluation techniques for detecting corrosion, cracks and disbonds; analytical tools to understand airraft wake cortices for safe landings.

Assists in preserving 1 million U.S. high-quality jobs and $25 to $30 billion annual positive balance of trade for U.S. aviation.

The High-Speed Research program will:

Enable NASA to develop early, high-risk technology for future environmentally compatible, economically competitive, high-speed civil transport aircraft—technologies needed are beyond state of the art;

Industry will take NASA technology and invest $20 billion to actually develop aircraft, and

If the United States is first to market, the U.S. market share could grow to 80 percent, achieve $200 billion in sales, and create 140,000 new U.S. jobs.

Thank you Mr. President. I urge my colleagues to vote against the Snowe-Abraham amendment.

Ms. SNOWE. Mr. President, I would like to say in conclusion that I certainly appreciate the efforts by the Senator from Michigan, and other colleagues and cosponsors of this amendment, on a very critical and important issue in our estimation. We want to be sure that the American people understand and know that we consider education to be one of the highest priorities. That is why we are seeking to restore $6.3 billion in the education account.

When you consider the fact that since 1988 students' education costs increased by 219 percent, it is almost difficult to comprehend, because the average family has been struggling since that time in some very difficult and unusual economic times, considering the recession that we have had, certainly in my State of Maine and in the New England area, which was the hardest hit in addition to the other parts of the country, especially California. We represented a third of all of the jobs that were lost during the course of that recession.

So when you consider the fact that education needs became more important, we have to make sure that they have access to adequate funding for financial assistance in the future. Not only is it essential for their future, but it also essential to this country's future when you consider how important the educational experience is going to be for global competition in and for the economic world we will be facing in the next century and beyond.

So I appreciate the statements that have been made by all of my colleagues.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. FRIST). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Ms. SNOWE. I yield back the remainder of my time.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. I yield time for an inquiry by the Senator from Arkansas, or I will yield him what time he needs on his amendment. I guess what we were hoping for is to restore the balance of the time due on this side on the amendment offered by the Senator from Maine. I would make inquiry at this time, if the Senator from Maine would consider setting aside her amendment now that the yeas and nays have been ordered so that we can allow Senator BUMPERS to proceed with the offering of an amendment that he has that we will vote on tomorrow.

Several Senators addressed the Chair.

Mr. DOMENICI. Mr. President, I was not here. But essentially there is time remaining in opposition to the amendment. I have to use a little bit of that. In fact, that is what I was discussing. I told the Senator I wanted to discuss this before I asked her to set her amendment aside.

So I am willing that that time be charged in opposition, however, anybody would want to do it. If somebody wants to speak on the general budget, I will yield them time. Does the Senator from Alabama need time?

Mr. SHELBY. I need 15 minutes.

Mr. DOMENICI. I yield 15 minutes in opposition to the Snowe amendment at this point. I am trying to make arrangements.

Mr. EXON. I thank my friend.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, over the past few days Members on the other side of the aisle basically have claimed to represent the best interests of hard-working Americans. They stood up with charts and made passionate speeches, and say they know better. They criticized the Domenici budget, although they have no budget of their own.

I believe that the budget resolution debate has been demagogued to death.

This debate has been turned into an issue of who is compassionate and who is not, and rich against poor, even though the Senate budget resolution does not include $1 yet in tax cuts. Never mind we do not touch Head Start. Never mind that we do not touch the School Lunch Program. Mr. President, never mind that we do not cut Social Security. Never mind that we preserve Medicare, which will go bankrupt unless responsible leaders take action.

I believe we need tonight to discuss the real issues, like our tremendous national debt and our endless string of deficits. I believe that people on the other side of the aisle do not want to debate basically the fact that we are the biggest debtor nation in the world. People on the other side of the aisle I believe do not basically want to debate the fact that the dollar is, overall, losing its value against most major currencies, and that hard-working Americans are losing purchasing power every time the dollar depreciates. No, Mr. President, they will not debate the real issues.

Mr. President, I was once told that on the other side of the aisle people see what they want to see, and that the Republicans have the unfortunate tendency of seeing what is there. I would like to show you what is there. Because what is there are the real issues.

I want to share with you a chart, if I can, a chart that shows the Federal Government's net financial assets beginning in the year 1946, which is over here, through 1993. Instead of an upward spiral, you see a downward spiral because these are real issues.

This chart comes from data contained in the 1995 Economic Report of the President. It shows the Federal Government's net financial assets, as I said, from 1946 to 1993.

As one can see on the chart, the Federal Government is depleting the national wealth of the United States every year. It is going down. But look at it over here, how fast it is going down. The greatest country in the world, Mr. President, the United States of America, the great economic leader of our time, possessed net financial assets of nearly $3 trillion in 1993. Far from saving our children and investing in our kids for tomorrow, the spending machine of the Federal Government is squandering away our resources at a record rate.

The chart says it better than we can. In fact, net financial assets of the Federal Government have been decreasing at a rate of 7.1 percent a year over the past 20 years, while private wealth has grown only 3.2 percent. The Federal Government is depleting national wealth at a rate twice as fast as the private sector can create. This is a trend that we cannot simply sustain as a Nation.

There is a direct impact in the rise in Government budget deficits, which is to worsen the current account balance and place upward pressure on interest rates. Our current account stood at $104 billion in 1993. This means we either sold $104 billion in assets to foreign entities, borrowed $104 billion from foreign entities, or a combination of the two.

Although a current account deficit in and of itself is not a bad thing, the accumulation of persistent current account deficits over time leads to an overwhelmingly external debt that we have today. These deficits identify a systematic shortfall of savings below investment due to an expansion consumption relative to income.

The implication is that we borrowed to finance current consumption, expenditures that have no real effect on economic growth or future income in this Nation. In other words, the Government is borrowing abroad to finance the excess of expenditures over income. Projections of higher current account deficits run well into the foreseeable future, which does not bode well for this country.

The increase in interest rates caused by budget deficits increase the cost of capital, home mortgages, car payments and any other goods that are financed. If the other side of the aisle really wants to help the hard-working, middle-class Americans, it seems to me they should help them reduce the cost of living instead of adding, Mr. President, to their already tremendous burden.

It is true that hard-working, middle-class Americans need relief, but on the other side of the aisle I think a lot of the people just cannot accept the notion that relief does not have to come in the form of a check, Mr. President, in the form of a check from the Government every month. No, they do not have to accept the notion of freedom and free markets. They still believe that Americans depend on Government for their livelihood.

I reject that notion wholeheartedly. I understand the unpleasantries of debt-stricken countries. We all do. Let me tell you that the restrained growth in this budget resolution is more compassionate, more beneficial and more tolerable than any experience of a bankrupt country. The immediate gratification of consumption does not outweigh the tremendous long-term benefits of a balanced budget.

Democrats supposedly believe in a balanced budget. However, they have presented no proposal that I have seen. President Clinton supposedly believes in a balanced budget, but he has not presented one here that I know of. President Clinton, I understand, will not even support a $16 billion rescission package much less the $175 billion in cuts necessary to balance the budget this year. And $16 billion, Mr. President, is only 9 percent of this year's deficit. Come to find out it is only .3 percent of the $4.8 trillion debt.

The actions of President Clinton and his party do not match their words. Their idea of deficit reduction is the Omnibus Budget Reconciliation Act of 1993 that we all know included the largest tax increase in history. Did it reduce the deficit, Mr. President? Yes. Only temporarily, for a year or two. But if one looks at the outyears, deficit spending just keeps going up as far as the eye can see.

What do we have to show for our $241 billion tax increase? Nothing, I would submit—nothing but increasing deficits and reduced disposable income for hard-working Americans.

The Congressional Budget Office has outlined the potential economic impacts of balancing the budget by the year 2002. They project long-term interest rates will fall by almost 2 percentage points. They also project an increase in real GNP of almost 1 percent, just from practicing a little fiscal discipline.

Mr. President, a balanced budget is good for America today, tomorrow and forever. That is why I am going to support the Domenici budget.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Who yields time for that purpose?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Pardon me, Mr. President, for not being in the Chamber. I yield 15 minutes to Senator THOMPSON from Tennessee who desires to speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, we are now in the midst of a budget debate, but in listening to the debate over the last several days it has become apparent to me this is not just a debate over the budget, not just about the need to balance the budget or budget priorities. It is a debate over two conflicting sets of ideas, and ultimately it is a debate over how much faith we have in the American people to support a policy that we all know is right.

Many Americans believe that our country is at a crossroads. While we all know that we were the victors of the cold war and we are still strong and prosperous, more and more of our people are coming to the conclusion that there are some things in this country that are simply wrong: the youthfulness and the viciousness of our crime, our welfare dependency and social disintegration that comes from that, a gradual slowing of our economy, our extremely low savings rate and low investment rate, a greater and greater dependency upon foreign money to prop our economy up. Americans wonder how long we can remain strong when we are losing so many things that have made us strong.

We look at the lessons of history, and we see that the fate of other great nations where they have gone down the road of bigger government, higher taxes and increasing debt and moral and intellectual laziness. We see how they enjoyed their brief hour upon the world's stage and then moved on and declined. And we wonder if ours is going to be the generation that oversees the decline of the United States of America to the role of a second-rate country.

We certainly are not addressing the totality of this situation during this current debate. Indeed, we must question how much in the way of solution actually lies in the hands of the Federal Government. However, this debate does involve an area that is largely under the control of Congress. Indeed, some might say that Congress was primarily the cause of it. And it is the most serious economic problem facing our Nation. That is a debt that is literally bankrupting our country.

One of the things most basic to human nature, Mr. President, is looking out for those who we bring into the world, and for most of our country's history we did just that. Through world wars, through a Great Depression, we paid for what we consumed. However, for a quarter of a century or so now, we have gone off on another track. We have gone off on a spending spree, and we are borrowing money now from future generations. Over the years, every interest group imaginable has organized itself and made its demand on the Federal Treasury. And since we are a system essentially of professional legislators whose primary interest is in reelection, the answer to these demands for more Federal dollars is usually yes. So program is piled upon program, and once a program is created and its constituency is created, it is never done away with. It is seldom even reduced. It is usually only expanded. And more and more people are increasingly dependent upon the so-called free money that we are borrowing from our children and grandchildren.

Mr. President, it is obvious the American people have decided that this country cannot survive under this old way of doing business. They have rightfully decided that we cannot sustain an almost $5 trillion debt that is still growing. They have decided we will not saddle our future generations with higher interest rates, less affordable homes, fewer jobs, lower wages and a loss of economic sovereignty. They understand we are on the verge of bankrupting two of our most important social programs in this country, Social Security and Medicare, if we do not take immediate steps.

In response to this clear mandate, the Republicans on the Budget Committee, without one Democratic vote, have produced a plan that will balance the budget by the year 2002 by slowing the growth in Federal spending from 5 percent a year to 3 percent a year. It protects Social Security, saves Medicare from bankruptcy, maintains the Social Security safety net, reduces the Federal Government and removes power out of Washington back to the people.

Of course, the defenders of the status quo continue to do everything possible to defeat these goals. They first denied the need to balance the budget. They are only following the President's lead in that regard. He has submitted what the Washington Post called a "weak and directionless budget" that will add over $1.2 trillion to our national debt over 5 years. Then his senior economic adviser claimed that cutting the budget would actually be bad for the economy. These developments were met with universal dismay and derision and have since been abandoned by our friends across the aisle.

We tried to pass the balanced budget amendment. At this point the defenders of the status quo, being able to see which way the wind was blowing, acknowledged the need to balance the budget but forcefully argued that we should balance it without a constitutional amendment; that all we needed to do was exercise our responsibility as legislators. Besides that, they said, tell us how you are going to balance the budget. We want to see a plan. And they defeated the balanced budget amendment by a single vote.

Now the Republicans have submitted the balanced budget resolution. We have detailed a plan, and we are ready to take on the responsibility. Now our colleagues on the other side of the aisle, backed into a corner, slip their favorite old worn out record on the Victrola. Side A is entitled "Scare the Sick and the Elderly." Almost as popular with them is the flip side called "Class Warfare"—in other words, the same old record that they were playing during the last congressional elections, which proved so rewarding for them. They rail against tax cuts for the rich when in fact there are no tax cuts in this budget for anybody, much less the rich. However, they correctly point out that there might be $170 billion dividend if in fact a balanced budget is certified. And they seem petrified at the thought that this might actually result in some taxpayers getting the benefit of some of the money in the form of a tax cut; in other words, getting to keep a little bit of the money that they earned in the first place. So now instead of helping us balance the budget, they are busy trying to figure out how to spend this $170 billion that they had no hand in producing and that does not even exist yet.

Clearly, the tax-and-spend philosophy that has gotten us into the trouble that we are in is alive and well. Mr. President, the opponents of this budget who for so long promoted big spending and every pork barrel project to come down the pike, including the President's ill-fated stimulus package, and who have opposed the balanced budget amendment and a balanced budget are now saying that we are not balancing it in the right way. They say, "We definitely want a balanced budget, but not at the expense of group A or group B or group C" and the groups go on and on and on. In other words, we cannot reduce the rate of growth in any areas even where the growth rate is out of hand if it actually affects anyone.

The defenders of the status quo talk about protecting children when it is their policies of the past that have robbed these children of their future prosperity. They talk about defending the college student when it is the philosophy of "spending is the solution to everything" which has greatly diminished the value of a college degree because so many of our students entering college nowadays cannot even read and write.

They talk about defending the elderly when it is their policies, the policies of the past, that have put us on the verge of bankrupting both Social Security and the Medicare trust funds.

They talk about making sure that the wealthy receive no additional breaks, and yet it is the wealthy who are the bond holders who are receiving the astronomical interest payments that we make on our national debt. According to the Congressional Budget Office, without deficit reduction, annual interest payments by 2002 will balloon to $334 billion.

No, the plain truth is that the only way for these groups to get what they deserve and to prosper in the years ahead is to turn our backs on the failed policies of these so-called defenders and rectify the damage that they have already done by moving toward a balanced budget. The balanced budget resolution before this body is the first major step toward that end.

These budget critics want to refight the eighties again, ignoring their own part in the spending binge that ran up the deficit. They say it was the President's fault back then. I say to my friends on the other side, the constitutional authority of the President of the United States has not changed. If it was the President's fault in the eighties, whose fault is it now?

As a recent Washington Post editorial said:

> Democratic complaints about Republican budget plans will continue to have a hollow and unpersuasive ring until the Democrats begin to come up with specific alternatives of their own. Until then they will merely seem to be defending the present spending pattern, with its succession of $200 billion a year deficit reaching as far as the eye can see that President Clinton projected in the budget he sent to Congress last February.

Now, it should be kept clearly in mind that we are not going through this exercise simply to avert disaster, although that would be reason enough. We are doing it to ensure future prosperity, Mr. President. Eliminating the deficit could bring widespread benefit in the form of lower interest rates for mortgages and business loans. That would spur a boon in housing construction and business investment which would create jobs and raise incomes.

The Congressional Budget Office states that the package of a credible balanced budget plan would lead the bond market to bid down interest rates almost immediately.

New home buyers would be clear winners. If interest rates dropped only 1 percent, a young couple with a $100,000 mortgage would save enough over the life of that mortgage to put one of their children through college for a year without any help from the Federal Government.

Roger Brinner, chief economist with the forecasting firm of DRI McGraw-Hill estimates balancing the budget would raise America's yearly output an extra 2.5 percent over the next 10 years. That would mean an average of an extra $1,000 a year for each American family. He adds that the economy would create 2.4 million more jobs by the year 2005 than if the deficit remained unchecked.

The General Accounting Office projects Americans living by 2025 would enjoy per capita incomes of $9,500 higher if Washington succeeds in bringing the deficit under control. Many analysts believe that the dollar slide in March was due to our failure to pass a balanced budget amendment. The U.S. dollar has rebounded in foreign exchange markets during the last several weeks, in part because of a growing belief among foreign investors that the United States is finally moving to put its economic house in order.

So, Mr. President, we must reject the ideas and practices of the past which have caused this problem. We must also reject the rhetoric which appeals to fear and prejudice and appeals to greed to use and consume everything we can get our hands on today and not concern ourselves with the future and the fact that it is our own children's birthright that we are consuming.

And so, Mr. President, let us get on about with what the people sent us here to do while it is still not too late to change our direction. We as Members of this body must have the courage to stand up to the demagoguery and any short-term political risk we might be taking by doing what we know is right.

I am firmly convinced ultimately the American people are willing to do what is necessary to ensure a brighter future for our children, and we must have the wisdom to follow them and the courage to lead them. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank Senator THOMPSON.

We are going to enter a unanimous consent request.

Mr. EXON. May I suggest to my friend, possibly we can get started with Senator BUMPERS, and then I think we all know what the unanimous consent request is going to be. We can finalize it and type it up sometime during the debate.

Mr. DOMENICI. It is coming right now. I agree, we could probably stammer around and between us we might be able to articulate the unanimous-consent request.

Mr. EXON. As usual.

Mr. DOMENICI. I have difficulty with that. Let me just make sure we have it down.

Mr. President, I wonder, without detracting anything from Senator BUMPERS who is going to get 20 minutes very soon on his amendment and he can share that with Senator MURRAY, as I understand it, Senator STEVENS had a sense-of-the-Senate resolution cleared on both sides. I understand you all have cleared it. We cleared it.

Mr. EXON. The Senator is correct.

UNANIMOUS-CONSENT AGREEMENTS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Snowe amendment be laid aside until 8 a.m. tomorrow in status quo.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I now ask unanimous consent that Senator BUMPERS be recognized to offer an amendment on which there be 20 minutes under the control of Senator BUMPERS and 10 minutes under my control; that no amendments be in order to the Bumpers amendment; and that when the Senate votes, it vote on or in relation to the Bumpers amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Reserving the right to object.

I have no objection.

Mr. DOMENICI. Mr. President, I further ask unanimous consent that following the debate on the Bumpers amendment, Senator HATFIELD be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. EXON. I simply say that this is going to go push things back a little bit. We are trying to accommodate everybody here at one time. Is the Senator insisting on making an agreement at this time to go back to Senator HATFIELD's amendment?

Mr. DOMENICI. Not back to it. He never offered it. That will be rotating, and he has received assurance from me for 36 hours that he was the next thing after the Snowe amendment. We did not know about the Senator's. That is to be put ahead of it, after the Democrat amendment. I must do that. I cannot agree on time, but I think it will be reasonable considering the circumstances.

Mr. EXON. Under the circumstances, we have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, I wonder if the distinguished floor manager would be willing to also state that at the time the rollcalls occur on these amendments, that mine follow that amendment of the Senator from Maine, Senator SNOWE.

Mr. DOMENICI. What about following Senator FEINGOLD's?

Mr. BUMPERS. That is fine.

Mr. DOMENICI. Mr. President, I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Whatever the order is that the leader agrees to pursuant to the unanimous consent request, Senator BUMPERS will follow Senator FEINGOLD.

Mr. BUMPERS. I thought it would be better if rollcalls followed the sequence in which the amendments are offered.

Mr. DOMENICI. We do not know what is going to happen to Senator SNOWE's amendment. It could have second degrees.

Mr. EXON. Will the Senator, in order to keep the flow properly here, include as part of his unanimous-consent agreement that after the disposition of the Hatfield amendment that we would go back and meet a commitment that we have made through Senator BOXER on this side, and that her amendment would follow the discussion of the Hatfield amendment?

Mr. DOMENICI. So long as we make no agreements, other than that Senator BOXER is next, I so request.

The PRESIDING OFFICER. Is there objection to the several unanimous-consent requests?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask Senator BUMPERS if he could do me a special favor.

Mr. BUMPERS. If this amendment of Senator STEVENS has been cleared, that is fine.

Mr. DOMENICI. Without in any way changing the time allowed, I wonder if we could now recognize Senator STEVENS who has an amendment that has been approved on both sides. I will yield for 2 or 3 minutes and I ask that he be permitted to speak.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I thank my friend. I am apologetic that I did not appear before. I had constituents here.

AMENDMENT NO. 1129

(Purpose: To provide for a sense of the Congress regarding full funding for Decade of the Brain research)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself and Mr. DOMENICI, proposes an amendment numbered 1129.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in Title III of the resolution insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING FULL FUNDING FOR DECADE OF THE BRAIN RESEARCH.

(a) FINDINGS.—The Congress finds that—

(1) long term health care costs associated with diseases and disorders of the brain have a substantial impact on federal expenditures for Medicaid and Medicare, and on the earning potential of the Nation;

(2) to highlight the impact of brain diseases and disorders on the economy and well being of the Nation the Congress has declared the 1990's the Decade of the Brain;

(3) meaningful research has been initiated as part of the Decade of the Brain;

(4) if fully funded this research could provide important new medical breakthroughs; and

(5) these breakthroughs could result in a significant reduction in costs to the Federal Government.

(d) SENSE OF THE CONGRESS.—It is the sense of the Congress that in furtherance of the goals of the Decade of the Brain the appropriate committees should seek to ensure that full funding is provided for research on brain diseases and disorders in each of the fiscal years to which this resolution applies.

Mr. STEVENS. I ask unanimous consent to add Senator DOMENICI as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, this deals with the decade of the brain.

Over 50 million Americans each year are affected by disease or disorders of the brain and central nervous system. The impact on society is approximately $300 billion a year. But even as scientific progress races ahead, public awareness is falling behind. The DANA Foundation has 10 attainable goals by the year 2000. These are;

First, the identification of the genes that are defective in familial Alzheimer's and Huntington's diseases.

Second, the identification of the genes responsible for manic-depressive illness.

Third, the identification of new medications and therapeutic strategies to reduce nerve cell death and enhance recovery of function after strokes and other forms of brain injury.

Fourth, the development of new drugs and other measures to alleviate the effects of multiple sclerosis, Alzheimer's, motor neuron disease (e.g. ALS, or Lou Gehrig's), Parkinson's, and epilepsy.

Fifth, the identification of new treatments to promote nerve regeneration following spinal cord and peripheral nerve injury.

Sixth, the development of new and more effective treatments for manic-depressive illness, anxiety disorders, and forms of schizophrenia that at present resist treatment.

Seventh, the discovery, testing, and application of agents that will block the action of cocaine and other addictive substances.

Eighth, the development of new treatments for pain associated with cancer, arthritis, migraine headaches, and other debilitating diseases.

Ninth, the identification of the genes that cause hereditary deafness and blindness.

Tenth, the elucidation of the neuronal mechanisms involved in learning and memory.

There have been many breakthroughs during the early part of the decade. Here are some of the recent discoveries or break-throughs;

Identified the genes responsible for Huntington's disease, Alzheimer's disease, and the familial form of Lou Gehrig's disease.

Produced new medications for migraine headaches.

Identified several genes that cause hereditary blindness and deafness.

Launched tests of new drugs to enhance recovery from stroke and spinal cord injury.

Produced new drug for the treatment of epilepsy.

Made significant progress in understanding the addictive action of cocaine.

CREB—a protein. One form of CREB turns on genes responsible for long-term memory storage, while another form turns them off. The activating form of CREB may dominate when important things are going on, and the memory-repressing form when unnecessary information needs to be filtered out.

CRIF—brain chemical that may eventually control stress. It is a chemical that suppresses the body's stress response. Researchers at the University of Pennsylvania are currently studying it.

Riluzole—An experimental drug that has shown some success in slowing the progression of the muscle-wasting Lou Gehrig's disease. This disease affects 30,000 people in the United States.

Congress first authorized and President Bush proclaimed the "Decade of the Brain" in 1990.

The growth in our knowledge of the brain over the last 5 years has exceeded anything we imagined.

Now at the midpoint of the decade, new discoveries about the brain offer unprecedented opportunities to both lower health care costs and improve the quality of life for those suffering from brain disorders and diseases.

The cost of neurological and psychiatric disorders currently exceeds $300 billion a year.

Brain diseases account for more hospitalizations and more prolonged care than almost all other diseases combined.

In the remaining 5 years of the decade, scientists are optimistic that even more important advances will be made in brain research.

We must continue to make this research a funding priority, so as to reap the benefits of the groundbreaking work already underway.

Over 50 million Americans each year are affected by disease or disorders of the brain and central nervous system.

Today 1 in 5 Americans is affected by brain disorders, and everyone over their lifetime will be affected either individually or because a member of their family is afflicted.

The results are often devastating.

We have made great progress in the past several years.

For example the simple step of a women taking folic acid vitamin supplements can prevent spina bifida, a disabling disease. This saves an enormous amount of pain and suffering for parents and children alike.

The medical cost for a child with spina bifida can exceed $500,000 a year.

We have also discovered new medications for the treatment of depression.

We have identified the genes responsible for Huntington's disease, Alzheimer's disease, and the familial form of Lou Gehrig's disease.

We have produced new medications for migraine headaches.

We have launched tests of new drugs to enhance recovery from stroke and spinal cord injury.

But there is much still to be accomplised.

Traumatic brain injury is the leading cause of death and neurological disorder among young Americans age 15 to 25.

Two million Americans a year suffer head injuries at a cost of more than $25 billion a year.

Since 1990 scientists have found that the permanent harm from traumatic brain injury increases with each hour and day after the injury.

This produces a clear opportunity to develop powerful new emergency treatments.

By the year 2000 effective therapies to limit brain damage now in human trials will be approved.

Increasingly sophisticated neuroprotective strategies will be introduced.

Alzheimer's disease may be the single most important area of societal need for biomedical research, according to the National Academy on Aging (June 1994).

Four million Americans a year and 20 million people worldwide are affected. The cost is more than $60 billion a year.

Since 1990 scientists have discovered three genes that contribute to Alzheimer's, identified key points where intervention might delay, or prevent it, and improved techniques for diagnosis.

By the year 2000 several new drugs will be identified as promising to interfere with the progress of Alzheimer's in order to delay its disabling symptoms for 5 years.

This would allow millions of people to remain living independent and fuller lives. The cost to the public would also be greatly decreased by this step forward.

Therapies to reverse the damage by replenishing lost cells or adding cells should begin to alleviate the suffering of those already affected.

More than 500,000 people are affected annually by strokes with 3 million people disabled. This cost is about $25 billion a year.

Strokes are the Nation's third leading killer.

Many patients survive stroke. There has been great progress since 1990. The number of strokes were reduced as some risks were clarified.

Doctors have adapted new preventive techniques.

New drugs have been developed for limiting and possibly preventing stroke damage.

One and a half million Americans are afflicted with Parkinson's disease. The cost is about $6 billion a year.

This disease is a slow progressive degenerative brain disease. Researchers have developed innovative ways to pinpoint damaged nerve cells.

By the year 2000 at least one and possibly several major new drugs will be in human trials.

Screening for Parkinson's is likely, and new gene therapy should be available.

I will include in the RECORD at the end of my statement an article from the Philadelphia Inquirer written by Dr. Leon Cooper, the winner of the 1972 Nobel Prize in physics, and James Watson, the winner of the Nobel Prize in medicine for 1982.

The article further expands on the importance of this research.

I will also include a summary of recent brain research by the DANA Alliance.

I would like to urge my colleagues to support this resolution which will ensure that this vital research is continued and that additional breakthroughs become reality.

I ask unanimous consent that the article by Dr. Cooper and the DANA Alliance summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(By Leon N. Cooper)

The growth in our knowledge of the brain over the last five years has exceeded anything we imagined when Congress first authorized and President Bush proclaimed the "Decade of the Brain" in 1990. Now at the midpoint of the decade, we are on the threshold of a new era that holds great promise for individual health and vitality.

For all three stages of life—early development, maturity and aging—new and anticipated discoveries about the brain offer unprecedented opportunities to relieve suffering, improve the quality of life of those suffering neurological and psychiatric disorders, and lower health-care costs.

The question today is whether or not the American public through its elected representatives will continue to make brain research a priority, so as to continue to reap the benefits of the nation's spectacularly successful investment in basic research.

Neurological and psychiatric disorders together account for more hospitalization and more prolonged care than almost all other diseases combined. Patient care and social spending caused by brain-related disorders represent a disproportionate amount of all health-care costs.

In part because of prior successes of medical research, we have become very good at keeping people alive to older and older ages by treating or preventing respiratory, circulatory, reproductive and other assaults. But our aging population presents increasing challenges to the health-care system because of the vulnerability of the aging brain.

In the remaining five years of this decade, scientists are optimistic that even more exciting advances will be made across the broad front of brain research. Work just coming off laboratory benches should enable us to intervene early in or medicate some of today's incapacitating brain diseases and disorders.

Brain-related disorders cost this country billions of dollars per year for patient care, hospitalizations and loss of savings. These costs could be significantly lowered if we could effectively treat the disorders, some of which began at or before birth and may last a lifetime.

A new report by the Dana Alliance for Brain Initiatives—an organization of 135 neurosurgeons who champion research in the field—offers a few examples of impressive gains in various areas that we may see during the rest of this decade if adequate support for research continues:

Childhood: More effective treatments for muscle spasticity in cerebral palsy and the prevention of a significant proportion of CP cases arising from low birthweight. The development of new medications for schizophrenia. The identification of several more genes that contribute to inherited forms of blindness, deafness and mental retardation.

Adulthood: New insights into the cause of multiple sclerosis and the testing of new therapeutic approaches that alter the natural course of the disease. Understanding the molecules in the brain to which drugs of abuse bind should make it possible to develop more effective cocaine-blocking agents. Improved clinical care has already increased the proportion of patients with spinal-cord injuries who are able to return to their communities; this should continue and, in time, lead to the first effective methods to repair the injured spinal cord.

Later years: Our growing knowledge of genetics and pathology of Alzheimer's disease should allow us to rationally design drugs to treat the disease. Some of those drugs may well be in clinical trials before the end of the decade. A cell transplant therapy for Parkinson's disease will probably emerge as a practical procedure for individuals who do not respond to L-dopa treatment. New drugs that increase resistance to brain-cell damage in cases of stroke will be available and begin to be tested in clinical trials.

What do these advances hold for average Americans? The same kind of hope and solace that members of Congress would wish for their own families and for themselves.

Ask Sen. John Rockefeller (D., W.Va.) what it means to watch the relentless destruction of a parent from Alzheimer's disease or Sen. Arlen Specter (R., Pa.), who underwent surgery for a brain tumor.

But it would be impossible to talk to all those members of Congress who have known the heartbreak of substance abuse by a family member, or the agony of manic-depressive illness, or the frustration of children with learning disabilities, or developmental disorders. They would tell you how they want these agonies banished from their lives forever.

What all these illnesses and difficulties have in common is that they all involve the brain, and only brain research can unlock the secrets that will give those who suffer from these disorders (and their families) some hope.

Sen. Mark Hatfield (R., Ore.), when announcing the introduction of the "Mo Udall Bill" to fund Parkinson's research, personally lamented the fact that federal dollars for basic medical research are proposed to decrease in the administration budget by more than a billion dollars by the year 2000.

Is that the message to the research community—that what has already been achieved in brain research, and what you are confident of achieving in the near future is not a national priority?

No one doubts that neuroscience's achievements to date are just the vanguard of even greater discoveries to come. The explosive growth of technology—particularly imaging—is providing unprecedented insight into the brain.

The exciting developments in genetics will benefit brain research perhaps more than any other area of medicine, since about half of all our genes are involved in the development and operation of our brain.

The message of the Dana Alliance report—to be presented in Congress tormorrow—is one of opportunity and hope. What will be Congress' message to the scienific community?

DELIVERING RESULTS: A PROGRESS REPORT ON BRAIN RESEARCH

SUMMARY

The most important and productive medical research happening today is the study of the brain. Since the Federal government declared the Decade of the Brain in 1990, researchers have solved some of the most stubborn riddles of the brain, and have created and improved treatments for the disorders that afflict it. The stunning progress of the last five years gives future researchers a higher vantage point on which to stand while scanning the horizon for cures.

How does this affect you? One in five Americans is struggling with a brain-related problem at any given time; each of us will face such a struggle at some time in our lives. It may be pain, depression, memory loss, or one of the many problems like these that can be chronic and recurring. It may be swift, like head injury and stroke; or it could be degenerative and fatal, like Alzheimer's and Huntington's diseases. Or a lifetime of anguish could result from a child or grandchild's battle with addiction or schizophrenia. Some of these afflictions are life-ending; all of them are life-diminishing. The cost in personal terms is beyond measure, in hard economic terms, it is more than half a trillion dollars a year.

But now, the human brain is no longer a "black box"—the misunderstood and mysterious source of self, its maladies misdiagnosed and undertreated. Today, at the midpoint of the Decade of the Brain, it is clear that a new era has begun for individual health and vitality. For all three of the major stages of life that you and your family will experience—childhood, adulthood, and the later years—discoveries about the brain's mechanisms, how it forms, grows and ages, how to heal and strengthen it, are raising our expectations for dealing with brain-related difficulties, giving you the realistic chance to avoid suffering.

If your maternal grandmother died with dementia, the most common symptom of Alzheimer's, should you worry that your later years will be marred by this disease? Scientists are discovering ways to find out. Also, by the time you reach the average age of onset, these same scientists could be able to fend off the disease.

The causes of cerebral palsy, retardation and learning disabilities are being revealed, increasing the chances that it will be possible to prevent these horrible conditions in your own children.

The discovery of drug binding sites in the brain is enabling researchers to work towards potential treatments for addiction, so that the lure of drugs will be much less likely to steal the youth, or the life, of someone you love.

Most of the brain afflictions that can severely alter your life, by affecting you or someone close to you, are yielding to researchers. For all those who cry, "Why me?" when they are confronted with a brain disease, scientists are approaching the day when they will be able to answer. As the progress snowballs, and the discoveries come more quickly, the likelihood of your life being destroyed by a neurological ailment continues to shrink.

Beyond the personal aspects, our nation itself has a massive stake in brain research. Today, neurological and psychiatric disorders together account for more hospitalizations and more prolonged care than almost all other diseases combined. No surprise there: Over the last hundred years, we got better at keeping people alive and ambulatory as far as their respiratory, circulatory, digestive and reproductive systems were concerned, but we were stymied by the brain.

Now neuroscience is catching up. In the next five years, we will help brain and nervous system patients in large numbers, and because these patients number in the millions of people, developments in brain science will transform our assumptions in planning for the future. In particular, at the societal level, the view of crippling, chronic, long term, and mental illnesses will be much different.

When the expanding numbers of aging Americans have less to fear from the brain diseases of aging, and when disorders that begin at or before birth, and last a lifetime, are progressively fewer and less disabling, then the lost work days (by patients and those who care for them) will fall, and leisure activities will rise. Reduced social spending, decreased work absences and improved quality of life all give relief to a troubled economy.

The achievements outlined in our report, however, are just the vanguard of greater things to come. One of the most significant facts about the progress we have made in brain research is that more brain scientists today are working on questions of basic science. This accounts for the diversity of disorders we have been able to address in such a short time. Clinicians focusing on specific diseases now have better odds of finding the keys to the disorders they are researching because there is so much more information to draw upon.

That is precisely what makes brain research so exciting. We understand it better each day. And because of that, we will solve problems of affliction that have truncated our lives since the dawn of humankind. Everything lying ahead of us is opportunity and hope.

Here are some highlights of the progress report, and some predictions for the next five years. Join us in celebrating the hope offered for current and future victims of brain disorders:

CHILDHOOD

Researchers believed that a major reduction of spasticity in cerebral palsy and prevention of one-third of all CP cases arising from low birthweight will occur within five years.

New findings point to a family of drugs that may correct drug-induced developmental abnormalities in children.

Thanks to recent public health studies, psychiatry now classifies schizophrenia as a developmental disorder, and promises more effective medications by the year 2000.

Researchers identified genes that contribute to inherited forms of blindness and deafness and several forms of mental retardation, including the most common inherited form among males (Fragile X Syndrome). Growing evidence suggests that genes also play a role in learning disabilities and schizophrenia.

ADULTHOOD

The first drug to block craving in alcohol addiction—Naltrexone—has recently been approved as an adjunct to psychotherapy.

Success in treating depression now approaches 90% with more precise antidepressant drugs which avoid unwanted side effects.

Obsessive-compulsive disorder has become treatable.

For the first time ever, researchers have identified a treatment (and are testing another) which alters the natural course of multiple sclerosis.

Researchers have identified the sites where drugs of abuse bind in the brain, and by 2000 hope to have effective cocaine-blocking agents.

Recent refinements to treatments leave many more epileptics seizure-free.

Discovering serotonin-responsive proteins led researchers to develop sumatriptan, an effective treatment for migraine headaches.

Improved clinical care now returns some 94 percent of patients with spinal cord injuries to their communities. Researchers may have the first treatment to enhance spinal cord repair by 1996.

Genetic research has identified specific genes that cause Huntington's disease and familial Lou Gehrig's disease. New findings show that genes may also play a role in addiction, manic-depressive illness, depression and epilepsy.

THE LATER YEARS

Several genes have been found that lead to Alzheimer's disease. Cognex (tacrine), approved in 1994, is the first drug for treating Alzheimer's symptoms. A combination of genetic testing and position emission tomography (PET) scanning may yield an early diagnostic test for Alzheimer's. Also possible: an eye-drop diagnostic test and a spinal fluid analysis test.

The first animal model of Alzheimer's disease (a transgenic mouse) has recently been produced, and it is already being used to test drugs to slow the progression of Alzheimer's.

An effective approach to gene therapy for Parkinson's disease will emerge before 2000. Relief from Parkinson-like symptoms has been achieved in monkeys using dopamine-enhancing drugs.

A new bloodclot-dissolving drug can improve the outcome of stroke, if administered within two hours of onset.

A chili pepper extract, capsaicin, now helps relieve chronic pain (even in cancer). Within five years, scientists expect to have developed non-addictive pain relievers.

Recently discovered proteins that nourish, repair and promote the growth of nerve cells are leading to drugs (some already in trials) that increase resistance to stroke.

TECHNOLOGY

Imaging:

Now, functional magnetic resonance imaging (fMRI) allows doctors to view the active brain, and at their desktops to interactively scan entire brain structures.

Using charged Xenon gas, laboratory scientists improved MRI signal strength by a factor of 10,000, producing more clearly defined pictures in animals.

Disease models:

Scientists are working with living organisms in laboratory settings to test compounds and find new directions for investigation. Animal models available today include:

Alzheimer's disease
Developmental disorders
Several different forms of epilepsy
Multiple sclerosis
Pain
Traumatic brain injury

SOURCES FOR NUMBERS

THE DEVELOPING BRAIN

Developing Disorders (cost and patients): National Institute of Neurological Disorders and Stroke, 1993.

Schizophrenia (patients): National Institute on Mental Health, Update August 1993.

Schizophrenia (cost): NIMH, 1995.

THE MATURE BRAIN

Blindness/vision loss (cost and patient numbers): National Eye Institute, 1994.

Deafness/hearing loss (patients): National Institute on Deafness and Other Communicative Disorders, 1992.

Deafness/hearing loss (cost): Hallworth, R, et al. "Hair Cells and Hearing" Press Conference, Society for Neuroscience Annual Meeting October 26, 1992.

Depression (patients): National Institute on Mental Health, Update August 1993.

Depression (cost): Rice, Dp and Miller, LS. "The Economic Burden of Affective Disorders" Advances in Health Economics and Health Services Research 1993.

THE AGING BRAIN

Alzheimer's Disease (patient numbers): "News Notes." National Institute on Aging, 1989.

Alzheimer's Disease (cost): National Institute of Neurological Disorders and Stroke, 1993.

Mr. STEVENS. I commend to the Senate the decade of the brain and urge the Senate to become familiar with what is happening in this research area. My amendment merely assumes that we will continue this support, this endeavor, the research of the decade of the brain in the last half of this decade as we have in the first. I ask that the amendment be agreed to.

The PRESIDING OFFICER. Is there further debate?

Mr. EXON. I think the matter has been cleared on both sides. I urge its adoption.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to the amendment.

The amendment (No. 1129) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Under the previous arrangement, I believe the Senator from Arkansas is finally ready to be recognized.

AMENDMENT NO. 1130

(Purpose: To strike the proposed change in the budget process rules which would permit the scoring of revenue derived from the sale of federal assets)

Mr. BUMPERS. Mr. President, I must say, sitting around here all evening waiting to offer an amendment can be a very frustrating experience. I have concluded that this is no way to run a railroad. I have watched this process now for 5 days and I have listened to a lot of powerful speeches. There are plenty of opportunities for press releases back home proving that you are a budget deficit hawk.

But as a result of that, there are a lot of good amendments that are not going to be debated because we are running out of time tomorrow. This process should permit those people who have honest-to-goodness, legitimate amendments to offer and debate them. We should have a lot less—in this case about 30 hours—of political speeches. When debate on the budget resolution is complete, there are going to be a lot of amendments, many of which that would have improved the budget resolution, that will fail because their proponents will not have had time to present their case to the Senate.

Mr. President, I do not know of a single amendment that has been offered on this side of the aisle that would increase the budget $1. We have tried to rearrange some of the priorities, but we have not tried, and would not try, to torpedo the legitimate goal of trying to balance the budget by the year 2002.

My own amendment, Mr. President, goes to a rule change that is proposed in the budget resolution that I think is disastrous. This proposed rule change involves the sale of assets that belong to the United States, where the taxpayers get a one-time windfall. The rule change would permit revenues derived from the sale of these assets to be scored for Budget Act purposes.

When I was Governor, we had revenue sharing. The Senator from Kentucky seated here was Governor of his State at the same time I was, and the distinguished ranking member of the Budget

Committee was Governor of his State. Three Governors here on the floor tonight who served together.

One morning I went to my office and there was a check on my desk for $21 million made out to DALE BUMPERS. I told my aide, "Call the airport, tell them we will be there in 15 minutes." And $21 million was the first revenue-sharing check we got.

I sent it to the Arkansas Highway Department because I knew they would use it for things that would only be a one-time shot. To put that $21 million into the operating budget would have been irresponsible. I knew revenue sharing at some time was going to end and I would have had to raise taxes to continue the services that we were providing with that $21 million.

I do not believe there is a single Governor in the United States that would take a one-shot windfall amount of money and put it into an operating budget. It is lunacy to do it.

In 1987, the U.S. Congress, under Gramm-Rudman-Hollings II, adopted the proposition that revenue derived from asset sales would not be scored. In short, the rule was intended to prevent the use of asset sales for operations.

Since 1986, every budget resolution that has come to the floor of the U.S. Senate and been adopted by both Houses of Congress said specifically that revenue derived from asset sales could not be used to offset the deficit. In other words, revenue from asset sales could not be scored.

Yet here we have a proposed budget which changes this long-time sensible rule and assumes the sale of a whole host of Government assets, including the Presidio, an Army base in San Francisco; the strategic petroleum reserve, the Naval petroleum reserve; the Arctic National Wildlife Refuge in Alaska.

Now, Mr. President, my amendment would simply strike one section in the budget resolution in order to restore the old rule which prohibits revenue from asset sales to be scored.

Mr. President, I have no objection to asset sales per se. We sell assets all the time. My amendment does not suggest that we cannot sell an asset. However, it suggests we cannot come in here with a big platter full of asset sales in order to balance the budget, where the Senate has not debated those items and simply say, "Here's $4 billion in deficit reduction." The budget resolution assumes that we will sell thousands of barrels of oil we have in the strategic petroleum reserve. It anticipates the sale of the Presidio in San Francisco, and that will never fly because San Francisco has so many ordinances nobody would give anything for it because it will never be able to be developed.

If the proposed change in these long-standing budget rules is permitted to take place, let me tell Members where we will be headed. First of all, every budget reconciliation bill that comes before this body is going to have a whole host of asset sales.

We are going to have a national yard sale. National parks, wildlife refuges, national forests, highways, power marketing administrations, water projects—all up for sale in order to balance the budget.

Many asset sales do not even make financial sense. Assume we get $1 billion for the sale of the power marketing administrations. We cut the deficit $1 billion in 1996. If you assume that these assets, if retained under Federal ownership, would produce $100 million a year in revenue, by the year 2020 we will have lost revenues of $2.5 billion in exchange for the one-shot deal in 1996. No businessman in his right mind would do such a thing.

Mr. President how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes and 50 seconds.

Will the Senator send the amendment to the desk?

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. BRADLEY, Mrs. MURRAY, Mr. LIEBERMAN, and Mr. BAUCUS, proposes an amendment numbered 1130.

The amendment is as follows:

Strike line 7 on page 76 through line 12 on page 77.

Mr. BUMPERS. Mr. President, the House had a budget task force which recently adopted a Heritage Foundation recommendation that we should keep only those national parks and wilderness areas of national significance. It may be that the senior Senator from Alaska seated on the floor and his junior colleague may decide that Denali is not of national significance and throw it in the budget reconciliation bill—it would be gone.

If we are only going to keep national parks and wilderness areas of national significance, who is going to decide that? Congress? It will be very tough if the budget is in dire need of revenue and no one wants to raise taxes. Here is where we could wind up.

First of all, we could make the Grand Canyon available for sale. That could be the first to go.

Then take Mount Rushmore. I have been out to Mount Rushmore. They have a thriving number of visitors out there. I think we can probably put a McDonald's and maybe a Marriott there at Mount Rushmore. There is no telling what that place would bring.

After we get rid of Mount Rushmore and Grand Canyon, here is the jewel, we would sell the Statue of Liberty.

Now, Mr. President, that all sound very humorous. There is absolutely no reason whatever under this budget resolution, which allows the scoring of revenue from the sale of national assets, to believe that some things just as precious as the Statue of Liberty will not be put on the auction block.

Last year I was chairman of the National Parks Committee. I went out to see the Presidio. I had never seen it except at a distance. It is one of the most remarkable pieces of property left in the United States and certainly the most remarkable piece of property left in an urban area. Here we have already put it up for sale. Who knows where we go after that?

Mr. President, I have offered the Bumpers-Bradley-Murray amendment this evening not only because the proposed rule change in the budget resolution would permit the sale of our national treasures, but because it is also bad economic policy, bad social policy and bad culture policy. We ought not to do it. We have lived very well for 205 years without trying to balance the budget by selling assets.

Finally, my amendment does not alter the bottom line of the budget resolution one bit. The Energy and Natural Resources Committee would still be required to find whatever amount of money the budget resolution instructs the committee to find.

I can tell you, Mr. President, again, you put this proposition to the people of this country, Do you think we ought to start selling off wilderness areas, national forests, some of our treasured national parks? I can just see it now. You cannot see all the Grand Canyon from the rim. We need a highway down through it so you can really enjoy it.

We need a new Holiday Inn down at the bottom of the Grand Canyon so we can make more money.

These things are disastrous.

I hope a majority of the Senate tomorrow morning, when we vote on this, will agree that this is a terrible, terrible change in budgeting. It is a terrible change in national policy.

I yield 5 minutes to my distinguished colleague from Washington, Senator MURRAY.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas.

The budget resolution before us has been termed an historic document. It certainly is. For the last decade, the Congress of the United States has recognized that our public lands are too precious to sell unless their sale is in the best interest of the public. That is good policy and one that has enjoyed strong bipartisan support.

But it is a new day. Today, we may well vote to sell our children's heritage to pay our debts. I reject that approach to debt reduction and I reject that approach to disposition of our Federal assets.

What is at risk? Potentially on the sale block are assets ranging from oil supplies beneath the Arctic National Wildlife Refuge; to battlefields reminding us of the pain and sacrifice of the Civil War; to Power Marketing Associations that provide hydroelectric energy, transportation, and resource protection; to endangered wildlife living in our National Wilderness Preservation System; to toll-free interstate highways present in every State in the Nation; to public timber sold primarily to small businesses dependent upon National Forests for their wood supply.

These assets should not be sold to reduce the deficit. And they, certainly, should not be sold to provide a tax cut to wealthy Americans. Instead, our Federal assets should be sold only when, after reasoned debate and a full public airing, we decide their sale is in the best interest not only of this generation—but of every generation that follows. We owe our children much more than a balanced budget. We owe them their heritage.

I urge my colleagues to vote first for Senator BUMPER's amendment precluding scoring of the sale of all Federal assets.

While I have the floor I want to just mention two other amendments I will be offering tomorrow that my colleagues will be voting on.

SENSE OF THE SENATE RESOLUTION ON IMPACT AID

Mrs. MURRAY. Mr. President, tomorrow I will send an amendment to the desk.

Mr. President, my amendment is a sense-of-the-Senate that the Federal Government should live up to its responsibility to educate the children of our women and men in uniform through the impact aid program.

At this point, I would like to ask unanimous consent to add my good friend, the Democratic leader, Senator DASCHLE, as well as Senators PRESSLER, AKAKA, HUTCHISON, LEVIN, BINGAMAN, PELL, DORGAN, BAUCUS and KERREY of Nebraska as cosponsors.

Mr. President, you see, this amendment enjoys strong bipartisan support because the impact aid program is a vital component of the education portfolio of 48 States.

It has strong support because Senators on both sides of the aisle know how important this program is to their States and to the country.

More than 40 years ago, the Federal Government established the impact aid program.

Forty years ago—great, forward-thinking legislators recognized that the Federal Government has a responsibility to communities which have been adversely impacted by Federal activities.

Mr. President, this is exactly the underpinning of the legislation we passed earlier in this Congress. The unfunded mandates bill corrected a large-scale shift of costs from the Federal Government to the States and to local communities.

Impact aid is a good program for States—it lives up to the true spirit of local control of education.

Unfortunately, the Federal Government has not been living up to the spirit of the Impact Aid program.

Funding levels for impact aid have been so far below authorized levels that we have unfairly shifted a large portion of funding for Federally connected students to local taxpayers.

The end result is that, now—in many States—this program covers less than half of the costs to educate each student. The Federal Government has just been shifting its responsibility to the States to make up the difference.

Mr. President, when I review the last several years of funding and rescissions, I am outraged with the trend I see developing—we have been abandoning responsibility to our kids by cutting funds for this program.

And, there is no question that the importance of this program has increased over its 40 year history.

Its importance has increased not just because it directly affects over 2 million students in our Nation—but also because of the tight budgets facing our States today.

And, some States—such as my home State of Washington—do not rely upon an income tax for State funding. You see, Mr. President, the loss of property tax revenues makes State and local education funding even more difficult.

Mr. President, let me take a moment to tell you about a school district near Tacoma, WA—it's called Clover Park.

Fort Lewis is in the Clover Park school district. Women and men in uniform are assigned by the Federal Government to serve our Nation there. And, their kids—like all American children—deserve to be educated.

They should not be abandoned because their parents live on Federal property.

Impact Aid makes up 7 percent of Clover Park's budget. In Clover Park, this money goes directly to the school district and is free of bureaucracy.

It provides basic support to the school district whose local school board determines how to use the funds.

Now, Mr. President, if impact aid funds were cut off, school districts would have to increase taxes in the Tacoma community. Or, Clover Park would have to cut teachers and close buildings. Or, the schools would have to double-shift students.

That is wrong. That is a total abdication of the Federal responsibility to our kids.

Of course, we all recognize the budget constraints facing the Federal Government today.

I know tough choices must be made.

However, Mr. President, I believe we can achieve meaningful deficit reduction without passing on this huge unfunded mandate. And, without compromising our responsibility to our schools and our communities.

Mr. President, I want to be sure that adequate resources are put into impact aid. And, this sense-of-the-Senate reconfirms our commitment—on both sides of the aisle—to making that happen.

I urge my colleagues to join our bipartisan coalition and support this amendment.

CHILDREN'S HEALTH INSURANCE

Mrs. MURRAY. Mr. President, tomorrow I will send an amendment to the desk. My amendment is very straightforward.

It allows the Senate to think twice before we pass reforms to the Medicaid system that would result in more uninsured American children.

This amendment does not call for one dime of new spending. It is, by definition, revenue neutral.

This amendment simply creates a point of order against any legislation which would cause children currently eligible to receive Medicaid to lose their health care benefits.

And, that point of order is easily waived by a simple majority vote.

Mr. President, as you know, this year, the Medicaid program covers health care services for over 36 million low-income Americans.

Close to half of those Americans are children. Children who have no access to health care insurance on their own. Children with complex health care needs. And, children, I will say, Mr. President, who don't have well financed lobbyists up here fighting for their interest.

Most of the children covered by Medicaid live in low-income, working families.

Mr. President, we are talking about families who have to choose between putting food on the table, or getting health care treatment for their child.

I have visited Children's Hospital in Seattle many times.

Mr. President, I have witnessed firsthand the decisions these parents face.

A typical family on Medicaid is a young, happy family, whose life is suddenly disrupted when they find out their child has been diagnosed with cystic fibrosis or leukemia or severe asthma or cancer.

One parent has to quit his or her job to stay home and take care of the child. On just one income, family finances become increasingly difficult.

Soon the health insurance runs out, and the family is forced to spend down to be able to receive Medicaid, just so their child can receive critical medical attention.

The cost of care for the child will be passed along to the American taxpayer. Doctor and hospitals will simply raise their rates. Insurance companies will do the same.

Everyone agrees that there are problems with the Medicaid system that need fixing, and everyone agrees with the need to reduce the Federal deficit. But, I am concerned that we don't become lulled by the mantra of cut, cut, cut.

As the Congress cuts spending, I just want to make sure we raise a red flag when children's health care is concerned.

Medicaid is every child's health insurance safety net.

My amendment just makes us think twice before we yank that safety net away.

You will hear some arguments against my amendment today, arguments that—frankly—make little sense.

You will hear that this amendment is impeding deficit reduction, and impeding the actions of the Senate.

On the contrary, the point of order in this amendment can be waived by a simple majority vote—just 50 votes.

We have points of order against the mandates of environmental laws—I just want to make sure we have a point of order to protect the most vulnerable of our population—our children.

You will also hear that this amendment says that we do not trust our Governors to protect children when Medicaid is block granted. Trust?

Block grants, by definition, shift all responsibility to the States. If any kind of emergency or disaster happens in a State, such as an earthquake in California or flooding in the Midwest.

I just want to make sure our overburdened Governors do not allow health care for our children to go by the wayside. This amendment simply makes us think twice about children.

This is not a question of trust—it is a question of insurance. That is all.

Finally, Mr. President, you will hear that this issue will be dealt with in the Finance Committee after the budget resolution is passed.

We listened to a prolonged debate this morning on the EITC—which will also be a topic in the Finance Committee's deliberations. If today is a good day to talk about EITC, today is a good time to talk about children's health insurance.

Let me conclude with a few words about priorities.

When I offered this amendment in the Budget Committee, we were immediately subjected to a lengthy diatribe by the other side that sounded more like Presidential campaign speeches than a statement about our children's health insurance.

That happens all too often. As soon as we talk about children, the debate is trivialized. The discussion is kidnapped.

And, so, I stand here again today and ask—what better time is there to talk about the future of our children than during this historic debate?

We need to know if actions we take here today will hurt our children.

My sincere goal with this amendment is to look out for the most vulnerable of our population.

I know they do not vote. I know they do not give money to political campaigns. But they continue to get sick because their parents cannot afford to get them vaccinated.

Congress cannot turn its back on its children.

My amendment simply ensures that before Congress makes any changes to the Medicaid system, we will take a hard, thoughtful look at the possible damage these changes will cause.

Let us put a little bit of conscience back into this budget.

Let us protect our future.

Let us protect our children.

I urge all my colleagues to join Budget Committee members on my side of the aisle and agree to this amendment.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent I be allowed to take 2 minutes from the time controlled by this Senator, to briefly speak on the subject at hand.

I first would like to ask if the Senator from Arkansas has added me as a cosponsor to his amendment or not? If he has not, I would like to be added as a cosponsor.

Mr. BUMPERS. Mr. President, I would like to add Senators MURRAY and BRADLEY as my chief cosponsors, the Senator from Nebraska, Senator EXON, Senator WELLSTONE, Senator BOXER, Senator FEINSTEIN—all as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I also ask unanimous consent I be added as a cosponsor to the amendment just addressed that the Senator will be offering tomorrow, the Senator from Washington, with regard to impact aid.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1130

Mr. EXON. Mr. President, I support the amendment offered by Senator BUMPERS to strike the changes made to the asset rule in the budget resolution. The recent push to sell off physical assets in an effort to generate short-term budget savings is not a wise move.

The asset rule was put in place in order to discourage these sorts of proposals which do not result in any structural decline of the deficit. In fact, many of the recommendations included in this budget resolution will not yield any budget savings over the long term.

The savings resulting from the selling off of physical assets in this resolution will end up generating only $3.5 billion in receipts over the next 7 years. Many of these proposals end up costing the Government money in the out-years.

I hope my colleagues on both sides of the aisle will support this effort to rid the use of this sort of budget gimmickry in an attempt to balance the budget.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I believe there is 10 minutes reserved on this side. I yield myself 5 minutes to begin with.

Is there not 10 minutes reserved for this side?

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. Mr. President, I am reminded of what President Reagan said once, "Here we go again. Here we go again."

I have just heard these speeches that sound as though this is something that has been dreamed up by this side of the aisle. The President requested this. Is the other side of the aisle going to abandon the President again? The President asked for $8 billion in his budget. He specifically asked for this language. This language is the President's language.

What does it do? It allows scoring of the sales of assets that are already authorized by law to be sold.

I would be ashamed to come here with pictures of places in this country that are loved by all citizens, and imply that anything in this budget resolution will sell one national park or refuge. It is an authorization to score the sale of assets. It is necessary to carry out the President's budget. It is also a fact that people have used this budget gimmickry to prevent the leasing of 1.5 million acres on the North Slope of Alaska, one of the last great deposits of oil and gas in the United States, because it is considered to be the sale of an asset when it is leased.

The Arctic coastal plain must be authorized by law to be leased. It has already been subject to three environmental studies. There is no opposition that I know of to the concept of the Mineral Leasing Act. That law has already been passed. This land should be leased.

Oil and gas leases are called a sale under the concept of the Budget Act. And since you cannot score that sale, the act of leasing costs money and, guess what, that prevents us from proceeding to lease the land because you cannot score the money that comes in from the lease. But it costs you money to lease it. An absurd conclusion.

The President came in and asked for a change in this law. He asked that we change this in his budget this year and he assumed $8 billion in asset sales—that must be authorized by law—as part of that budget. I notice the picture of the Grand Canyon is right-side-up now, but even so the Grand Canyon, if someone wanted to propose to sell it, they would have to come here and secure the passage of a law. The things the President wants to sell must be authorized by law to be sold. What we want to lease in Alaska must be authorized by law to be leased. I never have heard such a ludicrous argument in my life.

I have seen some of this stuff from the extreme environmental organizations that send this baloney all over the country and charge people fantastic sums of money. They rival the AARP in terms of the way they raise money and really convince people they are doing good when they are really paying themselves and sending these stupid letters out that imply that somehow the President wants to sell the Grand Canyon. It is the President's language. It is not my language. It is not the Alaskan language. It is the President's request.

I cannot believe what I am hearing on the floor of the Senate. I really cannot.

Why do you not recognize the income from the sale of assets? The lease of the Alaska oil reserve lands would bring in over $1.4 billion in a 4-year period. If it is leased that is money that comes into the Federal Treasury. It is not a sale. It is what is paid for the privilege of producing oil and gas from Federal lands.

Somehow or other, people have assumed that there is something sort of seditious in this concept of the President's, that we are going to count money that comes into the Treasury as money.

I have heard arguments on the floor of the Senate that embarrassed me before but I am embarrassed for those who offer this amendment.

In the first place, they attacked their own President, not us. In the second place, it makes no fiscal sense to say when we sell an asset that produces billions, that we have to go out and borrow money in order to balance the budget because we cannot count that money that comes into the Treasury—not in a budget sense. It is there in a physical sense but it is just added to the Treasury. You cannot count it under these stupid budget rules that finally even the President of the United States recognized are just that. They are stupid. It is time to change them. It is time for us to stop this Mickey Mouse business.

Look, a "For Sale" sign on the Statue of Liberty. Would the President suggest selling the Statue of Liberty? Have we suggested selling Mount Rushmore? My God, I really cannot believe the depth of this argument, when it comes down to just say anything to scare people throughout the country. "We are going to sell the national parks." It is stupid.

The PRESIDING OFFICER (Mr. ASHCROFT). The time of the Senator has expired.

Mr. EXON. Mr. President, I yield myself 2 minutes off the time of this Senator.

I would simply correct my friend from Alaska. The President of the United States, in his budget, suggested selective sales, including the Power Marketing Administration. This Senator and many on this side strongly disagree with the President on the selling of the Power Marketing Administration.

We went down and had a meeting with him and we will fight that here and we will fight it all the way through this budget process. Certainly I think we can disagree. I believe the Senator from Arkansas made it very clear in his remarks that he realizes we are not suggesting this, but the main thing the Senator from Alaska is overlooking is the proposition in this budget changes the rules that could allow this to happen. They cannot happen under the rules the way they are.

We objected to the President of the United States, our President, as you say, doing that. And we certainly object to the Republican Budget Committee going along in unison with the President of the United States, which in and of itself is quite unusual.

We oppose your doing it. We opposed the President in doing it. And we hope we are alerting the Senate of the United States to this serious mistake.

I reserve the remainder of my time and I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. EXON. Mr. President, how much time does the Senator wish?

The PRESIDING OFFICER. The Senator from Arkansas has 6 minutes.

Mr. EXON. I am sorry, I thought the Senator was out of time.

Mr. BUMPERS. Mr. President, the Senator from Alaska misunderstands what this debate is about. It is not about what the President recommended. I could not disagree with the President more. I went down to the White House and told him, along with the Senator from Nebraska and a host of others. This is bad policy and I told the President that. He is my friend but that does not mean I have to agree with him on everything and he understands that better than anybody.

The fact that the President has proposed asset sales in his budget does not make it good policy. It is bad policy. I do not care who recommended it.

The Senator from Alaska says he is embarrassed. He is embarrassed by this amendment. What we are trying to do is to restore the law where it has been for 10 years. I never heard the Senator from Alaska in the last 10 years say under the budget rule not scoring assets was an embarrassment. Now it is an embarrassment. The Senator from Alaska is my friend. He has been trying to get ANWR opened up for oil drilling since, as we say, "the memory of man runneth not." I am not for it, and I don't expect to be for it in the foreseeable future.

This resolution assumes that we are going to charge the oil companies $1.4 billion over the next 7 years for the right to drill in ANWR. What do you do after the scoring period to make up for the lost oil after the first 7 years? You are going to cut discretionary spending again.

The budget resolution assumes $1.4 billion from the sale of the power marketing administrations. That is a bad proposition from a business standpoint. No businessman in his right mind would decide whether to sell an asset by only considering the lost revenues associated with that asset for a period of 7 years.

I will tell you something. If you are willing to sell the Presidio, the Grand Canyon cannot be very far behind.

So, Mr. President, I plead with my colleagues not to buy into this idea that you can take these one-shot, one-time windfalls from the leasing of the Arctic National Wildlife Refuge, the selling of the Presidio, the selling of these power marketing administrations.

As I said in the opening of my remarks, my amendment does not preclude asset sales. It simply says deal with them in the usual course of business and do not score them for budgeting purposes.

I am not only not embarrassed, I have never been prouder of an amendment.

Mr. BUMPERS. Mr. President, is it in order now, before using all of my time, to ask for the yeas and nays?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, I yield the floor and retain the remainder of my time.

Mr. STEVENS. How much time is remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes, and the Senator from Arkansas has 1 minute 48 seconds.

Mr. DOMENICI. Out of the 5 minutes, I yield 3 minutes to Senator STEVENS from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent to put in the RECORD section 5 of the President's bill indicating how he would treat the proceeds from the sale of transfer of lands under his proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROCEEDS

SEC. 5. Proceeds from a sale or transfer under this Act shall be recited to miscellaneous receipts of the Treasury. If the President so designates, the net proceeds shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted for the purposes of section 252 of that Act as an offset to direct spending, notwithstanding section 257(e) of that Act.

Mr. STEVENS. Mr. President, I am embarrassed for the proponents of this amendment. I am not embarrassed by the President. I think the President is trying to make some sense out of the Budget Act, and it is time that we considered that.

This is an attack on a proceeding to lease the Alaska oil reserve. It is not standing up straight. It is a duplicitous amendment. It is an amendment intended to kill the provision in the budget resolution that considers it a requirement of the Energy Committee to raise money. One of the ways they can raise that money is by bringing forth a bill to proceed to lease the one and one-half million acres on the Arctic coastal plain that has a fantastic potential for oil and gas.

Furthermore, the Senator from Arkansas said, what happens in the next year? Hopefully in the next year you would discover oil. The last time I remember people standing on this floor saying there is no oil was when we were considering legislation to allow leasing on the North Slope of Alaska, when they said that it would only produce about 1 billion barrels at the most. Mind you, that would have been the largest deposit on the North American continent. But, as a matter of fact, we have already produced 10 billion barrels. Ten billion barrels came out of that bill that came before the Senate. The argument went for days. Finally, the tie had to be broken by the Vice President of the United States.

Now, we are in the same situation here. Mr. President, you are going to see more wildcats coming across this floor when ANWR is brought up than anything you have here. They have more things they can warn the public of. Look at that. They say we are trying to sell the Statue of Liberty. It is absolutely ludicrous again I say. I have never heard an argument stretched to that point.

This resolution does not authorize the sale of anything. All the President wants to do is count the money when it is authorized to lease or to sell something, and there already are a series of things authorized. The President is going to send up a bill to authorize the further sale of some of the assets on the Presidio at Monterey in California. As a matter of fact, it has already been leased. Do you know who it is leased to? Former Senator Cranston and the former leader of the Soviet Union, Mr. Gorbachev. They have leases there in the Presidio already.

Now, when you look at it, all the President is saying is that in the process of acquiring money from the sale or lease of assets that are authorized by law, we ought to count them in the budget process. This amendment would deny the President that right. It would mean that he could not count the $1.4 billion that will come in the first 4 years of the leasing of ANWR.

I thank the Senator from New Mexico for his courtesy.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say to the Senator from Alaska, my amendment does not stop the leasing of ANWR. That is not what this amendment is all about. You can go ahead and lease ANWR. But do not score it in the budget. That has been the law of the land for 10 years.

All of a sudden we get this budget resolution presented to us and they say we are going to change the rules. If you can get $2 billion for Presidio, count it, score it. You have $4 billion in here, and next year you may not have $4 billion in asset sales so you are going to have to find it elsewhere. Why, I say to the Senator, you might even have to pay royalties on hard rock mining next year.

Mr. STEVENS. Will the Senator yield for just one question? We are closing almost 50 bases in the United States. Why should we not count as income those portions of the bases we are going to sell? This amendment would not allow that.

Mr. BUMPERS. Mr. President, there is not a Governor in the United States, including the person sitting in the chair at this moment, who is a former Governor, in my opinion, that will take an asset sale or one-time windfall and put it into his operating budget. My amendment does not prohibit the sale of those bases. It just says, let's not change the budget rules to mask the deficit by scoring the revenues derived from these asset sales.

I yield the floor.

Mr. DOMENICI. Mr. President, how much time does Senator BUMPERS have?

The PRESIDING OFFICER. Twenty-one seconds.

Mr. BUMPERS. I yield back the remainder of my time.

Mr. DOMENICI. How much time do I have, Mr. President?

The PRESIDING OFFICER. Two minutes.

Mr. DOMENICI. I thank the Chair very much.

Mr. President, let me suggest there really are two arguments here. I think the paramount one is to get rid of any authority that the Energy Committee might have in its reconciliation instructions to direct that we begin leasing of ANWR. While asset sales generally seem to be the subject matter, I think that is the prime focus.

And let me suggest for a minute a bit of arrogance about the United States, a bit of arrogance about those who think we can just continue to lock up our assets because we are so wealthy it does not matter. How does $180 billion worth of American assets called "oil" sound to average Americans—$180 billion worth? We will buy it from other countries because we think we are so strong, so powerful, so economically self-sufficient we can just throw away our assets—$180 billion.

Now, I know that people do not like to think of America as being arrogant about anything; we are humble people. But I submit, Mr. President, it is arrogance to think that we can throw away $180 billion and say we will buy it from the Saudis. After all, it was only ours so why not just lock it up.

Now, if there was harm coming to ANWR, many who will vote against Senator BUMPERS would vote with him. But that argument about how much damage is going to be done there just will not play too much longer.

Now, let me make a second point. Let me make a second point on this issue. Mr. President, what happens if we fail to balance the budget and the American dollar keeps coming down? Do you know what might happen, I say to the Senator from Alaska? The Saudi Arabians may say, "Pay us in yen." How does that strike you? "We do not want your American dollars. They are not good enough."

Mr. STEVENS. For oil.

Mr. DOMENICI. For oil. Pay us in yen. We will pay them in yen and guess what will happen. Oil prices go up 300 percent in America.

Why should we not use our own rather than depend totally upon them?

I yield the floor, and if we have no remaining time, I assume we are finished with this amendment and it will be appropriately stacked tomorrow by our leader.

RURAL HOUSING GUARANTEED LOAN PROGRAM

Mr. CHAFEE. Mr. President, I wish to engage in a colloquy with Senator DOMENICI, the distinguished chairman of the Budget Committee, with respect to the rural housing guaranteed loan program.

In reviewing the report accompanying the Fiscal Year 1996 Concurrent Budget Resolution, I note that the Senate Budget Committee recommends "the reduction or elimination of certain subsidies provided by the federal government for a range of credit programs in the Small Business Administration, the Federal Housing Administration, and the Rural Housing and Community Development Service." Am I correct in understanding this to mean that the Budget Committee assumes no savings from the Rural Housing and Community Development Service's Section 502 unsubsidized guaranteed loan program over the next seven years?

Mr. DOMENICI. The Senator from Rhode Island is correct.

Mr. LEVIN. Mr. President. I will oppose the Roth amendment which takes a meat-ax approach to eliminating federal jobs. The administration has made laudable progress by downsizing the government by more than a quarter of a million workers by the end of the year. Under the leadership of Vice President GORE, careful evaluation, systematic studies, and cost-benefit analyses have been used to shape a leaner more effective Federal work force. Because it is not based on such studies and analysis, the Roth amendment, by contrast, could result in the slicing away of essential jobs, such as those needed to get out the social security checks, staff the veterans' hospitals, or to protect federal facilities and workers from another terrorist incident. Also, the Roth amendment, according to its author, assumes the elimination of the Department of Commerce, an action with which I do not agree.

AFDC

Mr. MOYNIHAN. Mr. President, I intend to propose an amendment that will enable us to improve our welfare system rather than dismantle it. Under my amendment, Aid to Families With Dependent Children will remain a Federal entitlement program.

The amendment I propose will, over 7 years, restore $55 billion to income security programs, including Aid to Families With Dependent Children, Supplemental Security Income and Unemployment Insurance under the jurisdiction of the Finance Committee.

My amendment is deficit neutral. It is financed by using part of the fiscal dividend that will accrue to the Federal Government if we balance the budget.

The budget resolution reported out by the Senate Budget Committee reserves the fiscal dividend for tax cuts.

I fail to understand how we can justify tax cuts at the same time that we are, for example: withdrawing the Federal guarantee of support for dependent children; reducing government programs like Medicare and Medicaid by over 15 percent; and threatening an end to vital public services through the elimination of subsidies for AMTRAK.

As I stated on introducing the Family Support Act of 1995 last Thursday:

> It is beyond belief that in the middle of the Great Depression in the 1930's, we provided for children a minimum benefit to keep them alive, and in the middle of a successful 1990's with a 7 trillion dollar economy we're going to take that away.

Senators who have been following the subject of welfare policy will recognize the bill I introduced last week as a successor to the Family Support Act of 1988, which was adopted in this Chamber just this side of 7 years ago, on September 29, 1988, by a vote of 96 to 1.

When President Ronald Reagan signed the bill in the Rose Garden on October 13, he thanked those who, as he said, shared the credit for "this landmark legislation", including Senator DOLE, Senator PACKWOOD, and Senator Bentsen, as well as Representatives Rostenkowski, HANK BROWN, Michel, Frenzel, and Downey.

These members of Congress will be remembered, President Reagan said:

> for accomplishing what many have attempted, but no one has achieved in several decades: a meaningful redirection of our welfare system.

It will seem unimaginable to us today, but the Family Support Act was not a partisan political measure.

Together Republicans and Democrats passed a bill that was based largely on what we had learned during the 1980's about how to get welfare recipients into work. A number of States had used the flexibility we gave them in 1981 to do this, and there had been careful evaluation of their efforts. The Family Support Act of 1988 recognized a mutual obligation. The Government would provide training and child care, and help the parent find a job. But the parent had an obligation to do what was required.

The proposal that is envisaged in this budget resolution is vastly different. It gives up entirely on a national commitment.

We have a problem in this country that we share with most of the rest of the western world, and that is the problem of the breakdown in family structure. As recently as 1960 the percentage of children born to single parents was about 5 percent. A manageable problem. It is now about 33 percent. The same trend is happening in Canada. The out-of-wedlock birth rate in the United Kingdom and France exceeds 30 percent, very close to ours.

And we do not know what to do about it.

Dr. Lawrence Mead, professor at New York University, now visiting professor at the Woodrow Wilson School of Public and International Affairs at Princeton, testified before the Finance Committee on March 9 of this year. He asked:

> Can the forces behind growing welfare be stemmed? Conservative analysts say that unwed pregnancy is the greatest evil in welfare, the cause not only of dependency but other social ills. On all sides, people call for a "family policy" that would solve this problem.
>
> But we have no such policy. The great fact is that neither policymakers nor researchers have found any incentive, benefit, or other intervention that can do much to cut the unwed pregnancy rate.

What we do know is that the program we enacted in 1988, the Job Opportunities and Basic Skills Training [JOBS] Program, can have a modest, but important effect.

Dr. Mead told the committee that:

> A tough JOBS program appears to be one reason why Wisconsin has reduced its welfare rolls, despite generous welfare benefits. Very likely, JOBS has operated to restrain welfare growth nationwide.

Lawrence Townsend, Director of the Department of Public Social Services of Riverside County, CA, who runs what is recognized as one of the most successful JOBS programs in the country, spoke to the Finance Committee on March 20:

> * * * of the importance of the existence of a Federally mandated, properly focused, and adequately funded JOBS program. If designed properly, the JOBS program can be one of the best vehicles for assisting those who are AFDC-dependent to successfully traverse the road to self sufficiency.

The Family Support Act of 1995 builds on what we know. Evaluation confirms that the JOBS program works. As a result of evaluation we are learning how programs can perform better, by increasing participation requirements, and placing more emphasis on actual work.

States need more flexibility to test new policies. My bill allows States to set their own rules for assets and to design their own rules for eligibility for the Unemployed Parent program—welfare benefits for 2-parent families. It says that a decision on a waiver will be made within 90 days.

And we can fulfill our obligations to our Nation's children and still balance the budget in a reasonable timeframe if we eschew tax cuts.

Faced with a huge budget deficits I have consistently opposed tax cuts in any shape or form.

As I indicated 10 days ago on "Meet the Press":

> I dropped (the President's) tax cut plan the moment I heard about it.

I oppose the tax cuts advocated in the Contract for America. The Contract for America's tax proposals were incorporated into the House budget resolution—a resolution that would eliminate the Federal guarantee on AFDC for dependent children while providing funding for a 7-year $354 billion tax cut.

And I am opposed to the tax cuts implicit in the budget resolution now before the Senate. You may make the tax cuts appear costless by stipulating that tax reduction will be financed with the so-called fiscal dividend—estimated by CBO to be about $170 billion.

But why should the fiscal dividend be reserved for tax cuts?

Who can have a greater claim on our conscience than poor children. I am simply asking the Senate to adjust less than one-half of 1 percent of total spending provided for in the budget resolution in favor of impoverished children. Have we really come to the point, at the close of the 20th century, when that is too much to ask?

In a series of speeches in February of this year I opposed the constitutional amendment to balance the budget. I stated then, and still believe, that we can and will balance the budget without a constitutional requirement.

I noted the progress that had already been made as a result of a $500 billion deficit reduction program enacted in

1993—enacted I might add without one Republican vote in either the Senate or the House. As a result of deficit reduction measures enacted in 1993, the deficit has declined for three straight years—from $290 billion in fiscal year 1992 to an estimated $175 billion for the current fiscal year.

Let us proceed with good cheer knowing that we can get a balanced budget without ending an entitlement for dependent children.

MEDICARE/MEDICAID CUTS

Mr. HARKIN. Mr. President, this debate is about priorities, fairness and choices. We agree on the bottom line. We agree on balancing the budget and bringing this deficit down. But we part company on how to get there.

I say we should get to the bottom line without putting our seniors, our students, our farmers, and our working families in the firing line.

I say we should choose quality health care for our seniors over unnecessary tax breaks for those who need it the least.

In the last couple of weeks I have heard my Republican friends say that their budget resolution does not cut Medicare. They say, "Only in Washington would someone say that reducing the rate of growth from 10 to 7.1 percent is a cut".

Well, to this I respond with the following: Only in Washington would they say to a senior citizen—We're not cutting your Medicare, just hand over $900 more out of your pocket each year to pay for it.

But, while we are doing it—remember, it is not a cut.

Only in Washington would they propose the largest insurance rate hike on senior citizens in our country's history, at the same time they hand over a new $20,000 tax break to those making over $350,000 a year.

But, remember, it is not a cut.

Only in Washington would we propose soaking our seniors while we continue to needlessly funnel billions into the bloated, wasteful Pentagon.

But, remember, it is not a cut.

Mr. President, a constituent from Dubuque, IA,÷ hit the nail right on the head when she wrote me last week. "How can they reconcile these cuts," she said, "and give tax cuts to the more affluent * * * meanwhile nothing is being cut from the Pentagon."

Today, we spend five times more on our military than all of our potential enemies combined. If you couple that with what our allies spend—today, we are outspending our enemies ten to one. The United States and our allies spend about $510 billion a year. While our potential enemies spend about $54 billion combined.

And we can not find one thin dime to cut from the military? In fact, this budget increases the Pentagon by $25 billion.

Mr. President, let us call this what it is. This is an assault on our senior citizens. A $256 billion assault. By far, the largest Medicare cut in history.

We have a moral responsibility to bring down the deficit and balance the budget. But it is morally wrong to promise a huge tax cut to the wealthy at the same time we ask seniors to take a cut in their health care.

It is morally wrong to give a $20,000 gift to the wealthy while we cut benefits for seniors who live on less than $20,000 a year.

I hear a lot of talk about the Contract With America. What about our Nation's contract with senior citizens? What about keeping that commitment?

Medicare and Medicaid are a basic part of America's contract with seniors. And we ought not to break that contract to pay for a tax break to those who need it the least.

These cuts will hit Iowa particularly hard. Iowa ranks first in percent of citizens over age 85 and third nationally in percent of the population over age 65. The health care system in rural Iowa is already on the critical list—we have too, few doctors, nurses, and other health care professionals and many of our rural hospitals are barely making it.

And, Iowa hospitals, doctors, and other health professionals depend heavily on Medicare payments. In some rural Iowa hospitals, as much as 80 percent of total patient revenues come from the Medicare system.

Iowa hospitals are financially strained and 75 percent of all hospitals lost money on patient revenue in 1993. But, according to a recent study conducted by Lewin-VHI, under the Republican plan, Iowa hospitals will lose on average $1,276 for each Medicare case in the year 2000. And rural hospitals throughout the United States stand to lose $866 per case in the year 2000—Iowa rural hospitals will lose even more.

But rural hospitals are not the only ones to lose. As rural hospitals go, so goes the rest of the health care system, so goes quality and access to care provided to all Iowans, and so goes our rural economy.

If the hospital closes it often means that the doctor's office closes, the pharmacy closes, and the nursing home goes. Pretty soon so does the local economy. It is a domino effect.

Listen to what a doctor in Sibley, IA, had to say:

> In Sibley, we have a very viable, small rural hospital that gives total patient care. We are able to manage most patients efficiently and effectively. But with the proposed cuts in Medicare that the current budget is envisioning, we can see this as a terrible drain on our hospital's economy. The proposed cuts would put our hospital in a losing situation. Further cutting in the funding could certainly endanger the existence of this hospital. In Sibley, the Osceola Community Hospital is the only hospital in a 20-mile radius. This could certainly be a hazard to the health of the general area.

But Medicare is not the only item on the hit list. What about Medicaid? What about long-term care?

Instead of improving the system, the Republicans are proposing a $175 billion cut in Medicaid. That will deal a heavy blow to the 6 out of 10 people in nursing homes who are receiving help from Medicaid.

These people have used up whatever savings they had before they qualified for Medicaid. They are hard working middle-class families that, because of an illness in the family, have lost their life savings.

They are not looking for an easy way out or handout. They continue to share in the cost of their care—they use their Social Security and pension income to pay as much of the bills as they can.

But the Republican budget resolution would cut an estimated $299 million in long-term care spending in Iowa through the year 2000—a 15.3 percent cut in long-term care spending.

Under these cuts, an estimated 5,300 Iowans are expected to lose their eligibility for Medicaid long-term care benefits in 1996—and that could grow to 28,500 by the year 2000. That is a 48 percent reduction in the number of long-term care recipients by the year 2000.

I also hear a lot about our children in this budget debate. What about kids? This budget resolution places the health care of millions of children at risk. Thirteen percent of Iowa's children are covered by Medicaid and many of these children are very sick or have severe disabilities.

These cuts are going to hurt hard working Iowa families. Let me give you just one example.

Deb and Doug live in Lake View, IA, and in 1982 their son Jon was born en route to the hospital—2 months premature. Jon spent 6 weeks in intensive care in Blank Children's Hospital in Des Moines. When Jon was 9 months old he was diagnosed with severe cerebral palsy and severe developmental delays. Today, Jon is doing great. He is growing up in rural Iowa with his dad, mom, and big brother.

Both Deb and Doug work—Doug during the day and Deb at night so one of them can always be home to care for Jon. But, Jon is able to stay home because Medicaid help pays for Jon's health care and other services that will help him become an independent working adult.

Deb says that Jon would not be the happy healthy kid he is today if it was not for the help he received through Medicaid. Under this budget resolution there are no guarantees that Jon, or others like him, will continue to received the health care services that he needs to live a full life.

The budget resolution before us means that fewer children in working families and children with severe disabilities will have access to health care. Last year, 82 percent of the people who lost their health care coverage were children. Our children deserve a chance. Our children are our future and if we do not take care of them now we will pay later—in lower productivity and greater health and education costs.

Mr. President, I will end where I began. This is a debate about choices and the future. The future for not just the next generation of children, but this generation, too.

Let us work to cut the deficit without cutting the future for seniors, working families, students, and kids. Let us make the right choice.

AMENDMENT NO. 1123

Mr. ABRAHAM. Mr. President, during my campaign, I promised the voters of Michigan to both oppose any effort to raise their taxes and to support badly needed tax cuts—especially for the hard working middle-class families in our State. While not perfect, I intend to support the amendment before the Senate because it first provides for a balanced budget and also provides significant tax relief primarily targeted at American families. Indeed, I plan to support any reasonable proposal for middle-class family tax relief brought to the Senate until some form of family tax cut is adopted.

Although I support much in this amendment, there are certain provisions which I would change given the opportunity. For example, while I support restraining the growth of mandatory spending, the underlying resolution already slows the growth of Medicare as much as most Governors are willing to support.

Furthermore, while I agree that it is possible to reduce discretionary spending further than the pending budget resolution provides, I do not think it is advisable to do so on a proportionate across-the-board basis. Rather, I believe additional program eliminations and consolidations in targeted areas is the proper course to follow.

Given these reservations, I intend to work to see that other spending reductions—focused primarily on corporate welfare—are used to help pay for tax cuts in the event this amendment passes.

A final concern I have is with the overall distribution of benefits resulting from this amendment. I disagree with those who would set up a quota system for tax cuts, measuring the value of each provision by how uniformly it distributes its benefits. At the same time, it is easy to forget that it is middle-class Americans and their families who pay most of the taxes the Federal Government consumes, and I believe they should be the primary beneficiaries of tax cuts. Thus, if this amendment or any other tax reduction proposal is adopted, I intend to work with the Finance Committee to ensure that middle-class Americans are made the focus of any tax cut passed by the Senate this year.

POSITION ON VOTE

Mr. BRADLEY. Mr. President, due to an unfortunate miscommunication, my vote on the Harkin amendment to restore education funding, which was the second of two back-to-back amendments, was not recorded. There is no one in the Senate who is a stronger advocate for education programs than I am, and I am disappointed that this error occurred. If it had been recorded, my vote would have been "yea."

RAISE TAXES ON WORKING FAMILIES TO PAY FOR TAX CUTS BENEFITING THE WEALTHY? THAT'S THE REPUBLICAN PLAN

Mr. DASCHLE. Mr. President, in the Republican budget resolution, there is only one explicit tax provision. It is not, as many Americans might guess, a measure to provide tax relief. Rather, it is a tax increase, and an egregious one at that. It is egregious because it targets those on the lowest rungs of the economic ladder, the families that are working harder than ever and yet are still struggling to support themselves and their families.

This provision would reduce payments under the Earned Income Tax Credit [EITC] by $17 billion over 7 years. More than 12 million low-income working families would see their tax bills go up by more than $1,500—and the money they have left over for food, housing, clothing and medical care go down.

Make no mistake, however. The Republicans do plan further action on taxes. They plan to take the savings they achieve from cutting tax credits to low-income working families, cutting education, cutting Medicare—and use those savings to fund a tax cut which will largely benefit the wealthiest members of our society.

Some of my Republican colleagues have argued that they are not raising taxes on low-income workers, that they are merely reducing the rate of growth in the EITC program. This semantic exercise does not change one simple fact—this budget resolution will mean fewer dollars in the pockets of these workers.

As we debate the proper level of funding for the earned income tax credit, we should remember that the number we set will have a very real impact on millions of American families and over 31,000 families in my State. I'd like to introduce you to two South Dakota families to illustrate my point.

Karen Olson and Paul Lovestrand are a married couple who live in Rapid City, which is located in the western part of my home State. They have three small children—aged 4 years, 2 years, and 7 months. Paul works 60 hours per week as a baker at the Sixth Street Bakery and Deli, Karen works two part-time jobs—catering for the same deli and cleaning a dentist's office.

Despite their hard work, Karen and Paul do not have any savings. They have qualified for the EITC for the past 2 years, receiving $600 this year. Karen and Paul relied on their EITC payment to cover the cost of a needed plumbing job and a repair to the steps of their house that was required by their insurance company. Without the EITC, they would have had to cut back in other areas to pay these repair bills.

Nancy and Ted Lewis also live in Rapid City. They are married with two small children—aged 3 years and 6 months. Both Nancy and Ted are college-educated, but they have had trouble finding work since moving to Rapid City nearly 3 years ago. Ted holds down two jobs—he teaches English at Western Dakota Technical Institute and works at a sign-making store. Nancy is trained as an art teacher, but cannot find work that would pay more than the cost of child care.

For the past 3 years, Nancy and Ted have qualified for the EITC, receiving the maximum amount this year. They have relied on their EITC payments for major car repairs, children's clothing and overdue bills. The EITC also allowed them to repay a loan they took out when Ted was between jobs and rent money was scarce.

Karen and Paul and Nancy and Ted are playing by the rules. They are working hard and raising their children in a stable family environment. But even though they are doing everything right, their wages are not high enough to provide for all of their families' needs.

For years, Democrats and Republicans have agreed that the Federal Government should give families like Karen and Paul's and Nancy and Ted's a helping hand. By lessening their tax burden, the EITC makes it a little easier for them to make ends meet. In other words, the EITC rewards those who choose work over welfare.

But now my Republican colleagues have decided that the EITC program is out of control and fraught with fraud and error. These excuses are being used to justify a cut in funds for the program that President Ronald Reagan called "the best antipoverty, the best pro-family, the best job creation measure to come out of the Congress."

A quick look at these arguments shows they are without merit. First, the program is not out of control because it is growing at the rate set by the Congress. In 1993, an expansion of the EITC was approved. Once this expansion is fully phased in next year, the rate of growth level out so as to correspond to the rate of inflation and population growth. Indeed, the credit will decline as a percentage of GDP beginning in 1997.

Second, the claims of some Senators that a whopping 35 to 45 percent of all EITC payments by the IRS are made erroneously are simply not true. It is true that an IRS study of 1,000 returns filed electronically in January 1994 found that approximately 25 percent of the EITC benefits claimed were in error. The IRS concluded that many of these errors were unintentional but that some significant fraud also existed.

What the critics will not tell you, however, is that the Clinton administration has acted swiftly and aggressively to correct this problem. Specifically, 12 measures to simplify the EITC and reduce erroneous or undeserved claims have already been adopted. The critics conveniently leave out another very important fact. The study that they rely on was conducted before any of the administration's anti-error provisions were put in place.

Mr. President, there can be no justification for this rollback of the EITC, other than a desire on the part of my Republican colleagues to find ways to pay for their tax cut plan, which will largely benefit the wealthy. Putting the burden of paying for that ill-advised plan on low-income families is simply inexcusable.

Mr. FAIRCLOTH. Mr. President, when I was elected to the Senate in 1992, I came to Washington committed to taking bold action in order to balance the Federal budget and eliminate the national debt. I knew that the tough decisions necessary to reach these goals would require tremendous political courage by individual Members of Congress. Frankly Mr. President, it was not until the Republican Party assumed control of the Congress last November and Senator DOMENICI assumed the chairmanship of the Budget Committee that I began to see the sort of courage necessary to put America's financial house in order.

Despite having control of the White House and both chambers of Congress from 1992 to 1994, the Democrat Party failed to offer a plan to balance the budget. Instead, President Clinton gave America its largest tax increase ever and proposed a government takeover of health care. This is just the type of behavior which voters have come to expect from President Clinton. When faced with an impending financial disaster his administration offered this Nation higher taxes and bigger government as the solution. Well, with the support of his congressional allies, President Clinton got his tax increase, but his big-government approach to health care crashed and sank on the rocks of old-fashioned American common sense.

That was the last Congress. What plan has the President offered during the 104th Congress to balance the budget? In the words of Senator DOLE, President Clinton has been AWOL on the budget—"absent without leadership." I just don't understand it. Every time that President Clinton stares a balanced budget in the eye, he blinks. First, he actively fought against the balanced budget amendment, and then he refused to offer his own plan for bringing the Federal budget into balance. Moreover, when his cabinet informed him that we are facing an imminent Medicare crisis, the President did nothing. Perhaps, that is what he does best: nothing.

When President Clinton does meekly act to fulfill his constitutional responsibilities, such as proposing his own budget plan, even his own party cuts and runs. Last week the Senate rejected the Clinton budget by a vote of 99 to 0. No one voted for the Clinton budget. No responsible Member of Congress would dare vote for a budget which would have increased the deficit from $176 billion this year to $276 billion in the year 2000 by which time we would have added $1.2 trillion to the national debt. And yet this is what President Clinton proposed.

President Clinton may be content to sit in the Oval Office at the other end of Pennsylvania Avenue and blithely ignore the current budget crisis and the daily mounting debt, but I for one did not leave 45 years of hard work in the private sector to come to Washington and turn a blind-eye to our Nation's fundamental problem. That is why I have come to the Senate floor today to assure my colleagues that I am wholeheartedly committed to working with them to balance the budget, and go beyond that to paying down the principal on our $4.7 trillion national debt.

A child born today would have to pay $187,500 over his or her lifetime just to pay interest on the national debt. For those concerned about the impact of the proposed budget on children, this per child cost imposed by the national debt should be the real focus of our concern for children.

We all know that the steps necessary to balance the budget will not be easy. It will require each of us to summon up the courage to cut or eliminate Government programs which in times of a budget surplus we might otherwise support.

I recognize that such questions about Government programs are difficult, but as the national debt continues to grow out of control at a rate of $20 million per hour, the questions only become more difficult. That is why last week I introduced a welfare reform bill which addresses the root causes of welfare dependency and runaway welfare costs. It is also why I agreed to co-chair the Senate task force on the elimination of Federal agencies which today will announce plans for abolishing the Department of Commerce. Plans for eliminating the Departments of HUD, Energy, and Education are in the offing.

We must not lack the courage to act together to take bold actions such as limiting the growth in welfare spending, abolishing unnecessary agencies, and reforming Medicare. To do otherwise, will be to tell our children and grandchildren that the generation which fought and won World War II and the cold war has now chosen to abdicate its generational responsibility. A legacy of debt is grossly inconsistent with the self-reliant pioneer values which have built this great Nation and made it the world's lone superpower.

When debate time on the budget resolution has expired and the time for voting occurs, the eyes of the world and our children will be focused on the United States Senate. They will wait to see whether, like the House of Representatives, Members of the Senate possess the courage and vision to support a resolution which provides for a balanced budget.

We have already seen the reaction of the world's financial markets when the balanced budget amendment died in this Chamber not long ago. If we repeat that profile in cowardice we will no doubt reap the whirlwind. We will signal to the rest of the world and more importantly to our children that nothing has changed in Washington—the business as usual spending spree continues and we have no intention whatsoever to make serious spending cuts.

I commend Chairman DOMENICI for his outstanding leadership in drafting a long overdue plan to end our Nation's experiment with fiscal irresponsibility. In my short career in the Senate, I can think of no vote more important than this one. Our votes on this budget resolution will clearly define where each of us stands on the most important issue facing our Nation. I intend to stand with those who want to balance the budget by 2002. I intend to stand with those who believe that America's families are desperately in need of tax relief.

The people of North Carolina who sent me here expect and deserve no less.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

MORNING BUSINESS

Mr. KEMPTHORNE. Mr. President, I now ask unanimous consent that there be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO COL. JOSEPH W. CORNELISON

Mr. FORD. Mr. President, I rise to recognize the dedication, public service, and patriotism of Col. Joseph W. Cornelison, U.S. Army, on the occasion of his retirement after 26 years of faithful service to our Nation. Colonel Cornelison's strong commitment to excellence will leave a lasting impact on the vitality of our modern war fighters, commanding admiration and respect from his military colleagues and Members of Congress.

Colonel Cornelison, a 1969 graduate of the U.S. Military Academy, is serving his last day of a 21-month assignment as the special assistant for Environment and Installations, Office of the Assistant Secretary of Defense for Legislative Affairs.

He holds a master's degree in public service from Western Kentucky University, and has his juris doctorate from Georgetown University Law Center.

From April 1970 to August 1971, Colonel Cornelison was a forward observer, fire direction officer, and artillery liaison officer, 173d Airborne Brigade, Republic of Vietnam. He ensured the effective delivery of direct artillery support to an infantry unit in combat. He then served as battery commander, assistant division personnel officer and assistant battalion operations officer for 101st Airborne Division [Air Assault] in Fort Campbell, KY. As commander, he conducted a tactical standdown of a field artillery battery in Vietnam and redeployed its personnel and equipment to the United States. In the personnel position, was a key player in the assignment of several hundred officers and undertook review of an array of regulatory requirements to identify those that could be eliminated because of redundancy, obsolescence or insufficient value. He also organized and executed an advanced training program for newly assigned personnel.

From August 1977 to July 1978, Colonel Cornelison was the law clerk to the Hon. Oliver Gasch, judge of U.S. District Court for the District of Columbia. He assisted the judge in management of his civil docket which included hearings, researching, and briefing issues and drafting opinions. He then served as trial counsel, chief of administrative law, and officer-in-charge of Bamberg Branch Office for the 1st Armored Division in the Federal Republic of Germany. In these three positions, he progressed from serving as prosecutor in criminal trials to providing legal support on issues associated with command to serving as city counsel to a major military community.

Colonel Cornelison went to serve as assistant to the General Counsel, Office of the Secretary of the Army, Headquarters, Department of the Army, Washington, DC from June 1982 to December 1983. He developed improvements to debarment and suspension procedures and increasing emphasis on contract fraud discovery and avoidance. He contributed to studies of spare parts procurement and of ways to improve contracting for major weapons. His next position was as chief, Special Litigation Branch (Environmental), Office of the Judge Advocate General, Washington, DC from December 1983 to January 1985. He organized a team of five attorneys and two engineers to assist Department of Justice in a lawsuit filed against Shell Oil under the Comprehensive Environmental Response, Compensation, and Liability Act. He then served as General Counsel [SJA] for U.S. Army South and Joint Task Force Panama from July 1985 to June 1989. He managed the delivery of all legal services within the command.

Colonel Cornelison's next assignment was as special counsel to the Assistant Attorney General (Civil Division) for Department of Justice from July 1989 to June 1990. He was selected to serve in this capacity under a fellowship through the Army War College. He represented DOJ on an interagency group responsible for implementing a Presidential executive order calling for a drug-free, Federal workplace, serving as liaison to the Executive Office for U.S. Attorneys, and advising on settlement of litigation. He served as chief, Environmental Law Division, Office of the Judge Advocate General for the Department of the Army from June 1990 to March 1991. He managed the Army's environmental litigation and provided legal advice to the Army staff and executed the Army's environmental program. From March 1991 to September 1993, he was executive to the Judge Advocate General for the Department of the Army. Served as personal advisor and executive assistant to the Army's senior military lawyer. He managed an office of 74 lawyers and 47 support personnel, $3,000,000 budget, and assisted in providing legal support to the Army worldwide.

Colonel Cornelison currently is serving as assistant for Installations and Environment, Office of the Assistant Secretary of Defense for Legislative Affairs. He serves as a liaison between Congress and the Office of the Secretary of Defense and as an advocate of the Department's legislative program.

Our Nation, the U.S. Army, his wife Ella and his family, can truly be proud of the colonel's many accomplishments. A man of his extraordinary talent and integrity is rare indeed. While his honorable service will be genuinely missed in the Department of Defense, it gives me great pleasure to recognize Col. Joseph Cornelison before my colleagues and wish him all of our best wishes in his new and exciting career.

TRIBUTE TO LOUIS HURWITZ

Mr. PRESSLER. Mr. President, I rise today to pay special tribute to Louis Hurwitz of Sioux Falls, SD, on his retirement after 57 years as executive secretary of the Sioux Falls Jewish Welfare Fund, a branch of the United Jewish Appeal. His tireless efforts in assisting the education, well-being, and happiness of countless Jewish refugees worldwide is admirable.

To understand the depth of Lou's love for and dedication to the happiness of others, one need only review his constant involvement in and uncommon generosity to the Sioux Falls community. His persistently positive impact on others and his continuous commitment to making a difference cannot be overstated. For six decades, Lou has been recognized repeatedly for his hard work on behalf of the Sioux Falls community. His efforts in reaching across religious lines to work with persons of all faiths deservedly has earned the respect and affection of many people, including myself. I extend my sincere gratitude and appreciation to Lou Hurwitz for his selfless service to the people of South Dakota, the Sioux Falls Jewish community, and thousands of others elsewhere.

Mr. President, Lou's extraordinary dedication to helping others mirrors the teachings of the Hebrew scholar, Maimonides. According to the teachings of Maimonides, the highest level of charity is to enable other human beings to help themselves. I am proud of Lou's efforts in that regard. He has enabled countless Jewish refugees around the world to become stronger. I congratulate Lou for all he has accomplished. He has left a legacy that always will be a source of pride to all South Dakotans. I join with Lou's friends and family members in wishing this extraordinary man the very best in all he has yet to achieve.

IS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, the impression simply will not go away: Today's $4.8 trillion Federal debt is a grotesque parallel to the energizer bunny we see, and see, and see on television. The Federal debt keeps going and going and going—up, of course—always to the added misery of the American taxpayers.

So many politicians talk a good game—when, that is, they go home to talk—and "talk" is the operative word—about bringing Federal deficits and the Federal debt under control.

But, sad to say, so many of these very same politicians have regularly voted for one bloated spending bill after another during the 103d Congress and before. Come to think about it, this may have been a primary factor in the new configuration of U.S. Senators as a result of last November's elections.

In any event, Mr. President, as of yesterday, Monday, May 22, at the close of business, the total Federal debt stood—down to the penny—at exactly $4,883,843,317,167.73 or $18,539.15 per man, woman, child on a per capita basis. Res ipsa loquitu.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. KEMPTHORNE. Mr. President, as in executive session, I ask unanimous consent the Senate immediately proceed to the consideration of Executive Calendar Nos. 124 through 143, and all the nominations on the Secretary's desk en bloc. I further ask that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, that any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Eugene Branstool, of Ohio, to be a Member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

DEPARTMENT OF AGRICULTURE

Karl N. Stauber, of Minnesota, to be Under Secretary of Agriculture for Research, Education, and Economics.

AIR FORCE

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be general

Lt. Gen. Billy J. Boles, [redacted], United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. John C. Griffith, [redacted], United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Lloyd W. Newton, [redacted], United States Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions to Title 10, United States Code, Section 1370:

To be general

Gen. Charles G. Boyd, [redacted], United States Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions to Title 10, United States Code, Section 1370:

To be general

Gen. John M. Loh, [redacted], United States Air Force.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. John S. Fairfield, [redacted], United States Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Carl G. O'Berry, [redacted], United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Eugene D. Santarelli, [redacted], United States Air Force.

ARMY

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Leonard D. Holder, Jr., [redacted] U.S. Army.

The following named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, sections 601(a) and 3033:

TO BE GENERAL

To be chief of staff of the Army

Gen. Dennis J. Reimer, [redacted], U.S. Army.

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be general

Gen. Gordon R. Sullivan, [redacted], U.S. Army.

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Marvin L. Covault, [redacted], U.S. Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Robert E. Gray, [redacted], U.S. Army.

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Lt. Gen. John E. Miller, [redacted], U.S. Army.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. William G. Carter III, [redacted], U.S. Army.

NAVY

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be vice admiral

Vice Adm. Donald F. Hagen, [redacted], U.S. Navy.

MARINE CORPS

The following named officer for appointment as Commandant of the Marine Corps, Headquarters, U.S. Marine Corps, and appointment to the grade of general while serving in that position under the provisions of Title 10, United States Code, section 5043:

To be commandant of the Marine Corps

Lt. Gen. Charles C. Krulak, [redacted], USMC.

DEPARTMENT OF AGRICULTURE

Karl N. Stauber, of Minnesota, to be a Member of the Board of Directors of the Commodity Credit Corporation.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Robert D. Curry, and ending Ward Y. Tom, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Air Force nominations beginning Major Bradley C. Andreesen, and ending Major Charles E. Lowrey, which nominations were received by the Senate and appeared in the Congressional Record of April 3, 1995.

Air Force nominations beginning Major Jose T. Aguinega, and ending Major Stephen L. Jerentowski, which nominations were received by the Senate and appeared in the Congressional Record of April 3, 1995.

Air Force nomination of James C. Ingram, Jr., which was received by the Senate and appeared in the Congressional Record of April 24, 1995.

Army nominations beginning John A. Adams, and ending * Dari Wollschlaeger, which nominations were received by the Senate and appeared in the Congressional Record of March 23, 1995.

Army nominations beginning * Russell R. Moores, Jr., and ending Michael J. Smith, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Army nominations beginning James W. Clevenger, Jr., and ending Charles M. King, which nominations were received by the Senate and appeared in the Congressional Record of April 24, 1995.

Marine Corps nominations beginning David F. Allen, and ending Euseekers Williams, Jr., which nominations were received by the Senate and appeared in the Congressional Record of March 23, 1995.

Marine Corps nominations beginning Stephen J. Acosta, and ending Gregory N. Zima, which nominations were received by the Senate and appeared in the Congressional Record of May 2, 1995.

Navy nominations beginning Vanita Ahvja, and ending Perry N. Willette, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Navy nominations beginning Charles S. Abbot, and ending Jake Zweig, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

Navy nominations beginning Ryan D. Aaron, and ending David G. Zook, which nominations were received by the Senate and appeared in the Congressional Record of March 30, 1995.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. KEMPTHORNE. Mr. President, I would ask to be acknowledged so that I might begin 10 minutes and when there is 2 minutes remaining, if I could be notified.

The PRESIDING OFFICER. The Senator from Idaho.

BALANCING THE BUDGET

Mr. KEMPTHORNE. Mr. President, I thank the Chair very much.

I think we have had some tremendous debate on the whole issue of the budget. We have heard people say, yes, there is enough that has been taken out or added or there is too much.

The fact is that on this budget debate, whether or not we should balance the budget, if we follow the status quo, which is by far the easier thing to do today, because we will not have to make the tough votes if we follow the status quo that we have been on for so many years—the fact is if we follow that status quo, we will lose this country.

The spirited, the polite, partisan debate that we have had during the course of this discussion will give way if we pursue the status quo to an absolute crisis situation. Shock waves will be sent throughout the world if in fact the United States reaches that point of financial collapse. And in that situation, Mr. President, as you well know, there will not be a United States to bail us out.

The last balanced budget was 1969. I was a junior in high school in 1969. Now, I can tell you that was not that long ago. I can relate back to that. I now have a daughter who next year will be a junior in high school. So you see, it has been a generation since we have had a balanced budget.

In high school, the last thing that I ever thought about as a high school student was a balanced national budget. It just did not cross my mind, and yet at that time, we had a balanced budget.

But $5 trillion later, I wished that the adults of that era would have realized what should have been done—$5 trillion later. Now I am the father of two great kids, Heather and Jeff. Next year they will both be in high school. But the difference between their being in high school and when I was in high school is that they now will owe, as every other American in this country will owe, $19,000 on the national debt, and they did not do anything wrong except to inherit this $5 trillion debt.

In the State of Idaho, the State law requires that we must have a balanced budget every year, and in the same world that our Federal Government operates today in its red ink, Republican Gov. Phil Batt gave the people of Idaho a $40 million property tax relief. The fact of the matter was, it was their money, just as it is the money of the people of America that we are talking about. It is not the Government's money.

So we owe it to our kids to deal with this issue, and we owe it to our parents to deal with this issue, our parents who came through the recession and the Depression and tell us the stories of that and how it made it very clear to them: You do not live beyond your means. You just do not do that.

The interest payments on the national debt are the third largest part of the budget. And the interest payments do not buy a single school lunch, and they do not buy a single road and they do not make a single payment on a Medicare bill.

The national debt rises $355,000 every minute. In 1 second, $6,000—just now. That is how fast this is growing.

All of this talk about budget cuts, a budget cut in Washington means something very different than a budget cut in Idaho. In the Nation's Capital, when a Government program asks for a 5-percent budget increase, and it is only granted a 3-percent budget increase, we do not call that a cut. That is an increase. But that is not how Washington, DC, deals with it. We are simply slowing the growth. The budget package that I am backing will bring us a balanced budget over the next 7 years by holding the growth of Government spending to around 3 percent a year.

What about Social Security and Medicare? Well, we do not touch the Social Security pension trust fund, and we should not because it is not the problem. Medicare, on the other hand, must be fixed. The trustees say that it will be bankrupt in 7 years if the escalating growth is not stopped.

When you think about that, if you are now 55 years old after spending a lifetime paying Medicare taxes, there is no assurance that there will be enough money to pay doctor bills when you become eligible. That is unacceptable, and that is why we are going to deal with that in this budget.

The next tough issue is taxes. I oppose tax increases, but what about tax cuts? I will support tax cuts that meet these tests. First, they must not slow the effort to balance the budget. And second, they must encourage investment, help families with children, help small business, encourage savings that will pay for college, care for the elderly, and the purchase of first homes.

I will just conclude by saying that after all of this discussion, I think we need to realize that what we are talking about is the money of the American citizen. Again, not the Government's money. It is time that we start leaving more of the American citizen's money with the citizen and not the Government.

This 104th Congress, I think, will go down in history as that session of Congress that finally stopped the financial decline which would lead to the ruin of this country and will return it to a financial stability that we will look back to with a great deal of pride some day.

Yes, we have some real tough votes that are facing us. But what Idahoans tell me is that we absolutely must balance the Nation's budget and we must do it by making it an evenhanded approach so that we can look and see that our neighbors also are taking part in the sacrifice. As long as all of us are sharing in this, this is absolutely the right thing to do for this Nation.

Mr. President, I want to commend Senator PETE DOMENICI and all the members of the Budget Committee that has brought us this budget resolution which is going to put us on that course so that we will have financial stability, so that the greatest nation in the world can look with pride to know that its future will be bright, that we will avoid that financial collapse we have been headed toward and, again, that all Members of this 104th Congress will know that some day we will be judged as that Congress that did the right thing by action and not rhetoric.

Mr. President, I yield the floor.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

GETTING THE BUDGET UNDER CONTROL

Mr. NUNN. Mr. President, I would just like to say to my friend from Idaho, I appreciate his remarks on the reasons for getting the budget under control and the historic nature of this undertaking. I, too, although I certainly do not agree with everything in the budget resolution and I have supported a number of amendments and will support others tomorrow, I, too, want to add my thanks and congratulations to Senator DOMENICI, the chairman of the Budget Committee, and others on the Budget Committee, Senator EXON and all who worked so long and hard, disagreeing often, but coming out with this budget resolution that at least is a beginning point in the debate for the road we must travel.

It is my hope that I will be able to support this resolution in the final analysis. It will depend on what amendments are adopted or not adopted tomorrow. But I certainly hope that I will be able to support it. It is my hope that when it goes to conference, the conference will look carefully at what the Senate did today in turning down the very large tax cuts that were proposed by the Senator from Texas. All of us would like tax cuts, all of us would like to return that money to the American people because it is their money, but I think the public overwhelmingly that I represent wants us to get the budget under control and does not want us to take steps that will make that more and more difficult.

We all know that there is going to be group after group coming here this summer that are going to be complaining about budget cuts, many of them with justification because they are going to be impacted. We all know that after that process starts, it is more likely there is going to be fallback in this regard. We all know that we need a reserve fund because we are going to have difficulties in implementation based on any historical examination.

So it is my hope that when the conference takes place, that the message, by a strong vote from the U.S. Senate, to concentrate on deficit reduction and wait until we have really accomplished that before declaring a dividend I hope sinks in.

IN MEMORY OF LES ASPIN

Mr. NUNN. Mr. President, I am deeply saddened by the death of my close friend and colleague, Les Aspin. Many of us in this body have known Les for many, many, many years and worked very closely with him.

Les Aspin devoted his life to public service. In his younger years, he served in the Senate on the staff of our former colleague, Senator William Proxmire. He also served as staff assistant to Walter Heller, the former Chairman of President Kennedy's Council of Economic Advisers and on the staff of Secretary of Defense Robert McNamara.

Les Aspin was elected to the House of Representatives in 1970, and he immediately sought and was granted membership on the House Armed Services Committee on which he later served as chairman from 1985 through 1992.

I had the great honor and privilege of working with Les since I came to the Senate in 1973. From 1987 through 1992, we served respectively as chairmen of the House and Senate Armed Services Committees. During that time, when our chairmanships overlapped, we developed a close personal and professional relationship, and we forged six National Defense Authorization Acts during that period.

Mr. President, these years were marked by national defense challenges of great difficulty and complexity. In 1987, the cold war had begun to thaw, but barely so. There were many divisions in Congress on national defense issues, ranging from the size of the defense budget to the procurement of particular weapons systems to the appropriate course of national strategy. At a time when many sought substantial reductions in national defense commitments and programs, Les Aspin provided a voice for a strong national security and a sensible American foreign policy.

As the former Soviet Union collapsed, many sought to rapidly dismantle our military establishment. Les Aspin recognized the continuing dangers facing the United States and successfully led the House of Representatives in support of a measured defense builddown, which was designed to maintain our military capacity in an era of defense reductions. Les was a particularly forceful advocate for defense conversion and retraining programs designed to assist military personnel, civilian workers, and the defense industry in adjusting to a new era with new challenges.

Les was also both an originator and strong supporter in the House, and as Secretary of Defense, of the program that is known as the Nunn-Lugar program that works for nuclear and chemical dismantlement in the former Soviet Union that has been so effective in helping denuclearize three former nuclear states and also helped in dismantling both chemical and nuclear weapons. We have a long way to go in that regard, but Les Aspin was on board when that ship was launched, which is probably our most important national security challenge—that is, nonproliferation in the breakup of the Soviet empire.

During this entire period, I developed tremendous respect for the breadth of Les Aspin's knowledge and his devotion to the cause of national defense. Les was a brilliant analyst, but he was more than a scholar; he was an outstanding legislator and a master at putting together coalitions in the House of Representatives during a very tough period of time for national security.

I will always treasure the memories of working with Les on the House-Senate conferences on the National Defense Authorization Act that were enacted during the period in which we chaired our respective committees. The challenge of crafting a conference agreement was always daunting in the contentious atmosphere of the cold war and post-cold-war eras. Each year, hundreds of language and funding differences divided the two Houses—and we were continually faced with the threat of a veto over controversial issues such as the ABM Treaty, abortion, and prerogatives of the executive branch.

Les and I talked on the telephone and met very frequently, not just during conference but also in the months before we passed either the House or Senate bill. These meetings were quiet and unpublicized, but they enabled us to shape bills in both the House and the Senate which could be reconciled in conference and also signed into law by a Republican President.

Much as I appreciated and admired Les Aspin's policy and legislative skills, what I enjoyed most about Les was his sense of humor. Frequently, when a conference point reached its most critical point, we could count on a story from Les to break the tension and produce a bipartisan compromise. Nobody loved a joke more than Les Aspin, and I can still see that big grin on his face laughing heartily in the middle of a conference right at a crucial moment, which gave us the kind of balance, the kind of sense of priorities to understand that it was our job to reconcile our differences and to come to conclusions in the interest of national security. He never lost sight of the serious policy issues that confronted us, but he never got personal in his fervent support for one position or another.

Les Aspin served as Secretary of Defense during a particularly difficult time. I enjoyed working very closely with him and his staff during his tenure as Secretary of Defense. Lacking a cold war enemy and a national consensus on defense issues, Les was faced with the extraordinary challenges of managing a defense builddown while retaining essential military capabilities. The complex and new international circumstances surrounding events in places such as the former Yugoslavia, Somalia, and Haiti added to the complexity of his task. Throughout this period, he continued to work diligently toward building a new foundation for our defense needs in the 21st century. And as Secretary of Defense, he laid a foundation for the defense drawdown that hopefully will avoid the mistakes of the past. At least he did his part.

During his years of service as a member of the House Armed Services Committee and as Secretary of Defense, Les continually fought for a strong, well-equipped, and affordable national security. He was always on the cutting edge of national defense policy during both the cold war and during the post-cold-war builddown. His creative approaches to national strategy, acquisition policies, and defense budget matters have made a lasting and indelible contribution to this Nation's security.

After his service as Secretary of Defense, he continued to serve our Nation as chairman of the President's Foreign Intelligence Advisory Board, as chairman to the Commission on Intelligence, and as a member of the Commission on Roles and Missions of the Armed Forces. It was in this capacity that I last talked to him on the telephone at length about some of the aspirations he had for changing our intelligence community. Les never lost his ardor or his commitment to public service.

Mr. President, the Nation has lost a devoted public servant who contributed much and who had so much more to contribute to our national security.

I have lost a valued friend and a real colleague, a friendship that I will cherish forever, and a man that I will miss very much.

I thank the Chair.

TRIBUTE TO LES ASPIN

Mr. WARNER. Mr. President, I would like to associate myself with the comments of our distinguished colleague from Georgia. Before he departs the floor, I thought we might put in one additional chapter in reminiscing about our dearly beloved friend, Les Aspin. It was a period when the two Armed Services Committees met, and I was privileged at that time for some 6 years to serve as ranking member, together with Senator NUNN as chairman, and Les Aspin as chairman of the House. I remember when we would act as the "big four." If the Senator from Georgia will remember that——

Mr. NUNN. Along with Congressman Bill Dickinson.

Mr. WARNER. Yes, Congressman Bill Dickinson. There would be absolute deadlock in the conferences. The big four would sort of get off together, and the other members, I think they were slightly envious in some respects, but in other respects, they were glad they did not have to make the decisions the big four had to crank out.

Mr. NUNN. I think many times it was like we were the "little four" rather than the big four.

Mr. WARNER. That is correct. But my friend from Georgia is a man of great patience. Chairman Aspin would always be late, almost invariably late, and he would come in with a great swath of papers under his arm, down the hall with two or three staff people, and he would literally flop in the chair. He would consume the entire chair, and the papers would be scattered all over the floor. And, finally, the Senator from Georgia, who at that time was chairman of the Armed Services Committee, would regain his composure and we would start to resolve the problems. But it was a marvelous chapter in the relationship between the Senate and House Armed Services Committee, and Les Aspin was instrumental in seeing that we arrived at the proper decision which, almost without exception, was in the best security interest of this country. In those days, we had almost no politics that entered into the decision—occasionally, a ship here or a tank there, but other than that, it was straightforward, tough decisions on behalf of the country.

I join my friend from Georgia in saying how much we will miss our friend. I was with him just 2 weeks ago. I am privileged to serve on the Intelligence Commission, and Les Aspin was the chairman. We went down to one of the Central Intelligence facilities to spend a day. And I wish to add, Mr. President, that Zoe Baird is a member of that commission, and she called me just yesterday and expressed her great admiration. I would like to include that in my comments for Chairman Aspin of the commission. That commission will carry on and do its work, but he laid the foundation. I join my distinguished colleague in paying this brief tribute to our fallen friend.

Mr. NUNN. I thank my friend from Virginia. I remember those days very well, and I will always cherish the memories. I have to say that while Les Aspin would consume that chair, my friend from Virginia was usually consuming the sofa.

Mr. WARNER. That is quite true.

Mr. NUNN. For health reasons, though.

Mr. WARNER. In those days I had a bum leg. I think we should end this brief set of comments on behalf of the late Congressman Aspin with a smile on our face, because that is the way he would want it. I am glad that my distinguished colleague from Georgia mentioned the Bottom-Up Review. That was a document that was created and is still used as a benchmark for many of our discussions here. He had that foresight and courage.

My knowledge and friendship with the late departed Les Aspin began when I was Secretary of the Navy. He was off frequently as a severe critic of the Department of Defense during that period of time.

And I remember so well Melvin Laird was then Secretary of Defense and had a great respect and friendship for Les, but Les was a strong critic in those days. Now in hindsight, maybe some of his criticism was well-taken.

I yield the floor.

BUDGET RESOLUTION SUPPORT

Mr. DEWINE. Mr. President, I rise today to offer my strong support for the Senate budget resolution proposed and brought forward by Chairman DOMENICI.

Let me first start by congratulating the chairman for the absolutely tremendous job he has done. I am sure that there is not a Member of this body who would write the budget the identical way that the committee has written. I do not suppose the chairman would, either. I think he has done a great job. I want to congratulate him.

This is a historic moment. It is a moment where we will really determine whether this Congress has the courage, has the wisdom, to do what we all know we have to do.

Let me also congratulate my friend from Ohio, JOHN KASICH, chairman of the Budget Committee in the House of Representatives. He has done a great job, as well. For both of them and for the Senate this is a historic moment.

What I would like to talk about this evening, Mr. President, is the issue of this budget and how this budget that we will be voting on tomorrow, affects young people, affects children.

The truth is that we simply have to change the direction of this country. We have to face reality. We have to face the fact that America has a fundamental choice between two different futures: A future of responsibility and fiscal sanity on the one hand; or a future of economic catastrophe.

Catastrophe is a pretty harsh word, Mr. President, but I think it is accurate. When we fail to balance the budget for 26 consecutive years, when we add to the national debt until we are paying more in interest than we are paying for national defense, and when we have a debt that is nearly $5 trillion—$5 trillion—and no end in sight, what we have is a catastrophe. A catastrophe in the making. No more, nor less.

Mr. President, what we are really talking about is not dollars and cents. What we are talking about is our children and the quality of their lives. The sad fact is, Mr. President, that today to many of our children, America is a very tough place to grow up in.

I have previously come to the Senate floor and discussed the issue of our children. What I think is the biggest crisis facing this country is what is happening to our young people. Many of our young children are growing up in good conditions, but too many of them live in an environment that makes it very, very difficult for them, very problematic, as to whether they can succeed.

I have talked about this. I talked about the fact that this is the first generation in our history whose life expectancy is no greater than their parents because of deaths from auto accidents, deaths because of drugs, homicides.

A generation where young children are being born, one-third of all children being born today to parents who are not married; two-thirds of the children born in our inner cities are born to parents who are not married.

Probably, Mr. President, the most disheartening fact of all, is probably something that was encountered last year by the Presiding Officer as he traveled through the State of Missouri campaigning, as I found traveling the State of Ohio, and that is that people today do not believe their children will have a better life than they had. They do not believe the standard of living for their children will be even as good as they had. That to me is the most disheartening fact of all.

What do we do? Government has a role. I introduced my crime bill last week. I talked about the fact I was targeting money for more cities and for police officers to go in there, because too many of our young people live in an unsafe environment.

I will continue to talk about that in the months ahead. It is not just Government. We all have a responsibility. Communities have a responsibility. There are things Government can do and things that Government cannot do.

What I want to talk about specifically tonight is one thing that sometimes we forget does impact on children. That is the huge spending, the huge national debt, and the huge tax burden that we are placing on this generation of parents and on the next generation of our children when they grow up.

We are dealing, Mr. President, with a sad fact that the U.S. Congress makes the situation worse for our children by throwing away so many of America's resources in an utterly irresponsible manner. To pay for Congress' reckless spending, the Federal Government has to take far too much money from the parents of these children.

When my parents were growing up in the 1930's, their families had to work on an average until March 8 of every year to pay for Congress' spending. By the time I was growing up, and my wife Fran was growing up in the 1960's, a typical family had to work until April 16 to pay the taxes. Today, 1995, American families have to work until May 6 to pay their taxes. That is money that is stolen from families, stolen from children.

Sometimes it feels like America's parents are in a tug of war with the Federal Government for the resources they need to raise their children. Frankly, Mr. President, I am sure they feel on many days that the Government is winning.

This budget begins the process of restoring the resources to the parents. It is only a beginning, but it is a necessary beginning. We ask parents today to do a lot.

It is time for this Congress and this Government to stop hindering their efforts and to start helping. I think we sometimes forget, Mr. President, the tremendous burden the taxes place on the American family today and how many of the decisions of that family are made, forced to be made, because of that burden. Decisions about whether the mother, the father, both work; whether one spouse holds down two jobs or three jobs. All these things are impacted by the Federal tax burden. The Government impacts these families and puts a tremendous burden on these families.

Mr. President, I have talked about the fact that for some children it is not easy being a kid in America today. We have a lot of problems. Yet we continue to let the Federal Government deprive young parents of the resources they need.

Mr. President, if we do not act now and pass this budget resolution, it will get a lot tougher to change things in the future. If we keep spending at this rate, by the year 2012, 17 years from today, there will be nothing—nothing—left in the budget for discretionary spending on our domestic needs. Zero. Every last cent in the Federal budget will go to entitlements and interest payments. Think of that: Every cent will go to entitlements and interest payments.

Mr. President, those interest payments did not go to our children. They do not go to the kids. I do not think it is a surprise or a secret to also indicate to this body that, frankly, neither does most of the entitlement spending, either.

Mr. President, just a year before that year 2012, our grandson, Albert, will graduate from high school. In that year, our daughter, Anna, if things work out, will be in her first year of college. If we do not act today, Albert and Anna's generation will pay a severe human cost.

Between today and the year 2025, the Federal debt per person will continue to rise year after year after year. Today the debt on each person is approximately $18,500.

In the year 2025, it is going to be more than $60,000 for every single man, woman, and child in America.

Look at the modest sacrifices this budget resolution proposes, so that we can balance the budget. Then look at the incredible sacrifices that our children will have to make if we do not.

In this budget, we slow the rate of increase of fast-growing programs.

The alternative is a $60,000 debt burden for every person in America.

It is a clear choice, Mr. President. The longer we delay, the more it is going to hurt. I say, let our day of reckoning be now, before it really hurts.

Many of the Senators speaking here on the Senate floor have focused on the pain that is contained in this budget resolution. But here are the facts.

We are not going to touch Social Security.

We are going to let Medicare funding increase, by an average of 7 percent. Each year, over the next 7 years. Let us look at children's programs.

Chapter 1. No cut.

Head Start. No cut.

Special education. Spending actually increases.

Women, Infants, and Children. Spending goes up.

School breakfast. Spending goes up.

School lunches. Spending goes up.

Over the next 7 years, we propose spending $815 billion on the following major means-tested programs affecting child welfare: Food Stamps. Earned income tax credit. AFDC and child care. Supplemental security income. Child nutrition.

For many reasons, this is a child-oriented budget.

This budget is designed to make tough choices now, so that our children will not have to face a lot tougher set of choices tomorrow.

Contrary to a lot of the rehetoric, we are not taking a meat-ax to this budget. What we have here is a scalpel.

America's fiscal policy today is on a glide path toward total collapse. I think a better way of saying it is we are on a glidepath to crash the plane. Anyone who looks at this budget and complains about deep cuts is on a collision course with reality.

If you think there are deep cuts in this budget—wait till you see the cuts that are going to be necessary, a few short years from now, if we do not pass this budget.

On the Senate floor, this budget resolution has been called a lump of coal for America's children. To call that absurd would be an understatement.

The alternative to this sensible, child-oriented budget is the bankruptcy budget that's already scheduled for the year 2012. That bankruptcy budget will become a reality for our children unless we act now.

To leave our children flat busted broke, less than two decades from today, would be a cruel act of child abuse.

Fortunately, the American people gave us a clear mandate last November. It was a mandate for change. When the debt is nearly $5 trillion, and bankruptcy is less than 20 years away, it is time to change course; to choose the future over the past; to do something that will earn the gratitude of the next generation of Americans.

Mr. President, the future of our children depends on the choices we make in this budget. Speaking for the people of Ohio, I think we are ready to do what is right.

Let us rescue our children's future. The first step is to pass this courageous budget resolution.

This is a moment of history. Each one of us in our daily lives, in our public lives, does things. We do things that we think are important. Frankly, I do not know there is anything we as individuals in our public life, or we collectively in the U.S. Senate, can do that will do more to change the direction of this country to have a positive impact on our children and their children, than to pass this budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to compliment our distinguished colleague. It was well delivered, the set of comments. Indeed, I felt he explained with great clarity precisely what it is, namely the objective on this side in trying to proceed to reach a balanced budget.

I would like to address another aspect of this budgetary problem. Today, under the leadership of the chairman of the Armed Services Committee and Senator McCAIN, we had a debate regarding the need for additional funding in this resolution for our national defense. I participated in that, as did every single Republican on the Armed Services Committee. I am pleased to say the distinguished ranking member of the Armed Services Committee, the Senator from Georgia, Mr. NUNN, likewise participated and indeed supported the amendment. The amendment was also coauthored by the Senator from Texas, [Mrs. HUTCHISON].

I would like to expand on some of the points that we made during the course of the debate today. I commend particularly the Senator from New Mexico, Senator DOMENICI, for his courageous proposal to balance this budget in 2002, but I regret that Senator DOMENICI was not able to put in that budget for the Senate, a level of funding which more closely matched that arrived at by the House of Representatives.

Mr. President, I am concerned about the security of our Nation as is every Member of the U.S. Senate. We face a world that has dramatically changed in the period that I have been privileged to serve here in the U.S. Senate. During the period where we had the cold war with the Soviet Union, we were able to make calculations with considerable precision as to the risk this Nation faced from communism led by the Soviet Union and its satellite Warsaw Pact nations, and develop in the course of time the exact weaponry that we believed was necessary to deter that risk. And, together with our allies in NATO, we did achieve the goal of maintaining peace in the European Continent in that period at the close of World War II until today. But with the demise of the Soviet Union, the risk became more difficult to calculate, and indeed, the range of weapons that this Nation needs and the level of the Armed Forces required to put in place the deterrent is far more complicated.

We now have experienced 10 consecutive years of lowering defense numbers. I repeat that—10 consecutive years. And we are now faced with a budget resolution that would make it 11 consecutive years.

As we speak here tonight, our Armed Forces are preparing, in a sense on standby, for the possibility of a mission quite different than that we envisioned during the days of the cold war, but no less inherent the risk of the men and women in the Armed Forces who may be called on to perform this mission. And that is the mission to assist the United Nations and NATO in withdrawal of the forces from that geographic area once known as Yugoslavia, namely the UNPROFOR forces.

I happen to be of the opinion that those forces have performed a successful mission. It is true that combat still rages, tragic killings, particularly in Sarajevo still go on. But had it not been for the presence of the UNPROFOR ground forces—and I wish to include, Mr. President, the very valuable and essential contribution of the U.S. forces in the air, protective role, and the sea role—which closed the ports going into the Pelagruz.

This past Friday, for an example, an article appeared in the Virginia Pilot. That article was entitled "Naval Reserve Jets Activated for Duty in Bosnia Combat." That should really have read, "activated for standby duty". But, nevertheless, they were activated. May I read just a paragraph or two?

> For the first time since the Vietnam War a squadron of Naval Reserve warplanes is being activated and sent to the Mediterranean to join military operations over Bosnia. The deployment is part of the Pentagon's plan to rely more on the select Reserves during the military's downsizing.

That is a decade of downsizing that I addressed earlier.

This particular squadron is one I am familiar with, given they are in my State, and operate EA-6P's, which have a critical role in the suppression of what we call ground-to-air threats. They are few and far between, these aircraft in our inventory today. When a special mission like this occurs, we have to call on the Reserves and the Guard. I certainly wish to commend the role of the Reserves and the Guard in many operations in that conflict.

For example, I made two trips down into Sarajevo, and each time the transportation was provided by C-130's from Zagreb, Croatia, into Sarajevo and Air Guard units operated those aircraft. The crews were Air Guardsmen who had volunteered to come back on a period of active duty, some 6 months, some 12 months, and fly those dangerous missions. Indeed, those missions were dangerous. On my first trip in, regrettably, the aircraft right behind us—and they were staggered about every 30 to 40 minutes to an hour. They were staggered. The aircraft behind us was shot down with the loss of life. That is the type of risk that the Guard and Reserve units have taken.

Whether or not you believe that we should put U.S. forces at risk to carry out this ground mission, namely to help extract UNPROFOR, if the decision is made—and as yet it has not been made by the United Nations nor NATO—I am certain that the Members of the U.S. Senate will want to support the President, and provide that aid that is necessary to perform the extraction of those troops from the ground areas.

I am also certain that every Senator in this Chamber would support funding to ensure that our forces are trained and equipped to facilitate that extraction. That is the type of thing we are talking about here.

Last year we had to provide a supplemental. There is no way the President nor the Secretary of Defense can anticipate the contingency operations and the level of funding associated with those operations. That is why we must fully fund the basic budget of the Department of Defense and rely less and less on the supplemental type of funding.

We learned in Operation Desert Storm that well-trained troops equipped with modern weapons and equipment suffer fewer casualties if they are properly trained, properly equipped, and properly supported logistically. That is what we are talking about in seeking this added funding.

I regret that the Senate did not adopt that amendment today, and somehow we will have to revisit this issue and do the very best we can to make sure that the men and women of the Armed Forces today are as equipped, trained, and otherwise supplied as we have done historically throughout these many years since World War II for our forces who volunteer, All Volunteer Forces.

Mr. President, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to commend the Senator from Virginia. I agree with him wholeheartedly. I think when we are here on the floor debating some of the toughest decisions that we are ever going to make in our lifetime, that these things, like the defense budget that lost today on the floor, will be coming back. We will be able to continue to debate the role of defense, and I think when we finish this bill that we will see a little shifting of the priorities towards stronger national defense for just the reasons that the Senator from Virginia states, that we have things coming up that were unforeseen that are not put in the budget, like the need for American troops to help with the U.N. evacuation of Bosnia, which seems to be a possibility on the horizon.

But the point is that these things are going to happen, and we are going to have to budget in a way that allows for those eventualities and those emergencies.

So, I think the point here is that we are here tonight talking about some of the toughest decisions that we are ever going to make. We are trying to do the responsible thing.

I appreciate the Senator from Virginia and his leadership in the national defense area. I appreciate his coming out tonight to talk about those priorities.

So, I thank the Senator.

Mr. WARNER. Mr. President, if I could ask the Senator from Texas to yield just for a moment.

Mrs. HUTCHISON. I am happy to yield.

Mr. WARNER. We are fortunate that we have the services of the Senator from Texas on the Armed Services Committee. She was one of the three sponsors of the amendment today to try to adjust this funding upward. As we talked, she did so because of the briefings we had before the Armed Services Committee. Indeed, the Presiding Officer this evening is a member of the Armed Services Committee, the Senator from Pennsylvania. We have been briefed on the proliferation of weapons of mass destruction, an ever-increasing threat, the proliferation of short-range ballistic missiles.

We have also been advised by General Clapper, of the Defense Intelligence Agency, that there are no less than 60 geographic areas in the world today which he considers—repeat, which he considers—could erupt into the type of combat which might require the necessity for the intervention of our allies, or, indeed, possibly the United States.

So I thank the Senator from Texas for joining this debate tonight, and particularly commend her for her leadership today on an amendment to try to restore some of the funding.

Mrs. HUTCHISON. I thank the Senator from Virginia. I am very pleased to have him in support.

I want to yield the floor to the Senator from the State of Washington because I know he has been very active in the budget debate trying to save the Medicare system for the people of this country.

That is what we are doing. That is what we have been doing this week and what we are going to be doing in the next few days. We are going to be doing the things that are necessary to save the Medicare system so that when our future generations need this care, it will be there because we have done the responsible thing this week in the Senate.

So I am happy to yield to the Senator from Washington.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

A MOST CONSEQUENTIAL VOTE

Mr. GORTON. Mr. President, this Senate is now less than 24 hours from one of the most consequential votes it has taken literally in decades. Sometime late tomorrow, it will have the opportunity for the first time in more than 25 years to vote for a budget resolution which will very clearly and very decisively put this country on a path to a balanced budget. Already, we have seen the positive impact of the very fact that this debate has begun. We have seen it in an increase once again in the value of the dollar, a value that collapsed on the occasion of the failure of the balanced budget amendment. We have seen it in lower interest rates, lower interest rates that mean that more and more Americans now can purchase the home of their dreams, can borrow money to begin or to expand a small business, can begin those businesses which will provide opportunities for others.

This has taken place just because for the first time the people of the United States believe that this new Congress, the House and the Senate, are serious about terminating a state of affairs in which each year we add $200, $250, and $300 billion to the burdens imposed upon our children and grandchildren for spending for programs we are unwilling to pay for.

And yet, in spite of the lip service given by almost all Members to the abstract desirability of a balanced budget, resistance will continue in a rear guard action, in close votes on the floor of this body, from those who are absolutely dedicated to the status quo, who feel that while maybe it might be a good idea someday to have a balanced budget, not, O Lord, in our time, not with our votes. Or, if it is desirable to do it now, always in a different way than that proposed by what I confidently expect to be a majority of this body tomorrow evening.

Now, Mr. President, I do not think it appropriate for us to disguise the fact that there will be programs reduced, cut, the growth slowed in programs that provide desirable dollars for a wide range of interest groups in this country, and they will let their views be heard. They are represented eloquently by Members of this body who can see the trees or perhaps the leaves on the trees but not the forest itself, for whom a balanced budget, fiscal responsibility, the exercise of a moral responsibility to our children and grandchildren not further to subject them to debt is less important than a particular group or a particular program.

And so this contest which began at the beginning of this Congress and will reach one of its climactic votes tomorrow is a contrast between those who believe in, who speak for, who demand a different and more responsible direction for this country and those who, like the President of the United States, simply believe that the status quo is perfectly all right. Their view is the single worst thing we could possibly do would be to return a single dollar now being taken in the form of taxes from any group in the American people to the pockets of those American people even if that dollar came from a fiscal dividend resulting from a balanced budget, came because we will pay less in interest on the national debt as interest rates decline, came because the economy grew and more people were at work at better jobs as a result of what we do.

It is ironic that the President's chief economic adviser, Laura Tyson, is quoted as having said recently,

> Any effort to reduce Government spending takes a dollar out of the economy which means a dollar in reduction in demand in the economy so it increases the contractionary risks on the economy.

Mr. President, I think that states all too well the views of this administration and of those who oppose this budget resolution. Their view is that the only real prosperity comes from dollars spent by the Federal Government. In fact, that statement by Ms. Tyson is so extraordinary that one would expect her to suggest to us that we perhaps spend another $100 billion during the course of this year borrowed from whoever would lend it to us because obviously that is the road to prosperity. If we cannot subtract $1 billion because it will have a contractionary effect, presumably we add $1 billion or $10 billion or $100 billion so we can spend our way into prosperity. But that is exactly what this administration has been doing, and it does not work.

Not only will this budget benefit the economy, not only will it mean more dollars in the pockets of individuals as they look to purchase their homes or start or expand their businesses or look for new opportunities, it will also mean a discipline on the Government itself. Perhaps we will not end up having 163 different and competing job training programs. Perhaps we will not have dozens or more of competing specific kinds of educational programs or subsidies for one business or group or another. Perhaps—and I am convinced this will be the case—we will use this budget to reform the Medicare health insurance fund so that it will actually be there in 7 years for the people who need that hospital insurance. Certainly this administration has ignored completely the voices of its own trustees of the Medicare hospital insurance fund who have told us and the administration that something must be done or that insurance fund will go bankrupt. But that is later; that is in the time of another President, another Congress; they can worry about it.

That seems to be the status-quo view which we are fighting so diligently to change.

So, Mr. President, it is well worth our while, well worth the while of those Senators who have chosen to be here this evening to take one last opportunity to speak to their colleagues and to the country about the radical change in direction that we propose, a direction of fiscal responsibility, a direction of exercising our responsibilities to future generations, a direction which can lead us to prosperity, a direction which can benefit every citizen in this country. That, on the one hand, and, on the other hand, a passionate defense of the status quo: Nothing is wrong with this Government; all of the programs it has ought to be continued; we cannot do anything; we should go on automatic pilot.

That is a disappointing set of criticisms of our society today, Mr. President. It is not what last fall's election was about. I hope that with the help of the majority of my colleagues that tomorrow a majority in this U.S. Senate will put this country on a different path, a path that it has not trod for many years, a path to a better America.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

WAGING WAR AGAINST THE HUMAN SPIRIT

Mr. ASHCROFT. Mr. President, as we continue to debate the budget resolution setting the spending levels for the next 5 years, we do so with the knowledge that one of our greatest challenges is moving the Nation's needy from governmental dependence to economic independence.

One of our challenges is to ensure that hope and opportunity are defining characteristics for all Americans. This was the challenge 30 years ago when the great movement reshaping world politics was the end of colonialism. John Kennedy celebrated the "desire to be independent," as the "single most important force in the world." Eventually this movement revealed its power from Asia to Africa to South America.

The problem with imperialism was not just its economic exploitation, it was its influence on culture. It undermined traditional ways and institutions, and it was inconsistent with human dignity.

Why? Because imperialism rewarded passivity and encouraged dependence, required citizens to live by the rules of a distant elite. It demanded people be docile in the face of a system that they could not change. It was an attack, not just on national sovereignty, but on national character.

What our Washington-based welfare system has done, particularly to women and children, has been to fashion a new form of colonialism. It created an underclass that is paid to play by the rules that lead to dependence, rather than act with independence and dignity. Our welfare system rewards behavior that keeps people powerless. It thwarts the efforts of private and religious charitable organizations to care for the needy. It discourages the genuine compassion of the American people. Our welfare system has waged a war against the human spirit.

Our goal in welfare should not be to maintain an "underclass" in as comfortable as possible circumstances. Yet that is precisely what our welfare system has done. Cash benefits anesthetize their suffering. Food stamps relieve their hunger. Health care and housing are provided. But the hope, the dignity, and the integrity of independence are forgotten.

Consider, just briefly, what our current welfare system has wrought. The numbers alone are enough to numb the senses. Since 1965, we have spent more than $5 trillion, a cost higher than that of waging the Second World War—fighting poverty. Yet today, there are more people, a greater percentage of Americans, living in poverty than ever before. And our safety net has not acted well, the safety net has become more like quicksand.

In 1965, when President Johnson launched the war on poverty, there were approximately 14.7 million children in poverty. They constituted about one in every five children in America. But in 1993, there was a greater percentage of children in poverty than there were in 1965 when the Great Society programs were launched. It is pretty clear that the Great Society experiment has not been so great for America's children.

Of all age groups in the Nation today, children are the most likely to be poor. In 1991, a study of the poverty rates in eight industrialized nations revealed that American children were almost three times as likely to be poor as children from the other nations studied.

The character of the poverty we face today is also a more deeply entrenched poverty in which generations of people are born, live, and die without the experience of holding a job, of owning a home, or of growing up with a father's love and discipline.

Go to our inner cities—or just a few blocks from this building—and you will meet a generation fed on welfare and food stamps, but starved for nurture and hope. You will meet young teens in their third pregnancy. You will meet children who are not only without a father, but do not know any children with a father. You will talk with sixth graders who do not know how many inches there are in a foot—having never seen a ruler—and with first graders who do not know their ABC's because no one ever took the time to teach them.

The political elites that have spent and taxed in recent decades have redistributed wealth beyond the dreams of Roosevelt and Johnson combined. But in the Government's war on poverty, poverty is winning and the casualties are the poor, and the casualties are our children. The casualties also include the future, because we have piled budget after budget high with debt. Hope and opportunity are missing in action. Programs and policies that once were judged by the height of their spending must now be judged by the depth of their failure. This is no longer a source of serious debate, no longer a matter of partisan politics, but it is a matter of national concern—it is a concern that has been reflected in our news magazines, on the covers of U.S. News and Newsweek, and Time.

I have a belief that is confirmed by the record of our times, and it is this: That the greatest, most insistent human need is not the need for subsistence, nor handouts, nor dependence—it is the need for independence. Not the kind of independence that suggests one person can live without another. No, quite the opposite.

The independence of which I speak is the independence born of economic self-sufficiency and opportunity. The independence to dream, to pursue and fulfill our deepest wishes and our personal potential.

This is something, Mr. President, that social architects cannot build, they cannot plan. It is not structure, it is spirit. It is something that our welfare system has lacked for the last 30 years as we have sought to merely spend our way into a new kind of opportunity. But we have spent our way past opportunity into peril.

I believe it is time again to create a welfare system that helps, not hurts, those it seeks to serve. And such a system would be a major part in controlling the spending which has plagued this Nation and now threatens future generations. A system that helps rather than hurts. A system that serves is the standard by which welfare reform must be judged, not just the utopian ideal.

Today, I introduced the Communities Involved in Caring Act. We call it CIVIC. We do not expect this act—a package of five bills—to be the long-awaited answer to all of our welfare problems by itself. But we do believe that it is a significant step toward restoring opportunities of dignity through independence and access to the world of upward mobility.

The act is predicated on three fundamental beliefs:

First, that States need the maximum flexibility possible to reform welfare systems.

Second, that our intermediary organizations—especially private and religious charitable organizations—need to be utilized in welfare reform.

Third, that intermediary organizations need not only money, but they need volunteers; they need the personal participation of individuals to flourish.

The CIVIC Act which I introduced earlier today would block grant Washington's four main welfare entitlement programs—AFDC, Food Stamps, Supplemental Security Income, and Medicaid—to the States. It starts by capping the spending on AFDC, Food Stamps, and SSI, and then Medicaid would be limited in growth to 105 percent each year—meaning of 105 percent of each previous year. Given the fact that Medicaid has been growing at well over 10 percent a year, this would be substantial restraint in the program's growth, but not a cut in the program.

The programs under the block grants would also be extricated from their existing bureaucracies—at HHS, Agriculture, etc.—and turned over to the Department of the Treasury to be distributed to the States. The unique feature of this proposal is that the money would go directly from the Department of the Treasury to the States, and it would not be a part of any bureaucracy in Washington, DC, that would consume much of the money before it ever gets to the States.

Mr. President, Treasury's oversight role would be minimal because the only qualifications on the block grants would be:

First, that States would be required to require welfare recipients to work. How best to do that. The nature of the work. The level of the participation. All of those issues should be and would be left to the States to determine; and

Second, that States that decrease illegitimacy, using existing governmental statistics as a measure, will be able to use a portion of their block grant for elementary or secondary education or any other purpose they desire.

The CIVIC Act also provides explicit authority for States to contract with nongovernmental organizations, including private and religious charitable organizations, and other institutions, in the effort to help solve the welfare problem.

We have all heard the stories of small organizations that are hugely successful in helping America's poor. Unfortunately, many of these programs have been constrained from receiving Federal funds because all too often those Federal funds would require radical changes in their beliefs, their structure, their facilities, their program, or their organization—changes that would rob these programs of the very characteristics and attitudes that make them successful.

However, under the CIVIC Act, States would be able to utilize their Federal block grant funds by either contracting with these organizations directly or by giving welfare recipients certificates so that they could choose which programs to get involved in.

The final element of the CIVIC Act allows individuals who volunteer at least 50 hours per year, or approximately 1 hour a week, to charitable institutions that serve the needy eligible for a $500 tax credit for monetary donations to such charitable organizations. Just as the welfare recipients should work for their benefits, so the citizens who want enhanced tax benefits for their contributions should also work and volunteer in the organizations they contribute to.

Mr. President, it is all about opportunity; it is about working together. When he traveled through America more than 100 years ago, the great French observer, Alexis de Tocqueville, was struck by how caring Americans were for each other.

> The Americans . . . regard for themselves, constantly prompts them to assist one another and inclines them willingly to sacrifice a portion of their time and property for the welfare of others.

What the act I introduced today seeks is to undo 30 years of Washington discouraging that very basic American instinct to help one another. The ideas in the act are not new. They are, in fact, old ideas in America. They have been tested and found successful.

About 100 years ago, cities like New York were littered with alcoholics and addicts. Orphaned children roamed the streets. And if all of New York City's liquor shops, houses of prostitution, gambling houses, and other low-life establishments had been placed on a single street, they would have extended from Manhattan's City Hall to the city of White Plains more than 30 miles away. On that street, there would have been a robbery every 165 yards and a murder every half mile. And in Brooklyn, 1 out of every 10 people got food from public storehouses.

These pathologies met their match, Mr. President, in society's intermediary, nongovernmental voluntary, private institutions of charity and assistance. Their warm-hearted and hard-headed approaches—and you can have a warm heart and a hard head when it comes to making sure that we change such circumstances—helped save women and children and men. As the historian Marvin Olasky notes, "The solutions these reforms came up with forestalled an epidemic of illegitimacy and saved thousands of children from misery."

I believe that as we confront our own social pathologies today, we must do it the same way—with the ideas that have worked in the past and yet with new ideas for the 1990's—even though they may have been the standard fare of the 1890's. We must meet our challenges with a greater role for States and a greater role for intermediary institutions, nongovernmental organizations, private charities—both larger ones like the Salvation Army and Goodwill, and smaller ones like Best Friends and the Sunshine Mission.

So while the CIVIC Act begins the process of moving welfare from Washington to the States, it also begins the vital task of reinvigorating our private, nongovernmental organizations which can help meet the deepest needs of our citizens, organizations that we know will help solve our welfare problems.

The change that we want to see will not occur overnight. Neither will it come without hard work or thorough debate. The end of colonialism was not an easy process either. For independence means risk, the sacrifice of security.

Well, security, coupled with dependency is a bad bargain. Economic mobility means work; it means hard work. But no nation and no people who have ever tasted the sweet fruits of freedom has ever called for a return to its colonial dependency.

I believe that if we want to make sure that we are free and we remain free, we must reform the welfare system. It can be a part of a large reform in which we reform the financial integrity of America, for we cannot hold hostage future generations to the spending of the present.

As we seek to pass the budget in the hours ahead in this Chamber, it will be a pleasure to do so in a way that not only puts us on a footing of sound financial integrity, but establishes us on a path toward economic independence and opportunity for individuals —through a reformed welfare system, characterized by block grants maximizing the States' flexibility and innovation, and characterized by Government joining hands with nongovernmental agencies in order to bring to the battle the energies and talents of this great Nation's private citizens.

Thank you, Mr. President.

Mrs. HUTCHISON. Mr. President, I want to thank the Senator from Missouri. He was a former Governor, so he is one of the experts that we are going to have in this body when we deal with the very, very tough issue of choices as we reform the welfare system.

I think it is really appropriate that he has taken a leadership role in this. Once again, what we are showing tonight is the tough decisions that must be made to balance the budget, which the people of America asked us to do. So I appreciate the Senator waiting for so long and giving that great talk about the bill he introduced today and the choices that we are going to face today and tomorrow.

Mr. ASHCROFT. Mr. President, I thank the Senator from Texas for her kind words.

Mrs. HUTCHISON. Mr. President, I would like to yield to the Senator from Wyoming.

Mr. THOMAS. Mr. President, I am glad to join my colleagues this evening in continuing this discussion. By noon tomorrow, we will have had 50 hours of talking about the budget. I guess after 50 hours, your eyes kind of glaze over. But the fact is that there is nothing more important that we will talk about during this Congress. It becomes difficult to find something new to say about the issue after 50 hours. But maybe that is not important. Maybe the important thing is to stress those things that are necessary, those things that are important, those choices that we do have.

It has been 10 days since the Republicans presented a balanced budget plan, which America has been waiting for. In that time, the deficit has increased another $4.9 billion. It added $19 for every American.

The Republicans are working to end Government's relentless borrowing. The Republican plan would balance the budget by the year 2002 by slowing the growth in the Federal spending from 5 percent to 3 percent.

It protects Social Security, saves Medicare from bankruptcy, maintains a Social Security safety net, reduces the size of the Federal Government, and moves power out of Washington and back closer to the people.

Republicans want to transform Government to make it more efficient and more responsive and less expensive. Democrats, meanwhile, are standing up for the status quo. They have offered no plan to balance the budget.

Mr. President, this debate has been characterized by almost everyone who has risen, has stood up and said, "I want to balance the budget but we cannot cut"—blank—and fill in the blank. Medicare, earned-income tax credit, defense, education, whatever.

So we always say we want to balance the budget—but for a million reasons we cannot do it. I am confident that we shall for the first time in 25 years balance the budget—tomorrow. Starting on the path to balance the budget.

It is awfully hard. These are large figures, talking about $5 trillion. Who knows what $5 trillion is. I read something the other day that sort of personalizes this. I thought it was interesting.

Someone asked, how do we identify the Federal budget with something that is closer to a personal budget? This is what the answer was, and I thought it was interesting: Suppose you have an income of $125,000 coming not from work but from contributions of all your friends and relatives who work. You are not satisfied with what $125,000 can buy this year, so you prepare for yourself a budget of $146,000 and charge the $20,300 difference to your credit card on which you already carry an unpaid balance of $452,248, boosting that to $472,548 on which you pay interest daily. Multiply that by 10 million and that is what our Government did in fiscal year 1994.

This is clearly the most important element of debate for this year. Not just because of the dollars, as important as they may be, but because we have an opportunity to examine and to change and to look at the role of Government, look at those things that should logically and legitimately be done by the Federal Government, do something about those that should be done in private sector. To take a look at the size of Government. Clearly, voters said last year, Government is too large and costs too much.

So we have a chance to do that. We have a chance to make major changes, the first really major changes in 25 years. To do that, and I believe very strongly and we have done some of this, we have to make some procedural changes. We cannot simply continue to do what we have been doing and expect to get different results. We have to do things like line-item veto, which we worked on. Have to do something about unfunded mandates. I think we should do something about term limits. I think we should have had a balanced budget amendment to the Constitution and we will go back to do that.

We did not accomplish that. We failed by one vote in this Chamber. Now we have the opportunity to do what many opponents of the balanced budget amendment said, and that is we do not need an amendment, we just belly up to the bar and do it. That is what we have an opportunity to do.

The record is not good. Sure, we can do it and we will do it. We have not done it for 25 years. We will raise the debt limit to $5 trillion this summer. The administration budget has $250 billion in deficits out as far as we can see. The size of Government is growing. So for the first time we have an opportunity to do something different.

Clearly, there are different philosophies about Government. There are different philosophies about what the size should be. That is fine. That is the way it should be. That is what elections are for, so people can make a decision between two choices.

There are those in this body and other bodies and in this country who say the Government should be larger, the Government should do more. In fact, the Government does a better job of spending dollars than families do and businesses do. That is, I suppose, a legitimate view. It is not my view.

So we do have differences and there are differences. The Republicans would like to have a smaller Government that costs less, that is more lean, and efficient.

Democrats, on the other hand, have moved toward more Government and more spending. Republicans want to transform Government, something that is more efficient, to deliver services more efficiently. Welfare is an excellent example. Nobody wants to eliminate welfare. We want to be able to help people who need help, but to help them back into the work sector. We want a Government that is more responsive, that is more customer oriented. One that is less expensive.

The administration, on the other hand, and our friends on the other side of the aisle, support the status quo. There is no plan to balance the budget.

The President, as was suggested yesterday, is AWOL, absent without leadership, on finding a way to balance the budget. No options on how to save Medicare despite the fact that the trustees have said in no uncertainty that if we do not do something, in 2 years we will be dealing with the reserves, and 7 years Medicare will be broke. No welfare reform proposal.

We have an opportunity to do something. The administration's track record, of course, over the past several years has been to raise taxes and expand the Federal Government. The 1993 budget, the largest tax increase in history, nearly $260 billion. We hear it was just on the highest percent—not so. Gas tax—my State has probably the largest per capita gas tax increase of all because of the miles we travel.

Mr. President, we do have a chance to do something. If spending remains at the same level for the Government programs in order to balance the budget by the year 2002, we would have to raise taxes by $935 billion, $7,400 for every American taxpayer. That is the choice. We either level off growing or we raise taxes.

We have a vision of keeping our promises to make Government smaller, to reject the status quo, balance the budget by the year 2002, protect Social Security, save and improve Medicare, and return power to the communities and to our families and the States.

Mr. President, I am pleased we are moving in this direction. I feel confident there will be a positive vote tomorrow, to make these kinds of changes. I thank my colleagues for continuing to point out the choices that we have before the Senate. I urge my colleagues to support this budget plan. I yield the floor.

Mrs. HUTCHISON. Mr. President, I would thank the freshman from Wyoming, the freshman Senator, for adding to this debate. He has really been there through all these days, talking about the important issues that we are facing and the tough decisions that we are going to have to make. I appreciate the fact that he has just hit the ground running in the U.S. Senate, and I am pleased he stayed tonight along with his wife, to make the remarks that he did. We appreciate it very much.

Now I would be happy to yield to the Senator from Iowa for 10 minutes.

THE PRESIDENTS "SECRET" BUDGET PLAN

Mr. GRASSLEY. Mr. President, I thank the kind Senator from Texas for yielding.

I want to commend the Senator for her leadership in shepherding the services tonight, of making sure that the other point of view, the responsible financial point of view, is expressed here tonight, when elsewhere in this town we know there is a very antipeople probig Government point of view being expressed at a fundraising party for the Democratic Party.

There was a story this morning on the front page of the Washington Post. I think it has a lot of Members on this side of the aisle, and probably people across the country, just simply scratching their heads. The report says that President Clinton now has a secret budget counter-proposal. Do you know what? It will balance the budget within 10 years.

Mr. President, if this is true—and I suppose I ought to hope it is true because I have been praying for a balanced budget from this White House for a long time—it is truly an amazing story. First of all, it undercuts all the wailing we have been hearing from the White House about the effect on the economy and the public of setting an arbitrary date for a balanced budget. That is making fun of us Republicans for trying to balance the budget by the year 2002.

It seems that all we have heard for the last month out of the White House is, "What is magic about a certain date to balance the budget?" If you balance the budget you would ruin the economy. If you balance the budget you would do this to that group, or that to another group. Now, all of a sudden in the Washington Post, the President says that he wants to balance the budget—albeit in 10 years.

I think even members of the President's own party and members of the President's party in both chambers of the Congress had earlier disagreed openly with the White House on this point. There was disagreement on what to do. Do you know what? The Members of the Democratic Party up here on the hill, they look to the President for leadership.

The message they got was to stay the course. The President said just keep to it, stay the course. That is, offer nothing in rebuttal to the Republican attempt to balance the budget. No vision from the White House; no alternative from the White House.

And, do you know what? The Members up here on the Hill were very obedient, listening to their President. So they refrained from offering their own balanced budget alternative, or any other comprehensive alternative to the Republican efforts to balance the budget.

So, the members of the Democratic Party stood idly by during this budget debate and risked their credibility because they wanted to follow their leader, our President of the United States. Now, with this new development that the President is for a balanced budget, albeit in 10 years, they, the members of the Democratic Party in the Congress of the United States in both Houses of the Congress, also are undercut by their President just like members of the White House staff have been. Just like he undercut the recent arguments of everybody on his staff that was trying to defend his position of just stay the course. Do not offer an alternative.

Second, this also says that the Republican vision of a balanced budget is right after all, and it is filling a very enormous political void. The American people know where we stand and they do not know where the other side stands. The American people know what the Republican Party stands for. They do not know what the Democratic Party stands for. They do not know because for several months, until this very day, they were told a balanced budget did not matter. They were told that we should not have an alternative, as Democrats, to what the Republicans were trying to do.

Also, there is a third aspect to this. Because, in filling that void and because the President is now coming around to accepting the premise of the Republican vision for the future, this new development is a powerful demonstration of the President's lack of leadership. Because, you know what? The lack of leadership demonstrates followership. It leaves a perception of a desperate move to be included. The President of the United States wants to be relevant, finally, in the debate for a balanced budget.

It shows that our Republican call for the other side to put up or be silent has had an effect. It shows that we have opened up a big weakness in the other side's flank, namely its very own credibility. Because you cannot talk the talk until you walk the walk. Everyone knows that. Everyone outside of Washington.

Now, obviously the President knows it as well. The time to show relevance and to show leadership on the part of the President was last February. That is when the President proposed. The Congress is now disposing. The process has passed the President by. The ship of state has left the dock.

It is as if the President is trying to rush ahead to the next port to catch up with the ship. The problem is the ship is not scheduled to stop there. And it will not.

Mrs. HUTCHISON assumed the Chair.

Mr. GRASSLEY. Madam President, I think it is clear that the leadership, the vision, and the direction for this ship of state are coming from this side, the Republican side of the aisle. It all happens to be reflected in the budget debate of the last 4 days, the amendments offered by the other side, the absence of a comprehensive balanced budget alternative from the other side. And I think it will be demonstrated by the overwhelming vote for a balanced budget tomorrow.

Now, the President of the United States, on the other hand, missed the boat. His party is still standing on the dock. He stranded them there. He asked them to wait there until he could catch up with the ship out at sea, but it is too late. We Republicans have a vision and we have a plan to steer this country to the safe waters.

I ask, where is theirs? Where is their comprehensive alternative plan to balance the budget? Where is their coherent vision? Where is theirs?

It is lacking. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

THE PRESIDENT'S BUDGET

Mr. SANTORUM. Madam President, I want to pick up where the Senator from Iowa left off. I think he made some very good points with respect to where the President's budget is. I noted also the same Washington Post article today. It suggests "President to Counter Hill Budgets. Plan Would End Deficits in 10 Years."

This was not released by the White House. This was released from a private interview up in New Hampshire that was leaked out somewhere, that the President is coming up with this secret plan to balance the budget in 10 years.

It struck me. It tickled my memory, that I heard this about this 10-year plan before. It was from my first year in the Congress. I remember, as a member of the Budget Committee, I was a freshman member of the Budget Committee and then chairman of the Budget Committee, Leon Panetta, now over at the White House, came up with a 10-year balanced budget. They worked on it most of the fist year that I was there and I think released it in about October of the year. It was after the debate. This was for the next fiscal year.

It was interesting. I do not know whether the budget the President is considering is going to look like the budget the Congressman—then Chairman of the Budget Committee—Panetta offered. But at the time, to get to a balanced budget—this was in October of 1991, I refer to the Congressional Quarterly article—at the time Chairman Panetta said that it would take $1.3 billion in cuts or tax increases to get to a balanced budget in 10 years. What we are doing here in the Senate today with Senator DOMENICI's budget, the Republican budget, is roughly a trillion dollars, not quite a trillion dollars in spending reductions to get to a balanced budget. Then we have obviously interest savings which get us the rest.

I had the Budget Committee staff run the numbers. If the President is proposing to get to a balanced budget over 10 years, not 7 years, he will not be able to do so by cutting the trillion dollars over 10 years. That is the fallacy. You cannot just cut $1 trillion over 10 years, and balance the budget because you have to get on sort of a longer curve. Your spending cuts do not occur early enough. You build up more debt. It is a lot more costly to balance it over a longer period of time. The Budget Committee told us that it would require $1.6 trillion in spending cuts or tax increases to balance the budget in 10 years, $1.6 trillion.

The $1.3 trillion in the Panetta proposal of 1991 included deeper cuts in defense, entitlement spending reductions—I remind people entitlements are things like Medicare, Medicaid, welfare spending, things that are now being lambasted by the other side of the aisle—a broad cut back in the size and cost of government, and $250 billion to $400 billion in new taxes; $400 billion in new taxes.

Is this a harbinger of things to come? Have we fished out of the files from the old Budget Committee in 1991 the 10-year budget proposal for the Clinton administration to balance the budget with a third of the money coming from new taxes? But this is just all speculation because we have not seen the President's budget.

So I have the unpleasant task of returning to the floor to add to the list of numbers on my chart of days with no proposal to balance the budget from President Clinton. Since I had objections from the other side of the aisle about using staff to actually put my numbers up, I will do the chore myself, and put "day 6," potentially a significant date.

We might have learned about the secret budget, the existence of this document. We may have learned just from some of the detective work I have done that there may be a plan out there that existed a few years ago that may be resurrected because under the democratic rule in the House of Representatives this balanced budget that the

Budget Committee chairman put together never saw the light of day, never was voted on, never was debated in committee, never moved past the draft stage.

Maybe we will get it past the draft stage this time. Maybe the former chairman of the Budget Committee will be able to resurrect this handiwork that he did some 4 years ago and bring it on the scene as the new budget for the President.

I will tell you that it would be a long time coming, not just the 6 days, but to provide some leadership out of the White House on this very important issue to this country.

I remember during the Republican administrations the then-chairman of the Budget Committee, Chairman Leon Panetta, coming to the floor time after time after time making statements about how it was the responsibility of the President to be relevant to the situation, to not put up these budgets that were dead, that had no chance, but to be bold and to move forward.

I quote from March 13, 1986. This is Leon Panetta speaking:

> We begin a game of "budget chicken" in which we wait for the other side to make the tough choices that have to be made to try to get our budget in line. It is a lousy way to do business; we all understand that. It is what gave birth to the Gramm-Rudman approach, and it is what creates the frustration that we now deal with here.
>
> The hope is that the President would exercise leadership in presenting a budget to the Congress that is realistic and that is serious. But instead of pulling together, he pulls apart. Instead of providing leadership, he plays games. The danger is that we too fall into the same trap. This budget is wrong; we know it is wrong, and it will fail for several reasons.

Just as the President's budget came to the floor of the Senate. It was wrong, and it failed completely, and did not get one vote.

I say that the former Congressman from California, Leon Panetta, made a good point about that back on May 1, 1990, talking about a Bush budget. He said:

> The fact is that the test of a budget is not what it says it does nor even its author. It is whether or not you get a majority of votes on the floor of the House and in the Congress. That is the ultimate test of the success or failure of any budget.

The fact is that the test of a budget is not what it says or does or even its author. It is whether or not you get a majority of votes on the floor of the House and in the Congress. That is the ultimate test of the success or failure of any budget.

That speaks volumes about the President's budget that he sent up here; speaks volumes about how serious the President was when he presented his budget to the U.S. Congress and in the U.S. Senate of which there are 54 Republicans and 46 Democrats. He got no votes.

Then chairman Panetta went on to say:

> According to that test, the President's budget is a failure. The failure to offer the budget by the President also makes clear how tough it is to develop a budget that balances the priorities, that recognizes that we have to provide new directions for this country and that tries to achieve a majority vote on the floor of the House.

How things can come back to haunt you. We had a chairman of the Budget Committee who was pleading for the President of the United States to provide leadership, to stand firm, and move our country forward in a bold, new way. Now that person sits as the right hand man of the White House, and from all the press reports is advising the President to do just the opposite. I guess it all depends on where you sit.

I must read one more thing that Leon Panetta said during his time in Congress because my staff gave it to me. I actually thought it was something that I had just said the other day because I was talking about the fact that my father is an immigrant to this country and how important it was for us to leave the next generation better off than the generation that we now live in.

Back on May 4, 1989, CONGRESSIONAL RECORD, Leon Panetta said:

> We have presented over the last 8 years a pleasant message that somehow everyone can have a free lunch in this country. That is not the case. That is not the message that my parents heard when they came to this country as immigrants with little education, little money, but a great deal of hope. They came for the opportunity that this country offered and the willingness to make a sacrifice for their children so their children could enjoy a better life. We now face a situation where our children may not enjoy a better standard of living than we had. That, I think, is the worst testament in terms of the future that we face in this Nation.

He is right. That is the biggest question that faces us. What are we going do leave to the next generation? He was right in 1989. He was right in 1986. He was right in 1990, and hopefully he will convince the President to be right in 1995 to join the debate, to lead, to be relevant, to show this country, to show this Congress what direction he believes we should take to balance this budget.

I hope this is the last day; I hope that day 6 was lucky, that this little inkling that we got about this secret budget might come out somewhere, that there is a plan, and that we will be able to know this plan. I do not want to be up here for the next 129 days between now and the end of the fiscal year talking about why the President has not come to the party and express his vision for the future of this country.

I am confident tomorrow we will pass the balanced budget resolution. I hope it is bipartisan because I know there are many on the other side of the aisle who also would like to see this budget brought to balance.

I wish to commend the Senator from New Mexico for his fine work on this budget. I wish to commend the Presiding Officer for the tremendous job she has done every day of this debate in rallying the forces to come here to the floor to talk about the positive aspects and how meaningful it is to get to a balanced budget for this country and not just the next generation. A lot of the talk is just for the next generation. When we talk about Medicare, it is not the next generation. It is this generation of Medicare recipients. When we talk about economic growth, it is this generation that is going to benefit from lower interest rates and higher growth rates.

This balanced budget is for everyone. As the Senator from New Mexico said in answering the question Senator LAUTENBERG posed: Whose side are you on? We are on America's side. We are on the side of all Americans. That is the beauty of a balanced budget. It is good for everyone. It is not about class warfare. It is not about picking winners and losers. It is about giving everyone opportunity.

I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

(Mr. SANTORUM assumed the chair)

INCREASING AMERICAN PRODUCTIVITY

Mr. FRIST. I rise to commend my distinguished colleague from Pennsylvania, the Presiding Officer, and especially the chairman of the Budget Committee, Senator DOMENICI, for the outstanding work that has been shown over the last several days as we have presented a budget that will be balanced by the year 2002.

I would like to turn to answer a simple question, and that is who will benefit from the balanced budget plan proposed by the Republican majority this week. The answer? The American family.

The debate over the past week has been fascinating. We have heard a lot of rhetoric, especially from the other side of the aisle, about how cutting spending will hurt our children, affect our seniors, and hurt the middle class. My colleagues on the other side of the aisle would have us believe that the entire Government is going to shut down and that disaster is imminent with our budget.

But what they will not tell you is that the Republican budget will have tangible positive benefits for whom? The American family. Benefits that the American family will see in their checkbook, in their family budgets, and in their overall standard of living.

According to economists, one of the most significant benefits of a balanced budget is increased productivity. What does that mean? Let us talk a little bit about what productivity means to that individual family, that typical family in America. Increased productivity, a product of this balanced budget, means that Americans will produce more in the same amount of hours. There will be more produced for a given amount of work. And why do we have increased productivity from balancing the budget? Why does increased productivity result from spending no more than we take in each year?

Because, very simply, the Government, we, will borrow less, and that leaves more for investment by the private sector, by individuals, by individual businesses, and greater investment by those businesses and individuals results in better technology and better working conditions. It is this investment that allows our workers to produce more in the same amount of time. And so what does this concept of increased productivity which clearly stems from a balanced budget mean to the individual family, to you, to me, to our children, to our grandchildren?

From this first chart, the first thing that increased productivity means is greater income for the American family. If we accomplish more while we are at work, increased productivity, we will make more money to buy homes, to send our children to school, to buy clothes for our children, to provide for our own retirement.

According to the Commerce Department, median family income fell last year under President Clinton's watch by 1.9 percent. In contrast, over the next 10 years, by balancing the budget, the General Accounting Office says that earnings would be increased by approximately an extra 2.9 percent. That would mean an extra $1,200 per year for each American family by passing tomorrow this balanced budget proposal.

Under a status quo budget right now, income of the average family in 2025 without a balanced budget, for example, under the President's proposal would be $35,900. Under the Republican proposal, that same income of the average family in 2025 but with a balanced budget would be $48,200, a difference of over $12,000 by having a balanced budget.

Yes, increased incomes for the American family mean greater economic security for us, for this current generation, and for that next generation. With $12,000 more a year, our families will be able to save more for their own retirement rather than having to rely on the Government today, as so many people do today. They will be able to pay for their own health care, and they will be able to pay for education for their children. The investment of this kind of extra money for the American family can only mean great things for our economy and for our people.

Let me turn to the second chart. Are there other benefits of increased productivity which will result from the balanced budget? Mr. President, if we are accomplishing more during work hours, we will actually have to work less to accomplish the same amount. This means more time at home, more time with our families, more time with our children, our grandchildren to play baseball, to go to a guitar recital, to read a book.

Indeed, a typical family workday is 8½ hours. Increased productivity means that workers can provide the same level of output in fewer hours leaving more time for family, more time for leisure. In traveling the State of Tennessee, I know that Americans feel they are working hard to get ahead, and today they are not making progress. The median income is declining today. It is tough on families. It is tough on moms and dads who struggle to keep the house clean, food on the table, and the family running, and it is tough for those individuals. As we balance this budget and make this proposal, they worry: Will times be better? The message that we must get out is yes, with a balanced budget, there is increased productivity, increased time to be with one's family.

The Republican budget, when you break it down, will actually ease that burden through increasing the efficiencies of our businesses and our workers.

Let me turn to the third chart, Mr. President. Probably the most tangible benefit that we will see from balancing our budget is lower interest rates. The Congressional Budget Office has told us that interest rates will be lower by almost 2 percent if we balance the budget. Other economists, such as the independent forecasting group from DRI McGraw-Hill, predict lower interest rates of up to 2.5 percent, lower than they would be with a budget which is not balanced. That translates very directly into lower costs for typical purchases by the American family.

The examples are depicted. It means when lower interest rates take effect, that on the $75,000 30-year mortgage to this family, there will be a savings of $1,246 if we have a balanced budget.

Or that same family will save $1,000 over the life of a loan on a $15,000 car if we pass this balanced budget proposal.

And that same family will save $36 per year on an average balance of $1,800 on a credit card if we pass this balanced budget proposal.

And that same family can save $1,128 over the life of a loan on a small business or on farm equipment or on this typical tractor.

Mr. President, these are the kinds of savings that are very real that will affect every household in this country if we are successful in passing the balanced budget plan tomorrow. There is absolutely no question that the Republican budget, yes, will be tough. It will be tough, and everybody is going to have to sacrifice for it to take effect. But there is no question that this Republican budget does provide real, tangible benefits for all Americans and all American families.

Increased incomes, less work time, lower interest rates—all will contribute to a much higher quality of life for the American family.

I urge all of my colleagues on both sides of the aisle to consider these positive beneficial effects to the family as we vote on this historic—very historic—budget package tomorrow.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

PROMISES KEPT

Mrs. HUTCHISON. Mr. President, I want to thank the Senator from Tennessee, a new Member of the Senate, for helping us with this debate, for helping us point out the important decisions that we are making today and tomorrow.

It has really been wonderful to see the freshmen Senators, the new Senators, like the Senator from Tennessee and like the Senator in the chair, tonight adding to the debate and adding to the energy and vitality of the changes that we are making for America, the changes that the people asked for in 1994 so forcefully by giving a mandate to Congress to do the right thing, to keep the promises that were made.

The American people have seen time after time after time politicians making great speeches, beautiful speeches at conventions and big events and rallies and they see them make the promises and they see the promises broken almost the day after the election. Now, for the first time in years, the American people are going to see the promises being kept.

I think you are seeing such clear differences between the leadership that the President has shown versus the leadership that the Members of Congress are showing now finally.

The President's theme has been balance the budget on the backs of the Medicare recipients and the welfare recipients and education. That is the theme that we see recurring on the floor of the Senate day after day after day after day—the class warfare: "Oh, yes, they are balancing the budget, but they are doing it at the expense of the people in our society who are receiving Medicare and welfare."

That is all we have heard. Where is their plan? Where is their suggestion? As the Senator from Pennsylvania said earlier tonight, their Chief of Staff has said, "It's a big game of chicken. If you put your budget out there and we're going to slash it to ribbons. If we put our budget out there, you are going to slash ours to ribbons." So who goes first?

Mr. President, the Republicans are going first. We are putting something on the table that makes sense. We are taking the bold step and we are protecting Medicare for the future, and we are going to have a welfare system that tries to bring people up, not hold them down for generation after generation, and to give the taxpayers of our country the opportunity to see that it does not pay not to work if you can.

So, Mr. President, where is the President of the United States in this debate? He gave a budget to the Congress. We voted on it. It was the first vote we took in this budget debate. It was a budget which would increase the Federal deficit from $203 billion in 1994 to $276 billion in the year 2000. In fact, the Clinton budget, submitted to this Congress, called for another $1.2 trillion in deficit spending over the next 5 years.

That is the budget he has presented until yesterday. And yesterday the President said, "I'm going to give you a balanced budget." We are 4 days into the budget debate and the President says, "I'm going to give you a balanced budget." Where was he in the first year of his term? Where was he in the second year of his term? And where was he when we started the hearings in the Budget Committee when Senator DOMENICI was trying for a consensus, trying to bring everyone into the process, where was the President then? Where is the alternative now? There is no alternative except the one on the table that the Budget Committee has put forward which will balance the budget of this country by the year 2002.

It is the budget that is going to protect Medicare for our future generations. It is the budget resolution that says to our children, we are not going to turn our backs on you.

Finally, we have drawn the line in the sand, and we are going to do what is right for this country. This is, indeed, a moment in history. Tomorrow, we are going to make history in America. The other body is going to do what the House of Representatives did last week, and we are going to keep our promise to the American people.

Do all of us like everything in the budget? Absolutely not. There is probably not one Member of the Senate that says this is a perfect budget. Not even Senator DOMENICI likes everything in this budget that he worked so hard to bring out of that committee with the strong vote that he did. In fact, today I voted to change the budget, to give more to national defense because I am so worried that we are shortchanging our national defense in this country, and I wanted to try to change the priorities.

Other people have been offering amendments to add to education. Others have offered amendments to add to Medicare funding. Others have offered amendments for all different things that they think should be a priority.

But, Mr. President, this is a good, solid, balanced budget.

It is a balanced budget in the sense that, of course, it is going to take away deficits after 7 years. But it is a balanced budget in that it has taken into consideration what the Federal Government should be doing. And it is cut from some of the areas where the Federal Government has gotten too involved and in fact has encroached on our State governments and our local governments. It has cut back in those areas.

We are going back to the concept of a Federal Government that has specific powers and everything is not reserved to the Federal Government. It is going to be left to the States and to the people. That is the 10th amendment to the Constitution, and we are going to resurrect it and we are going to start with the budget that we are going to adopt tomorrow. We are going to give the power back to the people and back to the governments that are closest to the people, and that is where we are going to stop the spending binges from the Federal Government—and, oh, by the way, the strings that go with the spending binges. That is as costly as anything we do. The strings we attach to the State government when we send them the money, we are going to take the strings away; we are going to send them block grants. They have the ability to make the decisions for what is best for the people in their States. They are the closest to the people, and they should be determining what their priorities are. We do not need to tell them what to do in Washington, DC.

So tomorrow is the beginning of a new day in America. It is the beginning of the time that we are going to take the ship of state and we are going to start the turn in the right direction. We are going to provide a future for our children and grandchildren. We are going to keep our promises. We are going to fulfill the mandate that the people gave to us.

The President has talked a good game. He is a great speaker. He has made a lot of promises. But what has he done? He has given us a budget that does not balance. He has passed the largest tax increase in the history of America. He has financed our debt with short-term borrowing. And we are going to have to pay the price down the road for that mistake. And he has woefully underestimated the need for a strong national defense. We are going to start turning this country in the right direction. We started in January, and we are going to take a major step tomorrow to do the right thing for the people of this country.

We are working very hard, Mr. President, to do what we believe is the right thing to do for our children, for our senior citizens, for the people that are truly needy, and for the people who are out there working for a living to be able to keep the taxes that they earn for themselves and not give it to the Government to determine the priorities for their families. And we are going to work for that small business entrepreneur to be able to make it and to live the American dream and to grow and to prosper and create the jobs that will give others the opportunity to live the American dream of doing better for their families than they have been able to have as they immigrated into our country, or as they were the first member of their family to get a college education. That is who we are working for, Mr. President, and that is what this balanced budget is going to ensure will continue to be the American dream. That is why we are here tonight at 10:30 p.m. eastern time, to talk about the importance of doing the responsible thing. The easy thing? No. The tough decisions, the right decisions, and the responsible decisions that we were elected to come to Washington to make.

Mr. President, we are on the eve of a very historic time, and I am proud that I believe we are going to do the right thing tomorrow. The Senate is going to put aside all of the differences that we might have and priorities and pass a balanced budget that will start our 7-year march to the time when we will begin to start paying down that long-term debt.

Mr. President, I thank you. I am soon going to move to close. Does the Senator from Iowa have anything further?

Mr. GRASSLEY. No.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Forces.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT RELATIVE TO EMIGRATION LAWS AND POLICIES OF THE REPUBLIC OF ROMANIA—MESSAGE FROM THE PRESIDENT—PM 51

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

I hereby transmit a report concerning emigration laws and policies of the

Republic of Romania as required by subsections 402(b) and 409(b) of Title IV of the Trade Act of 1974, as amended ("the Act"). I have determined that Romania is in full compliance with the criteria in subsections 402(a) and 409(a) of the Act. As required by Title IV, I will provide the Congress with periodic reports regarding Romania's compliance with these emigration standards.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 19, 1995*.

EXECUTIVE REPORTS OF COMMITTEE

Mr. THURMOND. Mr. President, for the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD of April 24, May 2, and May 11, 1995, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

*In the Air Force there are 42 appointments to the grade of brigadier general (list begins with Patrick O. Adams) (Reference No. 216)

*In the Air Force there are 24 appointments to the grade of major general (list begins with Kurt B. Anderson) (Reference No. 217)

*Major General Ronald V. Hite, USA to be lieutenant general (Reference No. 253)

*Vice Admiral David M. Bennett, USN to be placed on the retired list in the grade of vice admiral (Reference No. 267)

*Rear Admiral Harold M. Koenig, USN to be Chief of the Bureau of Medicine and Surgery and Surgeon General and to be vice admiral (Reference No. 283)

*Lieutenant General Charles E. Dominy, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 287)

*Lieutenant General Joseph W. Ralston, USAF to be general (Reference No. 313)

*Major General Ralph E. Eberhart, USAF to be lieutenant general (Reference No. 314)

*Rear Admiral James R. Fitzgerald, USN to be vice admiral (Reference No. 318)

*Brigadier General Sam C. Turk, USAR to be major general (Reference No. 338)

**In the Marine Corps there are 300 promotions to the grade of lieutenant colonel (list begins with William E. Acker) (Reference No. 345)

*Lieutenant General Malcolm B. Armstrong, USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 356)

*Major General Charles T. Robertson, Jr., USAF to be lieutenant general (Reference No. 357)

*Lieutenant General Edwin E. Tenoso, USAF for reappointment to the grade of lieutenant general (Reference No. 358)

**In the Air Force Reserve there are 2 appointments to the grade of lieutenant colonel (list begins with David R. Andrews) (Reference No. 359)

**In the Marine Corps there are 472 appointments to the grade of lieutenant colonel and below (list begins with James C. Addington) (Reference No. 360)

*Lieutenant General Ronald H. Griffith, USA to be Vice Chief of Staff of the Army and to be general (Reference No. 366)

*General John H. Tilelli, Jr., USA for reappointment to the grade of general (Reference No. 367)

*Major General George A. Fisher, Jr., USA to be lieutenant general (Reference No. 368)

*Colonel James R. Helmly, USAR to be brigadier general (Reference No. 371)

*In the Army Reserve there are 11 promotions to the grade of major general and below (list begins with John T. Crowe) (Reference No. 380)

*Colonel Fletcher M. Lamkin, Jr., USA to be Dean of the Academic Board, United States Military Academy, and to be brigadier general (Reference No. 381)

*Rear Admiral Brent M. Bennitt, USN to be vice admiral (Reference No. 382)

**In the Army there are 1,152 promotions to the grade of lieutenant colonel (list begins with Scott L. Abbott) (Reference No. 383)

Total: 2,020.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCAIN:

S. 841. A bill to increase the special assessment for felonies and improve the enforcement of sentences imposing criminal fines, and for other purposes; to the Committee on the Judiciary.

By Mr. ASHCROFT (for himself, Mr. COVERDELL, Mr. CRAIG, Mr. DEWINE, Mr. SMITH, Mr. INHOFE, and Mr. KEMPTHORNE):

S. 842. A bill to replace the aid to families with dependent children with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 843. A bill to amend the Food Stamp Act of 1977 to convert the food stamp program into a block grant program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 844. A bill to replace the medicaid program with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 845. A bill to replace the supplemental security income program for the disabled and blind with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 846. A bill to amend the Internal Revenue Code of 1986 to allow for charitable contributions to certain private charities providing assistance to the poor thereby improving Federal welfare efforts through increased activity, and for other purposes; to the Committee on Finance.

By Mr. GREGG (for himself, Mr. REID, Mr. COATS, Mr. BRADLEY, Mr. KYL, Mr. COHEN, and Mr. LAUTENBERG):

S. 847. A bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCAIN:

S. 841. A bill to increase the special assessment for felonies and improve the enforcement of sentences imposing criminal fines, and for other purposes; to the Committee on the Judiciary.

THE CRIME VICTIMS ASSISTANCE IMPROVEMENT ACT

• Mr. McCAIN. Mr. President, today I am introducing legislation to assist those who are often ignored in our ongoing struggle against crime: the victims: The Crime Victims Assistance Improvement Act increases and improves collection of crime fines which are deposited into the crime victims fund. This fund provides desperately needed help to crime victims across this country.

I am pleased that this legislation has been supported by the National Organization for Victim Assistance, the American Legislative Exchange Council, Crimestrike, and the Arizona Department of Public Safety.

First, this bill doubles the mandatory special assessment charged to every convicted Federal felon. The current special assessment is $50 for each individual felon, and $200 for an organization. The money from these special assessments goes directly into the crime victims fund. So doubling the assessments will double the amount of money going into the crime victims fund.

This means that more rape and assault victims will get counseling, more battered women and children will get shelter, more families of murder victims will get money to defray funeral expenses. It means more help for more crime victims in every State of this Nation.

Second, this legislation increases, to 20 years, the statute of limitations for the collection of these special assessments. Currently, the Government loses the right to collect this money from convicted felons after 5 years, which means vital resources are lost in the effort to assist crime victims. Criminal debtors should not be allowed to get away with defying a court order to pay. Increasing the statute of limitations significantly increases the amount of time that the Government has to track down deadbeat criminals and make them meet their obligation.

This legislation also requires an enforceable payment schedule for special assessments, orders of restitution and additional fines charged to convicted Federal criminals. Current law only allows the judge the option of setting up a payment schedule. A mandatory schedule for payment of the money owed will enhance collections and improve debt management. Ultimately, it means more dollars in the crime victims fund.

Fourth, this legislation prohibits delinquent criminal debtors from receiving Federal benefits, such as grants, contracts, loans, professional and commercial licenses and other Federal assistance programs. If convicted criminals are not meeting their financial obligation to crime victims, then they certainly should not be allowed to benefit from Federal assistance programs.

Fifth, the bill addresses a particularly absurd loophole in current law which allows delinquent criminal debtors to collect money from the Crime Victims Fund if they themselves become victims of crime. It is ironic, and yet tragic, when a convicted criminal debtor in turn becomes a victim of crime; but it is unfair that such an individual, who is delinquent in payments to the crime victims fund, and has not made a good faith effort to meet his or her obligation, is allowed to receive assistance from the program.

The intent of this legislation, however, is not to deny needy people from assistance if they are making a good faith effort to meet their financial and legal obligations. Payment schedules certainly could be amended by a court to address exigent circumstances.

Finally, this legislation establishes that crime victim compensation payments shall not be counted as income for purposes of eligibility for unrelated federally-funded general assistance programs.

Let me relate the story of a 2-year-old-boy from Iowa. After his father was brutally, murdered, this boy's mother had no means of support and was placed on AFDC rolls, which qualified the family for Medicaid. The State victims compensation program also provided this young victim and his mother $2,000 for loss of support. This one-time compensation payment was considered as income, however, so the Government was forced to cut off this child's Medicaid benefits for nearly a year. This is not right and it must be changed.

Mr. President, crime continues to plague our Nation. Figures from the U.S. Justice Department show that one violent crime is committed in this country every 16 seconds. Yet the unmet need for victim assistance and compensation is enormous. The number of victims' compensation claims has increased by 10 to 20 percent each year for the past 5 years, but many of those claims are being turned down because of a lack of funding.

In my home State of Arizona, we are receiving fewer dollars from the crime victims fund at a time when serious crime is increasing. In 1993–94, 16 Arizona agencies that applied for crime victim assistance grants received no funding at all. The funding requests that were rejected included victim witness programs, domestic violence agencies, as well as child abuse and sexual assault programs.

The victims compensation system is also overburdened. Families with limited financial resources must face the initial trauma of the crime coupled with the additional concerns of medical expenses, funeral bills and other crime-related losses. We need more resources to help these victims, especially those in financial distress, and the Crime Victims Assistance Improvement Act will help tremendously in this endeavor.

Doubling the amount of special assessments, increasing the statute of limitations on collections, setting up specific payment schedules, and keeping delinquent criminal debtors from benefiting from the crime victims fund are effective methods for channeling money from the criminals who committed the crimes to the victims who are living with the aftermath. We must let criminals know that fine payment is not an option, it is an obligation that they must and will meet.

Mr. President, this legislation enhances collections of criminal debt and improved administration of the crime victims fund to keep pace with the growing needs of crime victims, and I urge timely consideration and passage of this measure. •

By Mr. ASHCROFT (for himself, Mr. COVERDELL, Mr. CRAIG, Mr. DEWINE, Mr. SMITH, Mr. INHOFE, and Mr. KEMPTHORNE):

S. 842. A bill to replace the aid to families with dependent children program to the States, and for other purposes; to the Committee on Finance.

S. 843. A bill to amend the Food Stamp Act of 1977 to convert the food stamp program into a block grant program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 844. A bill to replace the Medicaid program with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 845. A bill to replace the supplemental security income program for the disabled and blind with a block grant to the States, and for other purposes; to the Committee on Finance.

S. 846. A bill to amend the Internal Revenue Code of 1986 to allow for charitable contributions to certain private charities providing assistance to the poor thereby improving Federal welfare efforts through increased activity, and for other purposes; to the Committee on Finance.

WELFARE REFORM LEGISLATION

Mr. ASHCROFT. Mr. President, as we continue to debate the budget resolution, setting spending levels for the next 5 years, we do so with the knowledge that one of our greatest challenges is moving our Nation's needy from governmental dependence to economic independence. One of our challenges is to ensure that hope and opportunity are defining characteristics of all Americans.

This was the challenge 30 years ago, when the great movement reshaping world politics was the end of colonialism. John Kennedy celebrated the "desire to be independent," as the "single most important force in the world." Eventually this movement revealed its power from Asia to Africa to South America.

The problem with imperialism was not just its economic exploitation. it was its influence on culture. It undermined traditional ways and institutions. It was inconsistent with human dignity.

Why? Because imperialism rewarded passivity and encouraged dependence. It required citizens to live by the rules of a distant elite. It demanded people be docile in the face of a system that they could not change. It was an attack, not just on national sovereignty, but on national character. What our Washington-based welfare system has done, particularly to women and children, has been to fashion a new form of colonialism. It created an underclass that is paid to play by rules that lead to dependence. It rewards behavior that keeps them powerless. It thwarts the efforts of private and religious charitable organizations to care for the needy. It discourages the genuine compassion of the American people. It has waged war against the human spirit.

Our goal in welfare should not be to maintain the underclass as comfortably as possible as wards of the State. Yet that is precisely what has been done. Cash benefits anesthetize their suffering. Food stamps relieve their hunger. Health care and housing are provided. But the hope, dignity, and integrity of independence are forgotten.

Consider, just briefly, what our current welfare system has wrought. The numbers alone are enough to numb the senses. Since 1965, we've spend more than $5 trillion—a cost higher than that of waging the second world war—fighting poverty. Yet today, there are more people living in poverty than ever before, and our safety net has become more like quicksand.

In 1965, when President Johnson launched the War on Poverty, there were approximately 14.7 million children in poverty. They constituted about one of every five children in America. In 1993, there were 14.6 million children in poverty. They constitute a little more than one in every five American children. Of all age groups, children are the most likely to be poor. In 1991, a study of the poverty rates in eight industrialized nations revealed that American children were almost three times as likely to be poor as children from the other nations studied.

The character of the poverty we face today is a deeper, more entrenched poverty in which generations of people are born, live, and die without the experience of holding a job, owning a home, or growing up with a father's love and discipline.

Go into our inner cities—go just blocks from here—and you will meet a generation fed on welfare and food stamps but starved of nurture and hope. You will meet young teens in their third pregnancy. You will meet children who are not only without a father, but do not know anyone who has a father. You will talk with sixth-graders who do not know how many inches are in a foot, having never seen a ruler, and with first-graders who do not know their ABC's or numbers because no one ever took the time to teach them.

Thirty years ago, Robert Kennedy reflected on welfare and said this:

> Opponents of welfare have always said that welfare is degrading, both to the giver and the recipient. They have said that it destroys self-respect, that it lowers incentive, that it is contrary to American ideals. Most of us deprecated and disregarded these criticisms. People were in need; obviously, we felt, to help people in trouble was the right thing to do. But in our urge to help, we also disregarded elementary fact. For the criticisms of welfare do have a center of truth, and they are confirmed by the evidence.

Robert Kennedy's warnings were not heeded.

The political elites that followed him have spent, and taxed, and redistributed wealth beyond the dreams of Roosevelt and Johnson combined. But in the Government's war on poverty, poverty is winning and the casualties are the poor. Hope and opportunity are missing in action. Programs and policies that once were judged by the height of their aspirations must now be judged by the depth of their failure.

I have a belief that is confirmed by the record of our times. It is this: The greatest, most insistent human need is not subsistence, not hand-outs, not dependence, but independence. Not the kind of independence that suggests people do not need one another or that suggests that every man is an island. Quite the opposite, the independence of which I speak is the independence born of economic self-sufficiency and opportunity. The independence to dream, pursue, and fulfill our deepest wishes and our personal potential. This is something that the social architects cannot plan or build. It is not structure, it is spirit. It is something that our welfare system has lacked for at least the past 30 years. It is a reality that we continue to ignore only at our peril.

We stand at a time of unique opportunity. There is a mainstream movement of values sweeping this land. It is a movement reflected on the covers of popular magazines like Newsweek and US News who lament the absence of shame and the lack of fathers.

I believe it is time again to create a welfare system that helps, not hurts those it seeks to serve. That is the standard against which reform must be judged—not some utopian ideal, but the cold, hard realities of our present welfare system.

Today I will introduce the Communities Involved in Caring [CIVIC] Act. We have neither the aspiration nor the expectation that it alone is the long-awaited answer to our welfare problems. But we do believe that it is a significant step toward restoring the opportunities of dignity through independence and the access to the world of upward mobility.

This act is predicated on three fundamental beliefs. First, that States need to be given maximum flexibility in reforming their welfare systems. Second, that our intermediary organizations—especially private and religious charitable organizations—need to be utilized in welfare reform. Third, that intermediary organizations need not only money, but volunteers, to flourish.

BLOCK GRANTS

The CIVIC Act block-grants Washington's four main welfare entitlement programs—AFDC, Food Stamps, Supplemental Security Income, and Medicaid—to the States. It does this first by capping the spending on AFDC, food stamps, and SSI at either an average of fiscal year 1992–94 levels, or at fiscal year 1994 levels, whichever is higher. This cap would then apply for the next 5 years. For Medicaid, which is currently growing at rates exceeding 10 percent per year, spending would be capped at a rolling 5-percent increase for the next 5 years.

These programs would then be extricated from their existing bureaucracies—HHS, Agriculture, et cetera—and given to the Department of Treasury to distribute to the States.

Treasury's oversight role would be minimal because the only qualifications on the block grants would be the following. First, States would be required to make welfare recipients work. How best to do that. The nature of the work. The level of participation. All of those issues would be left to the States to determine. Second, States which decrease illegitimacy, using existing governmental statistics, will be able to use a portion of their block grant for elementary and secondary education or any other function they desire.

INVOLVEMENT OF INTERMEDIARY INSTITUTIONS

The CIVIC Act also provides explicit authority for States to contract with intermediary organizations—including private and religious charitable organizations—to help solve the welfare problem.

We have all heard the stories of small organizations that are hugely successful in helping America's poor. Unfortunately, many of those programs have been constrained from receiving Federal funds because all too often those Federal funds would require radical changes in the program—changes that would rob the programs of the very characteristics that make them successful.

Under the CIVIC Act, States would be able to utilize their Federal bloc-grant funds by either contracting with these organizations directly or by giving welfare recipients certificates so that they can choose which programs to get involved in.

TAX CREDIT ELIGIBILITY FOR VOLUNTEERING AT CHARITABLE ORGANIZATIONS

The final part of the CIVIC Act makes those people who volunteer at least 50 hours per year, or approximately 1 hour per week, to institutions that serve the needy, eligible for a $500 tax credit for monetary donations to such charitable organizations. Just as welfare recipients should work for their benefits, so our citizenry should work for charitable organizations in order to receive a tax credit. It is all about responsibility. It is all about opportunity.

When he travelled through America more than 100 years ago, the great French observer Alexis de Tocqueville was struck by how caring Americans were for each other. "The Americans, . . . regard for themselves," he wrote, "constantly prompts them to assist one another and inclines them willingly to sacrifice a portion of their time and property to the welfare of [others]." What this act seeks to undo is 30 years of Washington discouraging that very basic American instinct to help one another.

These ideas are not new ideas. They are, in fact, ideas that have been tried, tested, and found successful. About a hundred years ago in cities like New York, alcoholics and addicts littered the sidewalks. Orphaned children roamed the streets. And if all New York City's liquor shops, houses of prostitution, gambling houses, and other low-life establishments would have been placed on a single street, they would have extended from Manhattan's city hall to the city of White Plains more than 30 miles away. On that street, there would have been a robbery every 165 yards and a murder every half mile. And in Brooklyn, 1 out of every 10 people got food from public storehouses.

These pathologies met their match through society's intermediary, nongovernmental organizations. Their warm-hearted and hard-headed approaches helped save women and children and men. As the historian Marvin Olasky notes, "The solutions these reforms came up with forestalled an epidemic of illegitimacy and saved thousands of children from misery."

I believe that as we confront our own social pathologies, we must, we must do it the same way—with new ideas for the 1990's that were the standard fare of the 1890's. We must meet our challenges with a greater role for States and a greater role for intermediary organizations—both larger ones like the Salvation Army and the Goodwill and smaller ones like Best Friends and the Sunshine Mission.

So while the CIVIC Act begins the process of moving welfare from Washington to the States, it also begins the vital task of reinvigorating our intermediary organizations—organizations which can help meet people's deepest needs, organizations that we know will help solve our welfare problems.

The change that we want to see will not occur overnight. Neither will it come without hard work and thorough debate. The end of colonialism was not an easy process either. For independence means risk, the sacrifice of security. Economic mobility means work, hard work. But no nation and no people who have ever tasted the sweet fruits of freedom has called for the return of its colonial rulers.

By Mr. GREGG (for himself, Mr. REID, Mr. COATS, Mr. BRADLEY, Mr. KYL, Mr. COHEN and Mr. LAUTENBERG):

S. 847. A bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL PRICE SUPPORT LEGISLATION

Mr. GREGG. Mr. President, I rise today with Senators REID, BRADLEY, COATS, COHEN, LAUTENBERG, and KYL to announce the introduction of legislation to repeal the sugar program. This legislation will eliminate the U.S. Department of Agriculture's [USDA] price support, subsidized loans, producer assessments, and marketing allotments for sugar.

The sugar program is big government at its worst. At a time when the American people are demanding that the Federal Government assume a more limited role in society, this program goes in the opposite direction. Instead of leaving the sugar industry to market forces, the USDA wields the heavy hand of government intervention.

Why should Congress repeal the sugar program? That is a good question, and I will give you but a few examples:

It has been estimated by the General Accounting Office [GAO] that the program costs consumers and sweetener users an average of $1.4 billion annually. The producers who sell the most sugar reap the biggest benefit. Right now, the world sugar price is half that of the United States.

The sugar program stifles competition. In 1991, the GAO estimated that 42 percent of the program's benefits went to only 1 percent of the growers. The 33 largest sugar plantations receive over $1 million each year.

The U.S. has generally supported free and fair trade. How can we justify artificially inflating the price of a domestic commodity just to enrich and protect a particular industry? This legislation would not impact existing rules on tariffs and quotas. Therefore, there would be no dumping of foreign sugar into the U.S. market.

Like most Americans, I strongly support reducing the Federal budget deficit. Due to import tariffs and a 1.1 cents-per-pound tax on producers, the sugar program operates a no-net-cost to the Federal budget. While this is true, the program costs the American taxpayers $1.4 billion. The sugar program is a regressive tax, which imposes a much greater burden on those who spend a great deal on consumption. Under the present system, the benefit of reducing the Federal budget deficit is far outweighed by the high cost to the American consumer.

One of the greatest environmental crises facing the State of Florida is the degradation of the Everglades. The Everglades is a national treasure, which is threatened by phosphate and pesticide runoff. The sugar program's continued high price supports have for years stimulated overproduction in the Everglades agricultural area. In effect, the Federal Government has encouraged the destruction of the Everglades through heavy-handed government intervention and misguided attempts to regulate the economy.

The repeal of the sugar program would have a minimal, if any, impact on jobs in the sugar industry. The American sugar industry, the pro-sugar lobby, has estimated a job loss of 420,000. This is factually and statistically untrue. The Census Bureau and the USDA have estimated that the sugar industry only accounts for 46,000 jobs. In fact, even with the program, sugar industry jobs fell by 18 percent between 1982 and 1992. It is believed by many economists that any job losses in the sugar industry would be offset by gains realized in the sweetener industry.

Mr. President, the time for wasteful and inefficient commodity programs like the sugar program has come to an end. I hope the Senate will move quickly to pass this legislation and send a message to the relatively few that benefit from this program that the American consumer deserves a better deal.

Mr. COHEN. Mr. President, I am pleased to rise today to join Senator GREGG and Senator REID to introduce legislation to eliminate the sugar program. The Federal Government has been meddling in the sugar market for over 200 years, and I believe the time has come to end what has become a wasteful practice.

The supporters of the sugar program argue that the system operates at no cost to the Federal Government, and therefore there is no need to eliminate this harmless program. Technically speaking this assertion is true; the Federal Government does not send checks to sugar growers. But the Federal Government does artificially raise the price of sugar by limiting imports, and, as a result, American consumers pay an additional $1.4 billion each year for sweetened products, according to the Government Accounting Office. So while Americans may not pay for this program through higher taxes, they do pay for it every time they buy a soda, or a candy bar, or anything else which contains sugar or other sweeteners.

The supporters of the sugar program argue that this program is vital to the livelihoods of family farms. Unfortunately this program, like many other agricultural subsidies, was designed to help family farms, but actually tends to support big businesses. Seventeen of the over 1,700 sugarcane farms received roughly 58 percent of the benefits of this program in 1991. One family in Florida receives an estimated $65 million a year as a result of the artificially high prices. Mr. President, this certainly does not fall within my definition of a "family" farm.

Finally, the supporters of the sugar program argue that the elimination of this program will kill the domestic sugar industry. While there will likely be some changes to the industry if this program is eliminated, I take issue with the argument that there is no life after subsidies. During World War II, a price support system was established for potatoes. Several years later Congress abolished the program. But the potato industry remains vibrant in the United States to this day. From Maine to California, farmers continue to grow potatoes without the benefit of a subsidy they once enjoyed.

Mr. President, the time has come to end the sugar program. Simply stated, its benefits go primarily to a select few, while its costs are borne by every consumer in America. Because food accounts for a higher share of the household budget of low-income families, these higher costs are especially regressive. For the sake of these families, I hope the Senate will pass this important legislation.

ADDITIONAL COSPONSORS

S. 230

At the request of Mr. DOLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 230, a bill to prohibit United States assistance to countries that prohibit or restrict the transport or delivery of United States humanitarian assistance.

S. 256

At the request of Mr. DOLE, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 456

At the request of Mr. BRADLEY, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 456, a bill to improve and strengthen the child support collection system, and for other purposes.

S. 630

At the request of Mr. D'AMATO, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 630, a bill to impose comprehensive economic sanctions against Iran.

S. 647

At the request of Mr. LOTT, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 647, a bill to amend section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 to require phasing in of certain amendments of or revisions to land and resource management plans, and for other purposes.

S. 770

At the request of Mr. DOLE, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from Missouri [Mr. ASHCROFT] were added as cosponsors of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 798

At the request of Mr. CONRAD, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 798, a bill to amend title XVI of the Social Security Act to improve the provision of supplemental security income benefits, and for other purposes.

S. 833

At the request of Mr. HATCH, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 833, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

SENATE JOINT RESOLUTION 34

At the request of Mr. SMITH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution prohibiting funds for diplomatic relations and most-favored-nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam War, as determined on the basis of all information available to the United States Government, and for other purposes.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

BRADLEY (AND OTHERS) AMENDMENT NO. 1122

Mr. BRADLEY (for himself, Mr. BREAUX, Mrs. MURRAY, Ms. MOSELEY-BRAUN, Mr. GLENN, Mr. BINGAMAN, Mr. KENNEDY, and Mr. LIEBERMAN) proposed an amendment to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $16,900,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).".

GRAMM (AND OTHERS) AMENDMENT NO. 1123

Mr. GRAMM (for himself, Mr. COATS, Mr. COVERDELL, Mr. CRAIG, Mr. FAIRCLOTH, Mr. GRAMS, Mr. HELMS, Mr. KEMPTHORNE, Mr. KYL, Mr. LOTT, Mr. MACK, Mr. MCCAIN, and Mr. SMITH) proposed an amendment to the concurrent resolution (S. Con. Res. 13), supra; as follows:

Strike all after the word "Section" on page 1, line 3 through page 79, line 15 and insert in lieu thereof the following:

1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1996.

TITLE I—LEVELS AND AMOUNTS

Sec. 2. Recommended levels and amounts.
Sec. 3. Debt increase.
Sec. 4. Social Security.
Sec. 5. Major functional categories.
Sec. 6. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.
Sec. 202. Extension of pay-as-you-go point of order.
Sec. 203. Tax reserve fund in the Senate.
Sec. 204. Scoring of emergency legislation.
Sec. 205. Budget surplus allowance.
Sec. 206. Sale of Government assets.
Sec. 207. Credit reform and guaranteed student loans.
Sec. 208. Extension of Budget Act 60-vote enforcement through 2002.
Sec. 209. Repeal of IRS allowance.
Sec. 210. Exercise of rulemaking powers.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

Sec. 301. Restructuring Government and program terminations.
Sec. 302. Sense of the Senate regarding returning programs to the States.
Sec. 303. Commercialization of Federal activities.
Sec. 304. Nonpartisan Advisory Commission on the CPI.
Sec. 305. Sense of the Congress on a uniform accounting system in the Federal Government.

TITLE I—LEVELS AND AMOUNTS

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—(A) For purposes of the enforcement of this resolution—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,051,700,000,000.
Fiscal year 1997: $1,063,800,000,000.
Fiscal year 1998: $1,112,800,000,000.
Fiscal year 1999: $1,165,700,000,000.
Fiscal year 2000: $1,220,500,000,000.
Fiscal year 2001: $1,285,700,000,000.
Fiscal year 2002: $1,353,900,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $8,700,000,000.
Fiscal year 1997: −$19,700,000,000.
Fiscal year 1998: −$22,200,000,000.
Fiscal year 1999: −$21,800,000,000.
Fiscal year 2000: −$25,700,000,000.
Fiscal year 2001: −$28,500,000,000.
Fiscal year 2002: −$31,100,000,000.

(iii) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.
Fiscal year 2001: $133,600,000,000.
Fiscal year 2002: $140,400,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund)—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $947,900,000,000.
Fiscal year 1997: $918,800,000,000.
Fiscal year 1998: $997,900,000,000.
Fiscal year 1999: $1,045,000,000,000.
Fiscal year 2000: $1,093,600,000,000.
Fiscal year 2001: $1,152,100,000,000.
Fiscal year 2002: $1,213,500,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be changed as follows:

Fiscal year 1996: $8,705,000,000.
Fiscal year 1997: −$19,701,000,000.
Fiscal year 1998: −$22,193,000,000.
Fiscal year 1999: −$21,798,000,000.
Fiscal year 2000: −$25,699,000,000.
Fiscal year 2001: −$28,489,000,000.
Fiscal year 2002: −$31,106,000,000.

(2) NEW BUDGET AUTHORITY.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,266,800,000,000.
Fiscal year 1997: $1,274,900,000,000.
Fiscal year 1998: $1,321,600,000,000.
Fiscal year 1999: $1,361,400,000,000.
Fiscal year 2000: $1,419,600,000,000.
Fiscal year 2001: $1,438,500,000,000.
Fiscal year 2002: $1,483,200,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,169,500,000,000.
Fiscal year 1997: $1,174,400,000,000.
Fiscal year 1998: $1,215,200,000,000.
Fiscal year 1999: $1,248,100,000,000.
Fiscal year 2000: $1,299,200,000,000.
Fiscal year 2001: $1,291,000,000,000.
Fiscal year 2002: $1,343,000,000,000.

(3) BUDGET OUTLAYS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,273,300,000,000.
Fiscal year 1997: $1,274,900,000,000.
Fiscal year 1998: $1,300,100,000,000.
Fiscal year 1999: $1,345,200,000,000.
Fiscal year 2000: $1,399,400,000,000.
Fiscal year 2001: $1,420,900,000,000.
Fiscal year 2002: $1,467,100,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,177,700,000,000.
Fiscal year 1997: $1,175,400,000,000.
Fiscal year 1998: $1,194,700,000,000.
Fiscal year 1999: $1,233,600,000,000.
Fiscal year 2000: $1,280,000,000,000.
Fiscal year 2001: $1,292,400,000,000.
Fiscal year 2002: $1,328,100,000,000.

(4) DEFICITS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1996: $221,600,000,000.
Fiscal year 1997: $211,100,000,000.
Fiscal year 1998: $187,300,000,000.
Fiscal year 1999: $179,500,000,000.
Fiscal year 2000: $178,900,000,000.
Fiscal year 2001: $135,200,000,000.
Fiscal year 2002: $113,200,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the deficits are as follows:

Fiscal year 1996: $229,800,000,000.
Fiscal year 1997: $220,600,000,000.
Fiscal year 1998: $196,800,000,000.
Fiscal year 1999: $188,600,000,000.
Fiscal year 2000: $186,400,000,000.
Fiscal year 2001: $140,300,000,000.
Fiscal year 2002: $114,600,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,190,900,000,000.
Fiscal year 1997: $5,471,400,000,000.
Fiscal year 1998: $5,726,800,000,000.
Fiscal year 1999: $5,972,700,000,000.
Fiscal year 2000: $6,215,700,000,000.
Fiscal year 2001: $6,416,900,000,000.
Fiscal year 2002: $6,594,300,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1996: $37,600,000,000.
Fiscal year 1997: $40,200,000,000.
Fiscal year 1998: $42,300,000,000.
Fiscal year 1999: $45,700,000,000.
Fiscal year 2000: $45,800,000,000.
Fiscal year 2001: $45,800,000,000.
Fiscal year 2002: $46,100,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1996: $193,400,000,000.
Fiscal year 1997: $187,900,000,000.
Fiscal year 1998: $185,300,000,000.
Fiscal year 1999: $185,300,000,000.
Fiscal year 2000: $184,700,000,000.
Fiscal year 2001: $186,100,000,000.
Fiscal year 2002: $187,600,000,000.

SEC. 3. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1996: $287,900,000,000.
Fiscal year 1997: $280,500,000,000.
Fiscal year 1998: $255,400,000,000.
Fiscal year 1999: $245,900,000,000.
Fiscal year 2000: $243,000,000,000.
Fiscal year 2001: $201,200,000,000.
Fiscal year 2002: $177,400,000,000.

SEC. 4. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $347,700,000,000.
Fiscal year 1997: $392,000,000,000.
Fiscal year 1998: $411,400,000,000.
Fiscal year 1999: $430,900,000,000.
Fiscal year 2000: $452,000,000,000.
Fiscal year 2001: $475,200,000,000.
Fiscal year 2002: $498,600,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $299,400,000,000.
Fiscal year 1997: $310,900,000,000.
Fiscal year 1998: $324,600,000,000.
Fiscal year 1999: $338,500,000,000.
Fiscal year 2000: $353,100,000,000.
Fiscal year 2001: $368,100,000,000.
Fiscal year 2002: $383,800,000,000.

SEC. 5. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1996 through 2000 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:
(A) New budget authority, $257,700,000,000.
(B) Outlays, $261,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1997:
(A) New budget authority, $253,400,000,000.
(B) Outlays, $257,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1998:
(A) New budget authority, $259,600,000,000.
(B) Outlays, $254,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1999:
(A) New budget authority, $266,200,000,000.
(B) Outlays, $259,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2000:
(A) New budget authority, $276,000,000,000.
(B) Outlays, $267,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2001:
(A) New budget authority, $275,900,000,000.
(B) Outlays, $267,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2002:
(A) New budget authority, $275,900,000,000.
(B) Outlays, $269,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

(2) International Affairs (150):

Fiscal year 1996:
(A) New budget authority, $15,400,000,000.
(B) Outlays, $16,900,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1997:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $15,100,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1998:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $14,300,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1999:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2000:
(A) New budget authority, $14,100,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2001:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2002:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $13,300,000,000.
(C) New direct loan obligations, $5,700,000,000.
(D) New primary loan guarantee commitments, $18,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $16,300,000,000.
(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $16,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $2,900,000,000

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,000,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,300,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $19,500,000,000.

(B) Outlays, $20,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $20,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,600,000,000.

(B) Outlays, $17,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $18,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $15,000,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1997:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $10,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1998:

(A) New budget authority, $11,800,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1999:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2000:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2001:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2002:

(A) New budget authority, $10,100,000,000.

(B) Outlays, $9,100,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $2,500,000,000.

(B) Outlays, −$7,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1997:

(A) New budget authority, $1,500,000,000.

(B) Outlays, −$5,400,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1998:

(A) New budget authority, $600,000,000.

(B) Outlays, −$7,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1999:

(A) New budget authority, $100,000,000.

(B) Outlays, −$5,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2000:

(A) New budget authority, $1,700,000,000.

(B) Outlays, −$2,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2001:

(A) New budget authority, $500,000,000.

(B) Outlays, −$3,300,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2002:

(A) New budget authority, $200,000,000.

(B) Outlays, −$3,400,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $36,500,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $38,800,000,000.

(B) Outlays, $32,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $39,400,000,000.

(B) Outlays, $31,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $40,200,000,000.

(B) Outlays, $31,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $41,200,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $41,000,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $40,800,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $9,800,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1997:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $7,300,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1998:

(A) New budget authority, $5,100,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1999:

(A) New budget authority, $5,100,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2000:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2001:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2002:

(A) New budget authority, $4,400,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $48,100,000,000.

(B) Outlays, $51,700,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

Fiscal year 1997:

(A) New budget authority, $47,300,000,000.

(B) Outlays, $47,900,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

Fiscal year 1998:

(A) New budget authority, $47,200,000,000.

(B) Outlays, $47,000,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

Fiscal year 1999:

(A) New budget authority, $47,400,000,000.

(B) Outlays, $46,800,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

Fiscal year 2000:

(A) New budget authority, $47,800,000,000.

(B) Outlays, $47,300,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

Fiscal year 2001:

(A) New budget authority, $47,300,000,000.

(B) Outlays, $46,800,000,000.

(C) New direct loan obligations, $22,000,000,000.

(D) New primary loan guarantee commitments, $15,800,000,000.

Fiscal year 2002:

(A) New budget authority, $47,400,000,000.

(B) Outlays, $46,900,000,000.

(C) New direct loan obligations, $22,200,000,000.

(D) New primary loan guarantee commitments, $16,600,000,000.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $118,800,000,000.

(B) Outlays, $119,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1997:

(A) New budget authority, $124,500,000,000.

(B) Outlays, $124,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1998:

(A) New budget authority, $128,800,000,000.

(B) Outlays, $128,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1999:

(A) New budget authority, $132,600,000,000.

(B) Outlays, $132,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2000:

(A) New budget authority, $136,500,000,000.

(B) Outlays, $136,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2001:

(A) New budget authority, $140,400,000,000.

(B) Outlays, $140,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2002:

(A) New budget authority, $144,600,000,000.

(B) Outlays, $144,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $171,900,000,000.

(B) Outlays, $169,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $180,500,000,000.

(B) Outlays, $178,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $193,100,000,000.

(B) Outlays, $191,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $204,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $221,400,000,000.

(B) Outlays, $219,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $238,900,000,000.

(B) Outlays, $236,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $258,900,000,000.

(B) Outlays, $256,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(13) For purposes of section 710 of the Social Security Act, Federal Supplementary Medical Insurance Trust Fund:

Fiscal year 1996:

(A) New budget authority, $61,200,000,000.

(B) Outlays, $60,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $66,500,000,000.

(B) Outlays, $65,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $73,700,000,000.

(B) Outlays, $73,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $81,900,000,000.

(B) Outlays, $81,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $90,300,000,000.

(B) Outlays, $89,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $100,400,000,000.

(B) Outlays, $99,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $112,300,000,000.

(B) Outlays, $111,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(14) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $226,300,000,000.

(B) Outlays, $225,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1997:

(A) New budget authority, $233,700,000,000.

(B) Outlays, $235,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1998:

(A) New budget authority, $253,000,000,000.

(B) Outlays, $246,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1999:

(A) New budget authority, $256,000,000,000.

(B) Outlays, $257,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2000:

(A) New budget authority, $272,600,000,000.

(B) Outlays, $272,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2001:

(A) New budget authority, $277,500,000,000.

(B) Outlays, $277,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2002:

(A) New budget authority, $291,900,000,000.

(B) Outlays, $291,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

(15) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $10,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $11,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(16) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $37,400,000,000.

(B) Outlays, $36,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

Fiscal year 1997:

(A) New budget authority, $37,500,000,000.

(B) Outlays, $37,700,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

Fiscal year 1998:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $38,000,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

Fiscal year 1999:

(A) New budget authority, $37,900,000,000.

(B) Outlays, $38,200,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

Fiscal year 2000:

(A) New budget authority, $37,900,000,000.

(B) Outlays, $39,400,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

Fiscal year 2001:

(A) New budget authority, $38,300,000,000.

(B) Outlays, $40,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,900,000,000.

Fiscal year 2002:

(A) New budget authority, $38,700,000,000.

(B) Outlays, $40,400,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $20,600,000,000.

(17) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $20,000,000,000.

(B) Outlays, $19,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $22,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $23,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $23,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) General Government (800):

Fiscal year 1996:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $297,500,000,000.

(B) Outlays, $297,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $308,200,000,000.

(B) Outlays, $308,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $316,000,000,000.

(B) Outlays, $316,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $327,300,000,000.

(B) Outlays, $327,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $338,300,000,000.
(B) Outlays, $338,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $345,200,000,000.
(B) Outlays, $345,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $353,000,000,000.
(B) Outlays, $353,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(20) For purposes of section 710 of the Social Security Act, Net Interest (900):

Fiscal year 1996:
(A) New budget authority, $308,400,000,000.
(B) Outlays, $308,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, $319,100,000,000.
(B) Outlays, $319,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $326,300,000,000.
(B) Outlays, $326,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $336,600,000,000.
(B) Outlays, $336,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $346,000,000,000.
(B) Outlays, $346,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $350,900,000,000.
(B) Outlays, $350,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $356,100,000,000.
(B) Outlays, $356,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(21) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1996: $369,198,000,000.
Fiscal year 1997: $379,464,000,000.
Fiscal year 1998: $387,544,000,000.
Fiscal year 1999: $399,682,000,000.
Fiscal year 2000: $411,144,000,000.
Fiscal year 2001: $421,368,000,000.
Fiscal year 2002: $430,460,000,000.

(22) Allowances (920):

Fiscal year 1996:
(A) New budget authority, −$8,600,000,000.
(B) Outlays, −$6,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, −$26,100,000,000.
(B) Outlays, −$23,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, −$25,100,000,000.
(B) Outlays, −$23,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, −$26,300,000,000.
(B) Outlays, −$24,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, −$26,000,000,000.
(B) Outlays, −$24,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, −$34,000,000,000.
(B) Outlays, −$31,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, −$35,300,000,000.
(B) Outlays, −$32,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(23) Undistributed Offsetting Receipts (950):

Fiscal year 1996:
(A) New budget authority, −$33,100,000,000.
(B) Outlays, −$33,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, −$33,800,000,000.
(B) Outlays, −$33,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, −$36,300,000,000.
(B) Outlays, −$36,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, −$37,700,000,000.
(B) Outlays, −$37,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, −$39,700,000,000.
(B) Outlays, −$39,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, −$41,100,000,000.
(B) Outlays, −$41,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, −$42,300,000,000.
(B) Outlays, −$42,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(24) For purposes of section 710 of the Social Security Act, Undistributed Offsetting Receipts (950):

Fiscal year 1996:
(A) New budget authority, −$30,600,000,000.
(B) Outlays, −$30,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, −$31,200,000,000.
(B) Outlays, −$31,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, −$33,600,000,000.
(B) Outlays, −$33,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, −$34,900,000,000.
(B) Outlays, −$34,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, −$36,700,000,000.
(B) Outlays, −$36,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, −$37,900,000,000.
(B) Outlays, −$37,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, −$39,000,000,000.
(B) Outlays, −$39,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SEC. 6. RECONCILIATION.

(a) SENATE COMMITTEES.—Not later than July 14, 1995, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $2,490,000,000 in fiscal year 1996, $27,973,000,000 for the period of fiscal years 1996 through 2000, and $45,804,000,000 for the period of fiscal years 1996 through 2002.

(2) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $21,000,000 in fiscal year 1996, $338,000,000 for the period of fiscal years 1996 through 2000, and $649,000,000 for the period of fiscal years 1996 through 2002.

(3) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction to reduce the deficit $373,000,000 in fiscal year 1996, $5,742,000,000 for the period of fiscal years 1996 through 2000, and $6,690,000,000 for the period of fiscal years 1996 through 2002.

(4) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction to reduce the deficit $2,464,000,000 in fiscal year 1996, $21,937,000,000 for the period of fiscal years 1996 through 2000, and $33,685,000,000 for the period of fiscal years 1996 through 2002.

(5) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays

$1,771,000,000 in fiscal year 1996, $4,775,000,000 for the period of fiscal years 1996 through 2000, and $5,001,000,000 for the period of fiscal years 1996 through 2002.

(6) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $106,000,000 in fiscal year 1996, $1,290,000,000 for the period of fiscal years 1996 through 2000, and $2,236,000,000 for the period of fiscal years 1996 through 2002.

(7) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $22,757,000,000 in fiscal year 1996, $294,260,000,000 for the period of fiscal years 1996 through 2000, and $544,302,000,000 for the period of fiscal years 1996 through 2002.

(8) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(9) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

(10) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

(11) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,141,000,000 in fiscal year 1996, $9,165,000,000 for the period of fiscal years 1996 through 2000, and $13,795,000,000 for the period of fiscal years 1996 through 2002.

(12) COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $280,000,000 for the period of fiscal years 1996 through 2000, and $319,000,000 for the period of fiscal years 1996 through 2002.

(13) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $301,000,000 in fiscal year 1996, $5,760,000,000 for the period of fiscal years 1996 through 2000, and $10,002,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1996—

(A) for the defense category $258,379,000,000 in new budget authority and $262,035,000,000 in outlays; and

(B) for the nondefense category $219,441,000,000 in new budget authority and $264,908,000,000 in outlays;

(2) with respect to fiscal year 1997—

(A) for the defense category $254,028,000,000 in new budget authority and $257,695,000,000 in outlays; and

(B) for the nondefense category $194,542,000,000 in new budget authority and $234,248,000,000 in outlays;

(3) with respect to fiscal year 1998—

(A) for the defense category $260,321,000,000 in new budget authority and $255,226,000,000 in outlays; and

(B) for the nondefense category $201,387,000,000 in new budget authority and $228,735,000,000 in outlays;

(4) with respect to fiscal year 1999—

(A) for the defense category $266,906,000,000 in new budget authority and $260,331,000,000 in outlays; and

(B) for the nondefense category $191,023,000,000 in new budget authority and $225,240,000,000 in outlays;

(5) with respect to fiscal year 2000—

(A) for the defense category $276,644,000,000 in new budget authority and $268,468,000,000 in outlays; and

(B) for the nondefense category $195,215,000,000 in new budget authority and $225,293,000,000 in outlays;

(6) with respect to fiscal year 2001—

(A) for the defense category $276,644,000,000 in new budget authority and $268,468,000,000 in outlays; and

(B) for the nondefense category $191,112,000,000 in new budget authority and $223,790,000,000 in outlays; and

(7) with respect to fiscal year 2002—

(A) for the defense category $276,644,000,000 in new budget authority and $270,000,000,000 in outlays; and

(B) for the nondefense category $189,259,000,000 in new budget authority and $222,060,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) any concurrent resolution on the budget for fiscal year 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the sum of the defense and nondefense discretionary spending limits for such fiscal year; or

(B) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct-spending or receipts legislation (as defined in paragraph (3)) that would increase the deficit for any one of the three applicable time periods (as defined in paragraph (2)) as measured pursuant to paragraph (4).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any one of the three following periods—

(A) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(B) the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(C) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING OR RECEIPTS LEGISLATION.—For purposes of this subsection, the term "direct-spending or receipts legislation" shall—

(A) except as otherwise provided in this subsection, include all direct-spending legislation as that term is interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985;

(B) include—

(i) any bill, joint resolution, amendment, motion, or conference report to which this subsection otherwise applies; and

(ii) the estimated amount of savings in direct-spending programs applicable to that fiscal year resulting from the prior year's sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, if any (except for any amounts sequestered as a result of a net deficit increase in the fiscal year immediately preceding the prior fiscal year); and

(C) exclude—

(i) any concurrent resolution on the budget; and

(ii) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(4) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recent concurrent resolution on the budget, and for years beyond those covered by that concurrent resolution; and

(B) abide by the requirements of subsections (a) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, except that references to "outyears" in that section shall be deemed to apply to any year (other than the budget year) covered by any one of the time periods defined in paragraph (2) of this subsection.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and receipts for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) CONFORMING AMENDMENT.—Section 23 of House Concurrent Resolution 218 (103d Congress) is repealed.

(g) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2002.

SEC. 203. BUDGET SURPLUS ALLOWANCE.

(a) ADJUSTMENTS.—For the purposes of points of order under the Congressional Budget and Impoundment Act of 1974 and this concurrent resolution on the budget, the revenue aggregates shall be reduced and other appropriate budgetary aggregates and levels shall be revised to reflect the additional deficit reduction achieved as calculated under section (c) for legislation that reduces revenues.

(b) REVISED AGGREGATES.—Upon the reporting to the Committee on the Budget of legislation that complies with reconciliation directives of section 6, and upon the reporting of the conference committee on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised budgetary aggregates and levels by an amount that does not exceed the additional deficit reduction calculated under subsection (d).

(c) CBO REVISED DEFICIT ESTIMATE.—Upon the reporting to the Committee on the Budget of legislation that complies with reconciliation directives of section 6, and upon the reporting of the conference committee on such legislation (if a conference report is submitted), the Congressional Budget Office shall provide the Chairman of the Committee on Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005 that assumes enactment of such legislation.

(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term "additional deficit reduction" means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

(1) the Director of the Congressional Budget Office has provided the estimates required by subsection (c); and

(2) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

SEC. 204. TAX RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—Upon the reporting to the Committee on the Budget of legislation complying with the reconciliation requirements of Section 6, revenue and spending aggregates shall be reduced and allocations shall be revised for legislation that reduces revenues within the Finance Committees jurisdiction by the following amounts:

1996—$3,000,000,000;
1997—$7,000,000,000;
1998—$14,000,000,000;
1999—$23,000,000,000;
2000—$32,000,000,000;
2001—$41,000,000,000;
2002—$50,000,000,000.

or by such amounts defined as "additional deficit reduction" in section 203(d) if less than the amounts specified herein, provided that the costs of such legislation are not included in the concurrent resolution on the budget and the enactment of such legislation will not increase the deficit in this resolution for—

(1) fiscal year 1996;

(2) the period of fiscal years 1996 through 2000; or

(3) the period of fiscal years 2001 through 2005.

(b) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate shall file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels and aggregates contained in this concurrent resolution on the budget.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee shall report appropriately revise allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

SEC. 205. SCORING OF EMERGENCY LEGISLATION.

Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 206. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1996 budget included $8,000,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sales.

(b) BUDGETARY TREATMENT.—For purposes of any concurrent resolution on the budget and the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(c) DEFINITIONS.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 207. CREDIT REFORM AND GUARANTEED STUDENT LOANS.

For the purposes of allocations and points of order under the Congressional Budget Act of 1974 and this resolution, the cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following cash flows for the estimated life of the loan:

(1) Loan disbursements.

(2) Repayments of principal.

(3) Payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries.

(4) In the case of legislation increasing direct loan commitments for a program in which loan commitments will equal or exceed $5,000,000,000 for the coming fiscal year (or for any prior fiscal year), direct expenses, including—

(A) activities related to credit extension, loan origination, loan servicing, training, program promotion, management of contractors, and payments to contractors, other government entities, and program participants;

(B) collection of delinquent loans; and

(C) writeoff and closeout of loans.

SEC. 208. EXTENSION OF BUDGET ACT 60-VOTE ENFORCEMENT THROUGH 2002.

Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by sections 13112(b) and 13208(b)(3) of the Budget Enforcement Act of 1990), the second sentence of section 904(c) of the Congressional Budget Act of 1974 (except insofar as it relates to section 313 of that Act) and the final sentence of section 904(d) of that Act (except insofar as it relates to section 313 of that Act) shall continue to have effect as rules of the Senate through (but no later than) September 30, 2002.

SEC. 209. REPEAL OF IRS ALLOWANCE.

Section 25 of House Concurrent Resolution 218 (103d Congress, 2d Session) is repealed.

SEC. 210. EXERCISE OF RULEMAKING POWERS.

The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

EXON (AND OTHERS) AMENDMENT NO. 1124

Mr. EXON (for himself, Mr. LAUTENBERG, Mr. HARKIN, Mr. KENNEDY, Mrs. MURRAY, Mr. BREAUX, Mr. DASCHLE, Mr. Dodd, and Mr. Bradley) proposed an amendment to the concurrent resolution S. Con. Res. 13, supra; as follows:

On page 74, strike beginning with line 12 through line 12 on page 77 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect—

"(1) $100,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on medicare and medicaid of—

"(A) increased premiums;

"(B) increased deductibles;

"(C) increased copayments;

"(D) limits on the freedom to select the doctor of one's choice;

"(E) reduced quality of health care services caused by funding reductions for health care providers;

"(F) reduced or eliminated benefits caused by restrictions on eligibility or services;

"(G) closure of hospitals or nursing homes, or other harms to health care providers; or

"(H) other costs to beneficiaries;

"(2) $18,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on education and $12,000,000,000 in budget authority and outlays for legislation that reduces the adverse effects on direct spending for education;

"(3) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on direct spending within the jurisdiction of the Committee on Agriculture;

"(4) $17,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that restores the full current law earned income tax credit under section 32 of the Internal Revenue Code of 1986;

"(5) $3,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on programs for veterans; and

"(6) $10,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) which shall be subject to allocation by the Committee on the Budget, by majority vote.

The amounts provided by paragraphs (1) through (6) shall be proportionally adjusted based on any increase or decrease in the projected allowance of $170,000,000,000.

"(b) Revised Allocations and Aggregates.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, discretionary spending limits under section 201(a) of this resolution, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).

"(c) CBO Revised Deficit Estimate.—After the enactment of legislation that complies with the reconciliation directives of section 6, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

"(d) Additional Deficit Reduction.—For purposes of this section, the term "additional deficit reduction" means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

"(e) CBO Certification and Contingencies.—This section shall not apply unless—

"(1) legislation has been enacted complying with the reconciliation directives of section 6;

"(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

"(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, and 2005.

"SEC. 205. SCORING OF EMERGENCY LEGISLATION.

"Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.".

THURMOND (AND OTHERS) AMENDMENT NO. 1125

Mr. THURMOND (for himself, Mr. McCain, Mrs. Hutchison, Mr. Warner, Mr. Coats, Mr. Inhofe, Mr. Kempthorne, Mr. Lott, Mr. Smith, Mr. Cohen, Mr. Santorum, and Mr. Stevens) proposed an amendment to the concurrent resolution S. Con. Res. 13, supra; as follows:

On page 11, line 7, increase the amount by $9,600,000,000.

On page 11, line 8, increase the amount by $4,000,000,000.

On page 11, line 14, increase the amount by $15,900,000,000.

On page 11, line 15, increase the amount by $8,300,000,000.

On page 11, line 21, increase the amount by $17,700,000,000.

On page 11, line 22, increase the amount by $10,800,000,000.

On page 12, line 3, increase the amount by $15,100,000,000.

On page 12, line 4, increase the amount by $11,700,000,000.

On page 12, line 10, increase the amount by $11,300,000,000.

On page 12, line 11, increase the amount by $11,500,000,000.

On page 12, line 17, increase the amount by $11,400,000,000.

On page 12, line 18, increase the amount by $11,600,000,000.

On page 12, line 24, increase the amount by $11,300,000,000.

On page 12, line 25, increase the amount by $10,000,000,000.

On page 54, line 20, decrease the amount by $9,600,000,000.

On page 54, line 21, decrease the amount by $4,000,000,000.

On page 55, line 2, decrease the amount by $15,900,000,000.

On page 55, line 3, decrease the amount by $8,300,000,000.

On page 55, line 9, decrease the amount by $17,700,000,000.

On page 55, line 10, decrease the amount by $10,800,000,000.

On page 55, line 16, decrease the amount by $15,100,000,000.

On page 55, line 17, decrease the amount by $11,700,000,000.

On page 55, line 23, decrease the amount by $11,300,000,000.

On page 55, line 24, decrease the amount by $11,500,000,000.

On page 56, line 5, decrease the amount by $11,400,000,000.

On page 56, line 6, decrease the amount by $11,600,000,000.

On page 56, line 12, decrease the amount by $11,300,000,000.

On page 56, line 13, decrease the amount by $10,000,000,000.

On page 65, line 14, increase the amount by $9,600,000,000.

On page 65, line 15, increase the amount by $4,000,000,000.

On page 65, line 17, decrease the amount by $9,600,000,000.

On page 65, line 18, decrease the amount by $4,000,000,000.

On page 65, line 21, increase the amount by $15,900,000,000.

On page 65, line 22, increase the amount by $8,300,000,000.

On page 65, line 24, decrease the amount by $15,900,000,000.

On page 65, line 25, decrease the amount by $8,300,000,000.

On page 66, line 3, increase the amount by $17,700,000,000.

On page 66, line 4, increase the amount by $10,800,000,000.

On page 66, line 6, decrease the amount by $17,700,000,000.

On page 66, line 7, decrease the amount by $10,800,000,000.

On page 66, line 10, increase the amount by $15,100,000,000.

On page 66, line 11, increase the amount by $11,700,000,000.

On page 66, line 13, decrease the amount by $15,100,000,000.

On page 66, line 14, decrease the amount by $11,700,000,000.

On page 66, line 17, increase the amount by $11,300,000,000.

On page 66, line 18, increase the amount by $11,500,000,000.

On page 66, line 20, decrease the amount by $11,300,000,000.

On page 66, line 21, decrease the amount by $11,500,000,000.

On page 66, line 24, increase the amount by $11,400,000,000.

On page 66, line 25, increase the amount by $11,600,000,000.

On page 67, line , decrease the amount by $11,400,000,000.

On page 67, line , decrease the amount by $11,600,000,000.

On page 67, line 6, increase the amount by $11,300,000,000.

On page 67, line 7, increase the amount by $10,000,000,000.

On page 67, line 9, decrease the amount by $11,300,000,000.

On page 67, line 10, decrease the amount by $10,000,000,000.

On page 68, after line 12, add the following new paragraph:

(3) It is the sense of the Senate that the Senate should waive all points of order that would preclude increasing non-defense spending in any one fiscal year by up to $2 billion and, at the same time, decreasing defense spending in any one fiscal year by up to $2 billion, from the levels of discretionary spending in this section. It is further the sense of the Senate that defense spending may not be reduced by more than a total of

$10 billion and non-defense spending may not be increased by more than a total of $10 billion over the seven years of the resolution, from the levels of discretionary spending in this section.

HARKIN (AND BUMPERS) AMENDMENT NO. 1126

Mr. HARKIN (for himself and Mr. BUMPERS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 12, line 3, decrease the amount by $4,800,000,000.

On page 12, line 4, decrease the amount by $1,000,000,000.

On page 12, line 10, decrease the amount by $10,000,000,000.

On page 12, line 11, decrease the amount by $3,400,000,000.

On page 12, line 17, decrease the amount by $10,000,000,000.

On page 12, line 18, decrease the amount by $6,200,000,000.

On page 12, line 24, decrease the amount by $10,000,000,000.

On page 12, line 25, decrease the amount by $6,200,000,000.

On page 32, line 11, increase the amount by $4,800,000,000.

On page 32, line 12, increase the amount by $1,000,000,000.

On page 32, line 19, increase the amount by $10,000,000,000.

On page 32, line 20, increase the amount by $3,400,000,000.

On page 33, line 2, increase the amount by $10,000,000,000.

On page 33, line 3, increase the amount by $6,200,000,000.

On page 33, line 10, increase the amount by $10,000,000,000.

On page 33, line 11, increase the amount by $6,200,000,000.

On page 66, line 10, decrease the amount by $4,800,000,000.

On page 66, line 11, decrease the amount by $1,000,000,000.

On page 66, line 13, increase the amount by $4,800,000,000.

On page 66, line 14, increase the amount by $1,000,000,000.

On page 66, line 17, decrease the amount by $10,000,000,000.

On page 66, line 18, decrease the amount by $3,400,000,000.

On page 66, line 20, increase the amount by $10,000,000,000.

On page 66, line 21, increase the amount by $3,400,000,000.

On page 66, line 24, decrease the amount by $10,000,000,000.

On page 66, line 25, decrease the amount by $6,200,000,000.

On page 67, line 2, increase the amount by $10,000,000,000.

On page 67, line 3, increase the amount by $6,200,000,000.

On page 67, line 6, decrease the amount by $10,000,000,000.

On page 67, line 7, decrease the amount by $6,200,000,000.

On page 67, line 9, increase the amount by $10,000,000,000.

On page 67, line 10, increase the amount by $6,200,000,000.

FEINGOLD (AND OTHERS) AMENDMENT NO. 1127

Mr. FEINGOLD (for himself, Mr. HOLLINGS, Mr. BYRD, Mr. NUNN, Mr. BUMPERS, Mr. KERREY, Mr. ROBB, Mr. DORGAN, Mr. SIMON, Mrs. MURRAY, and Ms. MOSELEY-BRAUN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 74, strike beginning with line 8 through page 75, line 22.

SNOWE (AND OTHERS) AMENDMENT NO. 1128

Ms. SNOWE (for herself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. BROWN, Mrs. KASSEBAUM, Mr. COHEN, Mr. LOTT, Mr. CHAFEE, and Mr. SIMPSON) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 26, decrease the amount on line 20 by $200,000,000.

On page 26, decrease the amount on line 21 by $100,000,000.

On page 27, decrease the amount on line 3 by $200,000,000.

On page 27, decrease the amount on line 4 by $300,000,000.

On page 27, decrease the amount on line 11 by $200,000,000.

On page 27, decrease the amount on line 12 by $300,000,000.

On page 27, decrease the amount on line 19 by $200,000,000.

On page 27, decrease the amount on line 20 by $300,000,000.

On page 28, decrease the amount on line 2 by $200,000,000.

On page 28, decrease the amount on line 3 by $300,000,000.

On page 28, decrease the amount on line 10 by $200,000,000.

On page 28, decrease the amount on line 11 by $300,000,000.

On page 28, decrease the amount on line 18 by $200,000,000.

On page 28, decrease the amount on line 19 by $300,000,000.

On page 31, increase the amount on line 12 by $900,000,000.

On page 31, increase the amount on line 13 by $500,000,000.

On page 31, increase the amount on line 20 by $1,000,000,000.

On page 31, increase the amount on line 21 by $800,000,000.

On page 32, increase the amount on line 3 by $1,000,000,000.

On page 32, increase the amount on line 4 by $900,000,000.

On page 32, increase the amount on line 11 by $1,000,000,000.

On page 32, increase the amount on line 12 by $1,000,000,000.

On page 32, increase the amount on line 19 by $1,000,000,000.

On page 32, increase the amount on line 20 by $1,100,000,000.

On page 33, increase the amount on line 2 by $1,000,000,000.

On page 33, increase the amount on line 3 by $1,100,000,000.

On page 33, increase the amount on line 10 by $1,000,000,000.

On page 33, increase the amount on line 11 by $1,100,000,000.

On page 48, decrease the amount on line 10 by $300,000,000.

On page 48, decrease the amount on line 17 by $300,000,000.

On page 48, decrease the amount on line 24 by $300,000,000.

On page 48, decrease the amount on line 25 by $100,000,000.

On page 49, decrease the amount on line 6 by $300,000,000.

On page 49, decrease the amount on line 7 by $200,000,000.

On page 49, decrease the amount on line 13 by $300,000,000.

On page 49, decrease the amount on line 14 by $300,000,000.

On page 49, decrease the amount on line 20 by $300,000,000.

On page 49, decrease the amount on line 21 by $300,000,000.

On page 50, decrease the amount on line 2 by $300,000,000.

On page 50, decrease the amount on line 3 by $300,000,000.

On page 54, decrease the amount on line 20 by $400,000,000.

On page 54, decrease the amount on line 21 by $400,000,000.

On page 55, decrease the amount on line 2 by $500,000,000.

On page 55, decrease the amount on line 3 by $500,000,000.

On page 55, decrease the amount on line 9 by $500,000,000.

On page 55, decrease the amount on line 10 by $500,000,000.

On page 55, decrease the amount on line 16 by $500,000,000.

On page 55, decrease the amount on line 17 by $500,000,000.

On page 55, decrease the amount on line 23 by $500,000,000.

On page 55, decrease the amount on line 24 by $500,000,000.

On page 56, decrease the amount on line 5 by $500,000,000.

On page 56, decrease the amount on line 6 by $500,000,000.

On page 56, decrease the amount on line 12 by $500,000,000.

On page 56, decrease the amount on line 13 by $500,000,000.

On page 64, decrease the amount on line 9 by $500,000,000.

On page 64, decrease the amount on line 10 by $4,300,000,000.

On page 64, decrease the amount on line 11 by $6,500,000,000.

On page 65, decrease the amount on line 17 by $900,000,000.

On page 65, decrease the amount on line 18 by $500,000,000.

On page 65, decrease the amount on line 24 by $1,000,000,000.

On page 65, decrease the amount on line 25 by $800,000,000.

On page 66, decrease the amount on line 6 by $1,000,000,000.

On page 66, decrease the amount on line 7 by $900,000,000.

On page 66, decrease the amount on line 13 by $1,000,000,000.

On page 66, decrease the amount on line 14 by $1,000,000,000.

On page 66, decrease the amount on line 20 by $1,000,000,000.

On page 66, decrease the amount on line 21 by $1,100,000,000.

On page 67, decrease the amount on line 2 by $1,000,000,000.

On page 67, decrease the amount on line 3 by $1,100,000,000.

On page 67, decrease the amount on line 9 by $1,000,000,000.

On page 67, decrease the amount on line 10 by $1,100,000,000.

STEVENS (AND DOMENICI) AMENDMENT NO. 1129

Mr. STEVENS (for himself and Mr. DOMENICI) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place in Title III of the resolution insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING FULL FUNDING FOR DECADE OF THE BRAIN RESEARCH.

(a) FINDINGS.—The Congress finds that—

(1) long term health care costs associated with diseases and disorders of the brain have a substantial impact on federal expenditures for Medicaid and Medicare, and on the earning potential of the Nation;

(2) to highlight the impact of brain diseases and disorders on the economy and well being of the Nation the Congress has declared the 1990's the Decade of the Brain;

(3) meaningful research has been initiated as part of the Decade of the Brain;

(4) if fully funded this research could provide important new medical breakthroughs; and

(5) these breakthroughs could result in a significant reduction in costs to the Federal Government.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that in furtherance of the goals of the Decade of the Brain the appropriate committees should seek to ensure that full funding is provided for research on brain diseases and disorders in each of the fiscal years to which this resolution applies.

BUMPERS (AND OTHERS) AMENDMENT NO. 1130

Mr. BUMPERS (for himself, Mr. BRADLEY, Mrs. MURRAY, Mr. LIEBERMAN, Mr. BAUCUS, Mr. EXON, Mr. WELLSTONE, Mrs. BOXER, and Mrs. FEINSTEIN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

Strike line 7 on page 76 through line 12 on page 77.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. STEVENS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Thursday, May 25, 1995, at 9:30 a.m., to receive testimony on the reauthorization of the Federal Election Commission.

For further information concerning this hearing, please contact Mark Mackie of the committee staff on 224–3448.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, May 23, 1995, at 9:30 a.m., in SR–332.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Tuesday, May 23, 1995, session of the Senate for the purpose of conducting an oversight hearing on NASA's Space Station program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 23, 1995, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, May 23, 1995, at 11 a.m. for a nomination hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, May 23, at 2:30 p.m. for a nomination hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the oversight of the EEOC, during the session of the Senate on Tuesday, May 23, 1995, at 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, May 23, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, May 23, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SUPPORT OF S. 507

• Mr. GRASSLEY. Mr. President, I am pleased to be an original cosponsor of S. 507, the False Identification Act of 1995, and I wish to congratulate the distinguished Senator from South Dakota for offering this important piece of legislation. S. 507 makes it a crime to transport through the mails false drivers licenses and other forms of ID to minors and lowers the number of false forms of ID necessary to trigger criminal liability from 5 to 3. And what do children do with phony drivers licenses? They purchase beer and liquor, gain admittance to bars and taverns, and purchase pornographic materials. A lot has been said recently about the need to protect our children from growing up too fast. S. 507 is an important step in that direction, by striking at unscrupulous, profiteering adults who provide children with the means of obtaining liquor and pornography.

Let me be clear on one fact about this legislation and the illicit sale of false identification which is not mentioned in the body of S. 507. The distribution of false ID cards directly involves interstate commerce, Mr. President.

I ask that a copy of advertisements, from the National Examiner be printed in the RECORD.

The material follows:

MISCELLANEOUS

I.D. CARDS $10

Professional high quality equipment, expert settings, lamination. Outsmarts competition. Money back guarantee.

PHOTO ID $8.00

Professionally Laminated Processed with Drivers License Equipment. Avoid Cheap Imitations and Embarrassment. Free Blank Birth Certificate not a Government document. Cash MO Fastest Service Guaranteed, Two $15.00 Photo Complete Description.

BLANK CERTIFICATES

Birth, Baptismal, Highschool, College, Marriage, Divorce, Awards, Wills. Guaranteed Realistic, Parchment Paper Embossed Gold Seals. U.S. Canada. All Or Any Eight $12.00 Cash, M.O. Same Day Service, Not Government Document.

PHOTO ID $8.00

Professionally Laminated Processed with Drivers License Equipment. Avoid Cheap Imitations and Embarrassment. Free Blank Birth Certificate not a Government document. Cash MO Fastest Service Guaranteed, Two $15.00 Photo Complete Description.

BLANK CERTIFICATES

Birth, Baptismal, Highschool, College, Marriage, Divorce, Awards, Wills. Guaranteed Realistic. Parchment Paper Embossed Gold Seals. U.S. Canada. All Or Any Eight $12.00 Cash, M.O. Same Day Service, Not Government Document.

"PHONY" DRIVER'S LICENSES!

Free Information

Mr. GRASSLEY. This publication, which is openly available at supermarkets and convenience stores across the country, contains advertisements for—in the words of one of the advertisements—phony drivers licenses.

Mr. President, I submit that there is no socially redeeming use for phony drivers licenses. Indeed, the only conceivable use of such documents is to subvert State and Federal law. And as the Supreme Court recently reaffirmed in United States verses Lopez, on page 9 of the slip opinion, "The power of Congress to keep the channels of interstate commerce free from immoral and injurious uses has been frequently sustained, and it is no longer open to question." Simply put, Mr. President, S. 507 helps to ensure that interstate commerce will not be used to further immoral activities, like providing children with phony drivers licenses so that they can purchase liquor and beer illegally. That is why I am pleased to support S. 507.

From the beginning of our country, States have prohibited the sale of liquor to children. S. 507 helps those States by providing Federal help to combat what is essentially a Federal problem—the interstate transfer of false forms of ID to children. I urge my colleagues to support S. 507.●

THE DEATH OF LES ASPIN

● Mr. MOYNIHAN. Mr. President, this morning's Washington Post carried a fine editorial describing the long and distinguished public career of the Honorable Les Aspin, the former Secretary of Defense and our former colleague. The editorial observed that Secretary Aspin "was above all a man engaged in the most important, high-stakes issues of his time."

Having read this excellent account of Les Aspin's three decades of service to his country, I do not know what more I could say about my friend. I would accordingly ask that the editorial from today's Washington Post be printed in the RECORD, and I urge every Senator to read it.

The editorial follows:

[From the Washington Post, May 23, 1995]

LES ASPIN

We are trying to recall a moment in the past several decades when someone or other—or this political group or that party wing or the other lobby—wasn't mad at Les Aspin. And we come up empty. That is because the former defense secretary and chairman of the House Armed Services Committee, who died of a stroke at the age of 56 on Sunday, was above all a man engaged in the most important, high-stakes issues of his time. From his days as a college academic star and then a Defense Department whiz kid, as an internal government Vietnam War critic, a teacher and, for 22 years, a member of Congress from Wisconsin, Les Aspin never lost either his capacity to master the most complicated issues of public policy or his frankly kid-like, ebullient enthusiasm for trying to resolve them. He was also a politician, and generally a pretty successful one.

Some of the problems Mr. Aspin had, especially on the Hill, were the all but inevitable lot of anyone trying to navigate the shoals of military defense policy in a (then) majority Democratic Party that was bitterly and irreconcilably divided between hawks and doves; unsurprisingly, his maneuverings as chairman of Armed Services frequently infuriated one or the other side, especially in the unending struggle over developing weapons systems. His own inclinations evolved from the more dovish to the more hawkish over the years. As Bill Clinton's first defense secretary, Mr. Aspin had the equally challenging job of trying to reconcile Pentagon thinking with Democratic Party thinking in the matter of Mr. Clinton's proposals for altering the status of gays in the military. His most notable accomplishment as secretary was the review of Pentagon budgeting and procurement procedures that he worked up in his 11 months there. His most notable public stand was that taken—rightly, in our view—in support of President Bush's policy on Kuwait at a time when so many other Democratic Party leaders in Congress were in doubt or in flight.

Mr. Aspin was humiliated by being pushed out of the Defense Department by Mr. Clinton and the other rivalrous members of Mr. Clinton's national security team. But the thing about the former defense secretary was that he couldn't stay humiliated or give vent to personal bitterness over such things. He came back to serve as head of the Clinton advisory group reviewing national intelligence. The faults for which Mr. Aspin was allegedly fired—imprecision, inability to manage the huge defense establishment and slowness in coming to clear-cut action decisions—were presumably real. Such defects would certainly go with the general makeup of the man: intellectually restless, always turning the thing over and over in his mind, more given to trying to imagine and grasp all the aspects of a problem than to measuring or indexing them. We can understand how this came to grief for Mr. Aspin in the Clinton administration. But you need only read the recently published confessional book by Mr. Aspin's predecessor and onetime employer, Robert McNamara, to understand, as well, that an opposite, superefficient turn of mind is not exactly the key to defense policy salvation. Maybe Les Aspin was the wrong man for his months in the Clinton Cabinet. The same cannot in any respect be said of his roughly three decades of productive public service.●

TRIBUTE TO DICK COMBS

● Mr. MCCONNELL. Mr. President, I rise today to mourn the death of a close friend, Mr. Dick Combs. Dick died last Wednesday from complications after heart surgery.

Over the years, he touched the lives of many people in northern Kentucky. Dick was a very special man, but one thing in particular made him one of a kind. It was his trademark green comb. Everytime he introduced himself to someone he would hand them a green pocket comb with his name on it. There's probably not a person in northern Kentucky that hasn't combed his or her hair with a comb from Dick. But this wasn't his only trademark, he was also seen nearly everyday driving around town in his 1968 red convertible Ford Mustang, smiling and waving to everyone he passed. And who could forget his old fishing hat, an item he would never leave the house without.

The World War II veteran was elected Kenton County commissioner in 1984, a victory that is in the record books and the subject of political trivia questions across the Bluegrass State. Dick was the first Republican in 75 years to win a seat on the fiscal court. He also served as a member of the Kenton County GOP executive committee, the Northern Kentucky Area Planning Commission, the Boone-Kenton Cable TV Board, and he was a founding member of the Northern Kentucky Salvation Army Advisory Board.

With all his political activities you would think that Dick wouldn't have time for anything else. But that wasn't the case, he always found time for his true loves: his family and his community.

He kept busy in the community by getting involved in the Fort Mitchell Kiwanis and Optimist clubs, the Northern Kentucky Chamber of Commerce, and the American Animal Association. His care and support for stray animals was even recognized by the animal rights community, who endorsed his candidacy. Dick would go out of his way to help his animal friends. He would even go as far as leaving his garage door open at night so any stray animal could have a safe haven from the elements.

Dick was also a deacon at Fort Mitchell Baptist Church for more than 35 years. There wasn't a Sunday that went by that Dick wasn't standing outside the church greeting every parishioner that walked through the doors. To some it may have seemed like a small gesture, but to churchgoers it wasn't a Sunday without seeing his smiling face. His absence at church last Sunday was felt by members young and old, including a young boy who cried when he didn't see Dick at the church's door.

Mr. President, I ask you to join me in extending my heartfelt sympathy and prayers to his family and to all those whose lives he touched. Dick, will be missed.●

THE 40TH ANNUAL DETAILED FINANCIAL REPORT OF SENATOR PAUL SIMON

● Mr. SIMON. Mr. President, it has been my practice in each of the 40 years I have spent in public life to volunteer a detailed accounting of my finances.

I ask that my financial report for 1994 be printed in the RECORD.

The financial report and related announcement follow:

ANNOUNCEMENT

For the 40th consecutive year that he has held public office, U.S. Senator Paul Simon, D-Ill., has released a detailed description of his income, assets and liabilities.

Simon has been making the voluntary annual statements longer than any other national officeholder. Simon set his policy when he left the newspaper publishing business he had established to enter public service during his eight years in the Illinois House of Representatives, six years in the Illinois Senate, four years as lieutenant governor, 10 years in the U.S. House of Representatives and now 10 years in the U.S. Senate. The listing predates disclosure requirements of state and federal law and continues to exceed those requirements. Senate rules today require only the listing of income within broad brackets. SIMON'S practice also has set the standard for many officeholders in Illinois.

Simon also continues to exceed Senate requirements by listing detailed income for his wife, Jeanne.

The Illinois senator lists 1994 income for himself and Jeanne Simon totaling $206,287. The figure includes PAUL SIMON's Senate salary, Jeanne Simon's per diem compensation as chair of the National Commission on Library and Information Science, and reimbursements to Paul and Jeanne Simon for travel and other expenses.

The Simons had assets of $514,579.79 and liabilities of $124,667.44 for a net worth of $389,912.35. Earlier disclosures have shown SIMON to be one of the least wealthy members of the United States Senate.

The detailed 1994 financial report of Senator Paul Simon follows:

Income Statement of Paul and Jeanne Simon—1994

General income (Paul Simon):	
Salary, U.S. Senate	$133,870.00
State of Illinois, General Assembly System	21,632.64
Book Royalties	10,315.31
U.S. Senate, Expense Reimbursement	320.80
Paul Simon Official Office Account, Expense Reimbursement	209.55
Earnings, IRA	1,011.99
Dana College, Meal Refund	47.50
Blue Cross/Blue Shield, Insurance Reimbursement	546.84
Vermont Ties, Refund	12.00
Critic's Choice Video, Refund	4.99
Sale, 1983 Mustang	1,500.00
General income (Jeanne Simon):	
Salary, Emeritus Foundation	4,540.55
Social Security, (Entirely donated to charitable causes)	5,154.00
U.S. Department of Education, (National Commission on Libraries and Information Science	16,202.88
Distribution from IRA	800.00
Earnings, IRA	532.03
Simon for Senate, Expense Reimbursement	74.58
U.S. Government, Travel Expense Reimbursement	5,027.34
Nevada Library Association, Travel Expense Reimbursement	340.00
American Library Association, Travel Expense Reimbursement	264.00
American Library Association, Expense Reimbursement	103.00
Southwest Library Association, Expense Reimbursement	367.32
Paula Swift, Luncheon Reimbursement	15.00
Medicare, Reimbursement	91.72
Delta Kappa Gamma, Speech—Donated to Neval Thomas School	100.00
Medical Care, Reimbursement	35.00
Interest income:	
U.S. Senate Federal Credit Union	149.81
General American Life	206.85
Polich National Alliance of U.S.A.	43.73
South Shore Bank of Chicago	29.48
Dividends:	
Adams Express	644.14
General Mills	63.45
Union One	.53
Mattel Inc De	5.70
McDonalds Corp	3.00
Quaker Oats	6.52
Scott Paper Co.	6.40
Dreyfus Growth & Income Fund	121.31
Dreyfus Municipal Bond Fund, ($116.49, Reported—$1,220.21 Exempt)	1,336.69
Franklin Money Fund	209.72
Wal-Mart Stores	15.36
Pacific Gas & Electric	131.92
Pax World Fund	89.90
Texas Instruments	10.32
General Cinema Corp.	23.98
Harcourt General, Inc.	4.27
Scudder Service Corp.	48.92
Smith Barney Daily Dividend Funds Inc., Cash Portfolio	14.77
Smith Barney Money Funds Inc.	1.19
Total income	206,287.00

Paul and Jeanne Simon—Net worth statement, December 31, 1994

General assets:	
First Bank of Carbondale, Checking Account	$210.93
Credit Union, Rantoul	27.22
U.S. Senate Federal Credit Union, Checking Account	1,794.01
U.S. Senate Federal Credit Union, Savings Account	150.13
South Shore Bank of Chicago, Savings Account	1,082.41
Loan, Senator Paul Simon Official Office Account	100.00
U.S. Savings Bonds	1,838.00
Deposit, Harbour Square Apartments	50.00
General American Life Insurance, Cash Value and Deposit	10,099.51
Polish National Alliance Insurance, Cash Value and Deposit	3,751.58
Congressional Retirement System, Cash Value	88,104.78
Thrift Savings Plan	31,635.10
11.8 Acres & Home, Makanda, IL., (Appraised 1987 at $204,000)—Plus Improvements	235,350.00
Furniture and Presidential Autograph Collection	18,000.00
1991 Chevrolet	9,000.00
1995 GEO Prism	14,478.87
Stock and Bond holdings with number of shares:	
Cash and Smith Barney Money Fund, Inc.	1,773.26
Adams Express Co., Maryland 440 Shares	6,875.00
Bethlehem Steel, 5 Shares	90.00
Dreyfus Municipal Bond Fund, 1,650 Shares	19,189.50
Dreyfus Growth & Income, 246.804 Shares	3,857.55
Franklin Fund, 1,137.165 Shares	1,137.16
General Mills, Inc., 45 Shares	2,570.63
Harcourt General, Inc., 7 Shares	246.75
Intergroup, Inc., 25 Shares	662.50
Jet-Lite, 120 (Approximate)	300.00
Lands End Inc., 44 Shares	605.00
Liberte Inves., 100 Shares	175.00
Mattel, Inc., 25 Shares	628.13
McDonalds, 25 Shares	731.25
Pacific Gas & Electric, 268 Shares	6,532.50
Pax World Fund, 179.813 Shares	2,407.70
Quaker Oats Co., 8 Shares	246.00
Rohr Industries, Inc., 6 Shares	62.25
Scott Paper Co., 8 Shares	553.00
Scudder Growth & Income Fund, 68.246 Shares	1,110.30
Texas Instruments, 12 Shares	898.50
United M & M, Inc., 8 Shares	1.75
Wal-Mart Stores, Inc., 96 Shares	2,040.00
IRA—Paul	
Common Stock:	
Smith Barney Money Funds Inc. Government Portfolio	416.16
Smith Barney Utilities Fund	1,187.54
Adams Express Co. Maryland, 676	10,562.50
Lands End, 34	467.50
Mattel Inc. De., 88	2,211.00
Pacific Enterprises, 56	1,190.00
Pacific Gas & Electric, 40	975.00
Pepsico Inc-North Carolina, 32	1,160.00
Price Enterprises, 51	656.63
Quaker Oats Co., 284	8,733.00
Sara Lee Corp., 20	505.00
Servicemaster Ltd Partnership Pub Partnership Shs., 27	658.13
Southwest Water Co. De., 86	731.00
Southwestern Energy Co., 48	714.00
Tootsie Roll Industries, 22	1,353.00
Preferred Stock:	
McDonalds Corp Depository Shares, 18 Shares	438.75
Total	31,959.21
IRA—Jeanne	
Smith Barney Money Funds, Inc. Government Portfolio	137.75

Smith Barney Utilities Fund	848.43
Adams Express Co. Maryland, 657	10,265.63
Pacific Gas & Electric, 40	975.00
Pepsico Inc. North Carolina, 42	1,522.50
Sara Lee Corp., 20	505.00
Total	14,254.31
Total assets	514,579.79
Liabilities:	
Polish National Insurance, Loan	1,584.48
General American Insurance, Loan	3,021.15
LaSalle Talman Home Mortgage Corp.	117,515.06
U.S. Senate Federal Credit Union, Signature Loan	2,546.75
Total liabilities	124,667.44
Total assets	514,579.79
Total liabilities	124,667.44
Net worth	389,912.35

GIFTS, RECEIVED OF MORE THAN $25.00 VALUE, OUTSIDE IMMEDIATE FAMILY[1]

Book from "B" Rappaport—$25.00;

Bow ties from William H. Zarafonetis—Value under $250.00;

Charles Adams book from Senator Connie Mack—$29.95;

Book from the Commercial Club of Chicago—Value under $250.00;

Book, Sarajevo, from Warner Books—$29.95;

Wall Clock from Chicago Lighthouse for the Blind—Value under $250.00;

Fruit from Larry Goodman—Value under $250.00;

Hugo Black biography from Neil Bluhm and Wayne Whalen—Value under $250.00;

Food Items from RJR Nabisco—Value under $250.00;

Glass Art Object from Larry Goodman—Value under $250.00;

Food Samples from Quaker Oats and the National Food Processors Association—Value under $250.00;

Flowers from Phil Corboy and Mary Dempsey—Value under $250.00;

1836 Newspaper, The Sangamo Journal of Springfield from Stan Glass—Value under $250.00;

Book from the Embassy of Morocco—Value under $100.00;

Book on Indonesia from the Indonesian Forestry Community—Value under $100.00;

Table cloth from the President of Benin—Value under $100.00;

Artwork from the Foreign Minister of Vietnam—Value under $100.00;

Landscape painting from the Government of Mongolia (Waiver granted, see attached letter from U.S. Senate Select Committee on Ethics.)—$175.00.

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[1] The law requires disclosure only of gifts of $250.00 and over. Paul Simon's statement includes all non-family gifts of more than $25.00, whatever the source.

The law prohibits members of the Senate from accepting gifts of more than $100 from foreign governments or officials.

U.S. SENATE,
SELECT COMMITTEE ON ETHICS,
Washington, DC, March 6, 1995.

Hon. PAUL SIMON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMON: This is in response to a report which you filed with this Committee concerning your receipt of a landscape painting valued at $150-$175, from the Government of Mongolia.

In your report you request that the Select Committee, as the designated agency for Members, officers, and employees of the Senate for purposes of the Foreign Gifts and Decorations Act, approve the deposit of the gift with the Secretary of the Senate for official use, as provided by Section 7342(c)(2)(B) of the Act. It is our understanding that the painting will be displayed in your office during the period of official use.

The Committee approves your request that the gift be deposited with the Secretary of the Senate for official use, and further approves your request that the official use of this gift shall be its display and use in your Senate office. Because this gift remains the property of the United States, you must advise this Committee and the office of the Secretary of the Senate of any proposed change in the use or location of the gift.

The Foreign Gifts and Decorations Act requires that the painting be returned to the Secretary of the Senate within thirty days after terminating the approved "official use". The Act also requires that the "official use" will be deemed to have been terminated upon your leaving the Senate, or upon the use of the gift for a purpose other than that specifically approved by this Committee.

Sincerely,

VICTOR BAIRD,
Staff Director and Chief Counsel.●

MORGAN VILLAGE MIDDLE SCHOOL STUDENTS VISIT TO WASHINGTON, DC

● Mr. LAUTENBERG. Mr. President, on Friday, May 19, 1995, a group of students from Camden, NJ, visited Washington, DC, to learn about their Government in our Nation's capital. Approximately 100 of my constituents, from Morgan Village Middle School, traveled from my home State of New Jersey and met with representatives from my office and other agencies. Unfortunately, only half of this group was able to visit the U.S. Senate gallery to personally witness a historic vote and observe the procedures of the Senate.

I regret that I was unable to meet with these future leaders myself, and I very much regret some of them could not get into the Senate gallery. I encourage all of them to continue pursuing their interest in government and politics, for their involvement will determine the future of our country. I am gratified to know that young people are learning about the important issues facing our country and the world today. They should be commended for their concern about the impact today's legislation will have on the future. We must all recognize that the views and concerns of our youth are of the utmost importance, and I hope they will continue to share them with their elected representatives as they grow older.●

IN HONOR OF RICHARD S. LUM, RETIRING PROFESSOR OF MUSIC, EMERITUS, AT THE UNIVERSITY OF HAWAII

● Mr. AKAKA. Mr. President, it is a pleasure and a privilege for me to rise today on the floor of the Senate to honor my dear friend and college classmate, Prof. Richard "Dick" S. Lum, on his retirement from the University of Hawaii after a lifetime of dedicated service to the students and people of Hawaii. He retires after a distinguished 25-year tenure as director of bands at the university and professor of music, emeritus.

Professor Lum's contribution to concert and band music has brought him many well-deserved accolades and honors. In the span of his long musical career, he has earned and garnered more awards and has been recognized by more organizations than any other person I can think of. Mahalo, Dick, for your complete commitment to music.

Professor Lum has been rightfully credited for building our State's concert and marching bands into nationally recognized organizations. He laid the foundation for the McKinley High School Band to gain national prominence and is the person primarily responsible for the growth of band programs in Hawaii. His vision, hard work, and grooming of young band directors made possible the tremendous growth of the many fine programs that exist today.

Dick served as president of the Hawaii Music Educators Association and is the founder and past president of the Oahu Band Directors Association. He was also State chairman of the College Band Directors National Association and the National Band Association. He has guest conducted the United States of America Armed Services Bicentennial Band from Ft. Meade, MD, the University of Tennessee Band, the Arizona State University Band, and other outstanding university bands. In 1971, Richard was invited to membership in the American Bandmasters Association, and in 1973, was inducted into the prestigious Phi Beta Mu as honorary national member. In 1978, he was selected by the School Musician Magazine as one of the outstanding conductors in the United States and Canada for the school year 1974–75. In 1979, he was selected by the All-American magazine as Band Director of the Year.

Mr. President, I ask my colleagues to join me, his family, friends, and peers in honoring Prof. Richard S. Lum for this outstanding contribution to music in our State and country. Mahalo, Dick, for everything you have done for music in your lifetime, and your excellence in service. Thank you for a job well-done and may God's blessing be with you and your family.●

RELIGION IN SCHOOLS

• Mr. SIMON. Mr. President, on May 17 the Christian Coalition announced its "Contract With the American Family," a cornerstone of which is a constitutional amendment to allow "communal prayer in public places, such as schools, high school graduation ceremonies, and courthouses."

The coalition's "communal prayer" proposal will surely provide the basis for some spirited debate in Congress in the upcoming months. Before this debate begins, however, I think it is crucial for people on both sides of these issues to understand fully the current state of the law regarding prayer in schools and other public places. Only by understanding what is and is not allowed under current Supreme Court cases involving the Constitution's religion clauses and under other laws regarding religion can we intelligently determine whether the proposed changes to these laws make sense.

In the hopes of beginning this educational process, I will ask to have printed in the RECORD a short report entitled "Religion in the Public Schools: A Joint Statement of Current Law." This publication, prepared with the endorsements of 35 organizations, sets forth in a detailed and clear way the state of the law regarding numerous religion/school issues: from the question of what types of student prayer are constitutionally protected, to the question of whether students may be exempted from wearing particular types of gym clothing that they regard, on religious grounds, as immodest.

As the preface to this report states: "On some of the issues discussed in this summary, some of the organizations, have urged the courts to reach positions different than they did." However, the 35 organizations that have issued this report agree that the statements on the law included in the report provide an accurate overview of the law regarding religion in schools. Given this agreement, the report provides a valuable service to those of us striving to understand these important and highly charged issues.

At the outset of the debate, I have heard a lot about how our courts have kept and continue to keep religion out of our schools. It is my hope that this report will help demonstrate that the relationship between religion and education is in fact a far more complex one that cannot be described in absolute terms. Religion and education coexist today in a delicate balance, and if we choose to disrupt this balance, we should understand exactly what we are doing. This report is an important step in the direction of understanding, and I urge each of my colleagues to devote some time to it in the upcoming weeks.

I ask that the report be printed in the RECORD.

The report follows:

RELIGION IN THE PUBLIC SCHOOLS: A JOINT STATEMENT OF CURRENT LAW, APRIL 1995

The Constitution permits much private religious activity in and about the public schools. Unfortunately, this aspect of constitutional law is not as well known as it should be. Some say that the Supreme Court has declared the public schools "religion-free zones" or that the law is so murky that school officials cannot know what is legally permissible. The former claim is simply wrong. And as to the latter, while there are some difficult issues, much has been settled. It is also unfortunately true that public school officials, due to their busy schedules, may not be as fully aware of this body of law as they could be. As a result, in some school districts some of these rights are not being observed.

The organizations whose names appear below span the ideological, religious and political spectrum. They nevertheless share a commitment both to the freedom of religious practice and to the separation of church and state such freedom requires. In that spirit, we offer this statement of consensus on current law as an aid to parents, educators and students.

Many of the organizations listed below are actively involved in litigation about religion in the schools. On some of the issues discussed in this summary, some of the organizations have urged the courts to reach positions different than they did. Though there are signatories on both sides which have and will press for different constitutional treatments of some of the topics discussed below, they all agree that the following is an accurate statement of what the law currently is.

STUDENT PRAYERS

1. Students have the right to pray individually or in groups or to discuss their religious views with their peers so long as they are not disruptive. Because the Establishment Clause does not apply to purely private speech, students enjoy the right to read their bibles or other scriptures, say grace before meals, pray before tests, and discuss religion with other willing student listeners. In the classroom students have the right to pray quietly except when required to be actively engaged in school activities (e.g., students may not decide to pray just as a teacher calls on them). In informal settings, such as the cafeteria or in the halls, students may pray either audibly or silently, subject to the same rules of order as apply to other speech in these locations. However, the right to engage in voluntary prayer does not include, for example, the right to have a captive audience listen or to compel other students to participate.

GRADUATION PRAYER AND BACCALAUREATES

2. School officials may not mandate or organize prayer at graduation, nor may they organize a religious baccalaureate ceremony. If the school generally rents out its facilities to private groups, it must rent them out on the same terms, and on a first-come first-served basis, to organizers of privately sponsored religious baccalaureate services, provided that the school does not extend preferential treatment to the baccalaureate ceremony and the school disclaims official endorsement of the program.

3. The courts have reached conflicting conclusions under the federal Constitution on student-initiated prayer at graduation. Until the issue is authoritively resolved, schools should ask their lawyers what rules apply in their area.

OFFICIAL PARTICIPATION OR ENCOURAGEMENT OF RELIGIOUS ACTIVITY

4. Teachers and school administrators, when acting in those capacities, are representatives of the state, and, in those capacities, are themselves prohibited from encouraging or soliciting student religious or anti-religious activity. Similarly, when acting in their official capacities, teachers may not engage in religious activities with their students. However, teachers may engage in private religious activity in faculty lounges.

TEACHING ABOUT RELIGION

5. Students may be taught about religion, but public schools may not teach religion. As the U.S. Supreme Court has repeatedly said, "[i]t might well be said that one's education is not complete without a study of comparative religion, or the history of religion and its relationship to the advancement of civilization." It would be difficult to teach art, music, literature and most social studies without considering religious influences.

The history of religion, comparative religion, the Bible (or other scripture)-as-literature (either as a separate course or within some other existing course), are all permissible public school subjects. It is both permissible and desirable to teach objectively about the role of religion in the history of the United States and other countries. One can teach that the Pilgrims came to this country with a particular religious vision, that Catholics and others have been subject to persecution or that many of those participating in the abolitionist, women's suffrage and civil rights movements had religious motivations.

6. These same rules apply to the recurring controversy surrounding theories of evolution. Schools may teach about explanations of life on earth, including religious ones (such as "creationism"), in comparative religion or social studies classes. In science class, however, they may present only genuinely scientific critiques of, or evidence for, any explanation of life on earth, but not religious critiques (beliefs unverifiable by scientific methodology). Schools may not refuse to teach evolutionary theory in order to avoid giving offense to religion nor may they circumvent these rules by labeling as science an article of religious faith. Public schools must not teach as scientific fact or theory any religious doctrine, including "creationism," although any genuinely scientific evidence for or against any explanation of life may be taught. Just as they may neither advance nor inhibit any religious doctrine, teachers should not ridicule, for example, a student's religious explanation for life on earth.

STUDENT ASSIGNMENTS AND RELIGION

7. Students may express their religious beliefs in the form of reports, homework and artwork, and such expressions are constitutionally protected. Teachers may not reject or correct such submissions simply because they include a religious symbol or address religious themes. Likewise, teachers may not require students to modify, include or excise religious views in their assignments, if germane. These assignments should be judged by ordinary academic standards of substance, relevance, appearance and grammar.

8. Somewhat more problematic from a legal point of view are other public expressions of religious views in the classroom. Unfortunately for school officials, there are traps on either side of this issue, and it is possible that litigation will result no matter what course is taken. It is easier to describe the settled cases than to state clear rules of law. Schools must carefully steer between the claims of student speakers who assert a

right to express themselves on religious subjects and the asserted rights of student listeners to be free of unwelcome religious persuasion in a public school classroom.

a. Religious or anti-religious remarks made in the ordinary course of classroom discussion or student presentations are permissible and constitute a protected right. If in a sex education class a student remarks that abortion should be illegal because God has prohibited it, a teacher should not silence the remark, ridicule it, rule it out of bounds or endorse it, any more than a teacher may silence a student's religiously-based comment in favor of choice.

b. If a class assignment calls for an oral presentation on a subject of the student's choosing, and, for example, the student responds by conducting a religious service, the school has the right—as well as the duty—to prevent itself from being used as a church. Other students are not voluntarily in attendance and cannot be forced to become an unwilling congregation.

c. Teachers may rule out-of-order religious remarks that are irrelevant to the subject at hand. In a discussion of Hamlet's sanity, for example, a student may not interject views on creationism.

DISTRIBUTION OF RELIGIOUS LITERATURE

9. Students have the right to distribute religious literature to their schoolmates, subject to those reasonable time, place, and manner or other constitutionally-acceptable restrictions imposed on the distribution of all non-school literature. Thus, a school may confine distribution of all literature to a particular table at particular times. It may not single out religious literature for burdensome regulation.

10. Outsiders may not be given access to the classroom to distribute religious or anti-religious literature. No court has yet considered whether, if all other community groups are permitted to distribute literature in common areas of public schools, religious groups must be allowed to do so on equal terms subject to reasonable time, place and manner restrictions.

"SEE YOU AT THE POLE"

11. Student participation in before- or after-school events, such as "see you at the pole," is permissible. School officials, acting in an official capacity, may neither discourage nor encourage participation in such an event.

RELIGIOUS PERSUASION VERSUS RELIGIOUS HARASSMENT

12. Students have the right to speak to, and attempt to persuade, their peers about religious topics just as they do with regard to political topics. But school officials should intercede to stop student religious speech if it turns into religious harassment aimed at a student or a small group of students. While it is constitutionally permissible for a student to approach another and issue an invitation to attend church, repeated invitations in the face of a request to stop constitute harassment. Where this line is to be drawn in particular cases will depend on the age of the students and other circumstances.

EQUAL ACCESS ACT

13. Student religious clubs in secondary schools must be permitted to meet and to have equal access to campus media to announce their meetings, if a school receives federal funds and permits any student noncurricular club to meet during non-instructional time. This is the command of the Equal Access Act. A non-curricular club is any club not related directly to a subject taught or soon-to-be taught in the school. Although schools have the right to ban all non-curriculum clubs, they may not dodge the law's requirement by the expedient of declaring all clubs curriculum-related. On the other hand, teachers may not actively participate in club activities and "non-school persons" may not control or regularly attend club meeting.

The Act's constitutionality has been upheld by the Supreme Court, rejecting claims that the Act violates the Establishment Clause. The Act's requirements are described in more detail in *The Equal Access Act and the Public Schools: Questions and Answers on the Equal Access Act**, a pamphlet published by a broad spectrum of religious and civil liberties groups.

RELIGIOUS HOLIDAYS

14. Generally, public schools may teach about religious holidays, and may celebrate the secular aspects of the holiday and objectively teach about their religious aspects. They may not observe the holidays as religious events. Schools should generally excuse students who do not wish to participate in holiday events. Those interested in further details should see *Religious Holidays in the Public Schools: Questions and Answers**, a pamphlet published by a broad spectrum of religious and civil liberties groups.

EXCUSAL FROM RELIGIOUSLY-OBJECTIONABLE LESSONS

15.Schools enjoy substantial discretion to excuse individual students from lessons which are objectionable to that student or to his or her parent on the basis of religion. Schools can exercise that authority in ways which would defuse many conflicts over curriculum content. If it is proved that particular lessons substantially burden a student's free exercise of religion and if the school cannot prove a compelling interest in requiring attendance the school would be legally required to excuse the student.

TEACHING VALUES

16. Schools may teach civic virtues, including honesty, good citizenship, sportsmanship, courage, respect for the rights and freedoms of others, respect for persons and their property, civility, the dual virtues of moral conviction and tolerance and hard work. Subject to whatever rights of excusal exist (see ¶15 above) under the federal Constitution and state law, schools may teach sexual abstinence and contraception; whether and how schools teach these sensitive subjects is a matter of educational policy. However, these may not be taught as religious tenets. The mere fact that most, if not all, religions also teach these values does not make it unlawful to teach them.

STUDENT GARB

17. Religious messages on T-shirts and the like may not be singled out for suppression. Students may wear religious attire, such as yarmulkes and head scarves, and they may not be forced to wear gym clothes that they regard, on religious grounds, as immodest.

RELEASED TIME

18. Schools have the discretion to dismiss students to off-premises religious instruction, provided that schools do not encourage or discourage participation or penalize those who do not attend. Schools may not allow religious instruction by outsiders on premises during the school day.•

INDIVIDUAL RIGHTS AND DOMESTIC TERRORISM

• Mr. DORGAN. Mr. President, the tragedy that took place on April 19 at the Federal building in Oklahoma City was an unspeakable horror. This was a cowardly and heinous act by deranged people whose obsessions led to the killing of innocent men, women, and children. I want the people who perpetrated this act to be hunted down and to be appropriately, quickly, and harshly dealt with by our criminal justice system.

The tragic bombing at Oklahoma City has sparked a debate in our country about how to prevent a tragedy of this type from occurring again. It is important to understand that in a free country it is virtually impossible to provide any ironclad protection against the violent acts of deranged people. But part of being free is the requirement to ensure civil order. That is the job that we ask our law enforcement officials to do.

The question we must now ask ourselves is how can we protect Americans without infringing on the liberties guaranteed by the Constitution. People have a constitutional right to criticize their government and the institutions of this Nation. This right not only applies to people we like—our neighbors and our friends—it also applies to people we do not like and associations we do not care for. This right must be preserved.

The Oklahoma City bombing has also sparked a debate about militia groups in our country. People have every right to join organizations. However, I have heard some militia leaders say the Federal Government is their avowed enemy when they have been interviewed on television programs. Some of them talk in terms of violence and battles. I think that is an unhealthy attitude and I think that thinking can lead to violence.

I want to emphasize my commitment to preserving the fundamental freedoms that are guaranteed to all Americans under our Constitution. But I also want to emphasize that I join those in our country who want to send a message to the people who cross the line between criticizing our government and advocating or resorting to violence or terrorism. There is no constitutional right to commit violence in our country. There is no constitutional right to kill innocent men, women, and children. And those who do should be dealt with aggressively by our law enforcement agencies.

It is important that we discuss these issues in a thoughtful, reasonable, and constructive way. In America, we can disagree without being disagreeable. We can have a debate without shouting. And we can work together to fix things that are wrong in this country and to make this a better place. Most importantly, we should protect and cherish our constitutional rights. One of those rights is to live in a free country—free from the unspeakable horrors that were perpetrated on innocent people in Oklahoma City.•

IN HONOR OF ABBA EBAN

• Mr. LAUTENBERG. Mr. President, I rise this morning to honor a great statesman on the occasion of his 80th birthday.

Abba Eban—statesman, diplomat, scholar, and author—was born in South Africa on February 2, 1915. As a young man growing up in London, Mr. Eban learned fluent Hebrew and became an active member of the Zionist movement.

He studied at Cambridge University, and became a lecturer in Hebrew, Arabic, and Persian literature.

Mr. Eban served in World War II, where he was assigned to Jerusalem as liaison officer of Allied Headquarters. After the war, he entered the service of the Jewish agency in Jerusalem. In 1947, he became the agency's liaison officer with the U.N. Special Commission on Palestine.

In 1948, Mr. Eban was appointed as Israel's representative to the United Nations and in this capacity, he appeared before the General Assembly to plead successfully for his country's admission to the United Nations.

In 1950, Abba Eban was appointed Israel's Ambassador to the United States. At 35, he was the youngest person to hold such a high rank in Washington's diplomatic corps.

In 1959, after returning to Israel, Mr. Eban was elected to the Israeli Knesset as a member of the Labor Party. He joined the Cabinet as Minister Without Portfolio, was appointed Minister of Education and Culture in 1960, and in 1963, he became Deputy Prime Minister under Prime Minister Levi Eshkol.

In 1966, Mr. Eban became Israel's Minister for Foreign Affairs, a position he held until June 1974.

Through the years, Mr. Eban has been recognized in numerous arenas for his diplomatic prowess and his contributions to the state of Israel. He holds honorary doctorates from several universities, including New York University, Boston University, the University of Maryland, and the University of Cincinnati. He is a fellow of the World Academy of Arts and Sciences, and the only living member of the Orator's Hall of Fame.

Mr. Eban recently served as host and narrator of "Israel: A Nation is Born," a five-part historical television miniseries, documenting 40 years of Israel's history.

Mr. President, the Israeli people have been fortunate to count Mr. Eban among their leaders. He has consistently represented the Jewish state with dignity, with strength and with aplomb. As he celebrates this birthday, we should all take this opportunity to celebrate his many accomplishments.•

HYDROGEN—AN ENERGY SOURCE FOR THE FUTURE

• Mr. HARKIN. Mr. President, I have long advocated greater investment in the development of sustainable hydrogen energy. Hydrogen has a tremendous potential to be the energy carrier of the future. It is an ideal energy source as it is plentiful, efficient and clean burning. An excellent article describing the many advantages of hydrogen as an energy source appeared in the March 19, 1995 edition of the Los Angeles Times Magazine. I urge all of my colleagues to read this article and I ask that the text of the article be printed in the RECORD.

The article follows:

[From the Los Angeles Times Magazine, March 3, 1995]

HARNESSING THE BIG H

HYDROGEN SEEMS THE IDEAL ENERGY SOURCE—PLENTIFUL, EFFICIENT AND CLEAN. CAN SOMETHING THIS PERFECT BE REAL? JUST ASK THE JAPANESE

(By Alan Weisman)

West of Denver, Interstate 70 enters Golden, Colo., and begins to curl through the foothills of the Rockies. There it bisects an unassuming clump of brick buildings—the National Renewable Energy Laboratory. Among the government's national laboratories, NREL is modest, operating on a fraction of the billions commanded by atomic research giants like Sandia, Los Alamos and Lawrence Livermore. Inside, there are no monstrous particle accelerators; experiments here are more likely to proceed in test-tube racks, bell jars and small glass beakers, like the one John Turner is filling with a clear solution of water and household lye.

Turner, a chemist with a graying blond beard and gold-rimmed glasses, sticks a narrow glass slide, coated on one end with a black, mica-like substance, into the lye solution. The humming lab ventilators mask the sound of the vehicles whizzing by on the nearby interstate, but Turner has spent most of his career here, and during those years he's always had the cars in mind. As he aims a pencil-thin beam from a high-intensity lamp at the flask, he puts it this way: "Suppose someone announced he intended to ship millions of gallons of a carcinogenic, explosive fluid that emits toxic fumes through our downtown and then store it underground in our neighborhoods. People would rise up in anger, right?"

Wrong. Just outside on I–70, cars are spraying residues of that very poison all over the mountains. After 11 decades of tinkering, their internal combustion engines are miracles of technology with hundreds of moving parts. Yet various laws of physics still limit their ability to extract energy from petroleum. Nearly three-fourths of its potential simply radiates away or pours, partly combusted, out the tailpipe, rising in geologic layers of brown murk until the Rockies themselves dwindle to ghostly smudges.

John Turner is among a cadre of scientists trying to suppress what he regards as humanity's most pervasive, and self-inflicted, epidemic. In a little more than a century, since Thomas Alva Edison invented the light bulb and Henry Ford began to mass-produce automobiles, man-made energy has become the most addictive drug in history. Everybody today was born into the this dependency: No one any longer can imagine life without electricity or motorized vehicles. To slake our craving, we must dose ourselves and our surroundings daily with deadly filth. This ritual is now doomed to spread, as China, India and other developing nations bestow family cars and refrigerators upon 2 billion new recruits to the industrial age.

Getting an entire world to kick a habit is futile, so Turner is trying to at least find us a clean needle. As the beam strikes the shiny black square centimeter of semiconductor glued to the submerged portion of his slide, the surrounding liquid begins to fizz. Electrons stimulated by light, he explains, are rushing to the semiconductor's surface, hitting water molecules and splitting them into their component parts: oxygen and hydrogen.

He watches the tiny bubbles rise. "For years," he says, "this has been the Holy Grail of photoelectric chemists. We're witnessing the direct conversion of solar energy into hydrogen."

Cape Canaveral, June, 1994: A group of visiting scientists and engineers is touring the John F. Kennedy Space Center in blue-and-white air-conditioned buses. They're here for the World Hydrogen Energy Conference, a biennial event born of the energy crisis 20 years earlier. Although the price of petroleum has since calmed considerably (adjusted for inflation, it's actually cheaper than pre-1973), a groundswell of concern, coupled with numerous breakthroughs, has ballooned this gathering to nearly 600 researchers from 34 countries. They've come to Canaveral this year for inspiration: The huge tank on the pad, where the shuttle Columbia will presently lift spaceward, is filled with pure hydrogen.

Since even before the moon shots, all U.S. astronauts' heat, electricity and drinking water have been derived from hydrogen. The U.S. space program is the first step toward realizing these scientists' dream: to switch the planet from an economy fueled with dirty coal and petroleum to one run on clean hydrogen.

The idea of something so ubiquitous—hydrogen is the most abundant element composing three-fourths of the mass of the universe—replacing diminishing fossil fuels seems the stuff of fiction. Once, in fact, it was: In 1870, Jules Verne's "Mysterious Island" described a world that would one day derive "an inexhaustible source of heat and light" from water's component parts.

Back then, Verne didn't realize that this source was also virtually pollution-free. The cycle is so elegant it seems nearly miraculous: Separate water into its two constituent gases, hydrogen and oxygen. Burn the hydrogen for fuel, and it re-couples with oxygen to form water again. No nasty particulates, no insidious carbon monoxide, no eye-stinging ozone or sulfur dioxide (at high temperatures, however, small, controllable amounts of nitrous oxides can form when hydrogen is burned in the presence of air). Mainly, though, hydrogen's exhaust is plain water vapor—which can then be recaptured and neatly converted again to hydrogen.

According to Bill Hoagland, founder of NREL's hydrogen program, it would take less than a gallon of water to get the same range from hydrogen that cars currently get from a gallon of gasoline. Because hydrogen can be made anywhere. I'm told repeatedly, there would be no more dependency on imported oil. No more OPEC. Maybe no more global warming, either, because it emits no greenhouse gases. As for hydrogen's unfortunate association with bombs and blimps, like the ill-fated Hindenburg, Hoagland reminds me that fossil fuels also readily explode, and studies rate hydrogen safer because it's nontoxic and dissipates quickly.

It seems like the perfect fuel. Yet, these scientists insist, it's been under-researched, under-funded and virtually ignored in Detroit, which perseveres in its allegiance to petroleum, and in Washington, which persists in keeping troops ready to defend the Persian Gulf.

So why aren't we leaping at this chance to end pollution, energy wars and economic bondage to a few privileged locations that float atop the earth's ebbing supplies of oil? Much of it comes down to money and the seemingly incontestable reign of the petroleum industry. Unlike natural gas, to which hydrogen is often compared, you can't dig a hole and find it. To tap hydrogen's energy, you have to expend energy because it's always combined with something else. Having to un-combine it makes it more expensive, at least in the near term, than crude petroleum products, including natural gas. And no alternative-energy constituency has the clout to buck powerful fossil-fuel lobbies and find a way to pay for retrofitting the world for a brand-new technology.

Currently, the U.S. Department of Energy allots hydrogen about one-ninetieth of what it spends on continuing petroleum research. (And two-thirds of the DOE's budget doesn't go for energy at all, but for nuclear weapons research and cleanup.) Nor has the public thus far demonstrated much interest in trading the ease of dirty energy, available at the turn of an ignition key or click of a light switch, for a major commitment to something cleaner and renewable.

Yet the learned crowd gathered at the World Hydrogen Conference is convinced that hydrogen's time must come. Fossil fuels will become expensive again; even today, their true price isn't revealed at the gas pump, where the numbers don't include the cost of pollution and the expense of protecting our interests in the Persian Gulf.

Other countries are less reluctant about hydrogen than the United States. Two years ago, Japan, an island nation frightened by the prospect of rising seas if the icecaps start to melt, unveiled a multibillion-dollar, 28-year program to form a global hydrogen system. The Japanese are talking power plants, cars, buses, planes, ships and rockets, all over the world, all fueled with renewable hydrogen.

And there's a recent surprise announcement by Daimler-Benz, the parent company of Mercedes-Benz, that has excited many people here: The German auto maker claims it has cleared the major obstacles to producing the first commercially viable hydrogen-powered automobile. Unless Mercedes is just trying to spook the competition, hydrogen's prospects have suddenly improved faster than anyone dared hope. The Mercedes in question runs on a fuel cell, a refillable device that, like a battery, chemically converts fuel directly to electricity without having to burn it. Fuel cells can function on methanol or natural gas, but with hydrogen, they're up to three times more efficient than conventional engines.

The most advanced models, including the one Daimler-Benz uses, come from the Vancouver-based Ballard Power Systems Inc., which designed fuel cells for the Canadian defense department, using technology NASA developed for the Gemini mission and then shelved. Originally large, boxy affairs of stackable metal plates separated by membranes resembling plastic wrap, Ballard's fuel cells are now small enough to fit inside a minivan chassis. "when we start producing them in volume," says Ballard co-founder Keith Prater, a former University of Texas chemist, "the price will shrink, too."

Surrounded by conference booths promoting the latest in photovoltaics, fuel cells and electrolyzers—devices that separate water into oxygen and hydrogen—I asked Princeton physicist Joan M. Ogden if the United States is letting the future slip away to foreign competitors. She tells me of a recent, unreleased General Motors study admitting that non-polluting fuel cells could be mass-produced for the same cost as a conventional engine. "Actually, they should cost less, because they have no moving parts," she says. "They'll also last longer and be cheaper to maintain." But while Mercedes, BMW and Mazda race to bring a hydrogen car to market, U.S. auto makers, by comparison, don't seem very interested.

A few years ago, Ogden quit Princeton's glamorous fusion energy program to engage in relatively impoverished research in renewable hydrogen. "Fusion will take decades," she told aghast colleagues. "I want results in my lifetime." Soon after, she co-authored a book that proposed making hydrogen by splitting water with electricity from solar photovoltaic (PV) cells. (In this process, as electricity made from sunlight passes through a pair of electrodes immersed in water, hydrogen bubbles collect around one pole and oxygen around another.) Although PV is still expensive, Ogden argued that mass production and technological improvements would lower costs until they intersect with rising oil prices.

The book has been alternately praised and scorned, the latter because of a map showing how much of the United States would have to be covered by photovoltaic cells to produce sufficient hydrogen to meet the total U.S. annual energy needs. The area is denoted by a circle that reaches from Albuquerque nearly to the Mexican border. Critics who derisively try to guess the value of all that real estate miss the point, she insists. No one ever suggested putting all the PV in the same place.

"Obviously, deserts are ideal, because they get the most sun, and minimal rainfall is enough to make plenty of hydrogen. But I did a little calculation once. Let's say 2,000 people who work at Princeton drive there every day. If I wanted to run their cars on hydrogen, how much roof space would I need to cover with PV to make enough hydrogen fuel for them? I figured that by putting panels on fewer than half the university rooftops, even with New Jersey's humble sunshine levels, we could convert all those cars to hydrogen. Think if we did that all over the country."

That same afternoon, Peter Lehman, an environmental engineer from Humboldt State University in Northern California, tells me what it would take to do the same for the 9 million cars in the Los Angeles Basin: "An area about 340 square miles. About two-thirds the size, say, of Edwards Air Force Base."

Cover Edwards Air Force Base with shiny photovoltaic panels?

"Sure. It would mean a fairly dramatic reorientation of priorities, and a huge expenditure, probably like building the interstate highway system. That took $100 billion and 34 years. But we did it because as a society we decided it was important. Wouldn't you think that eliminating all smog might be important?"

All week, people here have been repeating a mantra of massive American investments in the future that paid off, like the Marshall Plan, the interstate highway system and—especially during a pilgrimage to the old Apollo launching pad—President Kennedy's decision to put men on the moon. Although these ventures involved enormous expense, they were embraced by the public because of visionary, daring leadership, but they also coincided, rather than conflicted, with powerful interests. A commitment to transform America's energy infrastructure to accommodate clean hydrogen would, I suspect, evoke awesome resistance from the petroleum and auto industries. And decisions these days seem dictated more by the global marketplace than by the foresight of leaders.

Yet the one vision these scientists from Argentina, Egypt, Russia, Germany and Japan tell me may save civilization from choking on its own exhaust emanates from California. They refer specifically, and reverently, to mandates by the California Air Resources Board and the South Coast Air Quality Management District, which require that zero-emission vehicles (ZEVs) constitute 2% of all cars sold in the state by 1998 and 10% by 2003.

The allure of these requirements is the fact that, with one out of 18 Americans living in the L.A. Basin alone, whoever can first manufacture a viable car that meets this standard will get rich. Everybody assures me that batteries aren't going to do it; the acceleration is rotten, the range is too short, and they must be recharged by plugging into dirty power plants that only shift the pollution elsewhere. The assumption here is that the only way to build a real ZEV is by using a hydrogen fuel cell, and California's regulations will help force that technology into existence. The air quality district's chief scientist, Alan Lloyd, who's speaking at the conference, agrees.

Lloyd's problem though, is that he is not exactly considered a prophet in his own land. Rather than instilling native pride, California's world champion air-quality laws, which some believe have wrecked the state's economy, have barely survived legislative plots to scuttle them.

And despite the vaunted environmental pedigree of Vice President Al Gore, the Clinton Administration hasn't been much help either. While a few projects like experimental wind farms have been encouraged, federal efforts have focused more on improving energy efficiency than on developing clean new sources. Most frustrating to Alan Lloyd is a multimillion-dollar Administration program called PNGV: The Partnership for a New Generation of Vehicles, whose goal is to deliver a prototype car that gets triple today's expected gas mileage—about 80 miles per gallon—by the year 2004. "Which means that after 10 years, they'll develop a vehicle that will be illegal in California because it's too dirty," he says, gazing heavenward. "That's unacceptable. A new-generation vehicle should be fuel-efficient and clean. Leadership should come from the White House, but their agenda is being driven more from Detroit."

Other energy advocates claim the technology for an 80-m.g.g. vehicle already exists, but the Administration has simply caved in to the Big Three auto makers and the oil industry. But since I haven't seen filling stations dispensing hydrogen on American street corners, I ask Lloyd if a fuel-cell vehicle designed to run on the stuff is really practical.

In the interim, there are lots of ways to make hydrogen besides solar energy, Lloyd explains. Using steam, it can be derived from natural gas or even mixed with it—known as town gas, that was what America once burned for light and cooking. Hydrogen improves the potency and lowers the emissions of natural gas, and with some modification it might even be shipped through natural gas pipelines. As for a dearth of service stations: a similar alarm was once sounded by buggy-whip manufacturers.

The real obstacle, Lloyd says, is America's current lust to pawn the future for the sake of profits today. "While Detroit hires 100 attorneys to defeat every new emissions standard we establish, Japan assigns 1,000 engineers to meet the challenge."

Maintaining energy's status quo might make some sense, or at least some money, for purveyors of petroleum and internal-combustion engines. But the conference's keynote speaker assures us that the decision won't really be theirs. University of Colorado physicist emeritus Albert A. Bartlett says he knows little about hydrogen but something about basic arithmetic. He's particularly drawn to calculating the time it takes for things to double. This is pertinent, he says, to consumption of fossil fuels, because it allows the petroleum and coal industries to deceive the world about how long those resources will actually last.

To illustrate what he means, he proposes that we imagine a species of bacteria that reproduces by dividing in two. Those two become four, the four become eight, and so forth. "Let's say we place one bacterium in a bottle at 11 a.m., and at noon we observe the bottle to be full. At what point was it half full?" The answer, it turns out, is 11:59 a.m.

"Now, if you were a bacterium in that bottle, at what point would you realize you were running out of space? At 11:55 a.m., when the bottle is only one-thirty-seconds full, and 97% is open space, yearning for development?"

Everyone giggles. "Now suppose, with a minute to spare, the bacteria discover three new bottles to inhabit. They sigh with relief: They have three times more bottles than had ever been known, quadrupling their space resources. Surely this makes them self-sufficient in space. Right?"

Except, of course, it doesn't. Bartlett's point is that in exactly two more minutes, all four bottles will be full. Likewise, when President Jimmy Carter noted that in each of three previous decades the world had burned more fuel than had been consumed previously in all of history, it meant that fuel consumption was doubling every decade. That rate slowed temporarily with the energy crisis, but now, with world population rising and today's breakneck industrialization in the Third World, the exponential gobbling of limited resources is again accelerating.

"It's seriously misleading when we hear, for example, that at current levels of output and recovery coal reserves can be expected to last 500 years. We get the mistaken impression that there's 500 years' worth of coal left, forgetting that the sentence began with 'at current levels.' That's 500 years, only if there's no growth of production."

And petroleum? "In 1993, they announced the largest discovery of oil in the Gulf of Mexico in the last 20 years: 700 million barrels. It sounds like an enormous number, until you realize that we Americans go through roughly 17.7 million barrels a day. Divide 700 by 17.7. It'll last about 40 days."

The auditorium is now silent. "That indicates," he tells us, "that we've already made the big petroleum discoveries. Now we're picking around the edges, getting the last ones."

In 1975, during the depths of the energy crisis, Tom Harkin arrived in Washington as an Iowa congressman. In his first year on the House Science and Technology Committee, he decided that the threat to the future of energy was genuine. Then Carter was elected President, and, to Harkin's relief, the Administration began dispensing billions and creating incentives for solar, photovoltaic, wind and ocean thermal energy.

Then the next President, Ronald Regan, dismantled Carter's solar-heating apparatus on the White House roof and all the tax breaks and funding for alternative-energy research along with it. During those lean years, Harkin, now a senator, joined forces with longtime hydrogen zealot Sen. Spark M. Matsunaga of Hawaii to convince whomever they could that hydrogen wasn't some dumb fantasy. After Matsunaga's death in 1990, Harkin and the only other hydrogen devotees around, Reps. George E. Brown, Jr. (D-Colton) and Robert S. Walker (R-Pa.) and Sen. Harry Reid (D-Nev.), pushed through a five-year research bill in his memory.

The appropriation was minimal, but after Clinton and Gore were elected, Harkin was sure that would change. Shortly after their inauguration, he presented the new Administration with a 40-page proposal for a sustainable energy future based on hydrogen. It showed how, by using solar photovoltaic electricity to split water, hydrogen actually becomes a way to store the power of the sun, because it can be burned at night or shipped to cold climates where solar energy is scare. It explained that the cheapest way to produce hydrogen could be through "electrofarming": using marginal land to grow energy crops like switch grass, which could be reduced to hydrogen in a simple device called a biomass gasifier. The gasifier, in turn, would run on excess heat from a hydrogen fuel cell, providing power for the farm.

Harkin also rebutted the myth that hydrogen is more dangerous than traditional fuels, a belief dating to the 1937 explosion that destroyed the German airship Hindenburg. The 36 who died, he explained, were killed in the fall, not from burning hydrogen, which simply floated away (as it would have had the Exxon Valdez transported hydrogen instead of oil). In fact, the 61 Hindenberg survivors would not have lived had the blimp carried natural gas.

But, Harkin concluded, in order to make fuel cells or hydrogen cars affordable, they have to be mass-produced, and before manufacturers will mass-produce them, delivery systems-hydrogen pumps at the corner gas station-have to be in place. That won't happen until there's mass demand for them, and so on. This classic chicken-and-egg dilemma, he argued, could be resolved by a federal commitment to a comfortable transition from fossil fuels.

He didn't get very far. "I told the President he should grab the public's imagination the way Kennedy did with the moon shot, by announcing in his first State of the Union speech that the U.S. was going all out for hydrogen and fuel cells. He looked at me like I was slightly nuts."

Later Harkin ran into Al Gore in the Executive Office Building. If the government purchased large quantities of photovoltaics, he told the vice president, it would lower the cost immensely. The same for fuel cells. No luck there, either. Instead, the tiny hydrogen coalition in Congress actually has had to fight the Administration's proposed cuts in funding provided by the Matsunaga Act.

In Washington, Harkin's hydrogen consultant, Sandy Thomas, shows me a chart of the Department of Energy's budget. Out of $18.6 billion, $10 billion goes for nuclear-weapons research and cleanup. "That's even though we aren't building nuclear weapons anymore. It's an upper-middle-class welfare program for nuclear scientists. Then there's nearly $1 billion for fossil-fuel research and conservation, even though they're running out; $300 million for atomic fission, though we've stopped building nuclear reactors, and nearly half of a billion for fusion, the practical application of which even its most optimistic proponents admit it at least 40 year away."

"And for hydrogen research?" I ask.

"Ten million.

I gape. "I know," he says. "We've argued for shifting even $100 million out of DOE's nuclear-weapons fund. But those decisions are made at the top. It's hard to get Hazel O'Leary's ear on this one."

At a White House conference on environmental technology in December, chaired by Gore, Energy Secretary O'Leary admits to me that in the wake of a new Republican Congress that threatens to cut not just budgets but the entire DOE, she questions the wisdom of bank rolling fission. On hydrogen, however, she doesn't yield. "I'm not an apologist for traditional energy. We've backed some exciting research into wind power. But my strong opinion is that hydrogen isn't there yet. We have to be willing to deliver more mature technologies to market first. Excepting fusion, I think our investments fairly represent the energy marketplace for the near and midterm."

At the conference, Gore, five Cabinet officers and President Clinton's science adviser meet with 1,400 industrialists, entrepreneurs and environmental representatives to discuss how the U.S. can prosper in the growing international market for clean, green technology. There are seminars on environmental export financing and transitions to industrial ecology—yet barely any mention of energy, except for a small workshop on fuel cells and another on transportation technologies.

In the latter, I join a study group chaired by Ford's representative for the Partnership for a New Generation of Vehicles. Among the points we've asked to consider are the prospects for introducing alternative fuels like hydrogen for motor vehicles in the near future. The first to speak up is General Motors' federal research coordinator. "Very dim. As long as gas and diesel stay around $1.20, consumers have no incentive to use anything else." Alternative fuels, he says, all lack the energy density of petroleum, so it will always cost more to get the same amount of power.

No one contradicts him, so Ford moves on to the next question. I interrupt. "Wait, Isn't the whole reason for this conference the idea that consumer demand today involves things other than price, such as products that don't pollute us to death?"

"I'll believe that," GM replies, "when Californians start buying the 50 miles-per-gallon vehicles that are already available. The fact is, they don't want cars that are more efficient or cleaner."

"So how would you get people to buy this thing?" I yell to Thomas Klaiber, but he doesn't hear me, because a low-slung, Class C racing series model and a black, V-12 600SL roar past us at that instant, one on either side. We're on the Mercedes-Benz test track in Stuttgart, Germany. Klaiber, a mechanical engineer, is head of the Daimler-Benz hydrogen fuel cell group, the van he's driving is the hydrogen-powered vehicle that prompted Mercedes' grand announcement.

If this is really the future we're driving into, at a top cruising speed of 50 miles per hour, it's a little like riding the tortoise while being passed by a flock of jeering hares. Even Mercedes buses are passing us as we negotiate banked curves and climb steep little hills that suddenly appear in the middle of the straightways. Yet the van itself feels surpringly normal. Amid the surrounding internal combustion thunder, the most noticeable difference is how quietly it runs. The fuel cell itself make no sound. There's only the hum of an air compressor.

Some significant technology challenges remain unmet, however. Much of the cargo area is filled with fiberglass pressure tanks. Although hydrogen has up to three times the efficiency of gasoline, its lightness gives it such low density that even when compressed. its storage requires at least four times the space of a conventional gas tank. This is fine for the fuel-cell buses that Ballard Power Systems is operating successfully in Vancouver, because there's plenty of room on their roofs to store hydrogen. To partly alleviate this problem for passenger cars, Daimler-Benz plans to shrink the fuel cell to one-fourth it current size, even as it increases horsepower.

"The alternative is we store the hydrogen in metal hydrides," Klaiber says, referring to a process in which certain metals absorb hydrogen like a sponge, then release it when heated. "They're fine for commuter cars; citizens tested a fleet for us in Berlin for four years. But for a range of 250 miles, you'd need a ton of hydrides. Too much."

I have just come from Munich, where I rode in a silver 7-Series BMW that uses a third storage option, liquid hydrogen, exactly like the space shuttle. Its ride, acceleration, speed and internal combustion engine made it virtually indistinguished from a regular car. Underneath the chassis, however, was a doubled-walled tank to keep the fuel at −423 degrees F. But even with that much insulation, too much hydrogen boils off after three days, making it impractical, say, to leave a liquid hydrogen car in an airport parking lot during summer.

Plus, it takes one-third the energy of hydrogen to cool it to a liquid state. So the simplicity and high efficiency of fuel cells, which runs at normal temperatures, seem to be winning the race to the future-whenever that is.

Riding with Klaiber, it doesn't feel distant. His face is glowing, almost cherubic. He confesses that he loves driving this thing just because he knows it's so clean.

We pull over. He doesn't turn off the engine but finds a paper cup and holds it over the exhaust pipe. "Drink?" he offers.

It's pure, distilled water.

Consumers, I'm told by hydrogen skeptics, won't buy a vehicle whose power and performance fall short of what we've grown to expect from our automobiles. In the Daimler-Benz headquarters, Mercedes' vice president of marketing for passenger cars, Jochen Placking, shows me a typical ad they use for the United States: a convertible speeding across a New Mexico desert. "We're selling freedom. The limitless power to go explore."

In the halls here, decades of Mercedes advertising posters show women with long, shapely legs protruding from fur coats, leaning against gorgeous roadsters. How can you make an environmentally correct car into a sexy status symbol, like a sports coupe?

Placking strokes his mustache. "We'll have to find a way to make clean cars fascinating," he says. "Like selling people on safe sex."

It's not an altogether encouraging analogy, especially in the context. Germany, world leader in hydrogen research investment—about $12 million a year since the late 1970s until it was blindsided by the expense of reunification—is hardly the renewable-energy economy I imagined. An official from the state of Bavaria's electric utility, which has the world's biggest hydrogen pilot facility, admits there are no plans to scale up to a full-sized working plant. So what will they do in 30 years, when Bavaria's aging nuclear plants mut be phased out and fossil fuels are expected to be scarce?

"I can't answer that question. Nobody can. Nobody gives a damn about the future."

Back in my own country, I share this story with Michael Heben, a lanky young materials scientist at the National Renewable Energy Laboratory. Even at BMW and Daimler-Benz, I tell him, hydrogen only gets a small chunk of the research budget compared to conventional engines. I suppose it's not in a company's interest to invent something that renders its most successful product obsolete.

Heben shrugs. He reminds me we've seen computers grow smaller, faster and cheaper at a breathless pace, all because a couple of kids in a garage dared to try to build something better. When Edison was inventing light bulbs and phonographs, electricity cost 300 times what it does now. As soon as people saw what it could do, they started using it en masse, and the price became practical. Maybe, he suggests, one key discovery will do the same for hydrogen—like the semiconductor work of John Turner, who's splitting water without the intermediate step of first making photovoltaic electricity.

Other researchers here are cultivating strains of algae that exhale hydrogen. Heben himself is after a revolutionary way to store it. He's trying to prove that submicroscopic tubes made of activated carbon, developed at IBM, suck up hydrogen atoms via capillary action, like a straw. A fuel tank full of the tough, light tubules, each about a billionth of a meter in diameter, could actually hold far more diffuse hydrogen gas than a tank that was empty.

"Our goal should be a vehicle that performs like today's cars: same size, weight, acceleration, frequency of refueling. With good, compact, energy-efficient storage, there's no reason we can't do that with clean hydrogen."

On NREL's lean hydrogen budget, he's currently able to create enough of a soot-like substance, which contains carbon nanotubules, to coat the inside of a countertop bell jar. To scale up to working size will cost a lot more. At this point, he has no idea where funds will come from, but something makes him believe they will.

"We're so close. so much has been accomplished with just a little. If we really decided that we wanted a clean hydrogen economy, we could have it by 2010. No more oil spills. Fresh air in Denver and L.A. Think of it."

Maybe he's right. Curiously, amid panic over Republican threats to dismember research budgets, hydrogen may prove to be not just a survivor but also a winner. The new chairman of the House Committee on Science is Bob Walker, longtime science mentor to House Speaker Newt Gingrich and hydrogen ally of Tom Harkin.

In his office, decorated with pictures of the space shuttle, Walker reminds me that one of the most powerful forces in the marketplace is "the love Americans have for roaming the planet freely in their own cars. Hydrogen will make that possible when the present technology gets too dirty to extend into the future." He has introduced legislation calling for a quadrupling of research funds for hydrogen over the next three years. Part of the money will be matched by nonfederal sources and part expropriated from technologies Walker believes are either futile or outmoded.

He has little pity for industries that resist change, including auto makers. "If Edison were to invent the light bulb today, the headlines would read, '200,000 candle makers lose their jobs.' We've been through this before, like when cars put blacksmiths out of business. It's wrenching, but overall our national competitiveness gets stronger. The same thing will happen in energy. The people themselves will demand it."

He pauses to gaze at a plaque naming him the latest recipient of the National Hydrogen Assn.'s Spark M. Matsunaga Award. "Driving on the interstate, I watch them stringing fiber-optic cable up the median strip for the Internet. The government talks about the Internet but can't come up with a structure. Meantime, it's happening because people want it. When they realize they need clean hydrogen, somebody will find a way to supply that, too."●

THE ADMINISTRATION'S MIGRATION AGREEMENT WITH CUBA

● Mr. SIMON. Mr. President, a couple of weeks ago, the administration concluded a migration agreement with Cuba that I hope will be the first step in the direction of a rational policy toward Cuba.

Under this agreement, most of the 15 to 20,000 Cubans that have been housed in Guantanamo Bay for the past several months will be paroled into the United States, with those paroles to count, on a 3-year prorated basis, against the 20,000 minimum Cuba-to-America immigration numbers agreed upon by the Cuban and American Governments last fall. Cuba has also agreed to accept back those Cubans at Guantanamo who are excludable under United States law because of criminal histories, infectious diseases, et cetera. Thus, within the limits set out in last fall's agreement between Cuba and the United States, this agreement has solved the costly and potentially explosive detention of the Cubans at Guantanamo.

As part of this new policy, the Attorney General has also announced that those attempting in the future to emigrate to the United States from Cuba illegally—rather than through the process agreed upon last year—would be subject to interdiction and forced repatriation to Cuba, from where they could apply for asylum at the Cuban Interests Section in Havana.

Although I have some concerns about the second half of this new approach—in particular, the policy of interdiction and repatriation of future migrants from Cuba—and urge the Attorney General to implement sufficient procedural protections for those Cubans with valid asylum claims, in general I view this agreement as a significant step forward in our relations with Cuba.

Unlike our policies toward Cuba over the past 35 years, the agreement represents a rational and cooperative response to a United States-Cuba immigration problem that has caused this Nation nothing but headaches in the past. If our Government could approach every United States-Cuba issue with the pragmatism that is reflected in this agreement, I believe that our long-sought goal of democratization of Cuba would be much closer to our grasp than this goal is now.

I ask to have printed in the RECORD a May 4 editorial on the agreement with Cuba from the Chicago Tribune. This editorial ends with a call to President Clinton to apply the tools of constructive engagement in our relations with Cuba, and recognizes that these tools, not a doctrinaire and obsolete policy of Castro-baiting, hold the keys to a successful Cuba policy.

The editorial follows:

[From the Chicago Tribune, May 4, 1995]

A WELCOME CHANGE IN CUBA POLICY

Ever since 1959, when Fidel Castro descended from the Sierra Maestra to enter Havana spewing Marxism like cigar smoke, Cuba has been a misplaced comma that jumbled an otherwise cogent political essay called the Monroe Doctrine.

In a commendable turn of direction, President Clinton reinjected logic into U.S.-Cuba relations by ending 35 years of preferential treatment for Cuban refugees. Clinton ruled Tuesday that Cubans will no longer receive automatic asylum but must pass the same hurdles as any other refugee reaching our shores.

Although Clinton's decision will be analyzed in terms of the Cuban-American vote and hemispheric diplomacy, its inspiration was purely practical.

At present, 20,000 Cuban refugees are stuck in tents at the Guantanamo Bay Naval Station; their $1 million-a-day tab for room and board comes from the Pentagon budget, which means the taxpayers' pockets.

The refugees are getting restless. Clinton wants to avoid ugly riots, so a final exemption will be granted to accept that group. Any other "raft people" will be turned back to Cuba.

Clinton has firmly announced that this nation, not Castro, controls America's borders. In addition, Clinton has denied Castro the foreign policy weapon of "boatlift diplomacy," which capitalizes on the pitiful sight of refugees foundering aboard unseaworthy craft en route to the promise of Florida's beaches.

There are two glaring holes in the president's program, however.

First is a threat that anyone among the Guantanamo refugees with a criminal record will be denied entry. What's this? Clinton thinks Castro is going to open up his secret police files for perusal by Immigration and Naturalization Service officers? Doubtful.

And second is the quid pro quo from Castro, who has promised to allow his people free access to the American interest section in Havana. There they may file a formal request for U.S. entry, which will be weighed by the INS like those of potential immigrants worldwide. But Catro's promise may be meaningless. In Cuba, one of the last remaining communist states on Earth, pressures both subtle and overt can be applied to frighten away potential applicants.

By ending three decades of automatic asylum for Cubans, Clinton has demoted Castro from top devil of the Caribbean, much to the heartfelt anguish of expatriate Cubans and Cuban-Americans.

If that is to be Clinton's new policy, then it is time to apply the tools of constructive engagement—as with China, a few steps at a time—using the full range of American diplomacy, trade and culture to push Cuba toward democracy and a rational relationship with its giant northern neighbor.•

SPEECH OF AMY BRINDLEY TO STRIKING UNITED RUBBER WORKERS

• Mr. HARKIN. Mr. President, today I would like to submit into the RECORD a statement from a 16-year-old in Des Moines named Amy Brindley. Amy is the daughter of a striking URW member who works at the Bridgestone/Firestone plant in Des Moines. She gave this moving speech in April to a rally of striking workers and their families. I think all Senators should read the words of this impressive young American. I ask that her statement be printed in the RECORD at this point.

The statement follows:

SPEECH BY AMY BRINDLEY

As a teenage daughter of a United Rubber Worker, who's been on strike for the past 9 months, I'd like to point out that this strike involves many, many people and is just NOT limited to the union members and their employer. Bridgestone/Firestone has invaded the lives of the entire family with their inexcusable hunger for corporate greed.

I feel that it is important to recognize the numerous family members who have fallen victim to the ruthless demands set forth by Bridgestone/Firestone.

Being a teenager is never easy, but having to deal with the additional stress this labor dispute has brought about, has made it even more challenging. Many friendships have been broken apart throughout this strike. I, myself, have had friendships that have suffered great setbacks because of my pro labor beliefs. I believe that it is the lack of education that a lot of people have concerning the Union. I strongly believe that we need to educate and promote the values and the importance regarding unions. As members of the United Rubber Workers are attempting to hold on to what fellow members have fought to gain in the past years of joining together at the bargaining table. If we don't educate people, what will the future hold, not just for my generation but the following generations also?

I am a junior at Southeast Polk High School. As juniors, we are offered the opportunity to go to Washington D.C. and New York for the United Nations Trip. This trip is only offered to juniors. Because of the strike it was financially impossible for me to go with my fellow classmates. It was very difficult for me to watch my friends, including my best friend, as they prepared for this venture with great anticipation, and again when they returned and shared with me their special memories that I was not a part of. Under different circumstances I would have been among my fellow classmates, but again, due to Bridgestone/Firestone's desire for complete control, I was cheated out of a significant, once in a life time opportunity.

One of Bridgestone/Firestone's most appalling scare tactics that has personally touched myself and my family was the elimination of health care benefits, 90 days into this strike. My sister, Angie, and I are both insulin dependent diabetics. Consequently, it is of utmost importance that we have medical insurance to maintain and control this dreaded disease. It has been impossible for us to find an alternate insurance policy that covers our diabetes. Therefore, my parents have been forced to pay the enormous monthly premiums for the company's Cobra Coverage, adding to the already overwhelming financial burdens families are facing during this work stoppage due to this strike.

I have briefly touched on just a "few" of the intrusions this company has used to manipulate the lives of innocent people. But, on the other hand, some things I don't think this heartless company counted on, is that I've also gained many things. Things that you can't put a material value on. Such as, a new understanding of what the union is truly about, the importance of solidarity, the significance of the support that we've received from fellow unions and citizens. The outpouring of generosity so many different individuals have extended has been astounding. Even though Bridgestone/Firestone has taken away our paycheck and temporarily left us financially strapped; they'll NEVER take away our dignity!

Thank you.•

ORDERS FOR WEDNESDAY, MAY 24, 1995

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8 a.m. on Wednesday, May 24, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of Senate Concurrent Resolution 13, the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM 4:20 P.M. TO 5 P.M. TOMORROW

Mr. KEMPTHORNE. Mr. President, I also ask unanimous consent that the Senate stand in recess between the hours of 4:20 p.m. and 5 p.m. in order for all Members to attend a ceremony unveiling a bust of former Vice President Agnew.

The PRESIDING OFFCER. Without objection, it is so ordered.

PROGRAM

Mr. KEMPTHORNE. For the information of all Senators, the Senate will resume consideration of the budget resolution at 8 a.m. tomorrow morning. Four hours remain on the resolution and several amendments remain. Therefore, rollcall votes can be expected throughout Wednesday's session of the Senate and Members should be on notice that there could be a large number of votes after all debate is consumed.

Also, Members should be aware that following the disposition of the budget resolution, it will be the leader's intention to turn to Calendar No. 102, S. 735, the antiterrorism bill.

RECESS UNTIL TOMORROW AT 8 A.M.

Mrs. HUTCHISON. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in recess as under the previous order.

There being no objection, the Senate, at 10:35 p.m., recessed until Wednesday, May 24, 1995, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate May 23, 1995:

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

MAJ. WILLIAM M. ALTMAN II [redacted]
MAJ. JONATHAN S. BAXT [redacted]
MAJ. GEORGE C. BLAKE, JR [redacted]
MAJ. GREGORY G. BOTCH [redacted]
MAJ. MARK E. CLEM [redacted]
MAJ. DANIEL L. DELANE [redacted]
MAJ. GREGORY A. FICK [redacted]
MAJ. EDWARD R. FLORA [redacted]
MAJ. DAVID J. HATLEY [redacted]
MAJ. SCOTT R. JENSEN [redacted]
MAJ. VANCE J. NEUMANN [redacted]
MAJ. JAMES R. PATTERSON [redacted]
MAJ. ROY E. PENSHORN [redacted]
MAJ. DANA S. QUINN [redacted]
MAJ. THOMAS H. SHAW [redacted]
MAJ. DEBORA F. SKUSE [redacted]
MAJ. JOHN B. SOILEAU, JR [redacted]
MAJ. MARK S. STOUDENMIRE [redacted]
MAJ. MARTIN J. TROUT [redacted]
MAJ. JOHN S. TUOHY [redacted]
MAJ. JAMES W. UNDERWOOD [redacted]
MAJ. RICHARD J. UTECHT [redacted]
MAJ. DANIEL K. WESTMORELAND [redacted]
MAJ. BRADLEY N. WILKERSON [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

MAJ. ZETTIE E. PAGE II [redacted]

To be lieutenant colonel

MAJ. MICHAEL VANDEVEER [redacted]

DENTAL CORPS

To be lieutenant colonel

MAJ. PHILIP M. ABSHERE [redacted]

IN THE ARMY

THE FOLLOWING NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 626 AND 628, TITLE 10, UNITED STATES CODE.

ARMY

To be lieutenant colonel

ROBERT G. KOWALSKI [redacted]

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADES INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE. THE OFFICERS IDENTIFIED WITH AN ASTERISK ARE ALSO BEING NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY.

MEDICAL SERVICE CORPS

To be lieutenant colonel

JOSEPH F. MILLER [redacted]

ARMY NURSE CORPS

To be lieutenant colonel

*ROBIN R. BENCKART [redacted]
*LILLIAN A. FOERSTE [redacted]

ARMY

To be major

*KEVIN W. MCREE [redacted]

MEDICAL CORPS

To be major

DAVID C. BONOVICH [redacted]
TIMOTHY MATTISON [redacted]
DOUGLAS A. SCHOW [redacted]

IN THE ARMY

THE FOLLOWING NAMED CADETS, GRADUATING CLASS OF 1995, UNITED STATES MILITARY ACADEMY, FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, 533 AND 4353:

THOMAS H. AARSEN [redacted]
JAMES F. ADAMOUSKI [redacted]
BRETT N. ADAMS [redacted]
GEOFFREY R. ADAMS [redacted]
NURUDEEN B. ADEYEMI [redacted]
RONALD R. ADIMEY [redacted]
MARK C. ADINOLFI [redacted]
ERIC L. ADLER [redacted]
ROBERT J. AHERN [redacted]
DOROTHEA L. AKERY [redacted]
SYED O. ALI [redacted]
SHAFFIR ALIKHAN [redacted]
KIMBERLY D. ALLEN [redacted]
BRIDGET D. ALTENBURG [redacted]
PATRICK S. ALTENBURG [redacted]
JAMES R. ANDERSON [redacted]
JASON L. ANDERSON [redacted]
ROBYN J. ANDERSON [redacted]
WAYNE M. ANDERSON [redacted]
RICHARD K. ANSELMI [redacted]
ADAM D. APPLEBY [redacted]
KRISTEN L. ARGUS [redacted]
MICHAEL S. ARMSTRONG [redacted]
PAUL M. ARMSTRONG [redacted]
STEPHANI R. ARNOLD [redacted]
PATRICK C. ASPLAND [redacted]
CHRIS S. AUCLAIR [redacted]
CHRISTOP M. AUSTIN [redacted]
RODRICK L. AUSTIN [redacted]
CORNELIA J. BACA [redacted]
JEAN-PIE BADO [redacted]
CHAD A. BAGLEY [redacted]
DAVID B. BAILEY [redacted]
MARSHANN M. BAIN [redacted]
JEFFREY E. BAKER [redacted]
JOHN T. BAKER [redacted]
KOO BAKER [redacted]
SCOTT R. BAKER [redacted]
TROY R. BAKER [redacted]
BRIAN C. BALDRATE [redacted]
CHAD B. BALFANZ [redacted]
AMBER K. BALLARD [redacted]
ARYN A. BALLARD [redacted]
ADAM V. BALUKONIS [redacted]
JOE D. BANNER [redacted]
KEVIN S. BARDONNER [redacted]
THOMAS H. BARNARD [redacted]
ERIC B. BARR [redacted]
SUNNY D. BARSE [redacted]
AARON C. BARTA [redacted]
JAMES B. BARTHOLOMEES [redacted]
HEATHER J. BARTOLD [redacted]
MICHAEL A. BASELUOS [redacted]
CHAD T. BATES [redacted]
JOHN W. BAUER [redacted]
RICARDO A. BAUTISTA [redacted]
DAVID M. BEAIRD, III [redacted]
SLADE H. BEAUDOIN [redacted]
KIMBERLY A. BECK [redacted]
DAMON A. BECKNEL [redacted]
SHAWN D. BEEBE [redacted]
JEFF R. BEIERLEIN [redacted]
DAVID G. BELL [redacted]
MICHELLE M. BENCOMO [redacted]
JACK W. BENECKE [redacted]
ANDREW M. BENJAMIN [redacted]
PAUL T. BERGHAUS [redacted]
ROBBIE W. BERGLUND [redacted]
MICHAEL L. BERNSTEIN [redacted]
CHRISTOP E. BERRY [redacted]
PETER J. BERTANZETT [redacted]
JOSEPH D. BERTRAND [redacted]
THOMAS BEVERLEY [redacted]
CHAD M. BILBREY [redacted]
MICHAEL E. BINDAS [redacted]
PHILIP E. BINDON [redacted]
MATTHEW S. BIRD [redacted]
DANIEL J. BIRNBAUM [redacted]
TODD A. BLACKWELL [redacted]
JOHN H. BLAHA [redacted]
TYRONE M. BLAND [redacted]
BRIAN J. BLEDSOE [redacted]
MARK A. BLISS [redacted]
THOMAS G. BLOUNT [redacted]
PAUL C. BOATMAN [redacted]
MARK A. BOEKE [redacted]
BRIAN C. BOLIO [redacted]
PATRICIA D. BORCHER [redacted]
MICHAEL C. BORCHERS [redacted]
THEODORE S. BOSLEY [redacted]
CHRISTOP E. BOVE [redacted]
TANYA M. BOVETSKY [redacted]
MELANIE D. BOWERS [redacted]
MATTHEW R. BOWLER [redacted]
BRADLEY L. BOWMAN [redacted]
BRANDON N. BOX [redacted]
DAVID N. BOX [redacted]
EDWARD A. BRADY [redacted]
PETER A. BRANDT [redacted]
TERRY D. BRANNAN [redacted]
JONATHAN P. BREAZEALE [redacted]
ERICH D. BRELJE [redacted]
JOHN E. BRENNAN III [redacted]
SHANNON L. BRENNAN [redacted]
JENNIFER A. BREWER [redacted]
REID S. BREWER [redacted]
JASON A. BRIZIC [redacted]
HERBERT J. BROCK IV [redacted]
JARETT D. BROEMMEL [redacted]
ANN M. BROSIER [redacted]
BRENT E. BROWN [redacted]
DANTE O. BROWN [redacted]
KELLY C. BROWN [redacted]
BRADLEY N. BRUCE [redacted]
JAMES E. BRYAN [redacted]
CHARLES E. BRYANT [redacted]
STANLEY M. BUCHESKY [redacted]
SHELBY L. BUCHLY [redacted]
MEHMET I. BUDAK [redacted]
JOHN F. BUERGLER [redacted]
JOEL N. BUFFARDI [redacted]
LINWOOD J. BUFORD [redacted]
TODD E. BUHR [redacted]
AN H. BUI [redacted]
DALE W. BURBANK [redacted]
JOEL C. BURBANK [redacted]
KENNETH J. BURKEEN [redacted]
ERIN BURNS [redacted]
SCOTT A. BURNS [redacted]
FRANK E. BYRNE [redacted]
JONATHAN C. BYROM [redacted]
BRIAN R. CAHAK [redacted]
MATTHEW A. CALARCO [redacted]
CHRISTY J. CALDWELL [redacted]
DIANNA K. CALDWELL [redacted]
JASON C. CALDWELL [redacted]
ANTHONY M. CALLANDRILLO [redacted]
JAMES J. CAMERON [redacted]
MARTIN D. CAMP [redacted]
CHAD E. CAMPFIELD [redacted]
ANNA M. CANDLER [redacted]
CHRISTIA T. CANNON [redacted]
JAMES S. CAPPS [redacted]
KEVIN S. CAPRA [redacted]
THOMAS J. CAREY [redacted]
PETER P. CARNEGIE [redacted]
THOMAS M. CARNEVALE [redacted]
JOHN M. CARREIRO [redacted]
ANDREW T. CARTER [redacted]
STEPHEN P. CASE [redacted]
KENT D. CAVALLINI [redacted]
MICHAEL E. CERNIAUSKAS [redacted]
CHAD C. CHALFONT [redacted]
KEVIN S. CHANEY [redacted]
HANNAH A. CHANG [redacted]
SHAUN W. CHELF [redacted]
CHRISTA M. CHEWAR [redacted]
MICKEY S. CHO [redacted]
STEVEN N. CHO [redacted]
RICHARD J. CHONG [redacted]
ANDREW H. CHRISTIANSEN [redacted]
CLAYTON S. CHRISTMAN [redacted]
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NOAH C. CLOUD, [redacted]
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ROBERT T. HALL [redacted]
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JASON M. HANCE [redacted]
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ERIC B. HARDY, [redacted]
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ROBERT R. HECKATHORNE, JR. [redacted]
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FREDERIC A. HOCKETT, JR. [redacted]
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SHAUGHNE D. HODGE [redacted]
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EMILY B. HOLCOMB [redacted]
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WONG J. HWANG [redacted]
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KYU B. IM [redacted]
BRIAN A. IVIE [redacted]
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JON M. JEPKO [redacted]
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TIGE A. JOHNSTON [redacted]
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MARCO A. JUAREZ [redacted]
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EDUARDO A. JUGUETA [redacted]
JONG H. JUN [redacted]
EDWARD A. JUST III [redacted]
AARON J. JUSTICE [redacted]
LUCAS D. KAGEL [redacted]
CYNTHIA M. KANIS [redacted]
MARK G. KAPPELMANN [redacted]
NICHOLAS T. KARABATSOS [redacted]
KATHERIN S. KARWAN [redacted]
MICHAEL J. KARWATKA [redacted]
NAKIZITO N. KAZIGO [redacted]
JEANNINE M. KEAST [redacted]
STEPHEN L. KEEFE [redacted]
LAMARCUS C. KEELS [redacted]
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GLENN KIM [redacted]
WILLIAM L. KIM [redacted]
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MILTON L. KINSLOW [redacted]
DARYL S. KIRKLAND [redacted]
PAUL A. KIRSCHBAUM [redacted]
HEATHER M. KITSON [redacted]
ERIC C. KLINGEMANN [redacted]
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ZACHARY T. KNEPPER [redacted]
MATTHEW H. KNORR [redacted]
JOHN A. KOEHLER [redacted]
RONALD L. KOELSCH, JR [redacted]
MARCUS A. KOEPPLINGER, JR. [redacted]
NATASHA KOFF [redacted]
JAMES S. KOTWIS [redacted]
PAULA D. KRANZ [redacted]
ALYSSA J. KROMER [redacted]
ROBERT L. KROTEE [redacted]
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LYLE E. LARKWORTHY [redacted]
PAUL W. LAROQUE [redacted]
ROBERT K. LASHBROOK [redacted]
LANCE J. LAUCHENGCO [redacted]

FREDRIC R. LAUGHLIN [redacted]
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KORY T. LYONS [redacted]
PETER J. MAC AKANJA [redacted]
ROMEO R. MAC ALINTAL, JR. [redacted]
ALEXANDE D. MAC CALMAN, JR. [redacted]
KELLY G. MAC DONALD [redacted]
TARA E. MACH [redacted]
ROBIE C. MAC LAUGHLIN [redacted]
ANDREW F. MAC LEAN [redacted]
THOMAS J. MADALO [redacted]
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STEPHEN V. MARCHESAN [redacted]
MATTHEW R. MARCINIAK [redacted]
ALLAN MARI [redacted]
REBECCA E. MARIER [redacted]
LAWRENCE C. MARION [redacted]
GRANT C. MARKS [redacted]
DAMIAN C. MARQUITH [redacted]
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EDGAR E. MARTIN, JR. [redacted]
SAMUEL L. MARTIN [redacted]
JOHN R. MATHERS, JR [redacted]
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DAVID M. MAUER [redacted]
ERIC L. MAXWELL [redacted]
LISA M. MAXWELL [redacted]
MATTHEW R. MAYBOUER [redacted]
MATTHEW M. MAYFIELD [redacted]
EMILY L. MAZZIE [redacted]
DANIEL J. MC AULIFFE [redacted]
KATIE J. MC AVOY [redacted]
SCOTT D. MC CARTY [redacted]
NATHAN W. MC CAULEY [redacted]
RYAN W. MC CAUSLAND [redacted]
JOHN J. MC DERMOTT II [redacted]
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DAVID H. MC DOWELL [redacted]
PAUL G. MC GLYN [redacted]
MICHAEL C. MC GOVERN [redacted]
THOMAS J. MC GRATH, JR [redacted]
COLIN P. MC GRAW [redacted]
TROY E. MC HENRY [redacted]
SEAN P. MC HUGH [redacted]
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THOMAS A. MC NALLY [redacted]
KRIS A. MEDEIROS [redacted]
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OAGILE M. MERAFHE [redacted]
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MARCUS D. NOVACHECK [redacted]
JOHN R. NOVAK IV [redacted]
RONALD J. NOVOTNY, JR [redacted]
RODERICK J. O'CONNOR, JR [redacted]
SHAWN P. O'CONNOR [redacted]
ROMY D. O'DANIEL [redacted]
JOSEPH R. O'DELL [redacted]
ANDREW B. OFF [redacted]
ERIC R. OLIVER [redacted]
DEAN E. OLMSTEAD III [redacted]
PAUL E. OLSON, JR [redacted]
STEVEN J. OLSON [redacted]
LUKE A. OMEY [redacted]
ARTHUR L. ONEAL, JR [redacted]
PAUL P. ORABONA [redacted]
AARON D. OSBURN [redacted]
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JAMES R. PATTON [redacted]
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ANGELA D. PEASE [redacted]
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REBECCA A. PETERS [redacted]
GLEN A. PETERSON [redacted]
PATRICK D. PFLAUM [redacted]
DAVID C. PHILLIPS [redacted]
DAVID J. PHILLIPS [redacted]
JAMES P. PHILLIPS I [redacted]
TERRY D. PHILLIPS, JR [redacted]
STACEY L. PITTMAN [redacted]
WARREN L. PITTMAN [redacted]
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QUENTIN J. PORTIS [redacted]
JEFFREY H. POWELL I [redacted]
LEWIS J. POWERS [redacted]
KERRY S. PROWELL [redacted]
DARRIN C. PUCKETT [redacted]
HANS J. PUNG [redacted]
AJIT V. PURANDARE [redacted]
ROSSEL J. PURCELL [redacted]
MARK C. QUANDER [redacted]
JEFFREY A. QUINN [redacted]
MATTHEW T. QUINN [redacted]
COLLEEN M. RABATIN [redacted]
WILLIAM N. RADICIC [redacted]
JEFFREY S. RAINS [redacted]
GERARD RAPISARDA [redacted]
AYMAN M. RATEB [redacted]
SCOTT W. RATH [redacted]
STEVEN M. RAY [redacted]
DOUGLAS A. RAYMOND [redacted]
MARK G. REARDANZ [redacted]
SHAD A. REED [redacted]
MARK D. REEL [redacted]
NATHAN R. REEL [redacted]
DALE R. REHKOPF II [redacted]
JOHN A. REISS [redacted]
KEVIN D. RELEFORD [redacted]
CLAYTON M. REMPE [redacted]
CRAIG D. RENNARD [redacted]
CLYDE A. RENNIE, JR [redacted]
MICHAEL A. REYBURN [redacted]
ERICK L. RHEAM [redacted]
ROSE E. RICE [redacted]
WILLIAM M. RICKS [redacted]
ANDREW D. RIEGER [redacted]
ANA L. RIOS [redacted]
CHRISTOP J. ROACH [redacted]
ROBIN L. ROBBINS [redacted]
WALTER G. ROBERSON, JR. [redacted]
KURT W. ROBERTS [redacted]
TIMOTHY J. RODGERS [redacted]
DAVID J. ROEHN [redacted]
AUGUST J. ROLLING [redacted]
EDUARDO ROMERO [redacted]
RICHARD K. ROPER [redacted]
KATHERIN V. ROSE [redacted]
MARIA V. ROSEL [redacted]
DONALD J. ROSS [redacted]
JENNIFER E. ROSS [redacted]
SARAH G. ROSS [redacted]
MICHAEL M. ROSSI [redacted]
MICHAEL P. ROSSI [redacted]
MARC A. ROUSSEAU [redacted]
JASON T. ROWE [redacted]
JOHN P. ROWE [redacted]
JONATHAN A. RUFENACHT [redacted]
ANTHONY W. RUSH [redacted]
LISA M. RUSSELL [redacted]
SCOTT W. RUTLER [redacted]
PAUL M. RYAN [redacted]
HEATHER B. RYKARD [redacted]
KEVIN C. SAATKAMP [redacted]
DANIEL L. SALISBURY II [redacted]
BRYAN W. SALYERS [redacted]
LEONA M. SANDERS [redacted]
CRISTINA M. SANTIAGO [redacted]
ALEXANDE S. SARIC [redacted]
DENNIS M. SARMIENTO [redacted]
RYAN J. SAULSBURY [redacted]
WILLIAM C. SAUNDERS [redacted]
DAVID T. SAWYER [redacted]
MATTHEW SCALIA [redacted]
PAUL W. SCHAEFER [redacted]
ROBERT J. SCHEXNAYDER [redacted]
JOSEPH B. SCHINO [redacted]
ROBERT SCHLICHT [redacted]
TIMOTHY O. SCHMITT [redacted]
BRIAN M. SCHOENBAECHLER [redacted]
TIMOTHY J. SCHOLMA [redacted]
CONRAD A. SCHUPAY [redacted]
HEATHER L. SCHWALBER [redacted]
CRAIG W. SCHWARTZ [redacted]
MICHAEL R. SEAWOOD [redacted]
CHARLES M. SEEGER [redacted]
JON M. SELLE [redacted]
ARTHUR W. SELLERS [redacted]
CHRISTIN M. SENIN [redacted]
CRAIG N. SENZON [redacted]
MARK A. SERIS [redacted]
COREY T. SETTLES [redacted]
ENCER R. SHAFFER II [redacted]
BAQAR A. SHAH [redacted]
WILLIAM J. SHAVCE [redacted]
ROBERT G. SHAW [redacted]
ANTHONY E. SHEPARD [redacted]
RYAN J. HUE SHIH [redacted]
ANDREA A. SIERAKOWSKI [redacted]
ALEXANDE V. SIMMONS [redacted]
HEATHER K. SIMMONS [redacted]
KRISTINA SINACORI [redacted]
NICOLE A. SINADINOS [redacted]
JOHN M. SIZELOVE [redacted]
WILLIAM W. SJOLINDER [redacted]
RYAN F. SKINNER [redacted]
EDWARD S. SLEDGE IV [redacted]
ANDREW R. SMITH [redacted]
BRADFORD W. SMITH [redacted]
BRIAN J. SMITH [redacted]
CRAIG S. SMITH [redacted]
DANA L. SMITH [redacted]
DOUGLAS M. SMITH, JR. [redacted]
KIMBERLY A. SMITH [redacted]
MARK A. SMITH [redacted]
SEAN M. SMITH [redacted]
TRACEY E. SMITH [redacted]
LENARD D. SOLLAMI [redacted]
MICHAEL C. SONG [redacted]
DAVID R. SONNE [redacted]
WILLIAM J. SORG III [redacted]
TRACEY A. SOTO [redacted]
PHILLIP D. SOUNIA [redacted]
JOSEPH R. SOWERS [redacted]
MICHAEL D. SPAKE [redacted]
ROBERT H. SPASH [redacted]
STEVEN S. SPAULDING [redacted]
JEFFREY S. SPEAR [redacted]
KENNETH A. SPEARMAN [redacted]
DEIDRE N. SPENCE [redacted]
STEPHEN C. SPRENGNETHER [redacted]
CHRISTOP L. SQUIER [redacted]
RYAN R. SQUIRES [redacted]
S. JAY ST. GERMAIN [redacted]
MARK E. STACHELSKI [redacted]

MICHAEL C. STAJURA [redacted]
LUKE E. STALL [redacted]
ALISON B. STANLEY [redacted]
PAUL T. STANTON [redacted]
JONATHAN P. STARKENBURG [redacted]
MATTHEW F. STARRY [redacted]
STEPHEN J. STASEVICH [redacted]
JENNESS F. STEEL [redacted]
CHRISTOP M. STEINER [redacted]
KYLE B. STELMA [redacted]
JAMES E. STEPHENS II [redacted]
WILLIAM R. STEWART, JR [redacted]
MICHAEL A. STINNETT [redacted]
MATTHEW M. STRAUB [redacted]
DONALD B. STREATER [redacted]
JOHN C. STULL I [redacted]
DIANA E. STUMPF [redacted]
BRIAN P. SULLIVAN [redacted]
RICHARD C. SULLIVAN I [redacted]
VICTOR H. SUNDQUIST [redacted]
BRIAN E. SURRATT [redacted]
RONALD D. SUTEK, JR. [redacted]
SHAWN M. SVOB [redacted]
MARK W. SWANSON [redacted]
TREVOR R. SWARTZ [redacted]
GRAHAM R. SWENSON [redacted]
JOHN C. SWIFT [redacted]
STEPHEN P. SZYMANSKI [redacted]
DAVID B. TABOR [redacted]
AARON E. TALBERT [redacted]
JACOB D. TALBOT [redacted]
IAN J. TARASEVITSCH [redacted]
MICHAEL J. TAUBER [redacted]
T.G. TAYLOR [redacted]
WILLIAM C. TAYLOR, JR [redacted]
EDWARD B. TEAGUE IV [redacted]
CRISTIAN D. TEIXEIRA [redacted]
RYAN D. TEKSTEN [redacted]
ALONSO W. TERAN [redacted]
THOMAS A. TERESE [redacted]
ERICH R. THEN [redacted]
MICHAEL A. THOMAN [redacted]
ABIGAIL H. THOMPSON [redacted]
GREGORY I. THOMPSON [redacted]
MALCOLM F. THOMPSON [redacted]
MARK W. THOMPSON [redacted]
ERIK W. THOMSEN [redacted]
DARIN J. THOMSON [redacted]
DEREK K. THOMSON [redacted]
JEANNE M. TIERNEY [redacted]
MICHAEL A. TOBEY [redacted]
ALLYSON M. TOCE [redacted]
DERRICK W. TODDY [redacted]
TANYA T. TOLLES [redacted]
JOSHUA M. TOMAN [redacted]
WAYNE C. TOWNSEND [redacted]
THOMAS A. TRAFICANO [redacted]
GERARDO A. TREVINO [redacted]
MARK S. TROTT [redacted]
MICHAEL J. TROTTER [redacted]
HEIDI A. TRUSH [redacted]
JAMES J. TUITE IV [redacted]
YVETTE R. TURNER [redacted]
MATTHEW J. TURPIN [redacted]
DAVID B. UDALL [redacted]
PAUL M. URBAN [redacted]
EPPS G. RYA VAN [redacted]
CHRISTIN L. VAUGHAN [redacted]
KEVIN G. VAUGHN [redacted]
ROBERT A. VEDRA [redacted]
RICHARD J. VELLOFF [redacted]
PAUL A. VENCILL [redacted]
JASON C. VERKAY [redacted]
TODD J. VERRILL [redacted]
ETHAN T. VESSELS [redacted]
MARK C. VETTER [redacted]
TIMOTHY C. VILES [redacted]
TODD C. VILLINES [redacted]
CHRISTOP C. VINE [redacted]
KEVIN R. VIRGIL [redacted]
WHITNEY C. VOGT [redacted]
TASHA M. VOHS [redacted]
SAMUEL L. VOLKMAN [redacted]
MICHAEL M. VOLPE [redacted]
WILLIAM D. VOORHIES [redacted]
CONSTANT Y. VOYEVIDKA [redacted]
JACOB T. WADE [redacted]
KAREN A. WAKEFIELD [redacted]
DAVID A. WALDRON [redacted]
JACOB A. WALKER [redacted]
ADAM D. WALLEN [redacted]
DOUGLAS R. WALTER [redacted]
MARK D. WALTERS [redacted]
RICHARD L. WAMPLER, JR [redacted]
ALBERT Y. WANG [redacted]
KENNETH M. WANLESS [redacted]
JAMES E. WARDER [redacted]
BRIAN R. WARNER [redacted]
RONALD A. WARNER [redacted]
TODD E. WARREN [redacted]
MICHAEL S. WATERMAN [redacted]
EDWARD J. WATTO [redacted]
CLINTON W. WATTS [redacted]
GREGORY B. WAUGH [redacted]
GEOFFREY A. WEBB [redacted]
CHARLES L. WEBER [redacted]
ERIC G. WEBER [redacted]
ROBERT M. WEBER, JR. [redacted]
NOAH F. WEBSTER [redacted]
ALEX L. WEHMEYER [redacted]
AARON P. WEHRENBERG [redacted]
DANIEL C. WEISS [redacted]
JAMES R. WEST [redacted]
DAVID B. WESTLAKE IV [redacted]
GARTH A. WHITACRE [redacted]
JACKIE L. WHITE II [redacted]
JUSTIN M. WHITE [redacted]
STEPHANI T. WHITE [redacted]
SUZIN J. WHITTEN [redacted]
PETER J. WICKERSHAM [redacted]
ROCCO T. WICKS [redacted]
LUTHER R. WIEST [redacted]
JUSTIN P. WILCOX [redacted]
DENNIS G. WILLE [redacted]
DANNY J. WILLIAMS [redacted]
KIRK L. WILLIAMS [redacted]
MICHAEL O. WILLIAMS [redacted]
MICHAEL T. WILLIAMS [redacted]
SEAN C. WILLIAMS [redacted]
YOUNGA WILLIAMS [redacted]
WESLEY J. WILLIAMSON [redacted]
GAIL E. WILSON [redacted]
MATTHEW W. WINERITER [redacted]
MEREDITH C. WINKLE [redacted]
JAMES A. WITHAM [redacted]
JAMISON R. WOLOCKO [redacted]
SUNG H. WON [redacted]
BRIAN V. WOOD [redacted]
JAMES P. WORK [redacted]
BRIAN K. WORTINGER [redacted]
BRIAN M. WRAY [redacted]
JASON C. WRIGHT [redacted]
JOSHUA M. WYATT [redacted]
MELISSA M. WYKA [redacted]
JAMES R. WYNKOOP [redacted]
LEO J. WYSZYNSKI [redacted]
CHONG H. YIM [redacted]
DUNN YOSHITANI [redacted]
CHRISTOP J. YOUNG [redacted]
KENNETH L. YOUNG [redacted]
JONATHAN I. YUN [redacted]
MARK A. YURKO [redacted]
BRIGITTE J. YUSKIS [redacted]
MICHAEL R. ZAHURANIC [redacted]
THAD D. ZAK [redacted]
CLAUDIA ZAVALA [redacted]
AARON M. ZELHART [redacted]
ROBERT J. ZEUNIK [redacted]
ANDREW S. ZIESENISS [redacted]
DAVID J. ZINN [redacted]
MICHAEL Z. ZIZZA [redacted]
JEB S. ZOLLER [redacted]

THE FOLLOWING NAMED RESERVE OFFICER'S TRAINING CORPS CADETS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

ROBERT K. AAS [redacted]
JOYCE A. ABALOS [redacted]
ALISSA R. ACKLEY [redacted]
RALPH G. ADAM [redacted]
BRIAN L. ADAMS [redacted]
JENNIFER L. ADAMS [redacted]
THOMAS L. ADAMS, JR. [redacted]
JENNIFER J. ADDINGTON [redacted]
JONATHAN T. ADKINS [redacted]
PAUL E. AHERN [redacted]
SCOT T. AIDT [redacted]
JOHN D. AIMONE [redacted]
TRISTAN N. AITKEN [redacted]
THOMAS S. AKIN [redacted]
PHILIP A. ALBANEZE [redacted]
JON M. ALBARELLI [redacted]
BETANCOURT E. ALEMAN [redacted]
ANTHONY J. ALFIDI [redacted]
DANIEL D. ALIX [redacted]
DAVID S. ALLEN [redacted]
MICHAEL C. ALLEN [redacted]
SCOTLAND C. ALLEN [redacted]
EDWARD W. ALLISON, JR. [redacted]
JOSEPH ALONSO [redacted]
J. AMUNDSON [redacted]
BRIAN E. ANDERSON [redacted]
CHERYL L. ANDERSON [redacted]
JAMES C. ANDERSON, JR. [redacted]
JOHN P. ANDERSON [redacted]
KIMBERLY M. ANDERSON [redacted]
ROBERT R. ANDERSON [redacted]
TANYA S. ANDERSON [redacted]
NIKOLAI L. ANDRESKY [redacted]
PATRICK ANTONIKOWSKI [redacted]
DAVID F. ANZALDO [redacted]
BETHANY C. ARAGON [redacted]
JOEL R. ARELLANO [redacted]
DAVID S. ARMSTRONG II [redacted]
JOHN T. ARMSTRONG [redacted]
PAUL C. ARMSTRONG [redacted]
WILLIE L. ARMSTRONG [redacted]
VICKI L. ARNESON [redacted]
ARIC N. ARNOLD [redacted]
JASON L. ARNOLD [redacted]
SHAWN W. ASCHAN [redacted]
KENNETH S. ATES [redacted]
GEOFFREY P. ATHEY [redacted]
DENNIS R. ATKINS III [redacted]
FAITH C. ATKINSON [redacted]
JANET L. ATKINSON [redacted]
GERALD AVILA [redacted]
CHRISTOPHER M. AYCOCK [redacted]
JAMES A. AZINGER [redacted]
MELANIE E. BABB [redacted]
JOEL D. BABBITT [redacted]
JOHN T. BAGGS [redacted]
JAMES E. BAGLEY [redacted]
JASON B. BAGLEY [redacted]
ANNE C. BAILEY [redacted]
HUGH H. BAILEY [redacted]
SCOTT J. BAILEY [redacted]
VINCENT P. BAILEY [redacted]
DEAN R. BAIN [redacted]
DARIEN L. BAISLEY [redacted]
MICHELLE S. BAJCSI [redacted]
JASON E. BAKER [redacted]
JIMMY G. BAKER [redacted]
JOHN K. BAKER [redacted]
PATRICK J. BAKER [redacted]
JOHN D. BALBACH [redacted]
CRAIG A. BALLARD [redacted]
ANDREW W. BALLENGER [redacted]
THOMAS M. BALLENGER III [redacted]
DELBERT J. BANCROFT II [redacted]
FREDRICK L. BARBER [redacted]
JOHN H. BARBER [redacted]
THOMAS J. BARKER [redacted]
PAOLO M. BARLETTA [redacted]
LESLIE A. BARNETT [redacted]
MAURICE BARNETT [redacted]
STEPHEN W. BARNETT [redacted]
MAREN P. BARNEY [redacted]
TERRANCE D. BARR [redacted]
THOMAS J. BARRETT [redacted]
JENNIFER J. BARRIE [redacted]
LISA M. BARTEL [redacted]
AUTUMN H. BASINGER [redacted]
CHRISTOPHER H. BASS [redacted]
NICHOLAS A. BASS [redacted]
BASSEY E. BASSEY III [redacted]
BRETT A. BASSINGER [redacted]
TERESA L. BATIK [redacted]
BRYAN K. BATSON [redacted]
RANDALL G. BAUCOM [redacted]
ANTHONY C. BAUER [redacted]
ERIC A. BAUS [redacted]
FORREST C. BEADLE [redacted]
JON P. BEALE [redacted]
DEREK G. BEAN [redacted]
BRADLEY M. BEAUVAIS [redacted]
JEFFREY A. BECKER [redacted]
JOHN R. BECKHAM [redacted]
JOHN C. BECKING [redacted]
STEVEN M. BEECHAM [redacted]
RONALD R. BEER [redacted]
CORY B. BEILHARZ [redacted]
RALPHAEL R. BELL, JR [redacted]
CHRISTOPHER G. BENDA [redacted]
JASON M. BENDER [redacted]
DANIEL J. BENICK [redacted]
ANTHONY F. BENINI [redacted]
RICHARD C. BENNETT [redacted]
JAMES K. BENSON [redacted]
REBECCA K. BENSON [redacted]
ROBERT S. BERG [redacted]
ERIC A. BERGANTZ [redacted]
JEREMY R. BERNADEAU [redacted]
CURTIS W. BERNU [redacted]
JASON R. BERRISFORD [redacted]
DWIGHT R. BERRY [redacted]
PATRICK J. BERRY [redacted]
STEPHEN M. BERT [redacted]
JOHN M. BETTENCOURT [redacted]
KEVIN C. BILLMANN [redacted]
ROBERT J. BINDNER II [redacted]
FREDERICK R. BISCHOFF [redacted]
ANDREW S. BISHOP [redacted]
JUSTIN M. BISHOP [redacted]
JONATHAN M. BISTREK [redacted]
STANLEY M. BLACK [redacted]
WILLIAM B. BLACKBURN, [redacted]
CRAIG M. BLANDO [redacted]
KRISTIE A. BLANEY [redacted]
SHAWN B. BLANKENSHIP [redacted]
TIFFANY L. BLAUVELT [redacted]
KEVIN D. BLAXTON [redacted]
CHRISTOPHER A. BLEVINS [redacted]
JASON B. BLEVINS [redacted]
LANCE E. BOMBARD [redacted]
LEONARD A. BORNINO [redacted]
JOSEPH W. BOSCIA [redacted]
MATEJ BOSNJAK [redacted]
CRAIG P. BOSTON [redacted]
LYNNE R. BOSTWICK [redacted]
JESUS E. BOTELLO [redacted]
JEFFREY R. BOULTER [redacted]
WADE R. BOVARD [redacted]
DENNIS BOWERS [redacted]
ANTHONY R. BOWMAN [redacted]
ERIK B. BOWMAN [redacted]
SCOTT D. BOYINGTON [redacted]
KEVIN L. BRADFORD [redacted]
RACHEL A. BRADLEY [redacted]
JAMES D. BRADSHAW, JR [redacted]
MATTHEW W. BRAMAN [redacted]
WILLIAM P. BRAMAN [redacted]
JEFFREY G. BRAMLETT [redacted]
TIMOTHY C. BRAND [redacted]
CHERYL R. BRANDT [redacted]
SHALONDA E. BRAZZELL [redacted]
MICHAEL C. BRENNAN [redacted]
ALEXANDER K. BRENNER [redacted]
CHRISTOPHER A. BREWSTER [redacted]
MEREDITH C. BRICE [redacted]
RODNEY O. BRIGGMAN [redacted]
JOSETTE S. BRODHEAD [redacted]
MICHAEL W. BROKOPP [redacted]
CONWAY W. BROOKS, [redacted]
BOBBY J. BROOKSHIRE [redacted]

GREGORY E. BROWDER [redacted]
DESHAUN M. BROWN [redacted]
ERIC L. BROWN, [redacted]
GARY L. BROWN [redacted]
JAMES E. BROWN III [redacted]
LEONARD W. BROWN III [redacted]
WILLIAM J. BROWN [redacted]
DANIEL G. BRUINSMA [redacted]
ANTHONY L. BRUSLETTEN [redacted]
RICHARD R. BRUSSELBACK [redacted]
RODNEY S. BRYAN [redacted]
JAMES W. BRYANT, JR. [redacted]
JEFFREY D. BUCK [redacted]
PATRICIA L. BUCKLEY [redacted]
VINCENT J. BUKOWSKI [redacted]
CHARLES R. BURNETT [redacted]
NATE W. BURNETT [redacted]
LEANN BURNS [redacted]
LARRY Q. BURRIS, JR. [redacted]
DONALD L. BURTON [redacted]
ERNEST BURTON, JR. [redacted]
JAMES A. BUSHNELL [redacted]
MARC BUSTAMANTE [redacted]
JOHN A. BUTORA, JR., [redacted]
SHELDON A. BUTTS, [redacted]
PHUC BUU, [redacted]
ROBERT A. CALMES [redacted]
JENNIFER L. CAMPBELL [redacted]
GREGORY J. CANCILLA [redacted]
LANCE CANGELOSI, [redacted]
JAMES J. CANNON [redacted]
JULIE L. CAPLES [redacted]
MARC B. CAPPELLINI [redacted]
TRANG T. CARDEIRO [redacted]
TODD T. CARDIFF [redacted]
DAVID F. CAREY [redacted]
JEFFERY D. CARFAGNA [redacted]
MICHAEL A. CARGILL, [redacted]
SHERRI L. CARL [redacted]
HEATHER J. CARLISLE [redacted]
BARRY R. CARLSON, JR. [redacted]
SEAN D. CARNEY [redacted]
ANNE C. CARROLL [redacted]
ADAM J. CARSON [redacted]
STACY R. CARTER [redacted]
CULLEN CASE [redacted]
RENNE CASTRO [redacted]
GARY R. CATLIN [redacted]
ANGELA C. CAVE [redacted]
FRANK D. CERESKA [redacted]
JEFFREY P. CHAMBERLAIN [redacted]
ANDREW S. CHAPIN [redacted]
ROSS W. CHARTON [redacted]
NANCY E. CHAVEZ [redacted]
BRYAN L. CHEEK [redacted]
DERRICK W. CHENG [redacted]
ERIC T. CHILGREN [redacted]
EUGENE J. CHRISTEN III [redacted]
DEREK P. CHRISTENSEN [redacted]
JAKE A. CHRISTENSEN [redacted]
JON F. CHRISTIANSEN [redacted]
COREEN A. CHRISTOPHER [redacted]
CHAD M. CHRISTOPHERSEN [redacted]
JAE W. CHUNG, 212-98-0680
BLANE C. CLARK, [redacted]
DEENA J. CLARK [redacted]
JERRY D. CLARK [redacted]
SCOTT C. CLARK, [redacted]
DAVID H. CLARY [redacted]
JAMES D. CLAY [redacted]
JAMES L. CLIFT [redacted]
JENNIFER D. CLINE [redacted]
MARC A. CLOUTIER, [redacted]
DANIEL W. CLOYD, [redacted]
VANESSA E. COCHRAN [redacted]
CHRISTOPHER B. COCHRANE [redacted]
JEAN C. COGER, [redacted]
ELIZABETH P. COLEMAN [redacted]
MICHAEL D. COLEMAN [redacted]
AARON K. COLLINS, [redacted]
RICHARD C. COLLINS, [redacted]
THOMAS E. COLLINS III [redacted]
PATRICK T. COLLOTON [redacted]
MOJICA A. COLON, [redacted]
KEVIN D. COLTON, [redacted]
BLAINE L. COLVIN [redacted]
KEVIN A. COMFORT [redacted]
CHRISTOPHER D. COMPTON [redacted]
GABRIELLE K. CONLEY [redacted]
ROBERT J. COOK, [redacted]
KELVIN K. COOPER [redacted]
BRIAN A. COPE [redacted]
ERIC M. COPELAND [redacted]
LAWRENCE E. CORNETT, [redacted]
TRAVIS W. CORNETT [redacted]
ALABARCES O. COSME [redacted]
PHILIP J. COTTER [redacted]
JONATHAN M. COULL [redacted]
SEAN F. COUNIHAN [redacted]
LAWRENCE M. COUSINS [redacted]
WILLIAM J. COWELL, [redacted]
PATRICIA K. COWPERTHWAIT, [redacted]
A. J. COX, [redacted]
DANIEL C. COX [redacted]
TODD C. COX, [redacted]
WALTER F. COX, [redacted]
DALE S. CROCKETT, [redacted]
ROGER A. CROMBIE III [redacted]
EDWARD C. CROOT, [redacted]
IRVING H. CROSS, JR. [redacted]
LORI CRUFF [redacted]
MATOS K. CRUZ, [redacted]
BETTY S. CUMMISKEY [redacted]
DOUGLAS J. CUNNINGHAM, [redacted]
LILLIAN A. CUNNINGHAM, [redacted]
HOWARD L. CURLIN [redacted]
DANIEL J. CURTIS [redacted]
WARREN T. CUSICK [redacted]
EDWARD J. DAFFRON [redacted]
ERIK C. DAHL, [redacted]
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LEONARD A. DAYER, JR. [redacted]
KEVER A. DE [redacted]
AARON L. DECELLE [redacted]
JOSEPH F. DECOSTA [redacted]
BETHANNE DEDOMINICI [redacted]
JACQUELINE R. DEMPSEY [redacted]
DEAN H. DENTER [redacted]
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CLAYTON R. DITMORE [redacted]
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GLEN R. DRYSDALE [redacted]
STEPHANIE E. DUCKWORTH [redacted]
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FREDERICK J. DUFAULT [redacted]
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ADAM J. HARM [redacted]
DEBORAH J. HARMON [redacted]
ALFONSO A. HARO III [redacted]
ROBERT T. HARPER [redacted]
CHAD M. HARRIS [redacted]
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VICTOR H. HARRIS [redacted]
HEATHER L. HARRISON [redacted]
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LORI E. HAUSS [redacted]
DONALD A. HAUSSER, JR. [redacted]
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ELANA A. HEMPHILL [redacted]
DUANE HENDERSON [redacted]
RYAN F. HENLEY [redacted]
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JESSICA L. HENSON [redacted]
BRADLEY J. HERMAN, JR. [redacted]
GUARDIOLA L. HERNANDEZ [redacted]
LOUIS J. HERNANDEZ [redacted]
JOHN J. HESS [redacted]
RICHARD H. HETHERINGTON [redacted]
ROBERT W. HEWSON [redacted]
ROY K. HICKOK, JR. [redacted]
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SETH M. HIDEK [redacted]
JAN HIEMSTRA [redacted]
DEREK S. HILEMAN [redacted]
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EDWARD L. HOBBS [redacted]
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ERIC B. HOGANCAMP [redacted]
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JEFFREY M. HOWELL [redacted]
JUSTIN X. HOWER [redacted]
TAVIS C. HOWERY [redacted]
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CHARLYNN R. HULL [redacted]
DANIEL W. HULL [redacted]
MARC A. HULTQUIST [redacted]
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STEPHEN M. HUNDLEY [redacted]
CORT J. HUNT [redacted]
STEPHEN E. HUNT, JR. [redacted]
HALLE L. HURTON [redacted]
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MARION A. JEFFERSON [redacted]
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MARLA B. JERNS [redacted]
PETER J. JERZAK [redacted]
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WADE A. JOHNSON [redacted]
JACKIE D. JONES, JR. [redacted]
KENNETH D. JONES II [redacted]
TAMMIE M. JONES [redacted]
JERRY H. JOYE, JR. [redacted]
JOEL A. JUNKER [redacted]
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ALEXANDER V. KAMAUNU [redacted]
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DAVID KATZ [redacted]
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OMER P. KETOLA [redacted]
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ANNMARIE KISH [redacted]
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PAUL P. KRONENBERGER [redacted]
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THEODORE J. LECOUFFE [redacted]
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KUANG Y. LI [redacted]
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BRIAN D. LOFTON [redacted]
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SARAH A. LOGAN [redacted]
AMY J. LONDON [redacted]
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SHAUN S. LOTT [redacted]
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MARK E. MACKIM [redacted]
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SUSIE D. MCFARLAND [redacted]
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KEVIN R. MCGEE [redacted]
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LADD D. MCGRAW [redacted]
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RICHARD L. MICHAELS [redacted]
DORAN J. MICHELS [redacted]
ROBERT J. MIKESH, JR [redacted]
TRICA M. MILES [redacted]
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FREDERICK G. NACE, JR [redacted]
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RONALD D. NECESSARY, JR [redacted]
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TERRY M. NIHART [redacted]
COLIN P. NIKKILA [redacted]
JAMES L. NINNIS [redacted]
MEREDITH L. NIVENS [redacted]
DELTON NIX, JR [redacted]
ISABEL E. NOCKER [redacted]
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SETH A. NORBERG [redacted]
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JIMMY L. RABON [redacted]
DEREK O. RADCLIFFE [redacted]
TERRENCE Q. RAFFERTY [redacted]
RALPH J. RAGOSTA III [redacted]
JOHN A. RAGSDALE [redacted]
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ELI RENSHAW [redacted]
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ISMAEL REYES [redacted]
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MONTANEZ E. REYES [redacted]
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ANDREW RINGGOLD [redacted]
STEVEN D. RIOS [redacted]
SINLAN RIPLEY [redacted]
FERDINAND L. RISCO, JR. [redacted]
TOBY L. RISNER [redacted]
MICHAEL T. RITTENHOUSE [redacted]
CARLYLE P. RIVERS [redacted]
MICHAEL L. RIZZO [redacted]
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GERI L. ROBINSON [redacted]
DEBORAH J. ROBY [redacted]
WILLIAM M. ROCHE, JR. [redacted]
WYATT R. RODERICK [redacted]
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KATHRYN J. ROGERS [redacted]
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REVA L. ROGERS [redacted]
PAUL R. ROMANO [redacted]
BOBBY D. ROMINGER [redacted]
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CURET H. ROSADO [redacted]
TIMOTHY S. ROSE [redacted]
SONYA K. ROSHEK [redacted]
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TERESA A. ROSS [redacted]
FRED D. ROTHENBUSH, JR. [redacted]
RICHARD S. ROUBAL [redacted]
GARY D. ROWLEY [redacted]
EDWARD RUIZ, JR. [redacted]
RICHARD G. RUSING [redacted]
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STEPHEN V. RUZICKA [redacted]
ROCK C. SABETTO [redacted]
JEREMY L. SACKER [redacted]
AARON D. SAMMONS [redacted]
AARON A. SAMPSON [redacted]
PAUL R. SANDERS [redacted]
KENNETH D. SANDIFER II [redacted]
LYDIA M. SANTIAGO [redacted]
PAUL D. SARI [redacted]
TIMOTHY L. SAVIDGE [redacted]
JOHN C. SAWYER II [redacted]
CLAYTON T. SAXOUR [redacted]
NEIL A. SAYDAH [redacted]
SABINE A. SCHAUMBERG [redacted]
JENNIFER L. SCHICK [redacted]
ADAM C. SCHLANG, [redacted]
KELLY E. SCHNEIDER [redacted]
KURT P. SCHOMAKER [redacted]
AUGUST SCHOMBURG III [redacted]
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MARC A. SCOVILLE [redacted]
JEFFREY M. SEARS [redacted]
SANTIAGO R. SEGARRA [redacted]
ROBERT G. SEILER [redacted]
RYAN E. SELBY [redacted]
CYNTHIA A. SELEPA [redacted]
ADAM D. SELLERS [redacted]
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JASON R. SEPANIC [redacted]
JESSE T. SESSOMS I [redacted]
EDWARD H. SEUFERT [redacted]

BARRETT L. SEXTON [redacted]
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TIMOTHY A. SEXTON [redacted]
TIMOTHY R. SHAFFER [redacted]
LINDIWE Y. SHAKIRAH [redacted]
CONNIE E. SHANHOLS [redacted]
DAVID E. SHANK [redacted]
HEATHER M. SHANNON [redacted]
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KARL E. SHELDON [redacted]
TARA L. SHEPPARD [redacted]
MARK B. SHERKEY, JR. [redacted]
JOHN H. SHERNER II [redacted]
MAKALENA Y. SHIBATA [redacted]
HURLEY D. SHIELDS [redacted]
JARROD T. SHIELDS [redacted]
RAY L. SHOEMAKER [redacted]
SAMUEL S. SHRADER [redacted]
SOYOUNG K. SHULTZ [redacted]
KEITH E. SIDLEY, JR. [redacted]
MICHAEL B. SIEGL [redacted]
JEANPAUL E. SIER [redacted]
PAUL A. SIGLER [redacted]
AJAYVEER S. SIHRA [redacted]
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TABER S. SMITH [redacted]
LINDA A. SMOLEN [redacted]
JOHN W. SNOW [redacted]
THOMAS L. SNOW [redacted]
JASON L. SNYDER [redacted]
WAYNE C. SODOWSKY, [redacted]
MICHAEL J. SOFIELD, JR. [redacted]
EDWARD J. SONAK [redacted]
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JON B. STRAWN [redacted]
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DAVID M. STURTZ [redacted]
JOSEPH E. SUDOL [redacted]
RAYMOND M. SULLIVAN, JR. [redacted]
SHIRLEY J. SULLIVAN [redacted]
JEREMY M. SUMPMAN [redacted]
JANA L. SUNDHEIM [redacted]
SHELLY M. SUNDVALL [redacted]
MARNE L. SUTTEN [redacted]
ELIZABETH A. SWEENEY [redacted]
JULIE T. SWEETMAN [redacted]
JAMES B. SWIFT [redacted]
RONALD J. TALARICO, JR. [redacted]
MATTHEW J. TANDY [redacted]
KATHLEEN M. TARRENCE [redacted]
DAVID A. TARVIN [redacted]
DAVID F. TASHEA [redacted]
ROBERT M. TATE, JR. [redacted]
NEIL TATOR [redacted]
DALE E. TAYLOR, JR. [redacted]
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JOSHUA J. TAYLOR [redacted]
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LITA TERAN [redacted]
PAUL S. TERRANOVA [redacted]
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NAVIN S. THAKUR [redacted]
GREG R. THAYER [redacted]
KENYATTA D. THERIOT [redacted]
ADAM E. THODE [redacted]
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MARK L. TROPANSKY [redacted]
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RIVERS H. TWO [redacted]
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WILLIAM M. UNDERWOOD [redacted]
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KESHVAR VAKHARIA [redacted]
RAYMOND R. VALAS, [redacted]
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JOEL P. VANDERMEIDE [redacted]
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CARRASQUILLO A. VAZQUEZ [redacted]
BRYAN D. VELARDE [redacted]
JOSEPH S. VERDICCHIO [redacted]
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CHERYL N. VERMILLION [redacted]
ROY L. VERNON, JR. [redacted]
MARK D. VERTULI [redacted]
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JAMES L. VOILAND [redacted]
AVA M. WADE, [redacted]
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STEVEN C. WALKER [redacted]
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JEFFREY A. WESTON [redacted]
THOMAS J. WHALEN [redacted]
ANTHONY M. WHEEL [redacted]
EDWARD S. WHITAKER [redacted]
AMY C. WHITE, [redacted]
DALE M. WHITE, [redacted]
TIMOTHY D. WHITE [redacted]
JOHN F. WHITFIELD, JR. [redacted]
AARON R. WHITLEY [redacted]
RYAN H. WHITTEMORE [redacted]
RYAN J. WILCOX [redacted]
MICHAEL J. WILHELM [redacted]
JULIE A. WILLIAMS [redacted]
JUSTIN C. WILLIAMS [redacted]
KENNETH A. WILLIAMS [redacted]
KENNETH K. WILLIAMS [redacted]
KRISTA L. WILLIAMS [redacted]
MARGARET M. WILLIAMS [redacted]
MICHAEL C. WILLIAMS [redacted]
MICHAEL R. WILLIAMS [redacted]
RYAN K. WILLIAMS [redacted]
KRISTIAN E. WILLIS [redacted]
PATRICK R. WILLIS [redacted]
CHRISTOPHER W. WILLS [redacted]
JAMES D. WILLSON [redacted]
ANDREW W. WILSON [redacted]
CHRISTOPHER M. WILSON [redacted]
DAVID P. WILSON [redacted]
FRANKLIN M. WILSON [redacted]
STEPHENIE L. WILSON [redacted]
CLEON F. WINDHAM, JR. [redacted]
MERYIA D. WINDISCH [redacted]
JAMES H. WINFIELD [redacted]
GARTH K. WINTERLE [redacted]
JASON M. WINTERLE [redacted]
MICHAEL E. WISHER [redacted]
JOHN M. WITHERS [redacted]
MICHAEL WITMER [redacted]
PHILLIP E. WOLFORD [redacted]
WARREN R. WOOD, [redacted]
JOHN A. WOODARD [redacted]
JENNIFER A. WOODWORTH [redacted]
BRIAN D. WOOLWORTH [redacted]
COLIN H. WOOTEN, [redacted]
DAMIAN P. WRIGHT [redacted]
DAVIE L. WRIGHT, JR. [redacted]
JAMES W. WRIGHT [redacted]
MEGAN A. WRIGHT [redacted]
KARYN J. WUENSCH [redacted]
NATHAN YANCY, [redacted]
HOMAYUN YAQUB, [redacted]
RICHARD S. YOCUM [redacted]
ELLEN R. YODER [redacted]
JOHN B. YORKO, [redacted]
RODNEY R. YOUNG [redacted]
TONYA E. YOUNG [redacted]
CHARLES D. ZIMMERMAN, JR. [redacted]
RAYMOND C. ZINDELL [redacted]
JASON C. ZORN [redacted]
JANA N. ZUCKSWERT [redacted]

THE FOLLOWING NAMED DISTINGUISHED HONOR GRADUATES FROM THE OFFICER CANDIDATE SCHOOL FOR APPOINTMENT IN THEIR ACTIVE DUTY GRADE IN THE REGULAR ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

To be second lieutenant

RONALD G. HAMILTION [redacted]
ROBERT W. KINDER [redacted]

THE FOLLOWING NAMED OFFICERS FROM JUDGE ADVOCATE GENERAL'S CORPS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES IN THEIR ACTIVE DUTY GRADE, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

To be captain

HAL D. BAIRD [redacted]
DRU A. BRENNER-BECK [redacted]

JOHN L. BUCKHEIT [redacted]
GUADALUPE CUELLAR [redacted]
JOHN P. EINWECHTER [redacted]
JAMES P. FLOWERS [redacted]
VICTOR M. HANSEN [redacted]
EDWARD J. MARTIN [redacted]
JOHN P. PATRICK [redacted]
ANNA C. SWALLOW [redacted]
MICHELE E. WILLIAMS [redacted]

IN THE NAVY

THE FOLLOWING NAMED SUPPLY CORPS OFFICER, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be ensign

CARLTON L. JONES [redacted]

THE FOLLOWING NAMED MEDICAL SERVICE CORPS OFFICER, TO BE REAPPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(A):

LINE

To be lieutenant (junior grade)

NICK A. SARAP, JR. [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LINE

To be lieutenant

THOMAS M. ADKINS [redacted]
JOHN J. ADLER [redacted]
JEFFREY R. ALEXANDER [redacted]
MICHAEL R. ALEXANDER [redacted]
MICHAEL J. ANDERSON [redacted]
RONALD P. ANTIMARINO [redacted]
TANYA L. ANTONIUK [redacted]
CHRISTOPHER A. ASHFORD [redacted]
VERNON E. BAGLEY [redacted]
THOMAS G. BAGNOLI [redacted]
DANIEL E. BAHNEMAN [redacted]
MARK C. BARRY [redacted]
KENNETH R. BECKER [redacted]
JEANNE M. BEERMAN [redacted]
THOMAS E. BELL [redacted]
PAUL T. BENNETT [redacted]
DONALD A. BENSON [redacted]
SHAWN M. BENTLEY [redacted]
JAMES H. BENTON [redacted]
JOHN G. BERNARD [redacted]
KEVIN L. BERTELSEN [redacted]
WILLIAM R. BERTRAM [redacted]
ERIC P. BETHKE [redacted]
KENNETH R. BINGMAN, JR. [redacted]
RUSSELL P. BIROS [redacted]
JAMES A. BISHOP [redacted]
PATRICK D. BLACKWELL [redacted]
CARLA C. BLAIR [redacted]
ROCK E. BLAIS [redacted]
DARREL M. BLASCHAK [redacted]
JAMES H. BOGUE [redacted]
ROBERT G. BOJARSKI [redacted]
BRIAN D. BOLUYT [redacted]
RAYMOND L. BRADLEY III [redacted]
RALPH R. BRAUND III [redacted]
WILLIAM D. BRELAND [redacted]
MICHAEL J. BRENNAN [redacted]
THOMAS J. BRERETON, JR. [redacted]
BENJAMIN H. BRESLIN [redacted]
CECIL C. BRIDGES [redacted]
GRANT A. BRIGGER [redacted]
RODNEY A. BROWER [redacted]
BRIAN W. BROWN [redacted]
ZACHARY J. BROZ [redacted]
TIMOTHY G. BRUCE [redacted]
SAMUEL C. BUCHANAN III [redacted]
AMY D. BURIN [redacted]
EMMANUEL L. BURKE [redacted]
DANIEL BURNS [redacted]
SUSAN T. BURNS [redacted]
MICHAEL J. BURRELL [redacted]
ALAN F. BURTON [redacted]
THOMAS K. BUSH [redacted]
DERRICK J. BUSSE [redacted]
THOMAS C. CALVERT [redacted]
RUBEN A. CANTU [redacted]
MARC CARDARONELLA [redacted]
ROBERT B. CARLSON [redacted]
CAMERON P. CARNEY [redacted]
LUKE F. CARON [redacted]
BUFORD J. CARR [redacted]
EDWARD B. CARROLL, JR. [redacted]
PEDRO A. CASTAING [redacted]
RICHARD A. CATHERINA [redacted]
VINCENT K. CATICH [redacted]
ELEFTHERIOS, CHAPAS [redacted]
CHRISTOPHER CHINMAN [redacted]
GREGORY S. CLARK [redacted]
MICHAEL W. CLARK [redacted]
WARREN G. CLARK [redacted]
KEVIN D. COFFINGER [redacted]
HEATHER E. COLE [redacted]
KEVIN P. COLLING [redacted]
CRAIG M. COLLINS [redacted]
GREGGORY N. COLLINS [redacted]
TIMOTHY R. COLLINS [redacted]
GEOFFREY T. COLPITTS [redacted]
JOHN P. CONSIDINE [redacted]
CHRISTOPHER M. COOK [redacted]
JAMES H. CRAFT [redacted]
DOUGLAS J. CRAWFORD [redacted]
RONALD D. CRAWFORD [redacted]
JAMES J. CRITTENDEN [redacted]
DAVID R. CROWE [redacted]
JOANNE T. CUNNINGHAM [redacted]
DARRIN R. DAVIDSON [redacted]
BRIAN F. DAVIS [redacted]
DAVID N. DAVIS [redacted]
RICHARD W. DAVIS [redacted]
SMET A.T. DE [redacted]
WILLIAM L.J. DEANES [redacted]
SUSAN K. DECKER [redacted]
JOHN D. DEEHR [redacted]
RUSSELL J. DELANEY [redacted]
ANDREW W. DELEY [redacted]
MARK F. DEMERS [redacted]
LISA A. DEROSE [redacted]
DUKE E. DIETZ [redacted]
KAMRAN A. DIL [redacted]
THOMAS C. DILLEMUTH [redacted]
SCOTT M. DIX [redacted]
JOHN M. DONOVAN [redacted]
ROBERT F. DOWNING, JR. [redacted]
SHARON S. DOXEY [redacted]
TIMOTHY R. DOYLE [redacted]
CRAIG W. DRESCHER [redacted]
JEFFREY B. DRINKARD [redacted]
TIMOTHY E. DRY [redacted]
SAM C. DRYDEN [redacted]
TERRENCE P. DUNNE [redacted]
ALAN R. DUNSTON [redacted]
CAROLYNNE M. DURANTHALL [redacted]
KIMBERLY A. DYSON [redacted]
JULIAN D. EDGE III [redacted]
SHAWN T. EDWARDS [redacted]
PAUL F. EICH [redacted]
NELS S. ENBERG [redacted]
JUDY M. ENGLAND [redacted]
JAMES M. ESQUIVEL [redacted]
COLEY L. EVANS [redacted]
SPENCER L. EVANS [redacted]
MARY E. FELIX [redacted]
MARCI D. FERRELL [redacted]
JAMES E. FIELDS [redacted]
KORY R. FIERSTINE [redacted]
CHRISTOPHER M. FINCH [redacted]
JACQUELINE R. FINCH [redacted]
WILLIAM D. FINCH [redacted]
MARK E. FLEMING [redacted]
THOMAS G. FLETCHER [redacted]
ALFRED E.FLORES [redacted]
MARK A. FONDREN [redacted]
CURTIS A. FORD [redacted]
SEAN P. FOX [redacted]
ANN M. FUHRING [redacted]
GREGORY B. GALLARDO [redacted]
MARIE G. GALVIN [redacted]
LAWRENCE M. GARCIA [redacted]
DAVID V. GARZA [redacted]
EMMET S. GATHRIGHT [redacted]
ROBERT B. GEDDES [redacted]
JASON L. GEIGER [redacted]
JOSEPH A. GENTILE [redacted]
JEFFREY T. GIBSON [redacted]
MARK S. GOODALE [redacted]
ROBERT M. GORDON [redacted]
MICHAEL J. GOSKA [redacted]
CARY E. GOSNEY [redacted]
JEFFREY G. GRAF [redacted]
OBRA L. GRAY [redacted]
CHRISTOPHER J. GREW [redacted]
ROBERT E. GRIFFITH [redacted]
RICHARD T. GRINT [redacted]
JESUS A. GUERRERO [redacted]
JAMES M. HAAS [redacted]
CALVIN L. HAGOOD III [redacted]
ZYAD HAJO [redacted]
TIMOTHY L. HALL [redacted]
DAVID R. HALLSTROM [redacted]
JOHN H. HALTOM [redacted]
DANIEL E. HAMILTON [redacted]
ROLF W. HAMMERER [redacted]
THOMAS A. HAMRICK [redacted]
PAUL T. HARASTY [redacted]
JEFFREY M. HARBISON [redacted]
STEPHEN M. HARRINGTON [redacted]
TERRY M. HART [redacted]
THOMAS M. HEIM [redacted]
ROBERT E. HELMS, JR. [redacted]
JAMES R. HENDERSON [redacted]
DANIEL P. HIGGINS [redacted]
RONALD R. HIMMELREICH [redacted]
ROBERT I. HOAR, JR. [redacted]
WAYNE E. HOLCOMB [redacted]
FRANK O. HOLLEY [redacted]
WAYNE A. HOLLISTER [redacted]
TIMOTHY S. HOOVER [redacted]
JEAN A. HOPWOOD [redacted]
KEITH W. HOSKINS [redacted]
DONALD L. HULTEN [redacted]
GARY L. HUMPHRIES [redacted]
MICHAEL H. JOHANSSON [redacted]
BRENT A. JOHNSON [redacted]
BRENT L. JOHNSON [redacted]
BENJAMIN E. JONES [redacted]
ROBERT E. KALIN, JR. [redacted]
BRIAN G. KELLY [redacted]
STEVE Y. KIM [redacted]
CHRISTOPHER C. KING [redacted]
BRIAN R. KIPLE [redacted]
MARK R. KIRBY [redacted]
ARTHUR T. KIRCHHOFF [redacted]
JOHN C. KISOR [redacted]
JEFFREY S. KLEIN [redacted]
RICHARD G. KLOPSTAD [redacted]
BRADLEY S. KNOWLTON [redacted]
GARY E. KOCHER [redacted]
KENNETH J. KOONTZ [redacted]
JOHN J. KOSINA [redacted]
GRANT T. KOWALCHICK [redacted]
KEITH A. KRAPELS [redacted]
MELANIE J. KRECKOVSKY [redacted]
DARRELL D. LACK [redacted]
ROBERT S. LAEDLEIN [redacted]
BENJAMIN K. LAKE, [redacted]
CHRISTOPHER F. LAMOUREAUX [redacted]
JAMES L. LANE, JR. [redacted]
TIMOTHY X. LARSEN [redacted]
KEVIN D. LAYE [redacted]
TIMOTHY J. LEFEBVRE [redacted]
JEFFREY B. LEHNERTZ [redacted]
MICHAEL T. LENTS [redacted]
STEVEN C. LEVERT [redacted]
JEFFREY S. LEVIN [redacted]
SCOTT M. LEWIS [redacted]
PAUL E. LIPFORD [redacted]
ROBERT E. LIVINGSTON, IV [redacted]
STEPHEN E. LLOYD [redacted]
RACHELLE F. LOGAN [redacted]
CHRISTOPHER R. J. LONG [redacted]
RUSSELL G. LONGLEY [redacted]
LEO F. LOSCIUTO [redacted]
TY E. LOUTZENHEISER [redacted]
SUSANNE N. LUCKE [redacted]
JAMES D. LUNSFORD [redacted]
KEVIN D. MACDONALD [redacted]
BRUCE A. MAIER [redacted]
NICOLE L. MAISONNEUVE [redacted]
DAVID B. MANSER [redacted]
DAVID S. MANTAY [redacted]
MICHAEL D. MAQUERA [redacted]
JOHNNA M. MARCHANT [redacted]
MARK D. MARISKA [redacted]
ROBERT L. MARK II [redacted]
BRIAN K. MARKS [redacted]
DANIEL P. MARSHALL [redacted]
ROBERT W. MARSHALL [redacted]
MARCUS O. MARYK [redacted]
ANTHONY W. MAYBRIER [redacted]
GARY A. MAYES [redacted]
KEVIN C. MC ALLISTER [redacted]
EVERD D. MC CAIN [redacted]
MICHAEL T. MC CLURE [redacted]
ALLEN H. MC COY [redacted]
GREGORY S. MC CREARY [redacted]
ROBERT G.S. MC DONALD [redacted]
JAMES T. MC GOVERN [redacted]
JOHN J. MC GRATH III [redacted]
KAREN B. MC GRAW [redacted]
LARRY L. MC GUIRE [redacted]
PAUL J. MC HENRY [redacted]
VAN S. MC KENNY, IV [redacted]
TIMOTHY E. MC KENZIE [redacted]
PAUL MC SWEENEY [redacted]
BRADLEY P. MEEKS [redacted]
JEFFREY A. MERCADO [redacted]
MICHAEL H. MERRILL [redacted]
SUSAN L. MERRIMAN [redacted]
ERIK J. MILES [redacted]
HENRY J. MILLER [redacted]
JEFFREY L. MILLER [redacted]
JAY R. MILLS [redacted]
JOSEPH T. MOHNACS [redacted]
TRACY S. MOON [redacted]
JOHN R. MOORMAN [redacted]
JANET F. MORALEZ [redacted]
CLINTON J. MORANO [redacted]
JAMES R. MORRISON [redacted]
CRAIG M. MUNSEN [redacted]
THOMAS G. MUNSON [redacted]
KIMBERLY A. MURPHY [redacted]
JOHN C. MUTCHLER, JR. [redacted]
PETER T. MUTTEL [redacted]
ELIZABETH A. NASCHE [redacted]
RICHARD M. NELMS, JR. [redacted]
MICHAEL A. NENNMANN [redacted]
PAUL V. NEUZIL [redacted]
WESLEY W. NICHOLSON [redacted]
ALFRED A. NICOLL [redacted]
JAMES D. NORDHILL [redacted]
BARRY C. NORMAN [redacted]
RHODY V. NORNBERG [redacted]
YVONNE D. NORTON [redacted]
MARK T. NOWICKI [redacted]
KEVIN W. NUNEZ [redacted]
NIGEL A. NURSE [redacted]
JAMES K. OBRIEN [redacted]
JOSEPH P. OBRIEN [redacted]
JAMES G. O'CONNOR III [redacted]
WILLIAM C. OLDHAM [redacted]
JOSEPH OLIVER [redacted]
BRADD C. OLSEN [redacted]
JEFFREY W. OSMAN [redacted]
ANTHONY L. PANG [redacted]
DANIELLE PAOLUCCI [redacted]
RICHARD C. PARKER, JR. [redacted]
ROBERT PARKER, JR. [redacted]
RONALD L. PARSLOW [redacted]

DAVID W. PAYNE [redacted]
GARY D. PENTON [redacted]
CRAIG PEPPE [redacted]
ROY A. PETERS [redacted]
NICHOLAS PETRILLO [redacted]
DENISE M. PETRUSIC [redacted]
LEE V. PHILLIPS I [redacted]
JERRY D. PIERCE [redacted]
WILLIAM R. PINKLEY [redacted]
HENRY E. PIZARRO [redacted]
ROGER E. PLASSE, JR [redacted]
RUDY A. PORTER [redacted]
MICHAEL W. POSNER [redacted]
KRISTIN C. POST [redacted]
GARY W. PRALL [redacted]
THOMAS E. PRICE [redacted]
KEVIN J. PROTZMAN [redacted]
ROBERT J. PUDLO [redacted]
GERARD F. QUINLAN [redacted]
CHARLES E. QUINTAS [redacted]
MICHAEL A. RABE [redacted]
PAUL A. RATKOVICH [redacted]
DANIEL J. RAWN [redacted]
JAMES C. REAMER, JR [redacted]
MARK E. REYNOLDS [redacted]
ROBERT M. RIGGS [redacted]
MARTIN D. RIPPERGER [redacted]
MICHAEL W. ROBBINS [redacted]
CINDY M. RODRIGUEZ [redacted]
DANIEL S. ROGERS [redacted]
TIMOTHY P. ROLAND [redacted]
RAUL X. ROSALES [redacted]
FRANCES M. ROSARIO [redacted]
MARC A. RZEPCZYNSKI [redacted]
DAVID L. SAIKI [redacted]
CHRISTOPHER M. SAINDON [redacted]
JAMES A. SAMUELS [redacted]
TOMMY E. SANCHEZ [redacted]
ROBERT W. SANDERS [redacted]
MICHAEL D. SCHAEFFER [redacted]
ROBERT A. SCHMIDT [redacted]
DAVID M. SCHNITTKER [redacted]
VINCENT H. SCHROEDER [redacted]
STEPHEN A. SCIPIONE [redacted]
JERRY D. SEAGLE, JR [redacted]
WILLIAM B. SEBRING [redacted]
TODD J. SENIFF [redacted]
CURTIS A. SETH [redacted]
FRANK A. SHAUL [redacted]
TEDD C. SHELLENBARGER [redacted]
THAD M. SHELTON [redacted]
STEVEN B. SHEPARD [redacted]
ERIC S. SHIREY [redacted]
DENNIS A. SHOOK [redacted]
KIRSTINA D. SHORE [redacted]
LUKE N. SHOWS [redacted]
JOHN F. SIMON [redacted]
MARK R. SLIEPCEVIC [redacted]
JAMES F. SLOAN II [redacted]
JAMES J. SMITH [redacted]
MARK P. SMITH [redacted]
TIMMY SMITH [redacted]
WESLEY A. SMITH [redacted]
JAMES B. SNELL [redacted]
RICK J. SNIDERHAN [redacted]
JOHN D. SORACCO [redacted]
SAMUEL E. SORGEN [redacted]
MICHAEL R. SPENCER [redacted]
TIMOTHY W. STAATS [redacted]
ROBERT J. STAILEY [redacted]
RICHARD M. STEVENSON [redacted]
STEPHEN E. STILLING [redacted]
RONALD J. STINSON [redacted]
MARK R. STOOPS [redacted]
ROBERT A. STRANGE [redacted]
RONALD E. STRONG [redacted]
JAY A. SUNKES [redacted]
BRIAN D. SWEENEY [redacted]
GIL L. TACHIBANA [redacted]
BRIAN J. TALAY [redacted]
MARK H. TANNER [redacted]
ADAM B. TAYLOR [redacted]
CHRIS E. TAYLOR [redacted]
JEFFREY E. TAYLOR [redacted]
TERRY W. TAYLOR, JR [redacted]
JEFFREY T. TOMBLIN [redacted]
JEANENE L. TORRANCE [redacted]
ERIC S. TOWE [redacted]
CHRISTOPHER R. TOWNSEND [redacted]
VINCENT D. TRAEYE [redacted]
STEVEN M. TRUMBULL [redacted]
ANDREW K. TURNER [redacted]
MURRAY J. TYNCH II [redacted]
JEFFREY A. UTHE [redacted]
JOHN L. VALADEZ [redacted]
JAY R. VANNICE [redacted]
JOSEPH A. VASILE [redacted]
RENE VELAZQUEZ [redacted]
ROBERT J. VENEMAN [redacted]
RICHARD A. VILLANI [redacted]
BRADLEY E.C. VOLDEN [redacted]
PAUL E. VOLLE [redacted]
RICKEY D. WALLEY [redacted]
ROBERT L. WALLIS I [redacted]
JOHN M. WARD [redacted]
ROBERT J. WARE [redacted]
DAVID W. WARNER [redacted]
RICHARD S. WARREN [redacted]
MICHAEL W. WATKINS [redacted]
THOMAS J. WATSON II [redacted]
MARK WEILER [redacted]
EVAN W. WEINTRAUB [redacted]
JOEL S. WELCH [redacted]
MIKE T. WESSON [redacted]
EDWARD J. WETZEL [redacted]
THOMAS P. WILCOX III [redacted]
ANDREW R. WILLIAMS [redacted]
LESLIE D. WILLIAMS [redacted]
BRUCE L. WINTER [redacted]
CATHERINE M. WITT [redacted]
DOUGLAS S. WITTEN [redacted]
ROBERT D. WOODBURN [redacted]
MOODY G. WOOTEN, JR. [redacted]
DANIEL C. WORRA [redacted]
CHRISTIAN W. ZAUNER [redacted]

LINE

To be lieutenant (junior grade)

JOHN C. ABSETZ [redacted]
ALBERT D. ALTURA [redacted]
CHRISTOPHER P. AMEN [redacted]
MICHAEL A. AVALLONE [redacted]
CABOT C. AYCOCK [redacted]
JOHN W. BAILEY [redacted]
HENRY W. BARNES IV [redacted]
MICHAEL H. BASEMAN [redacted]
RONNIE J. BATMAN [redacted]
ROBERT A. BAUGHMAN [redacted]
CHRISTOPHER J. BAUMSTARK [redacted]
MICHAEL W. BAZE [redacted]
CURTIS A. BECKER, JR. [redacted]
TIMOTHY S. BEDARD [redacted]
MARK O. BELSON [redacted]
JOHN A. BERGER [redacted]
PAUL W. BIERAUGEL [redacted]
KATHRYN R. BINI [redacted]
JODY G. BRIDGES [redacted]
MATTHEW A. BROWN [redacted]
JOHN F. BROWNE III [redacted]
MARK K. BRUBAKER [redacted]
CHRISTOPHER S. BUNCE [redacted]
THOMAS D. BUSH, JR. [redacted]
KEVIN T. CAMILLI [redacted]
JOSE R. CANARIO, JR. [redacted]
JEFFERY S. CANFIELI [redacted]
CHRISTIAN G. CENICEROS [redacted]
ROBERT L. CHATHAM [redacted]
KEITH A. CHITMON [redacted]
MARK D. COFFMAN [redacted]
JEFFREY J. COLEMAN [redacted]
SHERRIE S. COMBEE [redacted]
BAILEY L. CORBETT [redacted]
BRETT M. COTTRELL [redacted]
JOSHUA A. CROWDER [redacted]
FRANK CRUMP III [redacted]
JOHN P. DAUNT [redacted]
DUANE W. DENNIS [redacted]
MICHAEL D. DESHAZO [redacted]
BRIAN K. DEVANY [redacted]
DANIEL D. DOHMEYER [redacted]
JAMES G. DORSTEN [redacted]
TIMOTHY A. DOWNING [redacted]
TODD A. DUFAULT [redacted]
STEVEN R. DUNKLEBERGER [redacted]
TERRY L. DUPRIE [redacted]
JOHN P. EZELLE [redacted]
KENNETH O. FISHER [redacted]
PATRICK L. FLAHERTY [redacted]
HEBERT F. FREDERICK [redacted]
JOHN D. FREEMAN [redacted]
STEPHEN L. GAZE [redacted]
GINA M. GIGLIO [redacted]
KENNETH G. GLYNN [redacted]
RICHARD A. GOLBITZ [redacted]
MARK E. GOODE [redacted]
SCOTT S. GOODWIN [redacted]
CRIS A. GRANT [redacted]
JOHN R. GRAY [redacted]
STEPHANIE K. GREEN [redacted]
ROBERT L. GREESON [redacted]
DANIEL A. HAIGHT, JR. [redacted]
SAM R. HANCOCK, JR. [redacted]
BENJAMIN B. HANSEN [redacted]
KEITH G. HARRIS [redacted]
FRANCOIS P. HENNEBERGER [redacted]
PAUL T. HENNIGAN [redacted]
CHRIS A. HIGGINBOTHAM [redacted]
JOHN T. HIGGINS [redacted]
TODD J. HOOPER [redacted]
JOHN A. HOPKINS [redacted]
JERRFEY J. HOPPE [redacted]
KIM E. HOWARD [redacted]
RODERICK M. HOYLE [redacted]
STEPHEN C. HUGGS [redacted]
CORBIN D. HUGHES [redacted]
DAVID W. HUNTLEY [redacted]
CARLOS A. IGLESIAS [redacted]
THOMAS L. JACKSON [redacted]
THOMAS E. JOHNSON [redacted]
JEFFREY A. JONES [redacted]
STEPHEN P. JONES [redacted]
AMARDEV S. JOUHAL [redacted]
JEFFREY T. KAUFFMAN [redacted]
MARK W. KAWECKI [redacted]
LAWRENCE L. KEIL [redacted]
PATRICK A. LACORE [redacted]
THOMAS H. LAGOMARSINO [redacted]
RICHARD T. LAROCHE [redacted]
JAMES A. LEE [redacted]
DARYL E. LEEDS [redacted]
DAVID A. LILIENSTEIN [redacted]
JEFFREY V. LOCKE [redacted]
MICHELLE E. LUCERO [redacted]
MICHAEL P. LYNCH [redacted]
RON C. MAGWOOD [redacted]
THOMAS D. MALONEY [redacted]
GALONE N. MARKEY [redacted]
ALPHONSE MARSH, JR. [redacted]
EMILIO MARTINEZ [redacted]
TODD A. MAUERHAN [redacted]
MICHAEL L. MAY [redacted]
MARK A. MAYERSKE [redacted]
CYLDE F. MAYS, JR. [redacted]
TIMOTHY L. MCCARTY [redacted]
MICHAEL L. MCCLINTOCK [redacted]
JOHN A. MCCONVILLE [redacted]
SANDRA A. MCDONALD [redacted]
KENNETH C. MCDONNELL [redacted]
KEVIN MCKEEVER [redacted]
BRAD A. MCMULLEN [redacted]
DAVID T. MELINOSKY [redacted]
TERRENCE W. MENTZOS [redacted]
JAMES W. MILLER [redacted]
JOHN R. MILLER [redacted]
BRYAN L. MILLS [redacted]
ROBERT W. MINOR [redacted]
MICHAEL G. MOFFITT [redacted]
JAMES R. MOLINARI [redacted]
DAVID R. MOOREFIELD [redacted]
KEVIN S. MORAVEK [redacted]
PAUL G. MOVIZZO [redacted]
MARK T. MURRAY [redacted]
SCOTT F. MURRAY [redacted]
JAMES R. NASH [redacted]
CHARLES S. NOLAN [redacted]
JACK M. OMOHUNDRO [redacted]
SCOTT A. ONEIL [redacted]
FEDERICO G. ORDONA [redacted]
MATTHEW D. OVIOS [redacted]
KEVIN J. PARKER [redacted]
CEDRIC T. PATMON [redacted]
LARRY O. PAUL [redacted]
KEITH L. PAYNE [redacted]
DAVID A. PETERSON [redacted]
TROY R. PFEFFER [redacted]
ERIK M. POINTER [redacted]
CHRISTOPHER X. POLK [redacted]
EMORY G. PRICE [redacted]
SHANE E. PRITCHARD [redacted]
DANIEL B. RADER [redacted]
COREY W. RAY [redacted]
TIMOTHY C. RECKERS [redacted]
KEVIN W. RISTER [redacted]
THOMAS G. ROULSTON [redacted]
JONATHAN B. ROWELL [redacted]
HOLLY L. RUSSELL [redacted]
GERALDA T. SARGENT [redacted]
JEFF D. SASSER [redacted]
DARYL J. SCHMALTZ [redacted]
ROBERT D. SCHNEIDER [redacted]
GREGORY J. SCHUSTER [redacted]
LANCE G. SCOTT [redacted]
JOHN E. SEDLOCK [redacted]
MICHAEL S. SHAWE [redacted]
SCOTT C. SHERMAN [redacted]
LAMANCHA SIMS [redacted]
ANGELO R.L. SMITHA [redacted]
DAVID M. SMUDA II [redacted]
WILLIAM L. SOMMER [redacted]
MARY L. SPENCER [redacted]
ERNEST B. STACY [redacted]
MELINDA M. STATON [redacted]
MICHAEL R. SUTTON [redacted]
TIMOTHY A. SZYDLOWSKI [redacted]
CHRISTOPHER A. TAYLOR [redacted]
PAUL J. TECH [redacted]
DARRON D. THOMPSON [redacted]
RICHARD O. TOLLEY [redacted]
TERRANCE R. VINTON [redacted]
JOHN J. VITALICH [redacted]
DARRYL L. WALKER [redacted]
CHARLES A. WALTON JR. [redacted]
CARDEN F. WARNER [redacted]
ANDREW N. WESTERKOM [redacted]
WILLIAM J. WHEELER [redacted]
CHRISTOPHER S. WICHMAN [redacted]
MARK D. WILLIAMS [redacted]
NILS E. WIRSTROM [redacted]
CHRISTOPHER S. WIRTH [redacted]
ALEXANDER J. WRIGHT [redacted]
ANDREW J. YOUNG [redacted]

LINE

To be ensign

RICHARD M. ALFORD [redacted]
PATRICK C. ANGLE [redacted]
DANIEL G. BAKER [redacted]
GREGORY W. BEACH [redacted]
MATTHEW J. BEDNAR [redacted]
ERIC S. BELMAN [redacted]
DOUGLAS W. BERNOT [redacted]
JOHNNY T. BOMAN JR. [redacted]
MICHAEL V. BONO [redacted]
DOUGLAS A. BRADLEY [redacted]
STEVEN V. BRESCIA [redacted]
MARK D. BUTLER [redacted]
KUI H. CHOI [redacted]
MATTHEW C. COVERDALE [redacted]
LAWRENCE S. CRISCIONE [redacted]
DAMON M. CSEH [redacted]
MARTIN DEBONO [redacted]
MICHAEL D. DEWULF [redacted]
CRAIG D. DIDIER [redacted]
CHRISTOPHER S. DIGNAN [redacted]

RICHARD F. DUBNANSKY, JR. [redacted]
CURTIS B. DUNCAN [redacted]
TIMOTHY R. DURDIN [redacted]
CHRISTOPHER M. DURKEE [redacted]
JEFFREY R. EIS [redacted]
SCOTT A. ELLSWORTH [redacted]
MARK E. EMANUEL [redacted]
MICHAEL A. FALTER [redacted]
JASON T. FASSLER [redacted]
ERIC R. FEDELE [redacted]
COREY J. GANNON [redacted]
ERIC J. GARDNER [redacted]
TERRI A. GLEESON [redacted]
GEORGE E. GOHLINGHORST [redacted]
WILLIAM W. GRAYLIN [redacted]
JEFFREY A. GUTHRIE [redacted]
MARK S. HAIRE [redacted]
ROBERT D. HARRINGTON [redacted]
MUSTAFA M. HAZIQ [redacted]
PERRY L. HERRICK [redacted]
BRUCE A. HILL [redacted]
STEVEN R. HOEM [redacted]
JAY D. HOFFMAN [redacted]
JUSTIN C. JACKSON [redacted]
WALTER L. JENNINGS [redacted]
CHRISTOPHER D. JONES [redacted]
JEFFREY S. KAMAN [redacted]
MICHAEL B. KAPLAN [redacted]
GEORGE M. KENNEDY [redacted]
MICHAEL J. KING I [redacted]
DAVID B. KUHL II [redacted]
PATRICK E. KULAKOWSKI [redacted]
BRANDON A. LARSON [redacted]
JERRY W. LEGERE [redacted]
JOHN C. LEONE, JR. [redacted]
DARRYN J. LUNDERS [redacted]
ANTONIO C. MACCABE [redacted]
NORMAN G. MACGREGOR [redacted]
SAMUEL A. MAEBY [redacted]
PATRICK J. MAHONEY [redacted]
PHILIP E. MALONE [redacted]
LELAND R. MARCUS [redacted]
JAY T. MARKIEWICZ [redacted]
ROBERT R. MARTIN, JR. [redacted]
CURTIS L. MILLER [redacted]
MARK R. MOEBES [redacted]
RICHARD P. PENTECOST [redacted]
DAVID R. PERRY [redacted]
TIMOTHY P. POFF [redacted]
MARK A. POWELL [redacted]
KENNETH N. RADFORD [redacted]
STEPHEN R. RAPP [redacted]
DENNIS A. ROBERTSON [redacted]
YILMAZ W. RONA [redacted]
ALEXANDER ROSARIO [redacted]
ASHLEY C. ROSE [redacted]
HARRIS S. ROSE [redacted]
MARCUS A. ROSSI [redacted]
DOUGLAS C. SALTZ [redacted]
WILLIAM G. SCHINDELE [redacted]
JEFFREY R. SCHMITT [redacted]
ERIC A. SCHNEIDER [redacted]
DAVID K. SECKEL [redacted]
JOHN J. SEIFERT [redacted]
ANDREW J. SHANK [redacted]
MARTIN W. SHEARER [redacted]
TIMOTHY G. SHORE [redacted]
WILLIAM A. SMITH IV [redacted]
CRAIG A. STACK [redacted]
ANDREW J. STAMPFEL [redacted]
MICHAEL J. STANCHINA [redacted]
SHAWN W. ST. GERMAIN [redacted]
WILLIAM J. STITH, JR. [redacted]
NATHAN B. SUKOLS [redacted]
STEVEN C. TAYLOR [redacted]
MARK R. TIERNEY [redacted]
NICHOLAS R. TILBROOK [redacted]
ALVIN S. VENTURA [redacted]
CHRISTOPHER S. WEBER [redacted]
GREGORY J. WIRTH [redacted]
JON E. WITHEE [redacted]
JAMES M. WITT II [redacted]
JASON K. WOLF [redacted]
DAVID A. YOUTT [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL CORPS

To be lieutenant commander

COLIN G. CHINN [redacted]
BRUCE R. CHRISTEN [redacted]
BRUCE COHEN [redacted]
JOSEPH A. DAVIES [redacted]
TERRENCE X. DWYER [redacted]
ROBERT R. HARFORD [redacted]
GREG W. HOEKSEMA [redacted]
WILLIAM B. MCCREA [redacted]
GRETCHEN A. MEYER [redacted]
MATTHEW L. MILLER [redacted]
OSCAR E. MINOSO Y DE CAL [redacted]
AMY I. MORTENSEN [redacted]
MICHAEL L. PUCKETT [redacted]
EDWARD V. ROSS, JR. [redacted]
JOSEPH E. SARACHENE [redacted]
RICHARD L. SCHROFF [redacted]
MARTIN L. SNYDER [redacted]
JAY C. SOURBEER [redacted]
HOWARD C. WETSMAN [redacted]
STEVEN A. YOUNG [redacted]

To be lieutenant

THOMAS A. BALCOM [redacted]
JOHN B. BURGESS, JR. [redacted]
BRIAN J. MCKINNON [redacted]
SAMUEL J. PIERCE [redacted]
MARK R. POLAK [redacted]
JOSEPH F. RAPPOLD [redacted]
TIMOTHY H. RAYNER [redacted]
ALISON R. SENNELLO [redacted]
MARTIN P. SORENSEN [redacted]
MICHAEL S. WEINER [redacted]
KENNETH S. YEW [redacted]

THE FOLLOWING NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

To be lieutenant (junior grade),

ANTHONY W. DELUCCHI [redacted]
JAMES B. EASTON [redacted]
HENRY GONZALES [redacted]
JIMMY L. HAHM [redacted]
PATRICK S. HAYDEN [redacted]
JOHN W. KENNEDY [redacted]
AMY L. LYONS [redacted]
RAMON O. MARIN [redacted]
KURT M. PHOEL [redacted]
JAVIER A. VEGA [redacted]
GREGORY J. VERGAMINI [redacted]
HANS C. WALDRAFF [redacted]
FORREST D. WILKINS [redacted]

To be ensign

TRINA M. BECKNER [redacted]
ERIC J. BIALEK [redacted]
JAMEY J. BLOC [redacted]
JAMES H. BYRD, JR. [redacted]
MICHAEL J. CLOYD [redacted]
MARK D. DOBESH [redacted]
MICHAEL W. FIVAS [redacted]
MICHAEL S. FLATLEY [redacted]
SCOTT A. GARVEY [redacted]
RONALD L. GRIESENAUER [redacted]
NOEL M. GRIFFITH [redacted]
DENNIS R. HALL, JR. [redacted]
LAURI D. HARRIS [redacted]
ANTHONY J. HATOK, JR. [redacted]
ALAN M. HERN [redacted]
BRANDON A. HONEYCUTT [redacted]
DARRELL B. INGRAM [redacted]
NOEL P. JOHNSON [redacted]
DEAN R. KINSMAN [redacted]
ERIC A. MORGAN [redacted]
TIMOTHY S. PIONE [redacted]
ERIC M. SKROCH [redacted]
GREGORY T. STEHMAN [redacted]
RICHARD J. SULLIVAN [redacted]
MICHAEL L. SWEENEY [redacted]
JOSEPH J. YUN [redacted]

THE FOLLOWING NAMED U.S NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

To be lieutenant

DEBORAH K. ANDERSON [redacted]
MICHAEL L. ANDERSON [redacted]
THOMAS S. ARMSTRONG [redacted]
DAVID F. CRUZ [redacted]
SCOTT T. GEHRING [redacted]
MARK D. HANSON [redacted]
ROBERT M. JENNINGS [redacted]
ROBERT J. KILLIUS [redacted]
MICHAEL B. MURPHY [redacted]
MARK A. POLCA [redacted]
GARY J. POWE [redacted]
JOE F. RAY [redacted]
RICHARD J. SCHLEGEL [redacted]
VAUGHN L. STOCKER [redacted]
JOSEPH A. TWEEDY [redacted]
JOSEPH P. WILKING [redacted]
DONALD J. WILLIAMS [redacted]

To be lieutenant (junior grade)

ERIC H. BURKS [redacted]
PHILIPPE J. GRANDJEAN [redacted]
MARK K. HARRIS [redacted]
DAVID K. HOWELL [redacted]
ANDRE D. MURPHY [redacted]
CORINNE J. PELLEGRIN [redacted]
AARON K. STANLEY [redacted]
ERIC S. STUMP [redacted]
LORENZO E. WILLIAMS [redacted]

THE FOLLOWING NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTIONS 531 AND 5582(B):

CIVIL ENGINEER CORPS

To be lieutenant

THOMAS A. BOLIN [redacted]
ARMAND T. QUATTLEBAUM [redacted]
MAJELLA D. STEVENSON [redacted]

To be lieutenant (junior grade)

MICHAEL P. CAPUANO [redacted]
MARILEE A. COWAN [redacted]
CHERYL M. HANSEN [redacted]
WILLIAM K. HEDGES [redacted]
DAVID R. HOPKINS [redacted]
SEAN J. MC KILLOP [redacted]

To Be Ensign

CHRISTOPHER E. ARCHER [redacted]
CARTER C. DOWDY [redacted]
MEGAN J. WAGGONER [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

To be lieutenant

DAVID G. GILLES [redacted]
CAROLYN D. HERMAN [redacted]
KEVIN K. JOHNSON [redacted]
RICHARD A. KRAMER [redacted]
SCOTT A. LANGE [redacted]
ROBERT E. LIN [redacted]
TIMOTHY L. MILINER [redacted]
RICHARD S. MOSER [redacted]
NORMAN D. STIEGLER, JR. [redacted]
GARY B. WHIPPLE [redacted]

To be lieutenant (junior grade)

MARK A. AGUILAR [redacted]
DOUGLAS C. BUZBEE [redacted]
HOWIE S. FERGUSON [redacted]
PATRICK A. GARIN [redacted]
GLENN W. HUBBARD [redacted]
THOMAS J. MITORAJ [redacted]
NORMAN D. NAISER, JR. [redacted]
WILLIAM T. TIMBERLAND [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE JUDGE ADVOCATE GENERAL'S CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant

STEVEN M. BARNEY [redacted]
STUART W. BELT [redacted]
FRANCIS J. BUSTAMANTE [redacted]
STEVEN J. COATY [redacted]
MONTE R. DEBOER [redacted]
CHRISTOPHER R. DONOVAN [redacted]
DANA T. DYSON [redacted]
AZIZ D. FAWAL [redacted]
REX A. GUINN [redacted]
NOREEN A. HAGERTY [redacted]
HALLIE S. HOCHMAN [redacted]
MARY C. L. HORRIGAN [redacted]
PAUL C. LEBLANC [redacted]
KATHLEEN A. MESSICK [redacted]
BRIAN T. ODONNELL [redacted]
CHARLES N. PURNELL, II [redacted]
PETER D. SCHMID [redacted]
PHILIP M. SKILLMAN [redacted]
SUSAN L. TURNER [redacted]
JONATHAN H. WAGSHUL [redacted]
DANA O. WASHINGTON [redacted]
BRIAN S. WILSON [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE DENTAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

DENTAL CORPS

To be lieutenant commander

JEANETTE M., GORTHY [redacted]
PETER G., KREMP [redacted]

To be lieutenant

JEFFERY L. ANDRUS [redacted]
HECTOR, A. CABALLERO [redacted]
MARISA L. CINCOSKI [redacted]
CATHERINE L. CUMMINGS [redacted]
DAVID R. ENGLEHART [redacted]
ARNE F. GRUSPE [redacted]
RODNEY L. GUNNING [redacted]
DAVID H. HARTZELL [redacted]
SHEHERAZAD A. HARTZELL [redacted]
JOHN C. HENING [redacted]
DARYL G. HOLDREDGE [redacted]
MILAN J. JUGAN, JR. [redacted]
CRAIG J. KOSLICA [redacted]
KAREN M. LYNCH [redacted]
DONALD D. MARDIS [redacted]
BRIAN S. MAYDAY [redacted]
KURT T. METZLER [redacted]
PAUL G. OLOUGHLIN [redacted]
JEFFREY J. PRICE [redacted]
JAMES E. ROBSON [redacted]
MICHAEL A. STEINLE [redacted]
SCOTT D. THOMAS [redacted]
PATRICIA A. TORDIK [redacted]
RANDALL J. WALKER [redacted]

THE FOLLOWING NAMED LINE OFFICERS, TO BE REAPPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

To be lieutenant (junior grade)

SCOTT B. ARNDT [redacted]

DANIEL L. MEYERS [redacted]
BENNETT J. SOLBERG [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

SCOTT A. SHAPPELL [redacted]
LYNDA E.S. WALLS

To be lieutenant

HOWARD A. AUPKE, JR. [redacted]
FREDERICK C. BEAL [redacted]
CHARLES H. BEASLEY, JR [redacted]
FREDERICK, M. BERNEKING [redacted]
DUANE L. BIZET [redacted]
JOHN R. BOREN IV [redacted]
JOHN R. BUFFINGTON [redacted]
JOSEPH M. CAMPISANO [redacted]
WILLIAM F. CUSACK [redacted]
MARY F. DAVID [redacted]
FREDERICK C. DAVIS [redacted]
ROBIN J. DOWNEY [redacted]
THOMAS L. DRIVER [redacted]
BRIAN M. FARMER [redacted]
ALEX J. FATCHERIC [redacted]
THOMAS C. FRANCHINI [redacted]
PAMALA S. GAITHER [redacted]
JERRY L. GARDNER [redacted]
JOHN GOODE, JR. [redacted]
PEDRO G. GUZMAN [redacted]
MARGO E. HALEY [redacted]
DAVID J. HINCKLEY [redacted]
STEVEN L. HOEFT [redacted]
KURT J. HOUSER [redacted]
GILLIAN V. JAEGER [redacted]
STEVEN M. JEFFS [redacted]
JAY P. KAZE [redacted]
EDWARD M. KENNEDY [redacted]
BONNEY J. MANN [redacted]
RICHARD G. MASANNAT [redacted]
TOUSSAINT E. MORGAN [redacted]
LYNN M. OWENS [redacted]
MARK A. PARSONS [redacted]
THOMAS P. PHILLIPS [redacted]
JOSEPH J. PICKEL [redacted]
SHANNON D. PUTNAM [redacted]
CELIA A. QUIVERS [redacted]
KEVIN E. RICE [redacted]
GLORIA A. RUSSELL [redacted]
MARK C. RUSSELL [redacted]
GINA M. SIEGWORTH [redacted]
DANIEL S. SIMPSON [redacted]
PETER P. TOLAND, JR [redacted]
KEVIN L. TROVINI [redacted]
MARY E. WALDMAN [redacted]
MICHAEL J. WALSH [redacted]
RENEE T. WHITE [redacted]
STEVEN R. WINKLER [redacted]
MICHAEL D. ZYZAK [redacted]

To be lieutenant (junior grade)

RONALD M.V. BAJET [redacted]
DANIEL J. BELISLE [redacted]
BRANDON S. BENTLEY [redacted]
MICHAEL J. BOWERS [redacted]
KEVIN D. BRYANT [redacted]
CYNTHIA A. COLVIN [redacted]
THOMAS R. CONNOR [redacted]
KERRI L. COONS [redacted]
ROLAND L. FAHIE [redacted]
STEPHEN E. GOTTLIEB [redacted]
STEVEN N. HAILEY [redacted]
CYNDEE J. HAYES [redacted]
CHRISTOPHER J. IRWIN [redacted]
RONALD R. MARTEL [redacted]
JAMES L. MARTIN [redacted]
RICHARD L. MCCARTHY [redacted]
WILLIAM T. MILES [redacted]
ALAN L. PORTIS [redacted]
REBECCA A. RIGNEY [redacted]
ROBERT P. RUSSELL [redacted]
RANDY G. SHAFFER [redacted]
REBECCA C. SINE [redacted]
TAMARA R. WALKER [redacted]
TIMOTHY J. WOLFKILL [redacted]

To be ensign

GREGORY A. CAMERON [redacted]
ROGER A. HOUSE [redacted]

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE NURSE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NURSE CORPS

To be lieutenant commander

JAMES P. FERGUSON [redacted]

To be lieutenant

LINDA M. ACOSTA [redacted]
KRISTEN ATTERBURY [redacted]
KHIN AUNGTHEIN [redacted]
CHRISTINE A. BLYTHE [redacted]
KATHLEEN A. BRANNON [redacted]
CLARIBEL L. BROWN [redacted]
MAUREEN R.N. BUTLER [redacted]
CHERYL L. CARSON [redacted]
DAVID T. CASTELLANO [redacted]
CHESTER E. CHAPMAN [redacted]
VIRGIL E. CRONKHITE [redacted]
RACHELE A. CRUZ [redacted]
CINDY L. DAVIS [redacted]
ROANNA L. DUNN [redacted]
TERESA M. DZBENSKI [redacted]
ANN L. EBERHART [redacted]
MAURICE F. FAULK, JR. [redacted]
JAMES P. FOWLER [redacted]
LAURIE GENTENE [redacted]
BRADLEY J. HARTGERINK [redacted]
SANDRA HEARN [redacted]
SANDRA K. HEAVEN [redacted]
CHARLES W. HICKEY [redacted]
JEANETTE S. HIRTER [redacted]
LORETTA A. HOWERTON [redacted]
GARY M. JACKSON [redacted]
LENA M. JONES [redacted]
DIANA L. JORGENSEN [redacted]
JOHN J.S. KANE [redacted]
MCGREADY D. KELSO [redacted]
GAYLE S. KENNERLY [redacted]
BARBARA J. KINCADE [redacted]
KERRIE E. KUHL [redacted]
RONNELL R. LEFTWICH [redacted]
ROBIN L. LIND [redacted]
RICHARD S. MAFFEO [redacted]
LORI A. MARTIN [redacted]
MARK W. MCDONALD [redacted]
CAROLYN R. MCGEE [redacted]
VIOLET A.A. PAYNE [redacted]
JOANNE M. PETRELLI [redacted]
DREW S. PINILLA [redacted]
NANCY G. RODRIGUEZ [redacted]
JANICE D. SANDERS [redacted]
DAVID A. TAIT [redacted]
GLORIA S. TESTA [redacted]
KIMBERLY J. THOMPSON [redacted]
KATHLEEN TRAINORYATES [redacted]
ANNMARIE T. WERKHEISER [redacted]
SHARON E. WOLF [redacted]
SHARRON L. YOKLEY [redacted]

To be lieutenant (junior grade)

LAWRENCE M. BATEMAN [redacted]
ANNETTE S. BETTS [redacted]
DENISE J. BOEHLER [redacted]
JOHN J. BRESLIN [redacted]
DARWIN M. BROOKS [redacted]
HAROLD J. CLOUGH [redacted]
JACQUELINE L. COFFIN [redacted]
ESTHER M. CUNNINGHAM [redacted]
GEORGE O. DECKER [redacted]
RICHARD F. DIBUCCI [redacted]
TARYN R. EPPERSON [redacted]
CARMA J. ERICKSON [redacted]
SHARON D. EVANS [redacted]
MICHAEL E. FLYNN [redacted]
STEPHANIE L. FORD [redacted]
JAMES C. GAY [redacted]
HEATHER K. GILCHRIST [redacted]
AMY L. HALL [redacted]
KAREN E. HOLLAND [redacted]
CHERYL L. HUNT [redacted]
THOMAS J. JAGLOWSKI [redacted]
SCOTT A. JOHNSON [redacted]
SHIRLEY H. KING [redacted]
MARY C. LIGHTWINE [redacted]
LORI J. MARTINELLI [redacted]
TINA M. MCCLURE [redacted]
KATHLEEN J. MCDONALD [redacted]
MARTIN W. MCMICHAEL [redacted]
RACHEL J. NIKKOLA [redacted]
CARLO A. PIRAINO, JR. [redacted]
SHELLEY A. ROSANDER [redacted]
THOMAS M. ROUNDS [redacted]
JOHN R. ROUSSEL [redacted]
PAUL P. SAUCEDO III [redacted]
ANGELA R. SAUNDERS [redacted]
HUGH B. SCOTT [redacted]
ROSEMARY S. SKIDMORE [redacted]
WANDA J. STONE [redacted]
GLEN L. TODD [redacted]
SUSAN E. ULLOA [redacted]
JOHN J. WHITCOMB [redacted]
RICHARD D. WHITE [redacted]
PATRICK C. WRENCHER [redacted]

CONFIRMATIONS

Executive Nominations Confirmed by the Senate May 23, 1995:

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

EUGENE BRANSTOOL, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

DEPARTMENT OF AGRICULTURE

KARL N. STAUBER, OF MINNESOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR RESEARCH, EDUCATION, AND ECONOMICS.

KARL N. STAUBER, OF MINNESOTA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. BILLY J. BOLES [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN C. GRIFFITH [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. LLOYD W. NEWTON, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. CHARLES G. BOYD, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. JOHN M. LOH, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. JOHN S. FAIRFIELD [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CARL G. O'BERRY [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. EUGENE D. SANTARELLI [redacted] U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. LEONARD D. HOLDER, JR. [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601(A) AND 3033:

To be general

To be chief of staff of the Army

GEN. DENNIS J. REIMER [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. GORDON R. SULLIVAN [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MARVIN L. COVAULT [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. ROBERT E. GRAY [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. JOHN E. MILLER [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM G. CARTER III [redacted] U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. DONALD F. HAGEN [redacted] U.S. NAVY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS COMMANDANT OF THE MARINE CORPS, HEADQUARTERS, U.S. MARINE CORPS, AND APPOINTMENT TO THE GRADE OF GENERAL WHILE SERVING IN THAT POSITION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5043:

To be Commandant of the Marine Corps

LT. GEN. CHARLES C. KRULAK [redacted] USMC.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING ROBERT D. CURRY, AND ENDING WARD Y. TOM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

AIR FORCE NOMINATIONS BEGINNING MAJ. BRADLEY C. ANDREESEN, AND ENDING MAJ. CHARLES E. LOWREY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 3, 1995.

AIR FORCE NOMINATIONS BEGINNING MAJ. JOSE T. AGUINEGA, AND ENDING MAJ. STEPHEN L. JERENTOWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 3, 1995.

AIR FORCE NOMINATIONS OF JAMES C. INGRAM, JR., WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF APRIL 24, 1995.

IN THE ARMY

ARMY NOMINATIONS BEGINNING JOHN A. ADAMS, AND ENDING *DARI WOLLSCHLAEGER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 23, 1995.

ARMY NOMINATIONS BEGINNING *RUSSELL R. MOORES, JR., AND ENDING MICHAEL J. SMITH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

ARMY NOMINATIONS BEGINNING JAMES W. CLEVENGER, JR., AND ENDING CHARLES M. KING, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 24, 1995.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING DAVID F. ALLEN, AND ENDING EUSEEKERS WILLIAMS, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 23, 1995.

MARINE CORPS NOMINATIONS BEGINNING STEPHEN J. ACOSTA, AND ENDING GREGORY N. ZIMA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 2, 1995.

IN THE NAVY

NAVY NOMINATIONS BEGINNING VANITA AHVJA, AND ENDING PERRY N. WILLETTE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

NAVY NOMINATIONS BEGINNING CHARLES S. ABBOT, AND ENDING JAKE ZWEIG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

NAVY NOMINATIONS BEGINNING RYAN D. AARON, AND ENDING DAVID G. ZOOK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 30, 1995.

EXTENSIONS OF REMARKS

THE RIGHTS OF AMERICAN LABOR SHOULD BE RESPECTED

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. COYNE. Mr. Speaker, I rise today to state my strong opposition to efforts now being made by the Republican majority to weaken U.S. laws that protect the rights of American workers.

The United States has a proud labor history based on independent unions and the progress achieved in the living standards of working class American families reflects this history. America's unions have played a central role in guaranteeing that workers in our country participate in the benefits of economic growth. American labor struggled for decades to ensure that the rights of working men and women were respected by employers and public officials responsible for making and enforcing our Nation's laws.

U.S. labor laws benefit all working families, regardless of whether they may participate in a collective-bargaining organization. Landmark legislation enacted in the 1930's established a minimum wage and the 40-hour week, protected our Nation's children from dangerous and exploitative working conditions, and guaranteed the rights of American's to bargain collectively. Tragically, America's labor laws are currently under attack by the new Republican majority in the House.

Republican leaders in the House have proposed to revise or eliminate legal rights established as long as six decades ago. Rights taken for granted by most Americans are now in jeopardy. House Majority Leader RICHARD ARMEY has stated that he not only opposed any increase in the minimum wage but would instead advocate the repeal of this historic U.S. labor law.

One clear attempt to have Congress retreat from the labor rights protected currently by U.S. law is H.R. 743, the Team Act. This bill would amend the National Labor Relations Act to permit employers to establish company labor organizations that would effectively compete with independent unions. H.R. 743 would overturn existing law which prohibits employers from establishing management-controlled worker groups to oversee workplace issues. The intent of this legislation is to set aside National Labor Relations Board rulings that have prevented nonunion employers from using sham company unions to discourage the organization of independent collective-bargaining units.

I believe that the House must reject the Team Act and any other similar legislation that would undermine the rights of American workers to unionize. The National Labor Relations Act has succeeded in promoting fair and open negotiation between labor and management over workplace issues important to both parties. Abandoning the principles of this landmark legislation is wrong.

Another example of an attack on labor is the plan to repeal the Davis-Bacon Act that benefits all American communities by ensuring that federally funded construction projects are built by construction companies employing skilled and experienced workers. Davis-Bacon denies unscrupulous fly-by-night operators an opportunity to undercut local wages. Davis-Bacon has also saved taxpayers money by ensuring that qualified companies are used to complete Federal construction projects on-time and on-budget.

Without Davis-Bacon, more than a half million American construction workers will see their wages pushed down by fly-by-night contractors. Legitimate companies will be put under pressure to pay substandard wages. Federal income tax receipts would also be reduced by at least $1 billion a year if Davis-Bacon were repealed.

The results of Davis-Bacon repeal can be observed at the State level. The nine States that have repealed State prevailing wage laws have seen construction wages fall and State treasuries have lost substantial income and sales tax revenues. In Utah, the size of cost overruns on State road construction tripled. The use of less skilled and less experienced construction workers has also led to an increase in the number of injuries and fatalities in the workplace.

A repeal of the Davis-Bacon Act is simply a bad idea. Any imagined benefit of a Davis-Bacon repeal is far outweighed by the costs in dollars and in the lives of American workers. I urge my colleagues in the House to just say no to the repeal of the Davis-Bacon Act.

Mr. Speaker, I believe that each Member of the House should let their constituents know where they stand on the issue of protecting the legal rights of American working men and women. I hope my colleagues will join with me in fighting to ensure that the U.S. House of Representatives respects the rights of American labor.

IN APPRECIATION OF THE NEW BRITAIN MUSICAL CLUB ON THEIR 75TH ANNIVERSARY

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is with great pride and appreciation that I extend my congratulations to the New Britain Musical Club on the occasion of its 75th anniversary. The members of the club, which was formed in 1920 by Theron Wolcott Hart, will celebrate this milestone at its annual banquet this evening.

The New Britain Musical Club has grown throughout the decades, with members first gathering in each others' homes and now at the First Church of Christ Congregational. At their monthly performances, members and guests of the club present vocal and instrumental selections representing a broad range of musical interests. The New Britain Musical Club has offered the citizens of the Hardware City an opportunity to attend performances of dance, the classics, and popular music combined with good fellowship with their neighbors.

The club members have also demonstrated their love of music through the establishment of scholarships to students with outstanding musical ability for the Julliard School of Music. For close to 50 years, the New Britain Musical Club has sponsored an Advent concert of Handel's Messiah for the community. The club is a valuable asset in New Britain, CT's rich cultural fabric where the presentation of music and art is highly prized.

A TRIBUTE TO ROBERT SESSIONS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the untimely passing of a fine man and an outstanding public servant, chief of police Robert Sessions of Barstow, CA. Chief Sessions, a 28-year member of the department and an inspiring presence to the city of Barstow, died on May 20 after a brief battle with cancer.

Bob Sessions was born on March 23, 1940, and received a A.A. degree in education from Barstow Community College and a B.S. degree in sociology from Chapman College. He also graduated from the FBI's National Academy. In 1963, Bob married Carol Dawson and later they adopted two children, Jon and Jennifer. Together they moved to Barstow to make their home and work for Atchison, Topeka & Santa Fe Railway. Four years later, Bob became a reserve officer with the Barstow Police Department and was sworn in as a full time peace officer in 1968.

Over the years, Bob worked his way through the ranks of the Barstow Police Department assuming the position of patrol officer, K–9 officer, detective, sergeant, lieutenant, and captain. In September 1985 Bob was promoted to chief of police. During his tenure, Chief Sessions implemented numerous programs and projects including the Drug Abuse Resistance and Education [DARE] Program, the Retired Senior Volunteer Program [RSVP], the Community Oriented Policing and Problem Solving Program, and many others.

Chief Sessions' involvement in and support for numerous professional organizations is

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

well known. He was a past president of the San Bernardino County Chief's Association, as well as a member of the California Chiefs of Police Association, the International Association of Chiefs of Police, the California Peace Officer's Association, and many others. In addition, Chief Sessions played an extraordinary and active role in our civic and community life as a member of the Church of Jesus Christ and Latter Day Saints, and participating in the Barstow Rodeo, scouting programs, and the reading program in local schools.

Mr. Speaker, I ask that you join me, our colleagues, and Bob's family and many friends in paying tribute to this fine man. Chief Sessions was dearly loved and respected by the entire Barstow community and he will be greatly missed. Indeed, he touched and protected the lives of many people and it is only fitting that the House of Representatives honor him today.

AN AMENDMENT TO TREAT ACADEMIC HEALTH CENTERS LIKE OTHER EDUCATIONAL INSTITUTIONS FOR PURPOSES OF THE EXCLUSION FOR EMPLOYER-PROVIDED HOUSING

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. HOUGHTON. Mr. Speaker, I am joined today by Mr. RANGEL, and Mrs. MALONEY, in introducing legislation to provide an exclusion for employer-provided housing for academic health centers the same as provided to other educational institutions. In the 1986 Tax Reform Act, Congress enacted a safe harbor provision for college and university-owned housing provided to certain faculty and staff. Under the safe harbor provision, the difference between the fair market value and the actual rent for campus housing provided to employees of an educational institution is excluded from gross income to the employees. In the 1986 Act, academic health centers were not included in the safe harbor provision.

The legislation that is being introduced today would afford the same safe harbor provision to academic health centers, and place them on equal footing with colleges and universities. I believe that academic health centers are important national resources that provide significant contributions to the Nation's understanding and treatment of diseases afflicting our citizens.

The arguments that applied to the safe harbor provision for colleges and universities in the 1986 tax law are the same arguments that apply to an academic health center.

The benefits of providing faculty and staff housing enables the center to attract and retain a full-time faculty and staff to fulfill the mission of the institution. For institutions located in high rent areas such as New York City, this provision is essential for the institution to carry out its missions of patient care, education, and research.

Second, many of the tenants of academic center-owned housing are pursuing advanced degrees and training at the center and usually at substantial financial hardship. In addition, the faculty and staff of an academic health center are often living in the same building as faculty and staff of a neighboring university.

Our bill would amend the definition of "educational institution" under section 119(d) of the Internal Revenue Code. The amendment would ensure that academic health centers, which are not part of a college or university, but nevertheless are teaching institutions, would qualify for the section 119(d) special valuation rule. This change would correct the anomalous situation under current law where a qualified educational institution can use the rule and an academic health center cannot, even though the two institutions must hire and compete for the same highly qualified employees.

The proposed amendment narrowly defines "academic health center" to focus only on rectifying the competitive problem that I've described. Under the proposed amendment, the academic health center must: First, qualify as a tax exempt hospital or medical research organization eligible to receive charitable contributions, second, receive graduate medical education Federal funding, and third, engage in and teach basic and clinical medical science and research with the organization's own standing faculty.

We believe that the legislation will allow for a fair and equitable competitive market for these skilled and qualified employees.

TRIBUTE TO DR. RICHARD TENNESSEN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. UNDERWOOD. Mr. Speaker, I would like to take this occasion to commend one of the island's premier educators, Dr. Richard Tennessen. Through the years, has made great contributions toward the development of Guam through his work in the field of education. It is only befitting that he was selected as this year's Association of Community College Trustees [ACCT], Pacific Region Trustee Leadership Awardee.

Dr. Tennessen's roots on the island run deep. He first came to the island as a contract teacher back in 1955. He moved on to become the principal of Barrigada Junior High, and later of George Washington High School. He also served as superintendent of schools under Gov. Manuel Guerrero and as the dean of the University of Guam's College of Education.

It was, however, at his present post as chairman of the Guam Community College board of trustees that Dr. Tennessen received this coveted award from the ACCT. His selection is truly a great honor, considering the fact that he was chosen over hundreds of trustee chairmen from all areas in the Pacific region, including Oregon, Washington, British Columbia, Nevada, Arizona, California, and Hawaii. Dr. Tennessen's selection also marks the first time that a trustee from Guam won the award.

For over three decades, Dr. Richard Tennessen directly assisted in the development of Guam through his work in the field of education. Having been a former colleague of Dr. Tennessen and an educator myself, I understand and appreciate the significance of his efforts. I commend him for all the good work that he has done for the island of Guam and congratulate him on winning this prestigious award. On behalf of the people of Guam, I join his wife, the former Julie Taitano and his children, Lori and Gene, in proudly celebrating the outcome of his hard work. We commend his work and his contributions to the island of Guam.

SALUTING SCHOOL SUPERINTENDENT DR. JACK R. ANDERSON

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. GILMAN. Mr. Speaker, permit me to take this opportunity to bring to the attention of our colleagues an outstanding individual who has garnered widespread respect and admiration throughout southeastern New York.

Dr. Jack R. Anderson has been superintendent of schools in the East Ramapo School District, in Rockland County, NY, since 1977. He has brought national, and even international, recognition to the East Ramapo School District through his educational vision, his leadership, and his strong support for program which had been initiated in his community.

East Ramapo was a culturally and ethnically diverse community when Dr. Anderson first arrived. Although that diversity still exists, Dr. Anderson has devoted himself to bringing all in the community closer together. When he first arrived, all eleven labor unions who do business with the East Ramapo School District were without contracts, the district was in the midst of austerity budgets, enrollment in the schools was declining, the community was factionalized, and the NAACP has filed student and staff discrimination charges.

In a short period of time, Dr. Anderson negotiated contracts, ended the labor crisis, reconsolidated and reorganized the schools to more accurately reflect population patterns, and resolved all discrimination issues with the NAACP.

Because of his outstanding record of 18 years of service, Dr. Jack Anderson was designated as the New York State Superintendent of the Year earlier this year by the American Association of School Administrators. More recently, he was designated by the same group as one of the four top school administrators in the entire Nation.

Mr. Speaker, I have enjoyed a close working relationship with Dr. Anderson for many years. I consider him to be an astute and insightful individual, who strongly believes that the education of our young people is an investment in the future of our society, and is therefore our most important priority.

Mr. Speaker, I ask all of our colleagues to join with me in saluting an outstanding individual, Superintendent Dr. Jack R. Anderson of the East Ramapo School District.

SETTING INTERNATIONAL PRIORITIES

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. PACKARD. Mr. Speaker, the bill before us provides an opportunity to reorder our international priorities and put our fiscal house in order. This bill represents the first major reform in overseas operations in 50 years by slashing $1.8 billion from the President's 1996 fiscal year request.

This bill eliminates AID, USIA, and ACDA, three bloated and inefficient agencies and consolidates their relevant functions within the State Department. This $200 million reduction in operating expenses abolishes duplicative legislative, legal, and administrative personnel. In addition, with the savings derived from the ending these wasteful programs, we are able to fully fund narcotics control, antiterrorism, and security programs.

Streamlining the foreign aid bureaucracy and prioritizing our commitments abroad allows us to continue our deficit slashing agenda. The bill moves us closer to that goal and represents a step in the right direction. Mr. Speaker, I urge my colleagues to keep our budgetary goals in mind as we continue to debate and fine tune this bill.

HISTORY PROPERLY DISPLAYED

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. BEREUTER. Mr. Speaker, this Member would like to commend to his colleagues the following editorial from the May 16, 1995, Omaha World-Herald. This editorial properly praises the National Archives for its straightforwward approach to displaying World War II artifacts, photos, letters, and recordings. As the editorial notes, the National Archives has appropriately chosen to allow visitors to examine the display without being subjected to unnecessary and slanted commentary.

[From the Omaha World-Herald, May 16, 1995]

SIMPLE ARTIFACTS, PHOTOS, LETTERS DESCRIBE WAR; NO NEED FOR 'SPIN'

While the Smithsonian Institution was giving itself a black eye over its proposed Enola Gay display, a different kind of World War II exhibit was being prepared a few blocks away.

Historians at the National Archives assembled artifacts, photographs, letters and recordings to tell the story of America's involvement in World War II from Pearl Harbor to V-J Day. Their display tells the story with power and poignancy—and without the accusatory spin that tainted the Smithsonian's proposed Enola Gay display, with its condemnation of the U.S. use of atomic weapons.

The Archives display includes General Eisenhower's handwritten draft of the statement with which he planned to blame himself if the Normandy invasion failed. There is a bit of red fabric cut from the American flag that was surrendered to the Japanese on Corregidor. The cloth was preserved by American POWs, carried on the Bataan death march as a sacred symbol of their love for America, passed from one GI to another until the end of the war.

The Pearl Harbor attack is stunningly seen in a film shot by a Navy photographer who happened to be on deck with his camera when the bombs started to fall. Hitler and his cronies are shown in a photo album kept by Eva Braun. The display includes photos of battle scenes, victory celebrations and everyday life in the 1940s.

Giving the display a special quality are letters and diaries penned by the great and the ordinary.

A declassified message from Prime Minister Winston Churchill to President Franklin Roosevelt is signed only with the word "Prime." An American mother writes movingly to a son who will never live to read her words.

The letters come from both sides of the battle line. A letter by a Japanese officer explains why he felt the war was justified—America, he said, had denied his country access to natural resources. A Japanese soldier writes tenderly of his concern for his young sister as the tide of war turns against Japan. Gen. Erwin Rommel of the Wehrmacht expresses affection for his wife.

Of the U.S. use of atomic bombs, the text says, "Argument about their employment has continued almost increasingly ever since 1945, but in the context of the time, they were seen as, and almost certainly were; lifesaving shortcuts to the end of the war."

The assessment is reasonable.

A few days ago, a citizen's committee made public a report about the future of the Smithsonian. The panel said the facility should not become a "home for congratulation." The inclusion of that sneering statement suggests that someone on the panel wanted the Smithsonian to become a court in which the United States and Western civilization in general can regularly be put on trial.

Good history, of course, isn't cheerleading. But neither does it consist of condemning earlier generations because they didn't live up to the politically correct standards of the present. Some of the best history consists of unadorned facts, presented in their context. That is what the National Archives, to its credit, has produced.

IN MEMORY OF RICHARD SITER, U.S. NAVY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. SOLOMON. Mr. Speaker, as Memorial Day approaches again this year, many people and families around this Nation prepare weekend trips, picnics and barbecues. They can do so because of the selfless service and sacrifice of the millions of men and women who have served in the armed forces throughout our history. These people defend and provide the very freedoms we enjoy everyday, not to mention those luxurious moments we look forward to spending with loved ones on days like Memorial Day.

However, for a great deal of Americans, Memorial Day takes on a much more personal meaning, a reminder of the loss of a loved one. It is a time when millions of Americans reflect on the memory of a loved one who made the ultimate sacrifice on behalf of our nation and our freedoms. Mr. Speaker, I would like to take this time to pay tribute to the service of one such American hero from the town of Philmont, NY in my congressional district, Lt. Richard Siter, U.S. Navy.

In the summer of 1992, Lieutenant Siter was stationed aboard the air craft carrier, *USS John F. Kennedy* off the coast of Puerto Rico. Richard was a radar specialist in the Navy's air division and was assigned to an E–C2 Hawkeye aircraft. On July 31, 1992, Lieutenant Siter and the four other members of the five man crew, were flying over the waters of the Atlantic, well north of Puerto Rico, comprising the defense of our eastern shore. Upon their return flight to the *USS John F. Kennedy*, the five members of this Hawkeye crew would suffer a terrible accident. Their craft went down 75 miles north of Puerto Rico with no survivors. Tragically, the body of Lieutenant Siter and his fellow crewmen were never found.

Mr. Speaker, these are the people we should hold near and dear to our hearts as this Memorial Day draws near. As we celebrate the golden anniversary of the end of World War II and remember the thousands who gave their lives in that monumental war, let us not forget those, like Richard Siter, who put their lives on the line daily to provide the blanket of freedom beneath which our Nation and our way of life has thrived.

At this time, Mr. Speaker, I would ask that you, and all Members, join me in paying tribute to the service of Lt. Richard Siter and send our condolences to his family. While they suffered through the initial uncertainty of his whereabouts, they can be bolstered by the certainty that Richard is indeed counted amongst great Americans. May he be both in our hearts and our minds this Memorial Day and always.

TRIBUTE TO JAMES J. MARTIN AND RALPH KERMOIAN

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. BAKER of California. Mr. Speaker, in a few days, two of California's most outstanding educators will retire after years of effective public service.

Both James J. Martin and Ralph Kermoian have served the Lafayette School District for 25 years. Dr. Martin is currently serving as superintendent of the district, and Mr. Kermoian is assistant superintendent. Over the years, they have filled many other roles in educational administration.

As of July 1, these dedicated men will leave the Lafayette School District to pursue other ventures. Their presence will be missed by the thousands of present and former students who have benefited from their dedicated stewardship of Lafayette's schools.

It is a pleasure for me to join with the entire Lafayette community in thanking James Martin and Ralph Kermoian for all they have done to enhance learning in the East Bay region. Bestowing the precious gift of knowledge on young minds is both a challenge and a vital need, and James and Ralph deserve much credit for their roles in preparing future generations for tomorrow. I am most pleased to recognize them in the CONGRESSIONAL RECORD.

IN COMMEMORATION OF THE 125TH ANNIVERSARY OF THE FOUNDING OF PIO NONO COLLEGE AND HIGH SCHOOL AND THE 50TH ANNIVERSARY OF THE FOUNDING OF DON BOSCO HIGH SCHOOL

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. KLECZKA. I would like to commemorate the 125th anniversary of the founding of Milwaukee's Pio Nono College and High School and the 50th anniversary of the founding of my alma mater, Don Bosco High School.

For more than a century, quality Catholic education has been available on Milwaukee's South Side thanks to the traditions forged by Pio Nono College and High School and by Don Bosco High School. Although these two outstanding schools have since merged to become Milwaukee's Thomas More High School, the standards of excellence and commitment to Catholic principles which they established remain as strong and true as ever.

Pio Nono College was founded in 1870 and initially trained young men in music and teaching. For a time, Pio Nono stood as one of this country's foremost centers of Catholic liturgical music. As the educational needs of the Milwaukee diocese evolved, the focus of Pio Nono changed. Over the years, Pio Nono was transformed into a boarding and day school for young men, later into the St. Francis Minor Seminary, and by 1965, into Pio Nono High School. Throughout these changes, Pio Nono's commitment to providing quality Catholic education never wavered.

By the mid 1940's, the need arose on Milwaukee's South Side for a high school serving young men who sought a Catholic education, but who were not called to join a seminary. In 1945, Don Bosco High School was founded in response to that need. For the next two and a half decades, Don Bosco High School, under the guidance of the Marianist order of priests and brothers, prepared scores of Milwaukee's young men for the lifetime of challenges that lay before them. I am very proud to be among those members of our community who received their scholastic and spiritual foundation at Don Bosco.

By the late 1960's, the needs of the Milwaukee diocese had again changed, and in 1972, these two institutions were merged into Thomas More High School. This year, as we celebrate the 125th anniversary of the founding of Pio Nono and the 50th anniversary of the founding of Don Bosco, we can be proud that the traditions of those outstanding schools are being carried forward into the future by Thomas More. The alumni of Pio Nono, Don Bosco, and Thomas More owe a debt of thanks to the men and women, past and present, who cared enough to make quality and affordable Catholic education available to our community.

TACOMA AMENDMENT TO H.R. 961 CLEAN WATER AMENDMENTS ACT OF 1995

HON. BILL EMERSON

OF MISSOURI

HON. GREG LAUGHLIN

OF TEXAS

HON. RANDY TATE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. EMERSON. Mr. Speaker, my colleagues and I rise today to supplement the discussion we and several of our distinguished colleagues had on May 11, 1995. We were successful in amending H.R. 961, the Clean Water Amendments Act of 1995. During the debate, Mr. Emerson offered his amendment, and then accepted the substitute to his amendment that was offered by Mr. Laughlin and Mr. Tate. The substitute for the amendment is called the Tacoma amendment and is described as follows.

The amendment would resolve the uncertainty in regulation of hydroelectric projects caused by the U.S. Supreme Court's recent decision in PUD No. 1 of Jefferson County et al. Versus Washington Department of Ecology et al., known as the Tacoma case. In Tacoma, the Supreme Court ruled that State water quality agencies under section 401 of the Clean Water Act may determine whether a hydroelectric project qualifies as a designated use of a water body, prescribe flow conditions for the project, and impose conditions on the project under either State water quality standards for any other appropriate requirement of State law.

The Tacoma case brings section 401 of the Clean Water Act into conflict with the comprehensive licensing process already administered by the Federal Energy Regulatory Commission [FERC] under the Federal Power Act [FPA]. Under the FPA, FERC exhaustively evaluates and balances all public values affected by a project in a lengthy and comprehensive process that requires a minimum of 5 years to complete. The considerations examined thoroughly by FERC include all aspects of water quality as well as a need for power, irrigation, flood control, recreation, effects on Indian tribes, effects on Federal lands, endangered species concerns, and effects of fish and wildlife habitat.

Thus, the problem with the Tacoma case is two-fold. First, it creates duplication by allowing for 50 mini-FERC processes at the State level to be added to the already costly and burdensome process before FERC. Second, it potentially leaves hydroelectric licensing conditions in the hands of agencies that are charged with maintaining only one value, namely water quality.

In recognition that hydroelectric development frequently presents conflicts among competing societal values, there must be an ultimate arbiter that resolves such conflicts on the basis of weighing and balancing all interests. FERC is charged with filling that role under Federal law. If licensing conditions are left in the hands of water quality agencies who have no responsibility to the overall public interest it is inevitable that licensing decisions will be made on the basis of environmental impacts alone.

The amendment is a compromise approach to the Tacoma problem which is supported by the hydroelectric industry. It uses as departure point the fact that the Supreme Court in Tacoma explicitly left open the question of what happens when section 401 conditions conflict with licensing conditions chosen by FERC. The amendment would allow State water quality agencies to exercise the broad reach of authority under Tacoma, but State-imposed conditions would yield in situations where FERC finds inconsistency with the purposes and requirements under the Federal Power Act. These situations should be rare.

The Tacoma amendment is not a perfect solution for the hydroelectric industry, but an attempt to meet the States halfway. As directed by Chairman SHUSTER at the full committee markup of H.R. 961, representatives of the hydroelectric industry have met with the National Governors Association and the Western States Water Council in an attempt to achieve a consensus approach. These efforts have not been successful; nor have State interests come forward with any alternatives of their own. Resolution of the Tacoma issue is essential to the continued viability of hydroelectric resources since the majority of existing projects will undergo relicensing, and therefore section 401 certification, within the near future.

IN RECOGNITION OF THE ENFIELD SUBSTANCE ABUSE PREVENTION COUNCIL VOLUNTEERS IN ENFIELD, CT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is with great pride and respect that I rise to commend the many students, parents, educators, and professionals who are members of the Enfield Substance Abuse Prevention Council and will be honored for their efforts to raise community awareness of substance abuse.

This evening, at Enrico Fermi High School, the council will be hosting a celebration of youth to recognize the dedication and accomplishments of the volunteers, both children and adults, who have volunteered their time, energy, and experience to causes or projects whose mission is related to substance abuse prevention.

Substance abuse prevention is critical to the health and prosperity of all citizens, and I express my appreciation to all of the volunteers who have worked together and daily demonstrate their commitment to the quality of life in Enfield, CT.

A TRIBUTE TO ROBERT WIENS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Mr. Robert Wiens of Redlands, CA. Bob, a dedicated professional and longtime community activist, has retired as the president and chief executive officer of Redlands Federal Bank after 38 years of service to the Inland Empire. A tribute dinner will be held in his honor on June 17 with the proceeds of the event going to the Inland Empire Habitat for Humanity

Bob Wiens graduated from the University of Redlands in 1956 and later attended Indiana University's Graduate School of Savings and Loan. Following graduation, Bob went to work at Redlands Federal Bank where he spent almost the next 40 years of his professional life, moving up the professional ranks and leaving an indelible impression upon the bank and the local community. In his first 27 years with Redlands Federal, Bob served as a bank teller, manager of the Beaumont and Yucaipa branches, corporate secretary, treasurer/controller, and executive vice-president. In 1983, Bob became president and chief operating officer, and 3 years later, became president and chief executive officer. Bob became chairman, president, and chief executive officer in 1992.

To say the least, Bob Wiens has played an extraordinary and critical role in our community. Since 1976, he has served in numerous capacities with the California League of Savings Institutions, as well as the Institute of Financial Education and Financial Managers Society. In addition, he has actively served with the University of Redlands Board of Trustees, the Redlands Symphony Advisory Board, San Bernardino County Homeless Coalition, Inland Action, and the Inland Empire Economic Council. He has also been integrally involved with the Redlands Chamber of Commerce, the Redlands Community Hospital Foundation, the University of Redlands National Alumni Association, and the First Presbyterian Church of San Bernardino.

I have known Bob and his lovely wife, Marion, for many years now. They are two of the truly outstanding and dynamic individuals in our community who day in and day out make a difference in our community. It's only fitting that the local chapter of Habitat for Humanity is planning to build a house in Bob's name in the Redlands area in 1995.

Mr. Speaker, I ask that you join me, our colleagues, and Bob's family and many friends in recognizing his many fine achievements and selfless contributions. Over the years, Bob Wiens has touched the lives of many people and it is only fitting that the House of Representatives recognize him today.

AN AMENDMENT TO PROVIDE A PERMANENT EXTENSION OF THE TRANSITION RULE FOR CERTAIN PUBLICLY TRADED PARTNERSHIPS

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. HOUGHTON. Mr. Speaker, I am joined today by several of my colleagues, including Mr. KLECZKA, Mr. JACOBS, Mr. CRANE, Mrs. KENNELLY, Mr. SHAW, Mr. HERGER, Mr. BUNNING, Mr. MCCRERY, and Mr. NEAL, in introducing legislation to permanently extend the 10-year grandfather for publicly traded partnerships [PTP's]. This provision applies to those PTP's that were in existence at the time the Omnibus Budget Reconciliation Act of 1987 was passed.

Publicly traded partnerships, sometimes called master limited partnerships, were first created in the early 1980's. PTP's combined the traditional limited partnership form with the ability to have the partnership units freely traded on a stock exchange or over the counter.

In the 1987 act, Congress enacted section 7704 of the Internal Revenue Code. Section 7704 provides that PTP's generally will be taxed as corporations. Section 7704 does not apply, however, to PTP's where 90 percent or more of their income is qualifying income, such as from timber, oil and gas, and real estate. In addition, other PTP's in existence when section 7704 was enacted were grandfathered, but only for 10 years, through 1997. Our bill would extend this grandfather provision permanently.

APPROPRIATENESS OF THE 10-YEAR GRANDFATHER

We believe the 10-year limit on the grandfather for existing PTP's was inappropriate and unnecessary given the purpose for which section 7704 was enacted. According to the committee reports accompanying the 1987 act, section 7704 was intended to stop the "long-term erosion of the corporate tax base." Generally, the concern was that much of corporate America would convert to PTP's, thereby causing corporate tax revenues to decline. There appears to have been no serious debate in 1987 over whether limiting the duration of the grandfather was necessary to address these concerns.

There is no question that our purpose in enacting section 7704 was fully achieved by prospective application of that section. The movement toward use of PTP's had barely begun by 1987; there were only approximately 120 in existence at that time. It was the snowball effect of future conversions that we sought to prevent. Prospective application of section 7704 stopped that snowball effect dead in its tracks. Permanently grandfathering all existing PTP's would have had no effect on this goal whatsoever. Conversely, limiting the duration of the grandfather to 10 years was unnecessary to achieve our purpose.

Since prospective application of section 7704 achieved our purpose, we believe Congress erred in 1987 by limiting the grandfather to 10 years. Unless we reverse that decision before it takes effect in 1998, those PTP's still in existence and their owners will face serious hardships with no corresponding benefit to the Government or the tax system. Our bill merely asks Congress to rethink its decision before any damage is done.

I can foresee that some people might view this proposal as special interest legislation. I strongly disagree. Had we chosen in 1987 to provide a permanent grandfather for existing PTP's, no one would have batted an eye. Instead, a permanent grandfather in 1987 would have been an appropriate decision for Congress to make based on the extent to which existing PTP's relied on the law that was in effect when they were created. The fact that the decision was initially made in 1987 should not stop us from revisiting the issue so long as the original decision has not yet taken effect.

We in Congress are called on to make decisions about appropriate transition relief in virtually every tax bill. Indeed, these types of decisions are ones that are particularly suited for the Members of Congress to make, since they generally involve the balancing of competing interests rather than technicalities of tax law.

Our proposal is different only because it is separate in time from the 1987 act. On the other hand, the proposal is generic in scope, applying to any PTP fitting the criteria. We believe that it is fair, before the 10-year grandfather expires, to determine whether that decision was the proper one or whether a permanent rule would be better.

Generally, Congress does not place time limits on grandfather provisions, other than what might be called project-specific provisions. The reasoning behind this policy is that if taxpayers were justified in relying on the law in effect at the time the taxpayer took action, then the taxpayers deserve relief from the change in the law, not just for a limited period but as long as the taxpayer's circumstances do not change.

REASONS FOR A PERMANENT GRANDFATHER

Some may wonder why these PTP's should be permanently grandfathered. After all, if they were taking advantage of so large a loophole that Congress had to shut it down, why should they benefit merely because they got in under the wire?

The truth is that these PTP's did not take advantage of an egregious loophole. PTP's are structured no differently from other types of limited partnerships. They merely combined that basic limited partnership structure with the ability for the units to be readily traded. The problem was thus not a loophole in the tax code that needed to be closed retroactively.

These PTP's relied on the law in effect before passage of the 1987 act, and that reliance was completely reasonable. The first proposal directed toward PTP's surfaced in 1984, but President Reagan chose not to forward it to Congress in his tax reform recommendations and we did not independently take up the idea in 1986. It was only when Treasury proposed section 7704 in mid-1987 as part of a list of acceptable revenue raisers that the proposal received any official endorsement. By that time, most of the affected PTP's were already in existence.

This raises what I believe is the most important issue in this debate: fairness to the PTP's and, more importantly, their owners. The process of converting from a corporation to a PTP is a costly and time-consuming one, easily taking over 1 year. The conversion process involved consultation with investment bankers, appraisals, planning by corporate finance, securities and tax lawyers, multiple filings with the SEC and State securities agencies, proxy statements and shareholder votes, etc. This process would not have been started or completed had there been any reasonable prospect that a change in the tax law would have applied retroactively or after a limited period of time.

To make matters worse, many of these same costs will be incurred once again if the 10-year grandfather is not made permanent. Grandfathered PTP's will be forced to convert to corporate form on January 1998. To do so, however, will require lengthy planning, and the same investment banking advice, appraisals, and attorney fees. The need for extensive, advance planning makes it essential that the matter be resolved this year.

More important is the effect that loss of the grandfather will have on PTP investors. It is a virtual certainty that the value of PTP units will be affected adversely if the grandfather expires. So it will be the investors that suffer most. And who are these investors? Most are average, middle-class taxpayers who have invested in PTP units because of their high yield, many before the 1987 act was passed.

We do not achieve any tax policy goal by retaining the 10-year grandfather. That goal was fully achieved by making section 7704 apply prospectively. Instead, all we would accomplish by retaining the 10-year grandfather would be harm to these PTP's and their investors. There is no doubt what our decision should be.

In conclusion I want to note the diversity of the PTP's that would benefit from permanent extension of the grandfather. The PTP's affected are involved in a wide variety of industries, from motels and restaurants to chemicals, financial advising, and macadamia nuts. Undoubtedly, these businesses operate in many of our districts. Of course, our districts are the homes to the individual investors in these PTP's. The most recent count indicates that there are well over 300,000 individual investors.

The 10-year grandfather hangs like a sword of Damocles over each one of these PTP's. We in Congress have the ability to remove that sword and there is no reason why we should not do so. We urge our colleagues to join with us to support this bill.

Thank you, Mr. Speaker.

ACADEMY NOMINATIONS FOR U.S. CITIZENS IN THE CNMI

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. UNDERWOOD. Mr. Speaker, today I am introducing legislation that will provide the U.S. citizens of the Commonwealth of the Northern Mariana Islands with the same opportunity to attend the U.S. military academies as is enjoyed by the people of Guam and other non-State areas of our country.

This bill authorizes the Northern Marianas Resident Representative, the official elected at large to represent the Commonwealth before the Federal Government, to nominate candidates to fill one vacancy at each of the three military academies.

Currently, the people of the Northern Marianas face restricted access to West Point, Annapolis, and Colorado Springs. As U.S. citizens, they are eligible for nomination to the military academies. The Northern Marianas, however, is without representation here in Congress. Therefore, the normal route to academy appointments—nomination by a Member—is barred to these Americans.

The proposal to rectify this situation has received considerable prior study. Extending the authority for nominations was recommended in 1985 by the Commission on Federal Laws that Congress established to determine what Federal statutes should apply to the Northern Marianas.

There is also precedent for this authority to be granted to elected officials who are not Members of Congress. Under present law, the Governor of Puerto Rico can make nominations, as could the Governor of the Canal Zone before that area was returned to Panama.

Passage of the bill that I am introducing today will help ensure that the youth of the Northern Marianas have equal access to the important opportunity our military academies provide for both higher education and service to our Nation.

THE PASSING OF MRS. AMY BULL CRIST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. GILMAN. Mr. Speaker, it is with deep regret that I inform our colleagues of the passing of a remarkable woman Orange County's first lady, Mrs. Amy Bull Crist of Orange Count, NY, this past weekend, at the age of 89.

Amy Bull Crist born on March 9, 1906 in Brick Castle, her home in Stony Ford, NY, was a lifelong resident of Orange County. The building in which she was born was built by William Bull and Sarah Wells, her direct ancestors, who in 1718 became the first European couple married in what is now Orange County, NY.

As the daughter of Orange County's oldest and most illustrious family, Amy Bull Crist could have opted for a life of leisure. Instead, at an early age she determined to devote her life to the service of others.

When she was only 18—soon after her 1924 graduation from Middletown High School—she was invited to try her hand at teaching. Weary of farm work on the family estate, she eagerly grasped the opportunity to teach and within the next 15 years, as she taught in one-room schoolhouses, at Goosetown School in Hamptonburgh and at Cross Roads School in Montgomery, she became known county wide as one of the most outstanding educators in the region. Amy looked after her students like a doting parent, arranging dental and eyeglass appointments for those students who needed it, and in many ways making her mark upon the lives whose education was entrusted to her expertise and compassion. Subsequently she served as principal at Goodwill School. By the time of her retirement in the mid-1970's, Amy had risen to become our region's top education administrator, serving not only as district superintendent of schools for Orange and Ulster County, but also as district superintendent and executive officer for the Board of Cooperative Educational Services [BOCES].

Recognizing that our young people are our most valuable resource, Amy determined that education was the most worthwhile endeavor to which she could devote herself. Her lifelong career as an educator was a living testament to those who cherish this investment in our future. As a grade school teacher, a school superintendent, and as a trustee of our Orange County Community College which she was so instrumental in funding, Amy Bull Crist touched the lives of thousands of students. She served as founder and first superintendent of Orange-Ulster BOCES for many years prior to her 1974 retirement, and the affection and respect in which the community held her is underscored by the fact that the BOCES complex is named in her honor.

As was typical of Amy's style, she never satisfied herself by resting on her laurels. She continued to teach evening and summer classes at New York University, the State University College at New Paltz, and at Orange County Community College in Middletown.

Amy was one of the last of her generation: a generation which saw Orange County progress from the farming area which her family helped to pioneer to the fastest-growing region of New York State. Throughout the many changes which Amy witnessed in her lifetime, she remained constant in her beliefs that those who are more fortunate have a moral responsibility to help neighbors enjoy more productive lives and live up to their potential.

Amy's philanthropic and civic endeavors in so many important activities, including Occupations, Inc., the Orange County Mental Health Association, the Goshen Historic Track, the proposed Youth Facility for the Town of Wallkill, the American Heart Association, and so many other worthwhile endeavors, helped make a better life for all of us.

Amy also remained active with the Arboretum Committee for Orange County Park; the Montgomery Grange; the Presbyterian Church in Hamptonburgh; and the Emeriti Association of Orange County Community College. She was an honorary member of the Order of the Eastern Star in Walden. She organized the Amy Bull Crist Reading Association, the Amy Bull Crist Youth-in-Government Association, and the Orange County Farmers Association and Museum.

Emanuel Axelrod, who succeeded Army as Orange-Ulster BOCES superintendent after her retirement in 1974, said upon her passing: "She never wavered when she felt she was right. I will never forget her. She was one of the most outstanding people I've known."

Amy was chairman of the Orange County museums—Hill Hold and Brick House—the original lands and buildings of her family. She was well known for presiding at the well-publicized Bull family summer reunions which brought together her many relatives from throughout the United States and the world and which on occasion I had the pleasure of attending.

Amy, the widow of the late Clarence H. Crist, is survived by a large family including her sister, Molly B. Bazemore of Augusta, GA; two nieces, including Mary Ann Cohen of Goshen, NY; four nephews, including Michael K. Brown of Campbell Hall, NY, and William Bull Brown of Middletown; 19 great-nieces and great-nephews; and 13 great-great nieces and great-great nephews.

I often relied upon Amy for advice and assistance in many of my responsibilities in the Congress. She always had a patient ear, a keen insight, and a helping hand.

Amy left us this past weekend; peacefully in her sleep at her home, Brick Castle—the same home in which she was born 89 years earlier!

Our county, our region, and our State will long miss Orange County's First Lady, Amy Bull Crist.

Mr. Speaker, I call upon all of my colleagues to join with me in paying tribute to a truly remarkable lady.

A TRIBUTE TO JAMES SMITH

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Mr. James Smith of Ridgecrest, CA. Jim, a dedicated professional and longtime community activist, is retiring as the manager of Administration for North American Chemical Co. A tribute dinner will be held in his honor on June 2 to honor his more than 40 years of support to the chemical industry.

Jim Smith graduated from Loyola University in Los Angeles in 1954 and served 2 years in the U.S. Army Corps of Engineers. Following graduation, Jim went to work for American Potash and Chemical Corp. where he served in supervisory and management positions at plants across the country. In 1967, Jim went to work for Kerr McGee Chemical Corp. of Trona where for 23 years he fulfilled critical functions relating to labor relations, environmental relations, and community relations. In 1990, Jim went to work at North American Chemical Co. where he has served as manager of Administration and Regulatory Affairs and most recently, as special assistant for public affairs.

To say the least, Jim has played an extraordinary and active role in our community. He is a board member of the Fire Mountain Foundation, the Ridgecrest Chamber of Commerce, the Chemical Industry Council of California, the Desert Empire Fair, and the Maturango Museum. In addition, he has also served as an elected trustee of the Trona Joint Unified School District, and as a board member for the Council on Substance Abuse Awareness and the Searles Valley Community Service Council. Jim is also a past member of the San Bernardino County Air Pollution Control Advisory Council and a member of the Kern County Air Pollution Central District Hearing Board.

Mr. Speaker, I ask that you join me, our colleagues, Jim's wife, Grace, and his family and many friends in recognizing his many fine achievements and selfless contributions. Over the years, Jim Smith has touched the lives of many people and it is only fitting that the House of Representatives recognize him today.

CONGRATULATIONS TO THE PATCHOGUE FIRE DEPARTMENT

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. FORBES. Mr. Speaker, I rise today to congratulate the Patchogue Fire Department on 115 years of excellent service to the residents of the village of Patchogue and the East Patchogue Fire Protection District. I would like to extend my applause to the Southern New York Volunteer Firemen's Association on celebrating the 100th anniversary of their convention.

The Patchogue Fire Department has established a tradition as one of the oldest and finest fire departments in New York. The firemen of Patchogue are among the best trained and bravest fire fighters in New York as well. These firemen regularly risk their lives to protect and serve the people of Patchogue. Upon examining their impeccable service record, it is no surprise that the Patchogue Fire Department has been protecting the village of Patchogue so well for 115 years.

On Friday, June 9, 1995, the men and women of the Patchogue Fire Department will celebrate at the 100th Annual Convention of the Southern New York Volunteer Firemen's Association. This association, which represents the volunteer and exempt firemen of the nine southern counties, stands as evidence that New York does in fact have among the best firemen in the Nation.

REMEMBERING A HERO, HUMBLE SERVANT

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. ROGERS. Mr. Speaker, the Army Corps of Engineers, our southern region and the Nation lost a humble servant, war hero and good friend when Mitchell "Stoney" Merriman died last week from complications of an inoperable brain tumor.

Originally from White County, Tennessee, Stoney wrote the book on public relations—literally. A published author, newsman and writer, Stoney had such a creative and innovative style that he wrote a how-to book for the Corps that is used nationwide today.

Since 1987, he managed the Army Corps Nashville District's public information, media relations and community relations program in a 7-State area. I cannot think of anyone who knew how to promote an event better.

In Corps events and groundbreakings in my district, Stoney always amazed us with something new, creative and exciting. His style blazed a trail for all to follow and his legacy will be long remembered.

Stoney was more than just a top-notch public relations man. He was a veteran newsman, and even more importantly, a war hero.

During his 23 years of service in the U.S. Marine Corps, he served two combat tours in Vietnam, where he served as a combat journalist. Among his awards were two Purple Hearts, Legion of Merit Medal, Meritorious Service Medal, the Bronze Star with Combat "V" Medal and several other awards.

As a newsman, Stoney started in the military, but carried on his tradition of excellence at the "The Smithville Review" and then as publisher and editor of the "Carthage, TN Courier."

I am proud of Stoney Merriman. He was committed, honest and hard working in everything he did—whether it was a Corps event placing his life in harm's way to protect and defend his country. He was a joy to be with, and his service must always be remembered.

TRIBUTE TO JIM HENRY

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. TALENT. Mr. Speaker, I rise today to offer my congratulations to Jim Henry, a constituent of mine who was recently awarded the Small Business Administration's "1995 Small Business Person of the Year" award for the State of Missouri.

Ten years ago Mr. Henry left his job with Emerson Electric and bought R.C. Wilson Co., a small collection agency in St. Louis, MO. At the time Mr. Henry bought R.C. Wilson he had no small business experience or background, but he did have a can-do philosophy, which has helped him build one of the most successful collection companies in our city. Over the past 10 years, sales, employment, and clientele at R.C. Wilson have grown significantly. Sales have increased by 200 percent, while employment at R.C. Wilson have grown from 25 to 118. At the same time, his company's collection success rate is over 30 percent—higher than the 22 percent average for the industry.

Mr. Henry explains his success this way: "The way a business owner treats employees makes or breaks a business. The key to long-term success is to treat your employees with dignity and always maintain the highest level of integrity and honesty in all dealings." This attitude is reflected in the companies employee benefit policies. R.C. Wilson Co. has a generous tuition reimbursement program which enables many employees to continue their education through post-graduate levels. The company also provides an annual scholarship for Missouri Business Week to the child of one employee. The company also shares profits with its employees.

Mr. Speaker, I want to close by again offering Mr. Henry my congratulations on being named the 1995 Missouri Small Business Person of the Year, and to wish him and the employees of R.C. Wilson Co. continued success.

HONORING VICE ADM. THOMAS J. KILCLINE, USN RETIRED

HON. JAMES P. MORAN

OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 23, 1995

Mr. MORAN. Mr. Speaker, today I rise to pay tribute to Vice Adm. Thomas J. Kilcline, USN [Retired] on the eve of his retirement from his position as president of The Retired Officers Association. Because of his many accomplishments, I consider it appropriate to formally recognize him for his more than 50 years of service to this Nation.

Admiral Kilcline was born in Detroit, MI, on December 9, 1925. He enlisted in the U.S. Navy in 1943, graduated from the U.S. Naval Academy in 1949, and was designated a naval aviator in November 1950 after which he flew with VR-5 until 1953. Admiral Kilcline attended the Naval Postgraduate School and later Massachusetts Institute of Technology, where he earned a masters degree in aeronautical engineering in 1956.

He then joined Heavy Attack Squadron Nine, serving on the *Saratoga* and *Ranger*. In 1959, he was assigned to the staff of the commander Sixth Fleet. He completed the command and staff course at the Naval War College and in 1962 completed test pilot school. He was later assigned as coordinator of test programs for all attack aircraft at the Naval Air Test Center. In January 1965, Kilcline reported to Heavy Attack Squadron Eleven [VAH-11] aboard the *Forestall*. He commanded an RA5C squadron deployed to the Vietnam theater. He returned to the staff of the commander Naval Air Force, U.S. Atlantic Fleet in August 1967, and a year later was assigned as operations officer and later executive officer aboard the U.S.S. *Ticonderoga* [CVA-14] during operations off Vietnam. He then became program manager for acquisition and support of the RA-5C aircraft, Naval Air Systems Command. In October 1970, he was named director of liaison with the House of Representatives under the Navy Office of Legislative Affairs.

From August 1972 until May 1974, Kilcline was commanding officer, Naval Air Station, Patuxent River, MD. He was then assigned as director of aviation officer distribution, aviation captain detailer and later, assistant chief of Naval Personnel, Officer Distribution and Education. In August 1975, he assumed command of Naval Base Subic Bay with duties as commander in chief Pacific representative in the Philippines and commander U.S. Naval Forces, Philippines. He became chief, Legislative Affairs in February 1978 and in July 1981, was assigned as commander Naval Air Forces, U.S. Atlantic Fleet, He retired from the Navy in 1983.

His awards include the Distinguished Service Medal; the Legion of Merit with three gold stars; the Bronze Star; the Air Medal; and awards from the governments of the Philippines and the Republic of Vietnam.

Following retirement, Admiral Kilcline formed a military and congressional consulting firm which he disestablished when he became TROA president in December 1986. Through his stewardship, The Retired Officers Association played a pivotal role in convincing Congress to enact several legislative initiatives to maintain readiness and improve the quality of life for all members of the military community—active, reserve and retired, plus their families and survivors. I won't describe all of his accomplishments, but will briefly focus on a few to illustrate the breadth of his concern for military people.

Under his direction, TROA supported strengthening the underpinning of the Montgomery GI Bill and thus provided a solid foundation for our Nation's future leaders by placing the wherewithal for a college education on the horizons of more than 1 million young men and women who otherwise might have been denied that opportunity. He was ever mindful of the adverse effects on morale and retention caused by broken commitments and inadequate compensation and forcefully championed the causes of fairness and equity. His leadership efforts to preserve the long-standing commitment to lifetime care in military health care facilities, to fight perennial threats to retiree cost of living adjustments and to provide adequate military pay raises are some of his other significant contributions. Most recently, he fought and won the battle for a transition plan that provides a comprehensive benefits package for those personnel and their families who are forced out of active service as a result of the force structure drawdown that, hopefully, is in its final stages.

One of Tom's added strengths has been his lovely wife of 44 years, the former Dornell Thompson of Pensacola, FL. Dornell has stood steadfastly at his side, championing the cause of military people, particularly their families and survivors, everywhere. For these contributions, we owe her a debt of gratitude, as well.

Tom and Dornell live in McLean, VA. They have had four children: Captain Tom, Jr., an F-14 pilot now in the Navy Chair at the National War College; Lieutenant Patrick, lost in an F-14 accident off the U.S.S. *Constellation*, Lieutenant Kathleen, a navy doctor killed in an auto accident; and Mary, wife of Commander Bob Novak, a P-3 pilot assigned as a program manager in the Naval Air Systems Command in Washington, DC.

I wish to extend my heartfelt appreciation for his numerous contributions to military people everywhere and my best wishes for continued success in all of his endeavors.

IN RECOGNITION OF THREE BAILEY ELEMENTARY SCHOOL RETIREES

HON. KEN BENTSEN

OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 23, 1995

Mr. BENTSEN. Mr. Speaker, I would like to recognize the longstanding service and dedication of three employees of the William F. Bailey Elementary School of Pasadena, TX, who will retire at the end of this month.

Bailey Elementary has provided an excellent education to the thousands of students that have passed through its doors in its 37-year history. Bailey was the first school to establish the Right Choice Program, which teaches children that with everything there is a right and a wrong choice. It is the only elementary school with a choir, orchestra, and band in the Pasadena Independent School District. The entire staff at Bailey Elementary School works together with one goal in mind: To make every child a winner.

These three individuals, Patricia Ann Autrey Hawkins, Rebecca Faye Dorsett Buck, and Pauline Sophie Trojanowski Braden, have demonstrated their commitment to this goal and to the students of Bailey Elementary.

Mrs. Hawkins was born on July 22, 1938. Her parents devoted their lives to public education, spending over 75 years in the classroom or administration, so it was no surprise when Patricia attended Sam Houston State Teachers College and the University of Houston. She received her bachelor degree in education from Sam Houston in 1959. Her first teaching experience began with the Houston Independent School District, but she moved to Pasadena Independent School District after only one semester. She taught at Red Bluff Elementary for 5 years, before she and her family moved to Austin for her husband to complete his graduate studies. Mrs. Hawkins returned to Pasadena in 1969 and began her career again at Bailey Elementary School as a fourth grade teacher. She never left.

Mrs. Hawkins' dedication to education was not limited to the classroom, however. She remained active in the Texas State Teachers Association, the Pasadena Junior Forum, Delta Kappa Gamma, and First United Methodist Church. She served as a grade-level chairman and on numerous faculty committees at Bailey, and she was also honored with a Texas lifetime membership to the PTA. Mrs. Hawkins also found time to complete her own education, and she received her masters degree from Southwest Texas State Teachers College in 1965.

Mrs. Hawkins and her husband Sam have remained in the Pasadena area for over 30 years. Their children, Malcolm and Melissa, continue to live in Texas. Mrs. Hawkins will retire from Pasadena Independent School District and Bailey Elementary on May 29, 1995, after 31 years in public education.

Rebecca Faye Dorsett Buck was born on September 4, 1938, and moved to Houston at the age of 6. He graduated from Galena Park High School in 1956 and married her husband, Ronald Buck, in December 1957. Mrs. Buck waited until her three children, Ronald, Teresa, and Terrie, were in high school before she started to work in the Pasadena School District. She began in the visual handicap program in 1975, and after taking 1 year off, she returned to complete 19 years working at Bailey Elementary School, her latest position as a member of the office staff.

Mrs. Buck has also dedicated herself to activities outside the school, including the Central Baptist Church. She has a great talent for decorating and is very creative with arts, crafts, and floral arrangements. Mrs. Buck also spends a great deal of time entertaining her six grandchildren.

According to her coworkers and friends, Mrs. Buck goes out of her way to help anyone and treats everyone equally. She has maintained the respect and admiration of the faculty, administration, and students during her 19 years at Bailey.

Pauline Sophie Trojanowski Braden was born on February 6, 1931, in Sealy, TX. She married Anton Otto Braden, Jr. in October 1948, and has 5 children, 10 grandchildren, and 1 great-grandchild. Mrs. Braden began working with Pasadena Independent School District in 1971, and will be retiring from the cafeteria staff of Bailey this year.

Mrs. Braden has lived in Pasadena since 1960. Currently three of her children and one grandchild live with her. Her daughter Cynthia said, in a tribute to her mother, that:

> She would not hesitate to give anything she has to anyone of her family with no thought of asking for repayment. She comes from a large family and does not consider this living arrangement as cramped as some might think. I might even go as far to say she is happy because this is her family. Little does mother know she is giving up something which is totally unknown to her, and as of now it may never be known to her. That is total peace mind. And even if she was aware of what she might be missing, she would choose to give it up for her family anyway.

Mrs. Braden will be sorely missed for her warmth, dedication, and friendship to Bailey Elementary, its staff, and its students.

I congratulate Mrs. Hawkins, Mrs. Buck, and Mrs. Braden on their combined 73 years of service to the Pasadena School District and to the Pasadena community. I wish them the very best as they enjoy their retirement, and I am certain they all will be missed at Bailey Elementary.

ON THE OCCASION OF THE ALLIANCE FOR JUSTICE HONORING TOM STODDARD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. WAXMAN. Mr. Speaker, on May 23, the Alliance for Justice—a coalition of organizations with a history of working for equal justice—honored Tom Stoddard for his long career. I want to take the opportunity to do so as well.

Now is precisely the right time to honor Tom Stoddard.

This Congress is dominated by politicians who would have us march backward and have us repeal the progress of the last 25 years, especially the ideals of equal justice.

But Tom embodies a different philosophy, one first said by Frederick Douglass: "Those who profess to favor freedom, and yet deprecate agitation, are men who want crops without plowing up the ground. If there is no struggle, there is no progress."

In that spirit, Tom has worked and struggled. For years after the Nation decided that race discrimination, sex discrimination, religious discrimination, and finally disability discrimination were all wrong—discrimination against gay men and lesbians is not just allowed, it is encouraged, it is joked about, it is expected.

Tom has worked against that, working for what the opposition calls "the special rights for gay people." He has worked for the "special right" to work if you are qualified; the "special right" to live in the privacy of your home with those you love; the "special right" to have families; the "special right" to speak your mind; the "special right" to serve your country; and the "special right" to have photographs on your desk, to have picnics in public places, and to care for your friends who are sick. He has worked for the "special right" to be free and equal and unafraid in America.

Tom has done all this by speaking, teaching, advocating, organizing, and writing. He has been a model for young people who care about progress, and he has been a reminder for older people that not all justice has yet been done. Tom is the kind of American who has made the Nation make the quantum leap from thinking about gay civil rights as a fringe issue to gay civil rights as a fundamental issue.

The Alliance for Justice has made these leaps before, leading the Nation closer to liberty and justice for all. I am pleased to join with the Alliance in honoring Tom Stoddard as a pioneer in that fight, and as a man whose work has changed politics for the better and forever.

TRIBUTE TO 2D LT. WAYLAND E. BENNETT, USMC

HON. STEVE LARGENT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. LARGENT. Mr. Speaker, I rise today to pay tribute to 2d Lt. Wayland E. Bennett, a Marine Corps pilot who perished on a training mission during World War II, but was only recently brought back to this country for burial. The story of his return is a remarkable tale of friendship and dedication and deserving of special recognition.

Mr. Bennett was a young man of 18 when he left home to join the war effort in the South Pacific. In 1943 he was commissioned a second lieutenant in the Marine Corps and was sent to a small island 1,200 miles northeast of Australia to complete his training and join the elite Black Sheep Squadron of fighter pilots. On October 22, 1943 his Corsair crashed into a jungle area of the island too dense and too dangerous to risk a patrol. The wreckage and Mr. Bennett's remains were considered by the military to be unrecoverable.

But the story doesn't end there, thanks in large measure to the devotion of Mr. Robert Bowden of Texarkana, TX. He refused to let his memories of his childhood friend end with a plane crash in the jungle. In 1988, he began a friendship with Dr. Dan Bookout, and together the two men decided to search for the wreckage. Enlisting family, friends, and strangers alike, Mr. Bowden and Dr. Bookout began to raise money and to organize an expedition to the South Pacific to scour the jungle for the plane.

Dr. Bookout led his teams of volunteer searchers on four trips to Vanuatu, the first in 1988. He made friends with and enlisted natives to aid in the searches. The team endured many hardships and dangers in the jungles, each trip bringing them nearer to their objective as they eliminated improbable sites. Then in March and April of 1994, local villagers assisting in excavating a crash site told the CILHI team that they knew of another crash site and led the CILHI team to this site. From April 2 to 5, 1994, the CILHI team conducted an excavation of this newly revealed crash site and recovered the remains tentatively identified as being those of 2d Lt. Wayland E. Bennett. The board appointed to review the matter after all tests were completed acted with characteristic military thoroughness and on August 23, 1994, confirmed positive identification of the remains as being those of 2d Lt. Wayland E. Bennett, USMC. Lt. Bennett's nearest survivors were so informed, and on September 16, 1994, 2d Lt. Wayland E. Bennett's remains were interred in the family plot in Texarkana, TX. Dr. Bookout continued to act as the Bennett family representative until the interment.

I know I speak for all Members of Congress when I say the selflessness and dedication of Mr. Bowden and Dr. Bookout deserves recognition. I hope you will join me in extending best wishes to them, as well as to the families of Lieutenant Bennett. I am proud that their efforts led to his return.

CATHOLICS UNDER ATTACK IN BANJA LUKA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. SMITH of New Jersey. Mr. Speaker, today I want to bring to the attention of my colleagues the deteriorating conditions in the region of Banja Luka in northern Bosnia. It seems the latest atrocities committed by Bosnian Serb militants, who control the area, are directed at Catholic Church leaders and Catholic believers, who are primarily Croats. These attacks come on the heels of Croatia's efforts to regain control over some of its territory occupied by the Croatian Serb militants since 1991. Around 40,000 Croats still live in northern Bosnia despite significant ethnic cleansing by the Serbs. An estimated 50,000 Croats and hundreds of thousands of Moslems have been expelled from this region alone during the past 3 years.

In one recent incident in Banja Luka, a priest and nun were reportedly doused with gasoline and set on fire in the parish rectory as militants blew up the parish church building next door. This tragic act of barbarity is part of a larger campaign directed against the Catholic community in the diocese of Banja Luka. On May 4, militants forcibly expelled nuns from two convents in the region. Since that time, a total of five churches and one monastery have been destroyed. In all, since the beginning of the war, 40 churches in the diocese have been completely destroyed and another 25 have sustained heavy damage.

The bishop of Banja Luka, Franjo Komarcia, has repeatedly called upon the Bosnian Serb leadership to stop the attacks. These pleas have fallen on deaf ears. Bishop Komarica, in an open appeal, described the current situation in his diocese: "Fear and panic, for their lives, has overcome the Catholics remaining in the area because they are totally unprotected from the local and newly arrived Serbian extremists. They are virtually [sic] hostages and are faced with the real threat of immediate catastrophe or widespread banishment." Bishop Komarica began a hunger strike recently to draw attention to the gravity of the situation faced by the Catholic community in Banja Luka. Late last week, an urgent appeal was sent to the head of the Serbian Orthodox Church urging his intervention to ensure the protection of Catholics in the Serb stronghold. The senseless attacks in Banja Luka have been roundly condemned by Pope John Paul II.

Mr. Speaker, these tragic developments are but the latest examples of the campaign of death and destruction directed against innocent civilians by the Bosnian Serb militants in Banja Luka and elsewhere in Bosnia and Herzegovina.

TRIBUTE TO WILLIAM K. WATERS

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. REED. Mr. Speaker, I rise today to pay tribute to a gentleman who has dedicated his life to one of our Nation's most honorable and arduous professions: teaching. Mr. William K. Waters has been a social studies teacher at Park View Junior High School in Cranston, RI, for his entire 31 year tenure with the Cranston public school system. At the end of this school year, Mr. Waters will retire after his many years of teaching.

Mr. Waters first went to Park View as a student teacher while studying at Rhode Island College in 1963. The following year, he returned to Park View as a full-time social studies teacher. He quickly became immersed in this dynamic school, and soon his duties extended far beyond the classroom.

Mr. Waters has worked tirelessly with students on Park View's award winning yearbook for over 20 years. As the ninth grade class advisor for 28 years, Mr. Waters' encouragement and guidance instilled qualities of responsibility and leadership. However, Mr. Waters' legacy to Park View will be most remembered as advisor to the student council, a position he has held for 29 years.

Park View's student council has long been the envy of junior high schools throughout Rhode Island. The council's many longstanding traditions and services have benefited students, teachers, and the community. Students chosen by their peers to represent their class on the student council have managed school stores, a student handbook, all-school dances, the ninth grade dance, and fundraisers. Overseen by the always attentive and dedicated Mr. Waters, these were not merely student activities, they fostered a cooperative and active student body within the Park View community.

And for the students fortunate enough to serve on the council, it served as a life-long lesson. Someone believed that at their age they could be trusted with money, to carry out responsibilities, and to deliver results. Leadership and commitment are not easily learned, but Mr. Waters not only encouraged these, he expected them.

The student council's organizational skills and resources also benefited the local community. The Meeting Street Center, the Heart Association, the R.I. Lung Association, and Rhode Island's senior citizens have all come to recognize that Park View is not just another junior high school. At the same time, students were able to learn about life beyond the confines of classes, teachers, and friends.

Of course, none of this would have been possible had someone not taken on the enormous responsibility of going beyond the afternoon school bell. Junior high school teachers are a rate commodity. They face challenges in the classroom that go far beyond textbooks, homework, and grades, Mr. Waters is a dedicated professional who went beyond the call of duty and always bestowed any credit to his students.

Mr. Waters has gotten to know many generations of young adults growing up in eastern Cranston. His guidance and devotion is demonstrated by the caliber of students who have graduated. Prepared academically when they graduated to high school, these young adults were also prepared to be role models and leaders for other students. Mr. Waters is an institution, and will always be fondly recalled by his students, their parents, and his colleagues.

Mr. Speaker, I ask my colleagues to join me in saluting Mr. Waters' service to Park View Junior High School and commend him as a teacher, an advisor, and a person. Mr. Waters is truly a role model for future teachers and students, and I would like to wish him continued success in retirement.

A TRIBUTE TO MARFA ON THE 40TH ANNIVERSARY OF THE MOVIE "GIANT"

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. BONILLA. Mr. Speaker, 40 years ago the town of Marfa, TX, joined with Hollywood to bring to life "Giant," the classic movie etched in the minds of so many Americans as a tale of trial and tribulation. This May 27, Marfa will have the pleasure of hosting a return engagement of this memorable classic with some of the original cast and crew joining in the celebration.

Many of us recall the family saga which features Hollywood greats Rock Hudson and Elizabeth Taylor. We especially remember James Dean, a young actor who was relatively unknown back in the summer of 1955 and had just finished filming another movie "Rebel Without a Cause."

Five years ago, Presidio County Judge Jake Brisbin came up with the idea to host a "Giant" reunion. Marfa Chamber of Commerce manager, Sheila Lujan and many others in the community have been very busy planning this exciting event. A few months ago, however, a fire swept through the Marfa City Hall, damaging the theater and dampening hopes that the reunion would take place. However, the people of Marfa didn't stop for a minute and now, their dream will become a reality.

The reunion will include a barbecue and look-alike contest at the Riata Ranch, a screening of "Giant" and a roundtable discussion on the famous movie. Robert Hinkle, who taught James Dean and actress Fran Bennett how to rope for the movie, will serve as a panelist.

Sponsored by the Marfa Chamber of Commerce, the Big Bend Quarterly, and the Cibolo Creek Ranch, the 40th anniversary "Giant" reunion will truly be unforgettable.

"Giant" brought the spotlight to west Texas and showed America the culture and history of this unique area. The movie's plot helped define what Americans today perceive as the modern-day oilman. Many Marfans, too, still remember that long, hot summer 40 years ago when Marfa took center stage and dozens of people from Hollywood descended upon the town.

This reunion will be another historic moment for Marfa. The citizens of Marfa have shown faith and resolve in putting together what is sure to be a grand event. Congratulations and good luck to the community of Marfa.

A TRIBUTE TO JOHN BUDD

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. FAZIO of California. Mr. Speaker, I rise to express my sincere condolences to the family of John Budd, the Regional Liaison for the Bureau of Reclamation's Mid-Pacific Regional Office in Sacramento, CA. John passed away on April 18. His loss is a tremendous blow to the Bureau and to the Federal service.

In many ways, John Budd was the Bureau of Reclamation in Sacramento. He was responsible for communicating the Bureau's policies, programs, and activities to congressional, State and local decisionmakers. He was the face that went with the Bureau.

John was always very helpful to me and my staff. John had a tremendous instinct when it came to seeing issues developing on the horizon. John was almost always the first person to give me a "heads up" on problems so we could deal with them before they reached the crisis stage.

John was a long-time Bureau employee. He joined the Bureau in 1965 as part of the construction crew for the San Luis Unit. Prior to his appointment as Regional Liaison, John was a repayment specialist responsible for negotiating and administering water service and repayment contracts for water deliveries from the Central Valley Project. John's fellow employees honored him many times during his years of service, perhaps most notably with the Department of Interior's prestigious Superior Service Award.

The formal accolades are important because they are the official markers of John's distinguished career. The real touchstone of John's career is the lasting impression he made on the lives of the people who surrounded him.

Mr. Speaker, I am glad to have had the opportunity to work with John Budd. We will all miss his professionalism, but more importantly, we will miss his friendship.

JOE PETERSON: TEACHER, SCHOLAR, VOLUNTEER

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. OBERSTAR. Mr. Speaker, in these days when we hear too many voices ask "What's in it for me?" It is always refreshing to hear of those who freely donate their time and efforts for the good of their fellow citizens—in other words, volunteers.

Volunteers can be found in every community. They are both male and female, of all races and faiths. They come from all walks of life and from all economic strata, and they range in age from elementary students to senior citizens. However, these volunteers all have one attribute in common: they ask for no compensation other than the good feeling they got from helping their fellow citizens.

One such volunteer is Joseph Peterson, of Carlton, MN in my congressional district. Mr. Peterson is an amateur scholar in American history, particularly in the history of the Presidency. He is an amateur in the root sense of the word: he is a true lover of his chosen field of study.

Like all volunteers, Mr. Peterson does not hide his light under a bushel. He happily shares his knowledge of our Government and our Presidents with schools, churches, social groups, and libraries in Carlton County and throughout Minnesota. A democratic society relies on an educated electorate, and Joseph Peterson is one man in one American community who is doing what he can to inform, educate, and stimulate interest in our democratic process.

Mr. Speaker, I would like at this time to share with you and my colleagues a newspaper article about Mr. Peterson from the Cloquet Journal and a sampling of the letters I have received recognizing his activities in the community. I'm sure you will join me in recognizing the importance of this volunteer's contribution to our society.

[From the Cloquet Minnesota Journal]

PRESIDENTIAL BUFF CONTINUES HOBBY

(By Wendy Rockvam)

February is the month the nation traditionally honors its presidents. For one Cloquet resident, however, Presidents' Day is a year-round observance.

Joe Peterson, a presidential history buff whose pursuits have taken him to President Bush's State of the Union Address and President Clinton's Inauguration, has been interested in the lives of the presidents since he was in second grade. During that year, President Kennedy was assassinated, and Peterson put together a detailed report on it for his class at school. His teacher gave his efforts high praise, and thus began a lifetime interest in the presidential office and those who have held it.

Peterson's hobby has involved an extensive amount of reading and study as well as a vast amount of correspondence. He has received Christmas cards, birthday cards, and autographed photos of several presidents, and he is constantly on the lookout for presidential memorabilia of all sorts.

Peterson said he tries to view presidents as people rather than political figures and finds them all fascinating in their own respect. His personal favorites are Pierce ("He kept the same cabinet for all four years of his presidency") and Polk ("He was the only Speaker of the House to go on to become President").

He is also a collector of presidential trivia. "For example," he asked "did you know that there are only three states—Ohio, Nebraska, and Hawaii—that actually recognize all the presidents on President's Day? All the others honor only Washington and Lincoln."

"Another thing I've uncovered that most people don't know," he said, "is the fact that no left-handed president has ever been reelected to office. President Clinton, by the way, is left handed. . . ."

BILLY GRAHAM EVANGELISTIC ASSOCIATION,
Minneapolis, MN.

For many years Joe has researched and studied about our United States Presidents and collected memorabilia which he has displayed at various functions. He prepared a small display here for our employees one President's Day as well as another on the July 4 Independence Day.

He is an unusual man who has done a service to others by reminding us of our government, our freedom and our history in this special way.

I hope you will be able to give him an opportunity to again show his collection.

Sincerely,

DORIS A. HORTON,
Director, Human Resources.

WASHINGTON ELEMENTARY SCHOOL,
Cloquet, MN.

I have known Joe Peterson for over ten years and during that time he has worked on a history of Washington Elementary School, talked in our Grade 4 classrooms on state symbols for Minnesota Day, and visited various classrooms discussing our presidents. His drive and enthusiasm are self evident in his thorough presentations.

Respectfully,

T.M. WALSH,
Principal, Washington Elementary School.

OUR SAVIOR'S LUTHERAN CHURCH,
Cloquet, MN.

Joe has done extensive work in researching the lives and accomplishments of our presidents. He deserves recognition.

Joe Peterson has also done much valuable work with the history of our congregation. He has articulate knowledge about each of the pastors, significant congregational members, and specific dates. He has also helped considerably in this work in the history of other congregations. He has put much time and effort into all of the above.

Sincerely,

DENNIS C. MORREIM,
Senior Pastor.

CLOQUET CO-OP CREDIT UNION,
Cloquet MN.

In our community, Joe has become quite a historian and was recognized just one week ago in our local newspaper for the historical work that he has done. Joe does outstanding work and is highly committed to the endeavor of becoming an expert on our past presidents. I write this letter to you on behalf of Joe Peterson and should you have any questions as to his reputation or work ethic, please by all means feel free to be in touch with me.

Sincerely,

DEL D. PREVOST,
President.

CARLTON COUNTY HISTORICAL SOCIETY,
Cloquet, MN.

Joe has been a member of our Society for a long time. He has done research on the presidents and other sources.

We have all gotten along very well with Joe and he is always willing to pass on help when he can.

Sincerely,

FERN M. OLSON.
KATHLEEN MONSON.

I have known Joe Peterson for about five years. He is a very nice young fellow, ambitious and always willing to give a helping hand.

He gave several programs at the senior center about the presidents. It was very moving to hear him talk about them. He knows where and when they were born, about their history and backgrounds. Then, a couple of months later, he put on one about their wives, which was very interesting also.

He's put on programs at several other places, too.

He is a very smart young fellow and well liked by everyone.

VIOLET I. LOMPREY.
Duluth, Minnesota.

FAMILY DAY IN TENNESSEE

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. DUNCAN. Mr. Speaker, recently the Tennessee General Assembly sent me a resolution declaring the last Sunday in August as Family Day in Tennessee. They asked for my support to make this a National day.

The parent/child relationship is one of the most important in our society. Children learn lessons at home which shape and guide their future. No one would dispute that a loving, supportive homelife would benefit any child.

As the family deteriorates, so does American society. We can readily see that many of the problems our Country now faces have coincided with the breakdown of the family. As a father of four, I appreciate the importance this legislation places on the worth of the family.

Unfortunately, Congress no longer considers legislation for commemorative days. While this rule will save hundreds of thousands of dollars in operating and staff time, it does not allow for the recognition of National days of importance, such as Tennessee's proposed National Family Day.

Therefore, I ask that the Tennessee General Assembly's resolution be printed in the CONGRESSIONAL RECORD so that my colleagues may benefit from such an eloquent and worthwhile memorial.

SENATE JOINT RESOLUTION NO. 97

A Resolution Memorializing the United States Congress to establish a day of national observance in honor of the American family.

Whereas, One of the most trustworthy indicators of the health, strength and progress of a nation is the esteem in which the family is held; and

Whereas, Family strength, unity and respect cannot be purchased or fabricated, but comes to us instead when families are together and realize that through interaction they know love, trust and hope; and

Whereas, Life is special when we realize the worth of the family and its importance in all relationships; and

Whereas, The family is the center of our affections and the foundation of our American society; and

Whereas, No institution can take the family's place in giving meaning to human life and stability in our society; and

Whereas, It is fitting that official recognition be given to the importance of strengthening family life; now, therefore,

Be it resolved by the Senate of the ninety-ninth general assembly of the State of Tennessee, the House of Representatives concurring, That this General Assembly hereby memorializes the U.S. Congress to enact legislation establishing the last Sunday of August of each year as a day of national observance to be known as "Family Day" in order to focus attention and to confer honor upon the importance of the American family as the cornerstone of our society.

Be it further resolved, That the Chief Clerk of the Senate is directed to transmit enrolled copies of this resolution to the Honorable Bill Clinton, President of the United States, the Honorable Al Gore, Vice President of the United States, and to each member of the Tennessee delegation to the U.S. Congress.

"CENTRAL PENNSYLVANIA BLASTS CLINTON"

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. SHUSTER. Mr. Speaker, last week, spokesmen from the Clinton administration took aim at the supposed pork in highway projects. But, as with other matters, they had a hard time with the truth. First, they confused the House rescissions bill with the historic 1991 Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA], a stunning error made by the former Budget Committee Chairman, Leon Panetta.

Then, they criticized 10 projects in my district as wasteful, claiming that the money would be better spent on building schools and training teachers. Wrong again. These projects are extremely worthwhile. Moreover, they are funded with transportation trust fund dollars, which by law cannot be spent on anything but highway construction and improvements.

The largest newspaper from my Ninth District of Pennsylvania, the Altoona Mirror, instantly and eloquently spoke up on this matter, with the following superb editorial:

ROUTE 220 IS NOT PORK

President Clinton is off-base in attacking highway projects in central Pennsylvania and especially in trying to label the completion of new route 220 as a pork project.

Few projects are as important to the economic health of central Pennsylvania and the safety of motorists than completing the limited-access highway link between Bald Eagle and interstate 80. Our region has already seen some benefits from the new highway between Bedford and Tyrone. Now we need the rest of the link to the State college/I-80 area.

Companies are locating in the Bedford, Blair, and Centre counties region because they know that new route 220 will give them easy access to the Pennsylvania turnpike and points south and to interstate 80 and the northern tier of States, including the metropolitan New York market.

It is unbelievable that our president could perceive such a vital link as a pork project. He accused Republicans in Congress of "caring more about pork than people."

Well, Mr. President, the northern leg of route 220 and the other road projects you attacked are being planned because they are about people, their safety, and their jobs. The other projects criticized by Clinton were the route 22 bypass of Hollidaysburg, the relocation of route 22 north of Lewistown and a new turning lane on route 36 in Roaring Spring.

We believe a legitimate need exists for all of these projects in terms of public safety, and we are glad that Representative Bud Shuster is working to bring these road improvements to fruition.

While we have seen disputes on the exact routing, we believe area residents generally agree that route 22 traffic creates hazards in the Hollidaysburg and Lewistown areas. And anyone who ever has been caught in traffic on route 36 doesn't think that a turning lane in Roaring Spring is pork.

Clinton said Thursday, "Special interest road projects—nine in one congressional district—are not as important as giving our teachers the training they need to make sure our students reach world-class standards in education."

Wasn't this the president who came into office preaching about the need to repair America's infrastructure?

He apparently has forgotten about his promise. He also missed the boat on accuracy.

Money for the roads that Clinton attacked will come from a trust fund that can only be used for highway construction projects. The trust fund has about $18 billion from special taxes on fuel, tires, and certain weights of trucks.

The money cannot be used to train teachers or build safe schools, as the administration alleges. If it isn't spent building and repairing highways and bridges, it just sits there doing nothing.

We urge area residents to tell Clinton that he is wrong in attacking the highway projects in central Pennsylvania and especially route 220, which will have a major impact on our economic future.

We need the highway link to I-80, and we should challenge anyone, including the president, who claims the road is just an unneeded and unwarranted "pork" project.

ANNIVERSARY CONGRATULATIONS

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. TORRICELLI. Mr. Speaker, I would like to take this opportunity to congratulate a special couple from my district who will celebrate a milestone wedding anniversary on June 19, 1995.

In these turbulent times, it is so wonderful to recognize Kay and Frank Purritano, a couple who have honored their vows to each other for 40 years. Family and friends will gather on June 3 in Albany, NY to wish them well.

Frank worked for over 30 years at Alleghany-Ludlum Steel before he retired. Kay has been a wonderful wife, mother and grandmother. She is extremely creative, is a gourmet cook and enjoys sewing and baby-sitting for her grandchildren.

The couple raised their five children, Debra, Francis, Jr., Joseph, Marie and Michael in New York but, after Frank retired, they moved to my district in New Jersey to be closer to their children and grandchildren. They are devoted parents and are the proud grandparents of seven, Laura, David, Scott, Anthony, Anastasia, Joseph and Nicholas.

It is an honor to commend this couple for their life together and to offer my best wishes for the years to come.

HONORING MICHAEL SCHENKLER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents of the Fifth Congressional District and many other citizens of New York as the Queens Council on the Arts celebrates its 29th anniversary by honoring the long-time Publisher of The Queens Tribune, Michael Schenkler.

Mr. Speaker, Mike Schenkler epitomizes a success story that stands as a shinning example of dedication and achievement for the citizens of Queens County and its many communities. A product of the New York City schools, Mike first became involved in community affairs as a student at Queens College. Upon graduation, he began his professional career in the New York City school system, and quickly rose to the rank of principal.

In 1978, when I needed someone to take over the day-to-day operations of the community newspaper I had published, I was fortunate enough to lure Michael away from a career in education and introduce him to the world of journalism and small business. This was a move that would have a major impact not only on Mike's own career, but on the borough of Queens as well.

Mike departed from the school system and became totally immersed in the operation of The Queens Tribune, which quickly became the county's dominant weekly newspaper. In 1989, the Tribune merged with News Communications, Inc., and Michael rapidly rose to the rank of president and CEO of the newly formed company.

From his start in the private sector in a small storefront operation in Flushing, Mike Schenkler now runs a publishing empire that employs more than 300 people and publishes 23 different newspapers and magazines throughout the New York metropolitan area and in Washington, DC.

As the Queens Tribune grew, so did Michael's love for community, politics, the arts, economics, local sports and the many areas that join together to represent the dynamics of the borough of Queens.

Testimony for this dedication can be found every week on the pages of his newspapers, which cover all aspects of the Queens community. The annual Guide to Queens and the historical anniversary editions have highlighted the paper's ability to cover all the news.

The Queens Tribune is a living tribute to Michael Schenkler, his borough and the dynamic communities that thrive in Queens. The paper has received numerous journalism awards, including the New York Press Association Award for Mike's column, QUIPS. In 1994, Michael was named Businessman of the Year by the Queens Chamber of Commerce.

Mr. Speaker, Michael Schenkler is a true American success story: a successful businessman, a warm and caring individual, a person dedicated to his family. I am truly honored to consider him my friend.

I ask all my colleagues in the House of Representatives to join with me and the Queens Council on the Arts in extending our best wishes to Mike, his lovely wife, Lillian, and their two children, Lee and Allison, and in saluting Michael Schenkler for his energy, vision and tireless efforts on behalf of the people and the arts of the Borough of Queens.

HIGHLANDS TRAIL DEDICATION

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mrs. ROUKEMA. Mr. Speaker, I rise to call attention to the dedication of the Highlands Trail, which took place May 20 at Echo Lake in West Milford, NJ.

The Highlands are part of an ancient chain of mountains formed of Pre-Cambrian rock. This area has been widely recognized for its natural resources, especially water, wildlife and recreation, which are of great benefit to the dense populations of New Jersey and the New York metropolitan area.

The Highlands Trail is a result of a project initiated in 1993 by the New York-New Jersey Trail Conference, with technical assistance from the National Park Service's Rivers, Trails and Conservation Assistance Program. Assisting in the development of this exceptional trail were more than three dozen organizations, including the State of New Jersey and the counties of Passaic and Warren. All of these organizations are to be commended by the Congress for creation of this trail and their work to make more accessible to the people of our region a landscape of exceptional beauty and wilderness.

The Highlands area is a landscape of national significance but has been described as a hidden jewel in the emerald necklace of the Appalachian mountain chain.

The Highlands Trail is intended as the first of many trails in the Highlands region that will eventually be interconnected. When finished, the overall trail will stretch 150 miles, from the Hudson River at Storm King Mountain, NY, to the Delaware River at Phillipsburg, NJ. Marked by rugged slopes, narrow valleys and scenic ridge lines, the trail will link more than two dozen county, State and Federal parks, forests, historic sites and public open spaces. While the National Park Service will provide technical assistance, volunteer trail clubs and other community groups will conduct management and maintenance.

The New Jersey section being opened this weekend is 20 miles long. It offers breathtaking views of the Wanaque and Monksville reservoirs toward the Manhattan skyline 30 miles away. The route extends to the 35,000-acre Pequannock watershed wilderness, the source of Newark's water supply and home to numerous black bear.

I congratulate everyone involved in the creation of this magnificent trail. I am certain it will play a major role in helping preserve New Jersey's scenic outdoor culture for generations to come.

TRIBUTE TO CATHOLIC CHARITIES

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. VENTO. Mr. Speaker, I rise today to celebrate the success of a volunteer organization that has served the Twin Cities community since 1869. This year the Catholic Charities of the Archdiocese of St. Paul and Minneapolis is celebrating its 125th year providing social services to Twin Cities area residents in need.

Catholic Charities began with a commitment and desire to help the most vulnerable residents of the community, the children. In the late 1800's, events such as the Civil War and epidemics added to the already harsh pioneer life leaving many children without parents. Trying to do what they could to help, a group from Assumption parish in St. Paul organized a small orphanage to care for six Germanic children who met this fate. Soon after its establishment, the facility was moved to accommodate more children, and it grew into what is now St. Joseph's Home for Children.

Catholic Charities has retained its focus on children throughout the years, yet at the same time, it has expanded to include other residents of the community in need of assistance. The organization runs emergency shelters and temporary housing facilities for homeless individuals and families. They operate job training programs to help people gain skills, find work, and become self-sufficient. They also help educate the broad community by distributing information and providing counseling on health issues such as AIDS, mental illness, and substance abuse. Catholic Charities acknowledges the diversity of the Twin Cities area by including programs to help immigrants and their families become and remain self-supporting. These and other programs help citizens in the Twin Cities community get back on their feet and enjoy a better quality of life.

Today, however, the fate of Catholic Charities and other similar organizations is uncertain. In a time when budgets are being cut and many social programs are on the chopping block, volunteer organizations like Catholic Charities will become an even more vital part of the Twin Cities community. Limiting both Government and charitable organizations from helping the citizens of our community that are in need is a disastrous formula for both the Twin Cities and the Nation.

For 125 years, the Catholic Charities of the Archdiocese of St. Paul and Minneapolis has supported the Twin Cities community, lending a helping hand to those in need. They not only give shelter, educational information, and training to the people they help, they give something even more powerful and important; they give them hope. Hope that they can build a better life and a secure future for themselves and their families. I am proud of the work that all of Catholic Charities' staff and volunteers do on a daily basis to make a difference in the lives of so many people. They have made our Twin Cities, St. Paul-Minneapolis, a strong foundation for families and especially people in need.

SKEPTICISM AND TERRORISM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. CLAY. Mr. Speaker, this past weekend Pennsylvania Avenue was closed-off to protect the White House from terrorist bombs. Soon this body will deliberate legislation designed to restrict domestic terrorism in the wake of the Oklahoma City bombing. In the aftermath of such historic and tragic events there have been some sensational proposals about how we might prevent future acts of domestic terrorism. Mr. Speaker. I am concerned that some of the recommendations for deterring terrorism threaten to trample civil liberties. I believe it would be a serious mistake to jeopardize the rights and freedoms of all citizens in the name of preventing potential acts of madness. Our freedom is our greatest strength. I encourage my colleagues to remember this and commend you to consider the points raised in this St. Louis Post Dispatch editorial.

[From St. Louis Dispatch, April 25, 1995]

MAKING IT EASY TO HATE

Skepticism toward government—even a measure of cynicism—is a healthy thing in a democracy. It means people are on guard against an overreaching government. But something has been at work in recent years that goes beyond skepticism or mistrust. It comes down to hate, and in Oklahoma City, the nation has seen first hand what hate can do.

The various paramilitary groups that can be found in so many states, including Missouri, are cauldrons of distrust and suspicion in which hate is easily brewed. Some groups call themselves survivalists, others say they are militias, and all are proud to proclaim themselves patriots. Their credo is that the government is the enemy, and they must arm themselves against it. Under this paranoid scenario, everything the government does is intended to enslave people—income taxes, Social Security numbers and, above all, gun control.

If men want to dress up in battle fatigues and play soldier in the woods, that is harmless enough in itself. But things don't always stop there. For the drilling and the target practice to retain their allure, a threat must loom. It is, of course, the government, that large, impersonal force out there. However, until the attack comes, more immediate threats must be found so as to keep everyone alert and ready to hate. Jews or blacks, or both, usually suffice.

Self-appointed paramilitary groups that soon turn themselves into vigilantes are not new in American history. This surge, though, may owe its growth to that relatively new phenomenon known as hate radio, which unrelievedly preaches contempt of government and ridicule of those in power. President Bill Clinton took note of this disturbing development in Minneapolis Monday, reminding Americans that hate radio hosts' "bitter words can have bitter consequences."

This is not to say there is a cause-and-effect relationship between the anti-government propaganda of hate radio and what happened in Oklahoma City. Rather, hate radio provides the background music for extremists. Tell people often enough and long enough that their government can do no right and that the people in it are incompetent or dishonest or sinister, and eventually some of them will conclude that the government is a force for evil. Moreover, it is not difficult to find government excesses to cite as supporting evidence. In this way, a small group of unstable people, susceptible to the message of hate, decides to launch a pre-emptive strike, or take retaliatory action, against a government facility.

The risk now is that the country will overreact. The first impulse is to see all paramilitary groups that cavort in the woods as terrorists in training. The second is to think that constitutional rights must be jettisoned to combat the threat they pose. No one wants to make it easy for another Oklahoma City atrocity, but Congress should not give federal law-enforcement authorities the added powers Mr. Clinton has requested without careful thought.

Since the end of World War II, political dissenters, civil rights organizations, anti-war groups and even Earth Day organizers have been the target of government spying and disruption, always in the name of protecting society. Mr. Clinton wants to give law-enforcement agencies greater authority to place people and groups under surveillance on the basis of less evidence. If the tools the FBI and other agencies have now are inadequate, they should be strengthened, of course, but the bombing in Oklahoma City does not automatically mean they are.

The last thing Congress and the administration need to do is prove that the kooks are right.

THE SOUTHERN ILLINOIS CHILDREN'S CHOIR

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mr. POSHARD. Mr. Speaker, it is a distinct pleasure for me to take this opportunity to welcome the Southern Illinois Children's Choir to Washington, DC. In a time when children are experiencing especially tumultuous times in an all too violent world, the magnificent efforts which have produced this wonderful choral group are very much appreciated.

The 85 boys and girls from grades 4 through 8 who have auditioned and been accepted as part of the choir represent the southern Illinois communities of Alto Pass, Anna, Carbondale, Carterville, Cobden, DuQuoin, Elkville, Gorham, Harrisburg, Herrin, Jonesboro, Makanda, Marion, Murphysboro, and Sparta. I am proud that many of these young people are residents of the 19th Congressional District which I represent.

The choir was organized only 5 years ago under the Southern Illinois University at Carbondale Youth Music Program. Its purpose is twofold. First, and foremost, it has been assembled for the musical enrichment of our children, and then for the enhancement of the musical life for all southern Illinoisans. In the short span of time of its existence, the choir has remarkably amassed a very impressive portfolio of performances, including the Southern Illinois University Opera Theatre, the Symphony Orchestra and Choral Union, as well as various conferences, education programs and concerts throughout the southern Illinois area. In addition, the choir has sung in the State capitol at Springfield, and appeared at the 1992 Illinois Music Educators All-State Conference. In 1993, the choir toured the southeast, performing at the Piccolo Spoleto Festival in Charleston, SC, and in 1994, they appeared on the Shepley Music and Art Series at Christ Church Cathedral in St Louis where they presented the premiere performance of Gregg Smith's "Four Sandburg Songs."

The choir continues to impress audiences everywhere it performs. I am especially delighted and pleased that the 1995 tour of Southern Illinois Children's Choir includes a 1 week visit to the Nation's Capital June 9 through 16. The children's performances while in Washington will include singing a prelude to the morning worship service at the National Cathedral, and performances on the west steps of the Capitol as well as at the Lincoln Memorial. The tour will also include an excursion to historic, Colonial Williamsburg, VA, with a performance at the Bruton Parrish Church.

I heartily commend the choir and all who have contributed to its success—parents, directors, and assistants. It is indeed gratifying that these children and their extraordinary musical talents exemplify what is best in the youth of today. They are certainly beacons of light for their families, friends, and communities.

EATING DISORDERS INFORMATION AND EDUCATION ACT

SPEECH OF

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1995

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Eating Disorders Information and Education Act, which provides outreach and education for the increasing number of people—primarily women and young girls—with eating disorders.

Eating disorders and self-induced vomiting, compulsive dieting, binge-eating and self-starvation regimes afflicting 7 million women and 1 million men, according to the National Association of Anorexia Nervosa and Associated Disorders [ANAD]. Their cause is complex, but studies have looked at genetics, environments, biochemistry and personalities. Certainly, there is a strong link between these disorders and the pressure to be thin in our society.

It is estimated that about 6 percent of those with serious cases die, and only 50 percent report being cured. While 86 percent report onset of the disorder by age 20, even those 10 years and younger are known to suffer from it.

Eating disorders typically last one to 15 years. Treatment is often expensive and longer—$30,000 or more a month for inpatient treatment and $100,000 or more for outpatient care. Many find their insurance doesn't cover treatment.

Even though eating disorders are widespread, no State has an adequate program to combat them, and few schools have programs to educate youth about them, according to ANAD.

My bill helps address this lack of public knowledge. It amends the Public Health Service Act to establish a program providing information and education to the public on the prevention and treatment of eating disorders. That program would be carried out by the Center for Mental Health Services, which would also provide a toll-free public hotline offering information and referrals for prevention and treatment. The bill authorizes $2 million for fiscal year 1996 and such sums as are necessary for fiscal years 1997 through 1998.

I was particularly moved by the story of Ellen Hart Peña, wife of our Transportation Secretary Federico Peña, in the April 10 issue of People magazine. She told of her more than 10-year struggle to break free of anorexia and bulimia. Only after long-term therapy did she end the cycle of starvation diets and bingeing and purging. I would like to include her story for the RECORD.

[Taken from Magazine, April 10, 1995]

HITTING HER STRIDE

(By Ellen Hart Peña)

I remembered exactly the moment it began. It was January 1980, during my senior year at Harvard where I ran on the track team. My coach had suggested that I lose some weight over Christmas break to help me run faster, and I had worked out every day and gone from 132 to 123 pounds. But when I came back from vacation I had a really crummy workout, and the coach said it looked as if I were gaining back the weight.

That was the click. If he'd made the same comment to me a year earlier it probably wouldn't have had any effect. But I was just four months from graduation and at a point where I was scared about being an adult, about being a woman and going out into the world. Until then, my life had been scripted and safe. Now there were changes happening I couldn't control. I was really hurt by the coach's remark and said to myself, "I'm never, ever going to be fat again."

Almost immediately, I began eating very little and spent all my free time running. But then I'd have this uncontrollable, demonic urge to eat ice cream, cookies, doughnuts—anything high-calorie. And I'd eat until I couldn't eat anymore. Afterward, I couldn't bear the thought that it would stay in me and turn into fat, so I'd have to purge. During the worst periods, I'd binge and purge four or five times a day, from the moment I woke up until I went to sleep. By April, I was down to 110, and I looked like a cadaver.

The purging was really painful, and it made me feel horrible, disgusting and wretched. I shared a campus dormitory suite with four other women, and when I went into the bathroom I'd lock the door and turn the water on to cover the sound. But my roommates knew. One of them brought me library books on anorexia and persuaded my coach to make me see a counselor. It didn't help. I just sat there until the session was over. My mom found out that spring, and when I visited her in Albuquerque in April she arranged for me to see a family friend who was a psychiatrist. But in my family, people are private. No one was going to hear of my problem and say, "Enough is enough," and plunk me in treatment. Nobody in my family had ever seen a therapist, and when I stopped going after one visit, my mom and one of my sisters, who were the only ones who knew of my problem, didn't push me further. And I was still in denial and didn't think I needed a psychiatrist.

When I graduated in June I was very depressed, and it was difficult to be with people. I took a job teaching English and coaching soccer at a private boarding school in Colorado Springs but quit a year later when Nike offered to sponsor me as a runner. For the next four years, I tried to make a go as an amateur athlete, first in Boston, then back in Colorado. My eating improved a bit when I was training because I was happy. But whenever I got injured and couldn't run, I'd fall back into the bingeing and purging several times a day for weeks and months at a time. I was dehydrated, I was cold all the time, my hands would shake, and I would get headaches. And I had horrible nightmares that I would just eat and get bigger like this huge blimp.

Most people didn't know I had a problem. In relationships, I would pick men who wouldn't try to get too close to me. And I did a good job of hiding things. No one noticed when I didn't eat—I'd take just a couple of bites of what was on my plate and then mound it up all together so it didn't look like much. The bingeing and purging I'd do behind closed doors. But I was trying everything to control my problem. I learned to meditate, I prayed, I went to group and individual therapy and Overeaters Anonymous meetings. Either the techniques weren't right for me or I wasn't ready for them.

Sometimes I was actually sorry that the eating disorder wouldn't kill me, and I'd think, "Please, just let me out of this."

In February 1984, I met Federico at a race in Denver. I placed first among the women and, as mayor, he presented me with the award. I thought he was very down-to-earth and genuine, and we seemed to hit it off. But I couldn't imagine that anyone could like me if they knew about this horrible part of my life. When we started dating, I told him I had an eating problem and was working on it, but I made sure he didn't find out how bad it was. Hiding it was actually pretty easy. Federico was working at least 15 hours a day, and after I started law school at the University of Colorado at Boulder in the fall of 1985 we couldn't spend that much time together.

Several months later I found a therapist who specialized in eating disorders, but I didn't begin to make progress until I started with yet another therapist in 1987. She helped me see how my eating was connected to my perfectionism and my need for control. I remember in grade school going into the bathroom and crying whenever my team lost because I felt *I* hadn't done enough to make us win. As the second oldest of eight children, I had been a caretaker growing up so I also didn't know how to ask for help. I felt like a failure acknowledging that I wasn't all that strong or capable, and I had been trying to escape those negative feelings by bingeing and purging. But as I began to deal with my fears, my confidence grew. I really believed I could get better, so when Federico proposed in 1987, I said yes.

We married in May 1988. I graduated law school the same month and took a job with a prestigious firm in Denver. Then the following October I learned I was pregnant. I never told Federico the full extent of my eating disorder, and now I didn't tell my obstetrician. For a while I was good about my eating, but before long I was bingeing and purging. Then, six months into my pregnancy, I began to have really significant contractions. That was the moment when I said, "Stop. You have to take care of your body, and your body is now carrying a baby." I'm absolutely convinced that if I hadn't been in therapy for a long time, I wouldn't have been able to turn the corner.

It wasn't easy. I would eat and feel so bloated, and then the old feelings would kick in—eating equals fat equals bad. Keeping in touch with my therapist in Boulder, I just had to take a leap of faith that it was really going to turn out okay. Amazingly I'm still okay. Through Nellia's birth that July and Cristina's birth 19 months later and all the stress of moving to Washington in 1993, my eating problem has not resurfaced. Even when I suffered a miscarriage that July, I knew I was strong enough to withstand the pain. I don't think the lost pregnancy was as real to Federico as it was to me, but when he asked me if I wanted to go back into therapy to help work through my sadness, I told him I had the tools now to deal with pain myself.

Although Federico had attended a few therapy sessions with me, we never had the 3-hour, tearful kind of talk about my illness you might expect because I was too afraid to reveal the depths of my disease. In fact, I don't think he truly understood how bad it was until last fall when I showed him an article I'd written for the "Road Runners Club of America" newsletter. I think he felt bad that he hadn't understood. My response was that he had done all I had allowed him to do, which was basically to stand by me.

I'm running and even competing again, for the first time I can run just for the enjoyment of it. I've also learned to manage my weight, which is now 125, without getting totally compulsive and weird. A couple of months ago I gained four or five pounds, but I just said, "Oh well, I'll have to be more thoughtful about food choices." That felt great. There are still times when I'm tempted to binge and purge, and I think, "Maybe just today . . ." But I'm strong enough to resist it. I'm not walking near that cliff again because going over the edge was my private hell. I can't go back.

SENATE—*Wednesday, May 24, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The prayer this morning will be led by the guest Chaplain, the Reverend Ralph E. McCormack, of Danville, VA, guest of Senator BYRD.

PRAYER

The Reverend Ralph E. McCormack, pastor of Burton Memorial Presbyterian Church, Danville, VA, offered the following prayer:

Let us pray:

Gracious God, we invoke Thy presence with us here in this place.

We pray for these U.S. Senators. We pray that they may have wisdom in their deliberations. We pray that their decisions will continue to keep our Nation strong and safe for all people.

We pray for all of us here and for our families. If there is sickness, we pray for better health. If there is unhappiness, we pray for reasons for joy. If in our families, there is ill feeling, we pray for peace and harmony. If in our families there is any problem or any cause for worry, we pray for a good resolution of the difficulty.

Help us to honor Thee with our lips and with our lives. Amen.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDENT pro tempore. The Senate will resume consideration of Senate Concurrent Resolution 13.

The clerk will report the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate resumed consideration of the concurrent resolution.

Pending:

(1) Harkin-Bumpers amendment No. 1126, to reduce unnecessary military spending, holding military spending to a freeze in overall spending over 7 years protecting readiness and modernization activities and shifting the savings to education and job training, restoring a portion of the reductions proposed for those programs in the resolution.

(2) Feingold-Hollings amendment No. 1127, to strike the budget surplus allowance provision (Section 204) from the resolution to eliminate the use of the fiscal dividend for further tax cuts.

(3) Snowe amendment No. 1128, to increase funding for mandatory spending in function 500 (Education).

(4) Bumpers amendment No. 1130, to strike the proposed change in the budget process rules which would permit the scoring of revenue derived from the sale of federal assets.

AMENDMENT NO. 1128

Mr. EXON. Mr. President, I would ask my chairman of the committee if it would be in order for me at this time to yield 10 minutes off the bill in opposition to the Snowe amendment to the Senator from Massachusetts?

Mr. DOMENICI. Mr. President, parliamentary inquiry.

How much time remains on the Snowe amendment?

The PRESIDENT pro tempore. Senator SNOWE has 67 minutes; the opposition has 35 minutes.

Mr. DOMENICI. I would prefer to yield 10 minutes off the opposition to the amendment. Is that what the Senator wanted?

Mr. EXON. The Senator from Ohio wants 10 minutes.

I would start out today by saying to all the Senators that we are extremely strapped for time. Five minutes here, ten minutes there, under ordinary circumstances would be in order. I think we have about what—4 hours maximum left? How much time is remaining?

The PRESIDENT pro tempore. Three hours and 45 minutes.

Mr. EXON. Mr. President, 3 hours and 45 minutes, with about 70 amendments. We will have to extremely limit our time. I think that the requests—may I suggest that we yield 8 minutes to the Senator from Massachusetts and 8 minutes to the Senator from Ohio.

Mr. DOMENICI. And 8 minutes to the senior Senator from Ohio.

Mr. WELLSTONE. I might ask if I could have 4 minutes.

Mr. DOMENICI. Let me see how the opposition goes. I have none for myself at this point. Then I will see.

I yield 8 minutes to Senator KENNEDY, 8 minutes to the junior Senator from Ohio, and 8 minutes to the senior Senator from Ohio.

The PRESIDENT pro tempore. The distinguished Senator from Massachusetts is recognized.

Mr. KENNEDY. Thank you, Mr. President. I yield myself 8 minutes.

Mr. President, one of the most important aspects of the whole budget resolution is what it does in the areas of higher education, as well as education generally.

I took a few moments of the Senate's time just 3 days ago to outline where I thought we were on the whole issue of education in this country. We take pride in our higher education system. Of the top 149 universities worldwide, 127 of them are here in the United States. Our system works well. We provide superb higher education in this country. If there is a basic problem, it is the cost of higher education. We have tried to address this problem at the Federal level.

Our Federal education policies have been worked out in a bipartisan way over the period of years since the early 1960's when a judgment was made that it was in the national interest to support higher education.

Individual contributions, private sector contributions, and Federal assistance have created the world's best education system. Together, we support educational opportunities for our Nation's citizens, and at the same time, we support the outstanding research that is going on in places like the NIH, the National Science Foundation, and other research agencies. Our system is working, and it is working well.

The charts we reviewed a few days ago in this Chamber show that providing higher education to our citizens contributes to this country immeasurably. The clearest example of this was the cold war GI bill which returned $8 for every $1 that was invested in education. Investments in education continue to be an investment in our country.

Now, the Budget Act that is before the Senate today effectively cuts $65 billion from education, $30 billion of it out of higher education, and the remainder out of other education support programs over the period of the next 7 years.

That is a one-third cut in higher education. The suggestion by members of the Budget Committee that these cuts are not going to touch the Pell grants, that we are going to hold them harmless, is basically hogwash. Even when we hold the Pell grants harmless, we see a 40-percent reduction in what has been a lifeline for young people to go on to higher education.

Mr. President, 70 percent of all the young people in my State need some kind of assistance to go to the fine schools and colleges, the 4-year colleges and the 2-year colleges in my State. And 75 percent of that assistance comes from Federal support to higher education.

What is amazing to me is that after we have had this dramatic cut, and the Senate has rejected the efforts by Senator HARKIN, Senator HOLLINGS, and others, to restore education funding,

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

we now have this amendment that restores a meager 10 percent of the proposed reduction in Federal support to higher education.

The explanation about how we are going to avoid instructions to the Labor and Human Resources Committee that will be charged with going ahead with these cuts is enormously interesting to me.

We had a debate here on the floor of the U.S. Senate about how we ought to eliminate home equity—farm home equity and home equity of young people—in our calculations of student assistance eligibility. Why? Because the value of the farms have gone up over the period of recent years. That has been true in the heartland of this Nation, just as it has been true in the increased value of homes as a result of inflation that students have nothing to do with. Including home equity in calculations for student aid eliminated the sons and daughters of working families whose principal problem is the value of their farm went up or their home went up.

A second debate we had here on the floor of the U.S. Senate, supported by Republicans as well, was to give young people a few months after they get out of college to find a job.

We wanted to make sure that they were not going to have to repay their loans for a short period of months—and we are talking a few months—after they graduate, when they are trying to find a job. That decision had the support of Republicans and Democrats alike. Now we are finding out that this grace period will be gone as well. Students are going to be penalized again.

I do not know how it is in other parts of the country, but I can tell you the job market in my State is not flourishing for young people who are graduating from college. They are able to get jobs, but it takes them a little while and their salaries to begin are low. Now the Republicans want to penalize them for that.

If you want to talk about a figleaf over a problem, the Snowe amendment is just that. This is a 10-percent restoration from the budget cut. Some will say, given the fact we have been voted down and voted down and voted down, we ought to grab this, because it is the only thing we are going to get. The fact of the matter is, this amendment proposes to find offsets from travel, bonuses, and other agencies, but these are not binding instructions. The appropriators decide on those instructions. There is nothing to guarantee that education will be off limits.

So on the one hand, the Snowe amendment may restore some benefit to those who need Stafford loans, but you are taking money away from the sons and daughters of working families who need the help and assistance provided in a title I program or a school-to-work program. There are no guarantees here that you are not going to just put it back in one part of education and sacrifice another part.

So we should be thankful for any kind of restoration of funds to education. But I must say to the parents who are watching this debate that what they ought to understand is that we are going to see a one-third cut in the area of education, a $65 billion loss over the period of the next 7 years. The effect of this amendment, if it is successful, will be a restoration of $6 billion of those funds.

The Senator from Connecticut, myself, the Senator from Minnesota, and others will be offering, at an appropriate time, a very modest amendment to restore $28 billion, not the full amount, but just $28 billion, with offsets from corporate welfare and tax provisions.

It is extraordinary to me that once again we talk about educating children in this country, but the Budget Committee could only find $20 billion out of $4 trillion reductions in tax expenditures to turn to this important venture. We could have gotten the $60 billion. You would have thought they could find the billionaires' tax cuts where you find billionaires turning into Benedict Arnolds, where they make fortunes, hundreds of millions and billions of dollars, and then give up their citizenship and go overseas and avoid any kind of taxes. You would have thought they could find——

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. KENNEDY. I yield myself another minute.

The PRESIDENT pro tempore. The Senator has no more time.

Mr. KENNEDY. I yielded myself 8 minutes and I was given 10, I believe.

The PRESIDENT pro tempore. That is incorrect. The time of the Senator has expired.

Senator DEWINE.

Mr. DEWINE. Mr. President, I rise today in very strong opposition to the amendment of my friend, the Senator from Maine. This amendment, frankly, will hurt the very people it purports to help, our young children.

The Snowe amendment would support programs that are, in fact, meritorious. But it would do so with an offset that would cause serious harm to the future of U.S. competitiveness in a very important high-technology industry. It would do so with an offset that would cause serious harm to U.S. competitiveness in an increasingly tough and competitive world. The offset assumes a reduction of $1.124 billion in aeronautic research and development.

Let me explain the real world consequences this cut would have, and especially what it would do to some very important programs at NASA.

One of the programs has to do with the advanced subsonic technology. This program addresses future technology needs covering the whole spectrum of subsonic aviation, from commercial jets to small aircraft.

First of all, this program has already perfected techniques for detecting and evaluating corrosion and cracks in aircraft. These techniques have now become a part of the industry. If we make this cut, the cut proposed in the Snowe amendment, our future ability to increase air safety will be seriously impaired.

Second, our ability to decrease the harmful environmental effects of aircraft will also be seriously impaired. To remain globally competitive, U.S. aviation has to stay ahead of international environmental standards. Thanks in part to the advanced subsonic technology program, we are doing that today. It would be wrong to lose our competitive edge in this area.

Third, our ability to improve satellite air traffic control would also be seriously hurt by a cut in this program.

All of these areas—aircraft safety, the environment, air traffic control—are legitimate concerns of the Federal Government and have been an area where the Federal Government has been involved for decades. In these areas, NASA is engaging in high-risk research that individual companies simply cannot and will not undertake.

Furthermore, Federal investment in this technology has important roots in the history of our country, as I will explain in a few moments. NASA's role, really, is to develop high-risk, high-payoff, precompetitive technologies so they can then be passed along to private industry. This is something that only NASA can do. And this investment is essential to the future of the U.S. aircraft industry. The continuing growth of U.S. market share depends on our ability to ensure that aircraft are safe, cost effective, and able to comply with ever more stringent environmental regulations.

There is a long history of Government involvement in basic, precompetitive research. Back in 1917, the United States established the National Advisory Committee on Aeronautics to engage in basic precompetitive research. The NACA was a precursor of NASA and did the same kind of forward-looking work that would be cut under this amendment.

Earlier this month we, of course, celebrated the 50th anniversary of the end of World War II. Every single airplane that helped win that war was made possible by NACA's testing facilities. No single corporation had enough money to be able to invest in the kind of wind tunnels that were used to test these planes. NACA's Ames facility did have those resources. No single corporation had the resources to do the basic research on how wings should be shaped. NACA did have the resources.

For almost eight decades, NACA, and its successor agency, today's NASA, have been making the kind of investment in America's aviation knowledge base that no corporation could possibly match. Every single plane in America today has NASA's technology somewhere in it. The little piece of wing that juts out perpendicular from the wing tip—known as a winglet—was designed by NASA. The winglet increases the fuel efficiency of an airplane by 5 percent, and that 5 percent can make a big difference in making U.S. planes competitive.

Just this week the Boeing 777 was unveiled. Major components in that plane were designed some 15 years ago in NASA's laboratories, not with a view toward the product line of any particular corporation, but because, over the long run, the long term, America needs that technology know-how.

Another research project threatened by this amendment is NASA's high-speed research program. Before investing the roughly $20 billion that might be necessary to develop a high-speed civil transport aircraft, private companies need to know whether such a plane could be built in compliance with environmental and safety standards.

If we allow the United States to fall behind in the quest for this technological breakthrough, the U.S. share of the long-range global aircraft market could drop below 50 percent. It would be a horrible blow to the trade deficit, to high-technology jobs, and to something in many respects even more important, our national sense that America is leading the world in the future of high technology.

America's ascent to the role of global superpower was made possible in large part by the ability of America's aviation pioneers to invest in the future.

Education—so ably advocated by my good friend from Maine—has to do with preparing our children for the challenges of the future. This program—the program that would be cut by this amendment—is building that future. I think cutting this program would be a very shortsighted measure—and the losers would be our children.

Tens of thousands of American children can grow up to work in high-technology aviation jobs—if we do not foreclose that option by making shortsighted decisions today.

In aviation, there is a truly global market. Over the next 15 to 20 years, the global demand is expected to be between $800 billion and $1 trillion.

A recent study by DRI/McGraw-Hill estimates that a 1-percent gain in U.S. market share creates 9,000 new jobs—and $120 million in Federal revenues—each year.

Aviation already contributes over $25 billion a year to the U.S. balance of trade. That's more than any other U.S. manufacturing industry.

And aviation already generates almost a million high-quality jobs in this country.

If we allow this cut to go forward, we will fall behind in our effort to develop technologies that will keep America on top of this global market.

I think we should continue to invest in a high-technology future for this country.

I think NASDA's research on aviation plays a fundamental and irreplaceable role in that process.

That is why I will be voting "no" on the amendment proposed by the Senator from Maine. To vote "no" on this amendment is to say "yes" to a high-technology future for Amercia's children.

I will conclude by summarizing as follows: We hear a lot of talk on this floor about making sure our children have good jobs, high-paying jobs, high-technology jobs, and they should not be confined, as some people on both sides of the aisle have said, to flipping hamburgers. This type of research gives these good high-paying jobs to our children.

I urge, therefore, a "no" vote on the Snowe amendment. I urge a vote for our future.

I see my time is almost expired. I see my friend and colleague from Ohio, who has a tremendous amount of experience in this area, has risen to speak and will be speaking in just a moment. I look forward to listening to his comments.

Mr. GLENN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I regret we have such a short time here this morning to deal with this.

Mr. President, I rise in opposition to the amendment proposed by Senators SNOWE, ABRAHAM, GRASSLEY, BROWN, KASSEBAUM, COHEN, LOTT, AND CHAFEE. I support the goal of the amendment—to provide increased funds for higher education. My record is clear and unequivocal on education funding. These funds must be increased, but not in the way proposed by the proponents of this amendment.

I do not know that there has been an education bill which I voted against since I have been in the Senate for over 20 years. My record is very clear in that regard.

I want to speak about the offsets that are required here that would provide the money for this particular amendment. I would like to speak about two of the offsets that the amendment identifies and discuss the impact which these cuts would have on our economy and our Federal workers.

First, the amendment would zero out two important NASA programs. This Nation has gotten to be what it is because we put more into research, and the inquiry into the unknown, into pushing back the frontiers of science, and then we develop the industry and the business once that has occurred. That has been the hallmark of America. We have been the envy of the world in doing that; the envy of the world.

So these programs in our R&D are seed-corn type programs that whole industries benefit from. We have seen in the past money spent at NASA in aeronautical research which in particular had led to the development of an aircraft industry in this country that has been leading in exports second only to farming, to agricultural products, in years past.

Dan Goldin, the Administrator of NASA, was given aid by the administration, and was tasked to downsize some, and he went ahead and did it. He did it, and he has a program in NASA, a 5-year budget, which was about $122 billion in fiscal 1993. The 1996 request is now $82 billion for the next 5 years. So they have been cut by one-third in just 2 years.

NASA has stepped up to the plate to reduce bureaucracy and improve the way it does business. These programs are the R&D or seed-corn type programs which many of my colleagues have heard me speak about in the past. This amendment would zero out NASA's High-Speed Research Program, and NASA's Advanced Subsonic Technology Program.

Before I talk about these specific programs, I would like to observe that NASA has already absorbed more than its share of budget cuts. A couple of figures will illustrate what I am talking about. In fiscal year 1993, NASA's 5-year budget request was about $122 billion. The fiscal year 1996 request is now $82 billion for the next 5 years. NASA has been cut by one-third in just over 2 years.

Dan Goldin's leadership of the agency is currently going through a painful process of reducing its budget by $5 billion over the next 5 years. Mr. Goldin believes that this can be achieved without eliminating programs. He has a tough row to hoe to achieve this and he just cannot do it if we impose another cut like this on his budget over there.

These programs are valuable. They are not something that we just pick up and lay down as a whim. Further cuts in NASA's budget will simply result in the elimination of current programs.

And Mr. President, I suggest that, if this amendment is approved, the future of NASA's three aeronautic research centers—Lewis Research Center, Ames Research Center, and Langley Research Center will be in jeopardy.

Now, let me talk about the High-Speed Research Program first. The goal of this program is to help develop the technologies industry needs to design and build an environmentally compatible and economically competitive high-speed civil jet transport for the 21st century. The technology developments are to reach an appropriate stage of maturity to enable an industry decision on aircraft production by 2001.

Mr. President, the technologies currently needed to develop such a transport are beyond the state of the art. NASA estimates that industry will need to invest more than $20 billion to bring such a transport to market. A $20 billion industry just with this one development alone; $20 billion we are talking about, and we are talking about cutting back the research that will make that possible.

Studies have identified a substantial market for a future supersonic airliner to meet rapidly growing demand for long-haul travel, particularly across the Pacific.

Those that have been to the Southeast Asian area recently know how that area is really expanding economically. Over the period from 2005 to 2015, this market could support 500 to 1,000 aircraft, creating a multibillion sales opportunity for its producers. Such an aircraft will be essential for capturing the valuable long-haul Pacific rim market.

As currently envisioned an HSCT aircraft should be designed to carry 300 passengers at Mach 2.4 on transoceanic routes over distances up to 6,000 nautical miles at fares comparable to subsonic transports.

Now let me talk about the Advanced Subsonic Technology Program.

The goal of NASA's Advanced Subsonic Technology program is to develop, in cooperation with the FAA and the U.S. aeronautics industry, high-payoff technologies to enable a safe, highly productive global air transportation system that includes a new generation of environmentally compatible, economical U.S. subsonic aircraft. Some of the technologies and issues being studied and developed in this program include:

First, fly-by-light/power-by-wire: a fully digital aircraft control system which would be substantially lighter, more reliable and efficient than current control systems.

Here is one that ought to get the attention of every single person who is hearing my voice, and every single person in this Chamber: Aging aircraft. My colleague from Ohio mentioned that a moment ago.

Second, aging aircraft: To develop new ways of inspecting aircraft to determine their airworthiness.

When you see a black storm cloud on the horizon the next time you are taking off out of Washington National or Dulles in a 727 aircraft over 20 years old, I think you would be interested in this kind of research NASA wants to do.

New approaches are being developed to determine the residual strength in airframes using advanced nondestructive technologies. It might be worth thinking about this program the next time you are sitting in a 727 that's 20 years old waiting to take off on a cross-country flight.

Third, noise reduction: This program is developing technologies to reduce aircraft noise by 10 decibels or more by the year 2000.

Fourth, terminal area productivity: Technologies, chiefly involving air traffic control, that can improve the efficiency of operations on the ground at busy airports.

Fifth, integrated wing design: New concepts, design methodologies, model fabrication and test techniques are being developed to provide industry an integrated capability to achieve increased aircraft performance at lower cost.

Sixth, propulsion: Technologies to improve fuel efficiency of future commercial engines by at least 8 percent and reduce nitrogen oxides by 70 percent over current technology.

These are only some of the technologies being developed under the program which the amendment's propents would completely gut.

It is a truly shortsighted amendment that would eliminate these important applied technology programs.

Mr. President, it is no secret that aerospace business is a government-private sector partnership. Historically our Government has funded aeronautics R&D, and industry has taken this basic technology and developed aircraft that have dominated the world market. Over the last decade or so, other governments have gotten into the act. Currently, the U.S. market share is about 65 percent, down from about 91 percent in the 1960's.

We had 91 percent of the world's commercial aircraft market in the 1960's. We are now being competed with more vigorously than we have ever been in the past.

Cutting these two important programs will not help us regain this market share—quite the opposite. We will be sending a signal that the U.S. aircraft industry will be less competitive. I do not want to see that happen.

In summary, the advanced subsonic technology: meets future technology needs for next generation aircraft; enables NASA to develop high-risk, high-payoff, precompetitive technology to prove feasibility so that industry may complete development and apply technology to specific products; will result in accomplishments in noise prediction codes for quieter engines, non-destructive evaluation techniques for detecting corrosion, cracks and disbonds; analytical tools to understand aircraft wake vortices for safe landings; and assists in preserving 1 million U.S. high quality jobs and $25 to $30 billion in annual positive balance of trade for U.S. aviation.

How can we possibly take a chance on knocking something like that down?

The High-Speed Research Program will: enable NASA to develop early, high-risk technology for future environmentally compatible, economically competitive high-speed civil transport aircraft (technologies needed are beyond state of the art); industry will take NASA technology and invest $20 billion to actually develop aircraft; and if the United States is first to market, the U.S. market share could grow to 80 percent, achieve $200 billion in sales, and create 140,000 new U.S. jobs.

Thank you Mr. President. I urge my colleagues to vote against the Snowe-Abraham amendment.

I think, while I support the goal of getting more money for education, I certainly do not support taking it out of these forward-looking research programs that have served us so well in the past, and will in the future.

IMPACT ON NASA LEWIS

NASA's zero-based review announced last week will have a significant impact on Lewis Research Center outside of Cleveland, OH. Lewis will be given primary responsibility for aeronautics research, especially aeropropulsion research. Other programs would be shifted away from Lewis, including work on expendable launch vehicles.

Mr. President, if the proposal by the Senator from Maine is accepted, I think it could be the death knell for Lewis Research Center. I use these words carefully. But when an agency like NASA is downsizing, and the chief mission of a given facility is eliminated—and this amendment would eliminate high-speed research and advanced subsonic technology research, which will be Lewis' bread and butter—then I think my words are accurate.

If Lewis closes, the impact on my State will be significant. According to NASA, Ohio has the second largest number of aeronautics jobs in the country, behind California. This is due primarily to NASA Lewis, Wright Patterson, the Ohio Aerospace Institute, and Ohio's university system. Anchoring these jobs is Lewis. It attracts world class scientists and engineers to world class facilities.

Did the Senator from Maine and her cosponsors consider this impact when they put together their amendment? I do not think so.

Mr. President, Lewis employs directly about 4,500 people. About one-third of these are in some way connected to aeronautics research. But the multiplier effect is significant. The people employed at Lewis attract other businesses, or help form new ventures and stimulating the economy. Gutting these two programs would have a serious impact on this dynamic system.

Mr. President, I ask unanimous consent that several relevant documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, OFFICE OF THE ADMINISTRATOR,
Washington, DC, May 8, 1995.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR DOMENICI: I am writing to express NASA's strong objection to the recommendation by the Congressional Budget Office (CBO) in its February 1995 Report to the House and Senate Committees on the Budget, "Reducing the Deficit: Spending and Revenue Options," to eliminate NASA's Advanced Subsonic Technology and High Speed Research programs. I request that this recommendation not be included in assumptions supporting the Committee's forthcoming FY 1996 Budget Resolution.

In making its recommendation, CBO contends that these programs develop technologies which should be developed by the private sector, namely large aircraft companies. The aeronautics program conducted by NASA and its predecessor, the National Advisory Committee on Aeronautics, has, since 1917, developed a wide range of precompetitive technologies to address safety, environmental, and aviation system capacity issues, as well as aircraft performance. The research and technology results, used by other U.S. Government or commercial entities, directly benefit air travellers and the general public while contributing to U.S. economic strength and national security. NASA's role is to develop high-risk, high-payoff technologies to a point where feasibility is proven and transfer those to FAA, DOD and U.S. industry. It is up to U.S. companies to make the substantial investments to validate the technologies and incorporate them into specific products and systems. Individual companies simply cannot undertake the high-risk research and technology development NASA does; investments are unrecoverable and often beyond the capability of a single company.

Estimates for global aircraft market demand over the next 15 to 20 years range from $800 billion to $1 trillion. However, this market could be much smaller if it is constrained by safety and system capacity and/or an inability to meet more stringent environmental standards. Part of NASA's aeronautics research addresses these issues, i.e., to ensure the largest possible market for which U.S. companies will compete. U.S. companies currently hold about two-thirds of the global market; their primary competitor, Airbus Industries, is aiming to capture a full half of the market in the next 10 years. A recent study by DRI/McGraw-Hill estimates that a 1 percent gain in U.S. market share generates 9,000 jobs (40 percent in aerospace and 60 percent in supporting industries), $360 million in sales, and $120 million in Federal tax revenue each year. Aviation contributes between $25 and $30 billion annually to the U.S. balance of trade, the largest of any U.S. manufacturing industry.

I believe CBO is inaccurate in stating "the benefits from the R&D supported by the NASA programs in question fall almost exclusively to aircraft manufacturers, their suppliers, and airlines." These enabling advances provide the basic tools for U.S. industrial innovation. While NASA R&D contributes to a stronger U.S. aviation industry, the benefits are broader. Terminating these important technology programs would have repercussions far beyond the short-term profitability of U.S. aircraft manufacturers and airline operators. Joint NASA-FAA efforts to safely increase the capacity of the airspace system, eliminating costly and unproductive delays, would end. Technologies to ensure that the aging aircraft fleet remains safe and cost-effective would not be developed. U.S. efforts to develop rational positions on proposed international environmental regulations governing airline operations would be severely hampered, and new technologies to meet increasingly stringent environmental requirements would not be developed. The Nation's only precompetitive technology development for general aviation, commuter, and civil tiltrotor aircraft would end.

NASA understands the continued budget pressures facing the Nation. In fact, NASA has led the Federal Government by reducing its outyear budget by 30 percent since 1993 and is engaged in a major effort to identify an additional $5 billion in reductions between FY 1997 and FY 2000. We shall continue to seek efficiencies and streamline our processes to ensure that the Nation has the best possible civil aeronautics and space program, conducting cutting-edge research and technology which will lead the United States into the 21st century.

Sincerely,

DANIEL S. GOLDIN,
Administrator.

RESPONSE TO CBO RECOMMENDATION TO ELIMINATE NASA'S SUPPORT FOR PRODUCERS OF COMMERCIAL AIRLINERS

CBO criticizes NASA's Advanced Subsonic Technology (AST) Program's goal of maintaining current U.S. market share in subsonic aircraft.

Aviation generates almost one million high quality jobs in the U.S. and contributes between $25 and $30 billion annually to the U.S. balance of trade—the largest of any U.S. manufacturing industry.

U.S. aircraft and engine manufacturers must compete effectively on both cost and technical capability with government-subsidized foreign competition. Airbus already claims more than one-third of the commercial aircraft market; their goal is 50% by 2005.

The AST program addresses future technology needs not only in next-generation subsonic aircraft, including small general aviation aircraft and civil tiltrotor as well as large transports, but also for safety and capacity of the evolving airspace system and environmental concerns.

NASA's role is to develop high-risk, high-payoff precompetitive technologies to a point where feasibility is proven and transfer those to FAA, DOD and U.S. industry. Industry picks up the technologies, and with its own resources continues development, performs systems-oriented research and applies them to specific products.

CBO criticizes NASA's role in High Speed Research (HSR).

The technologies required for an environmentally compatible, economically viable High Speed Civil Transport (HSCT) aircraft are beyond today's state-of-the-art. Before industry can decide whether to invest the roughly $20 billion required to develop an HSCT, some level of confidence must be established that it could meet noise and emissions standards and that airlines could operate it profitably. The HSR program was designed to develop precompetitive technologies to eliminate the highest technology risks for a future HSCT, ensuring U.S. leadership.

The first to market a successful HSCT stands to gain $200 billion in sales and 140,000 new jobs.

CBO criticizes NASA's work in technologies that will allow the continued operation of aging jet aircraft.

25% of planes flying today are more than 20 years old, beginning to exceed their design life. The trend is to fly aircraft 30 years or more; as airlines continue to operate on the edge of profitability they cannot afford new aircraft. It is essential that these aging aircraft remain safe.

CBO contends that "the benefits from the R&D supported by the NASA programs in question fall almost exclusively to aircraft manufacturers, their suppliers, and airlines."

A recent study by DRI/McGraw-Hill estimates that a 1% gain in U.S. market share will generate 9,000 jobs (40% in aerospace and 60% in supporting industries), $360 million in sales and $120 million in Federal tax revenue each year.

NASA's programs address critical issues of safety, airspace system capacity, and environmental aspects of flight which benefit air travellers and the general public.

CBO contends that noise and atmospheric pollutants generated by air travel are unpaid "costs" that travellers impose on the public at large and therefore air travellers should pay the full cost, including R&D for aircraft.

Air travel is global, not national, just as the aircraft market is global. Airline operators will buy the best aircraft at the best price. If U.S. manufacturers were to incorporate the price of meeting international, government-established environmental regulations into their products they would quickly go out of business competing against government-subsidized competition.

ADVANCED SUBSONIC TECHNOLOGY

National investment in high-risk, high-payoff technologies will help ensure continued U.S. leadership in aviation, which brings significant economic and national security benefits to the Nation. Aviation generates almost one million high quality jobs in the U.S. and contributes between $25 and $30 billion annually to the U.S. balance of trade—the largest of any U.S. manufacturing industry.

NASA addresses a broad range of advanced technology needs for both civil and military aviation. The Advanced Subsonic Technology (AST) program specifically addresses future technology needs in next-generation subsonic aircraft (from large commercial jets to small general aviation aircraft) and the evolving airspace system. NASA's role is to develop high-risk, high-payoff precompetitive technologies to a point where feasibility is proven and transfer those to FAA, DOD and U.S. industry. Industry picks up the technologies, and with its own resources continues development, performs systems-oriented research and applies them to specific products.

Recent accomplishments in the AST program include:

The first integrated engine noise prediction code was delivered to industry for use in designing quieter engines to meet future noise standards.

Nondestructive evaluation techniques for detecting corrosion, cracks and disbonds in aircraft have been licensed to industry to help keep the aging aircraft fleet safe.

Tropospheric climatology data has been collected, to assist in understanding long-term changes in nitrogen oxides in the lower atmosphere caused by aircraft.

Analytical tools to understand aircraft wake vortices are being developed, which will contribute to revised safe aircraft landing separation standards.

An experimental database is improving understanding the relative acoustic and aerodynamic benefits of different rotor configurations for future civil tiltrotors.

FY 1995 Budget: $125.8 million.

FY 1996 Budget: $188.4 million.

Possible impact of significant reduction/termination:

Efforts to develop technologies to increase the capacity of the airspace system, increasing safety and expanding the aircraft market, would be severely curtailed. Weather and capacity delays cost airline operators $3.5 billion a year, and cause untold hours of unproductive time for the travelling public.

Technologies to ensure that the aging aircraft fleet (25% of planes flying today are more than 20 years old) remains safe and cost-effective would not be developed.

U.S. efforts to develop rational positions on proposed international environmental regulations would be hampered by not developing better understanding of aircraft noise and pollution effects and technologies to minimize those effects.

The only technology development efforts in the U.S. for general aviation, commuter and civil tiltrotor aircraft would be terminated.

The ability of U.S. aircraft and engine manufacturers to compete effectively on both cost and technical capability with government-subsidized foreign competition would be seriously hampered. Airbus already claims more than one-third of the commercial aircraft market, and their goal is one-half by 2005.

HIGH SPEED RESEARCH

NASA's High Speed Research (HSR) Program is performing the early, high-risk technology development for an environmentally compatible, economically competitive high speed civil transport (HSCT) aircraft. Such a plane would fly at more than twice the speed of sound and carry 300 passengers over 5000 nautical miles at fares close to today's subsonic aircraft (747, DC–10, etc.). Before industry can decide whether to make the roughly $20 billion investment to develop an HSCT, some level of confidence must be established that it could meet international noise and emissions standards, and that airline operators would be able to operate it profitably. The technologies to achieve this are beyond today's state-of-the-art. The HSR program was designed to eliminate the highest risks and ensure U.S. leadership in this important arena.

Recent accomplishments:

Completed research campaign in the South Pacific to characterize the stratosphere for incorporation in atmospheric simulation models which will be used to determine the potential impact of future HSCT aircraft.

Achieved test goal for low-emission engine combustors (NO_X level of 5g/kg fuel burned—the Concorde emissions index is 20g/kg)

Demonstrated a process to fabricate up to 10 feet per minute of fiber/resin composite material suitable for high temperature use, making the essential use of these materials for an HSCT affordable.

FY 1995 Budget: $221.3 million.

FY 1996 Budget: $245.5 million.

Possible impact of significant reduction/termination:

Interim assessment of atmospheric effects of a supersonic aircraft fleet would not be completed. This assessment is to support work by the International Civil Aviation Organization (ICAO) on setting an HSCT emissions standard.

Engine noise reduction tests and analysis to determine whether an HSCT could comply with strict international noise standards (Annex 16, Chapter 3 set by ICAO) would be stopped.

The U.S. share of the global long-range aircraft market could drop to under 50%, if technology development is stopped and Europe is first to market with a successful HSCT. This would result in larger trade deficits and the loss of hundreds of thousands of high-skill, high-wage jobs. If the U.S. is first to market, the U.S. market share could grow to nearly 80%, and create $200 billion sales and 140,000 new jobs.

FISCAL YEAR 1996 ESTIMATED TOTAL AERONAUTICS EMPLOYMENT BY STATE

OA rank	State	Total employment	Funding (millions)
1	California	4,783	$382.6
2	Ohio	2,564	205.5
3	Virginia	1,466	117.3
4	Washington	519	41.5
5	Maryland	356	28.5
6	Texas	263	21.0
7	Connecticut	193	15.4
8	Wisconsin	171	13.7
9	District of Columbia	165	13.2
10	Georgia	113	9.0
11	Massachusetts	106	8.5
12	New York	84	6.7
13	Pennsylvania	73	5.8
14	Florida	70	5.6
15	Indiana	60	4.8
16	Missouri	56	4.5
17	Colorado	39	3.1
18	Illinois	38	3.0
19	Tennessee	28	2.2
20	North Carolina	26	2.1
	Other	226	18.2
	Total	11,399	911.9

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. DEWINE). The Senator from New Mexico has 13 minutes, and the Senator from Maine has 17 minutes.

Mr. DOMENICI. Might I ask the distinguished Senator from Maine, does she need all 17 minutes? We are trying to expedite things.

Ms. SNOWE. Yes.

Mr. DOMENICI. I wonder if we might reach this agreement. I understand there is one second-degree amendment contemplated. I assume that we could enter into a unanimous-consent agreement about that.

Let me ask Senator SNOWE, could she get by with 10 minutes?

Ms. SNOWE. Yes.

Mr. DOMENICI. I could use 10 minutes. Then we could move to a second-degree amendment by Senator DODD for 5 minutes on a side.

Mr. EXON. First, the second-degree amendment by Mr. DODD, as I understand it, is the same second-degree amendment being considered by the Senator from Minnesota, and also the Senator from Massachusetts. Is that correct? We are talking about one second-degree amendment?

Mr. DODD. Yes.

Mr. EXON. Certainly, we would agree. We will need about 2 minutes for the negotiations that are going on. I think we are pretty close to making an arrangement along the lines that you outlined.

Mr. DOMENICI. I am going to get somebody to come to the floor, but I leave this suggestion. I must attend a meeting on the final wrap-up on this bill now, but we would be willing to have 5 minutes on a side on the Dodd amendment, which I have seen, which essentially is a change on the tax side of the equation, and spend the tax money in two ways, part of it on entitlement programs for education and part on discretionary, and we would take 5 minutes on our side on that, 10 minutes each here. Then I would authorize somebody to enter into that agreement in my behalf in my absence.

Mr. DODD. If my colleague will yield, I wonder if I might get a couple of minutes on the Snowe amendment itself. Is that a possibility? Of the time you have?

Mr. DOMENICI. Mr. President, I cannot hold the Senator to this, but if the Senator will talk about the Snowe amendment and not about education in general, that would be fine. The Senator wants to speak against that amendment?

Mr. DODD. I do.

Mr. DOMENICI. If I am going to give the Senator time against it, I want him to be against it.

Mr. DODD. I intend to be against the Snowe amendment.

Mr. DOMENICI. And the Senator will speak against it?

Mr. DODD. Absolutely.

Mr. DOMENICI. All right, I yield Senator DODD 2 minutes of my time.

Mr. WELLSTONE. I wonder if my colleague from New Mexico, upon condition that I speak against the Snowe amendment, would grant me time?

Mr. DOMENICI. I will give the Senator 2 minutes of my time.

How much did I give the Senator?

Mr. DODD. The Senator did not.

Mr. DOMENICI. I give the Senator 2 minutes of my time. Each Senator gets 2 minutes in opposition and that will keep 6 for me, and then Senator SNOWE has the full 10 minutes to speak to the Senator's amendment.

Mr. EXON. Is that in the form of a unanimous-consent request?

Mr. DOMENICI. The Senator said he needed some time. Is he willing to do that?

Mr. EXON. That is agreeable to those on this side.

Mr. DOMENICI. Let us give it a try.

Mr. KENNEDY. Reserving the right to object, and I do not intend to object, will the result of that proposal ensure that we will have an opportunity to vote on the Dodd amendment in a timely way?

Mr. DOMENICI. Sure. We will not amend it. We do not guarantee that somebody will not table it, but we will have a vote on it and we will agree to stack it in the normal way that we are doing the others.

Mr. KENNEDY. So it would be treated as a second-degree amendment?

Mr. DOMENICI. Exactly.

Mr. KENNEDY. In that particular order.

Mr. DOMENICI. Correct.

Let us try this, Mr. President. First of all, I am going to yield 2 minutes in opposition to the Snowe amendment to Senator DODD, 2 minutes to Senator WELLSTONE, and I reserve the remainder for myself.

The total amount of time that is going to be used on the Snowe amendment—and we yield back whatever other time we have—is 10 minutes by Senator SNOWE and a total of 10 minutes in opposition, of which 4 have just been allocated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Let me move on then to a unanimous-consent request. There will only be one second-degree amendment. It shall be an amendment offered by Senator DODD which has been described here and presented to the Senator from New Mexico. There will be 5 minutes on a side, 5 minutes by Senator DODD, 5 minutes in opposition, either by myself or Senator SNOWE. We will then proceed to an amendment by Senator HATFIELD immediately after that. And when the time has expired on the second-degree amendment—there shall be no other second-degree amendments—we will then stack the second-degree amendment pursuant to the previous understanding, that the leader will arrange the order and there will be a vote on or about the Dodd amendment in the stacked order.

Mr. EXON. I certainly do not object. I would just simply wish to expand this in order to move things along. We are prepared to consider time agreements now on both the Hatfield amendment and the amendment following that to be offered by Senator BOXER.

Is the Senator from New Mexico in a position to talk about time agreements on the Hatfield amendment?

Mr. DOMENICI. I am going to a meeting right now at which I think the Senator will be in attendance, and I will seek some relief on time.

Mr. EXON. I thank the Senator.

Mr. DOMENICI. I yield the floor at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Connecticut.

Mr. DODD. Mr. President, I rise this morning to express my objection to the Snowe-Abraham amendment. This amendment proposes to restore some $6.3 billion in education, specifically to reduce the Labor Committee's instruction by this amount in an effort to stave off severe cuts in student loans.

Let me at the outset say I appreciate the fact that there is at least some recognition of the fact we ought to be trying to restore some of these critical funds in education.

Education has always been an issue that has transcended politics in many ways. There has been a deep commitment historically to it on both sides of the aisle, and yet the Budget Committee proposal that is before us, even with the Snowe-Abraham amendment, offers education too little too late, I would say, Mr. President.

It is too little in that it offers students an umbrella in the midst of the hurricane they face with this budget proposal, even if this amendment were to be adopted. It will provide some protection but it is the thinnest of fig leaves in that the committee will still have to eliminate $7.5 billion from student loan programs.

I have been through a number of reconciliations on the Labor Committee and make no mistake about it—there is only one place you can find $7.5 billion, and that is in student loans. There is no other place within our committee's jurisdiction. And so we will be faced with looking for ways to cut loans for working-class families, middle-class families many who do not qualify for Pell grants, do not have the personal affluence, and yet long for the better life that higher education can offer their children. And these will be the Americans who bear the brunt of these cuts.

Now, these cuts may take many forms. It could come from the elimination of the in-school interest subsidy which can amount to additional costs of as much as $4,000 for a working family in this country; it could come through increased fees, through the elimination of the 6-month grace period, or an increase in the interest on student loans or any combination of those, again all money out of students' pockets. The bottom line is students and families are going to pay dearly as a result of what is in this budget, even if we adopt the Snowe-Abraham amendment.

This amendment is also too late, Mr. President, because the amendment only addresses the end of the education pipeline, higher education. Our world class higher education sector is in no way secure if our efforts in college preparation, elementary and secondary schools, Head Start and other areas are going to be severely undercut.

This amendment is sort of the double whammy for these critical discretionary programs. Not only does it not address the cuts proposed in these programs, it also further cuts into discretionary programs to offset the reduction it makes on the mandatory side.

Mr. President, we will offer a second degree amendment as an alternative which offsets $28 billion in cuts in education with very specific plugging of corporate loopholes which we can identify specifically, which Mr. KASICH on the House side identified as areas that should be looked at in the effort to balance our Federal budget.

So I would urge rejection of this amendment, with all due respect. We will have a substitute that will allow for this body to vote on truly whether or not they want to see these working-class families in this country get a break when it comes to education.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. Mr. President, last year in Minnesota over 14,000 students received assistance from the Federal Stafford Loan Program—14,000 students.

I just rise to speak in opposition to the Snowe amendment and say that I am proud to be an original cosponsor of the Dodd amendment.

Mr. President, this is, indeed, too little too late. What we are faced with right now are some really draconian cuts that will do irreparable harm to higher education in America. In the second-degree amendment we are going to introduce, we focus on corporate welfare or tax expenditures.

Mr. President, I would far prefer for some of the oil companies, some of the large pharmaceutical or insurance companies or large financial institutions to be tightening their belts and to be a part of the sacrifice than I would go forward with deep cuts in financial assistance for higher education.

I cannot think of a more important middle-class issue as a former college professor than this issue.

I do not have time, but if I had time I could recite story after story after story after story of students who have written letters to me and made phone calls saying for God sake, please do not deny us the opportunity to have an affordable higher education. No matter how you cut it, that is what these cuts are all about. I do not even have a chance in the 2 minutes to talk about earlier education which is, of course, equally important.

These cuts in higher education are myopic. These cuts are profoundly mistaken for our country. These cuts will have an accrual effect on students all across the across the nation from Ohio to Minnesota, and the Snowe amendment in that respect is really just a little bit more than symbolic—too little, too late. We can do much, much better in how we sort out our priorities.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time is remaining on our side?

The PRESIDING OFFICER. The Senator from Maine has 10 minutes. The opposition now has 6.

Mr. MURKOWSKI. I thank the Chair. I would yield such time as the Senator from Maine may need on the available time.

Ms. SNOWE. I thank the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. I found quite interesting the debate that has been offered here today on my amendment.

First of all, just to recap my amendment, it is to restore $6.3 billion in the education account. And, yes, we do provide specific offsets. That should be no surprise if you are attempting to provide a credible alternative.

And that is why I am somewhat confused by the debate here this morning, because I heard from the Senator from Ohio that my offsets are binding but then we heard from the Senator from Massachusetts that they are not binding.

Well, I think we all understand the true nature of the budget process in the Congress. No, the instructions in the budget resolution are not binding. But if you are attempting to provide real numbers to demonstrate that they are credible, then it is responsible to recommend some specific offsets.

It is also true the committees do not have to follow those instructions. I understand that and the cosponsors of this amendment understand that. But we want to make sure that everybody understands that there is a way to reach those numbers. That is what is important.

The second issue is whether or not you live in a fiscal fantasy land. The difference between the amendment that I am offering here today with the cosponsors of this amendment and those who oppose it is we support a balanced budget. If you support a balanced budget, you have to make some choices. If you do not support a balanced budget, you do not have to make any choices. You can spend in an unlimited fashion.

The amendment that they will be offering will recommend reducing corporate welfare and tax loopholes. You cannot object to that. But exactly how are we going to reach that goal? They do not specify. No, they do not want to specify, because they do not want to receive any opposition to those specific offsets, just as they do not support a balanced budget because they do not want to make any real choices as to how we get there. So that is the difference.

My amendment is a credible amendment. It restores specific funding for specific issues with respect to student loan assistance. Yes, I would like to do more. But there are those on my side saying, "You are doing too much," and then I hear from the other side of the aisle who say, "No, you are not doing enough." Well, I think my amendment is somewhere in the middle. Hopefully, we will do more in the final analysis.

The amendments that have been offered to restore funding for education have used the illusory dividend. Well, that is just gimmickry at this point. That dividend may come down at the end of this process when reconciliation is in place. That does not give adequate instructions to the committee. It is not money that they can use right now and everybody knows it.

So if we really want to restore funding to education, if we really want to address the home and farm equity issue so that it is not used to determine one's income eligibility for student loans, if we want to keep the origination fee at 3 percent, if we want to have an adequate grace period, then you support the Snowe amendment.

And, I should add who the cosponsors are of my amendment: Senator KASSEBAUM, Senator LOTT, Senator COHEN, Senator ABRAHAM, Senator BROWN, Senator GRASSLEY, Senator CHAFEE, and Senator KEMPTHORNE.

In fact, I ask unanimous consent to add Senator KEMPTHORNE from Idaho as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE. Mr. President, I reserve the remainder of my time.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time is remaining on this side?

The PRESIDING OFFICER. The Senator from Alaska has 6 minutes remaining.

Mr. MURKOWSKI. I yield 6 minutes to my friend from Oklahoma.

Mr. INHOFE. I thank the Senator from Alaska.

Mr. President, last night, when we were watching the discussion take place, a comment was made by the Senator from Wyoming that the debate is getting redundant on this budget; that we have heard about every argument there is to hear and now we are working on repetition to try to drive it in.

It occurred to me that it sounded very much like the debate that we had on the balanced budget amendment to the Constitution. At that time, people were standing up and saying, "Well, give us the details. Give us the details. Where do you want to make cuts? What do you want to do with Medicare and Social Security," and all the contentious items that we can so easily demagog?

I can suggest right now we have the details. But I wanted to take a couple of minutes this morning to share one thing with you, and that is we know pretty much how it is going to come out. We know who is going to vote for it and who is going to vote against it. And we know why.

First of all, the argument has been used that there are cuts. We have talked about this over and over again. They are not cuts in the Medicare system. We are talking about a growth factor that is built in. And the same thing is true with all the other areas that people are very much concerned with.

What we are trying to do is take this one last golden opportunity that we have—this is it, our chance to fulfill that obligation that the American people gave to us back on November 8 with a mandate. The No. 1 mandate was to balance the budget. This is an opportunity to do it. The House has already done theirs. All we have to do is do it here. I think the votes are here to do it.

But I have heard people stand up, such as one Senator the other day, and say every Senator wants to balance the budget. I suggest, Mr. President, that is not true. I suggest that they want people to think they want to balance the budget, but what it gets down to is they are basically traditional big spenders and big taxers and they want the status quo. They want to keep Government going as it has been going.

To demonstrate this, I am going to tell you, Mr. President, who is going to be voting against this. The same people who will be voting against it today are the ones that voted for and are the right-to-know supporters. These are the ones that did not want a balanced budget amendment to the Constitution.

So during that debate, I characterized who these people are who do not want a balanced budget amendment to the Constitution and today do not want a balanced budget. I suggest to you they are the ones that can be identified with a voting behavior of taxing and spending.

And I use as my examples the tax bill of 1993, the tax bill that was a Clinton bill that some people are touting as the great deficit reduction bill. In fact, it did not reduce any programs. All it did was increase taxes, the largest tax increase in history—$267 billion. That is not what the American people wanted. It was an increase in taxes on all segments of society, a Social Security tax increase for thousands of Social Security recipients. It was a 70-percent increase. Yet, these individuals who will vote today against this balanced budget are the ones who voted for that tax increase.

Then along came the Clinton stimulus program. It was characterized by a Democrat in this body as the largest single spending increase in the history of public finance in America or anywhere in the world. Such things as the $2.5 billion for swimming pools, parking lots, ice rink warming huts, alpine ski lifts, and other pork barrel projects; $1 billion for summer jobs, $1.1 billion for AIDS treatment and food distribution, on and on and on, all these spending increases that supposedly were going to stimulate the economy.

So I characterized those individuals who voted for those two bills and also who are rated as big spenders. There are a number of corporations that rate big spenders. The main one is the National Taxpayers Union. So I looked at those individuals who cosponsored the Right To Know Act which was the one to demolish, to do away with, the balanced budget amendment and stop our effort for a balanced budget.

I found, of all the 41 cosponsors, all 41 voted yes on the biggest spending bill in the history of this body. And all 41 of those individuals had a National Taxpayer Union rating of D or F.

So, Mr. President, I think that we have had a lot of debate on this. But when it gets right down to it, the bottom line is this: Those individuals who are trying to hold on to the past, those who are trying with white knuckles to hold on to the status quo, those who did not hear the mandate that was so loud and clear on November 8, 1994, are going to be voting for big spending, big government, tax increases, spending increases and vote against the balanced budget that we have up before us today.

I believe it will pass, because those individuals who are for the status quo are now in a minority.

Thank you, Mr. President. I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. How much time is remaining on our side?

The PRESIDING OFFICER. Twenty-two seconds in opposition; and 6½ minutes for the Senator from Maine.

Mrs. HUTCHISON. Six-and-a-half minutes remaining for the Senator from Maine?

The PRESIDING OFFICER. Six-and-a-half minutes remaining.

Ms. SNOWE addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Maine.

Ms. SNOWE. Mr. President, since I have a few remaining moments on my amendment, I think it is important to restate the case of how essential it is to restore funding to education, and the difference in the amendments that are being offered this morning is a difference between being able to realistically restore funding to education or not, because you will hear from the other side in presenting an amendment that there will not really be any specific offsets. While it is true that my offsets are not binding on the committee, at least we are being responsible in the approach that we are taking.

I think this amendment is critical because it does provide $6.3 billion. It will be protecting some very serious student loan assistance programs, and I want to make sure that the low- and middle-income families are not affected by any changes in the student loan programs.

I also want to ensure that the Labor and Human Resources Committee has the ability to protect the student loan assistance programs in the way that we have recommended in this amendment, so that they will not feel compelled to include home and farm equity in determining one's income eligibility, they will not feel compelled to raise the origination fee from 3 to 5 percent, and they will not feel compelled to eliminate an adequate grace period.

I know there are some who are opposed to the offsets, but the committees are the ones who are ultimately responsible for the way in which we provide the restoration of funds. They have the options to pursue other courses.

The fact of the matter is, we have to take a responsible course by recommending ways in which we can reach our goals as identified in this amendment.

I think that it is very, very important that we restore some of the funding in the education accounts. It is something that I argued within the Budget Committee during the time in which we were assembling this resolution. I wish it were more, but I also understand the delicate balance in crafting this budget resolution to reach the historic goal of balancing the budget by the year 2002.

I wish that we could identify other areas and perhaps that will ultimately develop in the process. Maybe the dividend down the road, but that dividend is not here today, and I think everybody should understand that. The dividend is not available to be used because it is not there yet. We have to pass a balanced budget plan and reconciliation has to become law for the Congressional Budget Office to score a potential dividend. That will materialize over 7 years, so that is not money that can be used by the Appropriations Committee or considered by the authorization committees as they develop their programmatic changes.

So it does not make sense and it is gimmickry to suggest that we are going to use an illusory estimate. So if you hear about amendments, as we will hear from others this morning, about restoring funding by using this dividend, it means nothing because it is not available and it is not there yet.

So if you support restoring $6.3 billion in education and doing it in a responsible way, then I hope you will support the Snowe amendment that is cosponsored by 10 Members of the Senate.

Mr. BURNS. Mr. President, the Dodd second-degree amendment is, in effect, an increase in taxes and I am opposed to any increase in tax.

However, I am also opposed to the Snowe amendment.

Let me begin by stating that I am a strong supporter of educational funding. I am firmly opposed to the drastic cuts in educational programs and funding which is outlined in the House resolution. I believe that these cuts, while well-intentioned, are shortsighted. Such cuts ignore the long-term benefits of preparing America's children to assume their position in the world market, and for that reason I oppose those cuts.

By the same token, however, I believe that Senator SNOWE's amendment is shortsighted. I believe that we, as guardians of our children's future, are charged with the moral obligation to not only educate our children but also to insure that there will be jobs available for them to assume once they have been educated. To ignore either is irresponsible.

Now let us take a look at what is on the table. The High-Speed Research Program was designed to develop precompetitive technologies for high-speed civil transport aircraft. Once developed, the technology is transferred to the Federal Aviation Administration, the Department of Defense, and U.S. industry. It is estimated that the first organization to market such an aircraft stands to gain $200 billion in sales and 140,000 new jobs. In short, this program accomplishes three goals that are vital to the United States' financial solvency: First, it increases new jobs, which increases the country's tax base; second, it generates sales for U.S. industry, which increases the country's GNP, and, in so doing, increases the country's tax base; and third, it insures the United States' continued leadership in this field, thus forecasting future revenues.

Likewise, the Advanced Subsonic Technology Program generates substantial long-term revenue benefits. This program is designed to protect the United States' market share in subsonic aircraft, an area which generates almost a million high quality jobs in the United States and contributes between $25 and $30 billion annually to the U.S. trade balance—which, incidentally is the largest of any U.S. manufacturing industry. These programs are moneymakers, and to eliminate them for any reason is fiscally irresponsible.

This is particularly true under the present circumstances, where the chairman's budget adequately addresses the concerns raised by Senator SNOWE. Senator SNOWE's amendment seeks to restore $6.3 billion over 7 years for undergraduate loans—$1.124 billion of this from the termination of the NASA programs.

However, the chairman's resolution protects undergraduate student loans. Under Chairman DOMENICI's resolution, interest on loans for undergraduate education does not accrue until graduation. So, for all students who enter the work force immediately after college, nothing has changed. With regard to individuals who choose to pursue graduate or professional coursework, interest would not accrue on their college debt until they complete this coursework. Chairman DOMENICI's resolution does change the present student loan program with respect to deferring interest payments accruing upon graduate and professional coursework. However, this burden is lessened by the chairman's budget by preserving the benefits of capped interest rates on student loans, Federal guarantees, opportunities to defer payments in case of economic hardship, and Federal fellowship programs targeted specifically toward graduate students.

The Snowe amendment ignores the long-term impact that terminating these programs would have upon the U.S. balance of trade, the GNP and its consequent U.S. Treasury implication, and the generation of jobs in America. Consequently, I oppose this amendment, and urge my fellow colleagues to do the same.

Mr. President, I yield the floor.

AMENDMENT NO. 1128

Ms. MIKULSKI. Mr. President, I rise in opposition to the amendment offered by Senator SNOWE and others that would reduce funding for NASA's Aeronautics Program by $1.1 billion over the next 5 years. The $1.1 billion reduction proposed in the Snowe amendment for Aeronautics is in addition to the $800 million reduction proposed for NASA's Aeronautics Program that is included in the chairman's mark.

The effect of the Snowe amendment would be to eliminate NASA's Advanced Subsonic Technology Development and High-Speed Research programs which make up the core of NASA's Aeronautics program.

Mr. President, the aeronautics industry contributes over 1 million high quality jobs to the U.S. economy and generates $20 to $30 billion in exports each year. But U.S. aircraft and engine manufacturers must compete on both cost and technical capability against government-subsidized foreign competition.

The European Airbus Consortium already claims more than one-third of the commercial aircraft market, a market once dominated by U.S. manufacturers. The goal of Airbus is to control 50 percent of the global market by the year 2005.

I do not intend to let the Europeans accomplish their goal, Mr. President. That is why, when I was chair of the VA-HUD Appropriations Subcommittee, I pushed NASA to expand their research and technology efforts in aeronautics.

NASA's Advanced Subsonic Technology program specifically addresses future technology needs in next-generation subsonic aircraft—from large commercial jets to small general aviation aircraft—and the evolving airspace system. NASA's role is to develop high-risk, high-payoff pre-competitive technologies to prove technical feasibility and then transfer these new technologies to the FAA, DOD, and U.S. industry.

Elimination of the Advanced Subsonic Technology program would terminate NASA's efforts to develop technologies to increase the capacity of the airspace system, to ensure that the existing aging aircraft fleet remains safe and cost-effective, and that the technologies needed for U.S. industry to meet international environmental, noise, and pollution regulations are available.

Mr. President, the Snowe amendment would also wipe out NASA's High Speed Research program which is conducting the early, high-risk technology development needed for an environmentally compatible and economically competitive high speed civil transport (HSCT). The goal of this program is develop a plane that would fly at more than twice the speed of sound and carry 300 passengers over 5,000 nautical miles at fares competitive with existing subsonic aircraft.

Mr. President, the stakes associated with the development of the HSCT are enormous. If the Europeans are the first to market an HSCT, it will cost the U.S. larger trade deficits and the loss of hundreds of thousands of high-skilled, high-wage jobs. If the U.S. wins this race, the U.S. market share for commercial aircraft could grow to nearly 80 percent, and create $200 billion in sales and 140,000 new jobs.

Mr. President, I happen to believe that the best social program is a job, and that job creation in America must be linked to our manufacturing base. Manufacturing in the new economy of a post-cold war era will require high technology and competitiveness in the global marketplace.

America's future in manufacturing begins and ends with aeronautics. Commercial aviation is one of the few areas of manufacturing where the U.S. continues to export more than we import, and where we are able to provide high-skilled, high quality jobs for American workers.

Mr. President, I do not intend to let our commercial aviation industry go the way of the VCR, the automobile, or the textile industry. I intend to fight to keep the U.S. aeronautics industry competitive so that we preserve the jobs we have and the job opportunities needed for the 21st century.

The Snowe amendment would reduce funding for NASA's Aeronautics Program by two-thirds over the next 5 years. The amendment is shortsighted and threatens our ability to develop a manufacturing strategy for this Nation.

I urge my colleagues to oppose this amendment. I yield the floor.

Mr. BYRD. Mr. President, I oppose the amendment offered by my distinguished colleague from Maine, Senator SNOWE. I, too, am concerned about the deep cuts—$14.6 billion over 7 years—in the William D. Ford Federal Direct Loan and Federal Family Education Loan Programs which make it possible for many of our young people to pursue a higher education.

However, I cannot support an amendment to restore funding for mandatory programs, such as the $6.3 billion for these student loan programs, by cutting nonmilitary discretionary programs by an equal amount. In other words, it would not cut military spending at all, even though it is the only area of the discretionary budget that will not be cut under this budget resolution. Not only is this robbing Peter to pay Paul, it violates the Budget Enforcement Act of 1990 which prohibits offsetting tax cuts or mandatory program expansions with cuts in discretionary programs.

In addition, it is not growth in nonmilitary discretionary programs which is driving up the Federal deficit. This spending has been at a hard freeze or below since 1993. The budget resolution before us would cut nonmilitary discretionary programs nearly $200 billion below a freeze over the next 7 years. Meanwhile, mandatory programs and tax expenditures will continue to grow—the latter with no restraint at all under this budget resolution.

No one understands the value of a higher education better than I, but I cannot support this amendment which would set an unacceptable precedent for funding mandatory programs with nonmilitary discretionary program cuts.

Mr. DODD. Mr. President, has all time been yielded back?

The PRESIDING OFFICER. The Senator from Maine has 2½ minutes remaining.

Mrs. HUTCHISON. Mr. President, we yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Maine yield back her time?

Ms. SNOWE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 1131 TO AMENDMENT NO. 1128

(Purpose: To restore $28 billion in outlays over seven years to reduce by $16 billion the discretionary cuts proposed in education and reduce the reconciliation instructions to the Committee on Labor and Human Resources (primarily affecting student loans) by $12 billion by closing corporate tax loopholes)

Mr. DODD. Mr. President, I send a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. HARKIN, Mr. HOLLINGS, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, Mr. WELLSTONE, and Mr. SIMON, proposes an amendment numbered 1131 to amendment No. 1128.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after line 1 and insert:

On page 3, line 10, increase the amount by $5,100,000,000.

On page 3, line 11, increase the amount by $3,400,000,000.

On page 3, line 12, increase the amount by $3,600,000,000.

On page 3, line 13, increase the amount by $3,800,000,000.

On page 3, line 14, increase the amount by $4,00,000,000.

On page 3, line 15, increase the amount by $4,000,000,000.

On page 3, line 16, increase the amount by $4,100,000,000.

On page 3, line 20, increase the amount by $5,100,000,000.

On page 3, line 21, increase the amount by $3,400,000,000.

On page 3, line 22, increase the amount by $3,600,000,000.

On page 3, line 23, increase the amount by $3,800,000,000.

On page 3, line 24, increase the amount by $4,000,000,000.

On page 3, line 25, increase the amount by $4,000,000,000.

On page 4, line 1, increase the amount by $4,100,000,000.

On page 4, line 18, increase the amount by $5,100,000,000.

On page 4, line 19, increase the amount by $3,400,000,000.

On page 4, line 20, increase the amount by $3,600,000,000.

On page 4, line 21, increase the amount by $3,800,000,000.

On page 4, line 22, increase the amount by $4,000,000,000.

On page 4, line 23, increase the amount by $4,000,000,000.

On page 4, line 24, increase the amount by $4,100,000,000.

On page 5, line 4, increase the amount by $5,100,000,000.

On page 5, line 5, increase the amount by $3,400,000,000.

On page 5, line 6, increase the amount by $3,600,000,000.

On page 5, line 7, increase the amount by $3,800,000,000.

On page 5, line 8, increase the amount by $4,000,000,000.

On page 5, line 9, increase the amount by $4,000,000,000.

On page 5, line 10, increase the amount by $4,100,000,000.

On page 5, line 17, increase the amount by $28,300,000,000.

On page 5, line 18, increase the amount by $3,800,000,000.

On page 5, line 19, increase the amount by $3,600,000,000.

On page 5, line 20, increase the amount by $3,800,000,000.

On page 5, line 21, increase the amount by $4,000,000,000.

On page 5, line 22, increase the amount by $4,000,000,000.

On page 5, line 23, increase the amount by $4,100,000,000.

On page 6, line 16, increase the amount by $5,100,000,000.

On page 6, line 17, increase the amount by $3,400,000,000.

On page 6, line 18, increase the amount by $3,600,000,000.

On page 6, line 19, increase the amount by $3,800,000,000.

On page 6, line 20, increase the amount by $4,000,000,000.

On page 6, line 21, increase the amount by $4,000,000,000.

On page 6, line 22, increase the amount by $4,100,000,000.

On page 31, line 12, increase the amount by $28,300,000,000.

On page 31, line 20, increase the amount by $3,800,000,000.

On page 32, line 3, increase the amount by $3,600,000,000.

On page 32, line 11, increase the amount by $3,800,000,000.

On page 32, line 19, increase the amount by $4,000,000,000.

On page 33, line 2, increase the amount by $4,000,000,000.

On page 33, line 10, increase the amount by $4,100,000,000.

On page 31, line 13, increase the amount by $5,100,000,000.

On page 31, line 21, increase the amount by $3,400,000,000.

On page 32, line 4, increase the amount by $3,600,000,000.

On page 32, line 12, increase the amount by $3,800,000,000.

On page 32, line 20, increase the amount by $4,000,000,000.

On page 33, line 3, increase the amount by $4,000,000,000.

On page 33, line 11, increase the amount by $4,100,000,000.

On page 64, line 9, decrease the amount by $1,100,000,000.

On page 64, line 10, decrease the amount by $7,900,000,000.

On page 64, line 11, decrease the amount by $12,000,000,000.

On page 65, line 17, increase the amount by $26,700,000,000.

On page 65, line 18, increase the amount by $4,000,000,000.

On page 65, line 24, increase the amount by $2,400,000,000.

On page 65, line 25, increase the amount by $2,000,000,000.

On page 66, line 6, increase the amount by $2,000,000,000.

On page 66, line 7, increase the amount by $2,000,000,000.

On page 66, line 13, increase the amount by $2,000,000,000.

On page 66, line 14, increase the amount by $2,000,000,000.

On page 66, line 20, increase the amount by $2,000,000,000.

On page 66, line 21, increase the amount by $2,000,000,000.

On page 67, line 2, increase the amount by $2,000,000,000.

On page 67, line 3, increase the amount by $2,000,000,000.

On page 67, line 9, increase the amount by $2,000,000,000.

On page 67, line 10, increase the amount by $2,000,000,000.

Mr. DODD. Mr. President, I offer this substitute amendment to the Snowe-Abraham amendment on behalf of myself and Senators HARKIN, HOLLINGS, KENNEDY, JEFFORDS, PELL, WELLSTONE, and SIMON.

As I understand it, there are now 5 minutes to be allocated on either side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DODD. Mr. President, I offer this amendment which will restore $28 billion to our education programs. This is substantially less than the amendment that was offered yesterday by several of my colleagues, but this amendment would reduce the committee's instruction and, thereby, the cuts in student loans by $12 billion and restore $16 billion in discretionary cuts in education.

This amendment is also deficit neutral. While certainly in these resolutions it is ultimately up to the committees of jurisdiction as to where specifically they will make their cuts, I offset this $28 billion and suggest specifically four areas within the Tax Code that would provide up to $65.7 billion in revenues currently lost through corporate tax loopholes.

These areas were identified in a list of corporate tax loopholes compiled by the chairman of the Budget Committee on the House side, Mr. KASICH from Ohio. Let me identify them specifically.

You can pick $28 billion out of the $65.7 billion they would garner. The issue is choosing between these tax loopholes or investing in the education of children in this country who need higher education and count on the Federal investment in critical elementary and secondary programs.

One is the expatriate billionaire tax loophole. Closing this loophole generates $2.1 billion. Those are people who leave the country, fly out of America to avoid their taxes. That is $2.1 billion. So that is part of the choice: Helping out those people or children and students in this country who need an education.

The second is $26 billion. This currently shields foreign source income of U.S. firms from U.S. taxes, which should apply to that income. This change alone generates $26 billion. If you do not want to take all $26 billion, you can reduce that somewhat, since I offer a total of $65 billion in offsets. I understand it may be important to some firms, but we are making tough choices around here. So you have to ask yourself on this one: Should we modify that tax loophole to some degree to help pay for the education needs of America? That is my second tax loophole.

My third permits U.S. exporters to exempt a portion of their export income from U.S. taxation—the House Budget Committee's figures suggest that this would generate an additional $10.9 billion. Again, you do not have to take all of it here, since there is the other part of the total $65 billion. But can't we take some of that money and try and restore these funds for the educational needs of America?

And last, Mr. President, the one that provides $26.3 billion is one that interacts with the foreign tax credit provisions in a way that can effectively exempt a portion of a firm's export income from U.S. taxation. It is called the inventory property sales source rule exemption. The title is vague to me, but that is what Mr. KASICH said it does.

So $26.3 billion, $10.9 billion, $26.4 billion and $2.1 billion—that is $65.7 billion. I would like to get just $28 billion out of that $65 billion to try and shield students and families from the crushing blow of these education cuts—and preserve their access to higher education and continue our partnerships with schools and communities across this country in elementary and secondary education.

That is the choice: Whether you want to keep these tax loopholes or restore the $28 billion. We all make tough decisions.

Again, this is Mr. KASICH's list, this is not my list. These are the provisions he suggested that we ought to be looking at as a way to try to deal with deficit reduction. My amendment allows us to take these steps while simultaneously making the kinds of investments families across America need—$12 billion to protect the student loan program and $16 billion to support critical discretionary programs like Pell grants, title I, and Head Start. Families and students need that kind of help.

Mr. President, this is an investment we must make in our future. Last Congress was hailed as the education Congress. We passed legislation lowering student loan costs, Head Start legislation that was to move us to fully funding all eligible children, the Goals 2000 legislation offering vital federal support to local efforts to improve our schools.

With this budget, we back away from our commitment. At this rate we will need to rename that last act if we are being honest with the American people. Why do we not call it Goals 3000 because, obviously, if we continue with the cuts proposed here we are never going to reach our goals, Goals 2000 becomes an absolute mirage. It does not exist. As this resolution is, we move the goal posts further down the road and make our education deficit that much larger.

So here is the choice: Billionaire tax loophole and some modification of the treatment of export income or critical investments in education.

Mr. President, I strongly urge that my colleagues support us in this substitute amendment. This gives this body the opportunity to demonstrate that the educational needs of America are just as important—just as important—as the export income or the billionaire tax loophole. The issue is, do you want to defend these interest, or do you want to defend families who are out there making investments in their children's educations. Investments which fundamentally contribute to the economic security of this Nation in the 21st century. To turn our backs on the educational needs of these children and their families I think would be a great tragedy.

The health of a nation depends upon many things. Fiscal responsibility is clearly one of them, but also an educated society, a well-prepared society. There are families that are out there telling their children to stay in school and study hard and do their homework, and go to college. We break a contract with them when those loans are not there or at such a high cost that they cannot avoid them. Fifty percent of all students in higher education today receive some form of assistance—one out of every two. Yet, here we are slashing $14 billion out of these programs while we shield expatriot billionaires from their taxes and protect export income. We urge you to support our substitute.

Mrs. HUTCHISON. Mr. President, I yield 2 minutes to the Senator from Maine.

Ms. SNOWE. Mr. President, here we go again. I hope that Members of the Senate will oppose this amendment. It is another generic amendment. You did not hear any specifics, other than the $6.3 billion and the $28 billion that would be necessary under this amendment through corporate welfare reductions and tax loopholes. While we all might agree with that goal, there is no specificity. It conveniently lacks specificity because they do not want to offend anybody. But that is not the responsible budgetary approach. That is why the Snowe-Abraham amendment is a credible approach in restoring $6.3 billion in education.

If you want to make sure that those funds are restored, then you must support the Snowe-Abraham amendment.

The amendment that is before us now, offered by the Senator from Connecticut, is illusory. It does not offer any instructions. It leaves potential instructions to the appropriate committees to determine how they reach the $28 billion. Unfortunately, that has been the process, not only here on the floor of the Senate but also in the Budget Committee. There were a number of Members who offered amendments to increase spending—the accumulation of spending of more than $500 billion and $77 billion in tax increases —but no corresponding amendments to reduce Federal spending, which is the goal of this budget resolution, and it is also a goal to reach a balanced budget.

Yes, we remember offsets. But at least we are in a position to say to the committee that this is the way in which you can arrive at these numbers. Do you want to make a decision about eliminating aircraft in the executive branch or raising funds for education? I think the choice is an easy one, and that is what this amendment is all about.

So I hope that Members of the Senate will oppose the Dodd amendment because it is not credible, because it does not offer responsible recommendations as to how to arrive at $28 billion worth of changes and at the same time do what we think is important by raising funds for education. The Snowe-Abraham amendment reaches that goal to provide the much-needed, very valuable school loan assistance programs to low- and middle-income families all across America.

So I urge the support of the Snowe-Abraham amendment in opposition to the Dodd amendment.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1131

Mr. HOLLINGS. Mr. President, I see a compromise. I see a way for the bipartisanship to return on education. It is a painful compromise on both sides, but we must pursue the art of the possible.

Mr. President, I tried 2 days ago, with my colleague from Iowa, Senator HARKIN, to make substantial progress toward restoring the cuts to education in this budget resolution with an amendment to restore $40 billion. That amendment was narrowly defeated. Yesterday, my colleague from Nebraska, Senator EXON attempted to restore $30 billion to education, as part of a package. That amendment narrowly failed.

Today, the Republican Senators from Maine and Ohio, Senator SNOWE and Senator DEWINE have offered a $6.3 billion restoration to student loan cuts.

We are making progress. Republicans have admitted that there is a real problem in this budget in that it severely cuts education.

But Mr. President, $6.3 billion for student loans still leaves students paying billions more, essentially to provide tax cuts elsewhere. More importantly, we should not merely restore part of the college student aid cuts while accepting the 33 percent cuts in this budget resolution to the programs that serve children. This budget resolution cuts the 6 million children served under title I for the disadvantaged to 4 million. It cuts services for over 5 million disabled children served under the Individuals With Disabilities Education Act by $5 billion. If it is wrong, economically, to cut student aid to provide tax cuts, as my Republican colleagues seem to concede, then it is certainly wrong to pass these huge cuts to education for younger children.

The means of bipartisan compromise is the Dodd amendment. It is a compromise that both sides can strain to reach. It restores a total of $28 billion. It does not fully restore the cuts to children's programs. It still reduces the number of children served, while we know that the number of children will rise. And, it fully—not partially—relieves college students of their part of cuts in student loans.

Mr. President, this amendment can help us rebuild the bipartisan consensus that education is a priority. We should not cut disadvantaged and disabled children, and it is economically foolish to do so. I know colleagues on both sides of the aisle believe this, and I urge all Senators to support this amendment.

Mr. DOMENICI. Do I have 3 minutes remaining?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Mr. President, I was searching in my mind for what Yogi Berra might say about this, but I cannot quite come up with it. "Déjà vu all over again," yes; that sounds right. See, we just got behind us, we thought, the idea that the way to balance the budget was to raise taxes. We thought we had finished that off and that maybe so long as we were attempting to balance the budget by restraining Government, since the first effort 2 years ago to balance the budget relied heavily on tax increases and did not work and the deficit is still going up, we thought we ought to restrain Government in a very serious way. And the first real serious opportunity on the other side to change this budget resolution significantly is to raise taxes $25 billion for a good cause.

Now, frankly, Mr. President, I believe the American people understand that the time has come to balance the budget by reining in Government, having less Government, redefining it, doing it better, doing it more efficiently. All of the arguments about what is happening to programs that we have in existence assumes that those programs are the only way to help Americans; that the only way to help education is the exact array of Federal programs that we have right now. And anybody that suggests you might do it for less, or do it a different way, of course, they are against education, or they are against highways, or they are against whatever it is.

So essentially, nobody should misunderstand this amendment, regardless of the rhetoric about loopholes and the like. The budget resolution does three things with reference to taxes, it either lowers or increases them or it leaves them the same. Essentially, this will increase taxes. I do not believe we should adopt it. At the appropriate time, I will move to table it. I will not do it now because obviously it will be stacked. I hope we will defeat it. It clearly would be one of the amendments that this budget resolution should not carry with it as we go to conference with the House.

I yield back any remaining time.

The PRESIDING OFFICER. Under the previous order, the Senator from Oregon is now recognized.

AMENDMENT NO. 1132

(Purpose: To restore funds cut from the National Institutes of Health)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself and Mr. JEFFORDS, proposes an amendment numbered 1132.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 7, decrease the amount by $430,000,000.

On page 11, line 8, decrease the amount by $258,000,000.

On page 11, line 14, decrease the amount by $920,000,000.

On page 11, line 15, decrease the amount by $552,000,000.

On page 11, line 21, decrease the amount by $1,000,000,000.

On page 11, line 22, decrease the amount by $600,000,000.

On page 12, line 3, decrease the amount by $1,000,000,000.

On page 12, line 4, decrease the amount by $600,000,000.

On page 12, line 10, decrease the amount by $1,000,000,000.

On page 12, line 11, decrease the amount by $600,000,000.

On page 12, line 17, decrease the amount by $1,000,000,000.

On page 12, line 18, decrease the amount by $600,000,000.

On page 12, line 24, decrease the amount by $1,000,000,000.

On page 12, line 25, decrease the amount by $600,000,000.

On page 33, line 19, increase the amount by $1,000,000,000.

On page 33, line 20, increase the amount by $430,000,000.

On page 34, line 2, increase the amount by $1,000,000,000.

On page 34, line 3, increase the amount by $920,000,000.

On page 34, line 9, increase the amount by $1,000,000,000.

On page 34, line 10, increase the amount by $1,000,000,000.

On page 34, line 16, increase the amount by $1,000,000,000.

On page 34, line 17, increase the amount by $1,000,000,000.

On page 34, line 23, increase the amount by $1,000,000,000.

On page 34, line 24, increase the amount by $1,000,000,000.

On page 35, line 5, increase the amount by $1,000,000,000.

On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.

On page 35, line 13, increase the amount by $1,000,000,000.

On page 54, line 20, increase the amount by $570,000,000.

On page 54, line 21, increase the amount by $172,000,000.

On page 55, line 2, increase the amount by $80,000,000.

On page 55, line 3, increase the amount by $368,000,000.

On page 55, line 10, increase the amount by $400,000,000.

On page 55, line 17, increase the amount by $400,000,000.

On page 55, line 24, increase the amount by $400,000,000.

On page 56, line 6, increase the amount by $400,000,000.

On page 56, line 13, increase the amount by $400,000,000.

On page 65, line 14, decrease the amount by $430,000,000.

On page 65, line 15, decrease the amount by $258,000,000.

On page 65, line 17, increase the amount by $430,000,000.

On page 65, line 18, increase the amount by $258,000,000.

On page 65, line 21, decrease the amount by $920,000,000.

On page 65, line 22, decrease the amount by $552,000,000.

On page 65, line 24, increase the amount by $920,000,000.

On page 65, line 25, increase the amount by $552,000,000.

On page 66, line 3, decrease the amount by $1,000,000,000.

On page 66, line 4, decrease the amount by $600,000,000.

On page 66, line 6, increase the amount by $1,000,000,000.

On page 66, line 7, increase the amount by $600,000,000.

On page 66, line 10, decrease the amount by $1,000,000,000.

On page 66, line 11, decrease the amount by $600,000,000.

On page 66, line 13, increase the amount by $1,000,000,000.

On page 66, line 14, increase the amount by $600,000,000.

On page 66, line 17, decrease the amount by $1,000,000,000.

On page 66, line 18, decrease the amount by $600,000,000.

On page 66, line 20, increase the amount by $1,000,000,000.

On page 66, line 21, increase the amount by $600,000,000.

On page 66, line 24, decrease the amount by $1,000,000,000.

On page 66, line 25, decrease the amount by $600,000,000.

On page 67, line 2, increase the amount by $1,000,000,000.

On page 67, line 3, increase the amount by $600,000,000.

On page 67, line 6, decrease the amount by $1,000,000,000.

On page 67, line 7, decrease the amount by $600,000,000.

On page 67, line 9, increase the amount by $1,000,000,000.

On page 67, line 10, increase the amount by $600,000,000.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. If the chairman will yield, I have conferred with the other side, and I understand there are no second-degree amendments. Perhaps Senator HATFIELD would like to handle it differently if there are not going to be any second-degree amendments.

Mr. HATFIELD. I have no preference. Parliamentary inquiry. I am trying to get to the real part of the amendment, which is to restore the money to the NIH by offsets in all the other accounts, with the exception of defense. The one I have sent to the desk includes defense. That is my personal preference, but the votes are not there. So I am trying to protect the essence of the real amendment, which I want to debate, which is my second-degree amendment that excludes defense.

The PRESIDING OFFICER. I am told that a second-degree amendment is not in order until all time has been expired on the first degree.

Mr. DOMENICI. Could the Senator not withdraw the first amendment and offer the second amendment at this point?

The PRESIDING OFFICER. Yes.

Mr. HATFIELD. I yield to the request of the chairman, and I withdraw my first amendment on the assumption that I will be able to debate with my time allocation on the amendment that I want to bring to a vote.

The PRESIDING OFFICER. The Senator has that right.

The amendment (No. 1132) was withdrawn.

AMENDMENT NO. 1133

(Purpose: To restore funds cut from the National Institutes of Health)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself and Mr. JEFFORDS, Mr. SPECTER, Mrs. KASSEBAUM, and Mr. D'AMATO, proposes an amendment numbered 1133.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 33, line 19, increase the amount by $1,000,000,000.

On page 33, line 20, increase the amount by $430,000,000.

On page 34, line 2, increase the amount by $1,000,000,000.

On page 34, line 3, increase the amount by $920,000,000.

On page 34, line 9, increase the amount by $1,000,000,000.

On page 34, line 10, increase the amount by $1,000,000,000.

On page 34, line 16, increase the amount by $1,000,000,000.

On page 34, line 17, increase the amount by $1,000,000,000.

On page 34, line 23, increase the amount by $1,000,000,000.

On page 34, line 24, increase the amount by $1,000,000,000.

On page 35, line 5, increase the amount by $1,000,000,000.

On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.

On page 35, line 13, increase the amount by $1,000,000,000.

On page 54, line 20, increase the amount by $1,000,000,000.

On page 54, line 21, increase the amount by $430,000,000.

On page 55, line 2, increase the amount by $1,000,000,000.

On page 55, line 3, increase the amount by $920,000,000.

On page 55, line 9, increase the amount by $1,000,000,000.

On page 55, line 10, increase the amount by $1,000,000,000.

On page 55, line 16, increase the amount by $1,000,000,000.

On page 55, line 17, increase the amount by $1,000,000,000.

On page 55, line 23, increase the amount by $1,000,000,000.

On page 55, line 24, increase the amount by $1,000,000,000.

On page 56, line 5, increase the amount by $1,000,000,000.

On page 56, line 6, increase the amount by $1,000,000,000.

On page 56, line 12, increase the amount by $1,000,000,000.

On page 56, line 13, increase the amount by $1,000,000,000.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. HATFIELD. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that no second-degree amendments be in order to the HATFIELD amendment that is pending.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent to add Senator D'AMATO as a cosponsor on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I now understand I have a 2-hour, equally divided time allocation to consider this amendment.

Mr. President, I would like to yield 1 minute to the Senator from New York to make a statement on this amendment.

Mr. D'AMATO. Mr. President, I rise to support and am pleased to join as a cosponsor of Senator HATFIELD's amendment.

We are talking about making cuts in order to balance our budget and provide a better future for coming generations. Yet I believe we have to be very careful about how we make those cuts and where.

In the amendment that has been put forth, Senator HATFIELD would restore $7 billion of the $7.7 billion that would otherwise come out of the National Institutes of Health.

I have to say, representing as I do New York, and Long Island in particular, we are being ravaged by an epidemic of cancer, breast cancer in particular. Breast cancer rates in the Long Island counties of Nassau and Suffolk rank first and fourth highest respectively among the 116 largest U.S. counties.

We cannot afford to reduce the funding for this vital research that provides at least a glimmer of hope for achieving the necessary breakthroughs to deal with the ravages of cancer, and breast cancer in particular.

The amendment of Senator HATFIELD will go a long way toward holding citizens harmless in this area. There would be a slight reduction of about 1 percent. Far better that 1 percent reduction than one that might reach as much as 15 to 16 percent. That, I believe, would not be the kind of investment in the future that we are attempting to bring about as we work to make a better future for all Americans, those whom we are protecting now and future generations.

I believe that is why this amendment is important and why it makes sense. I strongly urge its support. I thank the Senator for raising this very important issue.

Mr. HATFIELD. I thank the Senator from New York.

Mr. President, I offer this amendment on behalf of Senator SPECTER of Pennsylvania and Senator KASSEBAUM of Kansas. There will be other cosponsors that we will add as we go along.

Mr. President, fundamentally, what we are facing here is a prelude to disaster as it relates to medical research and medical science in this country.

We are really, in this session of the Congress, being offered three possibilities, three options. Each one of the three options has the same ending result.

We have the President's budget. The President's budget, if we vote this line—my visual aid supporting chart for 1996—the President raises the NIH appropriation budget proposal by 4.1 percent. Like so many things in politics, it is a shell game. You see it and then you do not see it. You think you have it, and then you do not have it.

After the first year of 1996 of raising this up by 4.1 percent, then the President's budget says—look at that drop. By the year 2000, we will take $1 billion away from medical research in this country. This amendment is bipartisan. The President is offering to demolish our medical research infrastructure on a slow-water-drip system.

Then we have the House resolution. The House resolution says, "Well, by 1996, next year, we want to drop it 5 percent," and then we steady income out here whereby we again find the end result of a dramatic reduction in the budget for the NIH.

Not to be outdone by the White House, not to be outdone by the House of Representatives, the Senate budget resolution that is pending before the Senate today said, "Oh, we will make a quicker death. We are going to say take $1 billion out between 1995 and 1996." In fact, in excess of $1 billion. By the time we get to 2000 we will have taken $7.7 billion out of the medical research of this country that leads to cures and leads to better treatment of disease.

That is it, simply straightforward. I cannot believe that the body of the U.S. Senate can ignore the fact that the only thing the American people have said is raise our taxes if necessary, and we will tell Members by a 30 percent margin that dollars expended for medical research should be the top priority of our country. This is not one politician speaking to another politician. This is the voice of the people saying, "We want to increase medical research." We have had polls show they would pay another $1 per week on their medical premiums in order for it to be earmarked for medical research. We have had polls show they would take another $1 per week in their income tax if it could be earmarked for medical research.

Somehow the political establishment of the executive branch, led by the President, and the congressional branches, led by the two House and Senate budget resolution committees, do not hear that.

Now, I am not going to get into a lot of detail except to say we are making tremendous progress in warring against many diseases. It was only half a dozen years ago we had a handful of dollars dedicated to Alzheimer's research.

I have a personal interest in Alzheimer's. I watched my father die from Alzheimer's. I can say it is as difficult for the family as it is difficult for the victim. It is difficult for all those around him or her. I will not go into the gory details because most people around here have seen that kind of deadly disease attack and destroy people.

Mr. President, we could not even diagnose Alzheimer's short of an autopsy a few years ago. Now we have built it over the years to about $210 million of research money dedicated to Alzheimer's. We have made breakthrough after breakthrough, both in gene analysis and identification, as well as treatment and diagnosis.

When we say to the medical structure of this country, take $1 billion out of the $11.3 billion—10 percent—in 1 year, it is like in this country when we shut down the sawmill for a lack of logs and lose our chief sawyer, that company does not reassemble that team that makes that mill work a month later when a supply is received, or 2 months later.

When the company begins to build the infrastructure of medical research, and once it is there, the company does not rebuild it because maybe 2 years down the road they decided they made a mistake.

We have had the decade of the brain. Mr. President, 5 years have passed and a major part of that 5 years is building 130 scientists into an infrastructure in this country. Now it at a point where the payoff comes, we are about ready to start dismantling.

Now, let me get a point of contrast. We have literally thousands of diseases in this country on which no research—no research—is being conducted, thousands of diseases in which there is no national registry to even know how many people have the disease or where they are located. No registry. They are called orphan diseases. Thousands of them.

The most important factor that is missing is no hope. No hope. We have been trying to attack that gradually by serendipity, meeting a young man in a wheelchair 15 years of age with EB, epidermolysis bullosa. At that point, no registry. At that point, no research money. It is like leprosy. They lose their fingers. It is a pigmentation problem. Sores break out all over their bodies. They cannot handle even this kind of artificial light, let alone sunlight. And they die at a very early age. This young man was so impressive with his eloquence, we wheeled him right into the Committee on Appropriations and we made a line item. If I ever had a reason to fight a line item veto, the whole concept of vetoing a line item—this was to get a line item in the appropriations that year to start a registry, starting a research project for EB, and giving hope for those people. That is not the way to run it, just because I met someone like that. There are thousands of them out there all over this country.

I want to also say there is a point of reference and comparison. This same budget resolution calls for an $800 million increase in research in nuclear weaponry. Yes, $800 million increase and they are calling for a $1 billion cut in medical research. Oh, we have to protect our bombs but we cannot really protect our people. I am saying this is a value of people over bombs. I would like to have included the military research dollars. The 18 months of military research in this country leading us to be more efficient—we say at defending our country, but at the same time, cluster bombs in order to increase the capacity to destroy life—is the equivalent of 95 years of medical research in the NIH; 18 months. That is a real value.

But I do not have the votes. So we still have this power of the military that says, "Do not include us in any reductions. We only can handle increases. Reduce the medical research programs."

All this does is to face reality that we exclude the military, that sacrosanct military. We are going to exclude it. But at the same time we are going to reshuffle all of the other accounts and say, by putting the priority on medical research, the others are going to be reduced 5 percent.

I enjoyed a little personal therapy by those last few statements. Now we get back to the reality of saying we have to reach this kind of agreement. I am happy to say I think, even though I would like to have a broader base, I am willing to settle for the narrower base in order to save the medical structure, research structure of this country.

I hope some of my colleagues realize we have had a colleague recently diagnosed with Parkinson's, Senator CLAIBORNE PELL. Do you realize we are spending this year $26 million for Parkinson's research—$26 million. You say that is a lot of money—yes, it is a lot of money. We are spending over $1 billion for heart; $2 billion for AIDS; another $1 billion-plus for cancer, as we should, and I helped to fight for every one of those dollars, and I would defend every one of those dollars. All I am saying is, for Parkinson's, $26 million.

Take a 16- to 20-percent decrease on $26 million for Parkinson's and you have a bigger impact than taking a 16- to 20-percent reduction, say, on cancer or heart, which is in excess—almost $2 billion each. So it is disproportionate in its impact. And I think this would then give us an opportunity to keep our commitment to the sick and those who have no hope for cure.

If my friends are not interested in the humanitarian aspect of reducing suffering and putting the value on human life—and quality life, not just quantitative life—I hope we would support this because I am convinced it is the answer. If you are not impressed with that factor, then look at the cost. We have saved billions of dollars per year in what we have been able to accomplish in medical research with TB. Now we are having a revival of TB. We have Zaire and the Ebola problem over there, that is a threat to this country. Every time we used to want to get an increase in military spending we could say, "The Russians are coming," and, boy, everybody would jack up another $1 million. I want to tell you, "The viruses are coming." They are here. And we better get ready for that warfare because we need this kind of weaponry to fight it.

Mr. EXON. Will the Senator yield for a question?

Mr. HATFIELD. Yes. I will be very happy to. But first of all may I yield to my cosponsor, who has not had an opportunity to make an opening statement and then I will be happy to yield for questions.

Mr. EXON. Certainly.

Mr. HATFIELD. I yield at this time to Senator SPECTER, whatever time he needs.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I thank my distinguished colleague, the chairman of the Appropriations Committee, for yielding time to me. I compliment him for his leadership generally, and especially on this amendment for his very spirited and eloquent articulation of the reasons for this amendment.

I am pleased to join Senator HATFIELD as a cosponsor, along with Senator KASSEBAUM, Senator MACK, and there may be others who will join in cosponsoring this very, very important amendment.

Senator HATFIELD has added the name of Senator KENNEDY to the list as original cosponsor here, along with Senator JEFFORDS.

The consideration of this budget resolution is very important to America. It is the toughest series of votes which

I have seen in my 14½ years in the U.S. Senate. It has been very carefully crafted by the Budget Committee, under the leadership of Senator DOMENICI, who has great respect in this body on all counts. We have seen a series of amendments defeated so far on the budget resolution, many of which I would have liked to have voted for. But we have to make some really extremely tough choices which I think we are making. I believe this is a historic time for the U.S. Government to balance the budget.

Substantial efforts were made following the election of President Reagan in 1981, when we considered a budget resolution some 14 years ago, but there was not the political will at that time to balance the budget. We did not have Republican control of the House of Representatives, with, candidly, the political determination to balance the budget.

That time is now. In order to balance the budget we have had to turn down some requests on amendments which I think were very, very attractive. It was very, very difficult to vote against the amendment which offered additional funding for education because I am very much concerned about the cuts in this budget resolution on education. I am very much concerned about the cuts in this budget on Medicare and Medicaid. And I have heard from constituents about the devastating impact of what the Medicare cuts will do in closing hospitals, and not marginal hospitals but hospitals which are very important across this country, providing very vital services for the people of America.

But it seems to me if we are going to move to a balanced budget we are going to have to have belt tightening all across the board. I personally would very much have liked to have voted for the amendment yesterday on a tax cut. Who would not like to have a tax cut in America? But the difficulty with the amendment was present in the additional cuts which would have been present for other very important items, and also in the direction of the tax cuts not being directed with sufficient depth and specificity at the lower income groups and raising the concern about too much of a tax cut for wealthier Americans at a time when we are going to be cutting very many important programs which impact across the board, and many on the poor.

The amount offered yesterday on increasing national defense was a very attractive amendment. But there again the difficulty is that it would have resulted in cuts in other programs and added to the deficit.

I think that in the amendment which we are now considering, to have a restoration of part of the budget cut on the National Institutes of Health, that we are going to have the strong bipartisan support which was not present to increase funding or restore funding for education, or the bipartisan support which was necessary to restore funding for Medicare and Medicaid. I believe that we have this bipartisan support because of the unique importance of what the National Institutes of Health does for America.

In the 14½ years that I have been on the Appropriations Subcommittee on Labor, Health and Human Services, and Education, which I now chair, we have maintained an increasing amount of funding year by year, notwithstanding proposed budget cuts virtually every year from the administration, and it has been a bipartisan effort, once under the chairmanship of Senator Weicker, then under the chairmanship of Senator Lawton Chiles, then under the chairmanship of Senator TOM HARKIN, and now with my chairmanship.

We had a hearing last Thursday attended by the distinguished chairman of the full committee, where we heard of the devastating impact of what these budget cuts would do to medical research in the United States.

There is not time enough to go through the entire array of very powerful arguments and very powerful considerations. But let me start with a few.

At the present time, the National Institutes of Health funds less than 1 in 4 grant applications. If funding were cut by 10 percent, that grant rate might decrease to as much as 1 in 10. There would be a drastic reduction in clinical trials to initiate promising new treatments leaving the application of research findings for the patients on an untested basis.

There would be a cataclysmic consequence with over 80 percent of the NIH budget being cut with support from colleges, universities, medical schools, and research institutes throughout the country.

We are on the brink of having extraordinary advances in medical research on gene therapy on a whole range of very, very devastating illnesses in America.

Let me name just a few. Last year the National Institutes of Health discovered a breast cancer susceptibility gene, and the NIH is now closing in on the gene which causes breast cancer, which would be really a remarkable achievement on a terrifying disease which strikes 1 of 9 women in America.

The problems on heart disease, cardiovascular disease, which is still the number one killer of both men and women, causing 43 percent of all deaths each year; delaying the onset of heart disease by 5 years, which is right around the corner, would save almost $70 billion annually.

When we take a look at the kind of economic savings which come from this research from NIH, it is really remarkable.

Alzheimer's disease, such an overwhelming emotional problem in America today for those who suffer from Alzheimer's and their families; the medical research is on the brink of decreasing the incidence by half, which would mean an annual cost saving of some $50 billion.

Alcoholism, the No. 1 drug problem in the United States, is on the verge of significant advances, if not a cure, with the savings of some $100 billion a year.

Osteoporosis leads to 1.5 million fractures each year, affecting 140,000 people, and with the potential for saving of some $5 billion.

I know the time is short, Mr. President.

So I shall not go on with the list of really remarkable achievements which have been made and are right around the corner.

But I will say, chairing the Subcommittee on Labor, Health and Human Services, and Education, and having been on the Appropriations Committee for 14½ years, that there is no more important funding item in the budget to restore, and we are not restoring it all, but to restore the amount proposed in the pending amendment.

I thank the Chair. I thank my colleague.

Mr. EXON. Will the chairman yield for a question?

The question I have for my great friend and colleague I want to preface by saying the chairman knows of my fondness for him and the many years that we have worked. I have never seen a finer presentation, I say to my friend from Oregon. I do not disagree with a single thing he has said. I think he said it all very, very well.

I cannot think of a more important amendment that will pass. I think this amendment will pass. I know of no objection to it on this side. I just checked with Senator DOMENICI. He knows of no objection on his side of the aisle. I think the case has been adequately made.

I have a list of 23 Democratic Senators, and heaven knows how many on that side of the aisle, that have other important matters, and we run out of time at noon today on the amendment. I am just wondering, since I think there seems to be near unanimous support for the amendment, if there is any way that we can cut down some of the time to allow some of these other Senators a chance to offer their amendments. Because of the time constraints, because I would not want to see any of our colleagues have a heart attack or apoplexy for fear that they are not able to talk on their amendment, I am just wondering, my question is can we get some time agreement if we would agree to yield back our whole hour of the time? I know of no opposition on this side. Could we get an agreement to cut down the remaining 50 minutes or so that the chairman has? I think he has made his case very well.

Mr. HATFIELD. Mr. President, I would be very happy to work out an arrangement. I have a list here of about a dozen Senators who have asked for a few minutes to express themselves on this amendment. Once I fulfill that obligation to my colleagues, I will be very happy to consider that.

Mr. EXON. I will simply add there have been Senators coming to me wanting 10 to 20 minutes. I have cut them most down to 1 or 2 minutes.

If I might courteously suggest that if we had some time constraints, I believe everything good can be said about this amendment in a minute if people choose their words very carefully.

Mr. HATFIELD. I thank the Senator.

Mr. President, I have a list. My other chief cosponsors are Senator KASSEBAUM, Senator BOXER, Senator KENNEDY, Senator MACK, and others. As soon as we complete those, I would be very happy to consider yielding back the time.

I would like at this time to yield to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would ask for a couple of minutes. I certainly appreciate the time constraints.

I think every Senator in the Chamber is a supporter of the National Institutes of Health and recognizes the importance of the work done there.

I myself am a strong supporter of the importance of continuing basic research.

I think Senator HATFIELD, who has initiated this amendment, has spoken eloquently of the importance of those needs. Senator SPECTER has spoken as well.

Mr. President, I am pleased to join with Senators HATFIELD and SPECTER and eight other cosponsors in offering an amendment to the fiscal year 1996 budget resolution which is designed to protect funding for the National Institutes of Health. Our amendment, which adds $1 billion annually to budget function 550, is intended to restore the 10-percent reduction in NIH funding assumed by the Budget Committee. In order to assure the health of our citizens—through continued support of our Nation's biomedical research—I urge my colleagues to join with us in supporting this amendment.

To offset the additional NIH funding, our amendment would reduce spending in various discretionary accounts by 0.58 percent. The budget functions which would be excluded from these reductions are: defense; international affairs; education, training, and employment; income security; Medicare; Social Security; and net interest.

NIH-supported biomedical research has a proud history of scientific breakthroughs. Many of my colleagues will remember the iron lungs which once ventilated individuals after their bodies had been ravaged by the polio virus. Because of biomedical research, we no longer face the threat of this disease. In fact, experts at the Centers for Disease Control and Prevention now predict that the polio virus could soon be eradicated from this planet.

The vitality of these efforts is maintained today. For example, through the human genome project, scientists have identified a gene linked to breast cancer. Using this information, health care providers may one day decrease the burden of this disease, which now attacks one in nine women.

I am concerned about the detrimental impact of the NIH reductions assumed by the Budget Committee. I believe, that biomedical research advancement—and breakthroughs—could slow dramatically.

The committee, in its report on this resolution, lays out a thoughtful argument in support of this budget reduction. As noted in the report, it is true that the NIH has seen a real budget growth over the last decade. In real terms, after adjusting for biomedical research inflation, the budget for 1993 was 47 percent greater than it was a decade earlier. It is also true that private sector contributions to biomedical research have increased.

At the same time, I do not believe it is wise to propose reductions based on this recent growth in NIH funding. These reductions will leave many biomedical researchers and their advancements stranded. In many areas, scientists are on the verge of amazing discoveries. Because the average length of an NIH award is nearly 4 years, cuts of this magnitude will require an adjustment period. We need to consider ways to ensure that promising research receives new funding, while we honor existing research commitments.

Mr. President, the $1 billion which this amendment would add back to the NIH allows for a smooth transition. Even with this add-back, real funding for NIH will decrease over the next 7 years. In fact, if we assume a 5-percent annual biomedical research inflation, maintaining NIH funding at its 1995 level would still result in a real funding reduction of nearly 5 percent in the first year and 35 percent 7 years from now.

As chairman of the Committee on Labor and Human Resources, I am committed to working with the National Institutes of Health and our Nation's biomedical researchers to find ways to adjust to our current budget limitations. However, accomplishing this goal will require thoughtful consideration and careful deliberation.

As the Labor Committee begins to consider the reauthorization of the National Institutes of Health, I welcome the suggestions of my colleagues. I intend to examine organizational and structural changes at the NIH which could lead to some budget savings.

This effort may include reexamining the need for the current 23 institutes, centers, and divisions. Another approach will be to review the amount of research funding which the NIH currently devotes to indirect research costs. Finally, I also believe that we will need to reexamine how the NIH makes its grants to ensure that the most promising areas for research advancement receive funding, while funding for basic biomedical research is maintained.

Mr. President, I urge my colleagues to consider this amendment carefully. Its effect would be to improve the health of our Nation's citizens by supporting funding for biomedical research through the NIH. The effort of NIH has and will continue to create a national environment in which biomedical research and health flourish.

Mr. HATFIELD. Mr. President, I would like to yield 3 minutes to the Senator from California.

Mr. President, in yielding to the Senator from California, she was facing the same issue, I understand, in her committee work, and I wish to thank the Senator for laying the foundation at that time.

Mrs. BOXER. I thank my friend very much. I will be brief because I think so much has already been said on this.

I simply want to add my voice in support of the Senator from Oregon. I did, in fact, offer a similar amendment in the Budget Committee. However, I took the funds out of the little tax cut—honey pot—that was squirreled away by our chairman and there was no support from the Republican side for using that as an offset.

I truly understand the frustration expressed by the Senator from Oregon. He wanted to cut across the board and include in the cut to pay for this NIH increase the military budget. I think the Senator is wise not to offer that up because there are not the votes here to do that, but I wish to spend just a minute talking about that and adding my voice to that of the Senator from Oregon.

I think the people of this country understand that the cold war is over, and I think the people of this country understand we are the only superpower, and I think the people of this country understand that we are spending 2½ times more than all of the potential enemies combined in the world, and that includes on the list the potential enemies Russia and China. The fact is if you add the spending of the NATO countries, America and the NATO countries are spending 5½ times more than all the potential enemies in the world.

What are the real enemies that we face on a daily basis in America? I would say the daily enemies we face are the prospect of disease striking a loved one. Alzheimer's has been discussed, osteoporosis, breast cancer, AIDS, prostate cancer, lung cancer, diabetes, scleroderma, something many people do not know about, which is a soft tissue disease which is disfiguring and frightening and strikes young women; strokes, Parkinson's disease. There are so many others.

The fact is, I say to my colleagues, these are the enemies that we face, and to retreat from this war would be ludicrous.

Now, it hurts my heart to vote to cut other domestic programs. It breaks my heart. I think it is outrageous that we do not have the votes here to include defense in a small cut, but like the Senator from Oregon I am a realist. I am a realist, and I wish to see this funding be restored to the NIH. We are one plane ride away from a major epidemic. We read with horror about this Ebola virus. Anyone who has read the book "The Hot Zone" understands the tenuous position we are in in this very world in which we now live. As we lose the rain forests of the world, what scientists are discovering is that viruses that live in the rain forests are looking for other hosts, and they are finding us. So to cut back on the National Institutes of Health, which is our first line of defense against these diseases, would be worse than outrageous.

I ask unanimous consent to include in the RECORD at this point a letter from the University of California, Irvine, and I would close with a quote from the dean of the college of medicine there, Thomas C. Cesario. He says:

> With Federal support, the University has achieved remarkable breakthroughs in medical research which prevent, control, or reverse disease, saving lives and millions of dollars in medical care.

And he just says that the UC doctors there with Federal funds were first to identify the lack of a gene as a cause of disease. They developed a blood test for the genetic defect that causes Tay-Sachs, and it goes on and on.

I see my time has run out. So again let me add my voice to the Senator from Oregon. I thank the Senator so much for picking up this fight in this Chamber. I am with the Senator all the way.

I yield the floor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF CALIFORNIA, IRVINE,
COLLEGE OF MEDICINE,
Irvine, CA, May 22, 1995.

Hon. BARBARA BOXER,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR BOXER: I am writing to express my deepest concern over the funding cuts to the National Institutes of Health that have been assumed in the Committee's Budget Resolution and to thank you for your tremendous effort to restore funding during the Committee's consideration of the NIH bill.

According to the committee report, the Senate Budget Committee recommends a 10 percent cut for the NIH budget in FY 1996, and then a freeze of the NIH budget at this lower level through 2002. This means that the NIH budget would be cut from $11.3 billion in FY 1995 to $10.2 billion in FY 1996, and then frozen at $10.2 billion through 2002. Cuts of this magnitude would be devastating to our nation's biomedical research enterprise. The NIH is one of the country's most respected and revered research institutions, setting international standards for excellence for basic and clinical biomedical and behavorial research and ensuring that medical care in the United States is the best in the world. Many people literally owe their lives to NIH-funded research.

These cuts represent a serious retreat from the national support given to medical innovation. They would be devastating to the NIH mission. NIH projects that with a 10 percent reduction in its budget the success rate for competing research project grants would fall from its current overall level of 24 percent in FY 1995 to between 6 percent and 12 percent in FY 1996. The potential loss in new life saving discoveries is incalculable. We know that few, if any, new clinical trials could be instigated and other NIH mechanisms of support would be decimated.

Cuts to NIH would certainly wreak havoc throughout the University of California's research institutions. About 85 percent of the NIH's appropriation is expended on extramural research conducted in all 50 states. The University of California operates the largest health science program in the nation—with five schools of medicine. Last year UC received about $650 million for extramural grants university-wide. Three of our five medical schools were ranked among the top 15 institutions for receipt of extramural research awards for FY 1993 and all fell within the top 100 institutions.

With federal support, the University has achieved remarkable breakthroughs in medical research which prevent control of reverse disease, saving lives and millions of dollars in medical care; UC doctors:

were first to identify the lack of a gene as a cause of disease;

developed a blood test for the genetic defect that causes Tay-Sachs disease;

created the first human vaccine by genetic engineering;

were among the first three groups in the world to isolate the AIDS virus;

found a quick method to determine if infants were infected with the AIDS virus;

developed an artificial ankle to replace joints damaged by arthritis;

adapted a heart pump implant to pump insulin in diabetics thus eliminating the need for daily insulin injections;

developed a procedure that restores hearing by replacing damaged middle ear bones with sculpted cartilage.

In addition, the University has been an incubator for the rapidly growing biotechnology industry in California. California has the largest concentration of the nation's biotechnology companies and 28 percent of high tech medical device firms in the nation. The University of California at San Francisco and San Diego alone account for more than 50 new companies pursuing life saving medical drugs and devices from AIDS, cancer and heart disease to genetic disorders like cystic fibrosis and multiple sclerosis.

Cuts to NIH cut the lifeline of biomedical research. The devastation would be felt for years to come. The pace of scientific discovery would slow and cures for diseases like AIDS and cancer would be delayed. Even worse, biomedical research would be essentially eliminated as a career track for a whole generation of young people.

I urge you to do all you can to restore funding to the NIH during the Senate's consideration of the Budget Resolution.

Sincerely,

THOMAS C. CESARIO, M.D.,
Dean, College of Medicine.

Mr. HATFIELD. I thank the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, again I am going back to the list of those who have made their request to be heard. I would yield 2 minutes to Senator KENNEDY, 3 minutes.

Mr. KENNEDY. Two minutes will be fine.

Mr. HATFIELD. Two minutes to Senator KENNEDY from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, the Senator from Oregon and the other cosponsors are speaking for the best American values and are really speaking for mankind all over the world in the restoration of this funding for the National Institutes of Health. This budget is permeated with penny-wise and pound-foolish mentality that values short-term savings today over investments that will improve the life of the Nation tomorrow.

There is no better example of these misplaced priorities than the meat-ax cuts in the National Institutes of Health. It is truly a great success in terms of research, and it maintains respect throughout the world. The NIH is not just a source of excellence to those of us on the floor of the Senate. It is recognized throughout the world.

The NIH is the symbol of excellence in medical research. Its achievements are world renowned. Dollar for dollar, it is among the wisest and most productive investments the Nation has ever made. It is the source of America's international preeminence in industries such as pharmaceuticals, biotechnology, and medical devices. Talk to any leaders of these industries, and they will tell you that without the basic research of the NIH, progress in their industry would slow to a crawl, and America's international competitiveness would fail.

Above all, we need NIH research because of its indispensable role in improving the health of the American people. In recent years, biomedical research supported by the NIH has led to new and more cost-effective treatments for cancer, heart disease, diabetes, and a wide range of infectious diseases. More than a million premature deaths from heart disease alone were prevented by improved cardiovascular programs and innovative treatments developed by NIH research in the past quarter century.

With mushrooming new discoveries in biotechnology, we stand on the threshold of even greater progress in the years ahead in the conquest of dread diseases. There is no American family that has not lost a loved one or a close friend to the ravages of heart disease, cancer, diabetes, or Alzheimer's disease. Why would anyone curtail the extraordinary progress that is possible?

If the cuts in this budget resolution are approved, only 10 percent of meritorious research will be funded, according to the NIH's own estimates. Currently, ninety scientists have received Nobel prizes for research funded in whole or in part by the NIH. With these cuts, young researchers will leave the field because they cannot find support for their investigations. Careers in biomedical research will be less attractive to the brightest minds of this generation of college students. Worst of all, it is no exaggeration to say that because of these cuts, Americans will die who would have been saved.

These funds make such a difference to the families that all of us represent. I urge the Senate to adopt this amendment and maintain NIH's vital investments in medical research.

I thank the Chair.

Mr. HATFIELD. Mr. President, I yield 2 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. I thank the Chair. I thank the Senator from Oregon.

Mr. President, I support the amendment of the Senator from Oregon. I also want to point out that the problem he identifies with medical research funding is part of a larger problem that we are trying to address in another amendment that will come up for a vote later today. That is the amendment related to civilian research more generally.

The Senator from Oregon made the point that the proposed budget as it now stands in the area of medical research is a prelude to disaster. I would say that the same point could be made about civilian research generally in this country.

I would address people's attention to this chart which shows Federal civilian R&D as a percentage of the gross domestic product of this country from the period 1961 through the end of the century, the last portion, of course, being the projected level of funding for civilian research and development.

This chart includes the figures for the National Institutes of Health, about which the Senator from Oregon is speaking. It shows that we will be dropping to an unprecedented low in our level of support for civilian research if we go ahead with the budget as it presently stands.

The amendment the Senator from Oregon proposes will cure the problem as it relates to the National Institutes of Health. The larger amendment that I have proposed with Senators LIEBERMAN and ROCKEFELLER and HOLLINGS and BIDEN deals with the larger issue of civilian research, and it is necessary also if we are going to avoid the same kind of precipitous drop in Federal support for civilian research that is contemplated in the present budget.

I thank the Senator and I support his amendment strongly.

Mr. HATFIELD. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I asked the Senator from Oregon only for a minute because I am one of those Senators who later on wants to speak to other amendments, and I know we are in a time crunch.

I say to the Senator from Oregon I certainly want to be included as an original cosponsor, but I do it with some sadness because I believe that the military-defense part of the budget ought to have been included in the offset. I understand why the Senator was not able to do so.

Second of all, I am very worried about cuts in some of the other nondefense discretionary programs. Therefore, later on I am going to have a sense-of-the-Senate amendment making clear it does not have to be in each of those areas because each deserve a high priority, and I am going to try to point out the direction in which we should be directing our priorities. But it is with a sense of equity and fairness I proudly support this amendment.

Mr. HATFIELD. I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. MACK. Thank you, Mr. President.

First, let me express my deep appreciation to Senator HATFIELD for his leadership on this issue in bringing this amendment to the floor of the Senate.

In trying to figure out what I would confine my comments to in 5 minutes, because there is so much that I feel and so much that I have learned with respect to what the National Institutes of Health is involved in, again, it is very difficult to kind of bring it down to a couple of points.

A book that I read several years ago called "The Transformed Cell," written by Dr. Steven Rosenberg out at the NIH National Cancer Institute, really talks about the fundamental changes that have taken place in the way we treat diseases in this country and, for that matter, around the world. I am referring specifically to the treatment of cancer now.

For many years, if one was diagnosed with cancer, basically, surgery, radiation, or chemotherapy were the three choices, if you will. The physicians would look at the particular disease and status to make a determination about which of those three alternatives to pursue.

Dr. Steven Rosenberg began his practice over 20 years ago when something occurred that kind of indicated to him that maybe there was something else going on that could, in fact, be used to fight the disease. An individual that he was treating was cured of, I believe, melanoma. And 20 years ago, if a person was discovered with melanoma, it was just a matter of time. There was no cure.

But, somehow or other, this patient survived. Dr. Steven Rosenberg came to the conclusion and a very strong feeling that the answer was in the immune system; that what saved that individual was his own immune system. And then that raised the question: Well, if the immune system can defeat the disease in one individual but yet it does not in another, why does that occur? And that began a long process of over 20 years of trying to come to the discovery and understanding of what we can do to enhance the immune system in order to fight the disease.

Now, if Dr. Steven Rosenberg were here today, I do not think he would say to us that he has the total answer. But if you read his book, you will find, for example, that in 40 percent of the cases there was a response to immunotherapy in melanoma.

The reason I get a little bit focused on melanoma is because, as many of you know, I am a survivor of melanoma. In 1989, after coming to the U.S Senate, I was diagnosed with melanoma. Fortunately, we found it early and I should not have to be concerned with it at all. But in 1979, my younger brother, Michael, died of melanoma. And I can tell you personally what that experience is like.

And I could be talking about AIDS, I could be talking about, as the Senator from California talked about, the viruses, I could be talking about any one of those. But the reality is that we are making great strides today because of the work that is being done at NIH by people like Dr. Steven Rosenberg.

So he added a fourth modality to the treatment of cancer. And there is a fifth today, and it is called gene therapy. And we are just beginning to scratch the surface on gene therapy.

One of the earlier speakers referred to the discovery of the breast cancer gene, and there probably are several breast cancer genes. But there has also been discovered a melanoma gene. It is called P–16. And we know, through the research that has been done out at NIH, that it is relatively simple to define cancer but very complicated to come up with a solution. Cancer is nothing more than the uncontrolled growth of cells. But the issue is: Why are they uncontrolled and how can we control them? And gene therapy and

DNA are going to play a significant role in making that determination.

My last point would be this: We have discovered what is called P-53, which I believe is a protein—it may be a gene as well—a protein that is involved in sending the message to the individual cells as to when they should grow and when they should stop growing. There have been great strides made with respect to the P-53 gene.

It would be a tragedy for us to step back now when we are on the verge of breakthroughs on all kinds of diseases through gene therapy.

So what I am saying to the Senate is there are great benefits that come from this investment.

I will close with this quote. Pasteur wrote: "I am on the verge of mysteries and the veil is getting thinner and thinner."

We want to provide the funds to make sure that that veil disappears.

Ms. MIKULSKI. Will the Senator yield?

The PRESIDING OFFICER. The Senator's time has expired.

Several Senators addressed the Chair.

The PRESIDING OFFICER. I recognize the floor manager, the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to propose a unanimous-consent request that will protect the Senator from Oregon but will advise Senators of when we will vote.

ON NIH

Ms. MIKULSKI. Mr. President, I rise to express my passionate support for the National Institutes of Health.

The National Institutes of Health is the foundation of this Nation and the world's medical research. It is an investment in the future health and well-being of every American.

Over 85 percent of the NIH funding goes to academic medical centers of excellence all over the United States of America. From Stanford University, Johns Hopkins University, and Harvard to the University of Maryland and the University of Wisconsin—these are the leaders in medical science research.

What does our investment dollars get? Our investment in the NIH provides the means to find the cures and preventions for disease. It keeps the United States of America in the forefront of biomedical science and biomedical technology. It encourages our global competitiveness and assures economic growth through the creation of jobs in Maryland and throughout the United States. It helps communities help themselves.

The NIH has icon status in America and around the world. The shortsightedness of narrow-minded people in green eyeshades who would cut the NIH funding is deeply disturbing. I simply cannot understand it.

The American people deserve a future of improved health. They understand the importance of investing in research and prevention. They want their Federal dollars to go to programs that will help them meet their day-to-day needs. That is what the NIH does. Its research finds cures, prevents the onset of disease, and helps people live not only longer but better lives.

For some time, I have worked on a bipartisan basis to advocate for a women's health agenda. I was one of those who led the fight to establish an Office of Women's Health Research at the NIH—the first of its kind. I worked with my colleagues to expand research and address gender-specific health concerns like breast cancer, cervical cancer and prostate cancer.

The National Institutes of Health is the anchor for health research investment in this country.

And now, this picky little budget wants to freeze NIH funding into the year 2000, or worse yet, may even cut NIH funding by 10 percent. Let us face the fact. You cannot freeze disease. You cannot freeze neurological deterioration and Parkinson's disease. And you cannot freeze life saving research. You just cannot.

The impact of cutting NIH will take an incredible human toll. The major killers of men and women today are lung cancer and heart disease. What will happen to this research when there is not enough dollars to invest in finding a cure? How will we ever find a cure for Alzheimer's disease and for AIDS without investing the necessary dollars?

My own dear father died of Alzheimer's disease. He died one brain cell at a time, and it did not matter that I was a U.S. Senator. All I could do was look out for him, care for him, and make sure that he was comfortable and safe. In loving memory of my father, I vowed to do all that I can to lead the fight for research to find a cure for Alzheimers.

This is what this budget would knock out. It is a tragedy for the dedicated men and women of NIH who have committed their lives to finding cures to deadly diseases. And it is a tragedy for the American people who look to NIH to meet our day-to-day health needs and to get us ready for the future.

I am passionate about my commitment to preserve this investment. We must not turn our back on NIH. There are those who seem set on trying to dismantle the National Institutes of Health. I want to put those people on notice—they will have to put up with me first. I will do everything I can to keep the National Institutes of Health an investment that saves lives, saves jobs, and helps communities.

Mr. HATFIELD. I thank the Senator.

Mr. EXON. I applaud the Senator.

Mr. DOMENICI. I agree with the Senator.

Mr. BYRD. Mr. President, although I share the concern of my distinguished colleague from Oregon, Senator HATFIELD, about funding for the National Institutes of Health [NIH], I must oppose his amendment. I oppose his amendment because it fails to address the underlying defect in the budget resolution we are debating—a one-third reduction overall in nonmilitary discretionary spending.

The amendment, in effect, simply rearranges the deck chairs on the *Titanic*. It cuts across-the-board from all discretionary functions—except for military, international affairs, and the functions that fall largely under the jurisdiction of the Labor, HHS Appropriations Subcommittee—to restore the 10-percent cut in NIH assumed in the budget resolution.

I emphasize the word "assumed" because it should be clear that the funding levels for individual programs are not determined by the budget resolution. The budget resolution only determines the amount of discretionary spending overall. The appropriations process determines the amount of funding for individual programs, such as NIH. In fact, the budget resolution does not even determine the amount of total funds available to the Labor, HHS Appropriations Subcommittee which has jurisdiction over NIH funding. Section 602(b) of the Congressional Budget and Impoundment Control Act of 1974 reserves that power to the Appropriations Committee as well.

In addition, I take strong objection to the exclusion of the military and international affairs functions from the across-the-board cut required by this amendment. The cold war is over and the military should bear a share of the cuts that this budget resolution will force the Appropriations Committee to make in most, if not all, nonmilitary programs, including the very worthy NIH.

Mr. HARKIN. Mr. President, I support the amendment offered by my distinguished colleague from Oregon, Senator HATFIELD. We have worked together in the past to increase our commitment to the National Institutes of Health [NIH]. Last year, during the health care reform debate, Senator HATFIELD and I introduced legislation to ensure that any reform plan also included increased investment in the fight against disease and disability.

But, Mr. President, I am disappointed that this amendment once again protects and preserves a bloated Pentagon budget. The budget resolution cuts over $1 trillion in Federal spending. It cuts health, education, training, veterans, and virtually everything else but it does not touch defense. The Pentagon is increased by $34.5 billion over what a hard freeze would be over the 7 years. So, while I support this amendment I believe strongly that instead of taking money away from discretionary programs that are below a hard freeze in this budget to protect NIH we should have looked to the bloated Pentagon budget.

NIH, as we all know, stands for the National Institutes of Health but it could just as easily stand for National Investment in Health. That's what we're talking about, investing in the health of our people and our economy.

Unfortunately, today we are not here to talk about taking a small step forward in medical research, we're here to prevent taking a giant leap back and cutting our commitment to research that saves lives and money.

The budget resolution before us cuts NIH by 10 percent and freezes spending through 2002. This translates into a cut of over $1 billion for fiscal year 1996 alone.

Backing away from that commitment is shortsighted and fails to recognize the important role that NIH plays in improving health care and holding down health care costs in the long run.

As former chairman of the Appropriations Committee, Senator Warren Magnuson, said "medical research is the first link in the chain of prevention." Without sufficient investment, we can't build that chain.

People from all over the world come to the United States for medical care. Why? Because, we lead the world in quality of care. And research is key to this quality.

The United States has built an impressive biomedical research enterprise. Today, dramatic developments in genetics and gene therapy offer hope to many suffering from disorders such as cystic fibrosis, breast and prostate cancer, diabetes, and Alzheimer's disease.

Increased investment in health research is key to reducing health costs in the long run. And if we can unlock the cure for a disease like Alzheimer's the savings would be enormous—in dollars and human lives. Today, federally supported funding for research on Alzheimer's disease totals $300 million yet it is estimated that nearly $100 billion is expended annually on caring for people with Alzheimer's.

Gene therapy and treatments of cystic fibrosis and Parkinson's could eliminate years of chronic care costs, while saving lives and improving patient's quality of life.

Past investment in research has paid off.

Less than $1 million spent to develop a potassium citrate treatment to prevent the formation of kidney stones yields over $436.2 million in annual savings in treatment costs.

$20.1 million in NIH support over a 17-year period led to the development of an improved influenza intervention for children, saving at least $346.6 million annually from a reduction in premature mortality and long-term earnings losses.

Clinical trials to develop a laser treatment for a diabetes related eye condition cost $180.6 million and has resulted in a potential annual savings of over $1.2 billion.

New cell therapy techniques can reduce the costs of a bone marrow transplant by as much as $50,000.

This country invests far too little in medical research, less than 2 percent of the total health budget is devoted to medical research. Compare that to the Pentagon where 15 percent of military dollars are spent on research. Where are our priorities?

It is expected that this budget proposal would reduce the success rate of qualified research proposals from the current 25 percent to as little as 15 percent. Just a decade ago, it was twice that. Science and cutting edge medical research are being put on hold. And every day we wait is another day we go without finding the cure for diabetes, Alzheimer's, Parkinson's and countless other diseases.

Mr. President, this resolution also further discourages our young people from pursuing careers in medical research. The number of people under the age of 36 even applying for NIH grants dropped by 54 percent between 1985 and 1993. This is due to a host of factors but I'm afraid that the lower success rates among all applicants is making biomedical research less and less attractive to young people. If the perception is that funding for research is impossible to obtain, young people that may have chosen medical research 10 years ago will choose other career paths.

Mr. President, investing in NIH doesn't just promote the health of our people, it promotes the health of our economy. The biotechnology and pharmaceutical industries contribute some $100 billion annually to the economy and support 200,000 highly skilled jobs.

In 1994, sales of biotechnology products totaled close to $8 billion and the Department of Commerce estimates that biotechnology will be a $50 billion industry by the year 2000.

Investing in medical research promotes healthier lives, creates jobs, and strengthens our economy and our competitive position in the global marketplace. It's the right thing to do and the smart thing to do.

Mr. President, I support this amendment. But, even if this amendment passes as expected, it does not address the underlying defect in the budget resolution we are debating, a one-third reduction overall in nonmilitary, discretionary spending.

This amendment cuts across-the-board from all discretionary functions, except for national defense, international affairs and the functions that fall largely under the jurisdiction of the Labor, HHS Appropriations Subcommittee, to restore the 10-percent cut in NIH assumed in the budget resolution.

But, Mr. President, funding levels for individual programs are not determined by the budget resolution. The budget resolution only determines the amount of discretionary spending overall. It is the appropriations process that determines the amount of funding for individual programs, such as NIH. So, Mr. President, despite this amendment, the Appropriations Committee will be faced with a one-third reduction in nonmilitary discretionary spending and, therefore, all discretionary spending programs such as the NIH are going to be subject to cuts because of this budget resolution.

Mr. KYL. Mr. President, I support what the chairman of the Appropriations Committee, Senator HATFIELD, is attempting to do, ensure that sufficient funding is made available for the work of the National Institutes of Health [NIH]. I strongly support the important work that body is undertaking, particularly with respect to research on breast and prostrate cancer, heart disease and diabetes.

However, what troubles me about this amendment is the proposition that it isn't possible to reorder priorities within function 550—the health account—to make the necessary funding available to the NIH. To make the amount of funding contemplated by the amendment available to the NIH, we simply have to shift $1 billion within function 550, an account that will total $120 billion in fiscal year 1996, rising to $150 billion by 2002. Instead, the amendment takes money out of other accounts, including funding for veterans, and that seriously concerns me.

The budget resolution already contemplates a phase-out of construction of VA facilities. Higher prescription copayments for certain veterans are assumed. Outlays for veterans programs would actually amount to $500 million less next year compared to this year. And the Hatfield amendment would take another $224 million a year out of veterans programs on top of that.

If I thought that it wasn't possible for Congress, for the appropriators, the Health and Human Services Department or the NIH itself to prioritize spending for the good and necessary work that the NIH does, I might be willing to support this amendment.

However, we all know that the budget resolution doesn't require that NIH funding be cut, only that funding within function 550 not exceed a specified level. There are ways to do that without adversely affecting the work that the NIH does. For example, the growth of Medicaid could be slowed, as Senator GRAMM proposed yesterday.

I am confident that, as the author of the amendment and as chairman of the Appropriations Committee, Senator HATFIELD won't allow the NIH budget to be cut too deeply when it comes time to appropriate money for the NIH. The Department of Health and Human Services and the NIH won't sacrifice critical research when it comes time to prioritize the use of funds that are ultimately appropriated.

Mr. President, I want to work with the chairman of the Appropriations Committee to find a solution, but one which doesn't adversely affect our Nation's veterans.

Mr. HATCH. Mr. President, I rise in support of the amendment offered by my colleague from Oregon, long recognized as a leader in our efforts to promote biomedical research. I can think of no more worthy a purpose than to restore funding for the National Institutes of Health. NIH is the world's premier biomedical research institution. It is our investment in the Nation's future health. I have watched with pride as NIH has grown during my years in the Congress. I have watched with pride as exciting discovery after discovery spawned by the NIH has become a reality. I have watched with pride as efforts at the premier research institutions in Utah, such as the excellent work at the University of Utah, have led to incredible discoveries helping to improve literally millions of lives.

As with many of my colleagues, I was very disappointed when the measure approved by committee set NIH on a such a steep downward funding path. While I do not believe any program or agency should be immune from reductions in our efforts to get Federal spending under control, the NIH may have been hit too hard.

Some may say that a 10-percent cut in NIH does not sound like a lot, but it is. The President's proposed NIH budget of $11.8 billion was intended to support 23,874 research project grants, which includes 6,046 new and competing research project grants. Maybe that sounds like a high level, but it is not. The President's proposal represented a decrease of 522 new and competing grants from this fiscal year, and the budget resolution funding level will lead to even further reductions.

In 1987, by comparison, we funded almost 7,200 new and competing grants. It is not commonly recognized, in addition, that the majority of projects submitted to the NIH, extremely worthy projects which could yield scientific advances as promising as any, are not funded. Just look at the numbers: This year, project grants at NIH are expected to have a 24-percent success rate; this means that only one-quarter of the projects which are approved are funded.

Under the President's budget, it is expected to decline to 23 percent. And under the budget resolution, to an even smaller percentage. Contrast this to 1992, when the success rate was 29.6 percent, or 1986, when it was 32.1 percent. Although I do strongly support this amendment, I also want to express my concern about the "offsets" used to "pay for" the amendment, or, in other words, about the source of funding which will make up the difference if NIH funding were increased and the entire budget resolution is to stay within the same overall cap.

As I understand the amendment offered by my colleague, it would restore $7 billion of the proposed $7.9 billion reduction in NIH funding over the coming 7 fiscal years. The difference would be made up by an across-the-board reduction in all budget functions except for the social programs, broadly speaking, and defense and international affairs. The effect of this amendment is to place the burden of making up the difference on the other accounts within the budget, many of which are already sustaining large reductions.

For example, under this amendment, in order to increase NIH, decreases would be effected in programs for veterans, agriculture, space and science research, energy, natural resources, and community development.

I am particularly concerned about a proposed reduction of about $1 billion over 7 years in law enforcement and crime prevention efforts, at a time when increased acts of violence and terrorism throughout the United States are threatening the ability of peaceful, law-abiding citizens to lead their lives.

In addition, I would point out to my colleagues that under the budget resolution, funding for function 550, the health function, comes down 12.2 percent overall. However, several accounts are held harmless within that function, including the Food and Drug Administration, which would receive $884 million—AIDS programs at the Health Resources and Services Administration—$656 million—the Indian Health Service—$1.963 billion—the Centers for Disease Control—$2.88 billion—the Substance Abuse and Mental Health Services Administration—$2.197 billion—and AIDS research at NIH—$1.336 billion. These programs were all held level.

I urge the House and Senate budget conferees to take a look at the entire health function to see if we are allocating funds most appropriately in relation to the other budget functions.

Obviously, I have no interest in seeing very vital programs such as Indian health or AIDS sustain unwise reductions. At the same time, I do not wish to see the Administration of Justice account, or veterans programs, for example, sustain inappropriate reductions.

It is my desire that conferees take all these competing needs into account and create the best possible balance.

That being said, Mr. President, I urge adoption of the Hatfield amendment on NIH.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Oregon, Senator HATFIELD, for his leadership in providing biomedical research funding, and I strongly support his amendment to restore $1 billion per year that otherwise would be cut under this Senate budget resolution.

Most basic biomedical research in this Nation is supported by the National Institutes of Health. Nearly every week we hear of advances against disease supported by NIH grants. As such, NIH not only reduces suffering in our country, it lays the groundwork for economic growth and leads the world in the fight against disease.

Despite our profound responsibility to maintain NIH funding, we currently provide funds adequate to support only one in four research proposals. The Senate budget resolution could cut that current support level to 1 in 10.

At that level, young researchers will be strongly encouraged to seek other careers. The steady stream of Nobel Prize winners at NIH—89 so far—will dry up. In short, we will be cutting into the muscle and bone of an institution that demonstrates the best of American Government and the best of human endeavor.

Furthermore, the Senate budget resolution funding levels would effectively forestall life-saving, cost-effective research. NIH is currently in the middle of many long-term projects that revolutionary implications for medicine. NIH is supporting a $3 billion, 15-year effort to map the human genome. This project underlies the revolution in genetic medicine that has implications for cancer, developmental disabilities, Alzheimer's disease, juvenile diabetes, and numerous other diseases. NIH began a 12-year, $68 million prostate cancer prevention trial in 1991. It began a $50 million, 11-year childhood asthma management program in the same year. In 1990, it began a 12-year test of tamozifen treatments for breast cancer among a randomized group of 16,000 women. It continues to support the Framingham longitudinal investigation of factors influencing the development of cardiovascular disease, which began in 1948. Next year NIH plans to support six centers specializing in hypertension research over 5 years.

These are just a few examples of the critical research underway at NIH that should not be eliminated or delayed in the name of short-term budgetary gains. The truth is, we save money through biomedical research. Recent NIH advances in the therapy of sickle cell disease save an estimated $350 million annually. Recent advances against alcoholism save $125 million annually. Research underway to delay the onset of blindness in diabetics and to delay the onset of Alzheimer's could save billions. Simply delaying the onset of cardiovascular disease by 5 years is estimated to potentially save $70 billion yearly. And clearly, without progress against AIDS, we will continue to spend billions in our hospitals and in lost human productivity.

So, Mr. President, we cannot responsibly turn away from these research needs. We must provide for them in the budget, and Senator HATFIELD has provided the vehicle to do so. Again, I thank him for his leadership and urge all of my colleagues to support the Hatfield amendment.

Mr. LEVIN. Mr. President, I rise in strong support of the Hatfield amendment which adds $1 billion to the budget for the National Institutes of Health [NIH]. The budget proposal before us recommends a 10-percent cut for the NIH in fiscal year 1996, and then a freeze at this lower level through the year 2002. This means that the NIH budget would be cut from $11.3 billion in fiscal year 1995 to $10.2 billion in fiscal year 1996, and then frozen at $10.2 billion through 2002.

If the proposed cuts are permitted to take place, it would damage NIH research at a time of unprecedented productivity, drive talented scientists, both young and established, into other careers, and cause the United States to lose its hard-won leadership in such fields as biotechnology and pharmaceuticals.

Mr. President, NIH has been a tremendous investment for the American people. The research supported by NIH has saved lives, reduced suffering, and led to lower medical costs. The NIH has an impressive collection of new successes, such as the following list of some fundamental discoveries and clinical advances for the past year:

A revolution in cancer risk assessment, the long-sought gene for some heredity breast cancers, BRCA-1, has been isolated, as have genes that predispose some patients to colon cancer, melanoma, and kidney cancer.

A simple drug, hydroxyurea, alters the composition of hemoglobin and thereby reduces by half the painful crisis that commonly hospitalize patients with sickle cell disease.

Hormone replacement successfully controls blood lipids in postmenopausal women and likely reduces cardiovascular disease.

A new acellular vaccine for whooping cough is safe as well as effective.

The biomedical research supported by NIH makes vital contributions to the Nation's health, improving the quality of life, advancing science, and creating economic growth. Advances derived from NIH research save an estimated $69 billion in medical care costs each year. Because of the discoveries made by biomedical researchers over the years, we live longer, healthier, and more active lives. Today, an American's life expectancy is 75.5 years, an increase of almost 5 years since 1970.

If this progress is to continue, it is imperative that the NIH budget be preserved. Stable NIH funding is required to maintain laboratories performing cutting edge research. Even a short hiatus in funding results in loss of established research programs that can not be readily recovered.

I urge my colleagues to support this amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that, at the conclusion of the debate on the Hatfield amendment, the Senate begin voting in the following sequence: on the Harkin amendment, on the Feingold amendment, on or in relation to the Bumpers amendment, on or in relation to the Dodd substitute, on or in relation to the Snowe amendment, and on the Hatfield amendment. I further ask unanimous consent that the first vote in this sequence be 20 minutes and thereafter the remaining ones, back to back, be 10 minutes each.

The PRESIDING OFFICER. Do I hear objection?

Mr. LEAHY. Reserving the right to object, and I shall not, I missed, Mr. President, what the distinguished manager said. Did he say when these votes would begin?

Mr. DOMENICI. Well, they will begin when Senator HATFIELD's time has run out.

Mr. LEAHY. I thank the Senator. I have no objection.

Mr. EXON. Reserving the right to object, and I do not intend to object, I would just say, for purposes of clarification, two things. With regard to the Snowe amendment, could we insert in the language "the Snowe amendment, as amended, if amended"?

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. One further question. Could we get agreement at this time to move things along. As the Senator from Nebraska has continually warned, we are running out of time. Could we get an agreement, as a part of this unanimous-consent agreement, to have the votes on the series of amendments that have been outlined by the chairman of the committee to start, I am suggesting, maybe at 10 minutes after 10 or something of that nature?

Mr. DOMENICI. I think Senator HATFIELD has 17 minutes.

Mr. HATFIELD. I have 17 minutes and other Senators are asking to be heard. I would agree, say, to a quarter after 10, provided this time is not charged against my allotment.

The PRESIDING OFFICER. The time remaining to the Senator from Oregon is 14 minutes 56 seconds.

Mr. HATFIELD. Does that include this period of colloquy?

The PRESIDING OFFICER. That time has come out of the time of the Senator from New Mexico, who requested the time.

Mr. DOMENICI. So, Mr. President, for the understanding of everyone, Senator HATFIELD has 15 minutes, and I will yield back the remainder of the time on the amendment so we will have more time for other amendments, and we will proceed in this order.

Mr. EXON. So the vote will be in the area of 10:15?

Mr. DOMENICI. That is about right.

Mr. LEAHY. Reserving the right to object, will the distinguished manager be willing to amend that to the following: that after the series of votes, the Senator from Vermont be recognized for not to exceed 4 minutes to speak on two resolutions which will be voted on.

Mr. EXON. Mr. President, it seems to me that the Senator from Vermont, with all due respect, is trying to step ahead of several other Senators whom we have made commitments to. I would ask the Senator to withdraw that request.

Mr. LEAHY. I was not aware of the commitments.

I withdraw the request.

The PRESIDING OFFICER. Is there objection? Hearing none, so ordered.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. I yield 3 minutes to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in strong support as a cosponsor of the Hatfield amendment. I also want to commend the Senator from Florida for his very eloquent statement on why the NIH is so important to this Nation, and I do not have too much to add to that.

But I will point out that this is a perfect example of what can happen if we are not careful as we go forward with the debate on the budget and agree to cut things without recognizing that, in many cases, those things that we seek to cut to try to reduce the deficit, in effect, will add to the deficit. That is certainly true when it comes to medical research.

Time and time again, we have been able to make breakthroughs through the research by the NIH. Those breakthroughs have resulted in considerable, if not substantial, and gigantic savings in the cost of health care.

We all know that as we move forward, the most essential area that we have to control costs in is the health care area. So I would say that the NIH is clearly an entity that must be maintained because this is one area where they have a role and a role that must be maintained to not only do the research that they do at the NIH but, in addition to that, to take care of the research that is done in the hospitals, the training schools and the training universities, so that our whole area of health care can improve as we move along.

This creates many jobs through the biomedical research and technology transfers and all this adds, again, revenues to our deficit.

The resulting knowledge is essential from these entities for established industries such as DNA and other areas of research.

In other areas, we have saved already billions of dollars with respect to psychoactive drugs that save over $70 billion a year in hospitalization of mental patients. Vaccines and fluoridation save countless health care dollars and, again, help reduce the deficit.

The recent discovery of bacterial causes of peptic ulcers will save millions in chronic care costs. As I said over and over again, the same is true in education generally, not just medical education; that if we cut those things which are resulting in savings, then our job to solve the deficit problem will get worse and worse instead of better.

So I commend the Senator from Oregon for this amendment and support it with enthusiasm. If I have any time remaining, I yield it back.

Mr. HATFIELD. Mr. President, I thank the Senator for his comments. I yield 2 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 2 minutes.

Mr. GREGG. Mr. President, I wish to join with many of my colleagues today who support the amendment of the Senator from Oregon. In the process of developing a budget, we have to set priorities and, in this instance, I think the Senator from Oregon has rightly pointed out the initial budget resolution had some priorities that should be adjusted, and he has certainly pointed out the strengths and importance of NIH and what it contributes to the fabric of America's society and it should be supported. I strongly commend him for that. Therefore, I will vote for this amendment.

NIH is a unique institution. It is a collection of some of the most talented and brilliant individuals from around the world, but especially from the United States, who are working together to push the envelope of improving the health of not only the American people but the world in general.

It is an institution which is also fairly delicate. That type of talent and ability needs to be nurtured and needs to be supported, and it can be affected rather considerably by changes in its funding structure or in its general structure.

Therefore, I want to commend and support what the Senator from Oregon has decided to do with this amendment, which is to assure that NIH remains a strong and vibrant institution as we move into the future, and that their commitment to improving the lives of all Americans will not in any way be undermined by this budget resolution.

So I support and look forward to voting for the amendment offered by the Senator from Oregon.

I yield back the remainder of my time to the Senator from Oregon.

The PRESIDING OFFICER (Mr. JEFFORDS). Who yields time?

Mr. HATFIELD. Mr. President, I have a number of comments I wish to close with, but if there are questions pending, I would like to respond.

Mr. BYRD. Mr. President, will the distinguished Senator yield for a question?

Mr. HATFIELD. I will be very happy to yield.

Mr. BYRD. There is some confusion as to where the offsets are coming from. Will the Senator please state where he is getting these offsets for his increase in the NIH funding?

Mr. HATFIELD. Mr. President, the offsets are coming from nondefense discretionary funds and accounts. I have pages of tables here on each precise account that would indicate where they are coming from. We have excluded within that Medicare, and the health services, but they are then from all other remaining of the nondefense discretionary accounts.

Mr. BYRD. Well, I am a strong supporter of adequate funding of NIH research programs, but we are already suffering terrible blows to nonmilitary discretionary programs. I would like to have seen the Senator's amendment take the funds out of military discretionary programs and foreign aid.

I would like to know just what other programs are being cut. The distinguished Senator has stated that certain programs are not being cut. But what does this leave by way of nonmilitary discretionary programs that are going to suffer additional cuts over and above those that are already involved in the resolution?

Mr. HATFIELD. Mr. President, I will respond by saying I wholeheartedly agree. In fact, at the beginning of my time allocation today, I sent to the desk a proposal that would take these funds, offset these funds from everything in the discretionary area, including military.

Having shopped that proposal around the Senate, I calculated we would have had about 20 votes. So we would have ended up with the dismantling, what I call this proposal, which is a prelude to disaster, of the medical research infrastructure we have developed in this country, the greatest in the world.

By taking a second-degree or withdrawing the first and offering the second proposal, which was to exclude the military, by that action, we have salvaged, at the expense of a fewer other agencies than my first proposal, but we at least have salvaged the future of NIH.

It is a matter of robbing Peter to pay Paul, I suppose would be the most succinct way to do it. Not my preference, but with the political reality I face on this floor, it was the only way I could find to salvage and save NIH.

Mr. BYRD. In other words, if I may pursue the subject a bit further, it would mean additional cuts in VA programs?

Mr. HATFIELD. Yes.

Mr. BYRD. It would mean additional cuts in education programs?

Mr. HATFIELD. Yes.

Mr. BYRD. It would mean additional cuts in various other health programs?

Mr. HATFIELD. Yes, various others. Nondefense discretionary funds, with the exclusion of the health programs and Medicare.

Mr. BYRD. It would mean additional cuts in law enforcement?

Mr. HATFIELD. Yes.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I applaud his objective. I want to support the amendment, but at the same time, I find it hard to continue to cut more and more and more from these other nonmilitary discretionary programs.

I suppose we are faced with the choice now of either voting for or against the amendment. I am sorry that other nonmilitary programs are to be cut.

We apparently do not have the votes in here to cut military funding. As an example, the B-2 bomber costs somewhere between $740 million and $1.2 billion per copy—and I believe that we have already committed ourselves to a contract for 20 additional B-2 bombers to be completed by the year 2000. There are many other military programs of like manner that I could cite, but I will not do it at this time. I thank the distinguished Senator for allotting me this opportunity to ask a question.

Mr. HATFIELD. Mr. President, I share the agony. Believe me, one might think that we have cause to celebrate a victory if this amendment passes—which I expect it to do, and to survive conference, which I hope it could do—but I do not believe that it does call for a joint celebration because we have achieved one goal at a pretty heavy cost to an awful lot of other programs that I have deep interest in, as well. It is like choosing between your children. It is very difficult.

Mr. President, if I could have the attention of the chairman of the Senate Budget Committee, I would like to ask a question for the RECORD. In the report of the Budget Committee accompanying this resolution, where there were exemptions listed within the report language, if this amendment is adopted, do I understand clearly that that will then, in effect, eradicate, eliminate, excise those conditions within the report language of exemptions?

Mr. DOMENICI. The Senator is absolutely correct.

Mr. HATFIELD. Thank you.

Mr. President, in closing, I thank my colleagues who joined in this effort. I say that it is, I believe, a step in the right direction. But, at the same time, I want to take a moment, once again, to commend the chairman of the Budget Committee, Senator DOMENICI from New Mexico. I would not trade with him for all the tea in China. I think Senator DOMENICI has probably one of the toughest jobs in the Senate. No matter what he does and his colleagues on that committee, it is a no-win situation. It is a very, very difficult task. I think they have carried their duties with not only great skill, great dignity and, above all, with remarkable patience. I have been in the strategy meetings, and everybody is gigging, and I am happy that everybody is taking it out on good old PETE. I want to come to his defense—not that he needs my defense—but I admire him as chairman of the committee. I admire what he does and his dedication and spirit. And I deeply admire him as one of my closest personal friends.

Mr. DOMENICI. Mr. President, I think the Senator has 1 minute. If he does not mind, I will use it. I personally thank Senator HATFIELD for his comments. I think it is obvious to everyone that you do not have a budget resolution like the one pending on the floor without a lot of cooperation. On our side, let me say that the chairman of the Appropriations Committee clearly could have made this more difficult, and he chose to go with us on a balanced budget. He has been a strong advocate on it. We are not going in a direction he might choose, but I think he indicated to me that he is so concerned about our deficit spending that he compliments us on what we are doing.

Let me also say there is no doubt in my mind that the funding for the NIH that the distinguished Senator from Oregon seeks could be accommodated in the budget resolution by the appropriators, by allocating differently and leaving more for the NIH. I think the Senator has decided he wants the Senate to speak on the issue. I gather that is the purpose of the vote.

I yield the floor.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Oregon yield the remainder of his time?

Mr. HATFIELD. Yes.

Mr. DOMENICI. I yield any time I may have had remaining, Mr. President.

AMENDMENT NO. 1130

Mr. BRADLEY. Mr. President, I rise in support of the Bumpers-Bradley amendment to strike language that would allow us to count the sale of public assets—parks, powerplants, buildings, even oil in national storage facilities—as deficit reduction.

This bill language will open the floodgates for proposals to unload valuable Federal assets in return for the fast buck. Many of these proposals, in fact, will lead to reduced revenues in the future, and higher deficits. Only by a reliance on today's political myopia—a simpleminded scoring of sales revenue within the limited budget window—will many of these proposals withstand the straight face test. Only by railroading these proposals through the Senate, under the very restrictive and controlled conditions of budget reconciliation, would many of these proposals ever have a chance of becoming law.

I have not seen the Budget Committee's latest scoring of these asset sales receipts. But I note for colleagues' benefit that the analysis that I have shows an interesting point. In the short term, the committee's proposals produce deficit reduction. In the longer term, however, and certainly by the year 2002, these savings disappear. In fact, selling these assets appears to reduce future revenues sufficiently that the actual effect by the year 2002 is that the deficit increases. Asset sales are short-term and short-sighted.

It would be helpful to review why we produce these budget resolutions in the first place. The reason is not to balance the budget. If it was, I'm sure we could create some appropriate fiction which showed budgetary balance by definition.

But that's not what we were supposed to be doing here. We're supposed to be systematic. We're supposed to be honest. We're supposed to be consistent. We're supposed to address the substantive, structural issues which keep the Federal Government spending—year in, year out—more money than it takes in.

So what do we have here, buried deep in this bill? We have a trick, a gimmick. We cut spending, by redefining what a cut is. Now, for the first time since we gave this budget process teeth—with the passage of Gramm-Rudman—we can sell off national property—national assets—and include the proceeds as deficit reduction.

Mr. President, because of these cynically clever changes, we can now propose—for example—to sell nearly a billion dollars' worth of oil from the strategic petroleum, and chalk that up to deficit reduction.

Notwithstanding the fact that both Democratic and Republican administrations have endorsed expanding the SPR, notwithstanding the fact that hardly a week goes by without some oil State Senator coming to the floor to talk about rising oil imports and the threats to national security, notwithstanding the fact that at any time we could liquidate this oil inventory for cash, how can we seriously allege that this particular sale has anything to do with positive public policy, with putting our fiscal house in order, with creating a better future for our children?

Why stop at a billion dollars of SPR oil? Sell it all. And credit the $10 billion raised to balancing the budget or protecting our children's future.

This asset sale language will lead to all sorts of questionable proposals. It may make sense to sell the assets of the Tennessee Valley Authority, or Bonneville Power, or the hydrodams in the West, or some small park in Louisiana or Texas or Virginia. But these arguments need to have a broader basis than the most simpleminded budget concerns.

In fact, I doubt that any business accountant or economist would agree with the underlying budgetary premise—that liquidating public assets adds to public wealth. If I sell my stock portfolio and put the returns in my checking account, do I become wealthier? Have I protected my children? It may make sense to sell my stocks, but the transaction itself produces no wealth—except for my broker.

Consider the Arctic National Wildlife Refuge. We can lease the refuge to oil developers and sell any oil that might be underground to them. We will get some money. The companies will get the rights to oil. If they find oil, probably it will be shipped to the Pacific rim and burned completely. Have we done a lot for our kids? You must be joking.

At best, we can claim for our children a neutral financial transaction. But what about the larger issues? If we go ahead with the development of ANWR, we damage probably irrevocably a unique, world-class ecosystem. We consume utterly a non-renewable resource. We get some cash.

If we forgo the drilling of ANWR, we preserve intact this ecosystem. We preserve intact any oil underground and the possibility of future development. We do not get the cash.

I, frankly, reject any claim that our children will thank us for using up this oil and running oil rigs and oil pipelines across the Arctic Plain.

Mr. President, what the American public expects, and what our children expect, is for us to get our fiscal house in order. Our children are not asking us to sell off their collective inheritance. Our children are not asking us to look narrowly at some budget window and forget that many of these assets produce public value—and I do not just mean financial value—beyond the window.

When one Member from the other side of the aisle, Senator CRAIG, considered this issue as a House Member, he said "asset sales are in fact blue smoke and mirrors at best. If they are to happen, they should be set off budget." Exactly right.

Mr. BAUCUS. I rise today in support of the amendment offered by my colleague, Senator BUMPERS, to strike a provision of the budget resolution that would allow scoring of revenues from the sale of Federal assets. Make no mistake, I believe in reducing the Federal deficit. But this is simply the wrong way to do it.

The current rule prohibiting the scoring of Federal asset sales, first adopted as part of the 1987 Gramm-Rudman-Hollings Act, has been incorporated into recent budget resolutions.

When it was first adopted, Senator Chiles, then chairman of the Senate Budget Committee, made it clear that the rule was intended to prevent the use of asset sales from being used to jimmy the figures, in other words to give the appearance of deficit reduction without really reducing spending.

The same principle applies here today. By changing the current rule prohibiting the scoring of Federal asset sales, the budget resolution would allow individual Committees to reach their deficit reduction targets by selling off Federal properties. This is a short-sighted strategy that sacrifices our children's heritage for an immediate infusion of cash; we should not use their inheritance to pay our debts.

There are two examples where I think this strategy is particularly misguided. The first is the sale of power marketing agencies that year after year provide affordable electricity to people in rural communities across this country. The second is the leasing for oil and gas development of one of this Nation's most magnificent wildlife refuges, the Arctic National Wildlife Refuge in Alaska.

POWER MARKETING AGENCIES

I've spoken many times before opposing the sale of power marketing agencies as a silly and shortsighted idea. It's nonsense. We should be selling off our infrastructure. We would be opening the door to monopolies. And that spells higher utility bills for ratepayers in Montana and other States across the Nation. In other words, it's nothing but a heavy-handed, punitive tax on the middle class.

ARCTIC NATIONAL WILDLIFE REFUGE

The budget resolution also proposes to lease the Arctic National Wildlife Refuge, which is in the northeast corner of Alaska. The refuge supports a spectacular diversity of wildlife, including polar bears, grizzly bears, wolves, and snow geese. In addition, more than 150,000 caribou migrate through the refuge, bearing their young on the coastal plain. The caribou are an important source of food for the native people who live near the refuge and continue, as their ancestors have for generations, to depend on the land to sustain their way of life. In 1987, the United States and Canada signed an International Agreement for the Conservation of the Porcupine Caribou Herd.

Under the Alaska National Interest Lands Conservation Act, which Congress passed in 1980, oil and gas development is prohibited in the 19 million acre refuge unless authorized by Congress. Because the 1.5 million acre coastal plain is such an important and unique are for wildlife, I believe it should be permanently protected. I have cosponsored a bill (S. 428) to designate that area as wilderness.

However, regardless of whether you agree with me that this area should be permanently protected or, as the Budget Committee proposes, it should be opened for drilling, I believe this issue is too significant and too complex to be resolved during the budget process. The budget process focuses on the short-term economic gains to be obtained by drilling. It is not suited to considering what benefits and values will be lost for future generations of Americans by developing this pristine wildlife refuge. The budget resolution and the subsequent reconciliation bill are two of the very few bills where Senate rules limit debate and amendments. In my opinion, this path does not provide an adequate opportunity to evaluate alternatives, to question the assumptions on which those projected economic gains are based, or to fully consider the potential impacts of drilling on the fragile arctic environment.

These decisions could result in higher utility bills for middle-class Americans across the country and significantly impact one of our most precious national wildlife refuges. To ensure that these issues receive the full consideration and debate they deserve, I urge my colleagues to reject the proposed rule change that would allow the scoring of federal asset sales and to vote for the Bumpers amendment.

VOTE ON AMENDMENT NO. 1126

The PRESIDING OFFICER. All time has been yielded back.

According to the previous order, the vote will now occur on amendment No. 1126 offered by the Senators from Iowa and Arkansas.

Mr. EXON. Mr. President, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1126.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 28, nays 71, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—28

Akaka
Boxer
Bradley
Bumpers
Byrd
Daschle
Dorgan
Feingold
Harkin
Hatfield
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—71

Abraham
Ashcroft
Baucus
Bennett
Biden
Bingaman
Breaux
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Bond

So the amendment (No. 1126) was rejected.

Mr. EXON. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. EXON. Mr. President, I ask for the yeas and nays on two amendments that have been previously ordered to be voted on. I ask for the yeas and nays on the Feingold amendment and the yeas and nays on the Dodd substitute.

The PRESIDING OFFICER. Is there a sufficient second?

Is there objection to ordering the yeas and nays en bloc?

Mr. DOMENICI. Mr. President, there is no motion en bloc, is there?

The PRESIDING OFFICER. There is a sufficient second. Hearing no objection, the yeas and nays are ordered.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 1127

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1127.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—44

Akaka
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—55

Abraham
Ashcroft
Baucus
Bennett
Bradley
Brown
Burns
Campbell
Coats

Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Bond

So the amendment (No. 1127) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1130

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 1130 of Senator BUMPERS.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The majority manager of the bill.

Mr. DOMENICI. Mr. President, I move to table the Bumpers amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Bumpers amendment, No. 1130. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—52

Abraham
Ashcroft
Bennett
Brown
Burns
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Bond

So the motion to table the amendment (No. 1130) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, what is the pending business?

VOTE ON AMENDMENT NO. 1131

The PRESIDING OFFICER. The question occurs with respect to amendment No. 1131 offered by the Senator from Connecticut [Mr. DODD] to amendment No. 1128, offered by the Senator from Maine [Ms. SNOWE].

Mr. DOMENICI. Mr. President, I move to lay that amendment on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1131. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—51

Abraham
Ashcroft
Bennett
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—48

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Bond

So the motion to lay on the table the amendment (No. 1131) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1128

The PRESIDING OFFICER. The question now occurs on Amendment No. 1128 offered by the Senator from Maine [Ms. SNOWE].

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—39

Abraham
Akaka
Biden
Bingaman
Bradley
Brown
Campbell
Chafee
Cohen
Feingold
Frist
Grams
Grassley
Harkin
Hatch
Helms
Hollings
Kassebaum
Kempthorne
Kennedy
Kyl
Levin
Lott
Lugar
McCain
Moseley-Braun
Murkowski
Pressler
Rockefeller
Roth
Santorum
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Thurmond
Wellstone

NAYS—60

Ashcroft
Baucus
Bennett
Boxer
Breaux
Bryan
Bumpers
Burns
Byrd
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Gregg
Hatfield
Heflin
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Lieberman
Mack
McConnell
Mikulski
Moynihan
Murray
Nickles
Nunn
Packwood
Pell
Pryor
Reid
Robb
Sarbanes
Shelby
Smith
Thompson
Warner

NOT VOTING—1

Bond

So the amendment (No. 1128) was rejected.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 1133

The PRESIDING OFFICER. The question now occurs on amendment numbered 1133, offered by the Senator from Oregon [Mr. HATFIELD].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Missouri [Mr. BOND] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 85, nays 14, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—85

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Campbell
Chafee
Cohen
Conrad
Coverdell
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Thurmond
Warner
Wellstone

NAYS—14

Ashcroft
Byrd
Coats
Cochran
Craig
Gorton
Johnston
Kempthorne
Kyl
Lott
McCain
Rockefeller
Smith
Thompson

NOT VOTING—1

Bond

So the amendment (No. 1133) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I believe now we would proceed under the previously agreed to order. I yield such time as she may need to the Senator from the State of California.

The PRESIDING OFFICER. The Senator from California [Mrs. BOXER].

Mr. DOMENICI. Mr. President, will the Senator yield on my time?

Mrs. BOXER. Of course. I am happy to yield.

Mr. DOMENICI. How much time remains on the bill?

The PRESIDING OFFICER. One hour forty-nine minutes.

Mr. DOMENICI. It is divided about equally?

Mr. EXON. I believe the time rests with the minority.

Is that correct?

The PRESIDING OFFICER. The time controlled by the Senator from Nebraska is 1 hour and 49 minutes.

Mr. DOMENICI. Mr. President, I want to remind Senators that when that 1 hour and 49 minutes is up—and, obviously, if the Senator uses the full hour—we will use a full hour on our side on the amendment. Then there will not be any time left.

It would seem to me that we ought to try to expedite things and find out how many amendments are real. I will try to do that in the next 10 minutes; find out exactly how many amendments we must have on our side. I hope we will try because I think Senators must know. Last year, on the budget resolution, there were 20 or 35 amendments, and the way the majority leader then did it was the clerk read one sentence explaining it and we voted.

Mrs. BOXER. Mr. President, I think I can enlighten my friend. It is this Senator's intention to use only about 5 or 6 minutes, then to yield back my time on this amendment to my ranking member, Senator EXON, and then he will yield to other Senators to explain their amendments. That is the plan.

Mr. DOMENICI. That is fine. I just want Senators to know that even if the Senator yields her time I do not have to yield my time. I would like to get some understanding of how we are going to use the time because I will use an hour in opposition. On the other hand, we might be able to work out something, if the Senator would like.

Mr. EXON. I appreciate the attitude expressed by the chairman of the Budget Committee. I appreciate the remarks and the agreement made by the Senator from California.

What we are trying to do is give Senators on this side 2 or 3 minutes to explain amendments that will later be offered, and trying to use the time in that fashion. Hopefully we can cooperate.

Mr. DOMENICI. I wonder if the Senator might permit me. I will depend on the Senator from Nebraska totally. When she yields, if the Senator from Nebraska would use 10 minutes or so while I am off the floor, then I will come back.

Mr. EXON. I will be able to use that, or as much time that the Senator from New Mexico cares to be gone.

Mr. DOMENICI. I thank the Senator very much. I would like to use mine in opposition.

AMENDMENT NO. 1134

(Purpose: To strengthen the sense of the Congress that 90 percent of the benefits of any tax cuts must go to the middle class)

Mrs. BOXER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER] proposes an amendment numbered 1134.

Mrs. BOXER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, strike line 1 through 17 and insert the following:

SEC. 306. PROHIBITION OF LEGISLATION THAT WOULD INCLUDE A TAX CUT UNLESS 90 PERCENT OF THE BENEFITS GO TO THE MIDDLE CLASS.

(a) FINDING.—The Congress finds that—

(1) the incomes of middle-class families have stagnated since the early 1980's, with family incomes growing more slowly between 1979 and 1989 than in any other business cycle since World War II; and

(2) according to the Department of the Treasury, in 1996, approximately 90 percent of American families will have incomes less than $100,000.

(b) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference report that contains a reduction in revenues unless at least 90 percent of the benefits of that reduction goes to working families with annual incomes less than $100,000.

(c) APPEALS.—Appeals in the Senate from decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill or resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) CONGRESSIONAL BUDGET OFFICE REPORTS.—Whenever the Director of the Congressional Budget Office shall prepare a report pursuant to section 308 of the Congressional Budget Act of 1974 in connection with a bill, resolution, or conference report that contains a reduction in revenues, the Director shall so state in that report, and, to the extent practicable, shall include an estimate of the amount of the reduction in revenues and the percent of the benefits of that reduction in revenue that will go to working families with annual incomes less than $100,000.

(e) ESTIMATES.—Solely for the purposes of enforcement of this section on the Senate floor, the percentage of benefits of a reduction in revenues going to working families with annual incomes less than $100,000 shall be determined on the basis of estimates made by the Congressional Budget Office.

(f) SUNSET.—This section shall expire at the close of the 104th Congress.

Mrs. BOXER. Mr. President, I ask unanimous consent that I be able to speak for 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, we are asking the question again with this Boxer amendment: "Whose side are you on?" And with many amendments that have come before this body which have all been revenue neutral which have not added 1 cent to the deficit, we have asked this question: "Whose side are you on?"

I think that this Boxer amendment gives all of us a chance to answer that question one more time.

The amendment says that the only tax cuts that will be in order in this

Congress will be tax cuts where 90 percent of the benefits go to those earning under $100,000 per year. Any other tax cut plan will be subjected to a 60-vote point of order.

So this is our opportunity to really take a stand with the middle class, not just in words but in actual votes.

Why is this amendment necessary? Simply because the Republican contract calls for tax cuts for the very wealthy, the very top 1, 2 percent of the people, and I would like to point this out, courtesy of Senator LAUTENBERG. We have some facts here.

The winners in the Republican budget clearly are wealthy. Nothing that has happened on this floor has changed it. Indeed, the amendments that we had, which would have helped this balance tilt back toward the middle class, have gone down in flames because of party-line votes.

So clearly the winners are the rich, $350,000 a year, and this Republican budget will give them a $20,000 tax break. That is what is hidden in the so-called reserve for tax cuts. That is what the House has already voted on.

We know that corporate subsidies are protected and tax loopholes are saved. As a matter of fact, when we tried even to end the one that goes to the billionaire Benedict Arnolds who leave the country to avoid taxes, we could not even get that one through.

I think another chart by the Democratic leader shown to us in this debate tells the story. Working families pay for GOP tax cuts for wealthy. Here is the family. Seniors pay $6,400 more due to the changes in Medicare. Working families pay $1,400 more because of the changes in the earned-income tax credit. Students pay $3,000 more over the lifetime of the loans because of the change in the cuts in student loans.

So that is who is paying for the tax cuts for the wealthy. Who? Those over $350,000 will get a $20,000 tax cut. That is in the contract, and that has been voted by the Republican House.

Now, will there be tax cuts? We hear the chairman of the Budget Committee saying there are not going to be tax cuts. "I do not have them in there. It is going to be awhile."

I say to my friends that there are going to be tax cuts. Look at what the majority leader says, Senator DOLE. "We are going to have tax cuts." It does not say "maybe." It says, "We are going to have tax cuts." He said it on May 9. He said it on March 11. "I am certain that Senate tax cuts will be as big in magnitude as the House," Senator DOLE.

Senator GRAMM:

> I don't think a budget without a tax cut can pass.

And we know that is true because Senator FEINGOLD just had an amendment that would have taken that little honeypot and put it toward deficit reduction, and it went down because Republicans voted against it.

So to UPI, Senator GRAMM said in March:

> Let me assure you that tax cuts are in order in the Republican Senate. I am for them. They are part of our Contract With America.

So that really shows you the facts. There is going to be a tax cut, and what this Senator from California is saying is, if there are going to be tax cuts, let us make sure they go to those earning under $100,000. I think it is very important.

Now, I want to say to my friends who are debating in their mind how they are going to vote that in the committee, every single Republican except one, Senator GRAMM, voted for the Boxer amendment that was a sense-of-the-Senate that said 90 percent of the tax cuts should go to those earning $100,000 or less.

I ask for 1 additional minute.

The PRESIDING OFFICER. The Senate will be in order.

Without objection, it is so ordered. The Senator has 1 additional minute.

Mrs. BOXER. Is that the remainder of my time?

The PRESIDING OFFICER. The Senator has used 5 minutes now. There were 6. She has two additional minutes.

Mrs. BOXER. I thank the Chair.

So every single Republican save one voted for the sense of the Senate. Now we are putting some teeth into that sense-of-the-Senate resolution. Now we are saying if the Republicans come up with a tax cut that benefits the rich, it will take 60 votes to allow that tax cut to move forward. This is a chance for my Republican friends to stand up and be counted for the middle class.

Now, in the course of this debate, Senator GREGG, Senator BROWN, and Senator DOMENICI referenced my sense-of-the-Senate resolution that passed and is part of the budget resolution. They said this Senate is on record; we believe that tax cuts should go to the middle class and the middle class only.

Well, now is where the rubber meets the road. They have a chance to cast their vote on the side of those earning $100,000 or less. They have a chance to say that those will be the only tax cuts that come before us.

I say to my colleagues, this is an opportunity to stand with the middle class, to stand with those hard-working Americans and to say to those who earn over $350,000, over $250,000: Listen, you are great Americans, but it is time for you to pay your fair share and it is time for others to get some of the breaks that you have received.

I think it is important to close with a quote from Kevin Phillips, a Republican, who said about this budget the following:

> Spending on Government programs for Medicare and education to home heating oil assistance is to be reduced in ways that hurt the poor and middle class, while simultaneously taxes are to be cut in ways that benefit the top 1 or 2 percent of Americans.

Kevin Phillips closes his remarks, and he says about this budget, with these tax cuts in it:

> It deserves to be rejected with outrage.

Those are his words, a Republican who has looked at this budget. I think that the Boxer amendment that clearly points out that a point of order will lie against any tax cut that does not benefit the middle class is one which we should all agree to and vote for in a bipartisan way. I thank the Chair.

I yield my time back to the Senator from Nebraska.

Mr. JOHNSTON. Mr. President, will the Senator yield to me?

Mrs. BOXER. I have yielded my time back to the Senator from Nebraska.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Nebraska.

Mr. EXON. We are now going to go forward in an orderly fashion. I yield 2 minutes to the Senator from Louisiana. Following the Senator from Louisiana, I had committed to yield 1 minute to the Senator from Maryland, 2 minutes to the other Senator from Maryland, 2 minutes to the Senator from New Mexico, 4 minutes to the Senator from Massachusetts, 2 minutes to the Senator from Nevada, and then we will go to a main amendment of the Senator from North Dakota.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, the Johnston amendment takes the $170 billion fund which is reserved exclusively for tax cuts and permits such part of that as the Senate wishes to allocate to reduce the cuts in Medicare.

Under the Domenici proposal now before the Senate, there is $257 billion cut from Medicare in the amounts shown in each of these years. What I would do is authorize that the $170 billion be restored in the manner shown here so that net cuts in Medicare would amount to only one-third of those proposed by Senator DOMENICI. There would be no cuts at all in the first 2 years and a minimal cut in the third year, and overall there would be less than a third the cuts which are presently proposed.

Mr. President, this amendment places in stark contrast the fact that Medicare cuts are not required in order to balance the budget. At least two-thirds of those cuts are not required to balance the budget. Two-thirds of the Medicare cuts proposed by Senator DOMENICI and now backed by the Senate are required to lower taxes, and to lower taxes on the wealthy, not required to balance the budget.

Mr. President, this does not require that we spend the money to reduce Medicare cuts, but it authorizes that. And I will tell my colleagues that we have not the foggiest notion how we are going to achieve those Medicare cuts. We have not been told. We are told there might be a commission appointed. What I am saying is the Senate ought to have the freedom to decide whether or not, after this budget resolution passes, and after we make that $170 billion in savings, we ought to have the freedom to spend that $170 billion to reduce the impact of Medicare cuts on our senior citizens.

All the public opinion polls say 80 percent of the people of this country are opposed to these deep Medicare cuts. Now, why does the Senate want to lock itself into reducing Medicare by that much when all we have to do is give ourselves the freedom to take the tax cut for the wealthy and spend it to reduce the Medicare cuts?

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Maryland is recognized for 2 minutes.

RETIREMENT BENEFITS OF FEDERAL EMPLOYEES

Mr. SARBANES. Mr. President, the amendment which I will be sending to the desk at the proper time on behalf of myself, Senator MIKULSKI, Senator WARNER, Senator ROBB, and Senator BINGAMAN goes directly at a provision that is in the budget resolution which is going to change the calculation of retirement benefits for Federal employees from the employee's highest 3-year average to the highest 5-year average.

This I think is a breach of the contract with the Federal employees. I think it is clearly unfair to them. The amendment honoring our contract with Federal employees is paid for by closing the billionaires' tax loophole that allows very wealthy people to escape paying taxes by renouncing their American citizenship.

Mr. President, I regret that Federal employees are constantly being used as whipping boys in the course of these budget deliberations. Behind the phrase Federal worker are individual men and women who every day go in and try to do a dedicated job and render a service to the American people. They perform critical and important functions each and every day with a great deal of dedication and a great deal of devotion, and in my judgment they are entitled to be treated with dignity and respect.

Federal employees have already in the various deficit reduction programs made very significant sacrifices. We are talking about men and women who have worked hard in service to their country. They have earned their benefits, and the rules ought not to be changed on them as they are approaching retirement.

The existing provision, the 3-year provision, has been in effect for more than a quarter of a century. People have calculated their retirement and their ability to meet their financial obligations based on the current system, and we ought not to come along at the very end and change the rules on them, by shifting the basis on which their retirement is being calculated.

The truth is that Federal workers give dedicated service to their country and have earned their benefits. They made a choice to serve their country with an understanding of what that service entailed and what they could expect in return. To change the rules breaches the contract with these employees. This is an issue of fairness and I urge my colleagues to join me in support of this important amendment.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland [Ms. MIKULSKI], is recognized for 1 minute.

Ms. MIKULSKI. I thank the Chair.

Mr. President, I rise in strong support of the Sarbanes-Mikulski amendment which strikes the provision which cuts Federal employee retirement benefits. The proposed change in the budget resolution would reduce lifetime retirement benefits for Federal employees between 2 and 4 percent.

Now, that might not sound like that much, but for an average Federal worker, that could mean as much as a loss of $27,000 or more over a lifetime.

Mr. President, this is outrageous. We are changing the rules of the game on Federal employees in the middle of their career or near the end of their career. I have Federal employees in my State, 130,000 of them. They are the civilian work force that makes your Air Force One keep flying. They are the people at the National Institutes of Health that we just extolled the virtues of when we supported NIH.

We talked a great deal about a wonderful physician by the name of Dr. Rosenberg who has devoted his life to saving lives and curing cancer, and now this amendment will cut his Federal pension. It is both a reality and a metaphor for people who gave up careers that would have paid more in the private sector but wanted to serve their country and they thought they would have an adequate health insurance plan and a reasonable retirement plan.

So, Mr. President, I really ask the U.S. Senate to support the Sarbanes-Mikulski amendment to ensure that promises made are promises kept and that we can continue to attract the kind of quality work force for the Federal Government that we have had.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 15 minutes in opposition to the Boxer amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me suggest to my good friend if we would like to build a little bit of back and forth on this, I am more than willing. Otherwise, we will use the hour in opposition to the Boxer amendment. I would very much like to know where we are.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, if I could direct a question through you to the manager of the bill, to the chairman. The Senator was off the floor. There are a few of us here that have only a couple of minutes to explain what our amendments would be, and it would probably be that we will only have a couple minutes to maybe get these out of the way. Would that be possible?

Mr. DOMENICI. The way it is now, you have an hour, the rest of an hour, and I have an hour. I would like to be accommodating.

Mr. EXON. I simply say to my friend, we want to be accommodating, too. We know the situation we are in. I have three additional Senators which I had assigned time, of which Senator REID is one of them. There is 1 minute, 2 minutes, and 2 minutes. If we could accommodate those Senators who have been waiting—and I do not want to be unfair—for the next 5 minutes, at least we would take care of the first round of the attempts that this Senator is trying to make to accommodate a whole group of Senators on this side who want to speak.

Could we complete the first round, in line with the question from the Senator from Nevada?

Mr. DOMENICI. Mr. President, I yield the floor and reserve my 15 minutes until the Senator's wishes as expressed are completed. Then I will speak in opposition to the amendment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

CIVILIAN RESEARCH AND DEVELOPMENT

Mr. BINGAMAN. Mr. President, I wanted to speak just briefly on an amendment that I will be offering, along with Senators LIEBERMAN, ROCKEFELLER, BIDEN, HOLLINGS, BYRD, and KERRY from Massachusetts for a vote later on today.

The amendment attempts to restore some of the funds that are proposed to be eliminated in the civilian research and development accounts. This amendment is attempting to retain as much as we can of the U.S. science and technology enterprise which has brought such great results to our country and to the world.

This chart, I believe, sums it up very well. This shows what has happened to Federal civilian research and development as a percentage of gross domestic product from 1960 until the end of this century if we were to take the budget proposal that is now pending on the Senate floor. As you can see, under the proposed GOP budget, there will be an additional dramatic drop off in Federal support for civilian research and development. This includes the National Institutes of Health funding which we earlier had a vote on, but it also includes many other areas of funding that the Federal Government supports in the research and development area.

You can see the last year we had a balanced budget in this country, about 1968–1969, we were spending something in the range of 0.7 of our gross domestic product on civilian research and development. If this budget is adopted, we will be spending less than 0.3 percent, less than half of that. We will be spending substantially less as a country than our competitors in other parts of the world.

I believe our amendment is important. I know Senators LIEBERMAN and ROCKEFELLER intend to speak on it later, as well.

I have used my time and I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

RESTORING FUNDING TO NATIONAL PARKS

Mr. REID. Mr. President, our national parks are in a state of embarrassing disrepair. As an example, water systems in one of our busiest national park areas has been closed because of water not meeting minimal standards. In short, it is not safe to drink.

We will be closing visitor centers, closing roads and trails, closing public buildings, closing campgrounds; and law enforcement reductions will occur, to name but a few.

My amendment, which I will offer, will seek $1 billion from the proposed tax cuts and instead give the money to partially restore, renovate, and maintain our beautiful national heritage—that is our National Park System. And that will only partially do it, because there is a $2 billion backlog. I will apply the $1 billion toward this.

Mr. President, I rise today to propose an amendment to the 1996 Budget Reconciliation Act that over the next 7 years would restore $1 billion in funding to the National Park Service to alleviate its devastating maintenance backlog. These funds would be drawn from the $170 billion reserve fund. With my amendment the money can only be used for restoration, renovation, or maintenance of our national parks.

As Teddy Roosevelt, the man most responsible for the conservation movement involving our public lands once said and I quote, "Surely our people do not understand even yet the rich heritage that is theirs. There can be nothing in the world more beautiful than the Yosemite, the groves of giant sequoias and redwoods, the canyon of Colorado, the canyon of Yellowstone, the tetons; and our people should see to it that they are preserved for their children and their children's children forever, with their majestic beauty all unmarred." These words spoken by Theodore Roosevelt in 1905 ring true today. But, the very government, this Congress, that has been given the responsibility to protect the crown jewels, better known as our national parks and recreation areas, is abdicating that trust.

That is why I have come to the floor today to highlight a matter of national concern. I am speaking of the outrageous and deplorable conditions of our national parks and recreation areas. The spending cuts proposed by this budget would reverse a longstanding trend of committed support by the citizens of this nation to the continued preservation and protection of its National Park System.

In today's environment of fiscal responsibility it is interesting that some in this body and the leadership in the House are calling for a tax cut for the wealthiest Americans. The tax breaks in the House-passed Contract With America tax bill will mostly benefit those families with incomes over $100,000, the top twelve percent of income distribution in this country. In essence these cuts are going to those who can afford to travel anywhere for vacation.

However, millions of less affluent Americans in 1994 traveled to one or more of our national parks for their vacations and in many instances found these facilities in some form of disrepair.

It defies common sense to think that Congress will approve a tax cut and then proceed to pass a budget that will decimate our national parks. In essence, funding for the National Park Service continues to be inadequate to meet public use needs. With this budget, the current maintenance backlog of over two billion dollars is simply going to grow and grow causing portions of the parks to become unavailable to the public.

Rehabilitation of park structures, roads, trails, and utility systems is critical to the health and safety of visitors as well as employees. With increased visitation to our national park system the proposed decrease in funding is going to limit the Park Service's ability to serve the public.

There are many examples of the terrible conditions that have befallen our national treasures. In my own State of Nevada, the Lake Mead National Recreation Area has an antiquated water treatment system. After State officials inspected the park's various water treatment facilities they notified the park service that because of surface water facility deficiencies, water supplied in areas of the park poses an acute risk to human health. The park then posted signs requesting visitors to boil their water before drinking. For a park that received 10 million visitors last year this is an outrage. As a result of the current budget proposals it may take as long as 10 years before this problem is corrected.

Here are some other examples that illustrate my concerns of what can be expected if this budget becomes an reality. At Independence National Historical Park there would be extensive building closures—total or partial closure of 11 of the 14 buildings open to the public resulting in elimination of 700,000 to 800,000 park visits.

At Yosemite National Park, operational oversight of concessions would be reduced. Campfire programs and visitor centers hours would be reduced and some visitor centers would simply close. Preventative maintenance on facilities would cease and cutbacks in snow removal would delay road openings over mountain passes. Additionally, campground seasons would be shortened and horse and backcountry patrols would be reduced. Also, visitor protection responses would be reactive only and limited to life threatening emergencies or criminal incidents involving threats to persons.

In Rocky Mountain National Park, the drastic reduction in seasonal park ranger staff would cut essential personnel available for search, rescue, law enforcement, and other emergency services. Three of five visitor information centers would be closed. Not to mention that the two remaining centers and all campgrounds would be open only from Memorial Day through Labor Day.

At Redwood National Park, all nondiscretionary funds would be eliminated forcing severe reduction of the temporary workforce, and operating supplies which would minimize maintenance on buildings, grounds, trails and roads due to lack of supplies and materials and shortage of personnel to complete the work.

Mount Rainer National Park would also suffer in this current and future budget cycle. The park would see its interpretive programs eliminated and the inventory of endangered spotted owls and marbled murrilette would not be accomplished. This in turn would lead to the degradation of other natural resources such as fragile alpine meadows. Not to mention the scaling back of ranger patrols and reduced campground operating hours with reductions in maintenance and cleaning.

Mr. President, we must not stand by and allow our national parks to simply rot. While in the short-term this budget proposal would save money, it would, over the long run lead to irreversible consequences, and irrevocable damage to the Nation's heritage and legacy. I want to reemphasize the point that all National Park Service sites, will be affected, including the representative symbols of our democracy. For example, the Statue of Liberty/Ellis Island, Washington Monument, Independence Hall, Jefferson Memorial, Mount Rushmore, Fort McHenry, and Martin Luther King, Jr. National Historical Site.

The impact of the current budget proposals in years one and two force the park service to curtail visiting hours at Independence National Historical Park and many buildings would be entirely closed. The Statue of Liberty would be closed at least 1 day a week. In years three through five the impacts are expected to be more extreme. For example, with staffing levels further reduced, extensive and prolonged park closures could occur. Many of the park services resources would be subjected to unacceptable levels of risk pertaining to loss through deterioration, theft, fire, and other factors.

Mr. President, let us reflect for a moment on the responsibility that has been delegated to the National Park Service. The Park Service is comprised of 368 park units covering more than 80 million acres in 49 States. The physical inventory alone consists of 15,000 buildings, 5,200 housing units, 1,400 bridges, 8,000 miles of roads, 125 sewage treatment plants, and 1,300 water systems.

Simply put, the insufficient funding levels proposed by this bill, in addition to new facilities and requirements associated with the addition of 12 new parks since 1991, will cause the Park Service to continue to fall behind in maintaining these structures, thereby contributing to a mounting backlog of deficiencies. The net result will be increased costs in the future and the subsequent loss of some irreplaceable and irretrievable resources.

Let me reemphasize the point that the effect of this action would result in outcomes immediately visible to the public, such as, deferred maintenance, closures of campgrounds, and closures of visitor facilities. We must and can find other savings offsets in our quest to reduce the Federal deficit. These parks are one of the great legacy's which we will leave our children. Let's not leave them underdeveloped and rundown.

In closing, Mr. President, I would like to leave you more sound advice from Theodore Roosevelt:

> To waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 4 minutes.

PRESIDENTIAL CAMPAIGN FINANCE SYSTEM

Mr. KERRY. Mr. President, I call up an amendment at the desk on behalf of myself, Senators SIMON, FORD, FEINGOLD, BRADLEY, BIDEN, and WELLSTONE.

I ask unanimous consent that several letters and editorials supporting the existing campaign finance law be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENTS IN SUPPORT OF PRESIDENTIAL CAMPAIGN FINANCE SYSTEM

The bipartisan Commission on National Elections, headed by Melvin Laird, Secretary of Defense in the Nixon Administration, and Robert Strauss, former chair of the Democratic National Committee, recognized the value and success of the presidential campaign finance system. The Commission concluded: "Public financing of presidential elections has clearly proven its worth in opening up the process, reducing undue influence of individuals and groups, and virtually ending corruption in presidential election finance. This major reform of the 1970s should be continued."

Former Senator Paul Laxalt (R-NV), who chaired the 1976, 1980 and 1984 presidential campaigns for President Reagan, also praised the presidential campaign finance system. In discussing the campaign finance problems in Congress, Senator Laxalt said, "The problem is so bad we ought to start thinking about federal financing" of House and Senate campaigns. "It was anathema to me * * * but in my experience with the [Reagan] presidential campaigns, it worked, and it was like a breath of fresh air."

The New York Times calls the presidential campaign finance system "the best existing counterweight to the dominance of check-writing special interests in national politics. * * * This public financing has worked remarkably well to minimize the financial advantage of the party in power and reduce candidates' dependence on wealthy favor-seekers."

The Washington Post says the presidential campaign finance system is "hugely important to efforts aimed at limiting the impact of campaign fund-raising on the presidency." It notes that the system "has actually worked."

According to The Wall Street Journal's columnist Gerald F. Seib, "Whatever else may be said about presidential campaigns of the last two decades, they have been largely free of charges of serious financial corruption. And the elections themselves have been fair and competitive. * * * [T]his is one part of the system that doesn't seem broke."

Seib wrote of the effort to repeal the presidential campaign finance system, "And ultimately, this change would undercut what is supposed to be the GOP's very purpose, which is to balance the budget. The budget is hardly going to be balanced with the minuscule savings achieved by eliminating the presidential campaign fund. * * * It is going to be balanced by getting the snouts of special interests out of the public trough. But special interest snouts won't be kept out after they are invited deeper into American political campaigns."

[From the Atlanta Constitution, May 22, 1995]

PRESIDENCY TO HIGHEST BIDDER?

Tucked away in the 90-page deficit-reduction blueprint of Senate budget Chairman Peter Domenici (R-N.M.) are two lines that would make only a slight dent in federal expenses—less than $50 million a year—but could drastically and perniciously alter the way America picks its presidents.

The two lines call for the termination, starting in the year 2000, of the presidential campaign fund, which is financed by taxpayers' check-offs on their income tax returns and then made available every four years to qualifying candidates for president during both primary and general election campaigns.

So what's so wrong with this particular program elimination? Plenty.

Public financing of bids for the White House was a reform born in the aftermath of the Watergate scandal. Its whole purpose was to avoid a repeat of the corrupting excesses of the 1972 Nixon campaign, which amassed millions of dollars more than it knew what to do with, legally.

Considering the climate of cynicism about politics these days, the justification for public campaign financing may sound hopelessly idealistic, but it is fundamentally sound: The presidency ought not be up for auction. No contestant for the office ought to have a wildly disproportionate funding advantage. Serious candidates ought to have enough money to get their messages across throughout the country without becoming beholden to powerful individual donors or interest groups.

The budget resolution may have Domenici's name on it, but the fingerprints of Sen. Mitch McConnell (R-Ky.) are all over the two lines in question. He is an unabashed opponent of public financing and delights in misrepresenting it as "food stamps for politicians." He believes that since the Republicans, who currently are taking a king's ransom in special-interest contributions, are in a position to kill public financing, they should go for it. So there.

Senate Majority Leader Bob Dole is hardly less enthusiastic about sinking the program—for the campaign in 2000, that is. Whatever principles he may have on the matter don't apply to his immediate situation. He'll happily accept whatever millions he qualified for to pay for his 1996 candidacy.

Democrats, who blew their chance to reform campaign financing rules for Congress in the last session, promise to do what they can to save the presidential campaign system, but they don't appear to have the numbers. A veto may be the only recourse, and since the regression the McConnell champions is so profound, President Clinton should be readying one.

Public financing, it must be conceded, is not a widely popular notion. Only about 15 percent of taxpayers dedicate $3 each of their taxes for the presidential campaign fund. What that shows is that too few Americans have considered the alternative—that absent public financing, our country may get the best president that money with strings attached can buy.

America should strive to do better.

[From the Kennebec Journal, May 18, 1995]

MONEY, MONEY, AND MORE MONEY

As congressional Republicans work to dismantle the one significant campaign finance reform measure of our time—public funding of presidential races—the influence of private money upon the making of public policy continues to be a national disgrace.

According to former Senate Majority Leader George Mitchell, who fought hard if unsuccessfully to reform the system, big money contributions may not actually buy votes but they do buy access to members of Congress.

"I think it obviously creates the appearance of conflict and casts doubt on the independence of judgment," says Mitchell in a new book on the subject produced by the Center for Responsive Politics. "I think it reduces respect for the institution and the product of its work."

However, it is far more than simply a public relations problem. Big money is a corrupting influence in fact as well as in appearance, even if it only gives the contributor readier access to a member of Congress than competitors or ordinary citizens may enjoy.

It is no doubt true, as Mitchell asserts, that most special interest groups contribute to politicians who share their views rather than attempt to sway those who do not. Even so, the big contribution in that case is used to bind goodwill and ensure a sense of mutual loyalty.

Clearly the giving of money in large amounts to political candidates is viewed by donors as more than simply a friendly, civic-minded gesture. And it can be used as a stick as much as a carrot.

Think back a year or so when a Maine labor leader threatened to cut off campaign contributions to then-1st District Rep. Thomas Andrews if he failed to vote against the North American Free Trade Agreement. Call it a form of reverse bribery. Andrews ultimately voted against NAFTA, but swore off labor PAC contributions. It proved costly; he unexpectedly ended up running for Mitchell's Senate seat and raised far less money than his opponent, Sen. Olympia Snowe.

Most candidates prudently avoid such grand gestures, and, as the cost of election campaigns continues to escalate, so does the candidate's dependence upon special interest money. Last year, 35 to 40 percent of the campaign funding for winners in U.S. Senate and House races came from political action committees. Overall spending in Senate races was up a whopping 20 percent.

The system cries out for reform, not retrenchment. For years, the Republican minority in Congress has insisted it favors effective reform while rejecting virtually every Democratic proposal to cut the flow of cash from special interests to policy makers. Now that the GOP is in control, we know what it meant by reform: lowering the flood gates.

[From the Boston Globe, May 17, 1995]

What About the Fairness Deficit?

The changes being pushed by Republican budget makers are so grave they understandably dominate public attention, but they are crowding out some senseless proposals that also deserve the spotlight.

A prime example is the Senate Budget Committee proposal to eliminate the Presidential Campaign Fund after the 1996 election.

Created post-Watergate, the fund is the single greatest political reform of modern US history. It took the "For Sale" sign off the White House, moving moneyed special interests out of the driver's seat and into the spectator stands with the rest of us. Candidates have been funded in the primaries by small individual givers and by federal matching funds, and in the general election by the presidential fund alone. Bill Clinton and George Bush each received $55 million in 1992.

It has worked. The benefits of the fund have been watered down in recent years by rulings allowing the parties to collect huge sums of "soft money" contributions that support campaigns indirectly. The Federal Elections Commission needs to close this gaping loophole. But far from eliminating the fund, it should be expanded to include candidates for Congress so the nation's legislators would not have to continue selling themselves to special interests to raise the requisite thousands of dollars a day. The only other problem with the system—uncertain cash flow—was addressed this year when the voluntary tax checkoff to finance it was raised from $1 to $3.

Politicians can debate the exact message from voters last November, but the people surely wanted cleaner government, not corruption.

The Budget Committee chairman, Sen. Pete Domenici, characterized his proposal as "doing something right for the future of our country and for our children." He was speaking of deficit reduction, though eliminating the campaign fund would save only $45 million. In attempting to restore balance to the budget, Domenici's proposal could return venality to the Oval Office.

[From The Buffalo News, May 15, 1995]

Keep Presidential Checkoff—Ending It Would Strengthen Special Interests

Hidden among proposals that have aroused loud immediate objections is an ominous Senate Budget Committee plan. It would shift the presidential selection process away from average Americans and place it even more in the hands of big-money special interests.

That's what will happen if Congress wipes out the two-decade-old system that allows for partial public funding of presidential elections by having taxpayers check a box on their income tax returns.

Approving the checkoff—currently $3—has absolutely no impact on the size of a taxpayer's refund or the amount of taxes owed. When taxpayers check the box, as all should, it simply means that the contributions will be used to help finance the presidential selection process.

That is one of the best investments taxpayers can make in good government. It means candidates will be more beholden to average Americans and less beholden to special-interest groups for their money. In fact, this Watergate-era reform, first employed in the 1976 campaign when Jimmy Carter challenged President Gerald Ford, is the antidote to the poison of special-interest funding that has left candidates with a taint and the public with a bad taste in its mouth.

Before allowing Congress to end this reform, the public should ask a simple question: Without this public funding, where else will candidates turn for money?

The $45 million per year raised through the checkoff is a minuscule amount in a $1.5 trillion budget. Yet, while limiting the impact of lobbyists, it also puts sensible limits on campaign spending and levels the playing field among candidates. That helps elevate ideas over fund-raising ability as the determining factor in campaigns.

Senate Republicans are hypocritical and less than forthright in trying to end all of that by slipping this provision through amid the turmoil surrounding the rest of their budget proposals.

The hypocrisy can be seen in the fact that the proposal would end the checkoff system after the 1996 election cycle. That would mean current GOP senators eyeing the White House—among them, Majority Leader Bob Dole and Texan Phil Gramm—would still benefit next year.

But the real benefit of the checkoff goes to the public. That's why, if a revision this significant is to be examined, it should be done separately so that the proposal can be judged on its own merits.

Once that happens, and Americans really understand what's at stake, it is unlikely that they will choose to forsake a system of such demonstrated worth. Over two decades, the checkoff system has shrunk the influence of big-money interests, helped clean up the process of choosing American presidents and returned that process closer to the American people.

[From the New York Times, May 16, 1995]

A Sneaky Blow at Campaign Finance

Senate Republicans are proposing to eliminate the best existing counterweight to the dominance of check-writing special interests in national politics. The budget blueprint unveiled last week by Pete Domenici, chairman of the Senate Budget Committee, includes a call to abolish the public campaign financing system for Presidential candidates.

This 20-year-old system provides matching funds for candidates during the primaries and, for the general election, identical grants to both major party candidates. The system is financed by allowing taxpayers to indicate on their income tax returns whether they want $3 of the tax they owe to be used for the campaign fund. This public financing has worked remarkably well to minimize the financial advantage of the party in power and reduce candidates' dependence on wealthy favor-seekers.

The proposal to end public financing is the brainchild of Senator Mitch McConnell of Kentucky, who also played a big role last year in killing a Democratic reform measure that would have repaired damaging loopholes in the Presidential system while reducing the influence of big money in Congressional races as well.

Under the G.O.P. budget proposal, the Presidential public financing system would not end until after the 1996 election. That would allow the Republicans to continue using public financing in their quest to drive out the incumbent Democratic President, but then block public financing after they hope to have recaptured the White House.

Abolishing public financing for Presidential campaigns would save only about $45 million a year, while destroying a worthwhile effort to curb the amount of special-interest money in national politics. House and Senate Republicans also want to impose a crippling funding cut on the Federal Election Commission, the agency charged with enforcing campaign finance laws. It begins to look like a G.O.P. war on cleaner politics.

[From the Philadelphia Inquirer, May 17, 1995]

Wrong-Way Pete—Domenici Bugles Retreat on Campaign Financing.

"Declare victory and retreat." That was the tart suggestion of a senator years ago on how to salvage the fiasco that was Vietnam.

Now, another senator, Senate Budget Committee Chairman Pete Domenici of New Mexico, has got it into his head to declare defeat and propose retreat in an area where there's actually been a major victory: public financing of presidential campaigns.

This post-Watergate reform has insulted presidential campaigns from the corrupting influence of special-interest money. For some strange reason, the budget proposal made by Mr. Domenici last week would end it.

Of all the Republican ideas for balancing the budget, this may be the worst. By giving special interests carte blanche to start subsidizing presidential candidates again, Mr. Domenici would drop White House wannabes back into the pigsty of special-interest financing where Congress still wallows.

Not only is the system that pays for presidential races not broken, it works quite well. If you want to put $3 of your tax bill toward presidential campaigns, you check that option. If you feel that public financing is sinister or socialistic, you don't.

In the primary season, the system's matching money helps underdogs get their ideas across to the voters. In the general election, it helps ensure a fair battle.

The elimination of public financing may be just a sop to Sen. Mitch McConnell (R., Ky.), the Senate's leading obstructionist on campaign-financing reform; maybe Senate leaders will quietly drop the idea later on.

Instead of scrapping the checkoff, Republicans ought to be acting to get special-interest money out of congressional campaigns. Of course, their reforming zeal might be muted because the majority of that money is now flowing to them.

It's sad to see the Senate even toying with this ill-advised retreat on campaign financing. And it is a discredit to Mr. Domenici's otherwise bold budget-balancing plan.

[From the Rutland Herald & the Times Argus, May 21, 1995]

GOP And Campaign Finance

Over the next few weeks almost every budget cut that the Republicans in Congress have proposed will be opposed by some special interest group or other. But there is one intended cut that would harm the very fabric of our democratic process—by changing the way we elect our presidents.

The GOP Senate budget resolution would abolish the presidential campaign financing system, beginning in 1996. Eliminating public financing of presidential campaigns would save from $100 million and $300 million by 2002, the date the Republicans have targeted for balancing the federal budget.

The GOP wants to abolish the public campaign finance law to help provide about $350 billion in tax cuts that would benefit many of their favorite corporate benefactors. It's not hard to imagine the generosity of such companies when it comes time to replenish the campaign coffers of worthy Republicans.

Why do we use tax dollars to fund presidential campaigns? The practice began in 1974, after Watergate, which showed the nation how dramatically money can change the political equation. Since the cost of national campaigns has risen so drastically, politicians find they must budget a larger and larger share of their time to fund-raising—and currying favor with potential contributors.

Shouldn't private financing of elections benefit Democrats as well as Republicans? In the past, many wealthy contributors realized that since Democrats controlled Congress, any Democratic candidate might become a powerful committee chairman. So the moneyed interests have traditionally covered their bases by contributing to both candidates in many elections.

But now that the Republicans control both houses of Congress, a fundraising gap favorable to the GOP is likely to grow even wider, as the party of big business calls in its chips for the constituent service it's currently performing. The Republicans already have claimed an edge in fund-raising for 1996 campaigns.

The Republicans may be able to brush aside the few limits that now exist on campaign spending. And the Democrats have only themselves to blame for not passing more comprehensive campaign finance reform while they had control of Congress. If the GOP gets its way, the Democrats will be sorely punished for their own complacency.

[From the San Francisco Chronicle, May 17, 1995]

Unreforming Campaign Finance

When the Republicans took over Congress, they vowed to clean up Washington and give government back to the people. So what are they doing with this hypocritical proposal in the Senate budget plan to eliminate the presidential campaign-finance tax checkoff?

The Watergate-inspired public-campaign-financing law has somewhat limited the corrupting influence of special interests on presidential elections by providing each candidate in the general election with around $60 million in voluntarily contributed tax dollars, about the same amount Richard Nixon spent in 1970. The use of public funds, under a landmark Supreme Court ruling, allows an overall spending cap to be imposed. Without it, a run for the presidency would cost an estimated $200 million.

When campaigns cost $200 million we all lose, because special interests will be free to flood the presidential election process with money. The fragile integrity of the democratic process will be the first victim.

Instead of reversing public financing, the Republicans should join with Democrats in finding ways to bring equally effective reform to congressional elections.

[From The Washington Post, May 11, 1995]

A Bad Idea, Well-Hidden

Tucked away in the middle of Senate Budget Chairman Pete Domenici's 97-page budget blueprint are two lines describing a proposal with a minuscule impact on federal spending but enormous meaning for the nation's political process. Mr. Domenici, following a suggestion by Sen. Mitch McConnell (R–Ky.), proposes the elimination of public financing for presidential campaigns after the 1996 election.

This is not only a terrible idea; it also has no place in the budget debate. A change this large in the electoral system should be debated on its own, independent of the great confrontation that is about to occur on the deficit. The amount of money involved is trivial in a budgetary sense—roughly $45 million a year in a $1.5 trillion budget—but hugely important to efforts aimed at limiting the impact of campaign fund-raising on the presidency.

Public financing of presidential campaigns has actually worked. It was instituted after the Watergate scandal revealed all sorts of unsavory fund-raising shenanigans in the 1972 campaign. The idea is simple: The presidency ought not be put up for bid, the major party candidates ought to compete on a level playing field, and the party in power should not enjoy a prohibitive financial advantage. Existing law provides for a Presidential Election Campaign Fund that is financed through a voluntary $1 checkoff on income tax returns. For the general election, each major-party candidate draws the same amount from the fund—George Bush and Bill Clinton got $55.2 million each in 1992. The law also includes provisions for future public financing for any third party that makes a substantial electoral showing (as did the independent movements of John Anderson in 1980 and Ross Perot in 1992). And it provides for a system of matching funds in the primaries, whereby candidates who raise a certain amount in private contributions qualify for a share of the federal funds. The formula puts a premium on smaller contributions, so candidates who are serious but without huge interest group backing have a chance to make their case.

There are problems with the system that need to be addressed. The campaign fund has been running low, and the checkoff amount needs to be increased. But at a time when Congress's emphasis should be on finding ways to reduce the impact of money on politics, this proposal moves in entirely the wrong direction. It is also interesting that the budget proposal would leave the current system in place long enough to allow Republican presidential candidates (such as Sens. Dole, Gramm, Specter and Lugar) to take advantage of it while the GOP is out of the White House, and only abolish it after the next election.

If Mr. McConnell wants an open debate on the merits of the public financing system, he can encourage one. But a change this large should not happen covertly as part of the budget process.

[From the Valley News, May 17, 1995]

Cash For Campaigns

Hold your tears for those Republicans who complain that special-interest groups are preparing to lay waste to the balanced-budget proposals they're now championing. If special-interest groups exercise undue influence over the federal government, why are Republicans proposing that their influence be expanded?

That is exactly what would happen if the budget plan proposed last week by Sen. Pete Domenici, R–N.M., is passed intact. It contains a provision that calls for elimination of public financing of presidential campaigns. That item would save the federal government $45 million a year but would exact a much greater cost in the damage it would do to the national political system.

Few would argue that presidential politics are squeaky clean. But they are far better than they were before the Watergate scandal prompted Congress to reform the system.

Presidential candidates still must raise bucketfuls of money to be considered serious contenders. But the prospect of matching federal contributions encourages primary candidates to concentrate their fund-raising on contributions that qualify them for federal funds—relatively small donations from individuals. During the primary season, candidates who accept public financing agree to abide by spending limits established for each state. In the general election, each major party nominee draws an equal amount from the campaign fund (the 1992 candidates each received $55.2 million)—placing them on equal footing and reducing the need for candidates to go hat in hand to potential contributors.

Problems remain. Both parties continue to abuse so-called soft-money contributions, donations that are made to parties and spent for generic campaign purposes rather than directly for candidates. But the system is far better than the one that existed before 1973, when candidates accepted lots of cash from deep-pocketed donors, many with a direct interest in federal policy.

If public financing is abolished, the corrupting cancer that has severely undermined the integrity of Congress will spread to the White House and similarly compromise its integrity. All those things we have come to know and detest about the influence of money on federal legislators will afflict the White House—political action committees, nonstop fund-raising, the amassing of campaign war chests.

Few Americans are enthusiastic about proposals to pay for campaigns with taxpayers' money. The notion of bankrolling some of the behavior that passes for campaigning these days is enough to make the most earnest goo-goo blanch. But it is strictly a defensive strategy: The public picks up the tab to ensure that no one else does—and that no one lays a greater claim on the loyalty of the people elected to conduct the public's business. Public campaign financing needs to be expanded, not rolled back.

MAY 23, 1995.

DEAR SENATOR ________:

We strongly oppose the Senate Budget Committee's 1996 budget recommendation to abolish the presidential campaign finance system. We urge you to reject the Budget Committee's proposal and vote to retain this fundamental Watergate reform.

The presidential public financing system is an essential mechanism for controlling campaign spending, restricting special-interest influence and allowing challengers to compete successfully with incumbents.

To repeal presidential public financing would be to dismantle a vital reform that goes to the heart of the integrity of the electoral system for our country's highest office. Such an action would further undermine already low public confidence in government and the political process.

We strongly urge you to vote against any effort to abolish the presidential public financing system.

Sincerely,

Ann McBride, President, Common Cause; Becky Cain, President, League of Women Voters of the United States; Joan Claybrook, President, Public Citizen; Richard Foltin, Legislative Director and Counsel, American Jewish Committee; Larry Hobart, Executive Director, American Public Power Association; Paul Mauer, Executive Director, Blue Grass Community Action Agency; Michael F. Jacobson, Executive Director, Center for Science in the Public Interest; Stephen Brobeck, Executive Director, Consumer Federation of America; Dixie Horning, Executive Director, Gray Panthers; Leland Swenson, President, National Farmers Union; John Adams, Executive Director, Natural Resources Defense Council; Karen L. Hicks, Executive Director, New Hampshire Citizen Action; Caswell A. Evans, Jr., President, American Public Health Association; Amy Isaacs, National Director, Americans for Democratic Action; Robert C. Porter, Executive Director, Cenla Community Action Committee, Inc.; Rodney E. Leonard, Executive Director, Community Nutrition Institute; Joe Volk, Executive Secretary, Friends Committee on National Legislation; Susan Katz, President, National Council of Jewish Women; Harriet Woods, President, National Women's Political Caucus; Kathy Thornton, RSM, National Coordinator, NETWORK: A National Catholic Social Justice Lobby; Jay Lintner, Director, Washington Office, Office for Church in Society, United Church of Christ; Gerald Meral, Executive Director, Planning and Conservation League; Rabbi David Saperstein, Director, Religious Action Center of Reform, Judaism, Union of American Hebrew Congregations; Gene Karpinski, Executive Director, U.S. Public Interest Research Group; Rev. Elenora Giddings Ivory, Director, Washington Office, Presbyterian Church (U.S.A.), Washington Office; Robert Z. Alpern, Director, Washington Office, Unitarian Universalist Association of Congregations.

[Common Cause, May 23, 1995]

STATEMENT OF FORMER WATERGATE SPECIAL PROSECUTOR ARCHIBALD COX

I call upon Congress to reject the tricky attempt to repeal the post-Watergate reform of our presidential election campaigns under the pretense of budget balancing. Maintaining the reform costs .003 percent of the budget.

Watergate dramatized the three-step relationship between large political contributions, the outcome of elections, and the governmental decisions of those who win. We should never forget the acceptance of a $2-million pledge from the Milk Producers Association to the Nixon Administration, which concurrently granted an increase in the support price of milk; the approval of American Airlines' route applications shortly after a large corporate contribution to the party in power; or the settlement of antitrust litigation against ITT Corporation, shortly after an ITT subsidiary agreed to underwrite a large proportion of the cost of the Republican National Convention.

Spurred by this corruption, Congress in 1974 enacted the presidential campaign finance system as a vital means to restore public confidence in government. Through this system, small individual contributions are matched by public funds in the primary elections. The major party candidates receive a grant of public funds with which to conduct their general election campaigns. Importantly, spending limits are imposed in both the primary and general elections.

The system has worked. Presidential elections were largely cleansed of the corrupting influence of special-interest money. Spending in presidential campaigns was brought under control. Candidates in the general election were freed from the burdens of fundraising. And presidential elections, unlike congressional campaigns, became more competitive. Exploitation of a soft money loophole has reduced the gains. But the system is fundamentally sound. The remedy is to close the soft money loophole.

We are told that political candidates should not campaign with taxpayers' money. The money goes to protect ourselves by keeping the system honest. The alternative is for candidates to campaign with special-interest money to be repaid with much larger government favors after the election—in short, to go back to the days of Watergate.

I urge the Congress not to repeal the centerpiece of the Watergate reforms. The presidential campaign finance system must be preserved.

[Common Cause, May 23, 1995]

STATEMENT OF COMMON CAUSE PRESIDENT ANN MCBRIDE

We are very pleased to join today with Senators John Kerry (D–MA) and Bill Bradley (D–NJ), and with the League of Women Voters and Public Citizen, to launch an all-out effort to preserve the presidential campaign finance system.

Today we face a deadly serious attempt in the Senate to destroy the most important political reform in nearly a century.

By burying a simple two-line provision to kill the presidential campaign finance system deep in their proposed budget, the Senate Republican leadership has conducted a stealth attack on our democracy—an attack that would turn back the clock two decades to the dark days of Watergate and its influence money scandals, a time when the integrity of the Presidency hit rock bottom.

The stakes in the outcome are enormous. If this attack were to prevail, the winners would be Washington lobbyists and monied special interests. The losers would be the average taxpayers.

That's why Common Cause urges Congress to eliminate this provision from the Senate budget proposal and to act to save the presidential campaign finance system.

A vote to kill the presidential campaign finance system is a vote for corruption and a return to the campaign finance scandals of Watergate.

The responsibility to save the presidential campaign finance system lies not only with Congress, but with President Clinton as well.

If President Clinton is serious about preserving the presidential campaign finance system, he must make clear that he will veto any legislation that includes a provision to repeal the system.

Killing the presidential campaign finance system would do more than eliminate the public funds available to presidential candidates. Killing the presidential campaign finance system completely repeals campaign spending limits in presidential races. The result would be a campaign fundraising—and campaign spending—free-for-all, and a "For Sale" sign back on the White House.

The public financing system has worked. Spending has been limited. Richard Nixon's 1972 reelection campaign raised and spent $60 million—the equivalent of more than $200 million today. That's less than both major party candidates combined spent in the 1992 campaigns.

Elections have been competitive. Under this system, four incumbents have sought reelection—three challengers have won. And special-interest contributions have been replaced by dollars designated by millions of taxpayers.

As The Washington Post has noted, "Public financing of presidential campaigns has actually worked. . . . The idea is simple: The presidency ought not be put up for bid, the major party candidates ought to compete on a level playing field, and the party in power should not enjoy a prohibitive financial advantage."

Instead of destroying a system that has worked, and worked well, for two decades, the Senate should instead be shutting down the soft money system that has emerged in recent years.

This issue is not a budget issue. The presidential public financing system is not a simple piece of a budget puzzle that can be turned off and on at will. In fact, from a federal budgetary perspective, the $45-million program is a small amount. Fiscal responsibility comes from a Congress that will stop the financial drain that special interests impose on the federal budget through access-seeking campaign contributions. Ending the presidential campaign finance system simply will open the budget to even more big-money investments from special interests.

This issue should not be a partisan issue. The presidential public financing system was passed with bipartisan support and signed into law by President Gerald Ford. All but one major party candidate have voluntarily chosen to use public funds to wage their campaigns. In the five presidential races conducted under this new system, the Republican candidate has won three times, the Democrat twice.

This issue is a matter of integrity.

More than 20 years ago, Common Cause members pressed their Members of Congress to create a campaign finance system that would restore the integrity of a presidency that had been devastated by the scandals of Watergate. Congress did.

> Today, Common Cause, along with a broad coalition of other organizations, is launching a nationwide campaign to protect the presidential campaign finance system.
>
> Common Cause members and other concerned citizens will work just as tirelessly now to ensure that the presidential campaign finance system is not destroyed.

Mr. KERRY. Mr. President, there is in this budget an unfortunate effort to try to take away the current system of a——

The PRESIDING OFFICER. The Senator will suspend, while I ask the clerk to report the amendment.

The legislative clerk read as follows:

> The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 1153.

The PRESIDING OFFICER. Is there objection to consideration of the amendment at this time?

Mr. EXON. The Senator was not recognized to offer an amendment. I want to make that clear to the Senator. You can reserve the right to offer an amendment.

Mr. KERRY. I ask unanimous consent——

Mr. EXON. Have you done that?

Mr. KERRY. I did ask unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object.

Mr. EXON. I object.

The Senator from Nebraska yielded to the Senator from Massachusetts with certain instructions and understandings that the Senator from Nebraska is going to insist upon. Therefore, I yielded to the Senator from Massachusetts not to offer an amendment, but to make such remarks as he sees fit.

Mr. KERRY. Mr. President, I certainly apologize. I had no idea. I thought the procedure was to call the amendment up. There was no intention to try to go outside of the Senator's desires.

I ask unanimous consent that the past exchange not come out of this Senator's time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 4 minutes.

Mr. KERRY. I thank the Chair, and I thank the distinguished managers.

Mr. President, there is in this budget resolution an effort to do away with the Presidential checkoff finance system. I would like to share with my colleagues what Archibald Cox, the Watergate prosecutor, said with respect to this particular effort.

> Watergate dramatized the three-step relationship between large political contributions, the outcome of elections, and the governmental decisions of those who win. We should never forget the acceptance of a $2 million pledge from the Milk Producers Association to the Nixon administration which concurrently granted an increase in the support price of milk; the approval of American Airlines' route application shortly after a large corporate contribution to the party in power; or the settlement of antitrust litigation against ITT Corp. shortly after an ITT subsidiary agreed to underwrite a large portion of the cost of the Republican National Convention.

Mr. President, this campaign system has worked. Some 63 primary candidates since 1976 have used the checkoff fund. The checkoff fund democratizes the Presidential races of this country. It distances Presidential candidates from the fundraising process. It liberates our entire system from the influence of big money, as Watergate prosecutor Archibald Cox said.

In 1972, when Richard Nixon ran for President, he spent $60 million in that race, the equivalent of $200 million today. That is more than President Bush and Bill Clinton spent together in 1992. If this amendment were to fail, if we proceed on the assumption that that campaign system will be taken away, all voluntary limits on campaign spending in Presidential races are gone. No voluntary limit will remain, and it is only that volunteerism in the system that keeps accord with the Constitution on Buckley versus Valeo that allows us to have a limit in Presidential races.

So we will have gone back to the system of 1972 when there was unlimited funding from sources in Presidential races. I cannot imagine anything that runs more contrary to the vote of 1994 and to the grassroots statement of Americans in the 1994 election. They do not want this country going back to big money, large corporate interests. They want people liberated to participate. In fact, Mr. President, more people participate through the checkoff than contribute voluntarily to campaigns in this country. One out of seven Americans participate in the checkoff, whereas only one in 22 Americans contributed to campaigns in 1994. The checkoff could, in fact, be stronger than it is today. But, everybody should understand, no American is coerced to do this. It is a voluntary system where $3 from an individual has as much impact as tens of thousands of dollars from the rich or from corporate interests.

Mr. President, it would be an enormous setback in our efforts to gain control of our political process if, now, we choose to go backward.

Some people say, "Well, we're not controlling all the money in the system; you still have soft money and we should be closing that loophole." The solution is not to take the hard money restriction in the voluntary system and make it like soft money. The solution is to make the soft money like the hard money or outlaw it altogether, Mr. President.

So it is my hope that colleagues who have supported this in the past will not now go counter to the very grassroots effort that is supposedly being represented on the floor. This system has worked. It costs $45 million on the year, Mr. President, but to lose it would be tens of millions of dollars in campaign contributions. I hope we will support the system.

Mr. FORD. Mr. President, the budget resolution includes a provision that will have a far reaching consequence for this Nation. It assumes elimination of the program that provides for spending limits and public funding in Presidential election campaigns. This provision was enacted with bipartisan support to address the campaign finance abuses of Watergate.

This is voluntary program. The American taxpayer voluntarily funds it and candidates voluntarily accept funds from it. It is the only Federal program that the American public directly votes to fund each year. And as long as the American taxpayer votes for campaign spending limits, then we should not eliminate it.

What is interesting to this Senator, is that the Republican budget resolution does not affect the 1996 Presidential election cycle. It would allow candidates to continue to take taxpayer money to fund their primary campaigns next year. That means up to approximately $15 million in taxpayer dollars to each Republican and Democratic primary candidate, with a potential $62 million more to the nominee in the general election.

Perhaps a different amendment would have been to eliminate this program immediately. That would give our distinguished Republican colleagues here in the Senate who have announced their candidacy for President an opportunity to vote to give back their potential $77 million in taxpayer funds to the Treasury and the American taxpayer in order to help eliminate the deficit. Let me respectfully suggest that it seems a little self-serving to take the money next year but deny it to future candidates.

American taxpayers support this program and vote on how much to fund it each year. It is the only Federal program which serves to limit the money chase to the White House. Until we come up with a better system, I urge my colleagues to leave this program in place and support the amendment.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator's time. has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I really want to use a little bit of my time. I am on my 15 minutes in opposition, but I just want to talk to the Senate a minute.

Frankly, to my knowledge, there is only one law that controls the U.S. Senate in terms of debates and amendments and the like, and it is the Budget Act, which includes impoundments.

Essentially, it says in law, it sets down the detailed rules of how you proceed on a budget resolution and how you proceed on a reconciliation bill. It is not my rule. It is not Senator EXON's rule. It says 50 hours equally divided.

Frankly, maybe we will ask so the RECORD will be clear, how much time remains now on the entire budget resolution, under 50 hours that we are allocated by law?

The PRESIDING OFFICER. Approximately 1 hour 20 minutes.

Mr. DOMENICI. Approximately 1 hour 20 minutes. Essentially, I will say to the Senate, if 1 hour is used on Senator BOXER's amendment and 1 hour used in opposition to it, there will be no time left. No time left.

What I would like everybody to understand—and this is not my rule; I wish it were different—but I do not know if there is going to be very much time to debate very many amendments in that remaining time.

I have been expressing to the Senator from Nebraska, based on this reality—this is just real—when the 50 hours comes, any Senator can say "regular order" and, obviously, there is no more time for debate.

I want to make sure everybody knows, under a unanimous-consent agreement, the majority leader and the minority leader, after all the votes are finished, including those that may be handed to the desk, there will be one-half hour allotted to the Democrat leadership and one-half hour to our leadership, to recap the budget situation. So that is there and that is all it can be used for.

We will soon be out of time. Maybe Senators on my side and Senators on that side of the aisle do not understand that we cannot help very much, but we would like to be helpful. So what I would like to do, and I am urging that we find a way to decide, is for you all to decide on your side through your ranking member what are all the amendments that you intend to offer. Some will be debated for a couple of minutes; some are just going to be offered at the end.

Why would I like to know? Because I would like to help. I would like to say maybe everybody ought to have a minute before they have to vote on their amendment, even beyond the 50 hours. I have no such authority from the majority leader. But I cannot do that if there are 50, 60 amendments because we will be here until midnight, and the whole purpose was to have 50 hours.

We are getting close to that 50 right now. So if there is any way that Senators on that side could accommodate so that we might sit down here soon in a room and say what process could we agree to to give everybody a little bit of time.

Again, I want to say the majority leader has told me on our side, if there are 20 or 30 such amendments, or 40, we are not going to agree to any time because you add all that up and the time to vote and we will be here 6 hours to 7 hours.

So I am asking for some reason, some reasonableness. When the 50 hours is up—and I am not using anybody's time so nobody has to worry about that. I am entitled to this time under the law, and when that time is up, there is no opportunity to talk about an amendment, unless we, as a Senate, agree to that. So if you have an amendment at the end left over and you want to insist on it, and the statute says you can do that, the statute also says no debate. We are not going to agree to give everybody time when we have already used up all the time unless we do it in an understandable manner where the Senate then understands what the amendments are, how many there are, and then maybe we may be in business to try to make some overall agreement.

I hope everybody understands, I am not trying to be harsh. I am not trying to take time away from anybody. That is just the reality.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. I yield on my time.

Mr. FORD. I thank the Senator for what he is trying to do and for his comity. It is kind of unusual, and I am glad to see it.

If we have 20 amendments that will be offered at the end of the 50 hours, we have two options, as I hear you: One is to offer the amendment, or call it up and we can vote up or down or to table; we can do that. Or on the other side, if we have a minute, you offer a minute or 2 minutes on each side, pro and con, on how many amendments? Do you have any figure if they are less than that or more than that?

Mr. DOMENICI. I very much would like you all to come up with some proposal.

Mr. FORD. When you say you all, who do you mean?

Mr. DOMENICI. The Democratic side.

Mr. FORD. How many will be on your side?

Mr. DOMENICI. We probably, in short order, can establish the fact that there would only be four or five.

Mr. FORD. You will have four or five amendments to come after the 50 hours?

Mr. DOMENICI. I will give that to Senator EXON shortly.

Mr. FORD. I thank the Senator for his courtesy.

Mr. DOMENICI. Let me correct the record. You said there are only two things that can happen. I do not want anybody to misunderstand. An amendment pending at the desk can be second-degreed even if there is no time. There is a series where we understand somebody wants to exercise that. They understand it is pending. They would not have any time either.

Mr. FORD. They would still offer it and then you move to table.

Mr. DOMENICI. Yes. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Approximately 10 minutes.

Mr. DOMENICI. I will yield 10 minutes to Senator BURNS.

Mr. BURNS. Mr. President, I will respond to the amendment offered by the Senator from California and just point out some things about that amendment that I think are flawed. The Senator's amendment would create another point of order against how a tax cut should be constructed, and I think that is very important with this body because we already have enough points of order on the rest of this bill. Rather than a point of order against tax cuts, I think we should have a point of order against raising taxes, if you want to do it on both sides.

Let us be very careful. Whenever we start talking about this budget and what it does, all at once we start offering the amendments and it starts to come unraveled. When it was first put together in the Budget Committee, everybody just about knew where we had to go and what we had to do. Some would increase taxes, as has been proposed by some, really, on both sides of the aisle. I am firmly opposed to that.

Right now, most folks in America have a marginal tax rate over 45 percent—almost one-half of their yearly salary. So what is there left to tax? It makes no sense to bankrupt American citizens in the name of keeping the American Federal Government solvent.

So I think when you look at the overall budget, we have to come up with the word responsible. And that is what I would like to emphasize through this recap of not how I look at the amendment but the entire package of the bill. We have slowed the rate of spending. Back in 1990, I offered a bill that was a 4 percent solution—I called it—to allow in the budget process the Federal Government expenditures to only grow 4 percent based on the previous year's expenditures and do away with baseline budgeting. Unfortunately, that did not pass. But with the assumptions that we made then, by 1995 and 1996, we would have balanced the Federal budget. But I have to say there are hints of my ideas that I had back in 1990 in this bill.

Everyone would agree, maybe, that the Government has gotten too big to operate efficiently. This bill freezes pay for Senators, Representatives, Federal judges, and political appointees for a period of 7 years. As far as I am concerned, I can accept that. I am not real sure if my wife can. But nonetheless I think she will. It cuts Senate staff by 15 percent and Senate support staff by 12.5 percent. And we have cut a little already. It reduces the spending of the Executive Office of the President by around 25 percent. Those cuts save us almost $7 billion.

I take the budget another step further. I would consolidate the Surgeon General's office with the Assistant Secretary of Health. The office of the Surgeon General was originally created to function as a spokesperson for public health and has been used as a political football. I advocate putting an end to that political grandstanding by eliminating this unnecessary position and consolidating its duties with those of the office of the Assistant Secretary of Health. That is the way it used to be. During the Carter administration, Dr. Julius Richmond served as both the Surgeon General and the Assistant Secretary of Health. I see no reason why the American taxpayer should have to pay for staffing both offices.

When we look at what it does—a while ago we talked about the NIH, National Institutes of Health. I voted to restore some of those funds because I believe that this Government should be actively involved in research and development, especially in the line of health. But the chairman's budget also calls for the transformation of NASA's management structure, contracting procedures, and the reduction of Government involvement in scientific research, infrastructure, and equipment. I have to say that I voted against the Snowe amendment a while ago for the simple reason that it called for another billion-dollar reduction in NASA, when they have already shown their good faith, without any cajoling from this Congress to come to the bar, and cut $5 billion over 5 years. And there are some within the NASA organization that say now we have to start looking at safety when we start thinking about our space programs.

So we are glad to see that baseline budgeting is out. The chairman's budget proposed the elimination of spending on the National Biological Service. I have long said that is not needed. We have enough biologists in the Forest Service, in the U.S. Fish and Wildlife, and BLM to do what they want to do and what Interior wants to do. They have to do it within the confines of that. Why another layer of bureaucracy? I generally support that.

As I explained last week, I have concerns with the provision that cuts the Agricultural Research Service. I find it ironic that we are cutting back on R&D in the very area that is very important to us in the production of food and fiber for this country. To reduce the ARS at this time is appealing in the short run, but it would have a devastating long-term negative impact on farming and ranching in the United States and, consequently, on the Federal Treasury. I believe our first priority should be a commitment to the production of food and fiber. I find that many folks are surprised when you tell them that for the first time in the history of this country, wheat yields have actually leveled off in some areas and were declining because of our research work in developing new strains of wheat that are disease resistant.

So I am opposed to a reduction in ARS funding. Furthermore, agriculture has taken its fair share of cuts; if you look at the last 8 years, about a 45 percent cut.

So with that, it is a good package. When we start picking away at it, it starts to come unraveled. I want to congratulate my friends from New Mexico and Nebraska. They have worked very hard together on this. And it should be presented and they should be given the guidelines for the rest of us to complete our work.

I yield the floor.

Mr. DOMENICI. Mr. President, are my 15 minutes used?

The PRESIDING OFFICER. The Senator has 4½ minutes remaining.

Mr. DOMENICI. I reserve that.

Mr. EXON. Mr. President, I have four more relatively short speakers that I would like to yield to at this time. I would like to yield at this time in whatever order they are entitled to the floor from the time allotted to me most generously by my colleague from California. First is Senator LEAHY for 2 minutes, and then Senator BAUCUS for 2 minutes, Senator CONRAD for 6 minutes, and fourth, Senator GRAHAM for 2 minutes.

Mr. DOMENICI. Mr. President, Senator EXON, could we take a couple names at a time instead of the whole list? Who are the first two?

Mr. EXON. The first two I have are Senator LEAHY for 2 minutes and then Senator BAUCUS for 2 minutes.

Mr. DOMENICI. Mr. President, I have a Senator on the floor who would like to speak in opposition for up to 10 minutes on my time. Maybe we could move back and forth after the Senator from Vermont.

Mr. EXON. Since we are limiting—may I suggest we take care of the two Senators that I have mentioned—this is 4 minutes—and then go to 10 minutes. Is that reasonable?

Mr. DOMENICI. Can we have the two Senators for 4 minutes and then the Senator from Kentucky for 10?

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Vermont.

VIOLENT CRIME REDUCTION TRUST FUND

Mr. LEAHY. Mr. President, I will have two resolutions that we will be voting on at the appropriate time. One is expressing the sense of the Senate that the violent crime reduction trust fund not be cut. Notwithstanding the tremendous violence we have seen in New York, Oklahoma, and elsewhere, the House of Representatives voted on April 5 to cut $5 billion from the violent crime reduction trust fund and to give it for a tax cut.

They congratulated themselves on this, but have not explained to the American people that they are cutting out money in a trust fund set aside to fight violent crime.

Frankly, I think that is more important than to give a tax break to the wealthiest. We will be voting on that.

Earlier this year, on April 7, 1995, the Senate passed a resolution reaffirming our support for State and local law enforcement when their integrity was challenged.

When we passed Senate Joint Resolution 32 we were responding to remarks, by a well-known attorney in connection with a high-profile criminal case, that unfairly and inaccurately maligned the integrity of the Nation's law enforcement officers.

On April 19, 1995, a bomb exploded outside a Federal building in Oklahoma City killing scores of Americans, including a number of Federal law enforcement employees. There is reason to believe the bomb was directed at the Federal Government and its law enforcement officers.

This bombing has served to focus our attention on the real threats of violent extremism here at home and foreign terrorism. We will soon have an opportunity to consider legislative efforts to provide additional resources and better coordination of Federal, State, and local law enforcement efforts to deal with these threats.

Today, my purpose is a related one. I ask my colleagues to join with me to pass this resolution reaffirming our commitment and appreciation for Federal, State, and local law enforcement and the outstanding job that they do under the most difficult and dangerous circumstances and to reject House attempts drastically to cut our financial support for their efforts.

Since the bombing there has been a lot of public debate and comment about the activities of law enforcement and the rhetoric that has been used over the past few years to disparage and malign these dedicated public servants and the law enforcement agencies in which they serve.

I submit that law enforcement deserves better. We owe these men and women our respect, appreciation, and public, moral, and financial support.

Even had we not recently noted the increasing threats against the safety and lives of law enforcement officers, the Oklahoma bombing and the reports of attacks against park rangers, Forest Service employees, Treasury employees, and others all make the gruesome point too well.

Moreover, there has been a lot of recent discussion about the way responsible citizens converse about law enforcement and other public officials. I certainly understand President Bush's reaction when those with whom he served and who have made the ultimate sacrifice in the service of public safety are being criticized unfairly.

I commend our colleagues, from both sides of the aisle, who have tried to tone down the rhetoric and to turn the focus of debate to responsible efforts to assist law enforcement to do its job.

Likewise, I appreciate the apology recently issued by the National Rifle Association of the intemperate tone of certain remarks.

I have spoken about my revulsion with celebrities talking about how to shoot Federal agents and their using representations of our President for target practice. This is vile and reprehensible.

If we are to preserve freedom of speech in this increasingly violent and confrontational society, we need to use our freedoms to reject violent extremism and hatemongering. We need to remind ourselves that we live in the freest nation on Earth because the rule of law is respected, as are people's rights to speak, associate, and petition the government.

We need to speak out ourselves against those who would portray the President, the Congress, the Government, or law enforcement as conspirators intent on taking away people's rights. To the contrary, the dedicated men and women in Federal, State, and local government and law enforcement work long hours for limited financial reward in order to serve the public, protect us, and preserve our freedom.

It is in this context that I was concerned when the House of Representatives voted on April 5 to offset certain tax reduction proposals by cutting $5 billion from the violent crime reduction trust fund.

As it congratulated itself on its first 100 days and adjourned for its April recess, the House majority did not explain to the American people that it was invading the violent crime reduction trust fund and making it impossible to pay for the law enforcement and crime prevention programs of the Violent Crime Control Act of 1994, which the President signed into law only last summer.

Although this major crime bill was 6 years in the making, the House is apparently prepared to gut it. I hope and trust that our Senate colleagues will reject this $5 billion cut in funding to Federal law enforcement and Federal assistance to State and local efforts.

When we passed the crime bill last year we paid for its program. A trust fund was established from the saving of the downsizing of the Federal Government by some 250,000 jobs. The violent crime reduction trust fund contains funds dedicated to law enforcement and crime prevention programs, and is intended in large part to provide Federal financial assistance to critical Federal, State, and local needs.

On April 5, the House invaded that trust fund without debate and slashed our anticrime funding by $5 billion to help offset the budget deficit the House tax bill would create. This is wrong.

Since passage of the Violent Crime Control Act, the U.S. Department of Justice has been doing a tremendous job getting these resources to the field. I commend the Associate Attorney General John Schmidt and Chief Joe Brann, who directs the community policing programs for their quick work.

I know that funding to assist local law enforcement hire additional officers went out almost immediately based on simple, one-page applications. Vermont received commitments of over $2 million toward 35 new officers in 34 jurisdictions, for example. The House action would cost Vermont, for example, the equivalent of 50 State and local law enforcement officers over the next 5 years.

The House would have us turn our backs on law enforcement and prevention programs and the commitments we made in the Violent Crime Control Act. Law enforcement and community-based programs cannot be kept on a string like a yo-yo if they are to plan and implement crime control and prevention programs.

What we need to do is to follow through on our commitments, not to breach them and violate our pledge to law enforcement, State, and local government, and the American people. Invading trust funds dedicated to crime control purposes is simply no way to justify the elimination of the corporate alternative minimum tax or capital gains taxes.

From our Attorney General to the Fraternal Order of Police, International Brotherhood of Police Officers, National Association of Police Organizations, National Sheriffs Association, and the Police Foundation, dedicated law enforcement officers are justifiably outraged by this arbitrary action.

Funding for important programs implementing the Violence Against Women Act and our rural crime initiatives should not have been cut by one-sixth or at all, let alone without debate and justification.

I will work with the Attorney General and my Senate colleagues to reject the ill-advised House action and preserve the violent crime reduction trust fund so that we can fulfill the promise of the Violent Crime Control Act and our commitment to all that we can to reduce violent crime in our local communities.

I have noted that this is not the time to undercut our support for Federal law enforcement or the assistance provided State and local law enforcement. After the tragedy in Oklahoma City, I was certain that the House would abandon this ill-conceived plan.

Yet, in spite of all that has happened, the House chose to reaffirm its intention to proceed with this $5 billion cut in law enforcement funding, which it included in the House-passed budget resolution last week.

Accordingly, I offer this amendment as an embodiment of the Senate's resolve against the House-passed cuts to the violent crime reduction trust fund and reductions in funding of Federal, State, and local law enforcement.

Now is not the time to cut law enforcement funding and this is not the way to show our support for those whom we ask to protect public safety and preserve our precious freedoms.

PROTECTING FEDERAL NUTRITION PROGRAMS

My other resolution is very simple. It says that the infant formula that is purchased by the WIC Program be done under competitive bidding.

The House of Representatives gave in to some very powerful lobbyists and very powerful drug companies, and removed the amendment which requires competitive bidding for WIC. That meant the taxpayers will give a $1 billion windfall to four drug companies, and they will take 1.5 million pregnant women and newborn infants off the WIC Program.

This sense of the Senate says we ought to take care of the women and the infants before we do the drug companies, especially at taxpayers' expense.

It also says we ought to have real nutritional standards in school lunch. Not what the fast food industry would like, but perhaps what mothers, fathers, and children should like and should have.

Mr. President, this amendment is very simple.

It says that it is the sense of the Senate that infant formula be purchased by the WIC Program under competitive bidding. It says that school lunches should meet minimal nutrition requirements and that the content of WIC food packages be based on scientific evidence.

That has been the case for years and should continue. I am offering this amendment because the House-passed welfare reform bill does not follow that longstanding approach to child nutrition programs.

I am very pleased that the Senate Budget Committee majority report does not assume that the Senate wants to eliminate those protections for children.

The Contract With America, as passed by the House, would allow States to serve junk foods with lunch. The Senate should stand up to that challenge and say "no."

It would allow States to waste Federal taxpayer dollars on needlessly expensive foods for the WIC Program.

I have spent 8 years protecting the WIC Program from drug companies. Now the House Contract With America changes that. A few years ago, I called on the Federal Trade Commission to investigate price-fixing and bid-rigging regarding infant formula companies and the WIC Program.

I introduced bills, which all my Senate colleagues supported, to require that WIC buy infant formula under competitive bidding rules similar to rules used by the Federal Government, and most State governments, to purchase goods.

These WIC procedures save $1 billion a year. That money keeps 1.6 million pregnant women, infants, and children on WIC at no additional cost to taxpayers.

The House bill does not require competitive bidding. Instead it includes paltry cost containment requirements that are a sham.

It is hard to imagine a provision that better symbolizes what is wrong with the Contract With America.

The contract could give up to $1 billion to four corporate giants and take 1.6 million low-income women, infants, and children off the WIC Program.

For 8 years as chair of the Agriculture Committee, I tried to make our work on nutrition programs bipartisan. And I am pleased that the Senate Budget Committee report is supportive of the WIC Program.

Last year, both the Senate and the House passed the child nutrition reauthorization by unanimous agreement.

That Reauthorization Act maintained the principle that school lunches provide one-third of the nutritional requirements for each day. It maintained strong competitive bidding procedures for the WIC Program.

And it ensured that foods of minimum nutritional value may not be sold with school lunches. It passed the Senate without objection last year.

The House bill eliminates minimum nutritional requirements for school lunches. I fought Coca-Cola and the fast food companies last year to make school lunches healthier.

Congress reduced the saturated fat content of school meals, and clarified that schools have the right to say "no" to Coca-Cola and Pepsi-Cola.

Under the House Contract With America, soft drinks can be sold to school children during lunch instead of milk. Candy companies, fast food giants, and junk food purveyors are the big winners. Children and dairy farmers are the big losers.

The House-passed Contract With America could hurt child nutrition programs by eliminating what we put into law last year.

I hope the Senate tells the lobbyists for the soft drink bottlers that Coke or Pepsi should not be part of a school lunch or breakfast.

I hope the Senate tells the lobbyists for drug companies that make infant formula that the Senate wants to continue to save taxpayers $1 billion a year in the WIC Program by mandating strong competitive bidding procedures.

Remember, before the Congress required competitive bidding, many States did not use those procedures that now put 1.6 million more pregnant women, infants, and children on the WIC Program at no additional cost to taxpayers.

I hope the Senate rejects the House approach that repeals scientific standards for the WIC food package. These standards make WIC a success.

I want to make one additional point not directly related to the amendment I am offering. I believe it is a mistake to block grant food stamps.

On December 2, 1969, President Nixon said in a speech that relying on local governments meant that "our Nation's food programs have been shot through with inequities."

Chairman GOODLING put it another way when he opposed block grants a few years ago—he said that a "child's basic nutrition needs do not vary from State to State."

I joined with Senator DOLE in opposing block granting some years ago. He said, and I agreed with him, that the "Federal Government should retain primary responsibility for nutrition programs in order to guarantee some standardization of benefits."

We have to recognize that food stamps are America's best and largest child nutrition program.

Over 80 percent of food stamp benefits go to families with children; and over 90 percent of food stamp benefits go to families with children, or the elderly or disabled.

I am pleased to report that as the economy has grown over the last year, participation in food stamps has dropped by 1 million persons.

It is crucial to me that food stamps not be block-granted—I agree with the House of Representatives and Chairman ROBERTS, Chairman EMERSON and Chairman GUNDERSON on this issue.

Their view is that food stamps is the final safety net and that it should neither be block-granted nor cashed out. In rejecting block grants, the House used some of the same points made years ago by President Nixon.

In closing, I urge my colleagues to support my amendment.

Mr. President, I thank the managers for their courtesy.

PRIVATIZING PMA'S IS BACKDOOR TAX

Mr. BAUCUS. Mr. President, I have an amendment, joined with Senator PRESSLER, Senator DORGAN, Senator ROBB, Senator WARNER, and others, No. 1120, to oppose the sale of the public power marketing administrations.

Very simply, Mr. President, this is the situation: The budget resolution proposes the sale of public power marketing administration, the PMA's.

What is the effect of that sale? Twofold. No. 1, to dramatically increase the rates of consumers, utility consumers, in most States of our country, because public power is sold at a lower rate than power from other sources that is sold to consumers.

The estimate is between a 20- and a 60-percent increase in utility rates for farmers, for ranchers, for homeowners, for small business, for anybody who is in a rural co-op, or anyone who buys public power. No. 1, the effect is very much to increase the rate. It is a hidden tax, Mr. President. It is a hidden tax because in effect people will have to pay more.

The second major consequence of the sale of the PMA's: Increase the budget deficit. That is a consequence. Why? Very simply, because the PMA's currently make money. They make about $240 million a year. When the PMA's loan is retired, in about, I think, 14 or 16 years, Uncle Sam will make $5 billion on the investment.

So the sale of PMA's has two effects. No. 1, big increase in utility rates; No. 2, increase in the budget deficit.

My amendment says, "No, let's not sell the PMA's; therefore, let's not raise utility rates; and let's also reduce the budget deficit by keeping the PMA's alive."

Please add Senators FORD, HARKIN, HEFLIN, and HOLLINGS as cosponsors. Webster defines a "tax" as follows: "to require to pay a percentage of income, property or value for support of the government."

So a tax can come in many forms—a direct levy, or a hidden fee that sneaks up on taxpayers under a cover name. And that is precisely what this budget resolution contemplates for ratepayers across rural America.

Privatizing the power marketing administrations is a bad idea. It is shortsighted and it hurts rural America. Privatization cannot work when its result is simply to create four huge monopolies, which will gouge their captive market like any other monopoly.

So at its core, the proposal to sell off PMA's is no more than a backdoor tax increase on the rural middle class. A tax hidden in a utility bill is every bit as much a tax as a gas tax, income tax or anything else. I won't stand for it. And many of my colleagues on both sides of the isle won't stand for it.

Let me tell you what this would mean to Montana. Montana, like much of the west, was built on hydroelectric power. By harnessing the Missouri River at Fort Peck Reservoir, Montanans bring water to arid lands for farming and ranching. Small industries use the affordable power to create jobs and build communities. And folks in rural areas get affordable power to heat and light their homes.

This is an essential service. It is something that works. And it has worked ever since Franklin Roosevelt came out to break ground at the Fort Peck Dam and bring public power to rural Montana. Public power meant electricity that an ordinary farm family could afford. It helped create Montana communities like Glasgow, Sidney, and Shelby. It keeps towns like these strong and healthy today.

As my friends George and Barbara DenBoer of Dupuyer, MT, recently told me:

> Our electric bills are high enough. We are barely making a living on the ranch now and with all the new taxes and increases in expenses it is all but impossible to continue.

> Please stop and consider how many rural people will be affected with higher rates. . . . We need the Power Marketing Administration. Please do not make it impossible for those who make their living in the country.

One hundred thousand Montana families—nearly one in three Montana men, women, and children—share George and Barbara's feelings.

All of them use WAPA power in Montana today. And they stand to see their electric bills increase by at least 30 percent if this proposal goes forward. You are talking about a real, tangible cut in the living standards for people in rural America. And that is why I so strongly oppose the sale of WAPA and the PMA's.

A second point is that WAPA and the other power marketing programs take not one tax dollar. In fact, the Federal Government makes money off of these programs.

WAPA is a good example. The Federal Government has invested a total of $5.6 billion in WAPA. And each year, WAPA pays the Federal Government approximately $380 million for this loan with interest. So far, the Federal Treasury has gotten back $4.1 billion on its initial loan. And by the time this debt is retired in 24 years, the Federal Treasury will have made $14 billion on its initial investment of $5.6 billion.

Second, even now the PMA's run a profit for the Government. A recently released CRS report on the PMA's found that the Federal Treasury actually earns a profit of $244 million a year on the PMA's. You have to look long and hard to find a Federal program that provides a good service to the public and makes a profit.

I find it incredibly shortsighted that the Congress would want to sell America's infrastructure for a quick, one time shot of cash. What is next? Our highways? Our bridges? Our national parks? The principle is just the same. America's infrastructure up for sale. It doesn't make any sense to me, and I will not stand by and let it proceed without a fight.

And I urge my colleagues—particularly those Republicans and Democrats from the 32 rural States served by the PMA's—to join me. Senators will find a comprehensive list of all electric utilities in their States who are served by the PMAs on their desks.

Let me read for the RECORD, States who are served by the PMA's:

Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Iowa, Idaho, Illinois, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Mississippi, Montana, North Carolina, North Dakota, Nebraska, New Mexico, Nevada, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

I urge Senators to take a moment before they vote on my amendment to consider the consequences elimination of the PMA's will have on the people in their States—the small businesses, farmers, ranchers, homeowners, and school districts. Say no to this backdoor tax and support my amendment.

I ask for the yeas and nays on my amendment.

Mr. DOMENICI. Mr. President, I want to yield 7 minutes to the Senator from Kentucky.

NO TAXPAYER FUNDING OF ELECTIONS

Mr. MCCONNELL. Mr. President, I listened with great interest to my friend and colleague, Senator KERRY from Massachusetts, decry the effort of the Budget Committee to get rid of the Presidential checkoff. Let me say, my good friend could not be more wrong.

In looking back at the Watergate scandal, it is interesting to note that the Select Committee on Watergate in the mid-1970's in recommendation No. 7, said the committee recommends against the adoption of any form of taxpayer funding of elections—against any form of it. The Congress proceeded to establish the Presidential fund in spite of that.

During the last 20 years, Mr. President, such eminent persons as Lyndon LaRouche has gotten a $12 million in taxpayers funds to run for President of the United States. He even got, interestingly enough, $200,000 from the taxpayers to run for President while he was in jail. My assumption is he would not even be able to vote for himself as a resident of the jail.

In addition, that outstanding American, Lenora Fulani, has gotten $3.5 million from the taxpayers of America to run for President.

Now, Mr. President, the taxpayers of America have an opportunity every April 15 to vote on how they feel about using taxpayers' money for the Presidential election. As a matter of fact, it could be argued it is the most complete survey ever taken in America on any subject.

Every April 15, voters get to decide whether they want to check off—it used to be $1, and now $3—of taxes they already owe—it does not add to their tax bill—to divert that away from whatever else may be funded by the Federal Government into this fund.

Now the checkoff participation has dropped down last year to 14.5 percent, and is still falling. Two years ago, the majority, for fear that the taxpayers would totally revolt and there would be no money in the fund at all, raised the checkoff from $1 to $3. Now the net effect of that is that fewer and fewer people could divert more and more money. Eighty-five percent of the American people choose not to check off, even though it does not add to their tax bills, $3 to go into this fund.

Everyone, in effect, ends up paying for the checkoff because the money is diverted away from other topics.

If there is any system that has been thoroughly discredited, Mr. President, it is this one. It has not stopped spending. It has not stopped soft money, and it has eaten up about $1 billion of the tax money of the people of the United States over the last 20 years.

If we cannot kill this program, Mr. President, then what program can we kill? Now, at the appropriate time I will be offering a second-degree amendment to the Kerry amendment. I would like to briefly describe what that is about.

Among the things, Mr. President, that taxpayers funding has been used for during these years was to settle a sexual harassment case. My amendment would prevent, assuming the Presidential fund survives—which I hope it will not, but assuming it survives—my second-degree amendment to the Kerry amendment would be a sense of the Senate that the Presidential election campaign fund, if it survives, could not pay for or augment damage awards or settlements arising from a civil or criminal action, or the threat thereof, related to sexual harassment.

Now, I will be offering that second-degree amendment to make a point, Mr. President, as to how taxpayers' money has been used: $37,500 was used to settle a sexual harassment case against a top aide of the current President in his campaign back in 1992. The taxpayers paid for the settlement.

At the appropriate time, I will be offering a second-degree amendment which I hope will be approved. I hope that the underlying amendment will be disapproved. This is a program that ought to end up on the ash heap of history.

In addition to that, Mr. President, I will offer an amendment with regard to the Appalachian Regional Commission, a Commission that is extremely important to my own State of Kentucky, and will be cosponsored by Senator WARNER, Senator COCHRAN, Senator ROCKEFELLER, and Senator HEFLIN.

Essentially, Mr. President, even though the Appalachian Regional Commission would be taken down in its funding over a period of 7 years, very, very significantly, this amendment would prevent the ARC from being totally phased out, and it would pay for it largely by diverting funds from the Office of Surface Mining and from other regulatory activities.

So, essentially what this amendment is about is to take money away from regulators and give it to those involved in economic development. It is simply a question of priorities. Do we want to give the money to the Office of Surface Mining and others engaged in regulating in this and other fields? Or do we want the money to go directly into economic development activities in parts of our country that are economically deprived? This ARC covers such States as West Virginia, Kentucky, Tennessee, Mississippi and Alabama, and it has been useful in providing roads and other economic development tools for the most poverty stricken parts of that part of America.

I am somebody who is going to support the final budget resolution. I am in favor of ending a lot of programs and intend to so vote. But I believe here in this particular amendment we will simply be choosing between whether we want to fund more and more Government regulators on the one hand or economic development in poverty-stricken areas on the other.

So I hope the McConnell amendment on ARC, supported by Senators WARNER, COCHRAN, ROCKEFELLER, and HEFLIN, will be approved when it is offered at the end of the time.

Mr. President, I have actually done an astonishing thing. I believe I have finished before Senator DOMENICI had to ring the bell. So I will yield any remaining time.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. How much time did he give back?

The PRESIDING OFFICER. The Senator has 26 minutes and 45 seconds.

The Senator from Nebraska.

Mr. EXON. Mr. President, I yield 6 minutes to the Senator from North Dakota, followed by 2 minutes for the Senator from Florida.

Mr. CONRAD. Mr. President, today we are engaged in a historic debate on our economic future. There are many of us on both sides of the aisle who are committed to balancing our budget. But a group of us have worked for a number of weeks on producing a plan that we call the Fair Share plan, because we believe the Republican alternative that has been presented does not call on all of our citizens on a fair basis to contribute to this effort.

Perhaps the conservative commentator Kevin Phillips said it best when he said, "If the budget deficit were really a national crisis we would be talking about shared sacrifice, with business, Wall Street and the rich, the people who have the big money, making the biggest sacrifice. Instead, the richest one or two percent, far from making sacrifices, actually get new benefits and tax reductions."

That does not strike some of us as fair. We believe everyone in this country ought to be asked to contribute to solving this budget problem. So we have created an alternative that we call the fair share balanced budget plan. It balances the budget by the year 2004 without counting the Social Security trust fund surpluses. The Republican plan claims to achieve balance by the year 2002, but they do that by counting Social Security trust fund surpluses. In fact, if you look at the Republican budget resolution you will find that they have a $113 billion budget deficit, when it is fairly stated, in the year 2002. We understand they do not achieve a balanced budget without counting Social Security surpluses until the year 2006.

Our plan offers even more deficit reduction in the year 2002 than their plan. Without counting the Social Security surpluses, the Republicans have a $113 billion deficit in 2002, while the Fair Share plan has a $97 billion deficit, $16 billion less in deficit than the Republican plan.

We freeze defense spending, like the Republican plan does.

We freeze nondefense discretionary spending while the Republicans cut it $190 billion below a freeze. In other words, we have frozen both defense spending and nondefense discretionary spending for 7 years in our plan. In the Republican plan, they have cut, on domestic discretionary spending, $190 billion below freeze. That means the high-priority areas of the budget are devastated under the Republican plan: Education, infrastructure, research and development, technology. We add back $47 billion to education. We add back $54 billion to infrastructure, and some $13 billion to R&D and technology because those are the keys to America's future.

We also cut other important priorities less than the Republican plan. We restore $100 billion of the $256 billion Republicans cut in Medicaid. We have full funding for student loans, some $14 billion. We restore $24 billion of the $46 billion the Republicans cut in nutrition and agriculture. We restore $60 billion of the $86 billion cut in income assistance in the Republican plan. And we restore $5 billion of the $10 billion Republicans cut in veterans benefits.

To fund these changes we reject the Republican tax cuts targeted at the wealthy. The fair share plan eliminates $170 billion reserved in the Republican plans for tax cuts targeted primarily for the wealthy.

We also ask the wealthiest among us to contribute to a balanced budget by limiting the growth of tax breaks, tax loopholes and tax benefits, tax preferences that benefit the wealthy and the big corporations. Tax entitlements are the largest entitlement in dollar terms and the third fastest growing major area of the Federal budget. The Republican budget plan lets these tax loopholes and tax preferences grow without discipline, at twice the rate of overall Federal spending. Our plan limits the growth in tax entitlements to inflation plus 1 percent, producing $228 billion in savings over 7 years.

We are simply saying, as the Republicans have argued, that entitlement growth ought to be limited. We agree. But we do not think we should forget the biggest entitlement of them all, the tax preferences, tax benefits, tax loopholes that go to those who have the most in our society. Let us ask everyone in our country to contribute to an effort to reduce the deficit and let us ask them to contribute on a fair basis.

I reserve the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Florida is recognized for 2 minutes.

Mr. GRAHAM. Mr. President, I wish to add my voice in support of the amendment to be offered by the Senator from North Dakota. I believe it speaks to two important principles in this debate. One, there has been an assumption that there is a single path to the heaven of a balanced budget; if we did not ride on the chariot that has been provided to us by the Republican leadership that we could not get to that destination. Senator CONRAD has clearly outlined that there are alternative means of reaching the goal of a balanced budget. And we stand second to no Member of this body in terms of our commitment and the length of our commitment toward the goal of a balanced budget.

Second, I believe we will not reach a balanced budget with the Republican plan, and we will not because it fails to meet a fundamental requirement and that is the requirement of fairness; the requirement that all Americans be asked to contribute to the balancing of the budget in an evenhanded manner.

The wheels and wings of this chariot of the Republican leadership for a balanced budget will fall off before we reach the year 2002 because the American people will object. They will reject the proposal to reach that balanced budget which attempts to do so primarily by reducing the already meager capability of the poorest and the oldest of Americans.

The most dramatic example of that is in the area of health care. We have beaten upon our respective breasts about how we are holding down entitlements. Here is what we are doing. According to the Congressional Budget Office, overall health care expenditures are projected to increase by over 7 percent per capita between now and the year 2002. This budget would restrain Medicare, the program for our oldest Americans, by less than 6 percent, and 1.5 percent for our poorest Americans.

That is unfair. That plan will not reach the year 2002. Senator CONRAD's plan will.

I urge its adoption.

Mr. DOMENICI. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. There are 26½ minutes for your side, and 18½ minutes for the other side.

Mr. DOMENICI. I am using my time.

I hope Senators understand that is literal. There are 26 minutes left on our side, 18 minutes left on Senator EXON's side. I intend to make that where it comes out even.

I yield 3 minutes to Senator SANTORUM in opposition to the amendment.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator from Pennsylvania is recognized for 3 minutes.

Mr. SANTORUM. I thank the Senator.

Mr. President, I wanted to talk about the Conrad amendment and just suggest that this is more of the same, again smoke and mirrors, no defined plan of how you are going to get there, more taxes, $230 billion is what they tell you about, but go ahead and spend $170 billion in the reserve fund. We do not know how that necessarily will work and whether that is really there.

I ask the Senator from North Dakota. Has that been scored by the Congressional Budget Office that your budget gets a bonus of $170 billion? Do you get that bonus?

Mr. CONRAD. Am I to respond?

Mr. SANTORUM. Yes.

Mr. CONRAD. We have treated the $170 billion in the same way that the Republican resolution has treated it. In other words, only that money—

Mr. SANTORUM. Has the CBO scored $170 billion in savings in your budget as a result of it going to balance as it did the Domenici budget?

Mr. CONRAD. We do have CBO scoring for the 7 years that indicate we will save $1.250 trillion. We will balance without using Social Security surpluses.

Mr. SANTORUM. I am running out of time.

Mr. CONRAD. We have more deficit reduction in the year 2002 than the Republicans.

Mr. SANTORUM. If I can reclaim my time, I am not getting an answer to the question. I guess the answer is the CBO has not scored $170 billion in bonus savings as a result of getting to balance in 9 years. So they are using money that they do not even have. So it is already potentially $170 billion out of balance.

They have $230 billion in tax increases. They do not solve the Medicare problem because they add money back which does not take care of the problem with the insolvency of the trust fund. They have $443 billion in new spending, but only $398 billion in offset. So that falls short.

This plan looks remarkably like a 10-year plan that the President supposedly is eyeing over at the White House of how to get to a balanced budget in 10 years, which this budget does in 9 years.

Mr. GRAHAM. Will the Senator from Pennsylvania yield for a question?

Mr. SANTORUM. Let me finish my time. Then I be would happy to yield, if I have any time left.

I did a little homework. I found the Chief of Staff at the White House, Leon Panetta, who was Budget Committee chairman when I was on the Budget Committee and offered a budget resolution. "The Story of America's Future, Preparing the Nation For the 21st Century," which was a 10-year balanced budget, just being produced over at the White House, basically presented here today, and they are remarkably similar—big cuts in defense, cuts in entitlements, which the Conrad budget does, and up to a $400 billion in tax increases.

It is the same old song.

Mr. GRAHAM. Will the Senator from Pennsylvania yield for a question?

Mr. FAIRCLOTH. The time of the Senator from Pennsylvania has expired.

Who yields time?

Mr. DOMENICI. I yield myself 3 minutes.

Mr. President, let me say to Senator CONRAD and those who joined him, that we are—

Mr. GRAHAM. Will the Senator from New Mexico yield for a question?

Mr. DOMENICI. No, I will not. I have not had a chance to speak yet. Let me do this. I am not shying away from questions. Let me say to Senator CONRAD that it is very good that you would bring a balanced budget to the floor at 1 o'clock when there is 30 minutes left to debate.

The President sent a budget up about 4 months ago. The Republicans sent a budget to the Budget Committee about 2½ to 3 weeks ago. We have been on the floor a little more than a week. Frankly, there is no way to analyze the budget. But, frankly, I am absolutely positive that it does contain a couple of things that everybody should understand.

The Senator would say he is just taking care of loopholes, just not letting those grow as much, not letting the tax credits and other things grow. He is freezing them at 1-percent growth.

The truth of the matter is that equals a number. That is a dollar number. My estimate is that it is $230 billion in new taxes no matter how you cut it, because in this resolution, if it is done right, they tell the Finance Committee to raise revenues in the amount of $230 billion. Obviously, if you raise revenues $230 billion, you can spend a lot of money. You can spend $230 billion of the taxpayers' money. We did not do that. Americans should understand that.

In addition, the Senate budget resolution said when you balance, there is a dividend. We do not know if they have a dividend on that side. But we said when that dividend accrues we cut Americans' taxes by $170 billion. It is very easy to sit up here and say we are only going to cut for the rich. It is not true. If they did not have that in their vocabulary on that side, they would not have anything to talk that about. Every time they get up, they talk about taxing the rich.

The budget resolution says when we have tax cuts, if we do, they will not go to the rich. I do not know how many times I can say it, but that is the truth. Read the resolution.

In addition, that $170 billion which the Republicans say give back to Americans, they spend that. Of course, $230 billion and $170 billion is $400 billion. It seems to me, if you have $400 billion to spend, you can save a lot of programs.

I yield 1 additional minute.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 1 additional minute.

Mr. DOMENICI. The question is, should the American people be taxed $230 billion more at this time in history, and should they not be entitled to at least take a look at whether they should get a tax cut when we get things in balance, or should we spend it all? That is the issue, plain and simple. All the rest is an interesting discussion which nobody has enough time to analyze. But I still commend the Senator. It is better than nothing. We did not have anything until now.

So I thank him for doing something better than having nothing to offer. Frankly, it is a false gesture. There will be a lot of people who will vote for it. They will say they voted for a balanced budget also. Frankly, I think it is a little too late. Nonetheless, we will probably vote on it later today.

I yield the floor at this point and reserve the remainder of the time.

Mr. GRAHAM. Will the Senator from New Mexico yield for a question or yield time to the Senator from Pennsylvania?

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I do not have any time.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, unfortunately, the Senator from Nebraska is placed in the position where I have a great number of Senators who want to address this. If I have any time left for myself at all, I would like to answer some of the statements that have been made. But in view of the fact that I have Members on this side who are very vitally involved in this whole matter at this time, I would like to yield 2 additional minutes for whatever purposes he sees proper to my colleague from North Dakota. I would like to yield, following that 2 minutes, to my colleague from the State of Illinois and 2 minutes to my colleague from the State of New Jersey, 6 minutes in total.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. CONRAD. I thank the Senator from Nebraska.

In answer to my colleague from Pennsylvania, this is not the same old song. This is a balanced budget and one that does it without using or without counting Social Security trust funds. It is a significant breakthrough. We do it by less draconian cuts on the high-priority programs of education, Medicare, Medicaid, veterans, and many others.

We are able to do that because we reject the tax reduction aimed and targeted primarily at the wealthiest among us, and we say there is no need to defend every tax preference, every tax loophole, every tax break that is in the current code.

This chart shows it—$4 trillion of tax preferences over the next 7 years. We say let us limit the growth to inflation plus 1 percent. That saves us $228 billion.

Now, my friends may be able to defend every tax preference, every tax break, every tax loophole. I am not. I do not understand the practice of allowing 73 percent of the foreign corporations doing business in this country to get by without paying one dime of tax. Those are not U.S. taxpayers. They are foreign taxpayers doing business here, and we allow 73 percent of them to get by without paying a penny. It makes no sense.

I do not understand the practice of having a section 936 in the code that costs $57,000 for every job created in Puerto Rico under that section of the code. I think we could do away with that loophole, and overwhelmingly the people of this country would agree. I do not see any reason we should not say to the billionaires who renounce their U.S. citizenship to avoid taxes, that loophole should now be closed.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. SIMON. Mr. President, I rise in strong support of the Conrad amendment. In response to my colleague from Pennsylvania, who said this is smoke and mirrors, it took about 10 of us about six meetings to put this together, plus our staffs. It is substantial. I do not suggest that the budget offered by the Senator from New Mexico is smoke and mirrors. This is not smoke and mirrors. The question is, which is more equitable? And I think clearly the Conrad amendment is.

The second question is the growth of tax loopholes or tax entitlements. I have heard the Senator from New Mexico speak often about entitlements and the need to get hold of them. He is absolutely correct. But that also applies to tax entitlements, and what the Conrad amendment does is say on tax loopholes, they can grow at the rate of inflation plus 1 percent.

Finally, I would say I am a pessimist that any of these things will stand without the teeth of a constitutional amendment. Our history is after 2 years they blow up. But I believe the Conrad plan has a greater chance of standing up through the test of time because it is more fair. The burden is spread more evenly. I strongly support the Conrad amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the issue of whether there will be a tax increase in the budget resolution, of course, is yesterday's story. There already is a tax increase in the Republican budget proposal. It is the elimination of the earned-income tax credit. It is a tax increase of $20 billion on families that earn under $28,000 a year.

So make no mistake, the issue is not whether or not there will be a tax increase. The issue is who is going to pay the tax. And I believe that this measure is appropriate. It says that corporations and wealthy individuals who use tax loopholes should lose them or have them limited. The Senator from South Dakota and I might disagree on which tax loopholes should be eliminated, but there is no question that we should tell the Finance Committee to work to achieve that amount of deficit reduction through the elimination of the tax loopholes.

If this amendment does not succeed, when we get to the end and we are offering amendments that will not be able to be debated, I will be offering another alternative budget that will cut discretionary spending more, Medicaid and Medicare less, tax expenditures less, have a tobacco tax, cut defense more, and cut agriculture more. That will be an alternative budget to the one that is being offered now by the distinguished Senator from North Dakota. So that, indeed, we will have two Democratic amendments that would produce a balanced budget—not one but two. And I hope that this amendment is seriously addressed by the Senate and passed, because it is clearly better than the current budget proposal.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 19 minutes 2 seconds.

Mr. DOMENICI. That is all that is remaining?

The PRESIDING OFFICER. The Democratic side has 12 minutes 9 seconds.

Mr. DOMENICI. Mr. President, I have a number of comments I wish to make. I yield myself 5 minutes.

Mr. President, on Federal workers, there will be an amendment called up that Senator SARBANES offered, and, frankly, I want the body to know that I worked very hard with Federal employees representative groups. We did a lot better in this budget resolution for Federal workers than the House did.

First of all, we did not freeze their pay. They get their regular pay increases. We provided sufficient money. The House provided a freeze. Unlike the House approach, we did not put a tax on them to put in the pension fund of 2.4 percent. The only thing that is in this budget resolution is use the top 5 instead of the top 3 for your averages. And we hope to do some grandfathering in the committee so that it has the least damaging effect. On the other hand, I would like to do more but I am also hopeful that when we go to conference I can hold what we have done, and from what I understand from most senior groups, most Federal employee groups, with some grandfathering this is much more palatable than what the House did.

Second, I would like to talk about WIC. Some people have talked about the Women, Infants and Children Program. I think it was Senator LEAHY. We accommodated an increase in the WIC Program. There is no argument that other programs should be restrained, but we said we think that should be increased; that is very important, nutrition. In fact, it is a $1.6 billion increase.

With reference to the power marketing, there is and there will be an amendment and discussion about it. Let me just suggest we understood from Members on our side and the Democrat side that the PMA's as proposed by the House was too tough; it would raise utility rates very high in some areas of the country. We scaled it back tremendously in this budget resolution. For those who are interested, we reduced the savings in the President's budget by two-thirds, or $2.9 billion, the assumption of savings.

We also assumed that existing customers get preferential rights to purchase the PMA's. I think we did a very credible and good job in that area, and I hope that the Senate would not further change that during the waning moments.

In addition, I repeat one more time, this budget resolution says by adoption of a sense-of-the-Senate resolution, if taxes are granted to the American people, 90 percent of them shall go to Americans earning $100,000 or less.

If I did not use all of my time, I will reserve the remainder of it and yield at this time.

Mr. SARBANES. Will the Senator yield?

Mr. DOMENICI. I will be pleased to yield.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. I will be very brief.

That this resolution is more sensitive toward the Federal employees than the House-passed resolution is correct. I think we have done better than the House. I offered the amendment on the retirement provision because I feel strongly we ought not to change the rules on people who have given long service and planned this retirement. But the overall package in the Senate resolution is better than what the House has done, and I am hopeful that we can do even better in the conference. But I offered this particular proposal because I am very concerned about people having the retirement rules changed on them along the way in their working career.

Mr. EXON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes 9 seconds.

Mr. EXON. I yield 2 minutes to the Senator from Michigan and following that 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Michigan has 2 minutes.

Mr. LEVIN. Mr. President, I thank the Senator from Nebraska.

The budget resolution before us assumes a 15 percent reduction in overhead for programs in nondefense agencies. It assumes no reduction in overhead for the Defense Department. I think that is the wrong signal to send to the Defense Department, particularly given the fact that we know there has been remaining waste in the defense budget. We have identified literally hundreds of millions of dollars that the GAO has pointed out could be saved by improved efficiency in travel management. We know of the billions of dollars of expenditures where they cannot even identify authority for the expenditures.

We can reduce somewhat the overhead in the Defense Department. My amendment which I will send to the desk says it is the sense of the Senate that the Armed Services Committee and the Appropriations Committee should reduce the overhead in the Defense Department by 3 percent—just 3 percent. And again the contrast here is very clear. We have in this budget assumed a 15-percent reduction in overhead of nondefense agencies, but the budget makes no cut, no assumption about the reduction in overhead in the Defense Department. And given the fact there has been identification of excess and waste in overhead in the Defense Department, we ought to at least ask the Appropriations Committee and the authorizing committee to cut overhead—and I emphasize the word "overhead"—by 3 percent. This does not reduce the programmatic activities of the agency.

Just the way the 15-percent reduction in overhead was directed to be taken out of things like travel and rent and not out of the programs of the agencies, so this minimum 3 percent reduction in defense is directed not to come out of the programmatic activities of the defense agencies.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. EXON. As I understand it, the Senator will send the amendment to the desk for later consideration.

Mr. LEVIN. That is correct.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

AGRICULTURE AND NUTRITION PROGRAMS

Mr. WELLSTONE. I thank you, Mr. President.

Later on, we will be voting on an amendment offered by Senator EXON and, I believe, Senators DASCHLE and DORGAN, and I am an original cosponsor. This amendment would restore $15 billion from the tax cuts to agriculture and nutrition programs.

Mr. President, I will tell you, a minute and a half is not enough time to talk about nutrition programs, but I want to just remind my colleagues that some 13 million children received food stamp benefits in 1992. Families with children receive 1.9 percent of food stamp benefits.

In addition, we are talking about the child and adult care food program which is nutritional assistance for children at child care centers—and I have visited those centers—we are talking about $20 billion-plus of cuts in the Food Stamp Program. And I say to my colleagues, not that long ago, the Senate unanimously supported an amendment that I offered that we would take no action that would increase hunger among children in America. Three times I tried to get a vote on that and lost. The fourth time we went on record supporting it.

I just simply want to say that these cuts in these nutrition programs will lead to increased hunger among children. The food stamp program in the United States of America is not perfect, but, given the tremendous disparities of welfare benefits, very low benefits, way below poverty level in many States, it is the true safety net for children.

To have these kinds of reductions in this food assistance program is one of the cruelest things we could do. And this summer, well before that final reconciliation bill, I am going to be on the floor over and over and over again reminding my colleagues of the consequences of what we are doing with these cuts. These are real children, real faces, real people, in our country. They do not have the political clout but they deserve much more of our support.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Who yields time?

Mr. EXON. Mr. President, I have an additional speaker that I would be glad to yield to at this time.

Mr. DOMENICI. Mr. President, I say to Senator ROTH, do you want to discuss an amendment you were going to offer?

Mr. ROTH. Yes.

Mr. DOMENICI. I yield 2 minutes to Senator ROTH and 1 minute to Senator STEVENS.

The PRESIDING OFFICER. The Senator from New Mexico yields 2 minutes to the Senator from Delaware.

PREVENTING OIL AND GAS LEASES IN THE ARCTIC NATIONAL WILDLIFE REFUGE

Mr. ROTH. Mr. President, when the time has expired, I intend to offer an amendment to prevent oil and gas leases to be made in the Arctic National Wildlife Refuge.

Mr. President, a financial debt is not the only threat that hangs over the heads of future generations. There is an environmental debt, as well. We have a moral duty to give them a world that has clean water and clean air, and open vistas where wildlife runs free. One of the great birthrights of every American citizen is the wealth of superlative public lands.

Unfortunately, the budget resolution before us today jeopardizes one of the most spectacular places in America: the coastal plain of the Arctic National Wildlife Refuge. There is a provision in the budget that provides for oil and gas lease sales in this sanctuary. Located in the northeastern corner of Alaska, this unique piece of our natural heritage is bordered on the north by the Arctic Ocean and Beaufort Sea, and on the south by the snow-capped Brooks Range.

As a lead sponsor of S. 428, the bill that designates the coastal plain of the Arctic National Wildlife Refuge as wilderness area, I am concerned by the provision in the budget proposal that uses revenues taken from sales of leases to drill the coastal plain.

My concern arises on two levels: first, that the budget is assuming revenue from a pristine wilderness area; and second, that the revenue raised from drilling in this wilderness area will not amount to such an insignificant amount of money that it could easily be found elsewhere.

Mr. President, as I've said before, the best thing we have learned from nearly 500 years of contact with the American wilderness is restraint, the need to stay our hand and preserve our precious environment and future resources rather than destroy them for momentary gain.

For this reason, I have been active in the effort to designate the refuge coastal plain of Alaska as a wilderness area. And I am not alone. Only 4 years ago, Congress rejected the idea of sacrificing a prime part of our national heritage, the Arctic National Wildlife Refuge, for what would be a minimal supply of oil. The Arctic National Wildlife Refuge is an invaluable region with wildlife diversity that has been compared to Africa's Serengeti.

As I've said in earlier statements, the Alaskan wilderness area is not only a critical part of our Earth's ecosystem—the last remaining region where the complete spectrum of arctic and subarctic ecosystems comes together—but it is a vital part of our national consciousness. It is a place we can cherish and visit for our soul's good. It offers us a sense of well-being and promises that not all dreams have been dreamt.

The Alaskan wilderness is a place of outstanding wildlife, wilderness, and recreation, a land dotted by beautiful forests, dramatic peaks and glaciers, gentle foothills, and undulating tundra. It is untamed—rich with Caribou, polar bear, grizzly, wolves, musk oxen, Dall sheep, moose, and hundreds of thousands of birds—snow geese, tundra swans, black brant, and more. In all, about 165 species use the coastal plain. It is an area of intense wildlife activity. Animals give birth, nurse and feed their young, and set about the critical business of fueling up for winters of unspeakable severity.

Addressing my second concern—that the revenue raised from drilling in this wilderness area will not result in such a significant amount of money that it couldn't be found elsewhere—let me say that the estimated revenue is only two-tenths of 1 percent of the total savings.

And that's why I'm here today, to offer an amendment that will prohibit the leasing of the coastal plain of ANWR to pay for deficit reduction and to recommend that we pay for the loss in revenue with an offset that would come from taxing millionaire ex-patriots. I don't think there's any question that the small number of wealthy individuals who choose to renounce or relinquish their citizenship for the purpose of avoiding taxes—or any other reason—are still responsible to pay taxes on the estate, income, trust and gift revenue they received while still Americans.

My amendment to prohibit the sale of leases for oil and gas development in the coastal plain of ANWR is revenue neutral. The revenue loss of $2.3 billion over 7 years is fully offset by closing tax loopholes that have been used by wealthy Americans who renounce their citizenship.

My amendment is consistent with the current law—with the dictates of Congress—law that prohibits oil and gas drilling in the coastal plain of ANWR. It is also consistent with agreements that we have made with Canada to preserve and protect this wilderness area, especially the habitat and culture of the native people who live in the area.

My amendment prevents oil and gas leasing in the coastal plain of ANWR without hearings in Congress. It does not preclude future development of this area, but only prevents Congress from using these savings from oil and gas leasing in the current budget process.

The coastal plain—where the oil and gas leasing would occur is the biological heart and the center of wildlife activity in the refuge. It is a critical part of our Nation's preeminent wilderness and would be destroyed by oil development.

There are those who may think the northern coast of Alaska is too remote for us to worry about. I urge them to read the CONGRESSIONAL RECORDS from the 1870's. The men who initially urged the Congress to protect a place called Yellowstone were subject to ridicule. Why, critics asked, should we forgo the opportunity to dig up minerals from the area? It's a remote place, and few Americans will ever venture there.

Today, as we wrestle with America's future, let's be as far-sighted as that Congress eventually proved to be. Let's not cash in a unique piece of America for a brief, hoped-for rush of oil. Let's protect the coastal plain of the Arctic National Wildlife Refuge—forever.

Mr. President, this amendment will not allow revenues to be used in this budget that are supposed to come from doing something that Congress has not allowed.

This is how it should be done. My amendment accomplishes this purpose. And I encourage my colleagues to support this important effort.

Mr. DOMENICI. I yield 1 minute to the Senator from Alaska.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. STEVENS. Mr. President, the basic concept of this resolution is that it assumes no increase in revenue. Senator ROTH's amendment is one of the first to assume increased taxes. It is a tax increase. His amendment will require an increase in revenue because it takes out the revenue that would be generated by leasing 1.5 million acres of the North Slope. It is not wilderness. It has never been wilderness. It is the largest potential area of oil and gas production in the United States.

I oppose this amendment. The audacity of those that would keep that blocked up. They are leading to the concept where we are now purchasing 55 percent of our oil from overseas, roughly $70 billion a year, because we are not producing oil from our own public lands.

I want to respond to suggestions that the coastal plain Congress set aside in 1980 within the Arctic National Wildlife Refuge for a study of its oil and gas potential is wilderness. This land is not wilderness. Congress has not declared it wilderness. Congress set this area aside to study the oil potential of this area, the potential which we now wish to develop.

Mr. President, in 1980, Congress withdrew 19 million acres in northeast Alaska to establish the Arctic National Wildlife Refuge, an acreage that equals the entire State of Maine. Of that, Congress designated as wilderness 8 million acres, an acreage exceeding the combined area of the States of New Jersey and Connecticut. Congress designated the other 11 million acres non-wilderness refuge lands. At that time, Congress also set aside 1.5 million acres within the non-wilderness area of the Arctic National Wildlife Refuge to study them for oil potential. It is this area which we want to develop, not wilderness within the Refuge.

I also want to respond to the suggestion of some Members and people outside this body continue to argue that this 1.5 million acre set-aside represents the only, or the last, great wilderness. This is just not so. Alaska, which has been singled out among all the States, is full of lands that have been given a wilderness designation by Congress. Alaska, in fact, with over 56 million acres of wilderness, has 64 percent of all wilderness acreage in the United States. This is an area larger than the States of North Carolina and South Carolina combined. In the Arctic of Alaska, there are 21.2 million acres of wilderness, an area larger than the States of Vermont, New Hampshire, Connecticut, and Rhode Island.

In 1991, Alaska had over 57.5 million acres of wilderness. Compare this with the State with the next greatest amount of wilderness—California—which had, in 1991, less than 6 million acres of wilderness. Compare this also with the fact that Connecticut, Delaware, Iowa, Kansas, Maryland, Rhode Island, and the District of Columbia have no wilderness.

Within Alaska, we have individual wilderness areas larger than some other States. For example, Gates of the Arctic National Park, which at 8.4 million acres, is twice the size of New Jersey, contains 7.1 million acres of wilderness—an area 6 times the size of Delaware. Within the Arctic National Wildlife Refuge, too, there are 8 million acres of wilderness, an area the size of Massachusetts and Delaware combined.

But this area should not be confused with the 1.5 million acres that we are discussing today for development of its oil potential. In section 1002 of the Alaska National Interest Lands Conservation Act of 1980, Congress set this area aside and required Interior to report on the resources and oil potential in this area for the future.

Interior conducted seismic studies of the area and concluded that there is a 46-percent chance of discovering commercial quantities of oil. It estimated that there may be as much as 9.2 billion barrels of oil in the coastal plain—which would make it the largest remaining oil reserve in North America. To give some perspective of how much oil that is, 10 billion barrels have been pumped out of the Prudhoe Bay field—and it has been supplying 25 percent of this country's domestic oil need since the late 70's.

Some have argued that oil and gas development would destroy the wildlife in the area. The same arguments were made when Congress considered the Trans Alaska Pipeline Authorization bill in 1973. But the facts prove otherwise. Since oil and gas was developed at Prudhoe Bay, the caribou population in the area has skyrocketed, increasing by a whopping 600 percent. Likewise, populations of musk oxen, waterfowl, and polar bear have either remained stable or increased. In fact, with modern drilling technology, only 5,000 to 7,000 acres—roughly one-half of 1 percent—of the 1.5 million acres in the coastal plain area would be impacted by roads, structures, or other development activities.

I urge you to let Alaska's oil resources go to work to reduce the budget deficit, increase domestic oil production, and create jobs. I urge you not to be swayed by inaccurate statements about the "1002 area" on the Arctic coastal plain—inaccurate statements about its wilderness designation or its importance as the last great wilderness. Congress set aside this area to be studied for development of oil, and we need to do it today for the future of this country's needs for energy and jobs.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, at this time, I yield 2 minutes to the Senator from Ohio, followed by 2 minutes to the Senator from Virginia, followed by 2 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. GLENN. Mr. President, I thank the floor manager of the bill.

Mr. President, do I have a bargain for the U.S. Senate. This is the best deal you are going to get all day, I think. For every dollar spent, you are going to get $5 back and no new taxes. How do we do that? Sounds like blue smoke and mirrors, but it is not.

Mr. President, this amendment makes sure that we do not jeopardize more than $9 billion in deficit reduction. I am pleased to be joined in this amendment by my good friend from Illinois, Senator SIMON.

Let me stress that there are a number of things about this budget resolution I support, not the least of which is its strong approach to reducing the deficit and controlling the costs of Government. And while I disagree with many of the priorities chosen by the chairman of the Budget Committee, I commend his commitment and perseverance in seeking to balance the budget so that we can leave our children and grandchildren a legacy of hope, rather than debt.

Mr. President, I believe the amendment I am offering today furthers that goal by preserving the antifraud compliance initiative of the Internal Revenue Service which will bring in almost $5 for every $1 we spend.

Currently $164.3 billion in unpaid taxes are owed to the Government. Much of that is not collectible because of defunct corporations, bankruptcy, death or loss of employment. But $30.1 billion of that total is collectible right now. I think that bears repeating: $30.1 billion is rightfully owed to the Government and is collectible right now.

That is where the compliance initiative comes in. Last year, with bipartisan support, the Congress approved and funded the compliance initiative to collect this debt and it is projected that $9.2 billion will be collected over the next 5 years. I think that is a conservative estimate, I am happy to report that collections are ahead of schedule. In the first quarter of the initiative alone, $101 million has been collected—money that will reduce the deficit which is what the budget resolution before us is all about.

Mr. President, the first quarter results are laid out for all to see in this report which I ask unanimous consent to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATUS OF ACCOUNTS RECEIVABLE

Currently, gross accounts receivable are $164.3 billion. Included in that amount are an active accounts receivable inventory and a currently uncollectible portion.

As of March 1995 the active portion of the accounts receivable inventory was $81.4 billion; $30.1 billion of the $81.4 is the net collectible portion of these receivables—this is the part we can collect right now.

The remaining $51.1 billion of the $81.1 is the allowance for doubtful accounts (ADA) of the uncollectible portion—the part most likely to be written off.

Some of the reasons why these receivables will not be collected are: defunct corporations; taxpayers who have died, or suffered such other personal hardship as serious illness or loss of employment; bankrupt businesses; inability to locate taxpayers, and abatements due to IRS and taxpayer errors.

The portion of our receivables in currently uncollectible status is $82.9 billion. A large portion of this amount is accrued penalties and interest. This category represents accounts not included in the active portion because a collection employee has determined a taxpayer cannot currently pay owed taxes. There is a likelihood that some portion of the amount owed could still be collected in the future.

In FY 94 alone, the IRS collected $1.2 trillion in net tax receipts. Also in FY 94, the active accounts receivables increased 7 percent ($5.1 billion), the smallest growth in active accounts receivable in 4 years.

Mr. GLENN. Mr. President, this bipartisan antifraud program was placed outside the discretionary spending caps for a very simple reason: the Budget Enforcement Act precludes scoring revenue gains from these kinds of compliance activities.

Unfortunately, language placed in this year's budget resolution shifts the initiative back within the caps. That will have the effect of penalizing the initiative—and its substantial revenue gains—in the appropriations process, since it forces appropriators to consider the initiative's costs without allowing them to account for its much greater revenue gains.

This would likely lead to deep cuts, or even the abandonment, of an initiative that brings almost five times what we spend on it. Those cuts would show up as short-term savings of $2 billion to the Treasury. But it would ultimately lead to a net loss of at least $9.2 billion over 5 years. This is shortsighted, and it's bad business.

Mr. President, that is why members of both parties chose to remove the compliance initiative from the caps last year. It is why the House budget resolution continues that structure. This is not a partisan issue. When it came up before the Senate Budget Committee, my colleague from Missouri, Senator BOND, voted to keep the initiative outside the caps. It is a sound business investment.

But Mr. President, the compliance initiative is not only about bringing in revenue properly owed the Government, it is also about fairness. I know that some view the IRS as an easy target because of public animosity toward the agency. Of course, no one enjoys paying taxes. But what really burns people up is to feel that they are paying their taxes while others are getting off scot-free.

I have talked with countless Ohioans who tell me that they diligently fill out their tax forms, go through all of the hassles with our all-too-complicated Tax Code, send in their payments, only to then hear about those who are getting away with falsifying their returns or submitting none at all. Or corporations that have developed tax schemes to walk away from their liability while everyone else picks up the tab. It is infuriating. A lot of people may not like the IRS, but I will guarantee you they like tax cheats a lot less.

Well, if our amendment fails tax cheats everywhere can rest easy. Quite simply, by putting the compliance initiative under the spending caps, the budget resolution could force the IRS to abandon this important initiative which not only generates revenue, but also assures honest Americans that others are also going to be paying their fair share. This notion of fairness is the underlying principle behind the Tax Code.

Eliminating the compliance initiative not only cuts revenue to the Treasury by more than $9 billion, even worse, it undermines confidence in our Tax Code by signalling to Americans that the Senate believes in double standards, that there are rules for hard-working Americans who pay their taxes, and no rules for people who don't. More effective compliance sends the right message: that there are no double standards when it comes to tax fairness. Everyone must pay their fair share, and we will enforce the laws against those who don't.

Mr. President, I would urge my colleagues to recall that this entire issue was settled last year. The Senate and the House both approved and funded the IRS compliance initiative, and the IRS has since done its part. The IRS is already ahead of schedule in collecting the taxes targeted for this year, and that's before most of the new compliance employees are even fully trained.

Now, I have heard that some Senators share my view that the compliance initiative makes a lot of sense, but think that, to avoid smoke and mirrors, it belongs on budget. In other words, they say that if the IRS and the administration think this is so important, they should fund the Initiative within the caps. That is a reasonable notion that in years past might have worked, and I probably would have agreed with them.

However, as we all know, our efforts to eliminate the deficit have necessitated that funds available in previous years simply don't exist any longer. But this initiative was developed to assist in that effort—to help reduce the deficit. That is why the current structure was established. We all want to collect delinquent taxes, and a $5 return for every dollar spent is a wise investment by any standard.

I would argue, in fact, that those Senators who support the compliance initiative but insist on placing it under the caps are perhaps the ones engaging in smoke and mirrors. These Senators get to say that they support compliance, while knowing full well that under the caps there is no money to pay for it. Unfortunately, the only ones who stand to gain are dishonest people and corporations who are not willing to pay their fair share. They mock the honest American taxpayer. And who are the losers, the American taxpayer who has to pick up the tab, the Federal treasury which will lose more than $9 billion, and the big loser—deficit reduction.

Senator Simon and I want no part of an effort that so flies in the face of rationality. The amendment that we have introduced strikes that part of the budget resolution which requires that the compliance initiative be funded on budget. The affect of the amendment would simply be to return the compliance initiative to its off-budget status, where the Congress put it last year, and where it has been working to bring in delinquent taxes ever since.

Mr. President, I would urge by colleagues to support this amendment, so that we can get on with the task of deficit reduction.

I ask unanimous consent that a summary of the IRS compliance initiative be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

IRS Compliance Initiative

NEED FOR COMPLIANCE INITIATIVE

Last year, Congress approved a $405 million annual investment to collect an additional $9.2 billion to reduce the deficit over five years.

The structure under which the Compliance Initiative was originally approved has provided the Congress and the IRS the flexibility to meet budgetary objectives, while at the same time strengthen compliance.

IRS COMPLIANCE INITIATIVE IS WORKING

Early results show that IRS will meet or exceed the goal of generating the additional $9.2 billion. Through the first quarter of FY 1995, the initiative has generated an additional $101 million, 31% of the FY 1995 commitment. The payoff in later years will be higher when the new people become fully productive.

Initiative results are being tracked. A new system for tracking this initiative and related revenues raised by it was developed by the IRS and accepted by GAO. The First Quarter Report was delivered to Congress, on schedule, on March 31.

CUTTING THE INITIATIVE WOULD INCREASE THE DEFICIT

Congress is working hard to shrink government costs. With regard to the initiative, however, for every appropriated dollar "saved", tax revenues are reduced by nearly five dollars. Elimination of the five-year initiative commitment for FY 1996 and beyond would dramatically hinder the IRS' ability to address significant areas of noncompliance that the Congress has urged it to focus on—boosting examination coverage, reducing accounts receivable, and curbing filing fraud.

Further, only $300 million in additional revenues will have been realized, sacrificing $8.9 billion that will be achieved in FY 1996–1999, and an additional $2.1 billion in years past FY 1999.

And this revenue loss relates only to direct revenues—the Service's enforcement activities also encourage voluntary compliance. Every one percent increase in voluntary compliance increases tax revenues by $10 billion annually.

ELIMINATING THE INITIATIVE SERIOUSLY DAMAGES COLLECTIONS

IRS has put in place a long range hiring and training plan. By the end of May, over 5,000 people will have been hired or redeployed to compliance jobs as part of this initiative. These employees are collecting taxes already due, which if not collected, increase the burden on those taxpayers who voluntarily meet their tax obligations.

Elimination of the Initiative would require IRS to immediately institute a hiring freeze and in FY 1996 furlough the approximately 70,000 Compliance employees for up to 17 days to reduce expenditures by $405 million. In FY 1997, either further furloughs or a reduction in force would be necessary to reduce employment. Attrition alone would not be sufficient to get to lower staffing levels.

SAFEGUARDING TAXPAYER RIGHTS

As tax administrators, one of the IRS' most important responsibilities is to ensure that taxpayers are treated fairly, courteously and with respect. The IRS is committed to respecting the rights of all taxpayers.

In the last several years, the IRS has taken many steps administratively to safeguard taxpayer rights. And IRS is working with the Congress on proposed legislative changes that would further enhance safeguards.

The commitment to taxpayer rights will continue to drive IRS' work with regard to the compliance initiative and, in fact, *all* of the IRS' efforts.

U.S. Senate,
Washington, DC, May 22, 1995.

Dear Colleague: We are writing to inform you about an important issue in the Senate Budget Resolution which, if left unchanged, could cost the government and the American people more than $9 billion in deficit reduction.

Last year, with bipartisan support, the Congress approved and funded the IRS Compliance Initiative to collect over $9.2 billion in unpaid taxes to reduce the deficit. And it has been a real success—for every dollar we invest in this program we will receive nearly five dollars in return.

Last year's budget resolution placed the Compliance Initiative outside the discretionary caps for a very simple reason: The Budget Enforcement Act precludes scoring revenue gains resulting from these kinds of compliance activities. However, language placed in this year's budget resolution shifts the initiative back within the discretionary caps. That will have the effect of penalizing the initiative in the appropriations process, since it will force appropriators to consider the initiative's costs without allowing them to account for its much greater revenue gains.

As a result, this year's budget resolution will likely lead to deep cuts in the Compliance Initiative, or even force the IRS to abandon the initiative entirely. Those cuts would show up as a short-term savings of $2 billion to the Treasury. But it would ultimately result in a net loss of $9.2 billion over 5 years (and up to $11.3 billion including the out years). Such short-sightedness would not be tolerated in the private sector, and it should be rejected by the U.S. Senate, as well.

During floor debate on the Budget Resolution, we will offer an amendment to strike the proposed language on the Compliance Initiative budget structure, so that we can continue to reduce the deficit as Congress intended last year. We urge you to support his amendment. Please have your staff contact John Haseley with Senator Glenn (4–1519) or Aaron Rappaport with Senator Simon (4–5573), with any questions.

Sincerely,

John Glenn.
Paul Simon.

I urge support for this amendment. I will submit it at the appropriate time. I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Virginia is recognized for 2 minutes.

Mr. ROBB. Thank you, Mr. President. I thank the managers of the bill.

Mr. DOMENICI. Did I yield the Senator time, or did the Senator from Nebraska yield time?

Mr. ROBB. The time was yielded by the Senator from Nebraska.

Mr. DOMENICI. Can I yield it so the Senator from Nebraska has time left? How much time does the Senator from Virginia want, 3 or 4 minutes?

Mr. ROBB. Two minutes will be adequate.

Mr. DOMENICI. I yield 2 minutes to Senator Robb.

FAIR SHARE

Mr. ROBB. Mr. President, I rise in support of the fair share amendment that was offered by the Senator from North Dakota, Senator CONRAD. I, with a number of other Senators, worked with him to try to develop an alternative to the budget resolution that is on the floor. I continue to accord to Senator DOMENICI and others credit for moving us in the right direction.

Their amendment, if you include the $113 billion of Social Security trust funds, would come to balance under that math by the year 2002. This amendment comes by the year 2004 and gives us true balance without using the trust funds.

There are some very difficult choices still ahead of us. We are talking about budget resolutions and not budgets. When we get down to the hard work of the authorizing and appropriating, we are going to have to be making some very, very painful and difficult choices. This particular approach, in my judgment, spreads that burden more equitably and more fairly. Hence, I am very much in favor of it.

I, again, commend the Senator from New Mexico for his leadership and I, like some of the other folks on this side of the aisle, may end up even voting for the final version, even if this particular distribution fails, because I think it is important that we make the statement about the seriousness of our intent to move toward true deficit reduction, and we can continue to disagree about some of the details.

With that, I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut for 2 minutes.

Mr. LIEBERMAN. Mr. President, I rise to speak in favor of the amendment offered by the Senator from North Dakota [Mr. CONRAD], the one on the fair share budget; and the one offered by the Senator from Delaware [Mr. ROTH] on the Arctic National Wildlife Refuge.

ARCTIC NATIONAL WILDLIFE REFUGE AMENDMENT

Mr. LIEBERMAN. Mr. President, I am pleased to be an original cosponsor of Senator ROTH's amendment to protect the Arctic National Wildlife Refuge from oil and gas development. The budget resolution before us directs the Energy Committee to authorize the lease of 1.5 million acres of this internationally significant refuge to oil companies. If this happens, it will virtually destroy one of the world's crown jewels of nature for a small supply of oil. Yet, only last week in Senate debate, oil from wilderness areas of Alaska's North Slope was characterized as a surplus that should be made available for export. Clearly, oil from the Arctic National Wildlife Refuge is not a vital energy need for the United States.

The social and environmental cost of developing the refuge would be huge. It would severely impact major calving grounds and disrupt migration for one of the largest caribou herds on Earth. The Porcupine herd, estimated recently at over 152,000 caribou, uses the coastal plain of this refuge where development is targeted, to raise their calves and prepare for the incredibly harsh winter migration. It is one of the few areas hospitable enough for calving and summer habitation. The Canadian government provided permanent protection for their portion of this habitat in recognition of its importance and highly threatened status.

Development of this refuge will eliminate a significant amount of habitat for other wildlife, including denning and feeding areas for polar bears and Arctic wolves. Forty three percent of all polar bear dens in and around the refuge occur in this area. It will destroy a major habitat of musk oxen, and threaten staging grounds for millions of migratory birds. It has the potential to contaminate water supplies for vast areas of wilderness so pristine that they define the very term itself. It will degrade one of the last scrapes of Arctic wilderness with each of the elements of the Arctic North Slope ecosystem preserved intact. Ninety percent of this system is already open to oil and gas development. Without question, oil development will result in major environmental damages to this unique wilderness.

It also has the potential to destroy the economic and social basis for Indian cultures that have depended on these herds for thousands of years. We know them as the Gwich'in, the Inuvialuit, the Aklavik and others. We have heard their songs of the caribou. They remind us of Native Americans who once followed vast herds of bison on the Great Plains, and sang to their future as well. In the words of these Alaskan Natives, "Our Arctic way of life has endured for 20,000 years. Why should it die now for 6 months of oil?"

As a result of Senate action to lift the oil export ban last week, it is no longer clear whose 6-month supply of oil this might be. Repeatedly, we were told during Senate debate that a glut of North Slope oil exists. So much so, that we need to export this surplus to more profitable locations, such as Japan. Oil from the refuge, in all probability, will not fill American gas pumps. Therefore, the whole energy independence rationale for drilling in the Arctic National Wildlife Refuge is now clearly without any foundation. We would be drilling for oil company profits, not energy independence. In the process, we will deplete our domestic oil reserves and destroy one of our most valuable environmental assets. I think this is a very bad tradeoff, and I think most Americans will agree.

The plan to develop the refuge is a bad idea for another very big reason: it doesn't make budget sense. Senator ROTH offers a replacement offset that more than covers the projected revenues from oil leases, the closure of the tax break for expatriate millionaires. This tax break is for people who renounce their U.S. citizenship to shield their enormous wealth from the taxes every hard-working American must pay. It should not be preserved at the expense of the Arctic National Wildlife Refuge or any other significant resource of this Nation.

The deficit reduction value of the proposed Arctic National Wildlife Refuge lease is clouded by several unresolved issues. First, the $1.4 billion figure scored by CBO assumes a 50-percent State share, even though State law calls for a 90-percent share. Second, there are uncertainties about the ownership of submerged lands within the refuge. If it is determined that these lands belong to Alaska, it reduces the lease value of the refuge further. Third, the most recent offshore State lease near the refuge yielded only $48.41 per acre, compared to the estimated $1,533.00 per acre assumed by CBO—a huge discrepancy. Finally, the budget process itself is simply the wrong place to authorize major, irreversible actions of this kind because it limits normal debate, testimony, and public input.

The current budget rule on public asset sales, which this budget resolution seeks to change, prohibits the scoring of these sales for deficit reduction for good reason. It was created in 1985 during the Gramm-Rudman-Hollings Act to avoid bogus, shortsighted asset sales in the name of deficit reduction. Nothing has changed to reduce the need for this rule today as we debate the fate of the Arctic National Wildlife Refuge.

Much has been said since last November about the views of the American people on protecting the environment. So often we hear the presumption that Americans care less. But, this past week a national poll by ABC and the Washington Post found quite the opposite, as has every national poll since the election. Seventy percent of Americans feel the Federal Government has not done enough to protect the environment. In the case of the Arctic National Wildlife Refuge and many other treasured public lands across this Nation, I can only agree. We should not transfer public refuges, parks, forests or energy reserves without extensive hearings, informed testimony, and debate, particularly when they are so near and dear to the American people.

I want read a few words from some of the many letters I have received urging me to protect the Arctic National Wildlife Refuge:

The Ambassador of Canada, Mr. Raymond Chretien, wrote:

> Canada believes that opening the Arctic Refuge to oil and gas development will lead to major disruptions in the sensitive calving grounds and will affect migratory patterns of

> the Porcupine Caribou Herd on which thousands of Canadian and American Aboriginal people depend.
>
> In signing the 1987 Canada-United States Agreement on the Conservation of the Porcupine Caribou Herd, the United States and Canada both recognized the transboundary nature of these wildlife resources and our joint responsibility for protecting them.
>
> In 1984, Canada gave wilderness protection to its portion of the caribou calving grounds by creating the Northern Yukon National Park. The critical calving grounds in the United States, however, do not have formal protection and remain vulnerable to development, as evidenced by the recent budgetary proposals.
>
> Canada believes that the best way to ensure the future of the shared wildlife population of the Arctic Coastal Plain is to designate the "1002" lands as wilderness, thereby providing equal protection on both sides of this border to this irreplaceable living resource.

Gwich'in Tribe, Renewable Resource Board, Mr. Robert Charlie, wrote:

> Opening up the Arctic Refuge to (oil and gas) development would have a drastic negative impact on the Porcupine Caribou Herd which calves in the area. In turn, the decline of the herd would devastate the aboriginal cultures in Yukon and Northwest Territories which rely on caribou for cultural and economic survival . . .
>
> Both President Clinton and Prime Minister Chretien oppose drilling in the refuge.
>
> Oil development is opposed by all First Nations in Canada and Alaska, with exception of the Inupiat who have financial interests there.
>
> The calving grounds in the "1002" lands are recognized by the International Porcupine Caribou Board as the most sensitive habitat of the herd.
>
> A study released last week by the Alaska Department of Fish and Game links the drop in growth rate of the Central Arctic Herd at Prudhoe Bay to eviction of cows and calves by oil development.
>
> Other department reports in preparation collaborate on the negative impacts of development on caribou calving.

Wildlife Management Advisory Council of the North Slope, Mr. Lindsay Staples, wrote:

> Allowing oil development in the Arctic Refuge would severely impact on the Porcupine Caribou herd. A decline in the herd would mean social and economic ruin for the indigenous peoples who rely on the herd. The Inuvialuit of Aklavik, Northwest Territories are among those whose lifestyle and culture would be at risk.

President Jimmy Carter, op-ed to the New York Times, wrote:

> The new Congress must be reawakened to protecting the interests of all Americans by protecting public lands in Alaska. For what is at stake is an unparalleled system of Federal reserves protecting wildlife, fish and wilderness. Polar bears, musk ox, wolves and a herd of 150,000 caribou roam the remote Coastal Plain of the Arctic National Wildlife Refuge in the far north—a place often called "America's Serengeti . . .
>
> November's election was not a mandate to damage Alaska's environmental treasures. Poll after poll has shown that the American people remain fully committed to the protection that makes the unspoiled reaches of our Nation the envy of the world.

Mr. President, I believe it is essential for this Nation to balance its budget. I salute the budget committee for taking bold and concrete steps to reach this goal. This is a very difficult, complicated task that requires sacrifice by all of us. I believe Senator ROTH's amendment provides a better way to reach this goal than the proposed development of the Arctic National Wildlife Refuge. It trades something we do not need, a tax break for rich people who do not care about our country enough to maintain their citizenship, for something we do need and are willing to take care of, one of or most precious natural resources.

In 1991, I was 1 of 44 Senators who voted against a motion to proceed with an energy bill that contained a plan to develop oil on this refuge. Today, we must renew this commitment to safeguarding this national treasure. We must continue our stewardship of our natural resources and natural heritage. I ask all my colleagues on both sides of the aisle to join Senator ROTH, me and the many other Senators supporting this amendment today. We may not have a second chance.

TECHNOLOGY RESEARCH AND TRAINING

Mr. LIEBERMAN. Mr. President, I wanted to speak briefly on the amendment I am pleased to cosponsor with Senators BINGAMAN and ROCKEFELLER on technology research and training.

The Federal Government, since the Second World War, by its investments in research and support of technology, has really driven this economy. This budget begins to dismantle the apparatus that has created so much wealth, growth, and jobs, and we desperately need to compete in the world today. It is the beginning of kind of an economic disarmament as the world becomes more competitive. In this budget, while other nations are increasing their relative investment in research and development and training and technology, we actually decrease the investment that America is making.

In Japan and Germany, and other industrialized nations, the investments that are made in research and training and technology are beyond partisan and political debate. They stand up there with national defense. Those folks in Japan and Germany are probably the ones who will not only find this debate shocking but will get a big laugh out of the fact that we are cutting some of these programs.

The Commerce Department, the agency that has finally brought together our effort to take the research from the laboratories, convert it into technologies that create jobs and then have an aggressive export promotion program that sells those products abroad is actually being dismantled in the budget before us.

While I support the bottom line that the budget achieves, these are the wrong priorities, and I hope through the sense of the Senate that we will express our support for different priorities.

I find it ironic that the budget resolution, by cutting critical investments in science, technology and trade, depletes future sources of revenues for the national budget, and ultimately weakens our economy rather than strengthens it. In trying to save dollars today, we are throwing away the investments with the biggest payoffs tomorrow. We are stealing from our own pockets tomorrow, and from our children to pay for budget cuts today. The strategy simply makes no sense.

Research and development, applied research, export promotion, and trade law enforcement. These efforts are the fuel of our economy. Traditionally, the Government has played an important role in stoking our economic furnace with selected, well-defined R&D programs that stimulate the economy and protect and promote our interests abroad. They have been a critical engine for economic growth in the United States and are one of its major competitive advantages. The budget resolution's deep cuts into research and development have the potential to devastate our research institutions, institutions that have international reputations for excellence. These institutions spawn the new ideas that form the basis for innovation in the marketplace. No major research institution is left unscathed—the Department of Commerce trade and technology programs, the National Institutes of Health, the Department of Energy Labs, NASA, and even the premiere basic research institution, the National Science Foundation. The lack of judgment in cutting these programs is obvious when one notes that the direct return on investment to our economy, from research and development is 30 percent. This figure does not even take into account indirect social benefits from research and development.

Currently, our Federal investment is research and development is 1.1 percent of GDP, split almost evenly between defense and civilian R&D. If we remove the defense component and add on the investment by the private sector, we find that our investment, as a nation, in civilian R&D is 2.1 percent of GDP. We can compare the R&D investment trends in the United States with those of other industrialized nations. Today, we are behind Japan and Germany in this critical factor. This historic pattern relative to Japan and Germany has had a direct impact on our economies. Since the 1950's, our per capita GDP has risen an average of 1.8 percent per year, while in Japan the rate has been 5.2 percent per year, and in Germany, 3.1 percent per year. R&D means new products and new technologies. The correlation between R&D investment and economic growth is real.

While other nations are increasing their relative investment in R&D, the current budget resolution would decrease our R&D investment. It marks a historic reversal in U.S. policy toward science and R&D. By the year 2002, the budget resolution would decrease our Federal investment in R&D by approximately 40 percent. The result would be to decrease our national investment in R&D from 1.1 percent of GDP to 0.68 percent of GDP. Even if other nation's R&D investments remain constant, and do not grow, as is the trend, we fall behind countries like France and the United Kingdom. The lead that Japan and Germany have over us grows substantially. This graph does not consider the multitude of rapidly growing emerging nations, who are rapidly becoming fierce competitors in the global marketplace.

These conservative estimates of the results of the decrease is investment in R&D have major implications for our ability to compete in the global marketplace with products that incorporate the innovations conceived by our R&D efforts. It is not sufficient to just conceive of good ideas. These ideas must become products and then be brought to market, at home and abroad. Our success in the global marketplace is directly reflected in our standard of living and our quality of life. The budget resolution completely dissolves the agency that has been the most effective in technology development and trade promotion, the Department of Commerce, ending its programs in these areas up front.

The effort to get our creative ideas to market, to feed our economy, has had a bipartisan history. Landmark legislation by Senator DOLE and then Senator Bayh led to a Federal initiative in technology transfer from the Federal laboratory bench to industry. I applaud the forward-looking, innovative thinking that was pioneered by our current majority leader. The Advanced Technology Program was crafted by congressional leaders on both sides of the aisle during the Bush administration. These programs are leading us into the 21st century, with significant potential for enormous returns on investment. For example, the Manufacturing Extension Program, out of the Department of Commerce, was designed to help some 370,000 small- and medium-sized manufacturers, raise their performance to world standards. This program has returned $8 to the economy for every dollar the Federal Government has invested. These technology programs account for less than 2 percent of total Federal R&D investment but are critical to our ability to capitalize on our innovations. We must not cede to other nations the economic benefits of American ingenuity. Along with the elimination of the Department of Commerce, these programs are either slated for deep cuts or elimination.

Getting our products into markets around the world has been one of the real achievements of the Department of Commerce in recent years. The Department of Commerce has worked aggressively to increase exports. In the last 18 months, the Commerce Department successfully advocated, on behalf of U.S. companies, contracts with a total U.S. export content of $25 billion. In other words, for every dollar spent on the Department of Commerce, $6 have been generated in the economy. Commerce has eliminated unnecessary and outmoded regulations on more than $32 billion in exports, allowing domestic companies the freedom to succeed in overseas markets. And, these accomplishments have been made with the smallest Cabinet budget. The advocacy for U.S. trade will be even more critical in coming years as the global marketplace becomes a larger and larger component of our economy.

There are new international competitiveness issues on our horizon and we will need to be effective and efficient in our responsiveness to the rapidly changing global economy. New markets are emerging in developing countries. Conservative estimates suggest that 60 percent of the growth in world trade will be with these developing countries over the next two decades. During a time when we will need increased emphasis on international trade we are contemplating eliminating the only agency that advocates for American business, in the Cabinet and abroad.

The United States has a large share of imports in big emerging markets. We are doing well, but much of our edge is due to our large share in Latin America. Vigorous efforts are necessary in other parts of the world, particularly Asia, where Japan heavily out-invests the United States. These markets combined, make up the largest component of United States exports, and these markets are growing rapidly. But, with the cuts in the budget resolution, we cannot maintain these efforts. We will forfeit the money they bring into our country. We will lose their impetus to our economy. Instead, we are cutting the most critical programs in the smallest Cabinet budget, in the name of decreasing the deficit. It just does not make sense to cut these revenue producing functions. Cutting these trade functions, and the Department of Commerce, will ultimately increase the deficit, not decrease it. I often lament the nearsightedness of a corporate America forced to focus on the next quarter's profits. I hate to see my Senate colleagues succumb to a similar narrow focus.

In conclusion, I support this amendment in order to assure that when we cut government spending, which I strongly support, we cut wisely, and we do not cut government investments that build our economy. We must maintain our investments in research, technology and trade promotion to ensure our future economic strength and international competitiveness. This amendment stands for exactly that point.

Mr. President, I ask unanimous consent to print in the RECORD a letter to Senator BINGAMAN from the Institute of Electrical and Electronics Engineers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INSTITUTE OF ELECTRICAL AND
ELECTRONICS ENGINEERS, INC.,
Washington, DC, May 24, 1995.

Hon. JEFF BINGAMAN,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR SENATOR BINGAMAN: As a representative of the Institute of Electrical and Electronics Engineers, Inc., an organization that promotes the career and policy interests of 240,000 U.S. electrical engineers (IEEE-USA), I am compelled to alert you to our unwavering support for the U.S. research and development base. We have become increasingly alarmed at the pace and scope of the rescissions and proposed funding reductions and eliminations of R&D programs that we see as vital to U.S. industry, the economy and our global competitiveness. Estimates of a 30–40% reduction over the next 5 years in Federal support for research and technology development will have a lingering and deleterious effect on our economy.

In the budget resolution recently passed by the House and in the pending Senate counterpart, drastic reductions to R&D programs across the board are assumed. No one will argue against the merits of deficit reduction. A widening national debt has a very draining effect on our economy and our ability to invest wisely for the future. But in our zeal to find ways to cut government spending, programs which are designed to boost our economy and, in turn revenues, are being sacrificed. This short sightedness needs to be short lived before irrevocable harm is done to the U.S. R&D base and jobs are lost.

We at IEEE-USA are very glad to learn of your intention to offer an amendment to S. Con. Res. 13, the Senate Budget Resolution, to express a sense of the Senate that research, technology and trade promotion are vital to the future of the U.S. economy. Research programs are vulnerable because they do not always have the visibility of many other government programs and therefore are easy targets for budget cutters. Your amendment reminds the whole Congress of the importance of research and technology and hopefully will urge the budget cutters and appropriators to use extreme caution before haphazardly cutting or eliminating needed programs.

The IEEE-USA supports your amendment and commends you for your leadership on this issue and stands ready to assist you and your staff in this effort. Please contact Jim Anton of the Washington staff for further information or support at 202-785-0017.

Sincerely,

JOEL B. SNYDER, P.E.,
Vice President, Professional Activities and Chair, U.S. Activities Board.

I thank the Chair, and I yield the floor.

Mr. ROCKEFELLER. Mr. President, I rise to, in the strongest terms, support this amendment which I am pleased to cosponsor. I congratulate the Senator from New Mexico, Mr. BINGAMAN, for his continued leadership on behalf of the Nation's economic needs and potential, and join Senator LIEBERMAN in helping to make this case to our colleagues.

The proposal to eliminate the U.S. Department of Commerce is incredibly short-sighted and will be extremely harmful to the competitive position of the United States. The Commerce Department's responsibility for trade enforcement, export promotion, manufacturing, and technology is a focused mission for American jobs and growth, and quite simply, its elimination is tantamount to economic surrender.

To begin with, the Commerce Department acts as the cop on the beat, enforcing U.S. trade laws against internationally recognized unfair trading practices. Domestic industry is a huge fan of the Department's Import Administration, and a move to eliminate it, or roll it into another agency with a very different mandate, is only going to be red meat for our competitors. I know this from painful experience. Those of us who represent industries such as steel have seen what unfair trade, dumping and subsidized imports, can mean to local economies and our Nation's overall economy. The Import Administration does yeomen's work enforcing our domestic trade laws—which look out for American businesses and American jobs—and to move it somewhere else is not only thoughtless, it is dangerous.

Mr. President, I will not sit by while the one agency that is looking out for American business, at home and abroad, is dismantled for political gain. The Department of Commerce's trade promotion arm is the matchmaker for thousands of businesses promoting products made in the United States—by American workers—in markets all over the world. I speak from experience here. In January, I led a trade mission of West Virginia businesses to Japan and Taiwan, we called it Project Harvest because that is what we were trying to do, sow the seeds of relationships that would reap tangible benefits for small and large West Virginia companies and their workers. In all this we worked closely with the Department of Commerce's Foreign Commercial Service, and in less than 6 months, these companies have already secured millions of dollars' worth of contracts.

I know what my friends across the aisle are saying about their so-called mandate, but I challenge any one of them to tell me that they have one company in their State such as Precision Samplers, that want to see the Department of Commerce eliminated. As a result of our trade mission, and with the help of the Department of Commerce, Precision Samplers has already signed contracts worth half a million dollars. And the list doesn't end there, West Virginia companies such as the Dean Co., and FCX Systems and Precision Coil have all signed lucrative contracts since our trade mission, and a big thanks goes to the experts at the Department of Commerce who helped make these deals happen. Small companies such as these owe a great deal to Department of Commerce export promotion programs, and I doubt they would want to see that support network eliminated.

I also want to make a special note of the role played by the Bureau of Export Administration [BXA]. BXA evaluates national security interests when American companies seek applications for the export of dual use goods and technology; those are products that could have military applications. There are a lot of things that need to be considered in these applications, but as a Commerce entity, BXA has longstanding close relations with exporters and the business community that other agencies simply don't have. However, BXA has to work with all those other agencies in making its evaluations. Export licensing has foreign policy implications, so involves the State Department; it has national security implications, so works with DOD; it has to clear the sale of nuclear equipment that DOE is expert in, or other things that the Arms Control and Disarmament Agency has a role to play. And BXA coordinates all this while always looking out for the needs of American businesses.

We need to maintain an umbrella organization that looks out for America's business interests at home and across the globe. Creating a Department of Trade would be better than breaking up all the trade functions of the Department of Commerce and moving them all over the Government, to Justice, DOD, Treasury, the ITC, USTR, wherever. But why reinvent the wheel? The Department of Commerce works. This idea of making a Department of Trade or expanding USTR is merely moving around the deck chairs. And maybe it is even worse. This particular ship is standing tall and sailing true. Breaking it down and moving it around is a bad idea.

I also want to discuss a related set of proposed cuts—support for new breakthrough technologies. It is an astounding proposal, and one that shows how soon some forget what it takes for America to win in the new global economy.

We should remember the lessons of the 1970's and early 1980's. During those years, America led in science and new ideas, only to see American inventions such as the VCR commercialized first by other countries. Other governments have long used research consortia and other aid to help their firms overcome the technical hurdles associated with critical but risky new ideas. And time after time, we found our competitors taking our ideas and sending them back to us in the form of VCRs and other new products.

Over the past 10 years, both American industry and the U.S. Government have taken steps to make sure Americans profit more from our new inventions and discoveries. Industry and the venture capital industry have focused their attention sharply on getting the next generation of products out the door. Both competitive pressures and Wall Street's push for short-term results have led our firms to focus their limited R&D dollars on developing new products. That is good in the short term, but it also means that even our largest firms have been forced to cut longer-term research that is essential for the future but which will not pay off for 10 years.

In the real world, as opposed to some theoretical world, American companies—both large and small—increasingly have turned to cost-shared projects with the Government and each other to develop these risky but vital longer-term technologies. These are the breakthrough technologies that will create new industries and jobs in the future—technologies such as next-generation electronics, low-cost composite materials for bridges and other structures, low-cost but highly reliable processes for making biotechnology products, and advanced techniques for computer-aided manufacturing. Cost-shared projects in such areas create the new seed corn for a new generation of American industry.

At the Federal level, these cost-shared technology partnerships with industry now constitute less than 3 percent of the Government's $72 billion annual R&D budget. The entire budget of the Government's civilian technology agency—the Commerce Department's National Institute of Standards and Technology, NIST—constitutes little more than 1 percent of Federal R&D. With the cold war over and the world economic race in full swing, this is hardly overspending.

And mark my words, other nations will not drop out of the world economic race just because Congress has thrown in the towel in the fight to help develop and market leading edge technologies. Along with Japan and Europe, we now see major new industry-government technology investments in South Korea, Taiwan, and even smaller states such as Singapore. In the real world, these countries are out to clean our clocks—and they want to use America's own university discoveries and entrepreneurial ideas to do it.

The United States has just now climbed back to a solid, but fragile, lead in most key technologies. Well-run, cost-shared Government programs have played an important role in helping American industry regain that lead. But we now combine government cutbacks with ever increasing Wall Street pressures for companies to focus their own funds only on the short term, then we will most certainly fall behind again. And the American worker and the American dream will be the losers.

Killing Federal technology programs, including those of the Commerce Department, will send our companies into economic battle with second-rate support and one arm tied behind their backs. It is a prescription for economic retreat and economic stagnation. In the name of some ideology, we risk destroying key foundations of future prosperity. And future generations will wonder why the Nation that used industry-government R&D cooperation to create the modern agriculture, aircraft, and biotechnology sectors abandoned a proven formula and let other nations walk all over us.

Which brings me back to the amendment and the Department of Commerce. This amendment is quite simple, it states that "the public welfare, economy, and national security of the United States have benefited enormously from the investment the Federal Government has made over the past fifty years in research, technology, and trade promotion and trade law enforcement," and that these should remain a national priority for the 21st century.

Again, Mr. President, the elimination of an agency of Government so vital to our Nation's interests is tantamount to economic surrender. I think our international competitors will see it as just that. In my view, proposals to eliminate the Department of Commerce amount to unilateral disarmament, and I will fight against those who are determined to raise this white flag.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I have no one seeking time on my side. I need some time, but does the Senator from Nebraska want another 2 or 3 minutes of my time, if he needs it?

Mr. EXON. I will simply advise the Senator, possibly could we take care of the matters that have been agreed to now? I have one Senator who asked to have 3½ minutes. I have the 3½ minutes remaining, but now I do not have the Senator. I would like to give the remainder to him.

Maybe the Senator from New Mexico has some time to give me for closing matters. If not, may we take care of those matters agreed to?

AMENDMENT NO. 1145

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to send to the desk and the Senate adopt, if they see fit, a technical amendment which has been agreed to on the other side. I send that to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 1145.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 19, strike "$937,800,000,000" and insert "$973,800,000,000".

On page 5, line 12 strike "comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of".

On page 6, line 8, strike "$1,324,400,000,000" and insert "$1,342,400,000,000".

On page 6, line 10 strike "comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of".

On page 7, line 10 strike "comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of".

On page 10, line 3, strike "$347,700,000,000" and insert "$374,700,000,000".

On page 11, line 2, strike "2000" and insert "2002".

On page 40, line 3, strike "$1,000,000,000" and insert "$100,000,000".

On page 40, line 10, strike "$1,000,000,000" and insert "$100,000,000".

On page 40, line 17, strike $1,000,000,000" and insert "$100,000,000".

On page 40, line 24, strike $1,000,000,000" and insert "$100,000,000".

On page 41, line 6, strike $1,000,000,000" and insert "$100,000,000".

On page 41, line 13, strike $1,000,000,000" and insert "$100,000,000".

On page 41, line 20, strike $1,000,000,000" and insert "$100,000,000".

On page 64, line 14, strike "Foreign Relations" and insert "Rules and Administration".

Mr. DOMENICI. Mr. President, I have nothing further to say.

Mr. EXON. It has been agreed to on both sides.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1145) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1146

(Purpose: To express the sense of the Senate regarding the establishment of a nonpartisan advisory commission on budgeting and accounting)

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to offer a Bingaman amendment on accounting. It has been agreed to on both sides. I send it to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, proposes an amendment numbered 1146.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 86, strike line 11 through line 25 on page 87 and insert the following:

SEC. 305. SENSE OF THE CONGRESS ON A UNIFORM ACCOUNTING SYSTEM IN THE FEDERAL GOVERNMENT AND NONPARTISAN COMMISSION ON ACCOUNTING AND BUDGETING.

(a) FINDING.—The Congress finds the following:

(1) Much effort has been devoted to strengthening Federal internal accounting controls in the past. Although progress has been made in recent years, there still exists no uniform Federal accounting system for Federal Government entities and institutions.

(2) As a result, Federal financial management continues to be seriously deficient, and Federal financial management and fiscal practices have failed to identify costs, failed to reflect the total liabilities of congressional actions, and failed to accurately report the financial condition of the Federal Government.

(3) Current Federal accounting practices do not adequately report financial problems of the Federal Government or the full cost of programs and activities. The continued use of these practices undermines the Government's ability to provide credible and reliable financial data, contributes to waste and inefficiency, and will not assist in achieving a balanced budget.

(4) Waste and inefficiency in Federal Government undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs.

(5) To rebuild the accountability and credibility of the Federal Government and restore public confidence in the Federal Government, a uniform Federal accounting system, that fully meets the accounting standards and reporting objectives for the Federal Government, must be immediately established so that all assets and liabilities, revenues and expenditures or expenses, and the full cost of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout all government entities for budgeting and control and management evaluation purposes.

(b) SENSE OF THE SENATE.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution include the following assumptions:

(1) UNIFORM FEDERAL ACCOUNTING SYSTEM.—(A) A uniform Federal accounting system should be established to consistently compile financial data across the Federal Government, and to make full disclosure of Federal financial data, including the full cost of Federal programs and activities, to the citizens, the Congress, the President, and agency management.

(B) Beginning with fiscal year 1997, the President should require the heads of agencies to—

(i) implement and maintain a uniform Federal accounting system; and

(ii) provide financial statements; in accordance with generally accepted accounting principles applied on a consistent basis and established in accordance with proposed Federal accounting standards and interpretations recommended by the Federal Accounting Standards Advisory Board and other applicable law.

(2) NONPARTISAN ADVISORY COMMISSION ON ACCOUNTING AND BUDGETING.—(A) A temporary advisory commission should be established to make objective and nonpartisan

recommendations for the appropriate treatment of capital expenditures under a uniform Federal accounting system that is consistent with generally accepted accounting principles.

(B) The Commission should be appointed on a nonpartisan basis, and should be composed of public and private experts in the fields of finance, economics, accounting, and other related professions.

(C) The Commission should report to the President and the Congress by August 1, 1995, on its recommendations, and should include in its report a detailed plan for implementing such recommendations.

Mr. BINGAMAN. Mr. President, I would like to thank the very distinguished floor managers of the budget resolution, Senator DOMENICI and Senator EXON, for their willingness to work with me on this amendment, which would establish a temporary, nonpartisan advisory commission on accounting and budgeting. I appreciate their support for the amendment, and I am grateful to their staff, Austin Smythe and Jodi Grant, who have been extremely helpful and pleasant to work with.

The amendment I am proposing modifies section 305 of the resolution currently before the Senate. Section 305 recognizes that unlike most private business and state governments, no uniform Federal accounting system exists for Federal entities and institutions. This lack of uniformity contributes to the difficulty of accurately reporting the financial condition of the Federal Government and achieving a balanced Federal budget.

To help rebuild accountability and credibility in the Federal Government and advance the trend toward a "private sector" type financial management policy, section 305 calls for a uniform Federal accounting system that is consistent with generally accepted accounting principles and proposed Federal accounting standards recommended by the Federal Accounting Standards Advisory Board. Once in place, a uniform accounting system should enable us to better assess the full cost of Federal programs and activities. Actual costs will be consistently and accurately recorded, monitored, and uniformly reported by all government entities for budgeting and control and management evaluation.

Mr. President, I believe to achieve the commendable goals set forth in section 305, we first must address the issue of the treatment of capital expenditures for Federal accounting and budgeting purposes. Private businesses throughout the country and many States already have in place accounting systems and budgets that deal with capital expenditures in realistic terms. I believe we in the Federal Government can learn from their experiences.

I am proposing the establishment of a temporary advisory commission on accounting and budgeting that would study and make recommendations on the appropriate treatment of capital expenditures under a uniform Federal accounting system that is consistent with generally accepted accounting principles.

Commission members, to be appointed on a nonpartisan basis, would include public and private experts in the fields of finance, economics, accounting, and related professions.

By August 1, 1995, the Commission would report its recommendations to the President and the Congress. In the report, Commission members would set forth a detailed plan for implementation of their recommendations. It is my hope that if the Commission includes a recommendation on the use of a capital budget, its report will specify the components of such a budget in the context of a unified, balanced Federal budget. I understand many of my colleagues currently oppose the use of a Federal capital budget. I believe that as we take steps to streamline the Federal Government, improve efficiency, and operate Federal systems in a manner more consistent with the private sector, all options should be reexamined and given a fresh analysis. In my view, this is particularly relevant in the context of section 305 of the budget resolution, which as I stated earlier, calls for a uniform Federal accounting system consistent with generally accepted accounting principles.

Mr. President, the Commission I am advocating can serve a very important service to the Nation. The Commission will examine, in an objective, nonpartisan forum, the treatment of capital expenditures and long-term investments in the context of a uniform Federal accounting system. By reporting on this work to the President and the Congress within the time frame specified in the amendment, which I calculate to be before final reconciliation of the fiscal year 1996 Federal budget, the Commission's recommendations could serve as the basis for resolution of some the serious and divisive problems we in the Congress have encountered, and will continue to encounter, as we work through the budget process. I look forward to the results of the Commission's work, and again, I thank the distinguished floor managers of the resolution for their assistance with this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1146) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I yield the remaining 3½ minutes of the time to the final Senator to debate the issue, as of now at least, my colleague from New Jersey.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair, and I thank my colleague from Nebraska.

Mr. President, in the fairly short time that I have available—and I am pleased to have the precious time taken for these couple of moments—I would like to describe several amendments that I have prepared which will be voted on this afternoon.

First, Senator ROCKEFELLER and I will offer an amendment to close the so-called Benedict Arnold billionaires' tax loophole. We would transfer the savings to veterans programs. I call this the "from expatriates to patriots" amendment. Then I will be offering four amendments that would create exceptions to the so-called firewall that prohibits transfers between the military and domestic programs.

The amendment would allow the Senate, by a majority vote, as opposed to 60 votes, to transfer funds from the wasteful bureaucratic overhead and procurement in the military budget for specific and compelling reasons. The purposes would be up to $2 billion to address the problem of domestic violence; up to $1 billion to strengthen reinforcement of immigration laws; up to $5 billion to hire police officers for community policing and to do prison building; and up to $100 million for research on breast cancer.

My final amendment would create a 60-vote point of order against cutting Medicare or Medicaid to pay for any tax cuts for the rich.

Some of my Republican friends have claimed that that is not their intent, and I say, well, then let us put it in writing and make it enforceable. Certainly, the intent was challenged when we saw the chart go up at an earlier time in this debate when the Senator from Texas proposed tax cuts amounting to over $300 billion.

So, Mr. President, when I look and see those who have made their fortunes in this country and decide to renounce their citizenship so they do not have to pay a State tax, they do not have to pay capital gains taxes; they move out of here, give up their American citizenship, leave this place where their fortunes were made, where their families were raised just to avoid some taxes, to take something out of these huge fortunes that went abroad, I want to give it to the patriots, those who served their country, those who need help, those who are turning to the VA for hospital care, those who are turning to the VA for prostheses, those who are turning to the VA for counseling. I want to take it from the Benedict Arnolds and give it to those who served their country.

With that—I do not see the ranking Member—is there any time left on our side?

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

The Senator from New Mexico has 7 minutes 52 seconds.

Mr. DOMENICI. The Democrats have how much?

The PRESIDING OFFICER. The time has expired on the Democratic side.

AMENDMENT NO. 1147

(Purpose: To express the sense of the Senate of the United States that the reforms and proposals contained within the Independent Budget for Veterans Affairs, Fiscal Year 1996, should be given careful consideration in an effort to ensure the Nation's commitment to its veterans)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DOLE and Mr. SIMPSON, proposes an amendment numbered 1147.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following new section:

SEC. . CONSIDERATION OF THE INDEPENDENT BUDGET FOR VETERANS AFFAIRS, FISCAL YEAR 1996.

(a) FINDINGS.—Congress finds as follows:

(1) Whereas over 26,000,000 veterans are eligible for veterans health care;

(2) Whereas the Veterans Health Administration of the Department of Veterans Affairs operates the largest Federal medical care delivery system in the United States, providing for the medical care needs of our Nation's veterans;

(3) Whereas the veterans' service organizations have provided a plan, known as the Independent Budget for Veterans Affairs, to reform the Veterans' health care delivery system to adapt it to the modern health care environment and improve its ability to meet the health care needs of veterans in a cost-effective manner;

(4) Whereas current budget proposals assume a change in the definition of service-connected veterans;

(5) Whereas proposals contained within the Independent Budget may provide improved service to veterans;

(6) Whereas current budget proposals may not have fully considered the measures proposed by the veterans' service organizations in the Independent Budget

(b) SENSE OF CONGRESS.—It is the Sense of Congress: the reforms and proposals contained within the Independent Budget for Veterans Affairs, Fiscal Year 1996 should be given careful consideration in an effort to ensure the nation's commitment to its veterans.

Mr. DOLE. Mr. President, I rise this afternoon to offer a Sense-of-the-Senate amendment regarding the Nations 26 million veterans.

Over the past few days, some have argued that the budget resolution before us is mean-spirited in its treatment of veterans—that it does not take into consideration the real needs of those who served and sacrificed on behalf of our country. Well, I would like to set the record straight on this matter.

Before the White House or those on the other side of the aisle start attacking Republicans on this issue, they had better take a hard look at the Congressional Budget Office's reestimate of the President's fiscal year 1996 budget request. Over 5 years, the President's own budget gives the Department of Veterans Affairs $339 million less for discretionary medical spending than it would receive under a hard freeze.

However, a coalition of veterans' groups has put together a plan called the Independent Budget for Veterans Affairs: Fiscal Year 1996. The coalition claims that the recommendations set forth in the this document will help to improve the Department of Veterans Affairs' health care system while saving taxpayer dollars. The coalition—Which includes AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars—submitted its plan to Congress and to the Clinton administration earlier this year.

The amendment I offer today simply states that Congress should give this proposal careful consideration. It is a nonpartisan document, crafted by the people who know the system best—the veterans themselves. Let us consider their expertise and rise above partisan accusations as we work to improve the efficiency and quality of service to veterans.

Mr. DOMENICI. Mr. President, this amendment has been cleared on both sides.

I yield back any time I may have on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1147) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, let me state the way I understand things. When the 3½ minutes that I have are used up, all time will have expired on the bill.

I will pose a parliamentary inquiry. When that event occurs and there is no more time, what would the pending business be?

The PRESIDING OFFICER. The pending business is the Boxer amendment No. 1134.

Mr. DOMENICI. I say to the distinguished majority leader, the Boxer amendment has been debated. Many other amendments will be offered that have not been debated. I think I am going to yield back my 2½ minutes. I do not know that anybody wishes to speak, unless the majority leader does.

Mr. EXON. May I inquire at this particular time, if we have a little time left. We have been having various discussions. Has there been an agreement reached on how we are likely to handle a whole series of amendments, especially those not debated, with regard to brief statements from the Senators—30 seconds or a minute? Has there been a determination on that, I ask my colleague?

Mr. DOLE. Mr. President, we have discussed it briefly with the Senator from New Mexico. I hope there will not be many amendments. We have had 50 hours of debate and a lot of votes. There may be one or two on this side. Is there a specific number on that side?

Mr. EXON. Yes. I will tell you now that we have 31 sure amendments. And, as the Senator knows, other Senators may reserve their rights by appearing and offering their amendments. But there will be 31 amendments filed to be voted on from this side of the aisle.

Mr. DOLE. So we are talking about 5, 6, 7 hours of votes, right, which we will do today. We will save final passage until tomorrow sometime.

Mr. EXON. Of course, that is up to the leader. I certainly say that I have suggested to Senator DASCHLE and to the chairman of the Budget Committee—and maybe it has not reached you—that possibly we can cut down some of those at some time. I hope we can work out something to cut down the time that has to be taken for all those votes.

Mr. DOLE. I am going to ask unanimous consent that after the first vote, all votes be 10 minutes in length.

Mr. BYRD. Will the majority leader yield?

Mr. DOLE. Yes.

Mr. BYRD. Would it be possible to get consent that each vote go for 7½ minutes? I believe that can be done. I have seen it done in here. And possibly we can have a minute or half a minute on a side, so as to have some explanation. By cutting it back to 7½ minutes for the vote, perhaps that will accommodate both sides' concerns.

Mr. EXON. I had made a suggestion along those lines that I think Senator BYRD outlined, and maybe even to speed things up, we can cut the votes to 5 minutes.

Mr. DOLE. They are concerned about doing it in 7½ minutes, unless we remain in our seats. But I think the bottom line is that we are actually going to have to vote on 31 amendments on the other side. If that is the bottom line, and people—ordinarily, you would have a right to have your amendment read. If it is a delaying tactic, we can be here a couple more days. The last time around, I recall that Senator Mitchell advised the Chair that if we insisted on having the amendment read, the ruling of the Chair would be appealed.

So we then decided that when the clerk called up the amendment, they would state the purpose, period, and that is it—you know, economic growth, tax relief, or whatever. That was all the explanation there was. If we start giving everybody 30 seconds, or 1, 2, 3 minutes, we are looking at another 2 or 3 hours, and we will never finish action on this budget resolution. We will be in recess this afternoon for at least 40 minutes, from 4:20 until 5 p.m. I will suggest the absence of a quorum briefly——

Mr. EXON. Mr. President, before that, I will make one statement that I think may be helpful. Certainly, we would enter into a unanimous-consent agreement on this side that the reading of the amendments would not be in order. We are not going to be dilatory about this. We think that for everybody that wants a vote on their amendment—and it has been customary to have that in this body—there would be no reason to do that.

Mr. DOLE. I ask unanimous consent that there not be a requirement that amendments be read.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOLE. So the clerk can state the purpose if we have the purpose.

Mr. BYRD. If the leader will yield, I am not sure the clerk can state the purpose in a way that we can understand what we are voting on.

Mr. DOLE. The last time we did this, I think we had an agreement that the staff would put "purpose" and they would read the purpose, such as tax relief, economic growth, or whatever. At least you had some idea what you were voting on. And it would be agreed upon by the two managers.

Mr. DOMENICI. With your permission, I will talk to the senior Senator from West Virginia. I was accommodating today in what we did for your side, I think 10, 12, maybe even 14 of your amendments. Does anybody have a number of how many were already discussed? Senators took the floor and somewhere between 10 and 12 of those have had anywhere from 2 minutes to 6 minutes which might not have occurred otherwise. So I think we have given a pretty good opportunity——

Mr. EXON. I appreciate the accommodation, and I think there has been accommodation on both sides.

Mr. DOLE. I ask unanimous consent that after the first vote, all other votes be limited to 8 minutes in length.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Reserving the right to object. The minority leader is here. Are you also going to agree that with an 8-minute vote, there will be an explanation of some type before each vote, or not?

Mr. DOLE. The clerk can state the purpose, to be agreed upon by the two managers.

Mr. EXON. I would like our leader to give you his feelings.

Mr. DOLE. We have had 50 hours. I do not think we need another 50.

Mr. DASCHLE. Mr. President, I hope that we could have just a short description of what the amendment is prior to the time we are called upon to vote. In some cases, Senators in good faith have been waiting for an opportunity to offer their amendments and have been precluded from doing so.

If we can accommodate each author of an amendment with a very short two-sentence explanation, I think it would be in the interest of everybody so that we do not make mistakes on what these votes may be.

Mr. DOMENICI. Mr. President, where we are now is there will be 15 minutes on each vote, unless the Senate agrees later on, which I am sure when we get 15 or 20 of these votes in, we will agree.

There will be no reading of the amendment. We have no agreement on any comments on the amendment. So there will be no comments on the amendment. That is the way it is now.

Mr. DOLE. Mr. President, let me say that for the first vote we will add the customary 5 minutes, so there will be 15 plus 5; after that it will be 15 minutes, period. No additional 5 minutes. I do not need consent for that.

AMENDMENT NO. 1134

The PRESIDING OFFICER. The question occurs on agreeing to the amendment No. 1134, offered by the Senator from California.

Mr. DOMENICI. Mr. President, the pending amendment is not germane to the provisions of the budget resolution pursuant to section 305(b)(2) of the Budget Act. I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the act for the consideration of the pending amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 46, nays 54, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone

NAYS—54

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. On this vote, the yeas are 46, and the nays are 54. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained, and the motion falls.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I have had a discussion with the distinguished Democratic leader and the managers of the bill. I now ask unanimous consent that votes be limited from here on to 9 minutes, and that the manager have 1 minute to explain the purpose of any amendment that has not been debated.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. This is a very workable agreement, Mr. President. The only way it can work, however, is that we anticipate the order in which these amendments can be brought for a vote. We have that order.

So I encourage all the sponsors of these amendments to give the managers their descriptions so that these descriptions can be read and put in the order in which the amendments will be brought up.

But the managers will have 1 minute to describe the amendment, and that description can be anything the sponsors may suggest they want it to be. But I think it will work out well. And it will allow us to cut back substantially the degree of time.

I urge everyone's cooperation.

Mr. DOLE. Mr. President, I want to make it clear we are talking only about those amendments that will not be debated. Those already debated we will not take another minute on. They have had plenty of time. This will apply to amendments that have not been debated because of the time constraints, and they will be explained briefly by the manager on either side.

Mr. DASCHLE. That is our understanding.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, I understand that what is being propounded is that we have 9 minutes to vote, and we have 1 minute to explain it by the manager. If you are going to take 1 minute, why not let the proponent of the amendment take 1 minute? You are going to take a minute anyway.

Mr. DOLE. We are just trying to cut down the time. If we have to stop and recognize everybody up and down—it seems to me you can tell the manager what it says, and they can read it. We will have the vote. We are trying to accommodate Senators, particularly on that side, because you have all the amendments, I understand. If you will just give the manager a one-sentence or two-sentence statement, we are just trying to save time. We thought it might save time.

Mr. DASCHLE. There is another practical concern, if the Senator will yield; that is, that assumes that the sponsor of the amendment is going to be on the floor right at the time the amendment is to be called up. In many cases, we will not be able to guarantee that. So if we are assured that the manager has the description, we will know there will be an explanation.

I hope we can accommodate this process. I think all Senators will have the opportunity to have this amendment at least explained prior to the time we have our vote.

Mr. SARBANES. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I would like to put a question to the two leaders. Some of the amendments have been debated. Will they be called up first, the ones on which there has been debate?

Mr. DOMENICI. The order is going to be worked out between Senators who have amendments and staff, Senator EXON's staff and Senator DOMENICI's. We are starting to put that in some kind of sequence right now.

Was that the question?

Mr. SARBANES. The question was there are some amendments that have been debated, and some amendments that have not been debated. The ones that have not been debated, I take it the managers will make a statement about them. I was wondering whether the ones that have been debated by the sponsors of them could be called up.

Mr. DOLE. No; we have already had debate.

Mr. SARBANES. Not for debate. We have had debate on some amendments. I have an amendment that we had a debate on. I was here to sort of send it to the desk and get a vote on it. We have had debate on that amendment which just recently occurred.

Mr. DOLE. What would be your request?

Mr. SARBANES. That that amendment be up near the top, the front of the list, since we have had the debate recently.

Mr. DOLE. I agree with that.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. Is there objection? The Senator from Montana.

Mr. BAUCUS. Mr. President, reserving the right to object, might I renew the request of Senator HARKIN from Iowa? It seems to me that the managers know the amendments best. They can still be confined to the same length of time, the proponents of the amendment, the same time as the managers. It would be my suggestion that the amendment is called up, and if the author of the amendment is not here, he loses the right to offer the amendment.

I just think a better explanation would be given of what the amendments are if the proponents of the amendment describe them during the 1 minute, then the other side offers their description during that same period. And if the author of the amendment is not here when it is called up, I suggest he lose the opportunity to call up the amendment.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I think it is fair to say we are trying to find some middle ground. We do not have to do anything. We do not have to let anybody explain them; just say nothing. We already have consent that the amendment cannot be read. So you will not have any debate. We are trying to accommodate everybody by going to the managers. If you have a 1-minute statement, let the manager read it. We are just trying to accommodate everybody at the same time to hopefully save some time.

If Senator EXON, for example, had a statement that Senator DOMENICI disagreed with, then we have to understand the other manager, or whoever, would have the same rights.

Mr. EXON. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I shall not object. It seems that we cannot agree on anything around here. Let me set the stage. We are making a change here under unanimous consent, or attempting to, to change the rules. Now, for good reason, we set a 50-hour limit for debate on the budget resolution and you cannot filibuster.

Now, we have been here through a very difficult process, as we always do go through. I would simply say that I happen to feel in this particular case the majority has come a long way to make some changes which benefit us. The fact is we have far more amendments that can be offered under the rules and it turns out there is not time to have debate.

Now, certainly I feel we should recognize that we have gone through a lot of effort, give and take, trying to work out something that is reasonable. It has been agreed to by the minority leader. It has been agreed to by the majority leader.

I would simply say that any Democratic Senator who has an amendment, if he wants to write out what he wants to say on his amendment, he can give it to me, and I can read it just as well as he or she can without going through the folderol that we are going to find ourselves in, as we always do, to start recognizing people back and forth—where are they? Are they not here?

It would seem to me that we have a reasonable process which people can pick to pieces but can we agree after a lot of effort to come to an understanding that I think should be acceptable to our side?

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to. Who seeks recognition?

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 1148

(Purpose: Continue funding for economic development in Appalachian region)

Mr. McCONNELL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment by number.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McCONNELL], for himself, Mr. WARNER, Mr. ROCKEFELLER, Mr. HEFLIN, and Mr. COCHRAN, proposes an amendment numbered 1148:

On page 29, line 10, increase the amount by $100,000,000.

On page 29, line 18, increase the amount by $200,000,000.

On page 30, line 2, increase the amount by $200,000,000.

On page 30, line 3, increase the amount by $100,000,000.

On page 30, line 10, increase the amount by $200,000,000.

On page 30, line 11, increase the amount by $100,000,000.

On page 30, line 18, increase the amount by $100,000,000.

On page 30, line 19, increase the amount by $100,000,000.

On page 31, line 2, increase the amount by $100,000,000.

On page 31, line 3, increase the amount by $100,000,000.

On page 20, line 7, decrease the amount by $100,000,000.

On page 20, line 15, decrease the amount by $200,000,000.

On page 20, line 23, decrease the amount by $200,000,000.

On page 20, line 24, decrease the amount by $100,000,000.

On page 21, line 7, decrease the amount by $200,000,000.

On page 21, line 8, decrease the amount by $100,000,000.

On page 21, line 15, decrease the amount by $100,000,000.

On page 21, line 16, decrease the amount by $100,000,000.

On page 21, line 23, decrease the amount by $100,000,000.

On page 21, line 24, decrease the amount by $100,000,000.

Mr. McCONNELL. Mr. President, I rise today to offer an amendment that will continue a program that is very important, not only to Kentucky, but also to a great number of other States.

Unlike a lot of other Government programs, this one is targeted to assist those who are in greatest need; and it has had a tremendous, positive impact over the years.

Unlike a lot of other Government programs, this one spends most of its funds making a difference in people's lives—rather than wasting taxpayer dollars on administrative expenses.

The program I am speaking of is the Appalachian Regional Commission, commonly known as ARC.

Before I discuss the substance of my amendment, I would like to commend the authors of this budget resolution, especially the chairman of the Budget Committee, Senator DOMENICI, for making literally thousands of tough but intelligent choices with regard to this Nation's spending priorities.

They have done a superb job, and they have done it with care and compassion and concern for those who will necessarily be impacted by this resolution.

But of course, on an issue as complex and multifaceted as the Federal budget, there are bound to be honest differences of opinion. And it is in that spirit that I am offering my amendment to save the Appalachian Regional Commission from the budget ax.

Let me also point out, however, that this amendment hardly preserves the status quo. I do not think anyone from this side of the aisle would contend that business as usual is going to achieve a balanced budget by the year 2002.

Every Federal program and agency is going to have to adapt, and cut costs, and become more efficient in response to the country's fiscal pressures. Every program and agency will need to do more with less, or face total extinction.

That is what my amendment envisions: An Appalachian Regional Commission of the future that continues to provide excellent services and programs in distressed areas, but with a more targeted approach and, frankly, with less funding.

I should add that the people in my State, and many who work for ARC, are more than willing to make the changes necessary to preserve the agency as a vital and active force in the region. But all of them also believe, as I do, that the mission of the ARC has not yet been completed; and we need to continue to support its positive efforts.

Although ARC has made a dramatic impact in improving the economic opportunities and quality of life for people living in Appalachia, there continues to be a real need for assistance in this region. Poverty, out-migration, and high levels of unemployment are especially prevalent in central Appalachia, which includes some of the poorest counties in the Nation.

In all, the ARC serves parts of 13 States, totaling 399 counties from New York to Mississippi. This is a region that lags behind the Nation in most, if not all, major economic measures. It experiences chronically higher unemployment levels, substantially lower income levels, and perniciously high poverty rates. In eastern Kentucky, for example, the poverty rate stood at 29 percent in 1990—16 percent higher than the national average.

Of the 399 counties served by ARC, 115 of these counties are considered severely distressed.

This means that these counties suffer from unemployment levels and poverty rates that are 150 percent of the national average and receive per capita incomes that are only two-thirds of the national average.

The ARC was designed to address the unique problems of this region which has been afflicted by over a century of exploitation, neglect, geographic barriers, and economic distress. These are not problems born of cyclical economic fluctuations but are the result of years of unremitting underdevelopment, isolation, and out-migration.

That is the bad news. The good news is that ARC has worked hand in hand with each of the 13 States in its jurisdiction to develop flexible and effective programs, tailored to the specific needs of each community or region.

And there is more good news. ARC is unusually lean, as Federal agencies go, with respect to administrative and personnel expenses. Total overhead accounts for less than 4 percent of all expenditures. That is largely achieved through cooperation with the States.

State Governors contribute 50 percent of the administrative costs as well as the full cost of their own regional ARC offices.

In fact, Mr. President, I would urge my colleagues to look to the ARC as a model of efficiency, cost sharing, and State cooperation for other Federal programs.

Some people have said that ARC represents a special windfall for a single area of the country. That is simply not true. The stark reality is that Appalachia receives 14 percent less per capital spending from the Federal Government than the rest of the country, and that includes the amount it receives through ARC. If anything, Appalachia is an underserved area.

The ARC's mission has been to provide the assistance needed to make Appalachian areas economically self-sustaining, rather than to simply hand out government largess.

This is an important distinction.

The ARC is not a traditional poverty program but an economic development program, with a lot of work still ahead of it. If we were to ax the ARC outright, the fact is that much of the investment we have made up to now would have been for naught.

It would be like laying the foundation of a building, putting in the beams and supports, and then deciding to stop before putting on the roof and the walls. Unless the work is seen to completion, much of what has been done to this point will have been in vain.

At the same time, because of the tremendous fiscal pressures we are facing, my amendment would not restore funding for ARC to its current level. Instead, it puts the ARC on a glidepath of reduced spending through the year 2002. The partially restored funding is entirely offset and will fully comply with guidelines established by the Budget Committee to reach a balanced budget by the year 2002.

The way we achieve these goals is quite simple. First, we start with a 35-percent reduction from the current funding level for ARC. There is no question that this is a considerable cut, and it will have an impact on the ARC's ability to fully serve its target areas. But I think it underscores how serious we are about preserving this agency.

From the 35-percent-reduction level in 1996, my amendment will continue to lower funding levels each year through 2002. Overall, if we use as a baseline a hard freeze at 1995 funding levels for ARC, my amendment would achieve a 47-percent reduction in spending. This amounts to $925 million in savings over 7 years.

Mr. President, I would ask that a table reflecting the savings proposed by my amendment appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCONNELL. Mr. President, nobody can charge that this amendment is an attempt to preserve the status quo. Instead, it is an effort to preserve an essential Federal program by making some very tough but necessary choices.

In order to provide the necessary budget offset, I have proposed a reasonable reduction in the regulation and technology account of the Office of Surface Mining. The regulatory arm of OSM has served its statutory purposes well over the years, but the fact is that much of its current activities are now being handled effectively at the State level.

In fact, primary responsibility for regulation in this area has been passed on to 23 of the 26 coal-producing States.

Further, the size of the industry being regulated by OSM has shrunk dramatically over the last decade and a half. While the number of active coal mines has dropped from over 6,000 in 1979 to barely 3,000 in 1993, OSM staff has increased by more than 50 percent. Even since 1983, when the last of the 23 States assumed primary regulatory authority, OSM staff grew by a quarter.

About half of the OSM budget for regulation and technology funds activities that duplicate existing state resources.

So what you have here is a smaller industry—smaller by half—being regulated by 50 percent more bureaucrats. That is the kind of anomaly that our constituents want us to change.

Voters believe that 52 cents on every tax dollar is waste by the Federal Government. If there is any program that suggests this might be true, it is the regulation account at OSM which serves a smaller and smaller industry, and whose activities are being duplicated by more and more States.

Further, I am told that OSM has actually become a burden on State regulatory agencies, making excessive requests for data collection and studies that divert valuable resources from their own regulatory activities.

The proposed reduction in OSM's title V program should come out of the agency's inspection and regulatory activities which duplicate State programs. Adequate funding for State regulatory grants should be maintained, and my amendment is in no way intended to affect such grants.

Mr. President, in these tight budgetary times, a 28-percent reduction in the OSM regulatory budget is entirely reasonable. This cut will actually force OSM to streamline operations and eliminate many duplicative services that are a burden to State regulatory agencies.

I would suggest that the remaining cuts be from other Federal programs that duplicate State regulatory or oversight functions within function 300. If we intend to streamline the Federal Government, we can start with Federal activities that overlap with State agencies and programs. Overall, my amendment would cut three-fourths of 1 percent from this function. This small cut will provide substantial benefit to severely distressed regions of Appalachia.

In drafting this amendment, I have consulted with officials at ARC to help redesign the focus and size of the agency. It is my view that ARC should eliminate those functions that are beyond the central mission of economic development.

We also need to critically assess which areas that are currently under the jurisdiction of ARC no longer need its support, due to the success of ARC's programs.

There are a number of counties that have achieved the goal of economic self-sufficiency and therefore have outgrown the need for ARC funding.

My amendment would enable the ARC to focus its resources on those counties that struggle with the most severe economic hardships.

Let me conclude. If my colleagues believe that eliminating ARC will save money, they are sadly mistaken. The poverty and economic distress of central Appalachia will only deepen, imposing higher costs on other Federal programs. On the other hand, if we keep ARC alive, and help this region to help itself, we will be saving a lot more money in the long run.

Of course, all programs must make every effort to revaluate their mission and eliminate those functions that are no longer needed. I have proposed eliminating certain authorities of the ARC that are no longer needed, and reforming the eligibility criteria to take certain economically stabilized counties off the rolls. These reforms are assumed in the lower spending levels contained in my amendment.

In sum, this is a creative and commonsense way to save one of the few Federal programs that has actually worked: the ARC. Just as important, my proposal is consistent with the goal of balancing the budget which all of us want to achieve. I urge my colleagues to support the amendment.

McCONNELL AMENDMENT—HARDLY KEEPING THE STATUS QUO

[In billions of dollars]

	1996	1997	1998	1999	2000	2001	2002	Total
McConnell Amendment:[1]								
Annual budget authority	.183	.177	.173	.166	.150	.100	.100	1.049
Freeze at 1995 levels:								
Annual budget authority	.282	.282	.282	.282	.282	.282	.282	1.974
Current funding adjusted for inflation:								
Annual budget authority	.291	.301	.312	.323	.334			1.561

[1] The McConnell amendment saves more than $900 million over a 7 year freeze at 1995 ARC funding levels. The McConnell amendment saves more than $500 million over 5 year—inflation adjusted—ARC funding levels.

Mr. FORD. Mr. President, I would like to clarify the RECORD. I believe the distinguished junior Senator from Kentucky may have misspoke earlier with regard to the need for this amendment to address payments made by the Federal Election Commission [FEC] from the Presidential Election Campaign Fund for settlement of alleged sexual harassment claims.

The entire $37,500 payment referred to by the Senator was disallowed by the FEC as a qualified campaign expense and the FEC required repayment of all Federal matching funds used to pay this expense. As my colleague knows, the courts have held that the FEC may only require repayment of disallowed campaign expenses to the extent Federal funds were used.

In this instance, the FEC determined that of the $37,500 in disallowed campaign expenses, $9,675 were paid with Federal matching funds. Consequently, the campaign repaid the Presidential Election Campaign Fund that amount. Therefore, no taxpayer funds were used to pay this settlement.

But I agree that taxpayer funds should not be used for this purpose and I support the amendment.

Mr. WARNER. Mr. President, I rise today in support of the McConnell amendment to ensure that the essential services provided by the Appalachian Regional Commission are continued for some of this Nation's most destitute areas.

At a time when we are correctly terminating or scaling back outdated Federal programs, I believe the Appalachian Regional Commission is the type of Federal initiative we should be encouraging. It is important to recognize that the ARC uses its limited Federal dollars to leverage additional State and local funds. This successful partnership enables communities in Virginia to have tailored programs which help them respond to a variety of grassroots needs.

In the Commonwealth of Virginia, 21 counties rely heavily on the assistance they receive from the Appalachian Regional Commission. Income levels for this region of Virginia further indicate that, on average, my constituents who reside in this region have incomes which are $6,000 below the average per capita income for the rest of the Nation.

In 1960, when the ARC was created, the poverty rate in Virginia's Appalachian region was 24.4. In 1990, the poverty rate statistics of 17.6 show improvement which can be attributed to the effectiveness of the ARC. However, we are still a long way from achieving the U.S. average poverty level of 13.1 and also the regional poverty level of other ARC-member States of 15.2.

With these statistics in mind, I would like to offer some specific points one should keep in mind regarding the effectiveness of ARC programs, its relationship with the Commonwealth of Virginia, and the direct impact that this relationship has on the private sector.

In recent years, a significant portion of ARC funds have been dedicated to local economic development efforts. Were it not for this assistance, the LENOWISCO Planning District and Wise County would not have been able to complete construction of the water and sewage lines to provide utility services to the Wise County Industrial Park at Blackwood. These lines were financed by a $500,000 grant from the ARC and a $600,000 grant from the U.S. Economic Development Administration. The construction of these utilities to serve a new industrial park has attracted a major wood products manufacturing facility which has created 175 new jobs for the community.

The Fifth Planning District serving the Alleghany Highlands of Virginia is a prominent example of leveraging other State and local funds and stimulating economic development with partial funding from the ARC. For fiscal year 1995, with $350,000 from the ARC, the Alleghany Regional Commerce Center in Clifton Forge, VA was established. This new industrial center already has a commitment from two industries, providing new employment opportunities for over 220 persons.

The ARC funds for this project have generated an additional $500,000 in State funds, $450,000 from the Virginia Department of Transportation, $145,000 from Alleghany County, and $168,173 from the Alleghany Highlands Economic Development Authority. As a result of a limited Federal commitment, there is almost a 4 to 1 ratio of non-Federal dollars compared to Federal funds.

In many cases, these funds have been the sole source of funding for local planning efforts for appropriate community development. For example, such funds have been used to prepare and update comprehensive plans which are required by Virginia State law to be updated every 5 years in revise zoning, subdivision, and other land use ordinances. In addition, funds are used to prepare labor force studies or marketing plans in guiding industrial development sites.

Mr. President, the mission of the Appalachian Regional Commission is as relevant today as it was when the program was created. This rural region of the Nation remains beset with many geographic obstacles that have kept it isolated from industrial expansion. It is a region that has been attempting to diversify its economy from its dependency on one industry—coal mining—to other stable employment opportunities. It is a program that provides essential services and stimulates the contributions of state and local funds.

I thank Senator McCONNELL for his leadership on this issue and I urge the amendment's adoption.

AMENDMENT NO. 1148

Mr. ROCKEFELLER. Mr. President, I rise in strong support of this amendment to preserve funding for the Appalachian Regional Commission, and I thank the Senator from Kentucky for offering it. Without his amendment, the budget proposal before us includes a plan to wipe out a very small and valuable agency over the next 5 years. This amendment is the Senate's chance to reject the idea of eliminating the tools dedicated to the economic development and future of 13 Appalachian States, including West Virginia.

Senators listening to this debate may think this is an amendment that only deserves the votes of those of us representing those States. I hope our case will be heard so that won't be the conclusion of our colleagues. The people of every State have a stake in the economic strength of the rest of the country. When floods ravage the Mid-West or the Gulf States; when a major defense installation or space center is located in a State like Texas or Alabama; when payments are made to farmers for crop losses; when billions are spent to shore up S&L institutions in certain States; when special aid is given to cities or to California after its riots or earthquakes; when research labs get special funds in New Mexico or Massachusetts—when any of this support and assistance is extended, it is the country's way of investing in each region and in the futures of Americans everywhere.

The Appalachian Regional Commission is the Nation's effort to help a part of this country overcome tremendous barriers. In many parts of the region, major progress has been achieved. But the ARC's job is not finished, and the agency should not be abolished until it is.

Like so much else in this budget debate, this amendment is about priorities. For me, this represents a choice between two programs that affect the people of West Virginia. It calls for a little less support for the Office of Surface Mining, in order to put more into the ARC.

The key message in this amendment is its call for continuing the ARC's partnership with West Virginia and the Appalachian region to finish the foundation we need for more growth, more jobs, and more hope for our people.

To that end, I accept the idea that the Office of Surface Mining should reduce its bureaucracy and excessive regulatory activity in order to finish ARC's work for families and businesses in Appalachia. This amendment will not add to the deficit or prevent us from reaching a balanced budget in 2002—it will simply redirect funding from certain activities at OSM so that the ARC can continue its mission for the people of Appalachia.

This amendment accepts a fair share of responsibility for deficit reduction. But instead of saying wipe out the ARC, it charts a course of gradual reductions, starting with a 35 percent cut in ARC funding for 1996, with continued reductions through 2002. Overall, it would be a 47 percent cut in ARC funding if the commission were frozen at its 1995 level. This is going to require changes and further streamlining at the ARC, which should be tough but doable. Under the McConnell amendment, ARC is still contributing its fair share to deficit reduction. Without it, one region of the country is asked to suffer more than is fair and to a point that will hurt the region.

As a former Governor, and now as a U.S. Senator from West Virginia, I know—vividly—the value of the ARC and how it improves the lives of many hard-working citizens. Whether the funding is used for new water and sewer systems, physician recruitment, adult literacy programs or the Appalachian corridor highways, it has made the difference in West Virginia, Kentucky, and the other Appalachian States.

The highways are the most visible and best known investments made by the ARC for the people of Appalachia. As of today, over two-thirds of the ARC highway system has been completed. But if the ARC is simply abolished, the job will not be completed. What a waste of money to pull out before a road system is finished.

At this very moment, some of these highways are called highways halfway to nowhere, because they are just that—half built, and only halfway to their destination. The job has to be completed, so these highways become highways the whole way to somewhere. And that somewhere is called jobs and prosperity that will benefit the rest of the country, too.

Appalachia simply wants to be connected to our national grid of highways. Parts of the region weren't lucky enough to come out as flat land, so the job takes longer and costs more. But it is essential in giving the people and families in this part of the United States of America a shot—a chance to be rewarded for a work ethic and commitment with real economic opportunity and a decent quality of life.

I won't speak for my colleagues from other Appalachian States, but West Virginia was not exactly the winner in the original Interstate Highway System. And Senators here represent many States that were. As a result, areas of my State have suffered, economically and in human terms. Without roads, people are shut off from jobs. That's obvious. But without roads, people also cannot get decent health care. Dropping out of school is easier sometimes than taking a 2-hour bus ride because the roads are not there.

The structure of the ARC makes it more efficient and effective than many other agencies. The ARC is a working, true partnership between Federal, State, and local governments.

This structure expects responsibility from citizens and local leaders, Federal funding is designed to leverage State and local money for any activity. Accordingly to the ARC, throughout its lifetime, it has contributed less than half of the total amount of project funds. Administrative costs have accounted for less than 4 percent of total costs over ARC's lifetime.

Long before it was fashionable, ARC used a from the bottom up approach to addressing local needs, rather than a top down, one-size-fits-all mandate of the type that has become all too familiar to citizens dealing with Federal agencies. It works, too.

I urge everyone in this body to keep a promise made to a region that has been short shrifted. Each region is unique. Solutions have to differ, depending on our circumstances. When it comes to Appalachia, a small agency called the Appalachian Regional Commission should finish its work. Abolishing it overnight will only create more problems and more costs that can be avoided. I urge my colleagues to vote in favor of the McConnell amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MCCONNELL. Mr. President, I ask for a rollcall vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—51

Abraham
Akaka
Biden
Breaux
Bryan
Burns
Byrd
Coats
Cochran
Coverdell
Craig
Daschle
DeWine
Dodd
Dole
Exon
Feinstein
Ford
Frist
Glenn
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Johnston
Kerrey
Leahy
Levin
Lieberman
Lott
Lugar
McConnell
Mikulski
Moseley-Braun
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Santorum
Sarbanes
Shelby
Snowe
Specter
Stevens
Thurmond
Warner

NAYS—49

Ashcroft
Baucus
Bennett
Bingaman
Bond
Boxer
Bradley
Brown
Bumpers
Campbell
Chafee
Cohen
Conrad
D'Amato
Domenici
Dorgan
Faircloth
Feingold
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatfield
Inhofe
Jeffords
Kassebaum
Kempthorne
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Mack
McCain
Moynihan
Murkowski
Murray
Nickles
Packwood
Pressler
Roth
Simon
Simpson
Smith
Thomas
Thompson
Wellstone

So the amendment (No. 1148) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1149

(Purpose: To restore the cuts to Federal Retirement Programs by providing that the Federal Retirement programs will continue to calculate retirement benefits from the average of an employee's high 3 years of service. The restoration of these cuts will be paid for by closing tax loopholes regarding billionaires who renounce their citizenship)

Mr. SARBANES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES], for himself, Ms. MIKULSKI, Mr. WARNER, Mr. ROBB and Mr. BINGAMAN, proposes an amendment numbered 1149.

Mr. SARBANES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 10, increase the amount by $47,000,000.

On page 3, line 11, increase the amount by $144,000,000.

On page 3, line 12, increase the amount by $197,000,000.

On page 3, line 13, increase the amount by $257,000,000.

On page 3, line 14, increase the amount by $322,000,000.

On page 3, line 15, increase the amount by $392,000,000.

On page 3, line 16, increase the amount by $412,000,000.

On page 3, line 20, increase the amount by $47,000,000.

On page 3, line 21, increase the amount by $144,000,000.

On page 3, line 22, increase the amount by $197,000,000.

On page 3, line 23, increase the amount by $257,000,000.

On page 3, line 24, increase the amount by $322,000,000.

On page 3, line 25, increase the amount by $392,000,000.

On page 4, line 1, increase the amount by $412,000,000.

On page 4, line 18, increase the amount by $47,000,000.

On page 4, line 19, increase the amount by $144,000,000.

On page 4, line 20, increase the amount by $197,000,000.

On page 4, line 21, increase the amount by $257,000,000.

On page 4, line 22, increase the amount by $322,000,000.

On page 4, line 23, increase the amount by $392,000,000.

On page 4, line 24, increase the amount by $412,000,000.

On page 5, line 4, increase the amount by $47,000,000.

On page 5, line 5, increase the amount by $144,000,000.

On page 5, line 6, increase the amount by $197,000,000.

On page 5, line 7, increase the amount by $257,000,000.

On page 5, line 8, increase the amount by $322,000,000.

On page 5, line 9, increase the amount by $392,000,000.

On page 5, line 10, increase the amount by $412,000,000.

On page 5, line 17, increase the amount by $47,000,000.

On page 5, line 18, increase the amount by $144,000,000.

On page 5, line 19, increase the amount by $197,000,000.

On page 5, line 20, increase the amount by $257,000,000.

On page 5, line 21, increase the amount by $322,000,000.

On page 5, line 22, increase the amount by $392,000,000.

On page 5, line 23, increase the amount by $412,000,000.

On page 6, line 16, increase the amount by $47,000,000.

On page 6, line 17, increase the amount by $144,000,000.

On page 6, line 18, increase the amount by $197,000,000.

On page 6, line 19, increase the amount by $257,000,000.

On page 6, line 20, increase the amount by $322,000,000.

On page 6, line 21, increase the amount by $392,000,000.

On page 6, line 22, increase the amount by $412,000,000.

On page 39, line 24, increase the amount by $47,000,000.

On page 39, line 25, increase the amount by $47,000,000.

On page 40, line 6, increase the amount by $144,000,000.

On page 40, line 7, increase the amount by $144,000,000.

On page 40, line 13, increase the amount by $197,000,000.

On page 40, line 14, increase the amount by $197,000,000.

On page 40, line 20, increase the amount by $257,000,000.

On page 40, line 21, increase the amount by $257,000,000.

On page 41, line 2, increase the amount by $322,000,000.

On page 41, line 3, increase the amount by $322,000,000.

On page 41, line 9, increase the amount by $392,000,000.

On page 41, line 10, increase the amount by $392,000,000.

On page 41, line 16, increase the amount by $412,000,000.

On page 41, line 17, increase the amount by $412,000,000.

On page 63, line 19, decrease the amount by $47,000,000.

On page 63, line 20, decrease the amount by $967,000,000.

On page 63, line 21, decrease the amount by $1,771,000,000.

At the appropriate place in the resolution insert the following:

SEC. . FEDERAL RETIREMENT.

It is the sense of the Senate that—

(a) the assumptions underlying the revenue and functional totals in this resolution assume that the Federal Retirement programs will continue to calculate retirement benefits from the average of an employee's high 3 years of service; and (b) the restoration of Federal Retirement benefits will be restored by closing the tax loophole which allows billionaires to escape taxes by renouncing their citizenship.

Mr. WARNER. Mr. President, I would like to speak for a few minutes regarding the Sarbanes amendment, of which I am an original cosponsor. This amendment eliminates the provision in the budget resolution which changes the basis for calculating retirement benefits for Federal employees from the average of an employee's highest 3 years to the average of the highest 5 years.

The Government cannot change the rules in the middle of the game for these loyal public servants who are relying on and planning for retirement using longstanding practices. Government personnel, civilian or military, active or retirees, should not be singled out to bear the burden of balancing the budget.

While I am a strong advocate of balancing the budget, I do not believe that a disproportionate share of the budget cuts should fall on Federal employees. I strongly agree with the mandate which American people delivered in the 1994 elections. I am committed to working to cut spending and reduce big government, while striving to see that benefits to the truly needy are not unfairly affected.

We cannot and must not allow those who have given years of service to the Federal Government to be uncertain about their retirement decisions and their future financial well-being.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 1149 offered by the Senator from Maryland [Mr. SARBANES]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—50

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Sarbanes
Shelby
Simon
Warner
Wellstone

NAYS—50

Abraham
Ashcroft
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Frist
Gorton
Gramm
Bennett
Bond
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
Brown
Burns
McConnell
Murkowski
Nickles
Packwood
Roth
Santorum
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond

So the amendment (No. 1149) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1150

(Purpose: Deficit neutral amendment that would prohibit including revenues in the budget resolution based on oil and gas leasing within the Arctic National Wildlife Refuge)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 1150.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 10 increase the amount by $200,000,000.

On page 3, line 11 increase the amount by $200,000,000.

On page 3, line 12 increase the amount by $300,000,000.

On page 3, line 13 increase the amount by $300,000,000.

On page 3, line 14 increase the amount by $400,000,000.

On page 3, line 15 increase the amount by $400,000,000.

On page 3, line 16 increase the amount by $500,000,000.

On page 3, line 20 decrease the amount by $200,000,000.

On page 3, line 21 decrease the amount by $200,000,000.

On page 3, line 22 decrease the amount by $300,000,000.

On page 3, line 23 increase the amount by $300,000,000.

On page 3, line 24 increase the amount by $400,000,000.

On page 3, line 25 increase the amount by $400,000,000.

On page 4, line 1 increase the amount by $500,000,000.

On page 4, line 18 increase the amount by $200,000,000.

On page 4, line 19 increase the amount by $200,000,000.

On page 4, line 20 increase the amount by $300,000,000.

On page 4, line 21 increase the amount by $300,000,000.

On page 4, line 22 increase the amount by $400,000,000.

On page 4, line 23 increase the amount by $400,000,000.

On page 4, line 24 increase the amount by $500,000,000.

On page 5, line 4 decrease the amount by $200,000,000.

On page 5, line 5 decrease the amount by $200,000,000.

On page 5, line 6 decrease the amount by $300,000,000.

On page 5, line 7 increase the amount by $300,000,000.

On page 5, line 8 increase the amount by $400,000,000.

On page 5, line 9 increase the amount by $400,000,000.

On page 5, line 10 decrease the amount by $500,000,000.

On page 5, line 19 increase the amount by $1,400,000,000.

On page 5, line 22 increase the amount by $900,000,000.

On page 6, line 5 increase the amount by $1,400,000,000.

On page 6, line 8 increase the amount by $900,000,000.

On page 6, line 18 increase the amount by $1,400,000,0000.

On page 6, line 21 increase the amount by $900,000,000.

On page 7, line 5 increase the amount by $1,400,000,000.

On page 7, line 8 increase the amount by $900,000,000.

On page 7, line 15 decrease the amount by $200,000,000.

On page 7, line 16 decrease the amount by $200,000,000.

On page 7, line 17 increase the amount by $1,100,000,000.

On page 7, line 18 decrease the amount by $300,000,000.

On page 7, line 19 decrease the amount by $400,000,000.

On page 7, line 20 increase the amount by $500,000,000.

On page 7, line 21 decrease the amount by $500,000,000.

On page 8, line 1 decrease the amount by $200,000,000.

On page 8, line 2, decrease the amount by $200,000,000.

On page 8, line 3, increase the amount by $1,100,000,000.

On page 8, line 4, decrease the amount by $300,000,000.

On page 8, line 5, decrease the amount by $400,000,000.

On page 8, line 6, increase the amount by $500,000,000.

On page 8, line 7, decrease the amount by $500,000,000.

On page 20, line 15, increase the amount by $1,400,000,000.

On page 20, line 16, increase the amount by $1,400,000,000.

On page 21, line 15, increase the amount by $900,000,000.

On page 21, line 16, increase the amount by $900,000,000.

On page 62, line 14, decrease the amount by $1,400,000,000.

On page 62, line 15, decrease the amount by $2,300,000,000.

Mr. BAUCUS. I rise today in support of the amendment offered by my colleague, Senator ROTH, to protect the Arctic National Wildlife Refuge in Alaska from oil and gas development. The proposed budget resolution assumes that the Committee on Energy and Natural Resources will reach its budget target by opening up this magnificent wildlife refuge to oil and gas development. By striking $2.3 billion over 7 years from that committee's required reduction in budget outlays, and adding that amount to the reduction required by the Finance Committee, Senator ROTH's amendment would protect the refuge, while preserving the budget resolution's bottom line.

To ensure that this amendment is deficit neutral and therefore does not impair our progress toward a balanced budget, a goal I strongly support, Senator ROTH has suggested that those funds instead be obtained by eliminating the ability of persons to avoid taxes by relinquishing their U.S. citizenship. As a result, this amendment would allow us to continue to protect a national treasure for future generations by closing a tax loophole for wealthy expatriates who choose to give up their American citizenship to avoid paying taxes.

A word about the refuge. It is a truly special place. Located in the northeast corner of Alaska, the Arctic National Wildlife Refuge has been referred to, for good reason, as "America's Serengeti." The refuge supports a spectacular array of wildlife, including polar bears, grizzly bears, wolves, and snow geese. In addition, the porcupine caribou herd, numbering over 150,000 animals, bear their young on the coastal plain and provide an important source of food for the native people that live near the refuge.

Oil and gas development is now prohibited in the refuge, unless authorized by Congress. Senator ROTH's amendment is therefore consistent with current law. However, regardless of whether you believe, as I do, that the coastal plain should be permanently protected as a wilderness area or, as the Budget Committee proposes, that the law should be changed to authorize leasing for oil and gas, the budget process is not the time or the place to settle this important issue. It should be fully and objectively debated, taking into consideration not only the immediate economic return of leasing but the potential loss to future generations of developing this pristine wilderness.

The Roth amendment will remove the budget incentive to develop the refuge while maintaining the deficit reduction totals. I urge my colleagues to support it.

Mr. WELLSTONE. Mr. President, I rise to speak in support of the amendment proposed by the distinguished Senator from Delaware. It is my belief that this amendment would accomplish two very important goals with one simple action, namely, closing an outrageous tax loophole for the super-rich, and preserving one of this continent's most fragile treasures, the Arctic National Wildlife Refuge.

Now as some of my colleagues are no doubt well aware, as long as I have been coming down to this floor to speak, I have been speaking in opposition—strong opposition—to opening up ANWR to oil and gas drilling. My position has not changed one bit, for those of my colleagues who have not heard me address this issue before, I want to take this opportunity to again state the reasons why I am so opposed to drilling.

Mr. President, opening up the Arctic National Wildlife Refuge is not an energy policy, it is a non-energy policy. Even if—and this is a big "if"—even if the big oil companies were to tap the 3.2 billion barrels of oil the Department of Interior has estimated may lie under ANWR, the United States would be no more energy secure than it is now. The oil reserves under ANWR would compose only a fraction of this country's huge appetite for oil for a short period of time, and at a tremendous, perhaps catastrophic ecological cost. We will be no less dependent on foreign oil, and perhaps more so, now that the Senate has apparently expressed its willingness to see Alaskan oil exported overseas to the highest bidder. We will have gained nothing except the experience of witnessing, once again, the grand exercise of greed.

And at what cost, Mr. President? I will tell you what cost. We will have squandered one of the last remaining, irreplaceable treasures that belong not to us, not to the oil companies, not to this Government, but to our children, and their children and their children's children. The Arctic National Wildlife Refuge is the biological heart of the Arctic; and once it is gone, Mr. President, it is gone forever.

Let us not continue any further down this path of foolishness. I urge my colleagues to vote for their children's sake to accept the Roth amendment.

Mr. LAUTENBERG. Mr. President, I rise today to strongly support the amendment by Senator ROTH to remove language in the budget resolution which might allow drilling in the coastal plain of the Arctic National Wildlife Refuge.

A provision in the budget resolution assumes leasing revenues of $1.4 billion from leasing rights in the coastal plain. It is, in reality, nothing more than a yard sale to special interests of the resources in this critical Arctic wilderness. Additionally, the $1.4 billion revenue estimate is highly speculative, at best. All and all, the provision is misplaced and misguided.

The issue of whether to drill in the coastal plain in the Arctic Refuge deserves full, open and deliberative debate. This is an embarrassing backdoor attempt to allow development of our last remaining wilderness. We should not consider a decision of major importance to be made under the time restrictions required by the budget resolution—we should pursue this discussion through separate legislation. That's the responsible thing to do.

Including this discussion in the context of the budget resolution denigrates the natural values of the coastal plain which, unlike barrels of oil on the open market, cannot be quantified. The budget resolution concerns itself primarily with identifying revenues and directing spending. It is not the place to develop Federal policy on land use or natural resources. The ecological values of the coastal plain, many of which are intangible, will lose out when compared to the CBO scoring of potential revenues of barrels of oil.

Mr. President, I oppose the budget committee proposal because it continues, and even strengthens, the existing misplaced energy priorities that have yet to reduce our need for foreign oil. The language in the resolution emphasizes environmentally destructive energy development when what we need to do is develop cleaner, nonpetroleum-based fuels and seek important energy conservation opportunities.

If we allow drilling in the coastal plain, we are destroying what the Fish and Wildlife Service calls the biological heart of the only complete Arctic ecosystem protected in North America. We will be destroying that resource for a one in five chance of finding any economically recoverable oil in the coastal plain. And, even worse, we will destroy that biological heart in an effort to recover what many experts suggest will be only 200 days worth of oil for the Nation.

In addition, Mr. President, we cannot be sure that the revenues the committee assumes from the leasing are real. First, the leasing revenues are speculative in light of what has been bid on other highly prospective leases near the Arctic Refuge. The State of Alaska's most recent onshore lease sale located west of the Refuge brought in an average of $48.41 per acre, and leases immediately offshore the refuge in the Beaufort Sea only gained an average of $33–$153 per acre, versus the estimated $1,533 per acre the committee assumes would be paid if the entire coastal plain were leased.

Second, the Federal treasury may take in as little as ten percent of all leasing revenues, not a split of 50 percent as it appears that the Budget Committee currently assumes. The State of Alaska can be expected to sue to get 90 percent of the leasing revenues, as it does currently for other leases on Federal lands in Alaska.

Mr. President, after the *Exxon Valdez* spill, I visited the tragic spill site, the industrial complex at Prudhoe Bay, and the coastal plain of the Arctic Refuge. What I saw was the best of nature and the failings of humanity. I saw the best of nature in the Arctic Refuge, an area that the renowned biologist George Shaller calls "unique and irreplaceable, not just on a national basis, but also on an international basis." He notes, "most remote ecosystem, both inside and outside reserves, are rapidly being modified. The refuge has remained a rare exception. The refuge was established not for economic value, but as a statement of our nation's vision."

Beauty, wilderness, pristine—these words simply fail to capture what I saw and what is at stake if we allow oil and gas drilling to proceed. The infrastructure alone will severely impact the ecosystem. The oil rigs, roads, pipelines, airstrips, production facilities, seismic testing, and air and water pollution associated with the development will have dramatic negative impacts on the fragile coastal plain ecosystem.

We also threaten the food and culture of one of the most traditional subsistence peoples in the world, the Gwich'in Indians who depend on the healthy and undisturbed porcupine caribou herd which gives birth and raises its young in the coastal plain.

Unfortunately, in seeing the spill in Prince William Sound, I saw how empty promises and humanity's carelessness despoiled a rich ecosystem. Dead wildlife, oil-coated beaches, fishing towns and villages of native Alaskans turned upside down with the destruction. Today, seabird, seal, sea otter, and herring populations still have not recovered, and the social disruption still is felt by the villagers. Most natural resources injured by the spill still show little or no sign of recovery, according to the Exxon Valdez Trustee Council.

If we drill in the refuge, we threaten the unique wilderness system. And if we destroy the wilderness values in the Arctic Refuge, we also threaten an undisturbed ecosystem with its polar bears, snow geese, and international porcupine caribou.

The very nature of the budget process will denigrate the values of the coastal plain which the public and previous Congresses have sought to protect. The debate will not be about whether wildlife and wilderness are worth more than the chance of finding oil—the debate will hinge on what scores for budget deficit purposes. How do you score polar bears, musk oxen, and caribou? How do you measure the loss of an intact, undisturbed ecosystem to science? How will the Budget Committee account for the wilderness values which will be gone forever?

For all these reasons, Mr. President, I strongly object to the provision assuming leasing revenues from the coastal plain in the budget resolution. I strongly urge my colleagues to vote in favor of the Roth amendment.

Mr. LEAHY. Mr. President, this Congress should not have a yard sale to balance the budget.

A yard sale is an opportunity to clean house, to clear out things that have outgrown their usefulness, and to get rid of junk you don't need. The Alaska National Wildlife Refuge is not junk. It should not be drilled for oil to balance the budget.

The refuge is one of a kind—in fact, it's the last of its kind. The Alaska National Wildlife Refuge is the only place we have left that resembles the kind of land that gave birth to our Nation centuries ago.

I wonder how many people realize that outside this Chamber, 500 years ago, the first Americans could hunt bison and elk in the open forests on the banks of the Potomac. I wonder how many people remember that outside this building passenger pigeons used to roost in American chestnut trees, sometimes in flocks of thousands.

Today the bison and elk are gone, the passenger pigeon is extinct, and the American chestnut has been wiped out in this region by an exotic disease. The first Americans wouldn't recognize this place.

Now we turn to a remote corner of our country, the last expanse of true wildness left, and Congress is saying "we need that too—to balance the budget." On behalf of the children, I object.

Drilling for oil in the Alaska Wildlife Refuge has been a controversial issue for almost 10 years. This is not a reason to sneak it into the budget resolution. This is an issue for the light of day, not for legislative tricks.

Drilling for oil in Alaska is not even going to be a major contribution to our deficit—the leasing revenues are only one-fifth of 1 percent of the budget gap.

Finally, Alaska, the State that gets more Federal dollars per person than any other State in the Union, will get at least 50 percent of the revenues, and the State wants to take 90 percent according to previous arrangements.

The Alaska National Wildlife Refuge is American treasure that does not belong to us—it is the heritage of our country. Just like the bald eagle, the grand canyon, and a good trout stream—ANWR exists for our enjoyment today and for the enjoyment of generations to come. It should not be laced with roads and drilled for oil.

I urge support of this bipartisan amendment.

Mrs. MURRAY. Mr. President, I am in strong support of the Roth amendment.

We cannot sacrifice the incomparable wilderness of the Arctic National Wildlife Refuge to support our bad spending habits. This refuge is one of the only remaining complete and undisturbed arctic ecosystems in the world. It is home to an abundance of wildlife, including grizzly and polar bears, muskoxen, wolves, and a host of migratory bird species. It is also home to the magnificent porcupine caribou herd, whose 160,000 members rely on this coastal plain for their calving grounds.

ANWR also provides essential habitat for people. The Gwich'in people have inhabited this arctic ecosystem for more than 20,000 years. They are dependent upon the caribou herd for their food source, clothing supply, and culture.

Mr. President, this body could, today, begin a process that will signal the beginning of the end for many of the people and wildlife of ANWR. With this budget resolution, the doors will be opened wide for oil development in the Refuge. Oil development will likely disrupt the porcupine caribou and force them to change their calving grounds and migratory routes. This, in turn, will affect other wildlife and impact the lifestyle and culture of the Gwich'in people.

Proponents of development claim that only 13,000 acres of the Refuge will be impacted. While this may be true, that development will take place in the biological heart of ANWR and have a devastating impact on the wilderness values of the area. In this biological heart, developers will create a major industrial complex. They will build hundreds of miles of roads and pipelines, erect housing for thousands of workers, and construct two sea ports and one airport. These developments will lead to mining of enormous amounts of gravel, will require diversion of streams and will result in pollution of fragile tundra.

In addition to harming this precious piece of our heritage, I am skeptical about the revenue assumptions made in the budget resolution. The resolution assumes an intake of $1.4 billion from ANWR oil leases. This assumption is based on a split between the Federal Government and the State of Alaska of 60-40. While the Federal Government may push for this division, the State of Alaska has historically received 90 percent of the money from Arctic leases. It is likely that Alaska would file lawsuits to ensure that 10-90 split continues.

Leasing ANWR will not result in a balanced budget. Leasing ANWR will result in an imbalanced ecosystem in one of our greatest wilderness areas. I urge this body to protect the Refuge for future generations of Americans. Support the Roth amendment.

Mrs. BOXER. Mr. President, I rise in strong support of the Roth-Lautenberg amendment. This is a deficit neutral amendment that will correct a misguided policy assumption in the current budget resolution.

Mr. President, the 1996 budget resolution assumes $2.3 billion in revenue over 7 years from leases to oil companies for oil exploration and development in the Arctic National Wildlife Refuge. It assumes the opening up of a unique wildlife refuge for the sake of oil development.

Mr. President, the 1980 passage of the Alaska National Interest Lands Conservation Act opened up 95 percent of Alaskan lands with high or favorable oil and gas potential to exploration and development.

That same act did not allow oil and gas exploration in an area of the coastal plain designated "section 1002" because of its uniqueness as a natural resource.

This section 1002 of the Arctic coastal plain is precisely the land area that the budget resolution assumes will be leased to oil companies for oil exploration activities.

Mr. President, in other words, the budget resolution assumes that exploration will occur in an area where in current law, it is explicitly illegal to do so.

What would the consequences be of opening up the Arctic plain to development?

I would like to quote to you from a passage written by Peter Matthiessen in his forward to the Natural Resources Defense Council report Tracking Arctic Oil:

> Today the oil companies have set their sights on the last undeveloped lands to the eastward, pressuring Congress for permission to exploit the 125 mile-long coastal plain of the Arctic National Wildlife Refuge, the very last protected stretch of our arctic coastline, where polar bears still hunt over the ice and come ashore, where a mighty herd of 180,000 caribou, with its attendant wolves, migrates each year from Canada to give birth to its young. . . . The danger posed by destructive and inefficient drilling in the Arctic with irremediable loss to wilderness and wildlife, is not an Alaskan problem. It is a national problem, a world problem.

Mr. President, the first step toward victory for those hungry oil companies occurred last week in the Senate, with the passage of a bill that would lift the ban on the export of Alaska North Slope Oil.

The lifting of the ban goes against all the principles on which Congress based its controversial and expensive decision to construct the Trans-Alaska Pipeline.

Today, we face step two: a budget resolution that assumes 2.3 billion dollars in revenue from oil exploration and development leases along the pristine coastal plane of the Arctic National Wildlife Refuge.

Republicans in the budget committee say that they are "only leasing 8 percent of the 19 million acres of the Arctic Wildlife Refuge", and that "The development of the Arctic National Wildlife Refuge would only affect 13,000 acres".

Those 13,000 acres are on the last pristine arctic coastal plain—and are part of the original wildlife range established by President Eisenhower in 1960. Those 13,000 acres are in an area that the House of Representatives has twice voted to designate as wilderness in order to give it permanent protection from any development.

The fact is, Mr. President, that what we are talking about here is turning the only remaining protected stretch of our arctic coastline into an immense industrial desert.

Mr. President, leadership is about finding long term solutions to problems—not temporary solutions.

The proposal to open the Alaska National Wildlife Refuge demonstrates lack of long term vision and a lack of leadership—I firmly believe this is not where the citizens of this Nation want to go.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment offered by the Senator from Delaware.

Mr. DOMENICI. Mr. President, the Roth amendment would reduce the instructions to the Energy Committee by $2.3 billion over 7 years and offset that reduction by increasing revenues $2.3 billion over the same period of time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOMENICI. The Senator assumes this would be ANWR. I add that to my explanation.

Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—56

Abraham
Akaka
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Campbell
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—44

Baucus
Biden
Bingaman
Boxer
Bradley
Bryan
Bumpers
Byrd
Chafee
Cohen
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Roth
Sarbanes
Simon
Snowe
Wellstone

So the motion to lay on the table the amendment (No. 1150) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARCTIC OIL RESERVE

Mr. MURKOWSKI. Mr. President, I am glad to see that amendment offered by the Senator from Delaware to strike a major source of new Federal revenues from the budget resolution was rejected by my colleagues. This source of new revenue is $2.3 billion from competitive bonus bids from leasing the oil and gas resources of an area in the northeast part of my State. This is an issue that is important to my State and to our Nation. This vote to keep those funds in the budget resolution is a clear indication that my colleagues would like to see the revenues from the leasing of this area considered in context of the budget deficit reduction effort.

Together with the other members of the Alaska delegation I opposed this amendment. The amendment was also opposed by the Inupiat Eskimo people who live on the North Slope; by the local government for this region, the North Slope Borough; by the Eskimo-owned Arctic Slope Regional Corp.; by the State of Alaska; by our Governor Tony Knowles, and by an overwhelming majority of Alaskans.

Mr. President, I want to review the history and the potentially huge benefits that opening the coastal plain to oil and gas leasing can provide to the Nation.

In the 1980 Alaska National Interest Lands Conservation Act Congress withdrew more than 19 million acres in northeast Alaska, 8 million acres were designated wilderness and another 11 million acres nonwilderness refuge lands. However, under section 1002 of that act Congress set aside about 1.5 million acres to study for oil potential. The purpose of the study was to evaluate the oil and gas values and the fish and wildlife values of this area.

In April 1987 the Department of the Interior released the legislative environmental impact statement and coastal plain report to the Congress.

This led to the recommendation cf the Secretary of the Interior to open the 1002 area to oil and gas leasing. Let me quote from the report:

> The 1002 area is the Nation's best single opportunity to increase significantly domestic oil production. It is rated by geologists as the most outstanding petroleum exploration target in the onshore United States. Data from nearby wells in the Prudhoe Bay area and in the Canadian Beaufort Sea and Mackenzie Delta, combined with promising seismic data gathered on the 1002 area, indicate extensions of producing trends and other geologic conditions exceptionally favorable for discovery of one or more supergiant fields (larger than 500 million barrels).
>
> There is a 19-percent chance that economically recoverable oil occurs in the 1002 area.

> The average of all estimates of conditional economically recoverable oil resources (the "mean") is 3.2 billion barrels. Based on this estimate, 1002 area production by the year 2005 could provide 4 percent of total U.S. demand; provide 8 percent of U.S. production (about 660,000 barrels/day); and reduce imports by nearly 9 percent. This production could provide net national economic benefits of $79.4 billion, including Federal revenues of $38.0 billion.

The report continues:

> Discovery of 9.2 billion barrels of oil could yield production of more than 1.5 million barrels per day. Estimates of net national economic benefits based on 9.2 billion barrels of oil production, and other economic assumptions, are as high as $325 billion.

On April 8, 1991, the Department of the Interior issued a formal update of the recoverable petroleum reserves 1987 study and report. The major finding from the update was that the probability of economic success of finding commercial oil in the 1002 area was increased from 19 percent to 46 percent.

Let me place this in context. The probability of finding oil in the lower 48 States in an unexplored area is about 1 percent. As a result, 46 percent is unprecedented.

Mr. President, let me quote from the 1991 update:

> The 1991 update of recoverable petroleum resources in the 1987 Arctic National Wildlife Refuge, Alaska Coastal Plain Assessment, also known as the 1002 Report, makes a considerable contribution to the knowledge and understanding of the petroleum geology of the 1002 area of the Arctic National Wildlife Rufuge (ANWR). This study reaffirms most of the conclusions and estimates made in the 1002 Report, and increases the level of confidence that ANWR is part of the North Slope oil province. This is demonstrated by the increase in the marginal probability of economic success from 19 percent in the original assessment to 46 percent in the current assessment. The increase in marginal probability means that ANWR has a higher potential for oil discovery. The overall Minimum Economic Field Size (MEFS) for the 1002 area has been lowered from about 0.44 billion barrels of oil (BBO) to about 0.40 BBO. The mean resource estimate has increased from 3.23 to 3.57 BBO."

Mr. President, since this 1991 update, a number of new wells have been drilled near the 1002 area. A large number discovered oil and gas. Some of these wells may be commercial oilfields. These discoveries reflect very favorably on the prospect that the coastal plain contains major reserves of oil and gas.

As the reports quoted above make clear, the economic benefits of the coastal plains oil and gas reserves far exceed the $2.3 billion assumed in the pending budget resolution. The 1987 report notes that a discovery of 3.2 billion barrels of oil would produce net national economic benefits of $79.4 billion, including new Federal revenues of $38 billion. A discovery of 9.2 billion barrels would yield net national economic benefits of $325 billion and new Federal revenues of around $150 billion over the life of the oil fields.

The Department of Energy and Wharton Econometrics have done independent studies which project that leasing the coastal plain could create 250,000 to 732,000 new direct and indirect jobs in all 50 of our States.

Mr. President, in addition to providing a major stimulus to the economy and creating new jobs, opening the 1002 area will allow my State to continue to produce 25 percent or more of the Nation's domestic oil for an additional 30 or 40 more years. This is very important because Prudhoe Bay is now in decline. Since 1990, oil production has fallen from 2 million barrels a day to 1.6 million barrels a day. Every barrel of oil produced in Alaska is a barrel the United States does not have to buy abroad.

Senator Henry M. "Scoop" Jackson authored the Alaska Statehood Act and the Alaska Native Claims Settlement Act of 1971. Senator Jackson was a tough, no nonsense moderate Democrat. He was fair. He was accessible. He was informed. And he was balanced. Senator Jackson heard from all of the special interest groups, but he made his own decisions, based upon all of the facts and the interest of people and of the Nation.

Jackson, along with the senior Senator from Alaska, authored the legislation to open Prudhoe Bay to oil production by authorizing the Trans Alaska Pipeline Act in 1973. In the face of major opposition from the national environmental organizations, this legislation was adopted. As a result, the Nation has enjoyed two decades of major economic benefits.

Scoop also worked out the compromise that was reached which led to the study and report authorized in section 1002. The reason the 1.5 million acres was set aside was to consider the great oil potential in the area. Scoop included the provision of the national security concerns associated with our country being reliant on foreign oil. We are more reliant on foreign oil than ever before. We imported more than 50 percent of our oil consumption for the first time in 1994.

Mr. President, the opposition to opening the coastal plain to oil and gas leasing comes from the leaders of some of the Nation's large environmental organizations. My view is that the leaders of these organizations are misguided and poorly informed. I suspect that their opposition has more to do with "fundraising" objectives than it does with "wilderness" values.

The leaders of the environmental community have invested a great deal of time, effort, and money in the Gwich'in Indian steering committee. The steering committee is composed of some of the 400 Athabascan Indians who live in two villages on the Venetie Indian Reservation. The steering committee opposes opening the coastal plain. They are concerned that leasing and development might, in some unknown way, adversely impact the porcupine caribou herd. This herd of 160,000 animals annually migrates between Canada and the United States. In some years, the herd uses the southern portion of the coastal plain for forage and calving. Last year, North Slope Eskimos and Athabascan Indians took about 380 caribou from this herd of 160,000 animals for subsistence uses.

I respect the right of the Gwich'in steering committee to oppose resource development in the coastal plain. It is a decision, however, which is contrary to experience at Prudhoe Bay and elsewhere in the Arctic. Caribou are very adaptable. At Prudhoe Bay, the central Arctic caribou herd is flourishing with oil development. Since oil was discovered in Prudhoe Bay the central Arctic caribou herd has increased from 3,000 to 23,000 animals.

Further, the Gwich'in steering committees opposition to oil and gas leasing is a new development. In 1980 the Gwich'in people of Arctic village and Venetie villages leased all of the lands in their 1.7 million acre reservation to the Rouget Oil Co. of Tulsa, OK. This 20-page oil and gas lease did not contain any meaningful provisions to protect the porcupine caribou herd. This herd migrates annually through or near the Venetie Reservation. Yet, the Gwich'in leased all of their lands for $1.8 million on the basis that oil exploration and oil development would not adversely impact the herds well-being. I believe this leasing decision by the Gwich'in was correct. It is supported by studies of caribou and oil industry experience elsewhere, including Alaska's North Slope.

In 1984, the Gwich'in people hired a consultant to lease their reservation lands a second time after the Rouget Oil Co. oil and gas lease expired. And again, no concerns were expressed by the Gwich'in about any adverse impact on caribou.

The North Slope Inupiat Eskimo people are now asking for the same opportunity the Gwich'in had in the 1980's. They regret and I regret that the oil company that Gwich'in leased their lands to did not discover major reserves of oil and gas on their lands. The North Slope Eskimo people want the same right to do as the Gwich'in did in 1980. They want the right to explore the 92,000 acres of land they own at Kaktovik along with the surrounding Federal lands. And if these lands contain oil and gas in commercial amounts, they want the right to develop their land.

Mr. President, I am glad to see that the amendment from my colleagues from Delaware was defeated. We now can proceed with consideration of responsible oil and gas exploration and development of the best prospect for a major oil find in North America.

AMENDMENT NO. 1151

(Purpose: To restore funding for agriculture and nutrition programs)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. DASCHLE, Mr. CONRAD, and Mr. WELLSTONE, proposes an amendment numbered 1151.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the revenue and spending aggregates may be revised and other appropriate budgetary aggregates and levels may be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues, and for legislation that will provide $15,000,000,000 in outlays to the Committee on Agriculture, Nutrition, and Forestry for the purpose of restoring outlay reductions required of that committee pursuant to section 6 of this resolution.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974; budgetary aggregates; and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).".

Mr. DASCHLE. Mr. President, Senator EXON's amendment to restore $15 billion in agricultural spending is a step in the right direction for rural America. It is a step in the right direction for the American families who depend on USDA nutrition programs. It stands in stark contrast to the Republican budget that takes these funds from rural America, not to reduce the deficit, but to fund tax breaks for some of the wealthiest Americans.

The Exon amendment instead directs the $15 billion where it is most needed, to farmers who struggle each year to stay on the farm, to keep producing America's food and fiber supply, and to families who strike a rough patch when there is job loss or other bad luck, people trying to put food on the table and keep their families together.

The Republican budget, on the other hand, raids rural America to aid the comfortable. The Republican budget proposal would cut $45.9 billion out of the Agriculture Department over the next 7 years. That is likely to translate to around $12 billion in direct cuts to farm programs. It is a 20-percent cut in farm spending. It will contribute to the further deterioration of the economic and social fabric of rural America. No other sector of American life is being asked to absorb such a hit. We cannot have a prosperous Urban America riding on the back of an impoverished Farm America. Yet that's what Republican budget cuts will produce.

Farmers in South Dakota would see a devastating decline in their income of over $57 million. Other rural States will suffer similar pain. This budget is shortsighted for rural America and self-interested for the best off. It is not a balanced, fair proposal. It is not a budget that sustains the American tradition of building a strong farm sector, a tradition that has enjoyed bipartisan support until this Republican majority.

Make no mistake, the agricultural community recognizes the enormity of the Federal budget and is committed to reducing it. Farmers are some of our most fiscally conservative citizens. But America's producers—rightly—feel they should not be asked to bear a disproportionate share of spending reductions.

They are right. America's producers have already contributed their share. Long before the budget cutters turned to other programs to see where we could cut, farm producers over the last decade have already seen commodity program spending decline more than 60 percent. Other parts of the Federal budget have expanded, while agriculture has consistently been cut back. Now we are cutting into live growth, not deadwood. If other Federal sending had been reduced at anything near the same rate as agricultural spending has been, we would have a budget surplus. In this context, to make farmers take another deep cut just to give the richest Americans a tax break adds insult to injury.

Ideas have consequences and so do choices. If we choose to sacrifice a healthy farm sector to the momentary impulse to finance a tax cut, we will pay more down the road. We cannot disinvest and disinvest and disinvest in rural America, channeling support to virtually every other sector, without finally paying the price. The fact is, these cuts could easily cost us more than they save. Barely 10 years ago, in the mid-1980's, we learned the price of misguided and mistaken policies that starved rural America. We paid billions to repair the damage done by shortsighted farm policies, unforeseen weather patterns and changing economic conditions. There were more farm and rural business foreclosures and bankruptcies than at any time since the Great Depression.

Right now, producers in South Dakota and across the Midwest are suffering from unseasonably wet weather and destructive flooding. They cannot get their crops in the ground. So they will be struggling to make it through this difficult year even with the current level of farm spending. With the cuts in the Republican budget proposal, net income will plummet, and land prices will fall again. Another bad year could push many producers over the edge into insolvency.

We can and should do more to streamline agricultural programs, both to make them farmer friendly and to curb costs. But there is a difference in curbing costs and what this budget proposal does. This budget imposes a straightjacket on Congress as we are trying to write a better, more responsive and more flexible farm bill. This budget will prevent reasonable reform, not promote it. It is exactly the wrong way to go.

Mr. EXON. Mr. President, this amendment, using a $170 billion bonus surplus, gives $15 billion to the Agriculture Committee. The rest can still be used for tax cuts.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Are we ready to vote?

The PRESIDING OFFICER. We are ready to vote.

Mr. DOMENICI. Mr. President, the pending amendment is not germane to the provisions of the budget resolution. Pursuant to section 305 of the Budget Act, I raise the point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305(b) of that act for consideration of the pending amendment.

The PRESIDING OFFICER. The yeas and nays are ordered on the amendment.

Mr. EXON. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 31, nays 69, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—31

Akaka
Baucus
Bingaman
Breaux
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kohl
Leahy
Moseley-Braun
Murray
Nunn
Pryor
Robb
Simon
Wellstone

NAYS—69

Abraham
Ashcroft
Bennett
Biden
Bond
Boxer
Bradley
Brown
Bryan

Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kerry
Kyl
Lautenberg
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Nickles
Packwood
Pell
Pressler
Reid
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. On this vote, the yeas are 31, the nays are 69. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected, and the Chair sustains the point of order.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

AMENDMENT NO. 1152

(Purpose: To express the sense of the Senate regarding reimbursement to the States for the costs of implementing the National Voter Registration Act of 1993 under budget function 800)

Mr. COVERDELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Georgia [Mr. COVERDELL] proposes an amendment numbered 1152.

Mr. COVERDELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE COSTS OF THE NATIONAL VOTER REGISTRATION ACT OF 1993.

It is the sense of the Senate that within the assumptions under budget function 800 funds will be spent for reimbursement to the States for the costs of implementing the National Voter Registration Act of 1993.

Mr. COVERDELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, the Coverdell amendment is a sense-of-the-Senate resolution stating that the funds within this resolution should be spent for reimbursement to States for motor-voter mandates.

Mr. HATFIELD. Mr. President, as the lead Republican sponsor of the National Voter Registration Act, I was very interested in a recent New York Times article reporting on the progress of voter registration since the bill's implementation in January of this year. Over 2 million new voters have been registered in the first quarter of 1995 and the National Motor-Voter Coalition estimates that approximately 20 million new voters will be registered by the 1996 Presidential election.

It is very gratifying to hear that this important program is being implemented successfully and that the results are exceeding our expectations. I realize there are concerns about this law being a burden to the States and its financial impact on them. However, I would remind my colleagues that many innovative States, including Oregon, led the way for the Federal Government by adopting State motor-voter laws and supported a national law. Additionally, according to the Congressional Budget Office study on the implementation costs of motor-voter, the aggregate costs for States would be $20 to $25 million annually for 5 years. Mr. President, this does not meet the requirements of the Federal unfunded mandate legislation passed earlier this year by the Senate—which I supported.

It is our obligation as policymakers to protect the voting process and, at the same time, to make it accessible. The motor-voter law effectively achieves both of these important responsibilities and, therefore, I voted against the Coverdell amendment to the budget resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—51

Abraham
Bennett
Bond
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—49

Akaka
Ashcroft
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

So the amendment (No. 1152) was agreed to.

Mr. COVERDELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1153

(Purpose: To maintain public funding for Presidential campaigns)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KERRY, proposes an amendment numbered 1153.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, strike lines 17 through 19 and insert the following: "$2,000,000 in fiscal year 1996, $37,000,000 for the period of fiscal years 1996 through 2000, and $72,000,000 for the period of fiscal years 1996".

On page 66, line 6, decrease the amount by $70,000,000.

On page 66, line 13, decrease the amount by $70,000,000.

On page 66, line 14, decrease the amount by $28,000,000.

On page 66, line 20, decrease the amount by $70,000,000.

On page 66, line 21, decrease the amount by $215,000,000.

On page 67, line 2, decrease the amount by $70,000,000.

On page 67, line 3, decrease the amount by $4,000,000.

On page 67, line 9, decrease the amount by $70,000,000.

Mr. EXON. Mr. President, this removes instructions to the Rules Committee that repeals spending limits and public financing for Presidential campaigns, returning to pre-Watergate rules for those campaigns. Offset approximately $250 million over 7 years, of reduced overhead and administrative costs spread across Government by the Appropriations Committee.

PRESIDENTIAL CAMPAIGN FUND

Mr. FEINGOLD. Mr. President, I would like to thank the junior Senator from Massachusetts for offering his amendment that would derail this misguided effort to eliminate the Presidential election campaign fund.

It came as a surprise—and a disappointment—to many of us that when the Republican Party announced last fall their new Contract With America and declared their commitment to reforming the Congress and ending business as usual in Washington, that they did not even bother to mention campaign finance reform in their contract.

Well, we are now out from under the first 100 days of the contract, and there is still no indication that the Senate will be turning to campaign finance reform anytime soon.

But not only are we going to be prevented from taking a step forward, the budget resolution before us today would push us back—20 years back—to the days before Congress recognized how fundamentally flawed our system of Presidential campaigns was.

Mr. President, what in the world is the logic behind this? As far as I know, even the most vocal opponents of the Presidential campaign system are not willing to suggest that we have had a single unfair Presidential election in the past 20 years. Nor has any general election candidate for President, to my knowledge, ever said in the past 20 years that their loss was attributable to the lack of financial resources.

That is because the Presidential campaign finance system is based on simple principles. One principle is that money should not determine the outcome of elections. Another is that elected officials should not be spending inordinate amounts of time on the phone soliciting campaign funds.

That is what the Presidential system is about. If there is a problem of inadequate funding of the Presidential campaign fund, then that should be addressed. We did it 2 years ago and we can do it again.

But instead, this resolution is trying to fix a wristwatch with a sledgehammer, preferring to discard the one Federal campaign system that has produced fair and competitive elections during the last 20 years rather than finding a targeted solution to ensuring the solvency of the Presidential fund.

Finally, I have to ask why the Republicans are trying to do this under the camouflage of the budget resolution. If opponents of the Presidential system want to eliminate it, then let us have public hearings in the Rules Committee and have an intelligent discussion about it.

If opponents of public financing are so convinced that the American people are also opposed to public financing, why are the opponents so reluctant to have a public debate on this issue on the floor of the U.S. Senate?

There is not a single word in the budget resolution about what we are going to replace the Presidential system with.

But again, I have not heard anyone in the nearly 20 years of this system's existence criticize it for being unfair to challengers, unfair to either party, or dominated by special interests.

This is a system we need to emulate, not eliminate.

I thank the Senator from Massachusetts for his leadership on this issue and I yield the floor.

Mr. BIDEN. Mr. President, since I was elected to the Senate in 1972, one of my central themes has been to get special-interest money out of political campaigns. The first testimony I ever gave as a U.S. Senator was before the Senate Rules Committee in favor of public funding—instead of special-interest funding—of political campaigns.

Unfortunately, we have not moved forward as much as I would have liked or as much as I have repeatedly advocated. And, what little we have done is now on the chopping block.

The Republican budget would eliminate the only positive step we have taken in the last 20 years to clean up our political campaign system—getting special-interest money out of the general election campaigns for President and limiting the amount Presidential candidates can spend. Now, the Republicans are trying to let the special-interest, big money back in.

The Republican budget would repeal the Presidential campaign check-off system. It is a rather simple system. When you file your income taxes each year, you can check off the box at the top of the tax form to have $3 of your taxes go to finance Presidential campaigns. It is a voluntary system. No one has to check it off. No ones taxes are affected by the decision. And, the only money that goes to Presidential campaigns is the money that people check off voluntarily. In exchange for taking the money, Presidential candidates must limit how much they spend.

A simple system. A voluntary system. And, yet the system has worked. No more special interest money in the general election, and no more runaway spending.

In the last 20 years, very few people have accused Presidential candidates of being beholden to special interest. Less than 1 percent of the money in Presidential campaigns comes from PAC's—political action committees. And, once the Presidential primaries are over, the quest for money essentially ends. Candidates can spend their time debating the issues—not catering to special-interests.

Meanwhile, spending has been held down. Consider this: in the 1992 Presidential election, President Clinton and President Bush combined spent less in constant dollars then President Nixon spent all by himself in the Watergate election of 1972—before there were spending limits and before there was the Presidential check-off system.

What has been the result of all of this compared to the old system? Cleaner campaigns, fairer campaigns, more competitive campaigns, campaigns more focuses on the issues, and campaigns with limited spending.

Mr. President, I urge my colleagues to support the Kerry amendment, which I have cosponsored. It would keep the Presidential check-off system in tact. Now is not the time to return Presidential campaigns to the days of runaway spending controlled by special interests.

This system is not broken. We should not break it.

AMENDMENT NO. 1154 TO AMENDMENT NO. 1153

(Purpose: To express the Sense of the Senate on use of the Presidential Election Campaign Fund in regard to sexual harassment)

Mr. McCONNELL. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McCONNELL] proposes an amendment numbered 1154 to amendment No. 1153.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE.

It is the sense of the Senate that the assumptions underlying function 800 include the following: that payments to presidential campaigns from the Presidential Election Campaign Fund, as authorized by the Federal Election Campaign Act of 1974, should not be used to pay for or augment damage awards or settlements arising from a civil or criminal action, or the threat thereof, related to sexual harassment.

Mr. McCONNELL. Mr. President, today—on C-SPAN—we answer the question: can we ever get rid of any government program?

Even if the program is wasteful, even if it is a proven failure, even if we've been spending taxpayers' money on it against their will—will we put a stop to it?

Even if the program is a complete boondoggle for politicians—in fact, politicians receive every dime from it—can Congress bring itself to kill such a program? Stay tuned.

The Budget Committee, under the able leadership of Chairman DOMENICI, wisely chose to end the failed Presidential Election Campaign Fund program. Make no mistake: the Presidential Election Campaign Fund is not simply troubled or fraught with problems—it is an utter failure.

It has not achieved any of its stated objectives. It does not limit special interests. It does not lessen the money chase. It does not even limit spending. On the other hand, it does distort the political process, by causing campaigns to employ battalions of lawyers to seek out and exploit loopholes. It does fork over millions of taxpayer dollars to fringe candidates like Lenora Fulani, and even criminals like Lyndon LaRouche.

It was the reformers' dream. It has become the taxpayers' nightmare.

From beginning to end, the Presidential system of spending limits and voluntary taxpayer funding is a hoax that 85 percent of American taxpayers are not falling for. The tax return checkoff mechanism, which feeds the fund, is itself a fraud. The checkoff appropriates money out of the Treasury. It gives a tiny minority—14.5 percent of filers checked "yes" on their 1993 returns—the power to appropriate tax dollars paid by all Americans.

The system is not voluntary for the 85 percent of American taxpayers who choose not to check "yes," but are forced to pay for the few who do. These checkoff dollars don't come out of the pocket of those who check "yes"—anymore than appropriations bills come out of the pockets of the Senators who vote for them.

Democracy would be aided—not imperiled—by the demise of the Presidential fund. Every year, Americans vote on this fund, via the tax checkoff. It is the largest single public opinion poll conducted annually in this country, on the popularity of taxpayer financing of campaigns.

The high water-mark—28.7 percent checking "yes"—was realized on the 1980 tax returns. It's been a downward trajectory since, even though the dollar checkoff has itself been eroded by inflation and presumably would be an increasingly inexpensive proposition. Therefore, to get more money out of fewer people, President Clinton's 1993 budget/tax bill tripled the checkoff to $3. The result was a 23-percent decrease in the checkoff rate—fewer people than ever supporting it—while the total amount diverted from the Treasury increased 258 percent, from $28 million to $71 million.

I can tell you there is no outpouring of support among Kentuckians, or residents of any other State, for this program. In fact, they are crying out that they do not want their tax dollars paying for anyone's campaign. Not the President's. Not Lenora Fulani's. Not anybody's.

And certainly they aren't interested in paying for a campaign that Lyndon LaRouche ran from his prison cell. Nevertheless, LaRouche received Federal matching funds for the Presidential campaign he conducted while serving a 15-year sentence for fraud. Having run in 1980, 1984, 1988, and 1992, he's now planning another run in 1996—courtesy of the taxpayers. Maybe the fifth time's a charm.

And then there's Lenora Fulani—I'm hoping to make Ms. Fulani as famous as Senator GRAMM has made Dicky Flatt; because no one knows who she is. Well, you may not know Ms. Fulani, but you're paying her campaign bills through the presidential fund.

Lenora Fulani is with the New Alliance Party, another household word in politics. Ms. Fulani is the lucky recipient of over $3.5 million in taxpayer dollars over the course of three elections—1994, 1988, 1992.

In fact, she's gotten so good at the game that she was the first candidate—ahead of George Bush, Bill Clinton, and all the rest—to qualify for matching funds for the 1992 campaign. Anyone want to bet there will be another Fulani candidacy in 1996? Who could resist millions of dollars in taxpayer largesse?

As these fringe candidates proliferate, I can imagine the Presidential fund enlisting Ed McMahon to notify all those who qualify that they have won the grand prize: an all-expense-paid Presidential election campaign—not from Publishers Clearinghouse, but from the American taxpayers.

Some proponents of taxpayer-financed campaigns say it is inappropriate—even hypocritical—for those who have participated in the Presidential system to oppose it. That is absurd. If that were the case—that participating in the system is tantamount to endorsing it—then what should be said about all those from the other side who run for the Senate under a system they want to replace with taxpayer financing and spending limits?

Mr. President, playing by the rules as they exist does not, nor should it, preclude anyone from trying to change them for the better. I haven't seen anyone from the other side volunteer to abide by spending limits because they think they're such a great idea. Is that what is being suggested?

In the same way, Presidential candidates must participate in the system as it is, not as they would like it to be. That being the case, every single candidate running for President but two has decided, quite logically, to accept the funding—because not to do so would cede a huge financial advantage to other candidates.

Not surprisingly, the only two major candidates who have turned down this generous subsidy were extremely wealthy: millionaire John Connally in 1980 and billionaire Ross Perot in 1992.

So the notion that you are precluded from reforming a program that you have almost no choice but to participate in is absolutely ludicrous, and should be ignored.

But there is another argument against reforming the Presidential system that should not just be ignored—it should be condemned.

Common Cause—which has perfected the art of hysterical, money-grubbing direct-mail appeals—issued a letter on May 11 in which it said that opposition to taxpayer financing of Presidential campaigns is an endorsement of corruption. It went on to charge that a vote for the budget resolution—as is—is a vote for corruption.

Over the years, Common Cause has dished up so much disinformation on campaign finance reform, under the guise of good government, that even the Democrats ignore them—or barely tolerate them. They have become a parody of their former selves—just another self-interested Washington lobby, adding to the cacophony of government-bashing, while making a tidy sum in the process. But this goes beyond the pale.

The Presidential Election Campaign Fund is a failed relic from the post-Watergate reform era. In fact, most of the proposals that were enacted in that era were struck down by the Supreme Court as wholesale trampling of constitutional freedoms. So the fact that this system was conceived in the wake of Watergate is not necessarily an impressive pedigree.

But since the proponents of taxpayer financing like to invoke Watergate, I'd like to read directly from the report prepared by the Senate Select Committee on Watergate, which was charged with making legislative recommendations to deal with the issues raised by this scandal.

Recommendation No. 7, which appears on page 572 of that report, reads as follows:

> The committee recommends against the adoption of any form of public financing in which tax moneys are collected and allocated to political candidates by the Federal Government. * * * [t]he committee takes issue with the contention that public financing affords either an effective or appropriate solution. Thomas Jefferson believed 'to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical.'
>
> The Committee's opposition is based, like Jefferson's, upon the fundamental need to protect the voluntary right of individual citizens to express themselves politically as guaranteed by the first amendment. Furthermore, we find inherent dangers in authorizing the Federal bureaucracy to fund and excessively regulate political campaigns.
>
> The abuses reexperienced during the 1972 campaign and unearthed by the Select Committee were perpetrated in the absence of any effective regulation of the source, form, or amount of campaign contributions. In fact, despite the progress made by the Federal Election Campaign Act of 1971, in requiring full public disclosure of contributions, the 1972 campaign still was funded through a system of essentially unrestricted, private financing.
>
> What now seems appropriate is not the abandonment of private financing, but rather the reform of that system in an effort to vastly expand the voluntary participation of individual citizens while avoiding the abuses of earlier campaigns.

That is what the Watergate Select Committee had to say about the matter. So you can call taxpayer financing of campaigns a Common Cause reform, but don't call it a Watergate reform, because the Senate committee in charge of formulating a response to the crisis rejected the idea, flat-out.

The fact that the Presidential Election Campaign Fund slipped through, thereby putting the Government in the business of bribing people to forfeit their constitutional rights, is an unfortunate legacy of those tumultuous years. But just because the fund has barely survived for two decades—teetering on the brink of bankruptcy before President Clinton bailed it out 2 years ago with taxpayers' money—does not justify its perpetuity.

It is the myopia of big-Government liberals that prevents them from seeing that anything could possibly replace a Government program. So we need to answer the question: What would exist after the Presidential fund's demise?

Why, a system in which private citizens voluntarily contribute publicly disclosed and limited donations to the candidates of their choice—in other words, the system contemplated by the Watergate Select Committee.

Perhaps now, 20 years after Watergate, Congress can finally get it right.

Of course, I expect the professional government-bashers like Common Cause to say that reverting to a privately funded Presidential system is somehow a guarantee of corruption. They have been calling the privately financed congressional system corrupt for years. In their view, the only clean money is the taxpayers' money.

You see, they have this theory that your hard-earned money is dirty and corrupting until it's been laundered by the Internal Revenue Service. It's a very interesting theory, to say the least.

However, we have already pumped nearly a billion dollars of the taxpayers' money into the Presidential system, and it has not achieved any of the purported goals of that system. The congressional system, on the other hand, doesn't use a dime of taxpayers' money for political campaigns, and if there are instances where it has bred corruption, then—as chairman of the Senate Ethics Committee—I would like to hear about them and we will investigate them to the fullest.

If the issue really is corruption, then contribution limits and public disclosure are the best preventive measures—not another taxpayer-funded Government program.

But I think the charge of corruption here is just a convenient smoke-screen to maintain the status quo and to let this failed and wasteful system continue in perpetuity.

I think the real issue before us is whether this Congress, faced with a $4.7 trillion-dollar debt, will step up to the challenge of eliminating any Government program, even one with as dismal a record as the failed Presidential system.

As I said at the outset: despite the expenditure of millions of tax dollars, this system has not curbed special interests. It has not ended the money chase. It has not reduced the emphasis on fundraising. It has not even limited campaign spending, as misguided a goal as that is.

In fact, this Government program is an utter embarrassment: the Federal Election Commission can't even finish its audits of candidates until they're ready to run again. Every candidate except one has been cited for inadvertent violations. Accountants and lawyers are blowing open new loopholes every election that hold the entire system up to ridicule.

And what is the money being spent on? Convenient balloons. Negative ads. Consultants. Opposition research. Just the things that American taxpayers are telling us they want more of.

Will Congress step up to the plate and put at least one wasteful Government program out of business? Will Congress let the taxpayers off the hook—just once? Will Congress get rid of this exclusive perk for politicians?

Inquiring taxpayers want to know.

It's time to pull the plug on the taxpayer-financed Presidential system. It should surprise no one that this Republican Congress, in pursuant of a balanced budget, should seek to abolish a proven failure like the Presidential Election Campaign Fund. This is one entitlement program on which the sun should have set—a long time ago.

SECOND-DEGREE—SEXUAL HARASSMENT

However, if the Senator from Massachusetts prevails in his quest to continue taxpayer-financing of Presidential campaigns, then at the least we should take some steps to reassure taxpayers that their money is used for legitimate campaign purposes. The Presidential Election Campaign Fund should not be used to quash scandals such as allegations of sexual harassment. Such abuse of taxpayer funds itself impairs public confidence in Government.

The second-degree amendment that I am putting forth simply states:

> It is the sense of the Senate that the assumptions underlying function 800 include the following: that payments to presidential campaigns from the Presidential Election Campaign Fund, as authorized by the Federal Election Campaign Act of 1974, should not be used to pay for or augment damage awards or settlements arising from a civil or criminal action, or the threat thereof, related to sexual harassment.

Mr. President, this is not a hypothetical. It came to light—2½ years after the fact—that President Clinton's 1992 taxpayer-funded Presidential campaign used $37,500 to settle a sexual harassment suit against one of the then-candidate's top aides.

This expense item was discovered during the course of an audit of the Clinton campaign which resulted in a recommendation that the campaign repay to the Treasury a record $4 million. The Commission ultimately scaled back the repayment. Along with items including $180,000 in questionable petty cash disbursements, $70,000 for lost rental cars, computers and other equipment, was the $37,500 to settle what the campaign termed an "employment dispute."

The Clinton campaign had listed the expense as consulting fees. How much of it was in fact for consulting and how much was for keeping quiet, is unclear. The Washington Post reported on February 15 of this year that ". . . given the dearth of information the campaign provided, the FEC has ordered it to repay $9,675 in Federal funds that were used in the payment."

Mr. President, the confidentiality clause in the agreement between the claimant and the Clinton campaign impeded the audit and with repayment of part of the money the Federal Election Commission has reportedly closed the investigation. Considering that taxpayer funds intended for Presidential campaigning are involved, perhaps the matter should be revisited. In any event, the Senate should make clear that taxpayer funds drawn from the Presidential Election Campaign Fund should not be used to coverup charges of sexual harassment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator MCCONNELL's second-degree amendment is a sense of the Senate that Presidential campaign fund moneys should not go toward settling sexual harassment suits.

Mr. MCCONNELL. I ask for the yeas and nays.

Mr. KERRY. Mr. President, I simply would like to say to the manager, we are prepared to accept this. We can save the Senate time and proceed to the underlying amendment.

Mr. MCCONNELL. Mr. President, I would like to have a vote on this.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 1154 offered by the Senator from Kentucky [Mr. MCCONNELL]. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—100

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee

Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

So the amendment (No. 1154) was agreed to.

The PRESIDING OFFICER. At this time, we will proceed to the vote on the adoption of amendment No. 1153, as amended.

Mr. DOMENICI. Mr. President, is the pending amendment the Glenn amendment?

The PRESIDING OFFICER. No, it is the Exon for Kerry amendment No. 1153.

Mr. DOMENICI. I do not need to say anything. I am going to sit down.

VOTE ON AMENDMENT NO. 1153, AS AMENDED

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1153, as amended.

Mr. McCONNELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 56, nays 44, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—56

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Stevens
Thompson
Wellstone

NAYS—44

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Thomas
Thurmond
Warner

So the amendment (No. 1153), as amended, was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1155

(Purpose: To restore the IRS compliance initiative)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. GLENN and Mr. SIMON, proposes an amendment numbered 1155.

The amendment is as follows:

On page 79, strike lines 1 through 3.

Mr. EXON. Mr. President, this amendment would restore the budget structure of the IRS compliance initiative which now is established in last year's budget resolution with bipartisan support. The initiative was established off budget because of its return of $5 for every $1 spent. This budget resolution would change that structure, placing the IRS initiative under the spending caps.

The amendment strikes that language to ensure that the compliance initiative will be fully funded at $9.2 billion over 5 years and delinquent taxes brought to the Treasury.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I do not object to the statement, but frankly I hope we will exchange statements in the future. That statement is a little more editorialized comment than I thought we would have, but nonetheless it has been done.

AMENDMENT NO. 1156

(Purpose: To retain the budget resolution's prohibition against off-budget funding for the IRS and add a Sense of the Senate that the Senate should pass the "Taxpayers Bill of Rights 2")

Mr. DOMENICI. Mr. President, I send an amendment in the nature of a substitute on behalf of myself and Senator GRASSLEY to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and Mr. GRASSLEY, proposes an amendment numbered 1156.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language proposed to be stricken insert the following:

SEC. 209. REPEAL OF IRS ALLOWANCE.

(a) Section 25 of House Concurrent Resolution 218 (103d Congress, 2d Session) is repealed.

(b) It is the sense of the Senate that the revenue levels contained in the budget resolution should assume passage of the "Taxpayers Bill of Rights 2" and that the Senate should pass the Taxpayers Bill of Rights 2 this Congress.

(c) It is the sense of the Senate that funding for tax compliance efforts should be a top priority and that the assumptions underlying the functional totals in this resolution include the administration's full request for the Internal Revenue Service.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this amendment repeals the special off-budget treatment of the IRS compliance initiative. The budget resolution already provides full funding of the initiative within the discretionary caps.

I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The VICE PRESIDENT. The Senator from Ohio.

AMENDMENT NO. 1157 TO AMENDMENT NO. 1156

Mr. GLENN. Mr. President, I send an amendment to the desk in the second degree and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 1157 to amendment No. 1156.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, strike lines 1-3.

The VICE PRESIDENT. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I have had discussion with the distinguished Democratic leader. I would like to enter into a unanimous-consent agreement. I understand the amendments have climbed to 50, so there will be 50 votes. We started at 31, got down to 20, and now it has gotten up to 50.

So I ask unanimous consent that the only first-degree amendments in order to the budget resolution be those submitted by 5:15 this evening.

Is there objection to that?

Mr. FORD. What about second degree?

Mr. DOLE. This only applies to first degree.

Mr. DASCHLE. We have been discussing this agreement. This would not preclude second-degree amendments. The sponsors of the amendments would have to turn them in to the managers prior to 5:15. I think it is a good suggestion and I hope we can accommodate it.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Which one are we voting on now?

The VICE PRESIDENT. The Senator from Nebraska.

Mr. EXON. Mr. President, the second-degree amendment strikes language in the Grassley-Domenici amendment which would restructure the IRS compliance initiative placing it within the budget caps.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the second-degree amendment returns the situation to where it was before I offered my amendment, which means that if this amendment is adopted, the IRS will continue to have special off-budget treatment of their budget instead of it being included in the budget like others.

The VICE PRESIDENT. The question is on the second-degree amendment.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1157 TO AMENDMENT NO. 1156

Mr. DOMENICI. I move to table the second-degree amendment. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 58, nays 42, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—58

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Brown
Bumpers
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feingold
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Pryor
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—42

Akaka
Biden
Bond
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

So the amendment (No. 1157) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1156

The VICE PRESIDENT. The question recurs on amendment No. 1156 offered by the Senator from New Mexico.

The question is on agreeing to the amendment.

The amendment (No. 1156) was agreed to.

The VICE PRESIDENT. The adoption of the Domenici amendment renders the underlying amendment moot.

Mr. GORTON addressed the Chair.

The VICE PRESIDENT. The Senator from Washington.

Mr. GORTON. I am authorized to make an announcement by the majority leader that there will be no further votes until 5 p.m.

RECESS

The VICE PRESIDENT. Under the previous order, the Senate will stand in recess until 5 p.m.

Whereupon, at 4:19 p.m., the Senate recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JEFFORDS).

The PRESIDING OFFICER. The majority manager of the bill is recognized.

AMENDMENT NO. 1158

Mr. EXON. Mr. President, on behalf of Senators BOXER, MURRAY, LAUTENBERG, and FEINSTEIN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mrs. BOXER, for herself, Mrs. MURRAY, Mr. LAUTENBERG, and Mrs. FEINSTEIN, proposes an amendment numbered 1158.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following: "It is the sense of Congress that no Member of Congress may use campaign funds to defend against sexual harassment lawsuits."

Mr. EXON. Mr. President, this a sense of the Congress that no Member of Congress may use campaign funds to defend against sexual harassment lawsuits.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Are we prepared to vote?

Mr. EXON. We are prepared for the vote. I asked for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. DOMENICI. Mr. President, I move to lay the amendment on the table.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO LAY ON THE TABLE AMENDMENT NO. 1158

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1158.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 1, nays 99, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—1

Packwood

NAYS—99

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter

Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

So the motion to lay on the table the amendment (No. 1158) was rejected.

AMENDMENT NO. 1159 TO AMENDMENT NO. 1158

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 1159 to amendment No. 1158.

The amendment is as follows:

In the pending amendment strike all after the words "It is the sense-of-the-Congress" and insert the following: "That no member of Congress or the executive branch may use campaign funds or privately donated funds to defend against sexual harassment lawsuits."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—55

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Packwood
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

So the amendment (No. 1159) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROWN. Parliamentary inquiry, Mr. President. Is it true that the unanimous-consent agreement that we are operating under required any further amendments to be considered by this body—first-degree amendments—to be considered by this body to be presented to the managers of the bill by 5:15?

The PRESIDING OFFICER. The Senator is correct.

Mr. BROWN. Is it then true that because none of those amendments have been delivered by 5:15, no further first-degree amendments are in order to the bill?

Mr. President, I note that it is now 5:39 and that as of 5:15 none of the amendments had been presented.

The PRESIDING OFFICER. The amendments were to be presented to the managers of the bill, not the clerk.

Mr. BROWN. Do we have any indication that those amendments were indeed presented by 5:15?

The PRESIDING OFFICER. The chair does not know what amendments have been submitted to either of the managers.

Mr. EXON. You can get the word of the two managers, if that will suffice for the distinguished Senator from Colorado.

Mr. BROWN. Mr. President, I do not mean to obstruct proceedings but I have been trying to get copies of amendments after 5:15. I have asked the managers, and they are still not available. If amendments are not made available, I intend to make a point of order against amendments offered from this point forward.

AMENDMENT NO. 1158, AS AMENDED

The PRESIDING OFFICER. The pending measure is amendment No. 1158, as amended.

Mr. BROWN. Parliamentary inquiry, Mr. President. Was this amendment presented to the managers prior to 5:15?

Mr. EXON. Mr. President, it was.

The PRESIDING OFFICER. The amendment was offered prior to 5:15.

Mr. BROWN. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1158, as amended.

The amendment (No. 1158), as amended, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. We have been very liberal regarding the time on votes. We were 5 minutes over on that last vote.

I urge all Members to stay in the Chamber, or close to the Chamber, so we can get finished in a more orderly and quicker fashion.

Mr. EXON. Is it in order to proceed now in a semi-orderly fashion with amendments that are properly of record?

The PRESIDING OFFICER. Amendments are in order.

AMENDMENT NO. 1160

(Purpose: To limit increases in the public debt)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 1160.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 63, strike beginning with line 8, though page 65, line 5, and insert the following: "The Senate Committee on Finance shall report changes in laws within its jurisdiction that increase the statutory limit on the public debt to the amount set forth for the public debt for fiscal year 1996 in section 2(5), of this resolution.

"(8) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

"(9) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

"(10) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

"(11) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,141,000,000 in fiscal year 1996, $9,165,000,000 for the period of fiscal years 1996 through 2000, and $13,795,000,000 for the period of fiscal years 1996 through 2002.

"(12) COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $280,000,000 for the period of fiscal years 1996 through 2000, and $319,000,000 for the period of fiscal years 1996 through 2002.

"(13) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $301,000,000 in fiscal year 1996, $5,760,000,000 for the period of fiscal years

1996 through 2000, and $10,002,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 200. LIMITING INCREASES IN THE STATUTORY LIMIT ON THE PUBLIC DEBT.

(a) RECONCILIATION DIRECTIVES WITH RESPECT TO PUBLIC DEBT LIMIT.—

(1) BUDGET RESOLUTION.—Any concurrent resolution on the budget for a fiscal year that contains directives of the type described in paragraph (1) or (2) of section 310(a) of the Congressional Budget Act of 1974 for such fiscal year shall also include a directive of the type described in paragraph (3) of that subsection for that fiscal year.

(2) RECONCILIATION.—Any change in the statutory limit on the public debt that is recommended pursuant to a directive of the type described in paragraph (3) of section 310(a) shall be included in the reconciliation legislation reported pursuant to section 310(b) for that fiscal year.

(b) POINT OF ORDER.—

(1) IN GENERAL.—

(A) Notwithstanding any other rule of the Senate, except as provided in subparagraph (B), it shall not be in order in the Senate to consider any bill or joint resolution (or any amendment thereto or conference report thereon) that increases the statutory limit on the public debt during a fiscal year above the level set forth as appropriate for such fiscal year in the concurrent resolution on the budget for such fiscal year agreed to under section 301 of the Congressional Budget Act of 1974.

(B) Subparagraph (A) shall not apply to any reconciliation bill or reconciliation resolution reported pursuant to section 310(b) of the Congressional Budget Act of 1974 during any fiscal year (or any conference report thereon) that contains a provision that—

(i) increases the statutory limit on the public debt pursuant to a directive of the type described in section 310(a)(3) of such Act; and

(ii) becomes effective on or after the first day of the following fiscal year.

(2) PROHIBITION ON STRIKING PROPER DEBT LIMIT CHANGES.—Notwithstanding any other rule of the Senate, it shall not be in order in the Senate to consider any amendment to a reconciliation bill or resolution that would strike a provision reported pursuant to a directive of the type described in section 310(a)(3) of the Congressional Budget Act of 1974.

(3) WAIVERS.—This section may be waived or suspended in the Senate by a roll call vote of a majority of the Members, duly chosen and sworn.

(c) EXERCISE OF RULEMAKING POWERS.—The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

Mr. EXON. Mr. President, this amendment is offered by myself. It creates a majority vote point of order against legislation which increases the public debt beyond that set forth in the budget resolution. It is something that we discussed in the committee.

Mr. DOMENICI. Mr. President, the pending amendment is not germane to the provisions of the budget resolution pursuant to 305(b). I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive that act for the consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 40, nays 60, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—40

Akaka
Baucus
Biden
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Simon
Wellstone

NAYS—60

Abraham
Ashcroft
Bennett
Bingaman
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kennedy
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. On this question, the yeas are 40, the nays are 60. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

AMENDMENT NO. 1161

(Purpose: To restore funding to the AFDC and JOBS programs by using amounts set aside for a tax cut)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. MOYNIHAN, proposes an amendment numbered 1161.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $55,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that retains AFDC as a Federal entitlement and restores budget authority and outlays for other income security programs.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection(d).".

Mr. EXON. Mr. President, Senator MOYNIHAN has proposed this amendment which will enable Congress to improve our welfare system rather than dismantle it. Under the amendment, Aid to Families with Dependent Children will remain a Federal entitlement program.

The amendment will, over 7 years, restore $55 billion to the income security programs, including Aid to Families with Dependent Children, supplemental security income and unemployment insurance under the jurisdiction of the Finance Committee.

The amendment is deficit neutral. It is financed in part by the fiscal dividend that will accrue to the Federal Government if we balance the budget.

Mr. DOMENICI. Mr. President, I might say to my friend, Senator EXON, I thought matters might get better after the last one, but they are getting worse. Maybe we will have to jointly look at some of these.

I would just say from our side what this does is take $55 billion of the reserve fund that we have in contingency and it would spend it for an entitlement under AFDC.

Mr. President, the pending amendment is not germane to the provisions of the budget resolution pursuant to 305(b) of the act. I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the act for consideration of the pending amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The Senate is reminded this is a 9-minute vote. I intend to close the vote at 9 minutes.

The question is on the motion to waive the Budget Act. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted, yeas 41, nays 59, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—41

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—59

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER (Mr. THOMPSON). On this vote the yeas are 41, and the nays are 59. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1162

(Purpose: To express the sense of the Senate on the importance of research, technology, and trade promotion and trade law enforcement programs)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BINGAMAN, for himself, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. BIDEN, Mr. HOLLINGS, Mr. BYRD, Mr. KERRY, Mr. DODD, and Mr. PRYOR, proposes an amendment numbered 1162.

The amendment is as follows:

At the end of the concurrent resolution, add the following:

SEC. . SENSE OF THE SENATE ON THE IMPORTANCE OF RESEARCH, TECHNOLOGY, AND TRADE PROMOTION AND TRADE LAW ENFORCEMENT PROGRAMS.

(a) FINDINGS.—The Senate finds that—

(1) the public welfare, economy, and national security of the United States have benefited enormously from the investments the Federal Government has made over the past fifty years in research, technology, and trade promotion and trade law enforcement;

(2) these investments are even more important at the dawn of the twenty-first century in order to insure that future generations of Americans can remain at the forefront of exploring the endless scientific and technological frontier in the face of ever greater challenges from abroad and thereby maintain and improve their health, standard of living, and national security; and

(3) enforcement of United States trade laws and promotion of United States exports, especially programs in support of small and medium sized businesses, serve an invaluable function in creating jobs, promoting national economic growth, and allowing American workers and businesses to have the resources to compete in an ever more competitive global economy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, in the assumptions for the overall accounts, it is assumed that—

(1) in allocating discretionary spending in fiscal years 1996 through 2002 within the discretionary spending limits established in section 201, the Committee on Appropriations will make it a high priority to maintain the overall fiscal year 1995 investment level (without adjustment for inflation) in research, technology and trade promotion, and trade law enforcement programs; and

(2) the conferees on the concurrent budget resolution will not agree to any revenue reductions below current law unless the discretionary spending limits established in the conference report will permit the Committee on Appropriations to achieve the goal established in paragraph (1).

Mr. BINGAMAN. Mr. President, this amendment expresses the sense of the Senate that it should be a high priority to maintain the overall fiscal year 1995 investment level, without adjustment for inflation, in research, technology, trade promotion, and trade law enforcement programs over the next 7 years.

The amendment further expresses the sense of the Senate that the conferees should not agree to any tax cuts below current law unless the discretionary spending limits in the conference report permit the achievement of the above goal.

The GOP budget will reduce civilian research and technology programs to a four decade low as a percentage of GDP and Federal spending. By 2002, Federal civilian research will be 0.26 percent of gross domestic product. The Bingaman amendment would effectively urge that this be raised to 0.31 percent of GDP.

For comparison purposes in 1969, the last year we balanced the budget, civilian research was 0.76 percent of GDP. The lowest it ever was in the Reagan years was 0.38 percent of GDP in 1986. It is currently 0.46 percent of GDP. No one can claim that it is research that has caused our deficit. Quite the contrary. Almost every economist believes our investments in civilian research pay for themselves many times over in economic growth and the taxes that corporations pay on the fruits of our federally supported scientific enterprise.

The governments of other industrialized nations, such as Japan and Germany, invest about six-tenths of 1 percent of GDP in civilian research. We are already below them, even if you include the Pentagon's dual-use basic and applied research investments. And we are pointing under the GOP budget to spending less than half of what our economic rivals spend.

The cuts in Federal support of civilian research will not be made up by the private sector. The reason: They have an ever-shorter focus and an ever greater unwillingness to invest in long-term research projects, the benefits of which are uncertain and usually not capturable by a single firm.

Every other nation is following the American model of the last half century. They are seeking to invest more, not less, in civilian research.

Our model has succeeded. It put men on the Moon, revolutionized medicine, developed computers, communications, and advanced materials unimagined a half century ago. Vannevar Bush, the giant of the post-World War II generation, predicted just this in his monograph "Science: the Endless Frontier" that served as the basis of a social compact between government and the research community for the last half century.

For the past half century, the Federal Government has acted on that vision to foster a science and technology enterprise in this country second to none. Government research funds have helped conquer diseases, win the cold war, and spur incredible advances in electronics, computers, molecular biology, communications, and materials science. These advances enrich our daily lives and are at the heart of our Nation's status as an economic and military superpower.

It is not an accident that American industries from aerospace to agriculture to pharmaceuticals in which the Federal Government has made substantial research investments enjoy world leadership.

As we enter the 21st century, we can not afford a Luddite approach. The scientific and technogical frontier is still endless. We risk condemning our children and grandchildren to a less prosperous, less healthy, and less secure future if we follow the course in the budget resolution.

The Bingaman amendment is intended to provoke a debate and to serve as a warning. It does not fix the problem. Even if its prescription is followed, we will still be spending half of what our rivals spend in 2002. But it is a step in the right direction, a finger in a breaking dike.

If action is not taken to deal with this, we will lose a generation of research and a generation of young researchers who will choose other professions. We will not be able to recover for years from this damage once the pendulum swings back in favor of Federal research investments as it will when the full damage of the GOP budget becomes clear.

Almost a century ago in 1899 the head of the Patent Office, Charles Duell, proposed to close up shop because "everything that can be invented has been invented." Luckily we did not follow such Know-Nothing advice as we prepared for the 20th century. A half century later Vannevar Bush laid out his vision for the Federal role in science and technology.

Now we face a choice again between these competing visions, Duell's and Bush's. We must reject the notion the endless frontier is over, that every invention has been made, and continue to commit to a brighter future for our children. We cannot afford to shortchange research if the 21st century is to be an American century as the 20th century was.

I ask unanimous consent that several newspaper articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, May 22, 1995]

G.O.P. BUDGET CUTS WOULD FALL HARD ON CIVILIAN SCIENCE

BASIC RESEARCH AT RISK

EXPERTS FORESEE A CRIPPLING OF SCIENCE ESTABLISHMENT AND LAYOFFS AT UNIVERSITIES

(By William J. Broad)

The glory days of the Federal science establishment may be over, science leaders fear, as cuts proposed by Republicans to wipe out the budget deficit fall hard on civilian research.

Under the cuts, annual appropriations for nonmilitary research might drop to about $25 billion by 2000 from the current level of $32 billion, for total reductions of $24 billion or more over the period.

At risk is the type of Government-financed basic science that has put men on the moon, explored the deep sea, unlocked the atom, cured cancers, found the remains of lost civilizations, tracked earthquake faults, and discovered the chemistry of life, among other feats.

Specific casualties of the cuts might include atom smashers, new weather satellites, space probes and dozens of large Federal laboratories that study everything from solar power to violent storms.

Republicans say their goal is to trim fat and corporate welfare rather than cripple basic science, which economists agree is a powerful engine for promoting economic growth and high standards of living.

Representative Robert S. Walker, a Republican of Pennsylvania who is chairman of the House Science Committee, said this month that the proposed budget would keep "a robust science policy while providing for the fundamental science base we need to move forward."

But Democrats and private experts say the cuts would undo the Federal science establishment, crippling parts of it beyond repair.

To be sure, science leaders in past budget battles, clearly working in their own self-interest, have been known to exaggerate how painful reductions might be. And some pain might be averted as Democrats and Federal agencies fight the cuts, or if President Clinton successfully vetoes spending bills.

Even so, the momentum for change is now so great that many private experts, as well as Democrats, say Federal support of civilian science is destined to weaken and shrink no matter what, its budget declining by as much as a third if inflation is taken into account. Such cuts portend wide changes in American science and American life.

"Any sensible person knows you have to make prudent investments to get ahead," Representative George E. Brown, Jr., a Democrat of California and former chairman of the House Science Committee, said in an interview last week. "But the Government doesn't. We're dominated by fools."

Agency heads, university officials and private experts say the fabric of science is likely to fray widely as the Republican juggernaut rolls forward and as the Clinton Administration makes its own cuts in an attempt to regain lost political ground.

"Nationally, there's been a massive sticking of heads in the sand, of not looking at the problem," said John Wiley, provost at the University of Wisconsin in Madison, one of the nation's top science schools. "There's going to be a price of pay."

Experts say the repercussions could include the abandoning of much long-term environmental monitoring, the virtual end of applied research to aid corporations, layoffs at colleges and universities, and a flight of students from scientific careers.

"We don't want to get so lost in the frenzy to balance the budget that we throw babies out with the bath water," John H. Gibbons, President Clinton's science adviser and director of the White House Office of Science and Technology Policy, said in an interview.

"What ever the reduction is—a quarter or a third—it's big, and it's a reversal of historical trends," he added, referring to how Republican cuts would end years of budget growth.

"There's no question that we have to be sharper with our knives, to streamline the agencies," Dr. Gibbons said. "But if you take away a third, that's going to push us way down in terms of international competition."

During the last four decades, the Federal Government has spent nearly $1 trillion on civilian research and development, laying the basis for a powerful wave of prosperity that has touched most facets of American life. In pushing back the frontiers of knowledge, the Federal money has supported tens of thousands of scientists at universities across the country and has financed the work that led to scores of Nobel Prizes.

Spending on nonmilitary science has grown fairly steadily in the last decade. It peaked this year at $31.9 billion, according to the National Science Foundation, a Federal agency that finances much basic research at universities.

The civilian science budget of the Federal government is puny compared to the $100 billion that American industry is putting into reseach and Development this year. Yet its importance is greater than size alone suggests, for while industry typically looks years ahead, aiming to please shareholders, the Government often looks decades and sometimes centuries ahead, pursuing fundamental issues of understanding that may ultimately lead to wide social benefits.

Another difference is that industrial science is often shrouded in secrecy. By contrast, Government-financed civilian work is usually published openly so it can serve as intellectual kindling for other social and commercial endeavors.

After their sweep in the midterm elections last November, the Republicans devised a balanced-budget plan that went easy on military research, currently about $40 billion a year, and hard on civilian science, especially on Federal programs with ties to industry. An aim of the Clinton Administration has been to help high-technology industries better compete with foreign rivals.

House Republicans produced the most detailed plan for science cuts, which was endorsed Thursday by the full House as part of a comprehensive package to balance the budget by 2002. The Senate is debating a companion measure.

Democrats of the House Science Committee portray the House plan as an extensive cracking of the foundations of Federal science. By their calculation, spending under the committee's jurisdiction would fall by a total $24 billion from 1996 to 2000, relative to 1995 levels. If 3 percent annual inflation is assumed during that period, the overall drop would be 34.7 percent in terms of real purchasing power.

The committee oversees most civilian science spending in the Federal budget, with responsibility for $27.2 billion this year. The exceptions are the National Institutes of Health and the Agriculture and Interior Departments. The latter's Geological Survey, which monitors water, hunts minerals and makes maps, has been targeted for eventual elimination by the Republicans. Its current budget is $571 million.

The biggest cuts are slated for the Federal Government's largest scientific agency, the National Aeronautics and Space Administration. Among possible victims is tiny Pioneer 10, now nearly six billion miles from Earth and still sending back data more than two decades after it was launched.

"A lot more than Pioneer will go," NASA's Administrator, Daniel S. Goldin, said in an interview.

The Republicans would squeeze a series of planned satellites for global climate monitoring, trimming the budget by $2.7 billion, or about half, to the end of the decade. Overall, the agency's annual budget would drop from $14.3 billion to $11 billion by 2000.

On Friday, Mr. Goldin outlined a plan that would move toward eventually turning over operation of the space shuttles to private industry, something the Republicans have called for. The NASA plan would also reduce the work force of the agency and its contractors by about 25,000 people, bringing it to 1961 levels.

"We're right at the edge," he said. "The Republican cuts would roughly double that, pushing about 20,000 people out the door."

A similar tale comes from the National Oceanic and Atmospheric Administration, whose parent, the Commerce Department, has been targeted for elimination by the Republicans. Among other things, NOAA runs weather satellites, makes forecasts, tracks hurricanes and tornadoes, probes the deep ocean and monitors fisheries.

James D. Baker, NOAA's Administrator, said in an interview that the agency was already losing 2,300 employees and that the proposed Republican cuts would trim another 1,000 in 1996 alone. Its budget for that year would fall to $1.7 billion from a current $2 billion, with deeper cuts in following years.

"What we see coming is a real tragedy," he said. "We'll have to cut services and stop future investments on all kinds of things."

NOAA runs 11 environmental research labs around the country to study things like air quality, climate changes and severe storms. Some labs would have to be cut back or closed down. And proposed Republican cuts for 1996 would force the agency to abandon plans for a new weather satellite.

Ultimately, NOAA officials say, lives will be at risk if weather forecasts decline in quality.

"We're a service agency," said Douglas K. Hall, NOAA's Deputy Administrator. "We have people on duty 24 hours a day at the union's airports. They're critical to the safety of millions of Americans."

More esoteric is the work of the Energy Department, which studies new kinds of solar and geothermal energy production, struggles to harness the nearly limitless power of nuclear fusion, and probes the atom with big particle accelerators. It also is conducting a costly cleanup of sites contaminated by decades of nuclear weapons production.

Its current budget is $17.5 billion. The Republicans would cut that by a total of $7 billion over five years.

The department says the cuts would trim 2,000 university science jobs and 3,500 jobs from its sprawling system of laboratories, would end the large fusion experiment at Princeton University and would force the cancellation of one of its atom-smasher projects. In addition, hundreds of companies, universities and Federal laboratories that are trying to improve energy efficiency would lose funds.

One bright spot in the Republican proposal is the National Science Foundation, whose current budget is $3.3 billion. The Republicans would slightly boost basic research to match expected inflation but would squeeze the social sciences, which include economics, anthropology, psychology, sociology, geography and archeology.

The National Institutes of Health, the nation's biomedical research giant and a main patron of university research, would also get some preferential treatment. Its $11.3 billion budget would drop slightly in 1996 and then freeze. Even without severe reductions, however, N.I.H. officials say their programs would be devastated by inflation.

For the nation's system of big research universities, said Dr. Wiley of the University of Wisconsin, "there's likely to be a shakeout" as the cuts hit home and universities shut down programs.

"We'll probably emerge from the next 15 or 20 years with far fewer universities that try to be comprehensive," he said.

Robert L. Park, a physicist at the University of Maryland and a spokesman for the American Physical Society, the nation's leading group of physicists, said the race between Republicans and Democrats to make science cuts boded ill for the future.

"Enormous promises have been made and it's hard to see how they can back away from those," he said, referring to the Republican promise to balance the budget.

"Social Security and most of Medicare is off the table," he added. "There's not much left in the discretionary budget, except for science."

[From the New York Times, May 23, 1995]

CRIPPLING AMERICAN SCIENCE

The budget plan passed by the House mounts an assault on scientific research, science training and American research universities that are the envy of the world. Blinded by ideological fury at government, House Republicans seek to abandon a crucial function of government, the provision of public goods like research that are undersupplied by private markets. Private companies will invest in research that is likely to raise their profit, but they are unwilling to invest in research whose benefits leak out to competitors. By abandoning government's irreplaceable role, the House budget would undermine America's technological base.

The magnitude of the House-passed cuts is shocking. Civilian research would fall over five years from about $32 billion to $25 billion, a 35 percent cut after accounting for inflation. Medical research, other than for AIDS, would fall by more than 25 percent. Robert Walker, chairman of the House Science Committee, says the plan would protect basic science. He dissembles. His budget would increase spending on research by the National Science Foundation. But the small increases would not keep pace with inflation, so the number of university-based scholars, graduate students and research projects that the N.S.F. supports would steadily fall. Indeed the plan envisions wiping out support for social science research.

The House budget would continue to support the space shuttle and space station, two costly hardware projects with constituencies in key electoral states, but it would provide little money for other aeronautical and space research. It would cut several energy research programs by between 35 and 80 percent—eliminating thousands of university jobs—and reduce research on high-speed rail and other transportation projects. Republicans say their cuts eliminate only applied research that business can undertake for itself, but they propose slashing nearly every program in sight.

Not all the research that Washington pays for makes sense. Some university-based research can sound ridiculously abstruse. But there is danger in indiscriminately chopping research and undermining a system that has for decades produced the best scientists and graduate programs in the world. The sectors in which America has led the world—from computers and software to agriculture and aircraft manufacturing—can trace their success to heavy Federal support.

Mr. Walker could have performed a valuable service by carefully sifting through Federal programs to weed out those that needlessly subsidize corporations for research and development projects that they would undertake for themselves. But massive cutting just to reach a balanced budget quickly risks damaging important economic assets.

The party that preaches cost-benefit analysis for Federal agencies ought to practice what it preaches. Cutting the science budget will save a few billion dollars a year in a $6 trillion economy. Knocking out innovative research can lead to stagnant productivity and growth. By that calculation, the House plan is an irresponsible gamble.

[From the Washington Post, May 19, 1995]

THE GOP NEEDS A BIT MORE R&D ON ITS SCIENCE AND TECHNOLOGY POLICY

(By Michael Schrage)

Charred, smoldering and in ruins: The budget bills pending in Congress leave the Clinton administration's ambitious science and technology agenda looking as if it were zapped by one of those space-based X-ray lasers from the Strategic Defense Initiative that never quite got built. The destruction is near-total. Never have a sitting president's programs promising new public-private partnerships for innovation been so thoroughly extirpated so soon after launch. The Commerce Department's Advanced Technology Program—a $430 million-plus effort to turn the National Institutes of Standards and Technology into a high-tech venture capitalist—is toast. The Technology Reinvestment Program, designed to encourage commercial participation in defense technology development, is targeted for extinction.

Even a $500 million "national security" initiative to build flat-panel displays for the Pentagon now shrivels into silicon scraps. Techno-"welfare" for rich corporations with billion-dollar research and development budgets of their own is being slashed as rigorously and assiduously as welfare for the poor.

Of course, in the context of the biggest proposed budget cuts in U.S. history, there's nothing special about the dismantling of the Clinton science and technology apparat. And why should there be? Everything else is getting cut.

What's disturbingly different, however, is that while the Republican majority cheerfully fuses ideas and ideology when it takes on the nation's health care and welfare budgets, its take on federal science and technology budgets seems oddly disjointed. It looks decoupled not only from the marketplace, but from the marketplace of ideas. The same politicians championing the virtues of America's "Third Wave" future prescribe federal science and technology policies that would have been deemed simplistic during the country's agrarian heyday.

The reflexive anti-Washington, pro-market, neo-federalist sentiment that so energizes the right obscures the essential issues that need to be openly debated: What role should the federal government play in supporting non-defense-related research in science and technology? Further, how far should the federal government go in defining regulations and standards that promote innovation in the marketplace? The Republicans insist that market forces are always the best arbiter—but that obviously is not true.

Let's make these conceptually flavored questions more specific and provocative: Would an Internet—with its unique, nonproprietary, flexible, expandable, multimedia architecture—have been an inevitable byproduct of market forces alone? Or did the federal government's active participation play a valuable role in shaping a new kind of medium?

Did federal safety and fuel efficiency standards foisted on the automobile and aerospace industries over the past 25 years promote technical innovation and customer satisfaction? Or did the costs of consumers and the manufacturers clearly outweigh the benefits?

Was the agricultural extension service, created to promote the decentralized diffusion of agricultural innovation among farmers and researchers, an appropriate medium for a central government to support? What about the Morrill Act, which funded the rise of land-grant colleges and universities?

Does a Centers for Disease Control and Prevention to monitor the emergence of potentially dangerous viruses and microorganisms make more sense as a federal or state institution?

The answer to any one of these questions speaks volumes about why the proffered policy choice between "centralized government" and "market forces" is a false one. In a democracy, of course, the government is the marketplace and vice versa.

Instead of having the courage to deal with these kinds of issues honestly and directly, we have legislators who prefer to cast them into anachronistic vocabularies where it's okay for government to fund "basic" and "pure" science but ever so bad for taxpayers to sponsor anything that might be "commercial" research and development.

But traditional definitions of science and technology have become dangerously obsolete. In key research fields, from computer software to new materials to molecular biology, the distinction between basic science and applied technology has blurred into meaninglessness. The applied technology drives the basic science every bit as much as the basic science drives the applied technology.

For example, finding the umpteenth gene marker in the human genome is "basic science." But building a machine that lets biologists find gene markers 10 times faster is called "technology." Guess which gets funded? Is a data-compression algorithm that squeezes five video streams onto a single copper wire by using a novel topological equation an example of pure science or commercial technology? What if the student who discovered that algorithm is doing his thesis funded by the National Science Foundation but while working at a Japanese electronics company?

Just as it would be crazy to write banking legislation for tomorrow that focused on passbook savings accounts, legislators are kidding themselves if they believe they are doing taxpayers a service by pretending that federally funded science in the 1990s can be managed with the same vocabulary it was in 1975. It can't.

One of the biggest lies inside the Beltway is that "you can't beat something with nothing." Of course you can, as long as you're writing the checks. Say this for the Clintonistas: At least this administration presented a model of how the federal government should ally and align itself with industry to facilitate innovation in science and technology.

The new Republican majority has yet to present a coherent proposal that explains what kinds of investments and returns taxpayers have a right to expect from their federal R&D dollars. It is a most glaring policy weakness from a group that wants to push America into the future.

[From the Wall Street Journal, May 22, 1995]

Corporate Research: How Much Is It Worth?

TOP LABS SHIFT RESEARCH GOALS TO FAST PAYOFFS

(By Gautam Naik)

In the late 1980s, Bob Lucky had what he calls "a great fantasy."

As a research at AT&T Corp's. celebrated Bell Laboratories, he was designing a silicon robot the size of a grain of sand. Injected into the human body, it would act as a microsurgeon, traveling to specific locations to fix problems.

"I was damn proud of the stuff we did. The benefits to society could be tremendous," Mr. Lucky says. But AT&T scrapped the research because it had no bearing on its main business. Mr. Lucky, a 31-year veteran of Bell Labs, is now at Bellcore.

Chasing far-out notions has long been a hallmark of industrial research in America. But some of the biggest U.S. corporations have cut back sharply on research into "basic science"—the exploration of how nature works at a fundamental level—to pursue short-term goals and to commercialize products more quickly. Corporate labs, home to 75% of the nation's scientists and researchers, are replacing a cherished culture of independence with a results-oriented approach.

In past decades, the devotion to basic research without regard to boosting the bottom line spawned a steady stream of breakthroughs, including the transistor, the solar cell and the forerunner to today's laser—all at Bell Labs. Now, in the 1990s, the cutbacks are taking a toll. Some disillusioned scientists have fled to academia. Already, U.S. companies are falling behind in advanced data-storage devices and technology for oil exploration.

Some experts worry the shift in an even greater threat to the future. "It's a short-term response aimed at keeping stockholders happy. Without question this will hurt American competitiveness," warns Albert Link, an economics professor at the University of North Carolina at Greensboro.

Companies counter that as competition intensifies and technology accelerates, they must push harder to get more direct value out of their research. "We need to focus on customers' needs," says Daniel Stanzione, who has hammered at that doctrine since becoming president of Bell Labs in March. A former president of AT&T's $6 billion public network equipment division, he is the first hard-core business manager to run the famed research arm.

The National Science Foundation calculates that U.S. companies' spending on basic research declined slightly to $9.7 billion in 1993 and didn't rise last year. In a survey by R&D magazine, half of all companies with "research and development" budgets of $50 million or more plan to cut spending this year, for a 3.5% decline overall (About 10% of the R&D budget is typically devoted to basic research.)

Those figures mask far more significant cuts in some areas. Among U.S. makers of communications gear and electronics, spending on basic research dropped 64% between 1988 and 1992 to $350 million. Even government-funded basic research at universities and colleges, which has risen in the last five years, is expected to fall slightly in 1995, according to the National Science Foundation.

International Business Machines Corp. has chopped $1.7 billion from its annual R&D budget since 1992, a 33% reduction to $3.38 billion by last year. In the science-oriented research division, annual spending has fallen to $450 million from $625 million in 1990. The staff of scientists has been cut nearly 20% to 2,600; the number pursuing basic research is down by half to 200.

In the 1980s, IBM labs explored the subatomic mysteries of neutrino particles. In the 1990s, an IBM lab perfected the collapsible "butterfly" keyboard in just a year; it might have taken seven years in the old days. Impressive, but keyboards are hardly the stuff of high science.

Bernard Meyerson, an IBM fellow and senior manager at the IBM lab in Yorktown Heights, N.Y., says that despite the reductions, "core research was preserved." But he concedes that cutting back is "a dicey process" because "you won't see the impact of funding cuts until it's too late."

Elsewhere the changes have been subtle but no less significant. Xerox Corp.'s PARC lab, which invented laser printing and on-screen icons, now gets detailed "contracts" from the company's product divisions directing its research. At General Electric Co., the portion of R&D spending devoted to long-term projects is down to 15% from 30% in the 1980s.

Such changes are sweeping Bell Labs, perhaps the most famous lab in the world. AT&T still devotes 10% of its annual $3 billion R&D budget to basic research, but ever bigger chunks will be shifted away from physical science—the lab's traditional strength—to information science, which is closely tied to AT&T's core business. Bell Labs managers used to be promoted solely on the basis of technical achievement. Now they must also display business acumen.

"That wonderful culture at Bell Labs" is disappearing, laments Phillip Griffiths, director of the Institute for Advanced Study in Princeton, N.J., one of the last strongholds of purely theoretical research in the U.S.

It is difficult to quantify what may be lost because of such shifts. Fiber optics, for one, might have been delayed for decades if not for fundamental discoveries made at Bell Labs, GE and IBM. In the early 1960s, scientists stumbled on a curious find: Gallium arsenide was a natural laser. When they zapped an electrical current through it, it emitted an intense beam of light, thus making practical the laser that was first demonstrated by Hughes Aircraft in 1960. Scientists realized this "semiconductor injection laser" could be manipulated to transmit vast amounts of data at nearly the speed of light.

As many big U.S. companies are backing away, some foreign concerns are pushing on. Major high-tech companies overseas increased R&D spending 23% from 1988 to 1993, says Schonfeld & Associates of Lincolnshire, Ill.

At NEC Corp.'s Research Institute in Princeton, N.J., about 30 miles from Bell Labs' campus, scientists delve into condensed matter physics, quantum mechanics and biology. Joseph Giordmaine, a physicist, put in 28 years at Bell Labs but bolted for Japan's NEC in 1988.

Now, as a senior vice president, he presides over some truly far-out projects. In one, a fly, its limbs affixed in wax, is set before a TV screen flashing a series of images. A delicate probe connects a single neuron in the fly's brain to an instrument that measures how fast it registers the TV images.

The research may one day yield insights into how to design a super-fast computer. "Basic research means you have to be able to take risks and accept failure," says Mr. Giordmaine.

Greg Blonder, who invented the wristphone at Bell Labs, has spent most of his career studying physical sciences and their role in future technologies. In January, he switched to "human-centered engineering" aimed at making AT&T products more "customer friendly."

He admits to nostalgia for bygone days. "There's no thrill equivalent to the feeling when you discover something late at night, and you know that no one else in the universe knows it," he says. "I miss that."

[From the Wall Street Journal, May 22, 1995]

Baby Bells Find It Hard to Put Price on Bellcore

(By Leslie Cauley)

How do you value a company that has never turned a profit, is prohibited from designing real products and has no experience competing for customers?

That question faces Bell Communications Research Co., the jointly owned research arm of the seven regional Bell telephone companies. The Bells have announced plans to sell or spin off Bellcore by next year.

The shedding of the company, familiarly called Bellcore, comes at a time when even the most respected technology giants are cutting corporate-research budgets. For the Baby Bells' lab, that raises the question: Who would want it? "I have no idea," answers one Wall Street analyst. "It isn't commercially oriented, and it's been operated as a nonprofit [entity] that hasn't been accountable to anyone in particular. It's a seven-headed monster right now."

Bellcore came into being 11 years ago when the old AT&T empire was dismantled, and the seven Baby Bells were spun off. AT&T Corp. held on to the famed Bell Labs, inventor of cellular technology, the transistor and the satellite. The Bells got newly formed Bellcore.

Despite its formal name, only about 10% of Bellcore's work is devoted to outright research. And unlike Bell Labs, Bellcore doesn't engage at all in the blue-sky realm of "pure," or basic, research.

The bulk of Bellcore's work is in software programming and consulting. Bellcore experts often are among the first in an emergency, as in the terrorist bombing in Oklahoma City last month. Bellcore software helps the Bells keep track of which phone wires go where, no small feat considering the more than 150 million telephone lines in the U.S. It also handles such tasks as assigning area codes and designing a phone system aimed at surviving a nuclear attack.

Some of the top engineers and network designers in the world work at Bellcore. They have racked up more than 600 patents. For all the technical muscle, however, the lab has never produced a single commercial product. It can't. Bellcore is shackled by the terms of the AT&T breakup that bar the Baby Bells from making equipment or offering long-distance service. It also can't design production-ready prototypes or steer customers to particular brands of gear.

Once freed from its seven owners, Bellcore would escape these restraints. "It's about time we were able to start cashing in on what we know and what we have," says Alexander Gelman, a Bellcore engineer who experiments with advances in video conferencing.

That's why the future is filled with exhilarating possibilities—but also fraught with fear—for the 6,000 people who work at the lab's five sites in New Jersey. Some senior Bell executives say Bellcore may have to get rid of 2,000 workers and install a new top tier of outsiders to gird for competition.

Technical ability alone won't carry Belicore in a competitive environment, says Bud Wonsiewiez, vice president of advanced technologies at U S West Inc., the Denver-based Bell. "Their challenge is to move from a monopoly culture to a competitive culture, which is exactly the same challenge the seven owners face," he says.

Many Bellcore insiders acknowledge the risk and even seem energized by it. "If you're up the challenge it can be quite exhilarating," says Rob Zieglar, a Bellcore wireless specialist. "If not, it can be paralyzing." (Some colleagues, he says, are thinking of leaving,) He adds: "Given the chance, ideas are going to jump here. We're going to be a player."

From all indications, they have the potential: Following a major fire in a central switching site a few years ago, Bellcore technicians came up with a fire sensor that could detect a problem long before conventional sensors. Then they had to load it up with clunky circuits to make sure it wasn't manufacturable and didn't violate the ban on designing a production-ready device.

"It's not that our people didn't know how" to make a commercial product, says George Heilmeier. Bellcore's president and chief executive officer. "They had to do it that way." A manufacturer later refined Bellcore's prototype to build a commercial sensor, Mr. Heilmeier says, leaving Bellcore with some royalties, but little glory.

"We know our concepts are doable—we just have to wait for the right time," adds Vincent Vecchio, a Bellcore network specialist. Eric Addeo, a research manager, says operating under the restrictions of the AT&T breakup pact "was like being in a dark room with the door cracked. Now the door is opening."

But cutting loose from the Bells also means eventually losing guaranteed financial support. The regional phone companies supply more than 80% of Bellcore's $1 billion in annual funding. Bellcore generated the other $200 million or so from non-Bell clients last year, but that isn't nearly enough to support its operations.

The Bells are drafting multiyear contracts with Bellcore to help attract outside investors, but most probably won't commit to more than five years. "The world is too unpredictable to write contracts that go beyond" that time frame, says one senior Bell executive.

Its technical expertise might make Bellcore an attractive acquisition for a maker of telecommunications gear or perhaps a large "systems integrator" that lashes together a client's computers and phone systems. But the Baby Bells say they won't sell to a direct competitor such as, say, AT&T; they want Bellcore's technology to remain within easy reach.

That point is one of the few on which the Baby Bells have been able to reach easy agreement these days. Bellcore's mission has grown muddled as its owners have begun pursuing divergent and sometimes colliding strategies.

U S West last year acquired two cable systems in Atlanta, home base of BellSouth Corp., with an eye toward offering competitive local phone service. "That had a sobering influence" on Bellcore's board, says U S West's Mr. Wonsiewicz, who sits on the Bellcore board. He found himself "sitting around the table with BellSouth and others [who were] asking, 'When are you going to start offering telephone service against us, Bud?' "

Yet to pursue even routine matters, Bellcore has been required to win the unanimous approval of all seven Bells. Asked if he'll miss anything once Bellcore is turned loose, Mr. Heilmeier, the lab's CEO, doesn't miss a beat. "Oh yes, I'll miss those board meetings where we had to have a 7–0 vote on everything," he replies sarcastically. "The tears are welling up in my eyes now."

[From the New York Time, May 22, 1995]

CLINTON'S AID TO INDUSTRY IS G.O.P. TARGET

TECHNOLOGY AND TRADE PROGRAMS WOULD END

(By David E. Sanger)

WASHINGTON, May 22.—Buried among the Republicans' sharp cost-cutting proposals to balance the Federal budget is the swift dismantling of two of the Clinton Administration's most prominent economic innovations: the Use of the Government to promote exports and the underwriting of new technologies that corporate America considers too risky.

During his Presidential campaign, Mr. Clinton briefly called those strategies "industrial policy," until Republicans seized on the phrase as proof that Mr. Clinton wanted the Government to meddle in the workings of the market. Once in office, the White House dropped the terminology but went ahead anyway with an aggressive program, declaring that the United States needed to develop partnerships with industry and use Government pressure to promote exports, two skills that Japan and Germany turned in to an art after World War II.

The Republican budget proposals would bring many of those efforts to a halt and drastically shrink others, from the Energy Department to the Pentagon. The most sweeping cutback proposal, the "The Department of Commerce Dismantling Act," is scheduled to be introduced on Tuesday by House Republicans. The act would immediately terminate six of the Cabinet department's offices and slice up the organization that provides the skills for trade negotiations with Japan, China and several other nations.

Many of the functions of the Commerce Department's highest-profile organization, the International Trade Administration, would be carved up or eliminated. It is unclear what would happen to the economic "war room" that calls in ambassadors, Cabinet secretaries and sometimes the President to put pressure on foreign governments to buy American goods.

Curiously, the White House has said almost nothing in public about the attack on the core of its economic strategy, partly for fear that it would detract from its warnings about proposed cuts to Medicare and other popular social programs.

"Our global competitors are laughing at us," Secretary of Commerce Ronald H. Brown said today in a telephone conversation from Paris, where he is attending a meeting of the organization for Economic Cooperation and Development. "Just at the moment when we've finally learned that there is no way to win without a public-private partnership, without getting the Government involved in promoting a nation's exports, people are incredulous that Congress would be doing this.

"The French are apoplectic that we have been so pro-active and successful," Mr. Brown said, a reference to Washington's role in winning a huge contract in Brazil last year over French competition. "And now they are delighted that we are thinking about not doing it anymore."

The Republican theory is that the Commerce Department has become a brazen example of "corporate welfare," a term coined by one of Mr. Clinton's Cabinet members and close friends, Labor Secretary Robert B. Reich. To the White House's horror, the phrase—which Mr. Reich has not repeated since—has become a rallying call for the freshman class of Republicans, who do not share their party's traditional closeness or dependence on big business.

"There are 19 different departments in the Government that deal with trade," said Representative Dick Chrysler, the Michigan Republican who drafted the legislation to dismantle the Commerce Department 92 years after its creation. "They could all be reduced to a single Department of Trade."

Another target of Mr. Chrysler's is the department's Advanced Technology focused on the programs that most people understand," said Hazel R. O'Leary, the Secretary of Energy, whose department's budget would shrink by roughly $7 billion over the next five years.

"It's a little early," said Laura D'Andrea Tyson, the head of the National Economic Council, an office that was created at the start of the Administration to give economics equal weight with issues of national security. "There should be a good debate about the wisdom of this, but it is still early in the budget process."

It may be early, but it seems clear that most of the trade and technology promotion programs will be sharply reduced, if they survive at all.

As a result, the White House's reticence has not kept the departments themselves from starting allout survival campaigns. Capitol Hill these days is flooded with under secretaries and assistant secretaries explaining and justifying programs that have never before come under intense scrutiny.

Many of those programs were started under Republican administrations. The theme of the presentations often boil down to one argument: In an age of economic conflict, cutting out political and economic support for industry is the equivalent of unilateral disarmament. Program, which provides backing for technologies that small companies—and some large ones—consider promising but too risky to attempt. "This has grown from $10 million in 1990 to $250 million in 1993, and now they want $750 million," Mr. Chrysler said. "This is nothing other than picking winners and losers."

Such arguments underscore the sharp difference in the way technology and trade policy is dealt with in Washington and in the capitals of its major economic competitors, where trade is considered national security and "picking winners and losers" is a phrase with no political resonance.

In Japan and Germany, there is virtually no debate over government programs to provide seed money for risky technologies or to use the influence of top officials to win contracts. It is taken as a given that such roles fall to the central government, along with defending the nation's territory and making foreign policy.

In Japan, for example, officials will freely acknowledge that more than 50 percent of the money committed to new technologies will result in utter failure. But even a 20 percent success rate, they argue, should be considered a success. No one would even attempt such an argument in Washington.

"You can't go up on the Hill and talk about a 40 percent success rate, even if that is a brilliant performance," Ms. O'Leary said last week. "People will say: 'What? We are throwing away 60 percent?' "

Instead, Ms. O'Leary's department has been churning out news releases about its industrial breakthroughs in energy conservation. A giant sulfur lamp now hangs over the Energy Department's entrance on Constitution Avenue, a single light that replaces 250 bulbs. "It was developed with $1 million in Government money and much more in private funds," she said. "That is hardly a waste."

On the Hill, though, no one wants to talk about sulfur lamps, unless they are designed to illuminate a balanced budget. "This is the tail-wagging-the-dog syndrome," Mr. Chrysler said. "If it is a good invention, let the private sector invent it."

Mr. GLENN. Mr. President; I rise today to express my strong support for the amendment of my friend from New Mexico, Mr. BINGAMAN, which urges continued funding for Federal investments in research, technology, export promotion and trade law enforcement. I take strong exception to the position espoused by the Republican budget resolution—that technology research and trade promotion are not proper and appropriate functions of the Federal Government. They are, in fact, not only appropriate but vital to continued U.S. economic growth and competitiveness in today's global economy.

I have long maintained that our Nation needs to be more, not less, cognizant of the crucial role technology plays in affecting our position in the world economy. Without it we would not enjoy the industrial and military strength we have today. Our Government has traditionally played a critical role in this area and I am convinced we must continue to invest prudently in research and technology development if we are to maintain our position in an increasingly competitive global economy. And with all due respect to my Republican friends, the private sector cannot and will not commit sufficient resources to make up for the cuts proposed by the Republican budget.

Eroding and/or eliminating the Federal Government's role in scientific research and technology development is like eating our seed corn, short sighted and ill advised in the extreme.

I would assign the same labels—short-sighted and wrong-headed—to the proposed elimination of Federal programs which promote U.S exports. Undeniably trade has become a major factor in the U.S. economy. According to the Trade Promotion Coordinating Committee, "long-term forecasts of the U.S. economy put exports as the fastest growing component of GDP—increasing perhaps two and a half times faster than the overall economy."

As the 3rd largest exporter of manufactured goods among the 50 States, Ohio has benefited greatly from, and has a vital economic stake in, robust international trade. We cannot turn a blind eye to the fact that all our major trade competitors spend considerably more than we do to push their products in overseas markets. Nevertheless, our relatively modest investments at the Federal level, prudently targeted and efficiently managed, effectively complement private sector marketing efforts and maintain our position is an increasingly competitive international economic environment. Because governments are major purchasers in most of the primary categories of U.S. exports, for example aerospace, power generation, transportation, and telecommunications, the government-to-government contacts are particularly useful and appropriate.

The least we can and should do in the interest of future economic growth, jobs and prosperity is to maintain the current modest level of Federal investment in research, technology and trade promotion.

Mr. PRYOR. Mr. President, I am proud to be a cosponsor of Senator BINGAMAN's amendment to protect funding for the important investments that our Nation currently makes to help our businesses compete in the evolving global economy.

Mr. President, as the cold war passes into our memories, a new type of global challenge to the health and welfare of America has emerged. It is an economic war that American businessmen and women are fighting in the US marketplace and in global markets against foreign competitors support and encouraged by their governments.

As Commerce Secretary Ron Brown recently said, the budget before us today is tantamount to unilateral disarmament of the United States. It is the business equivalent of shutting down the Pentagon to save money in the middle of a world war.

Mr. President, don't believe me or Secretary Brown. Believe the words of the customers, the American businesses on the front line of global competition.

This morning's Arkansas Democrat-Gazette had a strong story in which businessmen were asked what they thought about the idea of eliminating trade and technology efforts at the Commerce Department. I ask that "Cutting out Commerce Finds Few Fans in Trade" be placed in the RECORD following my statement and urge my colleagues to read it.

The Vice Chairman of the Arkansas District Export Council, Dave Eldridge, said "For a person who has been an international businessman for 30 years, I can tell you that (closing the Commerce Department) would be a serious mistake."

As businesspeople in Arkansas point out, at stake is no less than the future economic health of our Nation and our standing and power in the international community.

At stake are American jobs threatened by tariffs or other restrictions on US products in foreign markets. At stake are American businesses, large and small, that must beat foreign competitors to the market with new and better products, cut costs and improve quality through better manufacturing technologies, and position themselves in the emerging overseas that will generate huge new consuming publics in the future.

To help American businesses compete, the US Government has made modest but effective investments in export promotion, trade law enforcement, technology and research. All of these investments are under attack in this budget.

TRADE

Mr. President, one of the great success stories in our work to support US businesses overseas is the International Trade Administration (ITA) at the Commerce Department. During the first 2 years of the Clinton administration, ITA advocacy of US business has boosted US exports by $23.6 billion, thereby creating over 300,000 American jobs.

Taxpayers invested roughly $500 million in the ITA and received a return of $23 billion in exports. That would pass anyone's cost-benefit test.

ITA has helped to open foreign markets for American business and to enforce US trade laws that protect us against unfair competition.

This budget resolution apparently would dissolve the ITA. Again, Mr. President, that is unilateral disarmament.

TECHNOLOGY

Helping American businesses stay at the cutting edge of new technologies is vital to long term competitiveness and that is exactly what the National Institute of Standards and Technology, or NIST, is in the business of doing. According to studies, 25 percent of America's economic growth since the end of World War II can be attributed to technology advances. NIST's primary mission is to bolster US competitiveness by advancing civilian technology by investing in long term, high-risk research and development.

This formula for technology advancement is working. NIST leverages scarce resources, cost sharing, and risk sharing with industry and other government entities. It is maximizing returns to American businesses and minimizing costs to taxpayers.

Another technology program that has proven itself is the Technology Reinvestment Project (TRP). TRP has worked to integrate our military and civilian technology sectors in a way that will strengthen our economy and military. TRP is another useful example of how partnerships between government and industry are useful in pooling Federal and non-Federal resources toward a common goal.

Mr. President, quite simply, we can not afford to cut TRP. For years the US military relied on its own separate technology sector and the American taxpayers were forced to pay the huge bills. If we want our military to deploy the most technologically advanced equipment at the lowest cost possible, we must tap into civilian markets more often. By doing so, everyone wins—the US military, the American taxpayer, businesses and our economy.

These technology advancement efforts are under attack in this budget. Their demise would effectively mortgage our future competitiveness and economic health to buy short term budget savings.

MANUFACTURING

To help small and medium sized manufacturers put new technologies to work in global competition, this administration has opened 25 new manufacturing centers. These centers bring proven technology to our nation's 370,000 small and medium-sized manufacturers. The Centers have received rave reviews from their customers.

Again, this successful investment in future jobs and economic growth is also under attack in this budget.

In nations around the world, investments in technology and trade development are top budget priorities. Japan, Germany and others will be glad to hear that this budget resolution strips the United States of its most effective weapons for global economic competition.

Mr. President, it is vitally important that we maintain funding for our investments in research, technology, and export promotion. The U.S. should be investing more in making our workers and our firms more competitive around the globe so that we can win the battle for markets and profits, as well as higher wages for our workers.

The U.S. can no longer prevail in international economic competition based solely on its vast supply of capital and natural resources, or its large educated work force. The economic battles of today and tomorrow will be won by the firms that can employ the latest technology and the latest information to be the first to market, the highest quality competitor, and the most competitive in pricing. These battles will be won by firms that work in concert with their government to break down foreign trade barriers and open new channels into the mature and the emerging markets of the world.

This amendment preserves the essential functions of trade promotion, technology, and research activities. This funding is critical to our nation's competitiveness. It is critical to the creation of quality jobs in the future. And it is critical to the survival of many American businesses and industries. I urge its adoption.

The article referred to follows:

CUTTING OUT COMMERCE FINDS FEW FANS IN TRADE

(By Randy Tardy)

Arkansas international trade officials reacted strongly to a Republican budget-cutting move Tuesday to abolish the U.S. Department of Commerce and transfer its functions to other agencies of government.

A bill introduced in the House would terminate six Commerce Department programs, including the Economic Development Administration, the Minority Business Development Agency and the Technology Administration, which promotes public-private cooperation in new technology.

The department's export-promoting International Trade Administration would have its functions moved to other agencies, including the State Department, which handled export trade policies until 1980.

"For a person who has been an international businessman for 30 years, I can tell you that would be a serious mistake," said Dave Eldridge, vice chairman of the Arkansas District Export Council and director of economic development for Arkansas Power & Light Co.

Eldridge served as moderator Tuesday for the 1995 World Trade Conference on European markets featuring a trio of Commerce Department officers representing four European countries.

"If the United States is going to maintain its ability to compete effectively in the world market, then we are going to need a strong advocacy in Washington and throughout the world," said Hartsell Wingfield, president of TCBY International, the Little Rock-based frozen yogurt franchiser with operations in 30 countries.

That advocate is not Congress; "it is the strong, effective Commercial Service" sector of the Commerce Department's International Trade Administration, Wingfield told the conference luncheon in the Excelsior Hotel.

"If we take a hands-off approach to international trade from a political perspective," he said, "we will lose our edge as an international exporter, because other countries are not taking a hands-off approach."

Joseph O'Brien, an international trade consultant and president of the Arkansas World Trade Club, agreed. "I've had personal experience on behalf of Arkansas clients with the Commercial Service guys stationed in Paris and Madrid and Mexico City and Guatemala City," he said, "and in every case, they were enthusiastic and they tried hard. They really made a big difference."

Putting the Commerce Department's international trade role under the State Department would mean a different set of priorities, O'Brien added. "We really do need to export more in this country, and this is the one way for small companies to get help overseas. The big boys don't need it; the smaller ones do."

Meanwhile, global trade competition is getting keener, and some of the best potential European markets for Arkansas exports may be in the least-known countries, the Commerce Department's senior commercial officers told the world trade conference.

"Italy is one of the least-known markets in the U.S.; it's a marketplace people don't look at often," said Keith Bovetti, minister counselor with the department's Commercial Service in Italy.

The country's "close to a $1 trillion gross domestic product has the fifth leading economy in the world, and major privatization is going on there," he said, "but there are no shortcuts to being there on the spot to do business."

Spain and Portugal are also lesser-known economies, said minister counselor Emilio Iodice, who is assigned to the two countries.

"Spain is not just a land of bullfighters and flamenco dancers," he said, "it has a stable government and the highest growth rate in Europe for the last 12 years." Spain in 1994 had $6 billion in U.S. investment and, while that's sizable, foreign investment there was greater, he said.

Portugal, with one-fourth Spain's population, "is a new country, economically," Iodice said, noting increased investments in foreign goods and services to help the country become more competitive globally.

Mr. EXON. Mr. President, let me be very brief and concise.

This amendment by Senator BINGAMAN expresses the sense of the Senate regarding the importance of research, technology, trade promotion, and trade law enforcement programs all very important to America. This particular amendment is cosponsored by Senators LIEBERMAN, ROCKEFELLER, BIDEN, HOLLINGS, BYRD, KERRY, DODD, and PRYOR.

Mr. DOMENICI. Mr. President, this amendment says that the conferees have to keep spending limits at a certain level to accomplish the goals that the amendment contemplates, and there shall be no revenue reductions unless we do. Some of the goals are rather vague, and it is pretty difficult to know what we must do.

It is with reluctance that I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. DOMENICI] to lay on the table the amendment of the Senator from New Mexico [Mr. BINGAMAN]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

So the motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1163

(Purpose: To protect children receiving health care insurance under Medicaid)

Mr. EXON. Mr. President, on behalf of Senator MURRAY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mrs. MURRAY, proposes an amendment numbered 1163:

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 79, between lines 3 and 4, insert the following:

SEC. . PROHIBITION OF LEGISLATION THAT WOULD DEPRIVE CHILDREN OF THEIR HEALTH INSURANCE UNDER MEDICAID.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference report that would cause children eligible to receive benefits under Medicaid (whether currently or in the future) to lose any of those benefits.

(b) WAIVER.—This section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill or resolution, as the case may be. An affirmative vote of a majority of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this provision.

(d) CONGRESSIONAL BUDGET OFFICE REPORTS.—Whenever the Director of the Congressional Budget Office prepares a report pursuant to section 308 of the Congressional Budget Act of 1974 in connection with a bill, resolution, or conference report that the Director believes would cause children eligible to receive benefits under Medicaid (whether currently or in the future) to lose any of those benefits, the Director shall so state in that report and, to the extent practicable, shall include an estimate of the number of children eligible to receive benefits under Medicaid (whether currently or in the future) who would lose any of those benefits as a result of that legislation.

(e) ESTIMATES.—Solely for the purposes of enforcement of this section in the Senate, the number of children eligible to receive benefits under Medicaid shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

Mr. EXON. Mr. President, a majority vote point of order against this legislation will cause children currently receiving health care insurance under Medicare to lose their insurance. What this does is simply requires a majority vote if such an event would take place.

Mr. DOMENICI. Mr. President, this amendment is not germane to the budget resolution. It establishes another procedure on how the Senate should consider future Medicaid reform legislation. Because of that, I raise a point of order against the pending amendment.

Mr. EXON. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive that act for consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Congressional Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 45, nays 55, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—55

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Byrd
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. On this question, the yeas are 45, the nays are 55. Three-fifths of the Senators duly chosen and sworn having not voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

AMENDMENT NO. 1164

(Purpose: To express the sense of the Senate that the Federal Government has a financial responsibility to schools in our Nation's communities which are adversely affected by Federal activities and that funding for such responsibilities should not be reduced or eliminated)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for himself, and Mrs. MURRAY, Mr. DASCHLE, Mr. PRESSLER, Mr. AKAKA, Mrs. HUTCHISON, Mr. LEVIN, Mr. BINGAMAN, Mr. PELL, Mr. DORGAN, Mr. BAUCUS, Mr. KERREY, and Mrs. KASSEBAUM propose an amendment numbered 1164.

The amendment is as follows:

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds as follows:

(1) In order to fulfill its responsibility to communities that were adversely affected by Federal activities, the Congress established the Impact Aid program in 1950.

(2) The Impact Aid program is intended to ease the burden on local school districts for educating children who live on Federal property. Since Federal property is exempt from local property taxes, such districts are denied the primary source of revenue used to finance elementary and secondary education. Most Impact Aid payments are made for students whose parents are in the uniformed services, or for students who reside on Indian lands or in federally subsidized low-rent housing projects. Over 1,600 local educational agencies enrolling over 17,000,000 children are provided assistance under the Impact Aid program.

(3) The Impact Aid program is one of the few Federal education programs where funds are sent directly to the school district. Such funds go directly into the general fund and may be used as the local educational agency decides.

(4) The Impact Aid program covers less than half of what it costs to educate each federally connected student in some school districts, requiring local school districts or States to provide the remainder.

(5) Added to the burden described in paragraph (4) is the fact that some States do not rely upon an income tax for State funding of education. In these cases, the loss of property tax revenue makes State and local education funding even more difficult to obtain.

(6) Given the serious budget constraints facing State and local governments it is critical that the Federal Government continue to fulfill its responsibility to the federally impact school districts in our Nation's States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that in the assumptions for the overall accounts it is assumed that—the Federal Government has a financial responsibility to schools in our Nation's communities which are adversely affected by Federal activities and that funding for such responsibilities should not be reduced or eliminated.

Mr. EXON. This is sense of the Senate on impact aid, to recognize the fact that the Federal Government has a financial obligation to schools in our communities adversely affected by some of the proposed activities, and that we should not reduce or eliminate funding for these responsibilities.

Mr. DOMENICI. Mr. President, I am prepared to accept the amendment if there will be no rollcall vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1164) was agreed to.

Mr. DOMENICI. I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1165

(Purpose: To express the sense of the Senate regarding student loan cuts)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. PELL proposes an amendment numbered 1165.

At the end of title III, insert the following:

SEC. . STUDENT LOAN CUTS.

(a) FINDINGS.—The Senate finds that—

(1) in the 20th century, educational increases in the workforce accounted for 30 percent of the growth in our Nation's wealth, and advances in knowledge accounted for 55 percent of such growth;

(2) the Federal Government provides 75 percent of all college financial aid;

(3) the Federal student loan program was created to make college accessible and affordable for the middle class;

(4) increased fees and interest costs discourage college participation by making higher education more expensive, and more of a risk, for students and their families;

(5) full-time students already work an average of 25 hours per week, taking time away from their studies; and

(6) student indebtedness is already increasing rapidly, and any reduction of the in-school interest subsidy will increase the indebtedness burden on students and families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume the Labor and Human Resources Committee, in seeking to achieve mandatory savings, should not increase the cost of borrowing for students participating in the Robert T. Stafford Federal Student Loan Program.

Mr. EXON. The Pell amendment expresses the sense of the Senate that the Labor and Human Resources Committee, in seeking to achieve mandatory savings, should not increase the cost of borrowing for students participating in the Robert T. Stafford Federal Student Loan Program.

Mr. DOMENICI. Mr. President, who is the sponsor of that amendment?

Mr. EXON. Senator PELL.

Mr. DOMENICI. Could he change a couple of the words?

Mr. EXON. I am advised we cannot accept this until we clear it with Senator PELL. I apologize to my friend. Can we lay this aside?

Mr. DOMENICI. Pleased to do it. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, there will be one more vote tonight, and whatever it is, that will be the last vote.

Then at 7 o'clock we will proceed to debate the rescission conference report, but that will not be voted on until tomorrow. The first vote tomorrow will be at 9 o'clock, if it is all right with the Democratic leader, on the conference report. Then we will start voting on amendments from 9 o'clock until some time late in the day, I assume.

I would hope that some of my colleagues will take another look at their amendments and see if they really feel it is important.

The point I want to make is I made a promise to the President we would try to do the counter—antiterrorism bill. I want to try to keep that promise. I do not know how we can do it if we spend all day tomorrow voting.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I say to the distinguished majority leader, I believe they are working diligently to try to cut back on the amendments. I thank him for urging that. We believe we can modify the Pell amendment and accept it.

Mr. EXON. Would the Senator please state how he would like to have it amended? It has been agreed to and Senator PELL has authorized it. He is right here. He has authorized me to agree to the changes you had suggested, Senator.

Mr. DOMENICI. That is not the amendment.

Mr. FORD. It is at the desk.

Mr. EXON. Mr. President, we will temporarily set aside the Pell amendment.

AMENDMENT NO. 1166

(Purpose: To repeal the ex-patriots billionaires tax loophole and put the money into veterans programs to assist American patriots)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. LAUTENBERG for himself, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. HARKIN, Mr. WELLSTONE, Mr. REID, Mr. DASCHLE, and Ms. MIKULSKI proposes an amendment numbered 1166.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 10, increase the amount by $47,000,000.

On page 3, line 11, increase the amount by $144,000,000.

On page 3, line 12, increase the amount by $197,000,000.

On page 3, line 13, increase the amount by $257,000,000.

On page 3, line 14, increase the amount by $322,000,000.

On page 3, line 15, increase the amount by $392,000,000.

On page 3, line 16, increase the amount by $412,000,000.

On page 3, line 20, increase the amount by $47,000,000.

On page 3, line 21, increase the amount by $144,000,000.

On page 3, line 22, increase the amount by $197,000,000.

On page 3, line 23, increase the amount by $257,000,000.

On page 3, line 24, increase the amount by $322,000,000.

On page 3, line 25, increase the amount by $392,000,000.

On page 4, line 1, increase the amount by $412,000,000.

On page 4, line 18, increase the amount by $47,000,000.

On page 4, line 19, increase the amount by $144,000,000.

On page 4, line 20, increase the amount by $197,000,000.

On page 4, line 21, increase the amount by $257,000,000.

On page 4, line 22, increase the amount by $322,000,000.

On page 4, line 23, increase the amount by $392,000,000.

On page 4, line 24, increase the amount by $412,000,000.

On page 5, line 4, increase the amount by $47,000,000.

On page 5, line 5, increase the amount by $144,000,000.

On page 5, line 6, increase the amount by $197,000,000.

On page 5, line 7, increase the amount by $257,000,000.

On page 5, line 8, increase the amount by $322,000,000.

On page 5, line 9, increase the amount by $392,000,000.

On page 5, line 10, increase the amount by $412,000,000.

On page 5, line 17, increase the amount by $47,000,000.

On page 5, line 18, increase the amount by $144,000,000.

On page 5, line 19, increase the amount by $197,000,000.

On page 5, line 20, increase the amount by $257,000,000.

On page 5, line 21, increase the amount by $322,000,000.

On page 5, line 22, increase the amount by $392,000,000.

On page 5, line 23, increase the amount by $412,000,000.

On page 6, line 16, increase the amount by $47,000,000.

On page 6, line 17, increase the amount by $144,000,000.

On page 6, line 18, increase the amount by $197,000,000.

On page 6, line 19, increase the amount by $257,000,000.

On page 6, line 20, increase the amount by $322,000,000.

On page 6, line 21, increase the amount by $392,000,000.

On page 6, line 22, increase the amount by $412,000,000.

On page 43, line 24, increase the amount by $47,000,000.

On page 43, line 25, increase the amount by $47,000,000.

On page 44, line 7, increase the amount by $144,000,000.

On page 44, line 8, increase the amount by $144,000,000.

On page 44, line 15, increase the amount by $197,000,000.

On page 44, line 16, increase the amount by $197,000,000.

On page 44, line 23, increase the amount by $257,000,000.

On page 44, line 24, increase the amount by $257,000,000.

On page 45, line 7, increase the amount by $322,000,000.

On page 45, line 8, increase the amount by $322,000,000.

On page 45, line 15, increase the amount by $392,000,000.

On page 45, line 16, increase the amount by $392,000,000.

On page 45, line 23, increase the amount by $412,000,000.

On page 45, line 24, increase the amount by $412,000,000.

On page 64, line 24, decrease the amount by $47,000,000.

On page 64, line 25, decrease the amount by $967,000,000.

On page 65, line 2, decrease the amount by $1,771,000,000.

Mrs. MURRAY. Mr. President, I am a proud cosponsor of the amendment offered by my colleagues, Senators LAUTENBERG and ROCKEFELLER, to restore funding to veterans' programs by closing the ex-patriots tax loophole.

This provision, which allows billionaires to renounce their citizenship to avoid paying taxes, has been quite popular this year. On two occasions, the Senate has resoundingly supported changing this tax loophole. Unfortunately, final legislation to close this loophole has not yet passed. Today we have an important opportunity to close this unfair loophole once and for all and to help those individuals who must now face personal battles each and every day because they sacrificed for their country.

The Lautenberg-Rockefeller amendment provides that money saved from repealing this tax loophole will be used to restore funds for critical veterans' programs. These individuals have been unfairly and continually targeted as a means to help balance the budget. During the balanced budget amendment debate earlier this year, I supported an amendment by Senator ROCKEFELLER that exempted current veterans' benefits from cuts. That amendment failed 33 to 62, signaling the intent to further cut the benefits of these individuals.

This budget resolution seeks to cut $15.4 billion in funding for veterans' programs through 2002. This will result in denying care to almost 1 million veterans, and closing the equivalent of 35 of its hospitals. Clearly, this is not an effective or responsible way to care for the needs of our Nation's veterans. We should be working on ways to improve care for veterans, not diminish it.

Mr. President, I understand the need to make difficult choices about which programs to cut in our push to balance the budget, and that certain sacrifices must be made. However, we must not lose sight of the promises made to those men and women who fought to help preserve democracy in our country and around the world. We cannot revoke the very care and benefits that were promised to these individuals when they put their lives on the line and served their country.

As the daughter of a disabled veteran, I understand the toll debilitating diseases take on a family. I understand the value of the VA health system and the critical research being done to help improve patient care. This amendment seeks to right a serious wrong. It will help restore funding for veterans programs that provide medical care and medical research for the true patriots of this country, and stop an egregious abuse of a tax loophole by those individuals who wish to be ex-patriots.

I strongly urge my colleagues to support this amendment and help maintain the promises made to the veterans of this country.

Mr. DASCHLE. Mr. President, this year marks the 50th anniversary of the end of the Second World War and the 20th anniversary of the end of the Vietnam war. It is a sad irony that at the same time we honor the brave men and women who served so valiantly in these two wars, Senate Republicans are seeking to cut funding for veterans' programs.

I support a balanced budget, and I want to work with my Republican colleagues to get there. However, we can get to a balanced budget without damaging veterans' programs. To do otherwise says that the sacrifices of those who were ready to risk their lives can be cheaply bought and easily forgotten. It says that solemn promises by Government to those who have risked all in the service of Government can be casually disregarded.

The Republican budget resolution would slice almost $16 billion from veterans' programs over the next 7 years. Part of this savings would come from freezing VA medical care at the fiscal year 1995 level for the next 7 years. This would be a drastic blow to a system that is already sorely underfunded. It will affect every VA health care facility at the same time resources will be withdrawn from Medicare and Medicaid, leading to additional pressures on the VA system.

The budget resolution also proposes to phase out VA construction by 1999. According to the Disabled American Veterans, that would lead to the cancellation of 215 projects needed to meet current health care delivery standards. Clearly, this ill-advised move would jeopardize the quality of veterans' care across the country.

At the same time it cuts funding for needed veterans' programs, this budget resolution does nothing to prevent billionaires living abroad from renouncing their U.S. citizenship solely to avoid U.S. taxes on their fortunes. Although relatively few individuals choose expatriation for this purpose, the resulting revenue loss to the U.S. Treasury is significant. Specifically, closing this tax loophole would raise $3.6 billion in the first 5 years from an estimated two dozen individuals.

The Lautenberg-Rockefeller amendment addresses both of these shortcomings in the current budget resolution. Simply, the amendment would deny huge tax benefits to ex-patriots and use that savings to restore some of the funding being taken from the VA.

As this important amendment illustrates, we don't have to sacrifice the goal of a balanced budget to correct what's wrong with this budget resolution. We need only correct the badly unbalanced priorities it establishes.

Mr. EXON. Mr. President, this amendment I am offering on behalf of

Senator LAUTENBERG is called the expatriots amendment. This amendment would close the loophole that allows billionaires and others to avoid Federal taxes by renouncing their citizenship, and would apply the savings for restoring funding for the veterans programs.

AMENDMENT NO. 1167 TO AMENDMENT NO. 1166

(Purpose: To repeal the "Ex-Patriots" loophole and use the money to eliminate the Social Security earnings penalty)

Mr. DOMENICI. Mr. President, I send a second-degree amendment to the desk for Senator MCCAIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. MCCAIN and Mr. BROWN, proposes an amendment numbered 1167 to amendment 1166.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed, insert the following:

On page 3, line 10, increase the amount by $0.

On page 3, line 11, increase the amount by $0.

On page 3, line 12, increase the amount by $0.

On page 3, line 13, increase the amount by $0.

On page 3, line 14, increase the amount by $0.

On page 3, line 15, increase the amount by $0.

On page 3, line 16, increase the amount by $0.

On page 3, line 20, increase the amount by $0.

On page 3, line 21, increase the amount by $0.

On page 3, line 22, increase the amount by $0.

On page 3, line 23, increase the amount by $0.

On page 3, line 24, increase the amount by $0.

On page 3, line 25, increase the amount by $0.

On page 4, line 1, increase the amount by $0.

On page 4, line 18, increase the amount by $0.

On page 4, line 19, increase the amount by $0.

On page 4, line 20, increase the amount by $0.

On page 4, line 21, increase the amount by $0.

On page 4, line 22, increase the amount by $0.

On page 4, line 23, increase the amount by $0.

On page 4, line 24, increase the amount by $0.

On page 5, line 4, increase the amount by $0.

On page 5, line 5, increase the amount by $0.

On page 5, line 6, increase the amount by $0.

On page 5, line 7, increase the amount by $0.

On page 5, line 8, increase the amount by $0.

On page 5, line 9, increase the amount by $0.

On page 5, line 10, increase the amount by $0.

On page 5, line 17, increase the amount by $0.

On page 5, line 18, increase the amount by $0.

On page 5, line 19, increase the amount by $0.

On page 5, line 20, increase the amount by $0.

On page 5, line 21, increase the amount by $0.

On page 5, line 22, increase the amount by $0.

On page 5, line 23, increase the amount by $0.

On page 6, line 16, increase the amount by $0.

On page 6, line 17, increase the amount by $0.

On page 6, line 18, increase the amount by $0.

On page 6, line 19, increase the amount by $0.

On page 6, line 20, increase the amount by $0.

On page 6, line 21, increase the amount by $0.

On page 6, line 22, increase the amount by $0.

On page 43, line 24, increase the amount by $0.

On page 43, line 25, increase the amount by $0.

On page 44, line 7, increase the amount by $0.

On page 44, line 8, increase the amount by $0.

On page 44, line 15, increase the amount by $0.

On page 44, line 16, increase the amount by $0.

On page 44, line 23, increase the amount by $0.

On page 44, line 24, increase the amount by $0.

On page 45, line 7, increase the amount by $0.

On page 45, line 8, increase the amount by $0.

On page 45, line 15, increase the amount by $0.

On page 45, line 16, increase the amount by $0.

On page 45, line 23, increase the amount by $0.

On page 45, line 24, increase the amount by $0.

On page 64, line 24, increase the amount by $0.

On page 64, line 25, increase the amount by $0.

On page 65, line 2, increase the amount by $0.

SEC. . SENSE OF THE SENATE.

It is the Sense of the Senate that the assumptions underlying the functional totals in this resolution include that the increased revenues resulting from the revision of the expatriate tax loophole should be used to eliminate the earnings penalty imposed on low and middle income senior citizens receiving social security.

Mr. DOMENICI. This repeals the expatriots tax loophole and uses the money to eliminate the Social Security earnings penalty.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 1167 TO AMENDMENT NO. 1166

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced, yeas 97, nays 3, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—97

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—3

Exon
Mikulski
Moynihan

So, the amendment (No. 1167) was agreed to.

The PRESIDING OFFICER. The question now occurs on amendment No. 1166, as amended.

So the amendment (No. 1166), as amended, was agreed to.

AMENDMENT NO. 1165, AS MODIFIED

Mr. DASCHLE. Mr. President, on behalf of Senator PELL, I send a modification of amendment No. 1165 to the desk and ask unanimous consent that the amendment be so modified, agreed to, and the motion to reconsider be laid on the table.

Mr. DOLE. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1165), as modified, is as follows:

At the end of title III, insert the following:

SEC. . STUDENT LOAN CUTS.

(a) FINDINGS.—The Senate finds that—

(1) in the 20th century, educational increases in the workforce accounted for 30 percent of the growth in our Nation's wealth, and advances in knowledge accounted for 55 percent of such growth;

(2) the Federal Government provides 75 percent of all college financial aid;

(3) the Federal student loan program was created to make college accessible and affordable for the middle class;

(4) increased fees and interest costs discourage college participation by making higher education more expensive, and more of a risk, for students and their families;

(5) full-time students already work an average of 25 hours per week, taking time away from their studies; and

(6) student indebtedness is already increasing rapidly, and any reduction of the in-school interest subsidy will increase the indebtedness burden on students and families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume the Labor and Human Resources Committee, in seeking to achieve mandatory savings, should do their best to not increase the cost of borrowing for students participating in the Robert T. Stafford Federal Student Loan Program.

ALTERNATIVE BUDGET

Mr. ROBB. Mr. President, I rise today as a supporter and original cosponsor of the amendment offered by my distinguished friend from North Dakota, which presents an alternative budget resolution to the committee-passed version before us.

While both plans theoretically achieve balance by the year 2002, I believe our alterative is a better budget in many important ways.

It is a better budget because it maximizes our future investments in our people, restoring partial funding in such critical areas as education, infrastructure, and research and development.

It is a better budget because it eases the unprecedented cuts in our Federal health programs contained in the Republican budget, replacing $100 billion in Medicare and $50 billion in Medicaid.

It is a better budget because it restricts current tax loopholes for citizens who make more than $140,000 a year, bringing greater and urgently needed equity to our current tax structure.

And it is a better budget, Mr. President, because it does not designate the so-called economic dividend to an indefensible tax cut which may ultimately benefit our wealthiest citizens.

I participated in efforts to craft this budget resolution, Mr. President, because I believe strongly that we Democrats cannot simply be against everything on the table. Rather, we have a profound obligation to be for something as well.

While no document crafted by more than one Senator can make any Senator completely happy, I am comfortable that this budget brings much needed equity to our debate. It gives us a plan where revenues are on the table along with spending cuts, where critical investments in our people are preserved whenever possible, where our wealthiest do not benefit at the expense of our neediest, and, where—very importantly—our Federal budget is balanced.

Let me repeat that final point, Mr. President.

We offer today a budget resolution that commits us to more deficit reduction than the Republican alternatives by the year 2002. In fact, the budget we propose reaches true balance without using the surplus in the Social Security trust fund by the year 2004. In this amendment, we call for the elimination of our deficit and we outline the budgets that get us there.

This debate is not about whether or not we should have a balanced budget. This debate is how to balance it.

While I believe the cuts in the Republican budget resolution may be unsustainable when committees try to implement them, the plan we offer today, Mr. President, is fair and defensible. It is about meeting our obligation to our children and our grandchildren in a manner that more responsibly protects the strength and security of their future.

I urge my colleagues to support the very serious alternative resolution we bring before the Senate today, Mr. President, and I yield the floor.

AMENDMENT NO. 1127

Mr. BAUCUS. Mr. President, Senator FEINGOLD's amendment would prohibit us from applying any savings above and beyond a balanced budget to tax cuts. The majority has estimated that those savings would be in the range of $170 billion over the next 7 years.

I believe we should have used the estimated $170 billion in savings to reduce cuts imposed by Senate Concurrent Resolution 13 on Medicare, education, EITC and farm programs. As I noted in the statement I delivered to this body yesterday, those cuts are too severe and will hurt the elderly, young people looking to educate themselves, as well as the ordinary fellow trying to support grandparents and put his kids through college.

Amendments which would have applied the $170 billion in savings to reduce the cuts did not pass.

Today, we consider Senator FEINGOLD's amendment which bars using the $170 billion savings for tax cuts and would instead apply it to create a budget surplus.

Mr. President, I strongly support the need to bring our annual deficit to zero. I voted for the balanced budget amendment and would do so again.

Yet, selective, focused tax cuts would be appropriate. Tax cuts that will specifically benefit the middle class taxpayers who find their expectations of a better future challenged or reduced from day-to-day and who are struggling to support aging parents and who want their children to have the benefit of a college education. At this early point in time, we should not rule out giving them a break.

For that reason, Mr. President, I oppose the Feingold amendment.

Mr. PELL. Mr. President, as the discussion on the budget resolution has progressed, it appears that there are fundamental and partisan differences on our spending priorities and programs. Some of these differences go to the heart of the Democratic and Republican approaches to governance, and call into question the Federal Government's role in society. Soon we may be dismantling the core components of a decades-old social compact between the American government and people.

Our social safety net—Medicare and Medicaid, education, support and assistance for our Nation's poor—is the priority one issue of our time. It is one of the most important functions of our Government, and it encompasses the matters about which the American people care most deeply. As critical as they are, however, this budget debate is about more than just our domestic spending priorities. The spending cuts in the budget plan are so wholesale and comprehensive that they will drastically curtail the U.S. ability to conduct diplomacy and advance our interests abroad.

I would like to take a moment, Mr. President, to focus on the impact of the proposed spending cuts on foreign affairs—the so-called 150 account. This budget will slash funding for U.S. foreign affairs agencies, personnel and assistance programs; virtually eliminate U.S. financial support for the United Nations; and shackle the ability of the United States to participate in U.N. peacekeeping missions.

Even though it has yet to be adopted, the resolution already has had a debilitating impact on our foreign policy agencies and programs. Last week the Senate Committee on Foreign Relations reported—on a straight party-line vote—foreign relations authorizing legislation that will cut spending for the Department of State and U.S. foreign policy programs by $3.5 billion during the next 4 years. Yesterday the Committee began to mark up foreign aid authorizing legislation, which if reported will have an equally devastating effect on our overseas assistance program.

Together, these bills will abolish three major foreign affairs agencies—ACDA, USIA, and USAID. They will curtail U.S. participation in the United Nations Organization and support for U.N. peacekeeping. They will slash foreign aid spending and virtually eliminate U.S. support for multilateral lending institutions. They will arbitrarily prohibit U.S. participation in multilateral environmental organizations and adversely affect the implementation of critical environmental initiatives. The rush to cut spending is such that the Foreign Relations Committee bills will authorize spending at levels far below even what the budget resolution currently recommends—perhaps as much as $600 million.

On its surface, I acknowledge that for some, this news will not be entirely disappointing. There are those who do not understand the value of spending money on foreign affairs programs, and most opinion polls place foreign aid near the bottom in terms of public support. At the same time, Americans want the United States to remain a prominent world power in the post-cold war era. The people understand this, and the times demand it. Our economic future lies in a global trading system; if we want to protect our national interests we must be active players in the international system.

The problem, however, is that the scope and scale of the budget and spending proposals will force the United States to retreat into isolation. All of these initiatives are negative in tone; they dictate or suggest that we should not engage in certain activities. They do not offer affirmative policy prescriptions. In the post-cold war era, Republicans and Democrats should be working together to fashion a bipartisan strategy for U.S. foreign policy in the 21 century. Instead, we are wasting our time debating neo-isolationist proposals which, if adopted, will result in the United States becoming a feeble, second-rate power. We will be unable to exert influence or work cooperatively with the international community to resolve conflicts, advance our interest, or promote democratic and free market principles.

As written, the budget resolution would set us squarely down the road toward retrenchment and withdrawal. If we choose to go this route, we will do grave disservice to the next generation of Americans. At the end of World War II, we chose not to yield to the temptation of isolationism, and our country prospered as it never had before. I think we should have learned our lesson by now.

Mr. PRESSLER. Mr. President, overall, I am supportive of this budget resolution. I believe it provides a sensible roadmap toward balancing the Federal budget over the next 7 years and I commend my colleagues on the Budget Committee for their efforts.

However, there is one area of the budget resolution with which I disagree: the proposal to sell the Power Marketing Administrations. This sale would have a devastating effect on South Dakota's rural communities and small cities—and on people across the country.

That is why I rise today to join my colleague from Montana in offering a sense-of-the-Senate to strike the Budget Committee's recommendation to sell the Western Area, Southwestern, and Southeastern Power Marketing Administrations—collectively known as the PMA's.

Public power serves many functions in South Dakota. As a sparsely populated State, utilities are faced with the challenge of how to get affordable electricity into small cities and rural communities where there are less than two people per mile of transmission line. Public power provides the solution.

In public power utilities, the only investors are the consumers. Revenues are reinvested in the community—in the form of taxes and services. And, the low cost of power is essential to encourage economic development in small cities and towns.

Public power, purchased through the Western Area Power Administration, known as WAPA, costs South Dakotans an average of 2.5 cents less than the market rate. This allows revenue to be reinvested in additional transmission lines, and better service. The availability of hydropower from the Missouri River to rural cooperatives and municipals has helped to stabilize rates. With 7,758 miles of transmission lines in the Pick-Sloan region, WAPA can serve 133,100 South Dakotans—without charging them an arm and a leg.

Public power has brought more than electricity to South Dakota. For example, Missouri Basin Municipal Power Agency, based in Sioux Falls, has embarked on a program offering incentives for planting trees. The goal is to plant at least one tree for each 112,500 meters in the agency's membership territory. In fact, Missouri Basin was recognized by the Department of Energy for outstanding participation in this Global Climate Change Program. I congratulate Tom Heller of Missouri Basin for this excellent community service program.

Public power also brings new jobs to the communities it serves. In part due to the low cost of power from East River Electric, there are now three injection molding plants based in Madison, SD—creating snowmobile parts. Arctic Cat, PPD, and Falcon Plastics employ approximately 200 people in Madison.

East River also is involved in other economic development activities. It provides classes to help the community attract businesses, and offers grants for feasibility studies associated with economic development projects. South Dakota clearly has benefitted from the work of Jeff Nelson, as the general manager of the East River Electric Power Cooperative.

Public power is a South Dakota success story. It is the source of innovation, development, and community pride. I am sure the same is true in other small cities and rural communities across America. That is why I disagree with the Budget Committee's recommendation to sell WAPA and two other power marketing administrations. This is simply economic smoke and mirrors used to cover up a backdoor tax on rural and small city Americans.

In essence, this would force South Dakotans—and public power consumers everywhere—to cover for the rest of America. Why? Because the sale of the PMA's could result in rate increases totaling more than $47 million.

In addition, many of my colleagues claim that the sale of the PMA's would generate revenue for the Federal Government. Will it? Let us look at the facts.

PMA's still owe almost $15 billion in principal. Also, more than $9 billion in interest already has been paid to the Federal Government. By selling the PMA's, the Government would forfeit future interest payments.

In fact, a recent report prepared by the Congressional Research Service demonstrates just how much money the PMA's are expected to contribute to the Federal Government. This year, WAPA is expected to pay back $225.1 million borrowed from the Federal Government. But WAPA will also return another $153.4 million to the Treasury. Given these figures, it is clear that this plan does not make good economic sense.

As my colleagues know, this is not a new issue. I have been fighting the proposed sale of the PMA's ever since I came to Congress. In 1986, the Reagan administration made similar attempts to privatize the PMA's. I worked with many of you to pass a law to prevent the Department of Energy form pursuing any future plans to sell the PMA's, unless specifically authorized by Congress. As the debate over the sale of the PMA's rises again, it seems this law has been forgotten.

Mr. President, once again, we are fighting to prove the worth of public power. Once again, we must demonstrate how necessary it is to the lives of rural and small city Americans. The people of South Dakota have stated their message loudly and clearly—through thousands of postcards, letters, and phone calls. South Dakotans such as Ron Holstein. Bob Martin, and Jeff Nelson have been leaders in their opposition to the proposed AMA sale and I appreciate their hard work.

Public power is a solid investment for the Nation. Public power is one of the great success stogie of South Dakota. I urge all my colleagues to stand united behind this amendment to allow the continued existence of the public power, and the essential service it provides to the Americans who reside in small cities and rural communities. Now is not the time to mess with success.

Mr. HATCH. Mr. President, I wanted to take a few moments to comment on the effect of the pending budget resolution on the Medicare Program.

I believe history will indicate there is no one in this body who has risen to give a more vigorous defense against unwise Medicare reductions than I.

Medicare is an important program. It provides needed, valuable, and indeed vital, services for millions of elderly and disabled Americans. Thirty-seven and one-half million to be exact.

Our job is to ensure that beneficiaries have the services they need, that the services are of the highest quality possible, and that they are cost-efficient. We need to ensure that services are available in rural as well as urban areas. We need to make sure that we have a system which provides incentives for providers to deliver this high-quality, cost-efficient care.

In sum, on this, the 30th anniversary of Medicare's inception, we must do everything we can to preserve the program, not tear it apart.

What is largely ignored, however, is the fact that absent any congressional action, Medicare will go bankrupt by 2002. In fact, it will run into the red by next year.

My question is that: Is it the budget that threatens Medicare—or the very design of the program?

The answer is clearly the latter, as most experts will concur.

Let us look at the facts.

First, Medicare is going bankrupt. The 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, issued on April 3, indicate that the present financing schedule for the HI—Hospital Insurance, or part A—program is sufficient to ensure the payment of benefits only over the next 7 years. The situation for physician payments under part B of Medicare, is only slightly more optimistic.

Second, we cannot sustain the current growth rate of Medicare. Over the next 7 years, the period of this budget resolution, Medicare hospital benefits are projected to grow more than twice the rate of revenues.

Mr. President, at this time, it takes about four covered workers to support the benefit payments to each enrollee on Medicare A. That ratio is declining quickly, so that the trustees have estimated by the middle of the next century, only two covered workers will support each enrollee. In fact, absent any legislative changes, that scenario won't come to pass, because Medicare will have been bankrupt long before then.

According to the most recent estimates of Medicare spending—the March baseline issued by the Congressional Budget Office—in 1995, Medicare is expected to spend $181.2 billion—$113.6 billion in outlays for hospital costs, and $67.6 billion for physician and related costs.

Ten years from now, however, total hospital outlays are expected to grow to $247 billion, and physician costs to $215.8 billion.

These numbers are troublesome for two reasons. First of all, they show a level of spending which cannot be sustained. They indicate that spending for the Medicare Program is expected to increase over the next decade to almost half a trillion dollars, to $463.2 billion to be exact—more than double current levels.

And second, they show the dramatic rise in spending for part B. This year, part B costs are roughly half of the amount for part A. In 10 years, they are almost equal.

Third, projected shortfalls in Medicare are astronomical. The Congressional Budget Office has estimated that it will take $345 billion in additional revenues just to keep Medicare solvent over the next decade. This is $345 billion extra.

The budget resolution assumes a $265-billion reduction in the rate of increase over the next 7 years, thus keeping the program solvent for that time period.

Fourth, the budget resolution does not cut Medicare, it cuts its rate of growth. Under this budget resolution, Medicare spending will still exceed $1.65 trillion over the next 7 years. Medicare spending is projected to grow by 94 percent between fiscal years 1995 and 2002 under this budget. Put another way, on average Medicare spending is projected to grow at nearly 10 percent annually, while private health spending will average less than 7 percent. Under the budget resolution, Medicare spending will still grow on average 7.1 percent per year.

Fifth, to do nothing would be fiscally and morally irresponsible. As I have said, absent congressional action, Medicare will go bankrupt, pure and simple. But there is another compelling fact to consider. Total Medicare expenditures this fiscal year will account for 11.5 percent of the entire Federal budget. Clearly this growth rate is unsustainable; it threatens both current and future beneficiaries.

Sixth, there are no easy answers. I wish there were a simple answer to the Medicare conundrum.

Two weeks ago, Stuart M. Butler, vice president and director of domestic policy studies for the Heritage Foundation, wrote a very compelling article entitled, "The High Cost of Not Reforming Medicare."

Mr. Butler clearly and concisely outlined the choices available to the Congress. He wrote:

> There are only two choices available to the Congress:
>
> Choice #1: Do not change the way in which Medicare is run by the government, and pay for future benefits by raising new revenues through higher payroll and other taxes or by diverting money from other programs. This means Medicare survives only by draining money away from the rest of the budget or by raising taxes.
>
> Choice #2: Change the way Medicare is run so that benefits are delivered more efficiently, avoiding future tax increases or a diversion of money from other programs. Making the program more efficient would improve the quality of benefits and the choices available to retirees while reducing the double-digit rate of outlay increases. This would slow the depletion of the trust fund and stabilize the program.

As an illustration of the impact of choice No. 1, Mr. Butler noted that the Medicare Hospital Insurance Trust Fund could be put on a sound, permanent actuarial footing right now—by raising payroll taxes 3.52 percent on top of the current 2.9-percent rate. The impact, however, would be enormous. A worker earning $45,000 would pay an additional $1,584 a year, obviously an unwise step which would not be acceptable to the Congress.

Clearly, the better course of action is to improve the Medicare program, making it more efficient and cost conscious. This will not be an easy task. Indeed, it will be extremely difficult, perhaps the most difficult task that has faced the Congress in decades. But it must be done.

In closing, Mr. President, I wish to make one final point.

I do not wish to give the impression that I am diminishing the enormity of the task before us.

I am extremely concerned about Medicare reductions of this magnitude.

I could not vote for this budget if I thought that we were taking an action that would lead to the demise of Medicare. Medicare is a promise we made to our Nation's elderly and future elderly.

On the contrary, after considerable study of this issue, I can come to no other conclusion than that taking no action will lead to the demise of Medicare.

I believe it would be both fiscally and morally irresponsible to stand aside and propose no changes in Medicare, knowing all the while that a staunch adherence to the status quo would lead to bankruptcy of the program.

Let me hasten to add that I will be monitoring this situation very, very carefully.

Under the budget resolution, the Committee on Finance will now begin work to outline specific Medicare changes to meet the instructions contained in this bill.

As a member of the Finance Committee, I intend to participate fully in those deliberations, to make certain that the changes we craft are as equitable and responsible as possible.

It is not my intent that the changes we undertake drive providers out of business, force hospital net operating margins into the red, or deprive beneficiaries of needed services, although some changes will certainly have to be made to save Medicare. We must face this situation realistically.

If we find that these proposed changes have an adverse effect that affects patient health, whether in Utah or anywhere else in the Nation, I pledge to work closely with my colleagues to rectify the situation.

Mr. President, I do not mean to downplay the gravity of the situation. Reductions of this magnitude, even though they are reductions in the rate of growth, are difficult for me—and I would venture to say for every Senator—to support. Such reductions will indeed have an impact.

But, in the Senate, as in life, there are times when we have to do the right thing, even if it is also the hard thing. Members of the Senate and House simply must see beyond their next elections. We must force ourselves to look at the long term.

The alternative—bankruptcy of the Medicare system—is unthinkable and must be avoided. If we fail in this task, the health care safety net that Medicare provides for millions of current seniors—not to mention those who are approaching senior status—will be lost.

I appreciate that the Budget Committee's recommendations were adopted with considerable angst. I commend Senator DOMENICI and members of the committee for doing the right thing. We must all focus on solutions to this urgent national fiscal dilemma.

PROTECTING AMERICA'S INFLUENCE ABROAD

Mr. LEAHY. Mr. President, this budget resolution calls for elimination of the budget deficit. I support that goal, but there are many different ways to achieve it. I do not support the formula proposed by the Republicans. It will hurt the poorest people, and reward the wealthiest. There is no better example of the fundamental differences between Republicans and Democrats.

Right now, I would like to focus on what the other side's proposed budget would do to Function 150, the part of the budget that finances programs to advance U.S. foreign policy.

Function 150 is not a large item in the Federal budget. It amounts to only a little more than 1 percent of total Federal expenditures. It is only 8 percent of our budget for national defense.

But it is vitally important to every man, woman, and child in this country. The United States is the world's only remaining superpower. We have an historic opportunity to influence global events, and to make sure that political and economic developments around the world are consistent with American interests.

The momentum is already in the right direction. American investments over the past 40 years have paid off. Not only has the direct threat of Communist aggression disappeared. The end of confrontation between the two superpowers has also caused the world to refocus attention on the evils of dictatorship and abuse of human rights that persist in many places. And the collapse of centrally planned economic systems has discredited state ownership of the economy all around the world. For the first time in history, the trend is almost single-mindedly toward adopting the values that Americans hold dear—democracy, human rights, private property, open markets, competition.

But it is much too early yet to relax our vigilance. The world remains an unpredictable, violent and unstable place. The United States still has a vital interest in leading the way towards peace and democracy and prosperity and away from conflict and instability.

The military threat to America has receded, but it is more true today than ever that American prosperity is linked to conditions in the rest of the world. Millions of Americans jobs depend upon persuading other countries to open their borders to U.S. exports and helping them to raise their incomes so they can afford to buy those exports. Providing Americans clean air and clean water depends upon international action to protect the environment. Keeping Americans healthy depends on cooperative action to fight disease in other countries. Stemming the flow of illegal immigrants and refugees to the United States depends on advancing democracy and economic development in the countries from which the refugees are fleeing.

For all that people complain about the U.S. Government wasting money overseas, Americans overwhelmingly reject isolationism. They want the President of the United States to continue to project American power and influence abroad.

Maintaining a strong military provides underpinning for that exercise of leadership. But who wants us to have to risk shedding American blood? We need the President to conduct an aggressive, preventive foreign policy that will secure America's interests peacefully. This is where Function 150 is absolutely critical.

It is Function 150 that provides the funding for the President to lead:

It pays for the State Department and U.S. Embassies around the globe that maintain communication with foreign governments and pursue cooperation with them. It funds the diplomacy that just a few weeks ago secured the indefinite extension of the Nuclear Non-Proliferation Treaty, with the enormous promise it offers for reducing the threat of nuclear explosions.

It funds U.S. contributions to the various international organizations that are the glue that holds our international economic system together:

The United Nations which notwithstanding its weaknesses—weaknesses that stem primarily from the differences of its members—plays a critical role in focusing international attention on world problems and helping resolve them;

The International Monetary Fund which brings governments together to protect the stability of the international monetary system; and

The World Bank and regional development banks that mobilize capital to help the poorer countries develop economic policies that will produce equitable, sustainable economic growth.

It funds America's bilateral assistance programs. These include programs for helping Rwandans fleeing from genocide; programs for containing the spread of AIDS and other deadly, infectious diseases; programs for assisting Russia to install democratic systems and privatize state-owned enterprises; programs for advancing the Middle East peace process.

It funds the efforts of the Export Import Bank of the United States and other agencies to promote U.S. exports.

The budget resolution envisions a $2.4 billion reduction in Function 150 spending in the 1996 fiscal year, with additional reductions in subsequent years. This may not seem like much in a $1.5 trillion budget, but it amounts to over 12 percent of the current Function 150 budget. Subtracting out accounts that cannot be reduced, it means cuts of over 30 percent in many of the remaining accounts. This is not streamlining, this is decapitation.

Mr. President, quite simply, the cuts in Function 150 that the budget resolution contemplates would undermine the President's ability to protect American interests abroad by non-military means. Let me cite just a few examples:

We would abandon efforts to promote political and economic reform in Russia and the other former centrally planned economies. Given the opportunity to help turn our worst enemy into a friend, the Republicans want us to shrug and turn our backs. I am not thrilled with everything Russia is doing. The destruction of Chechnya embodies the worst of old-style Soviet heavy-handed repression. But there have been many astonishingly positive developments in Russia, Ukraine, and the other central and eastern European countries over the past couple of years too. Enhanced freedom of the press. Privatization of enterprise. Elections. Our aid is aimed at advancing reform. What folly for us not to seek to nurture what is good in the new Europe.

We would virtually terminate efforts through the World Bank to promote economic reform and growth in the poorest countries of sub-Saharan Africa and Asia. This is no trivial matter. If these countries, with their hundreds of millions of people, start to grow, they will offer vast new markets for employment-generating U.S. exports. If, on the other hand, they descend into fratricidal war and economic decay, they will produce ever-more-overwhelming flows of refugees and disease. Representing not just the United States but the entire world community, the World Bank and the other multilateral development banks are the most promising instrument for bringing change to these desperate countries. In the past few years, they have finally begun to record success in producing broad-based growth in some of these countries. For less than $2 billion per year, the United States has the prospect of promoting the development of economies accounting for a third or more of the world's population. This is a sound investment. The Republican budget resolution would cancel that investment.

We would slash spending on bilateral development assistance. This is assistance that is keyed directly to U.S. interests. We promote democracy and sustainable development in countries that are major sources of refugees and migrants. The Agency for International Development has taken decisive steps during the Clinton administration to bring its activities fully into sync with U.S. foreign policy priorities. It is grossly inaccurate to call its programs tax-dollar throw-aways, as some have said.

Programs of special interest to many Senators, like aid to Eastern Europe and the Baltics, Cyprus and Ireland, and military aid to Greece and Turkey, would be eliminated. The Ex-Im Bank, Peace Corps, PL–480 food aid, and educational exchanges would all be slashed.

Of course, the United States cannot do any of this by itself. But no one is asking us to. The United States has already fallen to 21st among foreign aid donors in the percentage of national income that it devotes to development assistance. We aren't even the largest donor in terms of dollar amount anymore. Japan has now left us in the dust. The budget resolution would force us to withdraw from broad areas of development assistance entirely.

When I became chairman of the Foreign Operation Subcommittee in fiscal year 1990, the Foreign Operations budget, which makes up two-thirds of the Function 150 account, was $14.6 billion. During my 6 years as chairman, we cut that budget by 6.5 percent—not even taking into account inflation—while the remainder of the discretionary spending in the Federal budget increased by 4.8 percent. Most of those cuts were in military aid. They were a calculated response to the end of the cold war. But that job is now pretty well done. Foreign aid today is substantially less than it was during the Reagan and Bush administrations.

Mr. President, we must recognize that there is a limit to how far we can cut our budget for international affairs. Our allies are scratching their heads, wondering why the United States, with the opportunity to exercise influence in the world more cheaply than ever before, is turning its back and walking away. We are inviting whoever else wants to—friend or foe—to step into the vacuum and pursue their interests at our expense.

Mr. ROTH. Mr. President, this is an historic moment—today we are closer than ever before to putting America's economic house in order. The last time Congress balanced the budget was 1969—more than a quarter-century ago. Since that time, and despite the will of the American people, Congress has been overdrawing the public checkbook year after year after year.

Today the opportunity has come to put an end to out of control Federal spending—spending that has taken money from the private sector, the very sector that creates jobs and economic opportunity for all Americans, spending that gambles away our children's future—spending that costs us jobs in the workplace and economic security in the home.

For too long, Congress has faced the deficit dilemma like an errant alcoholic or perpetual dieter, with the words: We'll start tomorrow. Well, Mr. President, this is tomorrow, and the budget that Senator DOMENICI and others have crafted is the cure. It is the only cure.

The President's budget proposals for next year offer clear evidence of the lack of political will to make the hard choices when it comes to cutting government spending. At first, his decision was not to fight for further deficit reduction this year. Now, because he sees what the House and Senate have done, he's revisited the issue, offering another watered-down proposal. It's kind of like the little boy who—wanting to bend the rules to benefit himself—holds his breath until he turns blue, then, realizing he can hold it no longer, tries to save face by renegotiating the rules of the game.

This is no time for politics. The American people are crying out for a smaller, more efficient government. They are concerned about the trends that for too long have put the interests of big government before the interests of our families and job-creating private sector. They are irritated by the double standard that exists between how our families are required to balance their checkbooks and how government is allowed to continue spending despite its deficit accounts.

It is clear, Mr. President. The time has come to heed the will of the people. It is our duty, not only to heed their will, but to act in their best interest. And that is what this budget is all about. It makes the hard choices, eliminating some 140 programs. It consolidates duplication and makes Federal programs run more efficiently, more effectively, placing many of the existing programs back in the States where they belong. The Republican budget also allows for a $175 billion reserve fund to finance tax cuts when the budget reaches balance.

The budget holds Congress and the White House up as leaders—as examples in the effort to reduce government spending. Both the legislative and executive are required to reduce spending by 25 percent. This budget protects Social Security and Medicare—vital programs to the well-being of millions of Americans, but programs that would be bankrupt within a few years without the provisions offered in this budget. And, Mr. President, this budget does not cut those programs; spending continues to increase. What this budget does is slow down the rate of increased spending to a level that will allow the programs to survive! It is that simple, and do not let anyone tell you otherwise.

Social Security spending will increase from $334 billion to $482 billion over the next 7 years. Medicare spending will increase at an average of 7.1 percent annually, rising from $178 billion this year to $283 billion by fiscal year 2002. This budget is the only workable answer on the table. President Clinton himself has warned about how these programs are going to be insolvent in the near future. Yet, he has offered no viable alternative.

His most recent effort to counter the House and Senate budgets plan is little more than political twaddle. The Washington Post itself noted that this counter budget which we have yet to see is ironic in that just 3 months ago the President "sent Congress a budget that increases the federal deficit." Mr. President, this is not a game. We are talking about real life, real jobs, real families and communities and the future of our children. Balancing the budget for our Nation is one of the most important steps we can take to ensure the economic opportunities for prosperity for our children and for our children's children.

As a nation—and as individuals—we are morally bound to pass opportunity and security to the next generation. This is what the budget we are proposing today will help us do. As Thomas Paine has written, no government or group of people has the right to shackle succeeding generations with its obligations. Without this budget, children born today will have a tax burden of up to 84 percent of their lifetime earnings; without this budget, each child who owes $18,500 in his share of the national debt will find that obligation increasing to $23,000 in just 5 years. Without this budget, there will be no real and meaningful reduction in the size and overbearing power of the Federal Government.

As chairman of the Senate Governmental Affairs Committee I have outlined a plan to reduce the Federal bureaucracy, eliminate outdated and wasteful government programs, and to strengthen government's ability to better serve the taxpayers.

In January I kicked off a series of hearings on "Government Reform: Building a Structure for the 21st Century." It is my belief that as we move into the 21st century, so should our Government. Innovative technologies should allow us to cut out many layers of management bureaucracy, and reduce Federal employment. Programmatic changes should also occur.

Last month I released a report that asked the GAO to examine the current structure of the Federal Government. The GAO examined all budget and government functions and missions. They did not conduct in-depth analysis, but simply illustrated the complex web and conflicting missions under which agencies are currently operating.

The GAO report confirms that our Federal behemoth must be reformed to meet the needs of all taxpayers for the 21st century. I am convinced that it is through a smaller, smarter government we will be able to serve Americans into the next century.

Deficit spending cannot continue. We can no longer allow waste, inefficiency, and overbearing government to consume the potential of America's future. I am committed to spending restraint as we move to balance the budget by the year 2002. And I ask my colleagues—and all Americans—to support our efforts.

Mr. COATS. Mr. President, I believe that the Senate's debate on the balanced budget amendment was a turning point in this session of Congress—perhaps a turning point in the economic affairs of our country. It was important, not for its disappointing final vote, but for the issues it clarified.

During that debate, opponents of the balanced budget again and again challenged those of us supporting it. If you really want a balanced budget, propose one. One Member of this body put it like this: "Let Senators get to work to show Americans we have the courage this amendment presumes that we lack."

This seemed like a good argument to many people—an argument against easy hypocrisy on the budget. Opponents of the balanced budget amendment pressed it as hard and as far as they could.

They threw down a gauntlet before a watching Nation. This week, Republicans have picked it up. And those who made that challenge have fled from the field—proposing nothing constructive of their own. They revealed that their point in the balanced budget debate was not a conviction, but an alibi.

For the first time since the 1960's, thanks to this Republican 7-year budget—offered both in the House and Senate, we can see our way clear to a balanced budget. After 40 years of wandering in the desert of deficit spending, we are finally destined for the promised land of balanced budgets.

There is courage in this budget—courage we have not seen for decades, courage that makes this an historic moment. But, if we are honest, it is courage without alternatives. The status quo may be comfortable, but it is not sustainable. The road we are on may seem wide and easy, but it ends with a cliff, and the fall will be disastrous for our economy, disastrous for our people (including our seniors). Disastrous for our children, and for this Nation's future.

The figures are familiar, but they have lost none of their power to shock. Our national debt currently stands at $4.8 trillion, which translates into $19,000 for every man, woman, and child in America. This figure will jump to $23,000 by 2002. If we ignore our budget crisis, a child born this year will pay $187,150 over their lifetime just in interest on the national debt.

The argument for immediate change—immediate restraint—is simple. It is one of our highest moral traditions for parents to sacrifice for the sake of their children. It is the depth of selfishness to call on children to sacrifice for the sake of their parents. If we continue on our current path, we will violate a trust between generations, and earn the contempt of the future.

There is no doubt that we need cuts in government to balance the budget. But there is one more reason as well. We need cuts in government because government itself is too large—too large in our economy, and too large in our lives. Even if the books were balanced, we would still need a sober reassessment of the Federal Government's role and reach.

This is not a matter of money alone. We require cuts in government because endless, useless, duplicative programs should not be (to use a favorite term of the administration) "Reinvented"—they should be terminated. Because we reject the vision of a passive Nation, where an arrogant government sets the rules. Because we want to return, not only to an affordable government, but to a limited government. And those limits will help unleash the unlimited potential of our economy and our people.

Votes we make during this debate are likely to be some of the toughest we ever cast. But if we are honest, most of those votes would not be tough calls for most Americans. I have yet to meet a man or woman from my State who believes that reducing the rate of growth in government is anything but a minimal commitment to common sense.

The changes made by this budget are bold, but not radical. They are ambitious, but not dangerous. This is a careful plan to meet a specific need.

Under the Senate resolution, Government spending will rise from its current level of $1.355 trillion to $1.884 trillion in 2002. This is an increase of nearly 40 percent. To put this in perspective, a family currently making $45,000—if its income grew at the rate Government will grow under the Republican plan—would be making $63,000 in 2002. Surely a family could construct a budget to meet this higher level of spending. The Federal Government will be required, under the Republican plan, to do the same.

There are honest disagreements about the merits and priorities of many of these reductions. I expect we will have a hard-fought debate.

On Medicare, it was the President's own commission which concluded: "The Medicare Program is clearly unsustainable in its present form, we strongly recommend that the crisis presented by the financial condition of the Medicare trust funds be urgently addressed on a comprehensive basis." Reforming Medicare and slowing its growth is precisely what the administration itself proposed. "We feel confident," said Hillary Clinton, "that we can reduce the rate of increase in Medicare without undermining quality for Medicare recipients." Ira Magaziner added, "slowing the rate of growth actually benefits beneficiaries considerably because it slows the rate of growth of the premiums they have to pay."

Under this budget, Medicare will remain the fastest growing item in the Federal budget, increasing at an annual rate of 7.1 percent. Spending on Medicare alone will grow from $178 billion this year to $283 billion in 2002—an increase of 59 percent.

As promised, Social Security will remain untouched. Spending will actually increase from the current annual total of $334 billion to $480 billion in 2002. One of our central goals has been to protect the integrity of the Social Security system. Social Security benefits will be preserved.

I firmly support this budget—but I have two concerns, which will eventually come to the center of our debate.

Our Government has a budget deficit which cannot be sustained. But there is another deficit that concerns Americans as well—a deficit in the resources of families to care for their own. A deficit we have created by increased taxation over the years, an erosion in the personal exemption. Many families are in a permanent recession, directly caused by Government policies.

We must understand, first, that a balanced budget and family-oriented, growth-oriented tax relief are not mutually exclusive proposals. They are part of the same movement in America—a movement to limit our Government and empower our people. One idea implies and requires the other—when we reduce public spending, we should increase the resources of families to meet their own needs. That is a good investment, a sound investment. A dollar spent by families is far more useful than a dollar spent by Government.

America can have a balanced budget and tax relief for families. No choice is necessary between them. One proposal in particular makes this clear. An amendment that will be offered by Senator GRAMM slows the growth of spending to 3 percent rather than the 3.3 percent currently outlined in the resolution—allowing additional funds for tax cuts. Giving the American people back just 1.5 percent of total budget spending is not too much to ask.

Senator GRAMM's amendment embodies the provisions of the families first legislation that I introduced earlier this year with Senator ROD GRAMS. It proves that deficit reduction and tax relief can go hand-in-hand. We have met the challenge of those who said it could not be done. Adding this provision to the budget resolution will prove to families all across the Nation that their concerns are a central element of budget reform.

It is time to admit that when families fail, so does our society. Their financial crisis is as urgent and as important as any other priority in this debate. The Gramm amendment is a way for the Senate to prove it.

Much of the opposition to tax relief seems to be based on a myth—a myth that tax cuts somehow cost the Government money. But Government produces nothing, and has no resources of its own to spend. Tax cuts are not a waste of Government funds. They are simply a method to allow Americans to keep their own money and care for themselves. They are a method to build working independence as an alternative to destructive government paternalism.

My second concern relates to our level of defense spending. The Clinton budget is clearly inadequate to retain our long-term readiness and the quality of life of our troops. On this issue we are talking about the primary purpose of government—to defend our national interests without placing our soldiers at needless risk. We have seen disturbing evidence in the Armed Services Committee that the Clinton level of funding will leave our forces without all the tools, training and conditions to fulfill the roles we will ask of them.

Many of us are struggling to recoup at least some of this shortfall. Senator THURMOND will be proposing an amendment to restore a portion of this funding. I hope the Senate will support it.

Mr. President, we have come to the beginning of the end of deficit spending in America. We have come to this place because there is no alternative. Two decades of promises, two decades of rhetoric, budget proposals, budget deals, tax increases, unfulfilled promises on spending cuts, all these have failed. This is the best argument for a balanced budget amendment—defeated, for the moment, by just one vote. So we turn to this effort—the only effort—the only game in town.

The President has abdicated his leadership on this most critical of all issues facing our Nation. Likewise, Democrats have offered no alternative of their own.

So we have come to a time that is unique and historic—an authentic moment of decision. It is a moment to act worthy of our words and keep faith with the future.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Mr. SARBANES. Mr. President, I rise in opposition to the Budget Committee's proposals with respect to the Community Block Grant [CDBG] program. The Budget Committee's report that accompanies the budget resolution recommends a 50 percent cut in the CDBG Program and calls for targeting CDBG funds to the most needy areas. I strongly oppose those. CDBG funds are a critical component of this Nation's efforts to revitalize its low- and moderate-income communities. CDBG is already well-targeted to distressed communities, and, more importantly, CDBG is well-targeted to low-income neighborhoods within those communities that receive the block grants.

CDBG has been a major element of our Nation's housing and community development strategy for over 20 years. CDBG was signed into law in 1974 by then President Gerald Ford. It is surprising to me that the Republican budget-cutters have targeted this program for inordinate cuts, because CDBG is an excellent example of the policy approaches that my colleagues on the other side of the aisle espouse. CDBG is a block grant. The program distributes its funds on a formula basis to State and local governments, and provides jurisdictions with flexibility on the use of the funds within broad national objectives. CDBG embodies the principle of developing responsibility and decision-making to local governments. It allows local governments to tailor specific solutions to meet their specific community development needs.

The need for these resources is vast. Too many of our Nation's communities still suffer. Vacant housing, closed plants, and empty shops are the visible manifestations of neighborhoods with persistent unemployment, broken families, and high crime rates. We know that revitalizing distressed communities requires a multi-faceted approach: successful strategies are using community-based organizations to deliver programs that simultaneously attack the physical blight while addressing the social service needs of the residents. With its built-in flexibility, CDBG allows local governments to implement comprehensive strategies that may, for example, combine the rehabilitation of the commercial strip, with the small business start-up loans, with the job training for local residents and the child care.

The Budget Committee's notion of targeting CDBG should also be considered carefully. CDBG is already well-targeted. The formula for the program does a good job of distributing CDBG funds by need: 50 percent of the program funds go to the 20 percent most distressed cities based on a distress ranking created by HUD. Only 5 percent of the funds go to the least distressed cities. Moreover, program data shows that 90 percent of the CDBG funds go to benefit low- and moderate-income households consistent with the national purpose of the program.

In the past, proponents of targeting have proposed three types of approaches. Some have proposed to cut off formula grant funds to smaller communities, forcing these communities to compete for funds through the state-administered program. Others have proposed to eliminate grants to wealthier communities. And, still others would tighten the criteria HUD uses to measure program benefits.

CDBG currently provides a direct formula grant to more than 900 urban counties, communities with populations above 50,000 people, and consortia of smaller communities. Allowing these communities to receive annual, reliable formula grants is extremely important from the perspective of the local jurisdiction's need to plan for the use of the funds and to pursue long-term strategies.

In some wealthier jurisdictions, CDBG rules often provide the impetus for community development activities in low-income neighborhoods that would not otherwise occur—especially if the communities were entirely responsible for serving their poorer neighborhoods out of own-source revenues. CDBG's fundamental national objective of serving low- and moderate-income neighborhoods argues for a continued distribution of CDBG funds to all jurisdictions with these needs.

Finally, it would be ironic if, by calling for targeting, the Budget Committee were proposing to tighten the criteria that govern how communities use the funds. Tighter targeting criteria would take away local discretion and flexibility, and, therefore, run counter to the philosophy of those who promote block grants. Moreover, forcing grantees to spend more of their funds to benefit poorer neighborhoods is not a rationale for a 50-percent cut in program funds. Indeed, the resource needs of our poorest communities are so vast, that if the program objective was based on only strict targeting to very poor neighborhoods, this would make the case for increased funding.

I would argue that given the limited resources, preserving the current program targeting is desirable. States, counties, and cities may find that an optimal economic development strategy would be to use small amounts of CDBG assistance to leverage private investment in areas with other existing features attractive to investors. Grantees who have been losing population, may want to focus community development activities on stabilizing mixed income neighborhoods or in pursuing strategies to lure moderate-income households into low-income neighborhoods. These are local decisions and appropriate community development strategies.

I oppose the Republicans proposed cut of 50 percent in CDBG Program funds because CDBG is making a difference in thousands of American communities. A recent evaluation of the CDBG Program by the Urban Institute concludes that ". . . the program has made an important contribution to city community development, including demonstrated successes in achieving local neighborhood stabilization and revitalization objectives. It's fair to say that in almost every city, neighborhoods would have been worse off had the program never existed, and certainly, cities would not have embarked on the housing and redevelopment programs that now comprise a core function of municipal government. Further, CDBG-funded programs clearly benefit those for whom the program was intended—low- and moderate-income persons and neighborhoods—and does so by a substantially greater degree than the minimum required under law."

Mr. President, CDBG has a proven track record. Our Nation's communities continue to need our support.

OPPOSITION TO TRANSIT CUTS

Mr. SARBANES. Mr. President, I want to express my strong opposition to the Budget Committee's proposal to eliminate Federal mass transit operating subsidies.

The report that accompanies the Senate Budget Resolution calls for eliminating mass transit operating subsidies. Simply stated, these cuts will have significant consequences for our Nation's communities by leading to increased fares, reductions in services, and losses in ridership. As a result, working people will find it more difficult and costly to get to their jobs, roadways will become more congested, and environmental quality will decline.

Public transportation is a critical element of our economy. In 1990, 8.8 billion Americans took transit trips; 7.5 million people ride public transportation every weekday. Of these trips 54.4 percent are trips to work. An additional 20 percent of the trips taken by transit riders are to get to school or to access medical services. Trips to work are especially important uses of transit systems in large urban areas; use of bus service by elderly households to get medical attention is the largest component of rides in smaller communities and rural areas.

A high proportion of transit riders are low-income persons or minorities, 27.5 percent of the transit ridership has incomes below $15,000 compared to 16.9 percent in the general population. African-American and Hispanic riders as a percentage of total ridership are more than two times the percentage of African-American and Hispanic individuals in the general population. However, the importance of transit for working people is underscored by statistics showing that 55 percent of the riders have incomes between $15,000 and $50,000.

For most transit systems, operating revenues are a combination of fares and Federal and State money. Assuming no increases in State contributions, fares would, on average, have to increase 50 percent to make up for the loss of revenue. Cuts in operating subsidies will also have disparate impacts on smaller communities. Federal operating subsidies make up 21 percent of total operating revenues for transit systems in communities below 200,000 people compared to 13 percent on average for all transit systems. Fares would nearly have to double for these smaller systems. This assumes no cutbacks in services and no loss in ridership as a result of the fare increases.

Many individuals faced either with increased fares or decreased service will either have to give up their employment or use their cars to get to work. According to an article by Neal R. Pierce in the National Journal on April 15 of this year, one study already puts the cost of traffic congestion at $100 billion a year in lost productivity. Fewer transit riders and more drivers will exacerbate this problem. More cars on the road and increased congestion will worsen air quality in metropolitan areas where environmental quality is already strained.

I realize, Mr. President, that the Budget Resolution itself does not cut transit operating subsidies. Decisions with respect to the appropriate level of funding for operating subsidies are left up to the Appropriations Committee. However, I felt it was important to raise a voice in opposition to the recommendation in the Budget Committee's report at this time and to urge my colleagues to begin to focus on the many costs to our citizens that would occur if the Budget Committee's proposed cuts in transit operating subsidies were carried out.

SECOND SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1995—CONFERENCE REPORT

Mr. DOLE. Mr. President, I submit a report of the committee of conference on H.R. 1158 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 16, 1995.)

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. HATFIELD. Mr. President, I yield myself whatever time I require.

Mr. President, the conference report before us reflects the agreement of the two Houses on H.R. 1158, a bill making emergency supplemental appropriations for the additional disaster assistance and making rescissions for fiscal year 1995, and for other purposes.

This conference report is a culmination of several weeks of effort on a number of different fronts. It represents a balance between our responsibility to provide additional funding when necessary to address urgent national needs, on the one hand, and our responsibility to reduce funding for lower priority programs whenever and wherever we can, on the other hand. The Senate's conferees on this measure present it to the Senate with a belief that it merits approval of this body, and I urge its adoption.

The bill provides a total of $7,249,503,600 in additional appropriations, of which $6,700,000,000, equally divided between fiscal years 1995 and 1996, is for FEMA for the disaster relief programs. We have fully funded the President's request in this regard, and we concur with his designation of this funding as an emergency requirement.

We also agree with the President's request for additional emergency appropriations in response to the Oklahoma City tragedy and have provided $183,798,000 for that purpose.

Finally, we are recommending $365,705,600 in nonemergency supplementals for fiscal year 1995. That latter figure includes $275 million in debt relief for Jordan as requested by the President and endorsed by the joint leadership of the Senate.

In addition, the conferees reached agreement on rescissions of budget authority and other funding limitations totaling $16,413,932,975, and those reductions have been the focus of the debate throughout the consideration of the bill.

Mr. President, I ask unanimous consent that a table summarizing the supplementals and rescissions recommended in the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

H.R. 1158, SECOND SUPPLEMENTAL AND RESCISSION BILL CONFERENCE AGREEMENT

	President's request	House allowance	Senate allowance	Conference	Conference vs.—		
					President's request	House allowance	Senate allowance
TITLE I—SUPPLEMENTALS AND RESCISSIONS							
Emergency supplementals:							
FEMA disaster relief, 1995	6,700,000,000	5,360,000,000	1,900,000,000	3,350,000,000	−3,350,000,000	−2,010,000,000	1,450,000,000
FEMA disaster relief, 1996 advance			4,800,000,000	3,350,000,000	3,350,000,000	3,350,000,000	−1,450,000,000
Other emergency supplementals	718,297,000	28,297,000			−718,297,000	−28,297,000	
Subtotal, emergency supplements	7,418,297,000	5,388,297,000	6,700,000,000	6,700,000,000	−718,297,000	1,311,703,000	
Other supplementals	434,672,000	85,471,600	306,915,600	365,705,600	−68,966,400	280,234,000	58,790,000
Subtotal, supplementals	7,852,969,000	5,473,768,600	7,006,915,600	7,065,705,600	−787,263,400	1,591,937,000	58,790,000
Rescissions	−1,536,623,805	−17,187,861,839	−15,144,481,050	−16,247,831,476	−14,711,207,671	940,030,363	−1,103,350,426

H.R. 1158, SECOND SUPPLEMENTAL AND RESCISSION BILL CONFERENCE AGREEMENT—Continued

	President's request	House allowance	Senate allowance	Conference	Conference vs.—		
					President's request	House allowance	Senate allowance
Reductions in limitations on obligations		−201,791,000	−279,166,000	−166,101,500	−166,101,500	35,689,500	113,064,500
Rescissions and other reductions	−1,536,623,805	−17,389,652,839	−15,423,647,050	−16,413,932,976	−14,877,309,171	975,719,863	−990,285,926
Total title I	6,316,345,195	−11,714,093,239	−8,137,565,450	−9,182,125,876	−15,498,471,071	2,531,967,363	−1,044,560,426
TITLE II—GENERAL PROVISIONS							
Travel and administrative reduction			−342,500,000				342,500,000
Forest Service timber sales		−31,169,000	−31,169,000	−31,169,000	−31,169,000		
Total title II		−31,169,000	−373,669,000	−31,169,000	−31,169,000		
TITLE III—ANTITERRORISM AND OKLAHOMA CITY							
Total title III	116,037,000			183,798,000	67,761,000	183,798,000	183,798,000
Bill total, budget authority	6,432,382,195	−11,745,262,239	−8,511,234,450	−9,029,496,876	−15,461,879,071	2,715,765,363	−518,262,426
Reductions in limitations on obligations		−201,791,000	−279,166,000	−166,101,500	−166,101,500	35,689,500	113,064,500
Bill total, budget resources	6,432,382,195	−11,947,053,239	−8,790,400,450	−9,195,598,376	−15,627,980,571	2,751,454,863	−405,197,926
Note.—Rescissions and other reductions:							
Rescissions	−1,536,623,805	−17,187,861,839	−15,144,481,050	−16,247,831,476	−13,607,857,245	2,043,380,789	−1,103,350,426
Travel and administrative rescission			−342,500,000		−342,500,000	−342,500,000	342,500,000
Reductions in limitations on obligations		−201,791,000	−279,166,000	−166,101,500	−279,166,000	−77,375,000	113,064,500
Total reductions	−1,536,623,805	−17,389,652,839	−15,766,147,050	−16,413,932,976	−14,229,523,245	1,623,505,789	−647,785,926

Mr. HATFIELD. Mr. President, I believe this is a good bill. I believe we should pass it, and I believe the President of the United States should sign it into law. I know that the President's administration has objections to the final outcome reached by the conferees. But I hope the President will realize the conferees addressed many of his most pressing concerns, and we tried as best we could to reach an accommodation of his interests. The so-called striker replacement language which the administration indicated was the sole provision—I emphasize the sole provision—that would prompt a Presidential veto on its own was dropped. That was in a letter addressed to me as the chairman of the committee signed by Alice Rivlin, the Director of OMB.

I wish to reiterate. In all of the period of this bill's consideration, there was only one communication from the White House that indicated there was a proviso in the bill that would elicit a veto response from the President. I think that is very important to understand. And during that 2 months of the consideration of this bill and for the week and a half practically that we were in conference, the only other communications were verbal communications indicating categories of disappointment, and that is all I can call them. There were no specifics that were given to us. Account-by-account categories of disappointment that we had failed to reach the President's funding request levels in a number of education matters, and so forth, but they were general.

I wish to emphasize also that there were many days in which there was more than one encounter with Presidential representatives from the White House and not once did I, as the chairman of the committee, receive any kind of counsel requests that would indicate we had to comply with certain requirements of the White House in order to get a signature. There was always the striker replacement and categories of what I call disappointment.

On any number of funding issues, we moved more than halfway toward the administration's priorities as they were known to us.

I would like to also indicate, having served on this committee over a number of years, this is the first administration that has not hovered in the appropriations process, hovered day by day, hour by hour, making known specifics, their requests, and what they considered to be the requirements of a compatible bill between the Congress and the President.

In the past 2 days, we have seen indications that the President intends to veto this legislation. I suppose I should say that there have been more than indications since the President himself said as much in public remarks yesterday.

I am very, very disappointed by that. I want very much to see this bill enacted. It is not the bill in all its particulars that I personally would craft if I were acting alone, but it is a most significant step in the direction of a balanced budget which we all, the President included, have endorsed as a common goal.

Our conference agreement would achieve an estimated $3 billion in fiscal year 1996 outlays which may be a drop in the bucket compared to the enormity of the task ahead but is a good start, and get started we must.

So I hope the President will reconsider and will sign this bill, assuming that we pass this report. And if he chooses to veto it, he will miss a great opportunity. Other opportunities may lie ahead, and I have always been ready to work with this or any other administration to seize those opportunities as they arise. But I hope the President, and his many advisors, will remember that the legislative exercise, particularly in matters of the budget, is an exercise in give and take and neither side can expect to have things entirely their own way.

I yield the floor. Mr. President, I ask unanimous consent to reserve the remainder of my time for Senator COCHRAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, the conference agreement on H.R. 1158 is the product of lengthy and difficult negotiations with the House conferees. The agreement we reached was the best we could do, under the circumstances.

The President has expressed his dissatisfaction, and has indicated his intent to veto the measure when it reaches his desk. Despite the misgivings of some, I want to remind the Members of the time-sensitive and emergency nature of some of the items included in the bill.

The conference agreement includes the full $6.7 billion request for the Federal Emergency Management Agency FEMA, disaster relief efforts. These funds are to be used to finance the relief costs associated with the Northridge earthquake, as well as to address declared disasters resulting from floods and storms throughout some 40 States, including the most recent, extraordinary rains and hail which occurred in Louisiana and some other States. These funds are needed in the next several weeks, or FEMA will run out of funds to assist in these disasters.

With regard to the administration's request for emergency supplemental appropriations in the wake of the tragedy in Oklahoma City, the conferees provided approximately $250 million for anti-terrorism initiatives and Oklahoma City recovery efforts. This included substantial increases above the President's request for the FBI, the Department of Justice, the Secret Service, the Bureau of Alcohol, Tobacco, and Firearms, and the Judiciary. Included in this amount is $67 million to meet the special needs of the General

Services Administration created by the April 19, 1995, terrorist bombing attack at the Murrah Federal Building.

With regard to the striker replacement issue, the Senate bill struck a provision which was included in the House bill and which would have prohibited the use of any funds in any appropriations act for fiscal year 1995 to issue, administer, or enforce any Executive order that prohibited Federal contracts with companies that hire permanent replacements for striking employees. The conference agreement deletes that provision.

The conferees adopted a provision which I authored and which passed the Senate by a vote of 99 yeas to 0 nays. This provision will assure that the net savings in this bill, in the amount of approximately $9 billion, will be applied to deficit reduction only.

Members will recall that under the Daschle/Dole joint leadership amendment, which was adopted when the measure was before the Senate, approximately $835 million was restored for various programs which assist children and improve education programs. Among those funds added back by the joint leadership amendment were a number of Presidential and congressional priorities, such as AmeriCorps, WIC, summer jobs, school-to-work, and chapter 1. Despite numerous meetings and the strong efforts of the Senate conferees, the House conferees were adamant, and the Senate was not able to sustain many of the priority addbacks in conference. For example, of the $35 million in the WIC restoration in the Senate, the conferees agreed to restore $15 million. With regard to chapter 1 funding for the education of the disadvantaged, the Senate was successful in preventing any funds from being rescinded. The House had proposed rescinding $140.3 million and the conference agreement fully restored these funds. The conferees also fully restored the House-proposed rescission of $16.3 million for impact aid. Overall, for the programs of the Department of Education, the House had proposed rescinding $1.6 billion, the Senate had restored $1.3 billion, and the conferees agreed to rescind approximately $800 million. In other words, the conferees restored about $800 million or one-half of the education cuts proposed by the House. However, this still fell short, by about $500 million, of the Senate level of restorations in the education area.

Members may also be encouraged to know that the Senate position prevailed in conference with regard to the 1995 Summer Youth Program. The full cut of $867 million, as proposed by the House, was restored. The conferees did, however, rescind all funding for next summer's program, although this issue can be revisited during the processing of the fiscal year 1996 appropriations bills.

In conclusion, Mr. President, the conference agreement now before the Senate provides important disaster relief and antiterrorism funding. The objectionable provision relating to striker replacements is deleted. The savings in the bill of about $9 billion will be applied to deficit reduction. Unfortunately, there are still substantial cuts in priority programs affecting children and improving education. The Senate conferees struggled to support the Senate positions, but, through the give-and-take of the conference process, were unable to sustain all Senate positions. Nevertheless, the rescissions agreed to in conference are more reasonable and responsible, in large part, than were contained in the original version of the House bill.

Consequently, I urge the adoption of the conference report. If the conference report is adopted by the Senate and the bill is vetoed when it reaches the President's desk, and if the veto is sustained, it remains to be seen if the Congress, in subsequent legislation, will be able to do any better in the areas of concern to the President.

Mr. President, in closing, I compliment the chairman, Senator HATFIELD, for his leadership in bringing this legislation through the conference. I also compliment all of the Senate and House conferees. They worked hard and they worked diligently to resolve the issues in conference. Although I would have favored other outcomes in conference, I must commend the House conferees, under the leadership of their chairman, Mr. LIVINGSTON, and their ranking minority member, Mr. OBEY, for their fairness and cordiality. I think it is a good agreement and I intend to vote for it.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. Mr. President, this bill passed the Senate on a totally bipartisan vote of 99 to 0. I voted for it, along with every one of our Democratic colleagues.

I had hoped I could vote for this conference report, especially given the hard work that the chairman, ranking member, and every other member of the committee put into the compromise that passed in the Senate.

I particularly want to thank the ranking member for his efforts in bringing the bill to the point that we had it prior to the time it went to conference. And I would like to thank him as well for his efforts in the conference. Without his tireless effort, this conference report would lack even more than it does of the characteristics of the agreement we reached with the majority leader. I know that the distinguished Senator from West Virginia, the ranking member, did everything in his power to preserve that agreement.

Unfortunately, despite those efforts, some key changes were made in conference at the behest of many of our Republican colleagues.

As a result, I am unable to support this conference report today, and the President is absolutely right to insist that these changes be reversed. If they are not, the President, in my view, is right to veto the bill.

This is a different bill than the one we supported when it passed the Senate. The bipartisan compromise we reached with the majority leader made it a bill that we could support and the President could sign. Unfortunately, in conference, that deal was undone. The priorities were changed.

This is not a fight about deficit reduction. It is a fight about priorities. We all agree and have voted to cut over $16 billion as this bill proposes. We simply disagree about where the cuts ought to be made.

The bipartisan deal we reached actually cut spending in the bill by $812 million. The Dole-Daschle amendment restored $835 million for investments in children and education. It paid for these investments with $1.65 billion in additional cuts in lower priority programs.

The deal cut spending by twice as much money as it added back for children and education. Yet, the programs for which we restored $835 million were cut $685 million in conference below the amount provided in the Senate bill. In other words, 80 percent of the funds for programs we restored were dropped in conference.

Those cuts, while a small part of the overall bill, betrayed the agreement that we had in the Senate. Worse, in my view, they undermined our highest priority: America's children and their families.

The programs shortchanged by the conference agreement include child care, education, safe and drug free schools, child nutrition, and the President's national service program. As a result:

Fifteen thousand fewer adults will serve their communities and earn money for education as AmeriCorps members;

Two thousand fewer schools in 47 States will receive funds for comprehensive reforms that can boost academic standards;

Several thousand young people would lose the opportunity to participate in apprenticeships in the School-to-Work Program;

Nearly 20 million students and nearly 90 percent of all schools would lose the benefits of antiviolence and drug prevention programs.

We simply cannot accept this effort to undermine a bipartisan agreement we made to protect our investments in children and education. At the same time, we have no debate with the bulk of the provisions in this bill. We accept and have voted for the same level of cuts contained in it.

We would prefer to have a rescissions package that we can all support. Disaster funding for FEMA, the President's antiterrorism initiative, and the costs arising from the Oklahoma City bombing should not be held hostage because certain Members insist on cutting funds for children's programs.

It is not too late. There is still time for us to accommodate many of these concerns, and I hope in the coming days that discussion and perhaps resulting negotiations can bring about a better result.

If this bill is vetoed, we should quickly revisit the issue and make the changes that can allow us to support and the President to sign a better bill. We are going to have to put the pieces back together in some form that accommodates our concerns, but also addresses the bipartisan concern about the need for $16 billion in overall rescissions. Whether it is done before or after, it must be done. Many of us prefer it be done before. But if it is done after, let us get on with it, let us do it, let us do our job and do it right.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I want to say to my colleague from Arizona, I will be relatively brief, probably within 10 minutes.

Mr. President, let me just thank the Senator from West Virginia for his fine work. In many ways, I look to him as a teacher, especially when it comes to understanding this process and also when it comes to wedding integrity with politics. I thank him.

I rise, however, in disagreement with two Senators for whom I have a tremendous amount of respect, because I hold the Senator from Oregon in the same high regard, in the highest regard.

Mr. President, while I supported many of the cuts provided for in this bill, I really believe that what happened in conference committee, as the minority leader pointed out, really violates a basic standard of fairness. For example, I brought an amendment to the floor which put the Senate on record that we will take no action that would increase hunger or homelessness among children. The distinguished Senator from Oregon accepted that amendment as a part of this rescissions package that then went to conference committee. The amendment was dropped in conference.

I understand why it was dropped, that we were simply expressing the sense of the Senate, and not the sense of the House of Representatives, too. But I also realize, based upon the cuts in this rescissions bill and based upon some of the votes that we have cast today, that it is going to be very important for me and other like-minded colleagues to work hard to make sure that we, in fact, will not take such action in the months to come as we move through this budget process. Mr. President, I think that is exactly what we are doing.

Frankly, I was never quite sure of that bill we passed in the Senate. I worked about 12 or 15 hours. So did other Senators, right before the final vote which must have been about 10 p.m. that night, to restore certain funding for key programs.

I felt proud at that point, because while it was not all that I wanted, it moved us in the right direction. And when I got up in the middle of the night about 3 a.m. that night, I started thinking maybe I should not even have voted for that package. It was a close call. We have a lot of close calls, and we make our best decisions.

However, I felt good about some of the work many Members had done together. We restored some of the funding for WIC, Women, Infants and Children Program, restored funding for child care. There was a counseling program for seniors, to make sure that they did not get ripped off, as all too often happens when it comes to some of the supplemental Medicare coverage. We worked hard to restore funding in Medstart, safe and drug-free schools, School to Work initiatives.

In any case, Mr. President, I felt like we had done a good job of restoring some funding for programs that are not bureaucratic, but that makes a very important difference to a lot of young people in our country, especially children at risk.

Mr. President, now what has happened is that more than 80 percent of the funds that we restored, most of that funding for the most vulnerable citizens in this country—children—have now been cut again. Of the $835 million we restored, $685 million was dropped in the final package.

Mr. President, I believe that this rescissions package just simply does not meet a basic standard of fairness. So many kids are in trouble in our country, and we have to be willing to reach out and invest in them, reach out and provide support for them.

Not support that reinforces dependency, but support that is important to kids, that broadens their opportunities. Starting with making sure that a woman who is expecting a child has a decent diet. Making sure that a newborn infant has a decent diet. What are we doing cutting the Women, Infant, and Children Program? It is an unqualified success.

Mr. President, there were never any cuts in the Pentagon budget. None of the big military contractors was asked to sacrifice at all.

I think this rescissions package asks the very citizens who cannot tighten their belts, to tighten their belts. Especially children in our country. Especially low-income children, minority children.

And it is for that reason I believe the President of the United States is absolutely right when he says we should make some changes in this bill, or he will veto it. And they don't have to be wholesale changes, relative to the amount of funds in the whole bill. There are parts of this rescissions package I want to support. So do my colleagues. But when it comes to the disproportionate cuts that affect the most vulnerable citizens in this country, starting with children, it just simply is wrong. And the President of the United States of America is absolutely right to draw the line. To say, "I am not going to be a party to or agree to a package of cuts that basically focus on those citizens who do not give the big bucks, who did not have the political power. These are just cuts based upon the path of least political resistance, and I won't be a party to them."

And let me observe one more thing about the President's role in all these negotiations on this bill. It has been implied on the floor here today that the administration did not provide its full views on the rescission bill as it moved through the conference committee process. That is simply not true. I understand the administration provided its specific objections to the bill at each stage of its development, including a letter to the conferees on April 28. These objections are printed in the CONGRESSIONAL RECORD of May 18, 1995 on pages H5339 through H5352. I commend this letter to my colleagues' attention.

Mr. President, let me finally say one more thing about this bill. I do not know that there is another Senator who has been more of a leader on issues that affect people in Indian country than Senator MCCAIN, and so I say this conscious of his important role.

In many Indian communities there is no running water, sanitation facilities or indoor plumbing. Mr. President, 40 percent of the American Indian population live in substandard housing, in substandard housing conditions, in deplorable conditions.

Yet we are now poised to wipe out $80 million that was duly appropriated last Congress, which could really make a difference in providing some affordable low-income housing. Mr. President, I cannot stand by in silence, while the Senate prepares to pass legislation which I think would have devastating effects on our first American citizens.

Mr. President, as I review overall this rescissions package, I just think that we can do better. What has come back from the conference in the form of this conference report includes many of the cuts we restored for nutrition programs, safe and drug free schools, safe housing for children, child care, School to Work, AmeriCorps, 8 percent of that, has now been cut again.

I speak tonight to express support for the President's decision but, more importantly, to support some of the most important citizens in my State and in this country, and that is young people. Some of the kids who are having the most difficult time are the very kids we ought to be supporting right now.

We can do much better. I think we will do much better. But only if we stand strong and only if the President remains firm in his commitment.

I yield the floor.

Mr. McCAIN. Mr. President, I do not intend to take the full 30 minutes as I have under the unanimous consent agreement, and also I would like to yield some of the time to the Senator from Pennsylvania. Also, if necessary, I would be glad to yield some of the time to my colleague from Iowa or the Senator from Mississippi in response to some of the concerns that I have.

First let me applaud the Appropriations Committee for doing an admirable job and resisting earmarks and other unnecessary spending, and I especially want to thank Chairman HATFIELD, Senator BYRD, Chairman LIVINGSTON, and other members of the committee.

I also disagree with the President for stating that he intends to veto this bill. Certainly, the bill is not perfect, but it does, I think, contribute to our efforts to reduce unnecessary spending.

There are several aspects of this bill that I have concerns about and, very frankly, Mr. President, when the President says there is pork barrel spending in the bill, I am sorry to say that I also have reached that conclusion.

I just want to mention several aspects of the bill, and I would be glad to hear a response either from the distinguished Senator from Mississippi, from West Virginia, or the Senator from Iowa, if he so chooses.

To begin with, there are several portions of the bill where money was added—added—in, and projects created without being in either rescission bill before it went to conference.

Again, Mr. President, I find this practice unacceptable. I find it a deprivation of my rights as a Senator to vote and debate on authorization and appropriation, and that is why I would continue to raise especially these items that are put in conference without consultation with the rest of the Senate or even, very frankly, having been debated or discussed in the formulation of the bill on both sides.

One, the bill's text says:

> Of the funds made available under this heading in Public Law 103-330 and other Acts, $1,400,000 are rescinded; *Provided* that of balances available within this account, $12,678,000 shall be available for a grant to Iowa State University for the construction of the National Swine Research Center.

And the manager's statement says:

> The House bill proposed rescinding $12,678,000 from amounts appropriated for the National Swine Research Facility in Ames, Iowa. The conference agreement provides that the $12,678,000 for the National Swine Research Facility be provided as a grant to Iowa State University to construct that facility at Ames, Iowa. The conferees direct the Agricultural Research Service to convey ownership to Iowa State University. The conferees are aware of the interest and need for important swine research; however, financial constraints require difficult choices. The conferees expect that any future cost of operation associated with that facility be provided by sources other than the federal government.

By the way, I noted that just last month the President of the United States went to Iowa and expressed his strong support for spending $13 million for a 13th Federal swine research center.

What I do not understand here is, first, why does this action have to be taken in a conference that is on a rescission bill? That is No. 1. No. 2, why should it be given to Iowa State University? Are there other universities in the country that are qualified? Was there any competition? Was there any estimate made of the cost? Or did we just decide that $12,678,000 should be given to build a facility at Iowa State University? There may be very legitimate answers to these questions, but none of them have been discussed or debated by the entire U.S. Senate.

There are several more, but two especially. One concerns Clear Lake Development Facility.

> The conferees agree to include an administrative provision which will enable the National Aeronautics and Space Administration to exercise an option to purchase the Clear Lake Development Facility, as modified for use as a Neutral Buoyancy Laboratory. The facility is currently being leased by NASA. It is the intention of the conferees that the cost of the facility as modified by the current owner (or contractor) and delivered completely modified to NASA, will be no more than $35,000,000.

The bill text says:

> SEC. 1008. The Administrator shall acquire, for no more than $35,000,000 a certain parcel of land, together with existing facilities, located on the site of the property referred to as the Clear Lake Development Facility, Clear Lake, Texas. The land and facilities in question comprise approximately 13 acres and include a light Manufacturing Facility, an Avionics Development Facility and an Assembly and Test Building which shall be modified for use as a Neutral Buoyancy Laboratory in support of human space flight activities.

This provision, which is in the bill text, and the report language was not in either the House or the Senate bills as passed by each body. Have there been hearings on this matter? The President's budget request does not contain request for this purchase.

It is my understanding that NASA must now, should this act become law, purchase this one certain parcel of land. What if there were other facilities that could be bought more inexpensively?

Does NASA need the facilities described in the bill text?

Why is NASA purchasing building facilities that it is then directed to convert into a buoyancy lab?

Does NASA have any need for these additional buildings?

It is my understanding that McDonnel-Douglas currently owns this facility. What is the fair market value of this facility? Have NASA and McDonnel-Douglas been negotiating this sale?

Could not this purchase wait for the normal authorization and appropriation process to occur?

It seems to me if we are going to make a purchase of $35 million from a private corporation of a piece of land it should not appear suddenly in the conference report of a rescission bill. As I say there may be perfectly legitimate reason to do so, but this is no way to legislate.

The next one, of course, that I find very unusual is:

> Notwithstanding any other provision of law or regulation, the National Aeronautics and Space Administration (NASA) shall convey, without reimbursement, to the State of Mississippi, all rights, title and interest of the United States in the property known as the Yellow Creek Facility and consisting of approximately 1,200 acres near the city of Iuka, Mississippi, including all improvements thereon and also including any personal property owned at NASA that is currently located on-site and which the State of Mississippi to facilitate the transfer: Provided, that appropriated funds shall be used to effect this conveyance; Provided further, that $10,000,000 in appropriated funds otherwise available to NASA shall be transferred to the State of Mississippi to be used in the transition of the facility; Provided further, that each federal agency with prior contact to the site shall remain responsible for any and all environmental remediation made necessary as a result of its activities on the site * * *

The Manager's statement says:

> Yellow Creek Facility, Mississippi—The federal government has a long history of involvement in Yellow Creek, located near Iuka, Mississippi. The site, originally purchased by the Tennessee Valley Authority for use as a nuclear energy plant, was subsequently transferred to NASA after the nuclear energy plant's cancellation. NASA intended to use Yellow Creek to build the Advanced Solid Rocket Motor (ASRM) and, after its cancellation, instead committed to use the site to build nozzles for the Redesigned Solid Rocket Motor (RSRM). On May 2, 1995, due to its current budgetary constraints, NASA terminated the RSRM nozzle production effort at Yellow Creek. The bill language included by the conferees on the transfer of the NASA Yellow Creek facility reflects the most recent commitment made by the NASA Administrator to the Governor of the State of Mississippi. The major investment by the State of Mississippi in facilities and infrastructure to support Yellow Creek, in excess of $100,000,000 is a key to factor in NASA's agreement to turn the site over to the State of Mississippi. The main elements of the agreement reached between NASA and the State of Mississippi, which the conferees expect to be adhered to by the two parties, are as follows; The Yellow Creek facility will be turned over to the appropriate agency of the State of Mississippi within 30 days of enactment of this Act. All of the NASA property on Yellow Creek which the State of Mississippi requires to facilitate the transfer of

> the site transfers within the site to the State, subject to the following exceptions * * *

And those exceptions are interesting, to say the least. But, also, and the final paragraph is also interesting:

> Within thirty days of enactment of this Act, $10,000,000 will be transferred from NASA to the appropriate agency of the State of Mississippi. The site's environmental permits will become the property of the State of Mississippi. NASA will provide all necessary assistance in transferring these permits to the State of Mississippi.

Again, Mr. President, this is a rescission bill. This provision was contained in neither the House nor the Senate bills nor accompanying reports. Again, this language is not in the President's budget.

Why are we forcing NASA to buy one parcel of land while we are forcing it to give another away at no cost? If NASA has been working with the State of Mississippi on this matter, why was this provision not included in the rescission bill when that measure was before the Senate? Is there some emergency, some reason why we are transferring this land to the State of Mississippi in this bill without waiting for NASA reauthorization and appropriations bills?

Mr. President, there are numerous other provisions in this bill which I will make part of the RECORD as part of my statement. But here is the problem again.

The problem is that we have authorization bills on which many issues are silent, like these two I just went over. Then we have an appropriations process here on the floor of the Senate where we are silent on these two major projects totaling well over $70 million here.

And then out of the conference into the report, where no Member of this body can make any changes to it, appear these appropriations for as much as $50 or $60 million in this case. It deprives the Members of the Senate of the ability to debate and discuss issues and the expenditure of their taxpayers' dollars.

Especially egregious is when it is on a rescission bill. This is not a spending bill. This is a rescission bill. So instead of cutting funding we are adding money.

Mr. President, as I say, there are probably good and valid and legitimate reasons for these areas and others I will highlight in the formal part of my statement. But I can assure you, there is no argument that can be made that this process is correct because it does not allow the Members of this body, who were duly elected but were not members of the conference on appropriations with the other body to have any input whatsoever into these decisions. We deserve that. And it is our obligation, since it is our taxpayers' dollars being expended, to be a part of that.

I hope this process will stop. I hope this process will stop. We are about to begin the appropriations cycle of some 12 or 13 bills.

I intend, I say to my colleagues, to continue to do everything in my power to stop this practice and return to the practices that we should follow in the U.S. Senate, which are hearings, authorization, appropriation, conference, and final signing of the bill by the President of the United States.

Mr. President, I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator has 18 minutes and 5 seconds remaining.

Mr. McCAIN. Mr. President, I will yield at the appropriate time, when he is ready, 10 minutes to the Senator from Pennsylvania, of my time remaining.

Mr. SANTORUM. Mr. President, I thank very much the Senator from Arizona for yielding. I appreciate his comments. It is gratifying to know the Senator, not only on this bill but many other bills that come through here, is dogged in his determination to ferret out inappropriate things that are put in bills. I appreciate the Senator's comments on that and congratulate him on his vigor.

I wanted to first congratulate the Senator from Oregon, Senator HATFIELD, and the Senator from West Virginia, Senator BYRD, on plain, true leadership in this bill through the process. They went into the conference and they stood by the Senate positions as best they could. They negotiated, I think, a very good bill, a bill that strikes a good balance in a variety of different programs. They provided leadership. They provided leadership. They stood up, fought for what they believed in, and they were able to succeed in coming out with a compromise bill that I think will pass overwhelmingly on the Senate floor.

I am not surprised by the comments of Senator HATFIELD. Senator HATFIELD said that in his entire tenure as a Member of the Appropriations Committee—which I am sure spans well over 20 years—that this was the first conference committee that he has been to where the administration had no input, had no one there, was providing no guidance, no leadership, no direction as to where to take this conference report and how to reduce the budget deficit. Absent, without leadership, AWOL again this time on a $16 billion rescissions bill. It was not there.

Now, after Senator HATFIELD, Senator BYRD, and Chairman Livingston over in the House worked so hard, put together and crafted a compromise that they could all live with, the President comes in and waves a white flag and, says, "Oh, no. I do not like this. I know this is bad. Of the $16 billion there, is almost $1 billion I do not like. I cannot sign it. I wish you would have told me."

That is not leadership. That is not taking a very serious problem, and the problem is the budget deficit, and doing something proactive coming into those conferences and providing direction.

So now we see the veto threat coming out, that they are going to veto this bill that passed the House with bipartisan support, and passed the Senate with partisan support, and will now go to the President to be buried. It is something that did not have to happen.

If there is a sad thing about what is going to occur in the next few days, it is it did not have to be this way. The reason it is this way is because the President refused to lead. But this should come as no shock to anyone in this Chamber.

One of the reasons I am here tonight—and I have been for the past several nights—is to talk about the President's lack of leadership with respect to the budget resolution. Now, 6 days ago, as I add the number 7 to the chart—7 days ago Senator DOMENICI's Budget Committee presented a balanced budget resolution on the floor of the Senate. It has been 7 days with no proposal to balance the budget from President Clinton now, a week the President has sat on the sidelines. Yesterday was day 6, a potentially exciting day because there were reports that the President was actually going to come forward with a budget, that he said in some radio interview with National Public Radio in New Hampshire that he was really going to work on his 10-year budget plan, that he thought we could get to a balanced budget in 10 years, and he was going to offer something.

But, again, not with a great amount of surprise, the President came out today, and according to the Washington Post:

> Clinton sidestepped questions about whether he was still committed to the time frame he outlined in a weekend radio interview with four New Hampshire reporters * * *

He said, you know, I think all Americans should be committed to a balanced budget.

That was his new comment that, you know, we should all be for this but, of course, he is not going to put anything forward. In fact, Michael McCurry, his spokesperson, his press secretary, said:

> Right now, to come forward [with an alternative budget] would be an idle exercise.

Now I understand. Leadership, according to the White House, is an "idle exercise," going to conference committee meetings to discuss reducing the budget deficit by $16 billion is an "idle exercise" that is not worth the President's time. Why should he get involved in anything such as cutting money or the balanced budget? This is an "idle exercise." This, for a President who weeks ago had a debate with himself as to whether he was relevant to the process here in Washington.

Mr. President, you are answering your own questions by your actions.

So while he says, "Well, I am not now putting together a budget because it would be an idle exercise to do so," we find out from senior spokespeople at the White House that the Office of Management and Budget is working on a budget. I do not know whether they are not telling the President they are working on a budget or the President does not want anybody to know he is working on a budget, or whether, you know, someone is just leaking it out that they are working on a budget so we think they are working on a budget. These are all very interesting things that could be going on.

But the bottom line is that it is 7 days and no budget, no plan; 7 days, no leadership, no direction, no ideas, walking away from one of the greatest and most important moments in the last several decades, which is balancing this budget.

I am not surprised, but I am disappointed. As I said before, I am going to come here every day, every day between now and October 1, and challenge the President to stop it; please, please stop it. Please stop me from coming here and having to put this chart up, having to print up more numbers. These get expensive. I do not want to print up more numbers.

So I have to keep adding numbers to the chart here about how many days it has been since you have decided not to participate in the process.

Today was an interesting day. It was an interesting day today. We had several Democratic Senators come forward with their balanced budget proposals. After, I am sure, imploring the Chief Executive Officer of the country to propose his budget that balances the budget, they decided to venture out on their own and introduce the budget an hour before the end of debate on the balanced budget resolution.

We had 50 hours of debate on the budget, and 1 hour before the termination of debate, several Democratic Senators rushed to the floor with their idea sketched out—I do not know whether it was on the back of the envelope or the front of the envelope—but it was sketched out in very vague terms about how they are going to get there. We are going to have some tax increases. We knew that. I mean, that was a given. The question was, how much? They said $230 billion. The Senator from New Hampshire was suggesting maybe it is more like $400 billion, about a third of what they want to cut the deficit by.

They want to do it over 9 years instead of 7. They want to use some of our cuts. They want to use some of our savings given by the Congressional Budget Office by balancing the budget, none of which has been scored by the Congressional Budget Office. They just want to throw this together with no specifics, no plan on how to get the $150 billion in cuts they want to get out of Medicare, no plan on how they are going to restructure any of the programs that they want to cut in domestic discretionary or defense spending —no specifics, just some numbers, just some tax increases, and just a lot of rhetoric about, you know, we are for this too, we want to be relevant, too.

After sounding somewhat critical, I congratulate them. I congratulate them for at least stepping from behind the shadows and moving forward, and saying, "We believe in a balanced budget, too. Here is how we are going to get there. We don't believe we should fundamentally restructure Government as much as you think we need to do. We need to increase taxes some more because the American public does not pay enough to run this place. So we need to tax them some more."

That is fine, if they believe that. If that is what you believe, then come here and defend it.

I congratulate them for having the courage to come up and defend it. I am hoping that when this debate is all—

The PRESIDING OFFICER. The 10 minutes allotted to the Senator has expired.

Mr. SANTORUM. I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. FEINGOLD], is recognized.

Mr. FEINGOLD. I rise to thank my good friend, the senior Senator from Arizona, for his comments regarding various provisions included in the conference report of the rescissions bill.

Let me first reiterate how pleased I am to be working with the Senator on a variety of congressional and budget related reforms. He and I share a number of common concerns regarding the impact of special interests on elected Government, and I was delighted when the Senator from Arizona approached me before this session began to see if I would be interested in working with him on some of those issues.

That kind of bipartisan spirit is essential if we are to build anything truly meaningful and lasting in the 104th Congress.

Without that spirit, all that can be done is to advance an agenda that is hollow and transitory. Despite the understandably partisan tone of the statements often made in the Chamber, I know there are people of good will on both sides of the aisle who are willing to try to tackle problems together.

I have often mentioned the Kerrey-Brown deficit reduction package that was developed in the last Congress as an example of that kind of effort. And I was happy to be a part of that bipartisan effort.

I think the effort the Senator from Arizona and I are making is another such example of bipartisan work.

There has been some progress made already this year. I was delighted that a measure to clean up the emergency appropriations process, which the Senator from Arizona and I sponsored, was included in the line-item veto measure that passed the Senate, and I very much hope that the line-item veto conferees will retain that emergency spending provision. And there will be others as well.

Mr. President, one of the ongoing efforts that the Senator from Arizona and I agreed on was to undertake a look at the earmarked items in appropriations bills. The Senator from Arizona has a long history of this already, of certainly some discomfort to some, but I believe it has had an impact. Just the knowledge that the Senator from Arizona will be asking questions about these kinds of appropriations can be a deterrent. I certainly hope this is the case. And I also hope that by joining him in this effort on a regular basis, we can discourage even more.

So, Mr. President, that brings me to the rescissions bill. It is ironic that legislation intended to take a first step toward a balanced budget has become again a vehicle for a number of provisions that I think move us in the wrong direction. Not only does the conference report specify new spending, for which there is no compelling or immediate need, it also contains provisions which restore funding beyond the level which passed either House.

My friend from Arizona mentioned some of these items. We have all read about the various earmarked transportation projects, courthouses and other building projects that somehow continue to endure. They are kind of like cockroaches; no matter what we throw at them or how many we kill, some of them still survive.

Mr. President, there are other programs as well: $12.7 million for a National Swine Research Center. It is my understanding that, as I believe my friend pointed out, there are already a dozen such centers. Do we really need a 13th swine research center? And if we do need a 13th swine research center, should there not be a competitive process to justify where the thing is sited?

Another one: $1 million allocated to the Advanced Lead-Acid Battery Consortium.

Mr. President, it is my understanding that one company is the principal beneficiary of this research funding. This has all the trappings once again of corporate welfare. I question whether we should be dedicating scarce revenues to the kind of applied research for which the private benefits clearly exceed the public benefits.

And then, Mr. President, we find the following provision in section 1008 of the bill. It says:

> The Administrator shall acquire, for no more than $35 million, a certain parcel of land, together with existing facilities, located on the site of the property referred to

as the Clear Lake Development Facility, Clear Lake, TX.

The section goes on to explain that NASA is being directed to buy this property to use as a neutral buoyancy laboratory.

One might well ask, Mr. President, what this provision is doing in a bill, the main focus of which is to reduce the deficit.

But, Mr. President, just when you think you have seen it all, you read the very next provision, section 1009, which reads as follows:

> Notwithstanding any other provision of law or regulation.* * * NASA shall convey, without reimbursement, to the State of Mississippi, all rights, title and interest of the United States in the property known as the Yellow Creek Facility and consisting of approximately 1,200 acres near the city of Iuka, MS.

Mr. President, if you can believe it, it gets worse. Further down section 1009 we find the following.

> Provided further that $10 million in appropriated funds otherwise available to NASA shall be transferred to the State of Mississippi to be used in the transition of the facility.

Not only are we giving away this facility, Mr. President, the Federal Government is actually throwing in $10 million to sweeten the deal in something we call a rescissions bill.

Mr. President, in two consecutive sessions of the so-called rescissions bill, NASA is required to pay $35 million for 13 acres of land and facilities in Texas to establish a neutral buoyancy lab and to give away 1,200 acres of land and facilities in Mississippi along with a bonus of $10 million.

My back-of-the-envelop arithmetic suggests that Federal taxpayers netted out losing $45 million and 1,187 acres from just those two sections alone.

I am sure someone might be able to provide us with some reasons NASA is being required to make these deals, but nothing in this legislation before us suggests anything the least bit urgent about them.

Mr. President, should we be asked to swallow these land deals as part of legislation intended to give us a good jump-start at deficit reduction and to provide emergency funding for some urgent problems? I do not think we should. If there are sound reasons to make these land deals, then those who advocate these arrangements should be willing to subject them to the scrutiny of the regular appropriations or authorization bills. These provisions argue strongly for the reform that the Senator from Arizona and I have introduced and that was included in the line-item veto measure we passed.

Mr. President, by establishing a new point of order against adding these kinds of nonemergency measures to emergency appropriations bills and by prohibiting OMB from adjusting spending caps or otherwise relaxing the sequester process for emergency appropriations bills that include these extraneous measures, our proposal would limit the ability of some to circumvent the normal legislative process as I suggest may have occurred here. These provisions also argue for the line-item veto measure itself, and I very much hope we can make progress in moving that issue along as well.

I just want to reiterate any thanks to the Senator from Arizona and his staff for their continuing vigilance on these issues. There are tangible costs to that work, as anyone reviewing the list of projects that has been rescinded can divine, but in the end, Mr. President, the only way we will end these abuses is for Members to follow the lead of the Senator from Arizona and reject these special provisions even when it means rejecting a project for one's own State.

So I thank the Chair, and I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). Who yields time?

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senator from Iowa be allowed 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRASSLEY. I thank the Senator from Arizona for the 10 minutes.

Before I speak to the point that the Senator from Arizona brought up about the national swine center, I want to compliment everyone who worked on this rescissions bill which rescinds $16 billion of expenditures, moving us more quickly to a balanced budget than waiting until the beginning of fiscal year 1996 which starts October 1 of this year.

This gives us a 6-month headstart on the efforts toward balancing the budget. Everybody, Republican and Democrat, involved in this process to bring forth this sort of change in the expenditures for our present fiscal year is to be complimented and to be considered fiscally responsible. I applaud them for that.

At the same time, I think it is irresponsible for the President to take the position he has when there was so much of an effort in the Senate to accommodate the White House in the first instance of the passage of this legislation.

I hope the President will change his mind, sign the bill, and help move us on to a balanced budget much quicker than would otherwise happen.

My good friend from Arizona has raised a lot of issues, on this bill and on other bills, that raise the question about the wise expenditure of public moneys. I compliment him for doing that. He is a responsible watchdog of the taxpayers' money. There are not enough of those in this town.

One of the issues that he raised previously was on the National Swine Research Center located at Iowa State University, one of the major universities in my State. I want to speak to that point, because I think he raised some legitimate questions about it.

The first question raised was whether or not it was a conferenceable item—was it in one of the bills before it went to conference or was it amended in conference?

It was a conferenceable item. Under the rules of the House and Senate conference, it was something that could have legitimately been dealt with in the conference. It was not something that was added after the fact by the conferees in an effort to sneak something through.

The next question that was legitimately raised was why a swine research center and why at Iowa State University?

I suppose the latter one is the easiest to answer. It is there because our State is the leading pork producing State in the Nation. And some of the best scientists in animal husbandry are there, some of the best researchers. So you put a facility where outstanding people are located to do the research when you have a national goal to do research in a particular area.

The whole issue of swine research, the whole issue of agricultural research, is not questioned any more as a good public policy of our Government. It is something that has been promoted by the Federal Government going back to 1862. More specifically, in this century, a lot of legislation was passed that has the Federal Government, through the Agriculture Research Service, very much involved in agricultural research; not to benefit just the farmers, but to make sure that there is an adequate supply of food and high-quality food available for consumers.

Why do we have a National Swine Research Center? Well, there was careful consideration given to the formation of this. A long time ago, a national peer panel recommended the establishment of a Swine Research Center. They did it because the needed research was not being conducted in any other State or Federal laboratory nationwide. This peer review panel made very definite that this program of research not be duplicative and they made a determination it would not be duplicative. They did that through defining the mission, the mission of the research center. That mission is to develop technology to ensure that the U.S. pork industry operates as an environmentally sound and efficient animal production system.

In that particular statement from the U.S. Department of Agriculture, we ought to put emphasis upon environmentally sound as a lead purpose of the swine research center in Iowa as opposed to the other swine research centers that the Senator from Arizona mentioned in the question about why, when you have some, do you need others. We need a national swine research center because we have not had adequate research in that area and we need it.

The emphasis, of course, is on the environmental aspects. But also like other research centers, the environmental research and determinations have something to do with the efficiency of the animal production system.

The U.S. Department of Agriculture, through their directives on this particular National Swine Research Center, says that it will help maintain and increase the competitiveness and efficiency of U.S. pork production and marketing. These are national goals, as well. Agriculture is one of those areas of production in America where we are most efficient and where we are without a doubt competitive with any other country in the world.

The exports of our agriculture products give us a very positive, favorable trade balance in agriculture. Without that positive favorable balance in agriculture and in food products we would have yet a bigger deficit in our overall trade. So, a research center that is going to continue to keep us competitive has a very good overall economic benefit to our entire Nation, as we try to keep our trade deficit down.

Now this compromise before us allows the laboratory of the national swine center to be built at a cost of $12,678,000 by the Agriculture Research Service.

Mr. President, we have appropriated these funds in other fiscal years for this project, in fiscal year 1992, $1.8 million; fiscal year 1993, $1.5 million; fiscal year 1994, $4.5 million; and fiscal year 1995, $6.2 million.

Twelve million dollars completes the project. I am sure that the Senator from Arizona would not suggest that we should throw the work already done down the drain by not completing this project.

Now, the legitimate question is asked by the Senator from Arizona about why is this project given to Iowa State University.

The pork industry of the United States of America, probably the researchers involved, and Iowa State University, would rather not have this given to Iowa State University. Traditionally, this would continue to be a Federal facility with the operation costs paid, because it is a national research center in cooperation with the U.S. Department of Agriculture, fulfilling a national service.

A lot of those operational costs over the ensuing years would be paid for by the Federal taxpayers. But, it is one of the compromises, in order to go ahead and get this facility finished, that Iowa State University would assume the operational costs of the laboratory and any additional construction costs above that figure. The Agricultural Research Service, then, would turn the completed structure over to Iowa State University.

Where continually there would be an ongoing cost every year for decades into the future for the operation of this, the answer to the Senator from Arizona is it was given to Iowa State University so that the Federal taxpayers would not be saddled with the operation of it into the future.

Iowa State University, the National Pork Producers and even the Agriculture Research Service will work to make sure that there is no duplication of research other places, that there are efficiencies made elsewhere at the other facilities for swine research, and to make sure that we consolidate Federal swine research activities so there is no duplication.

This was a demand from the chairman, particularly on the House side, for us to meet, to satisfy the leaders on the other side of the Hill that this would not be an ongoing cost and this would be the end of it if they completed it. This was all a general agreement to get this activity completed. So it is completed.

I hope that I have satisfied the Senator from Arizona—without trying to discourage him from asking legitimate questions, which he has—that the completion of this is necessary so that the $12 million is not wasted and, in addition, that this will not be an ongoing cost to the taxpayers of the Federal Government. That it was only given in ownership to Iowa State University, not just because the Federal Government just gives away things willy-nilly, but because Iowa State University is accepting the cost of the operation not for only the short term but long term.

I hope that my colleagues see that as a good deal for the taxpayers, a good deal for agricultural research, a good deal for the pork industry, a good deal for our balance of trade, a good deal to assure an adequate supply of quality food to the consumers of America. All of these are good public policy; all of these have been followed in a lot of areas of agricultural research in the past, maybe even a lot of research generally that our National Government conducts.

So I ask my colleagues to consider these points of view and let this facility be completed once and for all.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I want to thank the Senator from Iowa for his very lucid and informative explanation. I regret we have to go through this kind of a drill. I think we could probably avoid it in the future under different circumstances of authorization and appropriations process.

I also thank my friend and colleague from Wisconsin, Senator FEINGOLD, for all he has done and all he will continue to do. I appreciate the opportunity of working with him on a bipartisan basis.

Mr. HARKIN. Mr. President, I regret that my friend, the Senator from Arizona, has chosen once again to criticize funding for the National Swine Research Center. He attacks this conference report because it does not rescind funding for the center provided in previous measures.

Let us be clear that the rescissions bill passed by the Senate did not include any provisions pertaining to the National Swine Research Center. It was only in the measure passed by the House of Representatives that funding for the center would have been rescinded. So if the Senator from Arizona is criticizing the Senate conferees for supporting the Senate's position and not receding to the House on this point, I believe his criticism is misplaced.

We debated funding for the center on the floor of the Senate earlier this year. My colleague from Iowa, Senator GRASSLEY, and I discussed the development of plans for the center, the need for the research that it will conduct and the justification for construction of this new facility.

The Agricultural Research Service has stated that the research at the Swine Research Center will not be duplicative of other research. There is no other facility now equipped to carry out the research that is planned for the Center. That research will emphasize odor and water quality research. The goal is to help the pork industry improve its competitiveness and efficiency in an environmentally sound manner.

This Center was peer reviewed. It has been identified by ARS as a high priority. It is a product of joint planning by ARS, the National Pork Producers Council, the Iowa Pork Producers and Iowa State University.

Because agricultural research is so important to our Nation, and because pork production is such a large part of our Nation's agricultural economy, I believe there is ample justification for using Federal funds to construct the National Swine Research Center and to support the operation of the center and its research in future years.

But the House conferees on this bill said that their leadership was adamant about not letting the plans for the Swine Research Center go forward as originally developed. I strongly disagreed with the position of the House conferees, and I worked with them to improve report language they had first recommended that would have been quite damaging to the future of the center. In the end the House conferees agreed that the $12.678 million which had been appropriated would not be rescinded, but they insisted on report language specifying that once the facility at Ames, Iowa is constructed, it would be conveyed to Iowa State University and further stating that future costs of operating that facility at Ames are expected to be provided by sources other than the Federal Government. The language also states that Iowa State University should work in collaboration with the pork industry to cover research and additional construction costs associated with the center or to offset those costs through the consolidation of Federal research activities. Again, I strongly disagree with the report language insisted upon by the House conferees, but it was the best that could be obtained under the circumstances.

Mr. McCAIN. Mr. President, I believe I have about 7 minutes remaining. I yield the remainder of my time to the Senator from Rhode Island who has a statement to make.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from Arizona for letting me have some time at the final part of this evening.

It is with some reluctance that I will vote against the conference report on H.R. 1158, the pending rescissions bill. The report has much to commend it. It would provide needed disaster relief to Americans across the country who are still recovering from a series of tragedies; of course the principal one of those is in Oklahoma City.

In addition, the report would provide for more than $16 billion in savings to the Federal Treasury. Although I cannot say I agree with each of the places where the report would make these cuts, nonetheless it represents a really solid first step toward reversing the pattern of unconstrained Federal spending.

Mr. President, notwithstanding the benefits of the funding provisions of the report, it is the general policy provisions that are the ones that have led me to conclude I cannot support the report. As those who have read the report carefully will note, it is replete with measures that would override or revise substantially environmental laws in a variety of contexts. I am especially concerned about those relating to Federal timber sales and the National Environmental Policy Act of 1969, sometimes referred to as NEPA.

My concern with the bill's timber sales provisions have been evidenced ever since I voted against a motion to table a substitute amendment during the floor debate on the Senate version of the bill. I recognize the need to address expeditiously risks arising from the poor health of certain public forests.

However, this provides no ground for throwing environmental considerations overboard. The conference report has only added to my concerns.

Why do I say this? First, the report retains so-called sufficiency language, with respect to salvage and option 9 timber sales. This language provides that an agency's compliance with certain minimal obligations in the carrying out of a sale is "deemed sufficient" to satisfy the requirements of all applicable statutes.

This language would disallow any meaningful site-specific challenge to a sale under the environmental laws, especially given that the report would also eliminate administrative appeals of timber sale decisions.

In addition, Mr. President, another provision in the report expressly would revise the agencies' analytical obligations with respect to salvage timber sales. The provision in question would make the duty to consider environmental effects of salvage timber sales solely discretionary. I think this is an important point, Mr. President. Under the revisions that have been made in connection with this rescissions bill, the agency would make the duty to consider environmental effects of salvage timber sales to become discretionary; in other words, you do not have to do it.

This approach, I believe, is shortsighted and unwise. Conducting environmental analysis can be especially important in carrying out salvage sales because candidate sites usually have experienced significant disturbances. A salvage sale has arisen because there has been significant disturbances in the area—a tremendous hurricane or tornado, earthquake, or something as formidable as an explosion, the volcanic action of a mountain, as took place in the State of Washington about 15 to 18 years ago.

Such sites, therefore, are often especially sensitive to further disturbance caused by timber harvests.

Is this me talking or some expert? Well, let us see what the dean of the Duke University School of Environment, Norman Christensen, said on March 23, 1995, just 2 months ago, in a letter to Appropriations Committee Chairman HATFIELD. He explained the possible serious adverse effects of poorly carried out salvage sales.

This is what he said:

> Improperly used, however, [salvage and thinning] can cause serious, long-lasting damage to resources including soils, streams, wildlife, fish and residual trees. The timing and manner of their application requires at least as careful analysis and monitoring as other types of logging.

In other words, there is not something unique about salvage sales, winds fall and timber; you can just go in and take it away.

> Done poorly, the productivity and biological integrity of public forests may be permanently compromised.

And finally, Mr. President, environmental effects of sales encompassed by the report could be substantial, particularly in light of two factors: No. 1, the conferees extended by a full year the period during which sufficiency language would apply. This extension would nearly double the sufficiency period that was in the Senate bill.

We passed a bill at a certain length of time. They doubled it in the conference, and this could translate into an additional 2 billion to 4 billion board feet of timber being harvested with minimal environmental analysis. This is not a case of rushing in and picking up some timber that has just fallen down in a certain area. This is big activity.

No. 2, while numerical timber volume targets have been removed from the bill, the managers' statement includes a so-called volume requirements. This is a classic example of trying to have it both ways. The managers' volume numbers exceed by far what Agriculture Secretary Glickman has said the Forest Service can achieve while meeting substantial requirements of applicable law.

Mr. President, I have concerns over what is done to the National Environmental Policy Act, so-called NEPA. But, Mr. President, in this late period in the evening, I am not going to debate the merits of the report's NEPA provisions as much as to highlight that there has not been real debate on them at all. These actions take place in the Appropriations Committee, and I do not think the Congress should be in the routine of using appropriations bills to bypass or bar compliance with environmental statutes in ways that will have significant environmental effects. This is an improper practice that must cease. For me, that means now with this report.

I want to thank the Chair and yield back the remainder of my time.

Mr. GRAMM. Mr. President, I rise today in support of the conference report to accompany H.R. 1158, the Emergency Supplemental and Rescission Act. I am proud of the fact that my colleagues and I on the House and Senate Appropriations Committees have cut more spending in this bill than in any rescission bill in the history of this country. I want to compliment Chairman HATFIELD and Chairman LIVINGSTON for their leadership on this legislation.

The bill cuts $16.4 billion in spending and provides supplemental funding for disaster relief and increased anti-terrorism funding to respond to the Oklahoma City bombing. I, for one, am outraged that President Clinton announced last Wednesday that he intends to veto this rescission bill. The President should sign the rescission bill and join our efforts to put the Federal Government on a budget like everybody else. When President Clinton vetoes a $16 billion cut in Government spending to protect a few pet programs, he is putting the interests of his administration and his part in front of the interests of the people of America.

I would like to comment briefly on the supplemental funding provided for the FBI and the Justice Department in the Commerce, Justice, State section of the bill. The President requested $71 million for the Justice Department's response to the Oklahoma City bombing and to enhance Federal law enforcement's ability to respond to domestic terrorism. The conferees were concerned that, in many cases, the President's request failed to provide the true, full-year cost of hiring additional FBI and other Justice Department personnel, since the President assumes that many of these new personnel will be hired late in the fiscal year.

As a strong supporter of Federal law enforcement, I wanted to ensure that the FBI and the Justice Department have the resources they need to prosecute and convict the violent criminals who committed the Oklahoma City bombing. I also wanted to begin the process of strengthening Federal law enforcement so that we can do everything possible to prevent anything like this terrible crime from ever happening again.

To accomplish these goals, the conferees have provided $113 million for the Justice Department, including $90 million for the FBI, and an additional $16.6 million for increased security at Federal courthouses. These amounts are within the parameters set for this bill by the full committee chairmen, and I intend to provide additional resources for these purposes when I present my recommendations for the fiscal year 1996 Justice Department appropriation.

I am dismayed that, in many cases, the additional resources requested by the President to respond to the Oklahoma City bombing are for items previously requested by the FBI and the Justice Department in their regular budget requests, but previously rejected by the Clinton White House.

Under the Clinton administration, the FBI endured a nearly 2-year hiring freeze, while normal attrition reduced the number of special agents by 765. The FBI crime laboratory has been forced to curtail the services it provides State and local law enforcement agencies due to budget constraints. As chairman of the Appropriations Subcommittee that funds the FBI, I am committed to reversing this trend, and I am confident that these efforts will have the strong support of the American people and the vast majority of the Senate.

Finally, I am proud that the conference agreement on the Commerce, Justice, State section of the bill includes more new spending reductions than either of the House- or Senate-passed bills. The budget resolution currently under consideration in the Congress will build on the good work of this rescission bill and ultimately lead us to the first balanced Federal budget since 1969. When we complete our work on these measures, we will have fulfilled the promise Republicans made to the American people last November, to put the Federal Government on a budget, to say no to more Federal spending, and to allow more families to say yes to their own spending priorities for their own children.

NATIONAL KOREAN WAR VETERANS ARMISTICE DAY

Mr. WARNER. Mr. President, included in H.R. 1158 is language that will designate July 27 of each year, from 1995 until 2003, the 50th anniversary of the end of active conflict in the Korean war, as National Korean War Veterans Armistic Day. This important designation could not have been achieved without the assistance of my good friend and colleague, the senior Senator from Alaska, Senator STEVENS. I would also like to point out that our initiative to put this language in H.R. 1158 is a one-time exception due to the timeliness of the matter—the Korean War Veterans' Memorial will be dedicated this July.

Mr. STEVENS. Mr. President, I join with my distinguished colleague, the senior Senator from Virginia, in this proposal to formally honor those brave Americans who fought in the Korean war. This is an initiative which is both important and necessary.

On June 25, 1950, without warning, armed forces of the People's Democratic Republic of Korea invaded their neighbors to the south, the Republic of Korea, initiating the Korean war. Shortly thereafter, at the request of the President of the Republic of Korea, President Harry S Truman directed American forces to enter into the war. The American involvement was spearheaded by the Army's Task Force Smith.

Subsequently, a U.N. command was created which, by the end of active combat, had incorporated military units from 21 member nations, under U.S. leadership, in the struggle. The fighting continued, with American forces bearing the brunt of the action, until July 27, 1953, when a cease-fire agreement ended active combat.

Mr. WARNER. Under the command of General of the Army Douglas MacArthur and, later, Gen. Matthew B. Ridgeway, U.N. forces repelled the invasion and restored the integrity of the Republic of Korea along with the freedom and independence of the South Korean people. During 3 years of active hostilities, our Armed Forces, enduring the rigors of combat in the extremes of a hostile climate and the most trying of conditions, engaged in some of the most significant battles in our Nation's history. Those battles included the Inchon landings, the Pusan Perimeter breakout, and the battle of the Chosin Reservoir.

Over 5.7 million American service people were involved directly or indirectly in the war. Of those, 54,246 died; 33,629 of whom died in battle. An additional 103,284 were wounded and 8,177 were listed as missing or prisoners of war. There are 329 American prisoners of war still unaccounted for.

Mr. STEVENS. Unfortunately, the Korean war has come to be known as America's forgotten war, and our veterans from that era deserve the recognition they earned through their valor and sacrifices. The following Senators served in that war: my friend JOHN WARNER, as well as BEN NIGHTHORSE CAMPBELL, JOHN CHAFEE, JOHN GLENN, and ARLEN SPECTER.

Mr. President, for that reason, the distinguished senior Senator from Virginia and I proposed establishing a National Korean War Armistice Day. We believe that this Nation should never forget the service rendered, and the sacrifices made, by those brave Americans who fought, and in particular those who died, in the Korean war.

Mr. WARNER. The distinguished senior Senator from Alaska and I are also pleased that, as a result of congressional and Presidential authorizations, the Korean War Veterans Memorial will be built, in Washington, DC, to recognize and honor the service and sacrifice of those Americans who participated in the Korean war. By establishing July 27 as National Korean War Veterans Armistice Day, we will build upon and enhance that long-due recognition for Korean war veterans.

Mr. KENNEDY. Mr. President, I rise to speak against the conference report that is before us this evening. Six weeks ago, we spent nearly a week here on the Senate floor debating the merits of cutting funding for education. Many believed that the rescission bill made too many cuts in important education and training and children's programs that benefit working families and children.

After many days of debate, the Senate reached an agreement that rearranged the Senate's priorities and restored funding for children and for education. Under the leadership of Majority Leader DOLE and Minority Leader DASCHLE, the children and education cuts were limited to $400 million. In the end, the Senate took a strong position in support of students and children, a position that we expected would be held in conference.

Head Start, WIC, Safe and Drug Free Schools, Title I, Goals 2000, School to Work, Immigrant Education, Trio, and National Service all received important infusions of funding that made the final Senate package—with $405 million in education cuts—stand in stark contrast to the House package, with $1.6 billion in education cuts. The Senate's intention on education could have not been more clear.

Two weeks later, 34 Senators, Republican and Democrat, reaffirmed that position, and sent a letter to Senator HATFIELD explaining why the Senate had made the changes, and asking that

"We strongly urge you to support students and education and the Senate level of education rescissions." I ask unanimous consent that this letter be entered into the RECORD.

Despite an unmistakably clear message to the conferees, the conference agreement has now come back with $950 million in cuts to education programs and we are being asked once again to cut education.

I don't think I need to repeat again the effect of these harsh rescissions—reduction or elimination of violence and drug prevention programs for 39 million students; elimination of school reform grants to 4,000 schools; reduction in reading and math assistance for 135,000 at-risk children; elimination of a promising start on technology in schools—all of this and more will be gone if the conference report is adopted and the President signs the bill.

One point cannot be overemphasized—schools across the country are counting on these funds. States have already been notified of the amounts they will receive in July. If these rescissions go through, children will be dropped from services, teachers will be laid off, computer orders will be canceled.

I think the record of the U.S. Senate on education rescissions is clear. I urge my colleagues to reject this report, and to vote to sustain a veto if President Clinton vetoes this bill, which I believe he should and will.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as in morning business for 5 minutes.

Mr. COCHRAN. Mr. President, reserving the right to object, we have an order for the disposition of debate under the rescissions supplemental appropriations bill. I wonder if the Senator will permit us to complete that action, and then there will be a period for morning business set aside for the Senator to speak.

Mr. FEINGOLD. How much time remains?

Mr. COCHRAN. Only 3 minutes remain with this Senator. I am advised the Senator from West Virginia has 8 minutes, and he authorized us to yield back that time. So the Senator can speak very quickly. We will be in morning business very soon.

Mr. FEINGOLD. Very well.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself the remainder of the time under the order.

Mr. President, the Senators from Wisconsin and Arizona complain about two provisions in this conference report dealing with NASA. They are administrative provisions, and they are clearly and fully explained in the committee report on pages 132 and 133.

Let me add to the Clear Lake development facility issue by saying that the authority to enter into this transaction was previously passed by the Senate last year on the NASA authorization bill on October 5.

This purchase saves taxpayers' funds and makes needed facilities available to NASA on a timely basis. It was considered carefully by the Senate conferees and was found to be not only in the public interest but in the interests of the Federal Government. That is why it was included and approved.

Insofar as the Yellow Creek Facility in Mississippi is concerned, time does not permit a long narrative to expand on the provisions of this conference report itself, describing the history of this facility.

Let me just quickly say from my own personal recollection, the Federal Government came into this northeast corner of Mississippi, condemned property to build a huge nuclear facility for TVA. Halfway through the construction phase, after everybody had been stressed and strained in terms of accommodating the Federal Government's interest or this agency's interest, they canceled the facility, putting a lot of people out of work who had moved to the area who helped build the facility, and finally NASA decided they would take the land.

Transfers were authorized by Congress for NASA to build an advanced solid rocket motor facility on the property. People moved into the area—scientists, technicians and all the rest—schools were built, roads were built, infrastructure developed, by the State, by local governments, taxes were raised, to help pay for this Federal facility and accommodate the interests of the Federal Government.

Patriotism was rampant because of the new pride in that part of the State to do something for our Federal Government and our space program. NASA abandoned ASRM when the House voted it down one night and canceled all the authority for the funds. Then they worked out a program to have a nozzle facility built to take the place of this other facility. Now it has been canceled, just recently.

Finally, they say in Mississippi, "Look, get the Federal Government out of here. Let the State government try to do something that is predictable that makes sense." This is after $100 million had been invested by local and State interests, local taxpayers. People have lost money building housing in this area, doing things in anticipation of the result that would come from these Federal Government activities.

Now, finally, we are just saying in this provision, this is an emergency supplemental bill, too, not just a rescission bill. It provides funds for disaster assistance, to disaster victims. I challenge anybody to find anyone who has been victimized any more than the people of this part of the State of Mississippi by actions of the Federal Government. This provision has been requested by NASA, it was considered carefully by conferees on both sides. It is included here, because it is in the public interest. There ought to be more included here to deal with the victims of that disaster.

I will not belabor it. I congratulate the Senator from Iowa for his comments about the facility. They complain about being in the bill, in the conference report now. We defended the position of the Senate. The Senate authorized this to continue to be a Federal Agriculture Research Service facility. We had to compromise with the House.

The Senator, complaining that we should not have compromised, I suppose. It does not make logical sense to me to complain about the actions of the conferees who were bound to defend the position of the Senate. The Senate entertained an amendment of the Senator from Arizona and voted it down.

We are obligated to take up for the Senate and we did. But we had to compromise with the House and we worked it out, and the Senator fully described the result.

I am proud of the work our conferees did. We worked hard and brought back a conference agreement that I hope the Senate will approve when we vote on it tomorrow morning.

Mr. President, the fiscal year 1995 Agriculture, Rural Development and Related Agencies Appropriations Act provided $297 million in cost-of-money lending authority for telephone loans of the Rural Utilities Service, formerly the Rural Electrification Administration, at a subsidy cost of $60,000. There is a 7-percent interest rate cap in that program, and when rates exceeded that amount at the beginning of the fiscal year, the cost-of-money program was substantially curtailed because of inadequate subsidy. Because of the cap, when long-term Treasury rates exceed 7 percent, the interest rates on individual loans require a subsidy. The $60,000 subsidy was appropriated to satisfy the loan loss reserve requirement of the Treasury Department, not to subsidize interest rates.

The conference report accompanying H.R. 1158, incorporates a provision included in the Senate-passed bill which removes the interest rate cap for fiscal year 1995 in this program. This action will allow the Rural Utilities Service to utilize the entire $297 million in loan authority provided for this program. It is my understanding that the Rural Utilities Service has already approved seven loans during this fiscal year, totalling $3.2 million. However, none of the funds on these loans have been drawn down by the borrowers. Since interest rates on these loans are fixed at the time of draw down, not at the time of approval, there will be no interest rate subsidy associated with these loans upon enactment of H.R. 1158.

Fortunately, the long-term Treasury rate is now around 7 percent again, rather than almost 8 percent that existed early in October. This means that borrowers will receive a reasonable rate of interest at no cost to the Treasury for any loan in this program approved during fiscal year 1995. However, if interest rates do rise, the program will still continue at the authorized levels, without an interest rate subsidy, as Congress intended.

Mr. DOMENICI. Mr. President, I rise in support of the conference agreement accompanying H.R. 1158, the second supplemental appropriations and rescissions bill for fiscal year 1995.

I commend the distinguished chairman of the Appropriations Committee for his efforts to complete congressional action on this bill. I regret that after significant work, the President now states that he will veto the final bill.

Such action will even further delay the provision of emergency disaster assistance requested by the President for California and 40 other States that have experienced natural disasters.

Such action will delay the availability of funding to pursue the investigation of the tragic Oklahoma City bombing.

Such action will delay the provision of funding requested by the President to fund a new counterterrorism initiative.

The funding in this bill to respond to these requests by the President totals $6.95 billion.

These emergency funds include disaster aid of $3.35 billion to be available for the remainder of fiscal year 1995, and $3.35 billion as a contingency appropriation, which can be obligated by the President beginning in fiscal year 1996 with specific notification of the Congress.

The bill includes rescissions totaling $15.4 billion in budget authority and $0.4 billion in outlay savings for fiscal year 1995 to provide deficit reduction as the Congress seeks to move toward a balanced Federal budget.

I urge my colleagues to support the bill. It will put a downpayment on the significant deficit reduction that will be required to balance the budget, and begin to alleviate the burden of debt we are leaving to our children and future generations.

Now is the time for Congress to embark on a serious journey to get its fiscal house in order. This bill is but a first step on what will be a long and difficult, but necessary, journey.

I urge the adoption of the bill.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point two tables showing the relationship of this bill to the section 602 allocations of the Appropriations Committee and to the current level which displays congressional action to date for fiscal year 1995.

H.R. 1158, EMERGENCY SUPPLEMENTAL AND RESCISSIONS CONFERENCE

[FY 1995, in millions of dollars, CBO scoring]

Subcommittee		Current status [1]	H.R. 1158 [2]	Subcommittee total	Senate 602(b) allocation	Total comp to allocation
Agriculture—RD	BA	58,117	−82	58,035	58,118	−83
	OT	50,330	−30	50,300	50,330	−30
Commerce-Justice [3]	BA	26,693	−291	26,402	26,903	−501
	OT	25,387	−99	25,288	25,429	−141
Defense	BA	241,008		241,008	243,630	−2,622
	OT	249,560		249,560	250,713	−1,153
District of Columbia	BA	712		712	720	−8
	OT	714		714	722	−8
Energy-Water	BA	20,293	−234	20,059	20,493	−434
	OT	20,784	−52	20,732	20,749	−17
Foreign Operations	BA	13,537	117	13,654	13,830	−176
	OT	13,762	241	14,003	14,005	−2
Interior	BA	13,577	−282	13,295	13,582	−287
	OT	13,968	−79	13,889	13,970	−81
Labor-HHS [4]	BA	265,870	−2,883	262,987	266,170	−3,183
	OT	265,718	−252	265,465	265,731	−266
Legislative Branch	BA	2,459	−16	2,443	2,460	−17
	OT	2,472	−12	2,460	2,472	−12
Military Construction	BA	8,735		8,735	8,837	−102
	OT	8,519		8,519	8,519	−0
Transportation	BA	14,193	−2,624	11,568	14,275	−2,707
	OT	37,085	−22	37,063	37,072	−9
Treasury-Postal [5]	BA	23,589	−588	23,001	23,757	−756
	OT	24,221	−39	24,182	24,225	−43
VA–HUD	BA	89,891	−8,495	81,396	90,257	−8,861
	OT	92,438	−112	92,326	92,439	−113
Reserve	BA				2,311	−2,311
	OT				1	−1
Total appropriations [6]	BA	778,674	−15,378	763,296	785,343	−22,047
	OT	804,957	−457	804,501	806,377	−1,876

[1] In accordance with the Budget Enforcement Act, these totals do not include $3,905 million in budget authority and $7,442 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $841 million in budget authority and $917 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount as an emergency requirement.

[2] In accordance with the Budget Enforcement Act, these totals do not include $3,491 million in budget authority and $441 million in outlays in funding for emergencies that have been designated as such by the President and/or the Congress.

[3] Of the amounts remaining under the Commerce-Justice Subcommittee's 602(b) allocation, $22.1 million in budget authority and $1.6 million in outlays is available only for appropriations from the Violent Crime Reduction Trust Fund.

[4] Of the amounts remaining under the Labor-HHS Subcommittee's 602(b) allocation, $45.4 million in budget authority and $8.2 million in outlays is available only for appropriations from the Violent Crime Reduction Trust Fund.

[5] Of the amounts remaining under the Treasury-Postal Subcommittee's 602(b) allocation, $1.3 million in budget authority and $0.1 million in outlays is available only for appropriations from the Violent Crime Reduction Trust Fund.

[6] Of the amounts remaining under the Appropriations Committee's 602(a) allocation, $68.8 million in budget authority and $9.9 million in outlays is available only for appropriations from the Violent Crime Reduction Trust Fund.

Note: Details may not add to totals due to rounding.

FY 1995 CURRENT LEVEL—H.R. 1158, EMERGENCY SUPPLEMENTAL AND RESCISSIONS BILL

[In billions of dollars]

	Budget authority	Outlays
Current level (as of May 5, 1995) [2]	1,233.1	1,216.2
H.R. 1158, emergency supplemental and rescissions, conference agreement [3]	−15.4	−0.4
Adjustment to conform mandatory items with budget resolution assumptions	(1)	(1)
Total current level	1,217.7	1,215.7
Revised on-budget aggregates [4]	1,238.7	1,217.6
Amount over (+)/under (−) budget aggregates	−21.0	−1.9

[1] Less than $50 million.

[2] In accordance with the Budget Enforcement Act, the total does not include $3,905 million in budget authority and $7,442 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $841 million in budget authority and $917 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount requested as an emergency requirement.

[3] In accordance with the Budget Enforcement Act, these totals do not include $3,491 million in budget authority and $441 million in outlays in funding for emergencies that have been designated as such by the President and the Congress in this bill.

[4] Reflects revised allocation under section 9(g) of House Concurrent Resolution 64 for the Deficit-Neutral reserve fund.

Note: Details may not add to totals due to rounding.

Mr. BOND. The President recently announced his intention to veto the rescission bill recently agreed to by the joint House-Senate conference committee. In part, he decried the agreement on the basis of the rescissions proposed for HUD. This is outrageous. This President wants to take a mouth-full of popular political rhetoric on budget constraint and responsibility, but still can't bring himself to inhale. You can't stop spending until you halt the growth in programs which generate it. This stuff may be hard to swallow, but unless we get beyond the political posturing, our Nation and our economy will gag on the unpaid bills of our irresponsibility.

Some have questioned why HUD is being cut more than $6.3 billion, nearly three-quarters of a total rescission of $8.5 billion for the Subcommittee. The answer is simple: The cut is roughly proportionate to that Department's available budgetary resources. Although HUD received new appropriations for fiscal year 1995 of $25.7 billion, about 39 percent of the funding for our four major agencies, it also carried into this fiscal year $35.2 billion in unobligated prior year balances. In other words, it more than doubled its total available budgetary resources with this massive influx of unspent, unobligated funding.

We must cut HUD, and we must begin now if there is to be any hope of surviving the very constrained "freeze-minus" future for discretionary spending reflected in both the House and Senate reported budget resolutions. The Congressional Budget Office analysis of the cost of the President's original budget submission for subsidized housing demonstrated a 50% expenditure increase over the next five years. Unless we act now to curb the spiraling growth in outlays, we will have to make truly draconian cuts in the near future.

The solution is simple: Turn-off the pipeline of new subsidized units. That is the fundamental focus of the rescission bill. We have also restored cuts proposed by the House in CDBG, modernization, and operating subsidies, and redirected available resources toward another urgent aspect of restoring budgetary sanity to this out of control Department: demolish the failed housing developments, and put the rest on a sound footing to survive the competition and subsidy reductions coming down the pike.

Amid all the debate over the future of HUD, it's important to keep in mind that over 4.8 million families receive Federal housing assistance, and over half of them are elderly or disabled. It's also important to note that such housing assistance is expensive, as I said $26 billion in fiscal year 1995 outlays, and current costs are rising. In fact with the long-term contractual commitments previously made by HUD, the Government is currently obligated to pay over $187 billion over the life of these contracts, some stretching out 40 years.

Given the long-term nature of these obligations and commitments, halting the budgetary growth of the Department can only be accomplished with a focused, determined, multiyear effort. Unless we begin now, with this bill, we will lock ourselves into another multibillion dollar chunk of long-term budget obligations. And this is only a first step, one of many in which we will go beyond the limited fixes and cuts that can be accomplished in a rescission bill. We must enact major reform legislation later this year, but this is a good, and very necessary beginning.

The program reforms and initial reductions contained in the rescission bill are desperately needed to avoid a budgetary train wreck with the Department of Housing and Urban Development.

The President has criticized a number of specific actions contained in the conference agreement. Frankly, there are a number of recommendations in the conference report which are troubling to me. But this bill is a compromise with the House-passed measure which contained much larger rescissions, and I believe the agreement goes a long way toward minimizing adverse program impacts while increasing our contributions to deficit reduction.

For example, the rescission agreed to for National Service was increased to $210 million from the $105 million Senate-passed level. While many of us are dubious of the whole premise of paying people to become "volunteers," regardless of their financial resources, and we have heard of instances where excessive payments have been made, the conferees decided to maintain this program at the preexisting funding level established for fiscal year 1994. I might add that the rescission is half the House-passed rescission of $416 million.

The President's statement also says we cut funding for housing AIDS victims. While a $30 million rescission was approved, it is only a small fraction of $186 million included in the House bill. Moreover, the rescission simply provides the identical funding level requested by the President for this fiscal year! Since the President didn't request this appropriation in the first place, it is at least ironic that he should now protest its rescission.

The conference agreement includes the full $6.7 billion requested by the President for the disaster relief fund. This will enable FEMA to respond to needs in California resulting from the Northridge earthquake and disasters in other states.

Mr. President, I would also note that citizens of my own State are enduring yet another flood on the Missouri River. Thankfully, this flood does not compare to the devastation wrought by the Midwest Flood of 1993, but a number of communities still have suffered significant damage, and thousands of families have been dislocated. Missouri's Governor already has stated that he anticipates a formal request for assistance within days, and that need has been echoed by the many local officials who have contacted my offices in recent weeks.

Yet, FEMA tells me that they will only be able to respond for a few more weeks without additional funding. Where will that leave the victims of the latest flooding in the Midwest when the President chooses politics over people?

Mr. President, I would also note that the conference agreement contains $5 million requested by this administration to enable FEMA to initiate flood mitigation activities authorized by the National Flood Insurance Reform Act of 1994. So this bill not only provides the resources to help flood victims recover from these disasters, but we are also taking steps to help avoid such flood damage in the future.

With appropriations contained in this bill, FEMA will also be able to meet all needs arising as a result of the terrorist attack in Oklahoma City. I am pleased that the conference agreement includes $7 million for FEMA to train and plan for any future terrorist incidents, and to beef up security in several locations. We commend FEMA for its compassionate, timely, and professional response to the Oklahoma City attack. FEMA has earned the confidence and respect of the American people, and has come a long way under the leadership of James Lee Witt.

The conferees agreed to rescind $81 million from the Department of Veterans Affairs, including $50 million from excess personnel costs and $31 million from excess project reserves. This rescission will not impact VA's ability to provide patient care in any way. The rescission to personnel costs does not affect staffing. Simply, VA's budget included $50 million more than they now estimate they need to pay salaries. Despite the erroneous assertion in the President's statement, no funding is being rescinded for medical equipment needs of VA hospitals and clinics.

In terms of the construction account, funds are rescinded from projects which are costing less than what was originally appropriated. Rescinding the funds ensures VA carefully manages its construction budget.

The conferees rescinded a total of $1.5 billion from EPA. Of the total, $1.3 billion is rescinded from the drinking water state revolving fund. Because this program has not been authorized, EPA has been unable to obligate the funds. While I support the need for this program, until it is authorized no funds may be spent.

Within the Superfund Program, $100 million is rescinded. Because EPA fails to obligate on average $100 million in Superfund appropriations each year, this rescission is not expected to have a dramatic effect on program activities. On the other hand, it is intended to slow program spending pending enactment of major reform legislation which will likely change the scope and nature of cleanup activities previously planned.

Although the total rescission for EPA is slightly greater than the total rescission contained in either the House or Senate versions, the conference agreement is entirely within the scope of the differences between the Houses for each budget account of the agency. No new or extraneous items were rescinded.

The conference agreement contains a number of legislative provisions impacting EPA programs. Provisions impacting EPA's automobile inspection and maintenance program are intended to ensure EPA is flexible in reviewing states' plans for I/M programs and considers assigning additional credits for effective decentralized programs.

Two provisions contained in the Senate-passed version of the bill have been retained: First, a moratorium on new Superfund site listings for the balance of this fiscal year, unless requested by the Governor or unless reauthorization legislation is enacted, and second, a prohibition on EPA from enforcing vehicular trip reduction programs were agreed to in conference.

Finally, the White House has indicated that it seeks to restore $14 million for the $88 million rescission for the yet to be established Community Development Financial Institutions Program. This is despite the fact that the conference agreement adopted the funding level contained in the Daschle democratic leadership compromise amendment.

Mr. President, the conference agreement on this supplemental and rescission package is a good one. Rescissions for programs under the jurisdiction of the VA, HUD, and Independent Agencies Subcommittee total $8.5 billion. The contribution toward deficit reduction is $1.6 billion more than the level originally passed by the Senate, but is $800 million less than that passed by the House. It is a compromise, but one which fairly balances the differing priorities of the two Houses and still maintains funding for critical activities.

Mr. President, I hope the White House reconsiders its ill-advised initial reaction to this bill. If this bill is vetoed, it will mean further delays which may disrupt timely delivery of assistance to disaster victims in 41 States, including my own, as well as the Federal response in Oklahoma City. Perhaps equally important, delay also means that Federal agencies will obligate even more of the funds we have identified for rescission, making the task of saving money in low priority programs even more difficult.

The stated objections of the White House to this emergency supplemental and rescission bill are nothing more than spurious. And the matters that they have demanded be changed can only be described as a grab-bag of politically appealing items, which aren't needed, or couldn't be effectively utilized, or simply increase current spending when we all know that spending must be reduced to get our budget back in balance.

Mr. President, this is a responsible bill. It cuts funding and contributes to deficit reduction. It provides emergency funding which is urgently needed to assist victims of disasters. It makes long overdue reforms and corrections in programs which need fixing. And this bill needs to be enacted without further delay. I urge the White House to set politics aside, and begin working with us to make this conference agreement law.

INSPECTION AND MAINTENANCE PROGRAM

Mr. CHAFEE. Mr. President, I would ask the Senator from Missouri three questions about the provisions in this bill on the auto emissions inspection and maintenance program required by the Clean Air Act. The bill would prevent EPA from apply an automatic 50 percent discount in emissions credits for State programs that included test-and-repair, as opposed to test-only, stations. It is my understanding that the bill requires EPA to examine each program a State has submitted and assign the appropriate emissions credits. Based on various features of a State's program, EPA might assign emissions credits equal to 100 percent of a test-only program. Or EPA might find the appropriate credit is only 75 percent or 25 percent, depending on how a State program is structured. Is that a correct reading of the bill?

Mr. BOND. The Senator is correct. EPA is to examine the entirety of each State inspection and maintenance program and is to assign the appropriate emissions credits based on the actual program the State submits. No automatic discounting factors should apply and the determination of the appropriate emissions credits should be based on good science and engineering analysis.

Mr. CHAFEE. The report language accompanying this bill indicates that EPA may give a State up to 2 years to make a demonstration that justifies the credits it is seeking. Is EPA required to grant a 2-year demonstration period to every State that requests it?

Mr. BOND. No. The 2-year period to demonstrate the effectiveness of a State program may be granted by EPA, if the Agency believes it to be reasonable. This allows the Agency to implement the inspection and maintenance requirements in a more flexible way. But unreasonable proposals that surely would not merit the emissions credits claimed need not be granted a 2-year demonstration period. It is not an automatic extension for any and all inspection and maintenance programs that may be submitted by the States.

Mr. CHAFEE. Finally, I would ask whether this provision affects any other aspect of the plan submissions and attainment demonstrations that States are to make under the Clean Air Act?

Mr. BOND. No. The sole purpose of this language is to prevent EPA from requiring States to adopt enhanced inspection and maintenance programs based on the I/M240, test-only model and to prevent EPA from automatically discounting programs that use test-and-repair stations by a factor of 50 percent. The language has no other effect on State obligations under the Clean Air Act.

Mr. COCHRAN. Mr. President, I ask first of all to yield back the balance of time under the order of the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Does that conclude the authority under the conference report, under the order previously entered?

The PRESIDING OFFICER. There are still 6 minutes for the Senator from Minnesota, Mr. WELLSTONE.

Mr. FEINGOLD. Mr. President, I yield the time back on behalf of the Senator from Minnesota.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO LES ASPIN

Mr. FEINGOLD. Mr. President, I knew Les Aspin for 25 years. In 1970, I was a junior in high school in Janesville, WI, when I signed up as a volunteer on Les' first campaign for the First Congressional District seat in Wisconsin. He won that election after a tough recount in the primary, defeated the incumbent Congressman.

I then interned in his Janesville, WI, Post Office basement office in 1971 and in 1972 during the summers. During the next quarter century, we had a continuing friendship, as he carved out a distinguished career in the United States House of Representatives, eventually rising to become the chairman of the Armed Services Committee while I prepared for and began my own career.

By temperament and training, Les Aspin was a man who listened to ideas and demanded facts. His mind was trained at some of the best educational institutions in the world: Yale, Oxford, and MIT.

Sometimes the conclusions he reached after thoroughly probing a problem were not welcomed by all who heard them, but they were always the product of a rigorous and honest intellectual process. Les Aspin enjoyed the successes and endured the setbacks common to all Members who choose a career in public service.

His service was marked by unflagging dedication. I believe he always did what he thought was right and he always did his best.

One thing was readily apparent. He came from our strong Wisconsin reformist tradition. He was long an opponent of waste and fraud and abuse in

Government, including but certainly not limited, to the military.

He fought against junk telephone calls as well as junkets. He unearthed cost overruns in big-ticket weapons projects, punched holes in corporate propaganda campaigns, and dragged some highly questionable foreign business practices out into the spotlight.

He also criticized the insular environment that enveloped the Defense Department and the defense industry that fostered the waste of taxpayers' money.

Along the way, Les Aspin became recognized as one of the Congress' leading experts on military policy. I would say one of the leading experts of any time in the history of our Congress.

Les Aspin served his country diligently in many capacities. As an Army captain, he worked as an analyst in the Pentagon; he served on the staff of President John Kennedy's Council of Economic Advisors; he represented Wisconsinites for 22 years in Congress; he enthusiastically took on the giant task of steering the Defense Department into the uncharted waters of the post-cold war era.

When Les Aspin suffered his fatal stroke, he was chairing the President's Foreign Intelligence Advisory Board, working with his friend and colleague, CIA director John Deutch, on needed reforms in our intelligence communities.

Mr. President, Les Aspin was a man I deeply respected and admired. As I look back at the fact that my own entry into politics began in his first campaign for office in 1970, I feel a profound sense of loss at his passing. He was a good friend and a dedicated public servant. Far too soon we have lost an exceptional human being.

I thank the Chair. I yield the floor.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, before turning to today's bad news and it is terrible about the Federal debt, let us go through our pop quiz routine once more. You remember—one question, one answer:

Question: How many million dollars in $1 trillion? While you are arriving at an answer, let us acknowledge that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.8 trillion.

To be exact, as of the close of business yesterday, Tuesday, May 23, the Federal debt—down to the penny—stood at $4,885,334,984,188.51, meaning that every man, woman, and child in America now owes $18,544.81 computed on a per capita basis.

Mr. President, how many million in a trillion? There are a million million in a trillion, and the Federal debt now exceeds four million million, 885 billion dollars. Get the picture?

THE SERVICE OF DR. DUANE MEYER

Mr. ASHCROFT. Mr. President, today I would like to congratulate a Missourian who has dedicated his life to helping students pursue the knowledge and gifts of higher education. He is retiring after 40 years of service to Southwest Missouri State University, located in my hometown of Springfield, MO. Duane G. Meyer has spent his entire postgraduate teaching career at Southwest Missouri State University, serving as a teacher for 18 years and an administrator for 22 years, including service from 1971–83 as the sixth president of Southwest Missouri State.

Dr. Meyer was born on June 29, 1926, in Carroll, IA, and earned a bachelor's degree from the University of Dubuque in Dubuque, IA. He went on to earn a master's degree and a Ph.D. from the University of Iowa. In 1955, Dr. Meyer arrived in Springfield to begin his career as an assistant professor and later professor of history. In 1961, he was appointed dean of faculties, a post he held until 1971. During that time, Dr. Meyer served as acting president of the university twice, in 1964 and 1970.

In 1971, Duane Meyer was selected to be the sixth president of the school. During his 12 years as president, Southwest Missouri State University experienced unprecedented growth and success. The school was renamed Southwest Missouri State University in 1972 through an enactment of the Missouri General Assembly. Enrollment increased to all time highs every year of his tenure except one, and SMSU became the second largest 4-year public institution in the State of Missouri. Other notable landmarks of Dr. Meyer's tenure include the creation and implementation of an academic master plan, the creation of a business school, and the building of a new student event center. The SMSU athletic program began competition in NCAA Division One competition during his presidency.

After his retirement as president of the university, Dr. Meyer continued to serve Southwest Missouri State as a professor of history and president emeritus. He served the State of Missouri as a member of the Missouri Council on Public Higher Education Board. My colleague in the Senate, then-governor Kit Bond, appointed Dr. Meyer to serve on the Missouri Commission on Higher Education. Dr. Meyer has also written two textbooks that are still used in classrooms today, including "The Heritage of Missouri: A History."

Throughout his 42-year career, Dr. Duane G. Meyer served the students and faculty of Southwest Missouri State University and the surrounding communities with dedication and pride. As a former teaching colleague of Dr. Meyer at SMSU, I am grateful to him for his selfless labors and salute his work and the role he played in the education of thousands of students from Missouri and across America.

THE SPRATLY ISLANDS

Mr. THOMAS. Mr. President, while the dispute surrounding the Spratly Islands in the South China Sea has seemingly disappeared from our domestic press, I would like my colleagues to know that—unfortunately—it has not been resolved. On the contrary, the frequency and tenor of the hostile rhetoric and minor tiffs between the concerned parties have increased since I last spoke about the issue on the floor on March 30 of this year. This is reflected in the Asian media, and I would like to share here a small representative sampling of those reports from just the last 2 weeks with my colleagues to keep them abreast of the most recent developments. I ask unanimous consent. That several editorials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MILITARY TO "FIRMLY" DEFEND TERRITORIAL WATERS

HANOI VNA, May 7.—Defending firmly the territorial waters and islands in the East Sea [South China Sea] is an important part in Vietnam's strategic task of safeguarding its national independence, sovereignty and territorial integrity, said an article in the Quan Doi Nhan Dan (People's Army) daily on Friday [5 May].

The article, run in anticipation of the 40th foundation day of the Vietnam People's Navy (May 7), praised the Navy's feats of arms in the two resistance wars against foreign invaders. Over the past 40 years, the Vietnamese Navy made a big contribution to the struggle for national independence and freedom, particularly in the fight against the enemy's air raids and harbour blockade in the north. The Navy was assigned to set up a 'Ho Chi Minh Trail on the sea' to transport military supplies to liberation fighters in the south and actively engaged in the spring 1975 general offensive which liberated the entire South Vietnam including Truong Sa (Spratly) Islands.

Vietnam has a coastal line of 3,260 km. It has one million sq. Km of sea under its jurisdiction including two archipelagoes Hoang Sa, Parag Sa (Spratly) and a great number of other islands. Endowed with rich oil and other natural resources, Vietnam is expected to tap 7.7 million tonnes of crude oil this year and about 20-25 million tonnes by the year 2000.

Regarding the East Sea issue, during his talks in Seoul last month with South Korean president, party General Secretary Do Muoi said Truong Sa and Hoang Sa belong to Vietnam, and it wants to resolve the disputes through peaceful negotiations on the basis of equality, mutual respect and in line with the 1982 UN Convention on the Law of the Sea. He expressed his wish that joint efforts should be made to build Asia-the Pacific into a region of peace, stability, cooperation and prosperity.

For his part, President Le Duc Anh in a recent message to the inhabitants and soldiers on Truong Sa on the occasion of the 20th liberation day of the archipelago stressed that it is the country's sacred territory.

Trip Is "Serious Infringement"

Beijing, May 16, (XINHUA)—Foreign Ministry spokesman Shen Guofang issued a statement here today.

Shen Guofang said: Plotted and organized by the Philippine military, a formation of two Philippine warships and one pleasure-boat carrying Filipino and foreign reporters sailed to Meiji Reef of our country's Nansha Islands [Spratly Islands] on 13 May to engage in so-called "news-gathering" activities. Prior to that, the Chinese Foreign Ministry and the Chinese Embassy in the Philippines had made stern representations on several occasions to the Philippine side, in which they demanded the latter to call off this provocative act. The Philippine side, however, disregarded the Chinese Government's stern warning and was bent on having its own way. This was a serious infringement of China's sovereignty. The Chinese Government has lodged a strong protest with the Philippine Government over this matter.

He said: We advise the Philippine side not to misinterpret the Chinese side's restraint. The Philippine side had better return to the correct course of settling the relevant dispute through peaceful talks. If the Philippine side continues to act willfully and recklessly, it should be responsible for all consequences arising therefrom.

"Reckless Moves" Discouraged

Beijing, May 16 (XINHUA)—China repeated today its protest against the Philippines for an organized trip by the Philippine side to Nansha Islands [Spratly Islands] last week, asking it "not to misunderstand China's restraint."

On May 13, at the instigation of the Philippine military forces, two Philippine warships and another ship carrying Philippine and foreign reporters went to China's Meiji Reef in the Nansha Islands for a so-called "interview", according to a statement of Chinese Foreign Ministry spokesman Shen Guofang issued here today.

Before that, Shen said, the Chinese Foreign Ministry and Chinese Embassy to the Philippines had made many solemn representations to the Philippine side, asking that country to cancel the provocative action.

However, the Philippine side, regardless of China's serious warning, still acted willfully, the spokesman said, adding that the action seriously encroached on China's * * *.

Philippines', PRC Ships Face "Standoff" in Spratlys "Standoff" Lasts 70 Minutes

("News Focus" by Virgilio C. Galvez)

Off Mischief Reef, Spratly Islands, May 16 KYODO—Two Chinese ships faced off with two Philippine naval vessels Saturday [13 May] while journalists were being ferried by helicopters over a Chinese-held reef in the disputed Spratly islands in the South China Sea.

The 70-minute standoff ended several minutes after the last of seven chopper sorties landed on the deck of the BRP Benguet, a landing ship which was carrying the first ever group of foreign and Filipino reporters to Mischief Reef, 250 kilometers west of Palawan Island in the western Philippines.

"You saw for yourself what they did . . . They crossed our bow. We were just doing our thing," Maj. Gen. Carlos Tanega, commander of Military Forces in western Philippines, told reporters.

"We were just launching and recovering helicopters . . . and here they are, sometimes blocking our way," Tanega pointed out.

On Monday, Beijing formally protested Manila's decision to allow foreign journalists to visit the disputed island Chain.

Apart from the Philippines and China, Vietnam, Taiwan, Malaysia and Brunei also claim all or portions of the Spratlys, which are believed to be rich in oil and other mineral deposits.

The media group, composed mostly of members of the Foreign Correspondents Association of the Philippines, left Manila on May 11 for Puerto Princesa, nearly 600 km southwest of the capital.

It returned Tuesday to Manila after observing special municipal elections held Sunday in Pag-Asa, the largest of seven Spratly islands held by the Philippines.

After two nights aboard a private cruise ship, the journalists reached Jackson Atoll, about 50 km northwest of Mischief Reef, where they transferred to the World War II vintage Benguet.

The first two sorties with 16 journalists on board Vietnam war-era Uhih choppers with "press" markings took off at about 11:15 AM when the landing ship was about 30 km off Mischief Reef.

Also on board was Tanega, the first Philippine officer to fly over the area since the Chinese built at least 14 structures on four platforms around the reef.

Manila has strongly condemned the Chinese occupation of the reef, which Filipino officials stress is well within the country's 200-km exclusive economic zone.

Beijing maintains that the reef is part of its territory and claims the structures are "shelters for fishermen."

Tanega pointed out the two Chinese ships raced back to the reef's lagoon after apparently seeing the choppers, journalists said.

But in the second wave of sorties, journalists saw the ships heading toward the Philippine naval ships which were about 24 km off the reef.

From the ship's foredeck, journalists saw the Chinese vessels, a small fast boat and a larger ship, assume blocking positions midway between the reef and the Philippine vessels.

At that point, about 16 km from the reef, the Benguet stopped to launch the fourth and fifth sorties.

"We stopped because . . . We knew this is the place where we could accomplish the mission in the best, expeditious and safest way," said Tanega at a press conference the next day.

As the Benguet was "lying to," a naval term to mean that a ship has stopped without dropping anchor, its patrol escort, Miguel Malvar, maneuvered from starboard to a position to port.

Tanega said this was done to prevent the bigger Chinese ship from coming closer to the Benguet.

The smaller Chinese vessel moved to a position as close as 50 meters from the Benguet from where some its crew took photos and filmed the operations of the naval ship.

"The reaction was definitely expected because they did not know what we were doing," said Tanega.

"They did not know where the helicopters were taking off . . . They could not surmise how a land-based helicopter could fly 208 km from the nearest land field," he pointed out.

Tanega said that while the Chinese vessel, whose Chinese markings identified it as belonging to Beijing's Bureau of Fisheries, was "too close for comfort," he was not bothered by its presence.

As the choppers were secured on the deck of the Benguet, a Philippine Air Force reconnaissance plane radioed Tanega about the approach of "two savage fishes."

The plane was referring to Chinese frigates, which journalists learned were 24 km away and racing toward them.

Shortly after, at about 2:45 PM, Tanega ordered the Benguet and its escort ship to maneuver out of the area and proceed to Pag-Asa, some 18 hours away.

The two Chinese vessels made no attempt to stop the ships and stayed behind while the frigates, whose outlines could be seen on the horizon, appeared to stop.

"What is important here is we did what we had to do because this is our territory. We were eyeball to eyeball. We did not blink," said Tanega.

PRC Stance on Media's Spratlys Tour Analyzed

(Editorial: "Manila Scores Versus Beijing")

Whatever substance to Beijing's claim that the Chinese structures on Mischief Reef are mere stations of Chinese fishermen has been shown spurious by the celebrated stand-off that took place last Saturday at the Kalayaan Islands. There, two Chinese warships suddenly appeared 15 nautical miles away in apparent support of Chinese vessels blocking a Philippine Navy ship carrying local and foreign journalists.

The inspection trip by our Navy would have been enough to impress upon independent journalists that the structures on Mischief Reef could not have been mere fishing stations by ubiquitous Chinese fishermen: the structures are made of metal with parabolic discs all around, giving credence to Manila's claim they could eventually become naval support facilities.

But the Chinese, not exactly known for subtlety, betrayed their own intentions; they themselves confirmed Manila's claim. Within minutes after Philippine Navy helicopters started their sorties of Mischief Reef last Saturday, two frigates from the Chinese navy raced to the sight in apparent aid of the Chinese "fishermen".

The trip has therefore accomplished Manila's objective of proving to the international community that the Chinese are undermining the status quo in the Kalayaan and unnecessarily causing tension there. By arranging for the coverage by foreign journalists, Manila has not only scored a public relations point against Beijing, it has also buttressed its territorial claim to the Kalayaan. As Acting Foreign Secretary Domingo Siazon put it when he turned down Beijing's request that the tour be canceled, the foreign journalists who were coming along for the inspection should be an indication of how they perceived the "sovereignty issue".

By drawing international opinion to the issue, Manila has hit back at Beijing in the most capable way it could, making full use of the resources of democracy and unmasking in the process China's unneighborly designs in the region. It has billed the trip as a concession to freedom of the press and made it just an item in the larger itinerary of visiting the Filipino settlements in the Kalayaan in order to conduct the elections there. In one fell swoop, the Philippines has been able to demonstrate its democratic character contrast to the authoritarian regime in China as well as the fact that the Kalayaan is hers by virtue of the Filipino living there.

The rub is that the confrontation shows China's aggressiveness in pursuing its weak claim on Kalayaan. And with the Philippine military by all accounts standing eyeball to eyeball with the Chinese display of mi last Saturday—the Italian-made jets of the Philippine Air Force screamed overhead during the stand-off to warn theinese—, what has been drummed to the international community is the seriousness of the Kalayaan dispute. In such a t, hostilities in the islands could break out any time.

But the tension could be managed by forceful diplomacy and imaginative show of force against Beijing. Manila has been able to compel Washington to issue a statement which voiced United States' interest that "freedom of maritime investigation" shall be preserved in the South China Sea, a clear potshot at Beijing over its mischievous incursions. Manila now has to navigate through the contentious domestic dispute over some sort of a military logistical arrangement of the US in the aftermath of the pullout of the Americans from Subic and Clark. Asian capitals and some sectors in thilippine are loath to admit it but the key to controlling China and maintaining Asian security in the future is to America militarily engaged in the region.

[From the Manila Philippine Daily, May 18, 1995]

"CREATIVE" POLICY ON SPRATLYS LEADS TO SUCCESS

The decision to take on China on the Spratlys is the boldest foreign policy initiative ever taken by the Ramos administration. It is even more remarkable if we consider that he took a stand despite the military and economic weakness of the Philippines. That the Philippines forcefully challenged Chinese creeping expansion in the Spratlys was a shock to China, as well as a surprise to our ASEAN allies. They never expected the "sick man of Asia" to take on the Chinese giant on the question of territorial integrity. The diplomatic gamble paid off. It brought to the surface historic fears in Asia about the Chinese threat, which is more magnified by the modernization of its armed forces and its rapidly expanding economy.

President Ramos' gamble touched a raw nerve among Asians, and now many of our neighbors have dropped their reluctance to warn against the Chinese threat. The fear and anxieties over the Chinese move on the Spratlys are based on stronger grounds than sovereignty or who should exploit maritime resources supposed to lie underneath the atolls. The larger issue, as pointed out by Goh Chok Tong to Chinese Foreign Minister Li Peng, involves the freedom of navigation in the South China Sea, over which China claims sovereignty based on antiquarian maps.

It was the Philippines' actions that proved to be the catalyst of the new-found solidarity among ASEAN and the Asia-Pacific nations, notably Japan and the United States, to forge a common stand in persuading China that it is in her interest to bring the dispute within the framework of multilateral negotiations. The Philippine action proves that tough diplomatic decisions can give us a position of strength if we get international support behind us. This is what we call creative diplomacy.

Mr. THOMAS. Let me say in closing, Mr. President, that I am pleased the State Department has finally issued a definitive U.S. position on the Spratlys, with which I heartily agree. I believe that the Foreign Relations Committee will take up Senate Resolution 97—a sense-of-the-Senate resolution on the islands which I sponsored—in the near future and move it to the floor soon thereafter.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON AERONAUTICS AND SPACE FOR FISCAL YEAR 1994—MESSAGE FROM THE PRESIDENT—PM 52

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during Fiscal Year 1994, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involve 15 contributing departments and agencies of the Federal Government, as this report reflects, and the results of their ongoing research and development affect the Nation as a whole in a variety of ways.

Fiscal Year 1994 featured many important developments and changes in U.S. aeronautics and space efforts. It included 7 Space Shuttle missions successfully completed, 15 Government launches of Expendable Launch Vehicles (ELVs), and 4 commercial launches from Government facilities. Among notable developments in the ELV area were the launch of the Deep Space probe, Clementine, initial use of the Titan IV Centaur upper stage, and the first launch of the Taurus launch vehicle. Highlights of the Shuttle missions included the highly successful servicing mission for the Hubble Space Telescope (HST), which replaced several faulty parts and installed a sophisticated package of corrective optics to compensate for the spherical aberration in HST's primary mirror. Also, the flight of the Space Radar Laboratory began to provide information on environmental change, and a mission with a Russian astronaut, Sergei Krikalev, as a member of the crew signalled the beginning of a three-phased cooperative program in space between Russia and the United States.

In a year of tremendous accomplishments for the international Space Station, National Aeronautics and Space Administration (NASA) developed an initial set of specifications that included Russian elements as part of the design. Russia's agreeing to join the 12 original participating nations as a partner resulted in the expansion of the existing Shuttle/Mir program into Phase I of the international Space Station program, which officially began with Sergei Krikalev's flight on the Shuttle. All of the partners held a successful systems design review in Texas in March, and in June, Russia and the United States signed an interim agreement on the Space Station and a $400 million contract for Russian space hardware, services, and data. In August, the program completed a vehicle architecture review and in September, the Space Station Control Board ratified the recommendations it included. The redesigned Space Station costs $5 billion less than Space Station Freedom and still offers increased research capability and user flexibility.

In aeronautics, activities included development of technologies to improve performance, increase safety, reduce engine noise and other environmental degradation, improve air traffic management, lower costs, and help American industry to be more competitive in the world market. For example, high-speed research continued during Fiscal Year 1994 to focus on resolving critical environmental issues and laying the technological foundation for an economical, next generation, High Speed Civil Transport (HSCT). In this connection, the United States reached agreement with Russia to use the Tu-144 supersonic transport as a testbed for HSCT development. In addition, efforts in advanced subsonics focused on reducing aircraft and engine noise levels, on development of wind shear sensing devices, and on creating technologies that will improve general aviation aircraft.

In space science, astronomers using HST's revitalized optics discovered disks of protoplanetary dust orbiting stars in the Orion Nebula, suggesting that the formation of planets in the Milky Way and elsewhere may be relatively common. Also, HST's revelation of helium in distant constellations provides valuable information about the conditions in the universe during its initial evolution. The Spacelab Life Sciences-2, U.S. Microgravity Payload-2, and International Microgravity Laboratory-2 greatly increased our understanding of the role of gravity on biological, physical, and chemical processes. In biology, we learned that gravity affects the function of the neural connections between brain cells; this can have profound implications for rebuilding damaged brain cells due to strokes and disease. In Earth science, the Space Radar Laboratories-1 and -2, plus the Lidar In-Space Technology Experiment payload, used powerful radar and laser technology to penetrate cloud cover and map critical factors on a global scale. Also, the highly successful launch of the Clementine Deep Space Probe tested 23 advanced technologies for high-tech, lightweight missile defense. The relatively inexpensive, rapidly-built spececraft constituted a major revolution in spacecraft management and design; it also contributed significantly to lunar studies by photographing 1.8 million images of the surface of the Moon.

Additionally, on May 5, 1994, the White House announced that the National Oceanic and Atmospheric Administration (NOAA), the Department of Defense, and NASA were establishing a joint program to effect the convergence of civil and military polar-orbiting operational environmental satellite systems into a single operational program. Other White House announcements during the year included a policy for licensing U.S. firms by the Secretary of Commerce to operate private remote sensing systems and sell their images to domestic and foreign entities and a national space transportation policy that will sustain and revitalize U.S. space transportation capabilities by providing a coherent strategy for supporting and strengthening U.S. space launch capabilities to meet the growth needs of the civilian and national security sectors.

Thus, Fiscal Year 1994 was a highly successful one for the U.S. aeronautics and space programs. Efforts in both areas have contributed significantly to furthering the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 24, 1995.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 11 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 1421. An act to provide that references in the statutes of the United States to any committee or officer of the House of Representatives the name or jurisdiction of which was changed as part of the reorganization of the House of Representatives at the beginning of the One Hundred Fourth Congress shall be treated as referring to the currently applicable committee or officer of the House of Representatives.

The enrolled bill was subsequently signed by the President pro tempore [Mr. THURMOND].

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SHELBY (for himself, Mr. HEFLIN, Mr. COVERDELL, and Mr. NUNN):

S. 848. A bill to grant the consent of Congress to an amendment of the Historic Chattahoochee Compact between the States of Alabama and Georgia; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 849. A bill to amend the Age Discrimination in Employment Act of 1967 to protect elected judges against discrimination based on age; to the Committee on Labor and Human Resources.

By Mrs. KASSEBAUM (for herself, Mr. COATS, Mr. JEFFORDS, Mr. KENNEDY, Mr. DODD, and Mr. INOUYE):

S. 850. A bill to amend the Child Care and Development Block Grant Act of 1990 to consolidate Federal child care programs, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM (for herself, Mr. COATS, Mr. JEFFORDS, Mr. KENNEDY, Mr. DODD, and Mr. INOUYE):

S. 850. A bill to amend the Child Care and Development Block Grant Act of 1990 to consolidate Federal child care programs, and for other purposes; to the Committee on Labor and Human Resources.

THE CHILD CARE AND DEVELOPMENT BLOCK GRANT AMENDMENTS ACT OF 1995

Mrs. KASSEBAUM. Mr. President, I rise today to introduce the Child Care and Development Block Grant Amendments Act of 1995 on behalf of myself, Senator COATS, Senator KENNEDY, Senator DODD, Senator INOUYE, and Senator JEFFORDS. This legislation reauthorizes the child care and development block grant of 1990 and makes several important changes to the law.

The funding and leadership that the Federal Government has provided for child care has played a critical role in assisting low-income working families to maintain stable employment and helping welfare recipients gain independence. As States try to move welfare recipients into employment, the availability of affordable, quality child care will be of even greater importance. If Congress and the States are committed to having welfare reform succeed, then there needs to be a partnership between Federal and State governments to allocate funding for quality child care.

The child care and development block grant was enacted in 1990 with bipartisan support. Congress recognized that there was a lack of adequate child care for many low-income families. This continues to be a nationwide problem.

According to a 1991 report by the Bureau of the Census, 31 million children under the age of 15 had mothers employed outside the home—almost 2 million of these children were infants under 1 year of age. This trend is continuing, with more and more mothers entering the work force each year. It has become increasingly difficult for low-income working parents to find affordable child care. Despite the significant contributions the child care and development block grant and other Federal child care programs have made in assisting families with their child care needs, there are waiting lists for child care subsidies in almost every State. If Congress does not continue to commit Federal funding for child care, these waiting lists will continue to grow, and efforts to reform the welfare system will fail.

The legislation which my colleagues and I are introducing provides States funding to provide quality child care for low-income families through a unified child care system. The Child Care and Development Block Grant Amendments Act of 1995 consolidates Federal discretionary programs that provide child care services. The primary goal of this bill is to ensure that there is a seamless system of child care where it counts the most—at the point where the parent, child, and provider meet.

This legislation maintains most of the critical provisions of the child care and development block grant—a program that has been working successfully in the States since its enactment. The bill emphasizes access to quality child care, parental choice, and consumer education. The bill continues to minimal health and safety standards established in 1990. The 1995 amendments to the act provide States with the flexibility to improve the quality and supply of child care, to design eligibility requirements through a sliding fee scale, and to provide broader access to referral and resource services for parents and providers. Provisions in the legislation ensure that Federal funds that States use for child care will be funneled through the existing State system designed to implement the child care and development block grant. The legislation also includes several important provisions designed to improve the availability of quality child care for native American families.

The Child Care and Development Block Grant Amendments Act of 1995 consolidates two discretionary programs, the State Department Care Planning and Development Grants and the Child Development Associate Credential Scholarship Program. The program is authorized for $1 billion in 1996, and such sums as necessary through the year 2000. This authorization level is based on current funding levels for all three programs, with a slight increase for inflation.

I invite my colleagues on both sides of the aisle to join with Senator COATS, Senator JEFFORDS, Senator KENNEDY, Senator DODD, Senator INOUYE, and me in cosponsoring the Child Care and Development Block Grant Amendments Act of 1995. I hope there is as much bipartisan support for this reauthorization as there was for the original legislation.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CHILD CARE AND DEVELOPMENT BLOCK GRANT AMENDMENTS ACT OF 1995

SUMMARY

1. Authorization: The Child Care and Development Block Grant (CCDBG) is amended to include two discretionary programs, the State Dependent Care Planning and Development Grants and the Child Development Associate Credential (CDA) Scholarships, into a discretionary block grant with no state match required. This is consistent with the current CCDBG structure. The authorization for fiscal year 1996 is $1,000,000,000 and such sums as necessary through the year 2000.

II. State Requirements:

A. The health and safety standards that were included in the CCDBG when it was enacted in 1990, are maintained. These standards are broadly defined, and states are given discretion in enforcing them. The standards are: (1) the prevention and control of infectious diseases; (2) building and physical premises safety; and (3) minimum health and safety training appropriate to the provider setting. Providers receiving funds from the block grant (via contract or parent voucher) must meet any existing state and local licensing and regulatory requirements.

B. The quality set-aside, which is part of the 1990 act, is maintained. However, it is more broadly defined and gives states discretion in how they choose to spend the money. The only required quality activity is that states must provide consumer education to encourage maximum parental choice and improve availability of child care through a comprehensive referral and resource system. The set-aside is 15 percent of the state allotment.

C. States are required to submit a plan, similar to what they currently are providing under the CCDBG, which designates a lead agency and outlines procedures that are in place for assuring parental choice of providers, parental complaints, consumer education, and compliance with state and local licensing and health and safety requirements.

D. States shall submit a report to the Secretary of HHS every 2 years specifying how they used the money, the number of children who were assisted, activities that were implemented to encourage a public-private partnership, and the extent and manner in which they implemented a resource and referral network.

E. States are required to establish a sliding fee scale that ensures a representative distribution of participation among the working poor and welfare recipients.

F. States may not expend more than 5 percent on administrative costs.

G. If states expend monies for child care from other federal funding sources, then this funding shall be allocated through the CCDBG. This will reduce federal regulations and requirements by establishing one consolidated child care program. This will also provide beneficiaries with more stability in child care since eligibility requirements will be streamlined.

III. Enforcement Mechanisms: If a state is determined (via the HHS appeals and hearing process) to have improperly expended the block grant funds, the Secretary is given the option of: (1) imposing additional requirements to ensure state compliance or correct areas of noncompliance with the act; (2) require states to repay funds improperly expended; (3) deduct from the administrative portion of the state allotment an amount less than or equal to the improperly expended funds; (4) or a combination of these options.

IV. Indian Tribes: The following provisions have been added for Indian tribes: (1) allowing tribes to use funds for facilities construction if the Secretary of HHS determines that this is a barrier to providing child care (this applies only to Indian tribes); (2) allowing any tribal allotments that are not expended to be redistributed to other tribes, which is similar to what happens with unused state allotments; and (3) exempting tribes from state licensing requirements and allowing the Secretary, in consultation with the tribes, to develop minimum standards for child care providers that takes into account tribes' needs and available resources. The set-aside for Indian tribes of up to 3 percent, which is part of the 1990 law, has been maintained.

PROGRAMS TO BE CONSOLIDATED

Child Care and Development Block Grant—discretionary grant program to help low-income parents pay for child care, to expand early childhood development programs to improve the availability and quality of care. No state match is required. (Enacted in 1990 as part of OBRA '90)

FY 94 Actual, $893 million.

FY 95 Enacted, $935 million.

State Dependent Care Planning and Development Grants—discretionary grant program for child care resource and referral and for before- and after-school child care services. Provides a 75 percent federal matching rate to states.

FY 94 Actual, $13 million.

FY 95 Enacted, $13 million.

Child Development Associate Credential (CDA) Scholarships—discretionary grant program to states to provide scholarships to qualified child care workers to cover the cost of the CDA application, assessment, and credentialing. This credential is awarded by the Council for Early Childhood Professional Recognition. No state match is required.

FY 94 Actual, $1 million.

FY 95 Enacted, $1 million.

• Mr. COATS. Mr. President, today, I am pleased to join Senator KASSEBAUM in introducing the Child Care and Development Block Grant Amendments Act of 1995. Since its passage in 1990, this program has, and continues to enjoy strong bipartisan, community and grassroots support. With the assistance provided under this act thousands of families have, for the first time, been able to work without fearing the placement of their children in less than quality child care environments.

Currently, 55 percent of all working families enroll their children in some form of child care. The dramatic increase in labor force participation of mothers continues to heighten our awareness of the need for child services. And with the imminent passage of welfare reform, the need will undoubtedly be even greater.

The goals of a Federal child care program are many. First, to ensure a safe, healthy and stimulating environment for the children. Second, to afford parents the maximum amount of choice in the selection of a provider. Third, to assist with the availability of child care slots. Fourth, to ensure that limited Federal dollars are targeted to those most in need. And fifth, to distribute funds to States in a way that makes sense, eliminates redtape, and ensures maximum use of resources.

I believe we have met each of these goals in this legislation.

First, we continue the minimum health and safety standards negotiated in 1990. These standards are not prescriptive but they do insist that child care providers provide a safe and healthy environment for children in their care. Second, parents are able to select from a wide range of child care providers through the use of direct grants, contracts, and parent certificates. These include sectarian providers and family day care homes which currently are the largest group of providers of child care services. Third, the authorization level reflect a continued Federal priority for quality child care services. Expansion of available child care slots is important, but is equally important to maintain quality in our expansion efforts. The Kassebaum-Coats bill strikes this important balance in authorizing a 15-percent set-aside for quality improvement. Fourth, the bill targets dollars to the working poor by requiring States to establish a sliding fee scale for families up to 100 percent of the State medium income. And finally, we have included language to ensure that Federal resources used for child care are consolidated into one, uniform system.

This last point is significant. In recent years, growing concern has been expressed about the number of Federal child care programs. The General Accounting Office reports there are currently 93 different child care programs administered by 11 Federal agencies and 20 offices, at a total cost to the taxpayer of at least $11.5 billion, and that does not include various tax programs targeted at families with children.

The Kassebaum-Coats bill ensures that those dollars will be used in a way that meets the goals of our Federal child care policy and not in ways that contravene it.

In addressing child care within the context of the welfare reform debate we must be careful not to force parents to choose between work, and quality day care. Many families, especially low-income working families, need help with their child care needs. Solutions and welfare reform must be pursued with compassionate realism, recognizing our budgetary limitations, but motivated by a concern for children and their best interests. The Kassebaum-Coats bill, coupled with the block grant and cash assistance program will significantly help those entering the work force with their child care needs—and does so in a way that is fiscally responsible.

I would again like to thank Senator KASSEBAUM for her leadership in this area, and hope that this legislation receives swift approval in the Senate.●

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. DOLE, the names of the Senator from Pennsylvania [Mr. SANTORUM] and the Senator from Minnesota [Mr. GRAMS] were added as cosponsors of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 388

At the request of Ms. SNOWE, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 388, a bill to amend title 23, United States Code, to eliminate the penalties for noncompliance by States with a program requiring the use of motorcycle helmets, and for other purposes.

S. 471

At the request of Mr. BIDEN, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 471, a bill to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States.

S. 582

At the request of Mr. HATFIELD, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 582, a bill to amend title 28, United States Code, to provide that certain voluntary disclosures of violations of Federal laws made pursuant to an environmental audit shall not be subject to discovery or admitted into evidence during a Federal judicial or administrative proceeding, and for other purposes.

S. 585

At the request of Mr. SHELBY, the names of the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Michigan [Mr. ABRAHAM], the Senator from Tennessee [Mr. FRIST], and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 585, a bill to protect the rights of small entities subject to investigative or enforcement action by agencies, and for other purposes.

S. 758

At the request of Mr. HATCH, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 758, a bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes.

S. 770

At the request of Mr. DOLE, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 794

At the request of Mr. LUGAR, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 794, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to facilitate the minor use of a pesticide, and for other purposes.

S. 814

At the request of Mr. MCCAIN, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 814, a bill to provide for the reorganization of the Bureau of Indian Affairs, and for other purposes.

S. 816

At the request of Mr. DEWINE, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 816, a bill to provide equal protection for victims of crime, to facilitate the exchange of information between Federal and State law enforcement and investigation entities, to reform criminal procedure, and for other purposes.

S. 847

At the request of Mr. GREGG, the names of the Senator from Nevada [Mr. BRYAN], and the Senator from Pennsylvania [Mr. SANTORUM] were added as cosponsors of S. 847, a bill to terminate the agricultural price support and production adjustment programs for sugar, and for other purposes.

SENATE JOINT RESOLUTION 34

At the request of Mr. SMITH, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution prohibiting funds for diplomatic relations and most favored nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam War, as determined on the basis of all information available to the United States Government, and for other purposes.

SENATE CONCURRENT RESOLUTION 11

At the request of Ms. SNOWE, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Delaware [Mr. ROTH], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the longstanding dispute regarding Cyprus.

AMENDMENT NO. 1128

At the request of Ms. SNOWE the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of Amendment No. 1128 proposed to S. Con. Res. 13, an original concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

DODD (AND OTHERS) AMENDMENT NO. 1131

Mr. DODD (for himself, Mr. HARKIN, Mr. HOLLINGS, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, Mr. WELLSTONE, and Mr. SIMON) proposed an amendment to amendment No. 1128 proposed by Ms. SNOWE to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

Strike all after line 1 and insert:

"On page 3, line 10, increase the amount by $5,100,000,000.

On page 3, line 11, increase the amount by $3,400,000,000.

On page 3, line 12, increase the amount by $3,600,000,000.

On page 3, line 13, increase the amount by $3,800,000,000.

On page 3, line 14, increase the amount by $4,000,000,000.

On page 3, line 15, increase the amount by $4,000,000,000.

On page 3, line 16, increase the amount by $4,100,000,000.

On page 3, line 20, increase the amount by $5,100,000,000.

On page 3, line 21, increase the amount by $3,400,000,000.

On page 3, line 22, increase the amount by $3,600,000,000.

On page 3, line 23, increase the amount by $3,800,000,000.

On page 3, line 24, increase the amount by $4,000,000,000.

On page 3, line 25, increase the amount by $4,000,000,000.

On page 4, line 1, increase the amount by $4,100,000,000.

On page 4, line 18, increase the amount by $5,100,000,000.

On page 4, line 19, increase the amount by $3,400,000,000.

On page 4, line 20, increase the amount by $3,600,000,000.

On page 4, line 21, increase the amount by $3,800,000,000.

On page 4, line 22, increase the amount by $4,000,000,000.

On page 4, line 23, increase the amount by $4,000,000,000.

On page 4, line 24, increase the amount by $4,100,000,000.

On page 5, line 4, increase the amount by $5,100,000,000.

On page 5, line 5, increase the amount by $3,400,000,000.

On page 5, line 6, increase the amount by $3,600,000,000.

On page 5, line 7, increase the amount by $3,800,000,000.

On page 5, line 8, increase the amount by $4,000,000,000.

On page 5, line 9, increase the amount by $4,000,000,000.

On page 5, line 10, increase the amount by $4,100,000,000.

On page 5, line 17, increase the amount by $28,300,000,000.

On page 5, line 18, increase the amount by $3,800,000,000.

On page 5, line 19, increase the amount by $3,600,000,000.

On page 5, line 20, increase the amount by $3,800,000,000.

On page 5, line 21, increase the amount by $4,000,000,000.

On page 5, line 22, increase the amount by $4,000,000,000.

On page 5, line 23, increase the amount by $4,100,000,000.

On page 6, line 16, increase the amount by $5,100,000,000.

On page 6, line 17, increase the amount by $3,400,000,000.

On page 6, line 18, increase the amount by $3,600,000,000.

On page 6, line 19, increase the amount by $3,800,000,000.

On page 6, line 20, increase the amount by $4,000,000,000.

On page 6, line 21, increase the amount by $4,000,000,000.

On page 6, line 22, increase the amount by $4,100,000,000.

On page 31, line 12, increase the amount by $28,300,000,000.

On page 31, line 20, increase the amount by $3,800,000,000.

On page 32, line 3, increase the amount by $3,600,000,000.

On page 32, line 11, increase the amount by $3,800,000,000.

On page 32, line 19, increase the amount by $4,000,000,000.

On page 33, line 2, increase the amount by $4,000,000,000.

On page 33, line 10, increase the amount by $4,100,000,000.

On page 31, line 13, increase the amount by $5,100,000,000.

On page 31, line 21, increase the amount by $3,400,000,000.

On page 32, line 4, increase the amount by $3,600,000,000.

On page 32, line 12, increase the amount by $3,800,000,000.

On page 32, line 20, increase the amount by $4,000,000,000.

On page 33, line 3, increase the amount by $4,000,000,000.

On page 33, line 11, increase the amount by $4,100,000,000.

On page 64, line 9, decrease the amount by $1,100,000,000.

On page 64, line 10, decrease the amount by $7,900,000,000.

On page 64, line 11, decrease the amount by $12,000,000,000.

On page 65, line 17, increase the amount by $26,700,000,000.

On page 65, line 18, increase the amount by $4,000,000,000.

On page 65, line 24, increase the amount by $2,400,000,000.

On page 65, line 25, increase the amount by $2,000,000,000.

On page 66, line 6, increase the amount by $2,000,000,000.

On page 66, line 7, increase the amount by $2,000,000,000.

On page 66, line 13, increase the amount by $2,000,000,000.

On page 66, line 14, increase the amount by $2,000,000,000.

On page 66, line 20, increase the amount by $2,000,000,000.

On page 66, line 21, increase the amount by $2,000,000,000.

On page 67, line 2, increase the amount by $2,000,000,000.

On page 67, line 3, increase the amount by $2,000,000,000.

On page 67, line 9, increase the amount by $2,000,000,000.

On page 67, line 10, increase the amount by $2,000,000,000."

HATFIELD (AND OTHERS) AMENDMENT NO. 1132

Mr. HATFIELD (for himself, Mr. JEFFORDS, Mr. HARKIN, Mr. SIMON, Mr. KENNEDY, Mr. PELL) proposed an amendment to the concurrent resolution S. Con. Res 13, supra; as follows:

On page 11, line 7, decrease the amount by $430,000,000.

On page 11, line 8, decrease the amount by $258,000,000.

On page 11, line 4, decrease the amount by $920,000,000.

On page 11, line 15, decrease the amount by $552,000,000.

On page 11, line 21, decrease the amount by $1,000,000,000.

On page 11, line 22, decrease the amount by $600,000,000.

On page 12, line 3, decrease the amount by $1,000,000,000.

On page 12, line 4, decrease the amount by $600,000,000.

On page 12, line 10, decrease the amount by $1,000,000,000.

On page 12, line 11, decrease the amount by $600,000,000.

On page 12, line 17, decrease the amount by $1,000,000,000.

On page 12, line 18, decrease the amount by $600,000,000.

On page 12, line 24, decrease the amount by $1,000,000,000.

On page 12, line 25, decrease the amount by $600,000,000.

On page 33, line 19, increase the amount by $1,000,000,000.

On page 33, line 20, increase the amount by $430,000,000.

On page 34, line 2, increase the amount by $1,000,000,000.

On page 34, line 3, increase the amount by $920,000,000.

On page 34, line 9, increase the amount by $1,000,000,000.

On page 34, line 10, increase the amount by $1,000,000,000.

On page 34, line 16, increase the amount by $1,000,000,000.

On page 34, line 17, increase the amount by $1,000,000,000.

On page 34, line 23, increase the amount by $1,000,000,000.

On page 34, line 24, increase the amount by $1,000,000,000.

On page 35, line 5, increase the amount by $1,000,000,000.

On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.

On page 35, line 13, increase the amount by $1,000,000,000.

On page 54, line 20, increase the amount by $570,000,000.

On page 54, line 21, increase the amount by $172,000,000.

On page 55, line 2, increase the amount by $80,000,000.

On page 55, line 3, increase the amount by $368,000,000.

On page 55, line 10, increase the amount by $400,000,000.

On page 55, line 17, increase the amount by $400,000,000.

On page 55, line 24, increase the amount by $400,000,000.

On page 56, line 6, increase the amount by $400,000,000.

On page 56, line 13, increase the amount by $400,000,000.

On page 65, line 14, decrease the amount by $430,000,000.

On page 65, line 15, decrease the amount by $258,000,000.

On page 65, line 17, increase the amount by $430,000,000.

On page 65, line 18, increase the amount by $258,000,000.

On page 65, line 21, decrease the amount by $920,000,000.

On page 65, line 22, decrease the amount by $552,000,000.

On page 65, line 24, increase the amount by $920,000,000.

On page 65, line 25, increase the amount by $552,000,000.

On page 66, line 3, decrease the amount by $1,000,000,000.

On page 66, line 4, decrease the amount by $600,000,000.

On page 66, line 6, increase the amount by $1,000,000,000.

On page 66, line 7, increase the amount by $600,000,000.

On page 66, line 10, decrease the amount by $1,000,000,000.

On page 66, line 11, decrease the amount by $600,000,000.

On page 66, line 13, increase the amount by $1,000,000,000.

On page 66, line 14, increase the amount by $600,000,000.

On page 66, line 17, decrease the amount by $1,000,000,000.

On page 66, line 18, decrease the amount by $600,000,000.

On page 66, line 20, increase the amount by $1,000,000,000.

On page 66, line 21, increase the amount by $600,000,000.

On page 66, line 24, decrease the amount by $1,000,000,000.

On page 66, line 25, decrease the amount by $600,000,000.

On page 67, line 2, increase the amount by $1,000,000,000.

On page 67, line 3, increase the amount by $600,000,000.

On page 67, line 6, decrease the amount by $1,000,000,000.

On page 67, line 7, decrease the amount by $600,000,000.

On page 67, line 9, increase the amount by $1,000,000,000.

On page 67, line 10, increase the amount by $600,000,000.

HATFIELD (AND OTHERS) AMENDMENT NO. 1133

Mr. HATFIELD (for himself, Mr. SPECTER, Mrs. KASSEBAUM, Mr. JEFFORDS, Mr. D'AMATO, Mr. KENNEDY, Mr. SIMON, Mr. COHEN, Mr. DODD, Mr. INOUYE, Mr. MACK, Mr. PELL, Mr. BINGAMAN, and Mr. GLENN) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 33, line 19, increase the amount by $1,000,000,000.

On page 33, line 20, increase the amount by $430,000,000.

On page 34, line 2, increase the amount by $1,000,000,000.

On page 34, line 3, increase the amount by $920,000,000.

On page 34, line 9, increase the amount by $1,000,000,000.

On page 34, line 10, increase the amount by $1,000,000,000.

On page 34, line 16, increase the amount by $1,000,000,000.

On page 34, line 17, increase the amount by $1,000,000,000.

On page 34, line 23, increase the amount by $1,000,000,000.

On page 34, line 24, increase the amount by $1,000,000,000.

On page 35, line 5, increase the amount by $1,000,000,000.

On page 35, line 6, increase the amount by $1,000,000,000.

On page 35, line 12, increase the amount by $1,000,000,000.

On page 35, line 13, increase the amount by $1,000,000,000.

On page 54, line 20, increase the amount by $1,000,000,000.

On page 54, line 21, increase the amount by $430,000,000.

On page 55, line 2, increase the amount by $1,000,000,000.

On page 55, line 3, increase the amount by $920,000,000.

On page 55, line 9, increase the amount by $1,000,000,000.

On page 55, line 10, increase the amount by $1,000,000,000.

On page 55, line 16, increase the amount by $1,000,000,000.

On page 55, line 17, increase the amount by $1,000,000,000.

On page 55, line 23, increase the amount by $1,000,000,000.

On page 55, line 24, increase the amount by $1,000,000,000.

On page 56, line 5, increase the amount by $1,000,000,000.

On page 56, line 6, increase the amount by $1,000,000,000.

On page 56, line 12, increase the amount by $1,000,000,000.

On page 56, line 13, increase the amount by $1,000,000,000.

BOXER AMENDMENT NO. 1134

Mrs. BOXER proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 89, strike lines 1 through 17 and insert the following:

SEC. 306. PROHIBITION OF LEGISLATION THAT WOULD INCLUDE A TAX CUT UNLESS 90 PERCENT OF THE BENEFITS GO TO THE MIDDLE CLASS.

(a) FINDINGS.—The Congress finds that—

(1) the incomes of middle-class families have stagnated since the early 1980's, with family incomes growing more slowly between 1979 and 1989 than in any other business cycle since World War II; and

(2) according to the Department of the Treasury, in 1996, approximately 90 percent of American families will have incomes less than $100,000.

(b) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference report that contains a reduction in revenues unless at least 90 percent of the benefits of that reduction goes to working families with annual incomes less than $100,000.

(c) APPEALS.—Appeals in the Senate from decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill or resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) CONGRESSIONAL BUDGET OFFICE REPORTS.—Whenever the Director of the Congressional Budget Office shall prepare a report pursuant to section 308 of the Congressional Budget Act of 1974 in connection with a bill, resolution, or conference report that contains a reduction in revenues, the Director shall so state in that report, and, to the extent practicable, shall include an estimate of the amount of the reduction in revenues and the percent of the benefits of that reduction in revenue that will go to working families with annual incomes less than $100,000.

(e) ESTIMATES.—Solely for the purposes of enforcement of this section on the Senate floor, the percentage of benefits of a reduction in revenues going to working families with annual incomes less than $100,000 shall be determined on the basis of estimates made by the Congressional Budget Office.

(f) SUNSET.—This section shall expire at the close of the 104th Congress.

KERRY (AND OTHERS) AMENDMENT NO. 1135

(Ordered to lie on the table.)

Mr. KERRY (for himself, Mr. SIMON, and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 64, strike lines 17 through 19 and insert the following; "$2,000,000 in fiscal year 1996, $37,000,000 for the period of fiscal years 1996 through 2000, and $72,000,000 for the period of fiscal years 1996".

On page 66, line 6, decrease the amount by $70,000,000.

On page 66, line 13, decrease the amount by $70,000,000.

On page 66, line 14, decrease the amount by $28,000,000.

On page 66, line 20, decrease the amount by $70,000,000.

On page 66, line 21, decrease the amount by $215,000,000.

On page 67, line 2, decrease the amount by $70,000,000.

On page 67, line 3, decrease the amount by $4,000,000.

On page 67, line 9, decrease the amount by $70,000,000.

Mr. KERRY. Mr. President, the Kerry amendment reduces the reconciliation instructions to the Rules Committee by the amount attributable to repeal of the existing system of public financing and spending limits for Presidential campaigns, which the Rules Committee would be able to meet only by repealing that system. In order to offset the budget effect of reducing the instructions to the Rules Committee to save the amount of funding attributable to the Presidential public financing system, the amendment will leave a requirement for the same amount of savings in Function 800—general government—without specifying how the savings are to be achieved, but will lower the nondefense discretionary caps beginning in 1999 by the equivalent amount. This will have the effect of giving the responsibility to the Appropriations Committee beginning in that year to allocate the aggregate amount of approximately $250 million over the period covered by the budget resolution to administrative and overhead savings in various Federal agencies, leaving the judgment to the Appropriations Committee as to which agencies, for what Function 800 purposes, and in what amounts to allocate the spending reductions.

This leaves the deficit reduction effects of the budget resolution unchanged. It means that this amendment is not subject to a point of order.

WELLSTONE (AND FEINGOLD) AMENDMENT NO. 1136

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues $10,000,000,000 in fiscal year 1996, $50,000,000,000 for the period of fiscal years 1996 through 2000, and $70,000,000,000 for the period of fiscal years 1996 through 2002.".

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX EXPENDITURES.

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

WELLSTONE AMENDMENTS NOS. 1137–1141

(Ordered to lie on the table.)

Mr. WELLSTONE submitted five amendments intended to be proposed by him to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

AMENDMENT NO. 1137

On page 3, line 10, increase the amount by $86,815,700.

On page 3, line 11, increase the amount by $782,539,790.

On page 3, line 12, increase the amount by $804,782,000.

On page 3, line 13, increase the amount by $804,782,000.

On page 3, line 14, increase the amount by $804,782,000.

On page 3, line 15, increase the amount by $804,782,000.

On page 3, line 16, increase the amount by $804,782,000.

On page 3, line 20, increase the amount by $86,815,700.

On page 3, line 21, increase the amount by $782,539,790.

On page 3, line 22, increase the amount by $804,782,000.

On page 3, line 23, increase the amount by $804,782,000.

On page 3, line 24, increase the amount by $804,782,000.

On page 3, line 25, increase the amount by $804,782,000.

On page 4, line 1, increase the amount by $804,782,000.

On page 4, line 18, increase the amount by $86,815,700.

On page 4, line 19, increase the amount by $782,539,790.

On page 4, line 20, increase the amount by $804,782,000.

On page 4, line 21, increase the amount by $804,782,000.

On page 4, line 22, increase the amount by $804,782,000.

On page 4, line 23, increase the amount by $804,782,000.

On page 4, line 24, increase the amount by $804,782,000.

On page 5, line 4, increase the amount by $86,815,700.

On page 5, line 5, increase the amount by $782,539,790.

On page 5, line 6, increase the amount by $804,782,000.

On page 5, line 7, increase the amount by $804,782,000.

On page 5, line 8, increase the amount by $804,782,000.

On page 5, line 9, increase the amount by $804,782,000.

On page 5, line 10, increase the amount by $804,782,000.

On page 5, line 17, increase the amount by $804,782,000.

On page 5, line 18, increase the amount by $804,782,000.

On page 5, line 19, increase the amount by $804,782,000.

On page 5, line 20, increase the amount by $804,782,000.

On page 5, line 21, increase the amount by $804,782,000.

On page 5, line 22, increase the amount by $804,782,000.

On page 5, line 23, increase the amount by $804,782,000.

On page 6, line 16, increase the amount by $86,815,700.

On page 6, line 17, increase the amount by $782,539,790.

On page 6, line 18, increase the amount by $804,782,000.

On page 6, line 19, increase the amount by $804,782,000.

On page 6, line 20, increase the amount by $804,782,000.

On page 6, line 21, increase the amount by $804,782,000.

On page 6, line 22, increase the amount by $804,782,000.

On page 31, line 12, increase the amount by $804,782,000.

On page 31, line 13, increase the amount by $86,815,700.

On page 31, line 20, increase the amount by $804,782,000.

On page 31, line 21, increase the amount by $782,539,790.

On page 32, line 3, increase the amount by $804,782,000.

On page 32, line 4, increase the amount by $804,782,000.

On page 32, line 11, increase the amount by $804,782,000.

On page 32, line 12, increase the amount by $804,782,000.

On page 32, line 19, increase the amount by $804,782,000.

On page 32, line 20, increase the amount by $804,782,000.

On page 33, line 2, increase the amount by $804,782,000.

On page 33, line 3, increase the amount by $804,782,000.

On page 33, line 10, increase the amount by $804,782,000.

On page 33, line 11, increase the amount by $804,782,000.

On page 65, line 17, increase the amount by $804,782,000.

On page 65, line 18, increase the amount by $86,815,000.

On page 65, line 24, increase the amount by $804,782,000.

On page 65, line 25, increase the amount by $782,539,790.

On page 66, line 6, increase the amount by $804,782,000.

On page 66, line 7, increase the amount by $804,782,000.

On page 66, line 13, increase the amount by $804,782,000.

On page 66, line 14, increase the amount by $804,782,000.

On page 66, line 20, increase the amount by $804,782,000.

On page 66, line 21, increase the amount by $804,782,000.

On page 67, line 2, increase the amount by $804,782,000.

On page 67, line 3, increase the amount by $804,782,000.

On page 67, line 9, increase the amount by $804,782,000.

On page 67, line 10, increase the amount by $804,782,000.

AMENDMENT NO. 1138

On page 5, line 17, decrease the amount by $10,000,000,000.

On page 6, line 16, decrease the amount by $5,000,000,000.

On page 7, line 15, decrease the amount by $5,000,000,000.

On page 11, line 7, decrease the amount by $10,000,000,000.

On page 11, line 8, decrease the amount by $5,000,000,000.

On page 65, line 14, decrease the amount by $10,000,000,000.

On page 65, line 15, decrease the amount by $5,000,000,000.

At the end of title II, insert the following:

SEC. . SENSE OF THE SENATE REGARDING DEFENSE SPENDING.

It is the sense of the Senate that in reducing defense spending by the amount provided for in this amendment, Congress shall focus on low-priority programs, and to the maximum extent possible should preserve funding for any programs and activities that directly affect force readiness or the quality of life for service members and their families.

AMENDMENT NO. 1139

On page 64, line 24, decrease the amount by $74,000,000.

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues by $74,000,000 in fiscal year 1996."

At the end of title III, insert the following:

Sec. . SENSE OF THE SENATE REGARDING TAX EXPENDITURES.

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

AMENDMENT NO. 1140

On page 74, strike lines 12 through 24 and insert in lieu thereof the following: "budget, the revenue and spending aggregates may be revised and other appropriate budgetary allocations, aggregates and levels may be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues, and for legislation that will provide $15,000,000,000 to lessen the severity of the cuts to nutrition and commodities programs under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, discretionary spending limits under section 201(a) of this resolution, and budgetary aggregates and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction calculated under subsection (d)."

AMENDMENT NO. 1141

At the end of title III, insert the following: "It is the sense of the Senate that the low-priority discretionary funds to be reduced in order to offset funds restored for programs and activities of the National Institutes of Health should come from eliminating low-priority federal programs like the Space Station, and not from high-priority programs for education, food and nutrition for low-income children, anti-crime efforts, veterans programs, job training, health care, infrastructure and other such investment programs."

LEVIN (AND SIMON) AMENDMENT NO. 1142

(Ordered to lie on the table.)

Mr. LEVIN (for himself and Mr. SIMON) submitted an amendment intended to be proposed by them to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . DEFENSE OVERHEAD.

(a) FINDINGS.—The Senate finds that—

(1) the major discretionary assumptions in this concurrent budget resolution include 15 percent reduction in overhead for programs of nondefense agencies that remain funded in the budget and whose funding is not interconnected with receipts dedicated to a program;

(2) the Committee Report (104–82) on this concurrent budget resolution states that "this assumption would not reduce funding for the programmatic activities of agencies."

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Committees on Armed Services and Appropriations should make a reduction of at least three percent in overhead for Fiscal Year 1996 programs of defense agencies, and should do so in a manner so as not to reduce funding for the programmatic activities of these agencies.

BAUCUS AMENDMENT NO. 1143

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 94, add after line 21 the following new section:

SEC. . SENSE OF THE SENATE REGARDING FUNDING FOR NATIONAL RAILROAD PASSENGER CORPORATION.

It is the sense of the Senate that Congress should redirect revenues resulting from the ½ cent of the excise tax rate directed by the amendments made by the Omnibus Budget Reconciliation Act of 1993 for fiscal years 1996 through 1999 to the account under subsection (e) of section 9503 of the Internal Revenue Code of 1986 to a new account under such section for grants to the National Railroad Passenger Corporation for operating expenses and capital improvements incurred by the Corporation.

BAUCUS (AND OTHERS) AMENDMENT NO. 1144

(Ordered to lie on the table.)

Mr. BAUCUS (for himself, Mr. INOUYE, Mr. BRYAN, Mr. SIMON, Mr. ROCKEFELLER, and Mr. BUMPERS) submitted an amendment intended to be proposed by them to the concurrent resolution Senate Concurrent Resolution 13, spra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) FINDINGS.—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

DOMENICI AMENDMENT NO. 1145

Mr. DOMENICI proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 4, line 19, strike "$937,800,000,000" and insert "$973,800,000,000".

On page 5, line 12 strike "comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of".

On page 6, line 8, strike "$1,324,400,000,000" and insert "$1,342,400,000,000".

On page 6, line 10 strike "comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of".

On page 7, line 10 strike "comparison with the maximum deficit amount under section 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of".

On page 10, line 3, strike "$347,700,000,000" and insert "$374,700,000,000".

On page 11, line 2, strike "2000" and insert "2002".

On page 40, line 3, strike "$1,000,000,000" and insert "$100,000,000".

On page 40, line 10, strike "$1,000,000,000" and insert "$100,000,000".

On page 40, line 17, strike "$1,000,000,000" and insert "$100,000,000".

On page 40, line 24, strike "$1,000,000,000" and insert "$100,000,000".

On page 41, line 6, strike "$1,000,000,000" and insert "$100,000,000".

On page 41, line 13, strike "$1,000,000,000" and insert "$100,000,000".

On page 41, line 20, strike "$1,000,000,000" and insert "$100,000,000".

On page 64, line 14, strike "Foreign Relations" and insert "Rules and Administration".

BINGAMAN AMENDMENT NO. 1146

Mr. DOMENICI (for Mr. BINGAMAN) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 86, strike line 11 through line 25 on page 87 and insert the following:

SEC. 305. SENSE OF THE CONGRESS ON A UNIFORM ACCOUNTING SYSTEM IN THE FEDERAL GOVERNMENT AND NONPARTISAN COMMISSION ON ACCOUNTING AND BUDGETING.

(A) FINDINGS.—The Congress finds the following:

(1) Much effort has been devoted to strengthening Federal internal accounting controls in the past. Although progress has been made in recent years, there still exists no uniform Federal accounting system for Federal Government entities and institutions.

(2) As a result, Federal financial management continues to be seriously deficient, and Federal financial management and fiscal practices have failed to identify costs, failed to reflect the total liabilities of congressional actions, and failed to accurately report the financial condition of the Federal Government.

(3) Current Federal accounting practices do not adequately report financial problems of the Federal Government or the full cost of programs and activities. The continued use of these practices undermines the Government's ability to provide credible and reliable financial data, contributes to waste and inefficiency, and will not assist in achieving a balanced budget.

(4) Waste and inefficiency in Federal Government undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs.

(5) To rebuild the accountability and credibility of the Federal Government and restore public confidence in the Federal Government, a uniform Federal accounting system, that fully meets the accounting standards and reporting objectives for the Federal Government, must be immediately established so that all assets and liabilities, revenues and expenditures or expenses, and the full cost of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout all government entities for budgeting and control and management evaluation purposes.

(b) SENSE OF THE SENATE.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution include the following assumptions:

(1) UNIFORM FEDERAL ACCOUNTING SYSTEM.—(A) A uniform Federal accounting system should be established to consistently compile financial data across the Federal Government, and to make full disclosure of Federal financial data, including the full cost of Federal programs and activities, to the citizens, the Congress, the President, and agency management.

(B) Beginning with fiscal year 1997, the President should require the heads of agencies to—

(i) implement and maintain a uniform Federal accounting system; and

(ii) provide financial statements;

in accordance with generally accepted accounting principles applied on a consistent basis and established in accordance with proposed Federal accounting standards and interpretations recommended by the Federal Accounting Standards Advisory Board and other applicable law.

(2) NONPARTISAN ADVISORY COMMISSION ON ACCOUNTING AND BUDGETING.—(A) A temporary advisory commission should be established to make objective and nonpartisan recommendations for the appropriate treatment of capital expenditures under a uniform Federal accounting system that is consistent with generally accepted accounting principles.

(B) The Commission should be appointed on a nonpartisan basis, and should be composed of public and private experts in the fields of finance, economics, accounting, and other related professions.

(C) The Commission should report to the President and the Congress by August 1, 1995, on its recommendations, and should include in its report a detailed plan for implementing such recommendations.

DOLE (AND SIMPSON) AMENDMENT NO. 1147

Mr. DOMENICI (for Mr. DOLE for himself and Mr. SIMPSON) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place insert the following new section:

SEC. . CONSIDERATION OF THE INDEPENDENT BUDGET FOR VETERANS AFFAIRS, FISCAL YEAR 1996.

(a) FINDINGS.—Congress finds as follows:

(1) Whereas over 26,000,000 veterans are eligible for veterans health care;

(2) Whereas the Veterans Heath Administration of the Department of Veterans Affairs operates the largest Federal medical care delivery system in the United States, providing for the medical care needs of our Nation's veterans;

(3) Whereas the veterans' service organizations have provided a plan, known as the Independent Budget for Veterans Affairs, to reform the veterans' health care delivery

system to adapt it to the modern health care environment and improve its ability to meet the health the health care needs of veterans in a cost-effective manner;

(4) Whereas current budget proposals assume a change in the definition of service-connected veterans;

(5) Whereas proposals contained within the Independent Budget may provide improved service to veterans;

(6) Whereas budget proposals may not have fully considered the measures proposed by the veterans' service organizations in the Independent Budget.

(b) SENSE OF CONGRESS.—It is the Sense of Congress: the reforms and proposals contained within the Independent Budget for Veterans Affairs, Fiscal Year 1996 should be given careful consideration in an effort to ensure the Nation's commitment to its veterans.

McCONNELL (AND OTHERS) AMENDMENT NO. 1148

Mr. McCONNELL (for himself, Mr. WARNER, Mr. ROCKEFELLER, Mr. HEFLIN, and Mr. COCHRAN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 29, line 10, increase the amount by $100,000,000.

On page 29, line 18, increase the amount by $200,000,000.

On page 30, line 2, increase the amount by $200,000,000.

On page 30, line 3, increase the amount by $100,000,000.

On page 30, line 10, increase the amount by $200,000,000.

On page 30, line 11, increase the amount by $100,000,000.

On page 30, line 18, increase the amount by $100,000,000.

On page 30, line 19, increase the amount by $100,000,000.

On page 31, line 2, increase the amount by $100,000,000.

On page 31, line 3, increase the amount by $100,000,000.

On page 20, line 7, decrease the amount by $100,000,000.

On page 20, line 15, decrease the amount by $200,000,000.

On page 20, line 23, decrease the amount by $200,000,000.

On page 20, line 24, decrease the amount by $100,000,000.

On page 21, line 7, decrease the amount by $200,000,000.

On page 21, line 8, decrease the amount by $100,000,000.

On page 21, line 15, decrease the amount by $100,000,000.

On page 21, line 16, decrease the amount by $100,000,000.

On page 21, line 23, decrease the amount by $100,000,000.

On page 21, line 24, decrease the amount by $100,000,000.

SARBANES (AND OTHERS) AMENDMENT NO. 1149

Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. WARNER, Mr. ROBB, and Mr. BINGAMAN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 3, line 10, increase the amount by $47,000,000.

On page 3, line 11, increase the amount by $144,000,000.

On page 3, line 12, increase the amount by $197,000,000.

On page 3, line 13, increase the amount by $257,000,000.

On page 3, line 14, increase the amount by $322,000,000.

On page 3, line 15, increase the amount by $392,000,000.

On page 3, line 16, increase the amount by $412,000,000.

On page 3, line 20, increase the amount by $47,000,000.

On page 3, line 21, increase the amount by $144,000,000.

On page 3, line 22, increase the amount by $197,000,000.

On page 3, line 23, increase the amount by $257,000,000.

On page 3, line 24, increase the amount by $322,000,000.

On page 3, line 25, increase the amount by $392,000,000.

On page 4, line 1, increase the amount by $412,000,000.

On page 4, line 18, increase the amount by $47,000,000.

On page 4, line 19, increase the amount by $144,000,000.

On page 4, line 20, increase the amount by $197,000,000.

On page 4, line 21, increase the amount by $257,000,000.

On page 4, line 22, increase the amount by $322,000,000.

On page 4, line 23, increase the amount by $392,000,000.

On page 4, line 24, increase the amount by $412,000,000.

On page 5, line 4, increase the amount by $47,000,000.

On page 5, line 5, increase the amount by $144,000,000.

On page 5, line 6, increase the amount by $197,000,000.

On page 5, line 7, increase the amount by $257,000,000.

On page 5, line 8, increase the amount by $322,000,000.

On page 5, line 9, increase the amount by $392,000,000.

On page 5, line 10, increase the amount by $412,000,000.

On page 5, line 17, increase the amount by $47,000,000.

On page 5, line 18, increase the amount by $144,000,000.

On page 5, line 19, increase the amount by $197,000,000.

On page 5, line 20, increase the amount by $257,000,000.

On page 5, line 21, increase the amount by $322,000,000.

On page 5, line 22, increase the amount by $392,000,000.

On page 5, line 23, increase the amount by $412,000,000.

On page 6, line 16, increase the amount by $47,000,000.

On page 6, line 17, increase the amount by $144,000,000.

On page 6, line 18, increase the amount by $197,000,000.

On page 6, line 19, increase the amount by $257,000,000.

On page 6, line 20, increase the amount by $322,000,000.

On page 6, line 21, increase the amount by $392,000,000.

On page 6, line 22, increase the amount by $412,000,000.

On page 39, line 24, increase the amount by $47,000,000.

On page 39, line 25, increase the amount by $47,000,000.

On page 40, line 6, increase the amount by $144,000,000.

On page 40, line 7, increase the amount by $144,000,000.

On page 40, line 13, increase the amount by $197,000,000.

On page 40, line 14, increase the amount by $197,000,000.

On page 40, line 20, increase the amount by $257,000,000.

On page 40, line 21, increase the amount by $257,000,000.

On page 41, line 2, increase the amount by $322,000,000.

On page 41, line 3, increase the amount by $322,000,000.

On page 41, line 9, increase the amount by $392,000,000.

On page 41, line 10, increase the amount by $392,000,000.

On page 41, line 16, increase the amount by $412,000,000.

On page 41, line 17, increase the amount by $412,000,000.

On page 63, line 19, decrease the amount by $47,000,000.

On page 63, line 20, decrease the amount by $967,000,000.

On page 63, line 21, decrease the amount by $1,771,000,000.

At the appropriate place in the resolution insert the following:

SEC. . FEDERAL RETIREMENT.

It is the sense of the Senate that—

(a) the assumptions underlying the revenue and functional totals in this resolution assume that the Federal Retirement programs will continue to calculate retirement benefits from the average of an employee's high 3 years of service; and

(b) the restoration of the Federal Retirement benefits will be restored by closing the tax loophole which allows billionaires to escape taxes by renouncing their citizenship.

ROTH AMENDMENT NO. 1150

Mr. ROTH proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 3, line 10, increase the amount by $200,000,000.

On page 3, line 11, increase the amount by $200,000,000.

On page 3, line 12, increase the amount by $300,000,000.

On page 3, line 13, increase the amount by $300,000,000.

On page 3, line 14, increase the amount by $400,000,000.

On page 3, line 15, increase the amount by $400,000,000.

On page 3, line 16, increase the amount by $500,000,000.

On page 3, line 20, decrease the amount by $200,000,000.

On page 3, line 21, decrease the amount by $200,000,000.

On page 3, line 22, decrease the amount by $300,000,000.

On page 3, line 23, increase the amount by $300,000,000.

On page 3, line 24, increase the amount by $400,000,000.

On page 3, line 25, increase the amount by $400,000,000.

On page 4, line 1, increase the amount by $500,000,000.

On page 4, line 18, increase the amount by $200,000,000.

On page 4, line 19, increase the amount by $200,000,000.

On page 4, line 20, increase the amount by $300,000,000.

On page 4, line 21, increase the amount by $300,000,000.

On page 4, line 22, increase the amount by $400,000,000.

On page 4, line 23, increase the amount by $400,000,000.

On page 4, line 24, increase the amount by $500,000,000.

On page 5, line 4, decrease the amount by $200,000,000.

On page 5, line 5, decrease the amount by $200,000,000.

On page 5, line 6, decrease the amount by $300,000,000.

On page 5, line 7, increase the amount by $300,000,000.

On page 5, line 8, increase the amount by $400,000,000.

On page 5, line 9, increase the amount by $400,000,000.

On page 5, line 10, decrease the amount by $500,000,000.

On page 5, line 19, increase the amount by $1,400,000,000.

On page 5, line 22, increase the amount by $900,000,000.

On page 6, line 5, increase the amount by $1,400,000,000.

On page 6, line 8, increase the amount by $900,000,000.

On page 6, line 18, increase the amount by $1,400,000,000.

On page 6, line 21, increase the amount by $900,000,000.

On page 7, line 5, increase the amount by $1,400,000,000.

On page 7, line 8, increase the amount by $900,000,000.

On page 7, line 15, decrease the amount by $200,000,000.

On page 7, line 16, decrease the amount by $200,000,000.

On page 7, line 17, increase the amount by $1,100,000,000.

On page 7, line 18, decrease the amount by $300,000,000.

On page 7, line 19, decrease the amount by $400,000,000.

On page 7, line 20, increase the amount by $500,000,000.

On page 7, line 21, decrease the amount by $500,000,000.

On page 8, line 1, decrease the amount by $200,000,000.

On page 8, line 2, decrease the amount by $200,000,000.

On page 8, line 3, increase the amount by $1,100,000,000.

On page 8, line 4, decrease the amount by $300,000,000.

On page 8, line 5, decrease the amount by $400,000,000.

On page 8, line 6, increase the amount by $500,000,000.

On page 8, line 7, decrease the amount by $500,000,000.

On page 20, line 15, increase the amount by $1,400,000,000.

On page 20, line 16, increase the amount by $1,400,000,000.

On page 21, line 15, increase the amount by $900,000,000.

On page 21, line 16, increase the amount by $900,000,000.

On page 62, line 14, decrease the amount by $1,400,000,000.

On page 62, line 15, decrease the amount by $2,300,000,000.

EXON (AND OTHERS) AMENDMENT NO. 1151

Mr. EXON (for himself, Mr. DASCHLE, Mr. CONRAD and Mr. WELLSTONE) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 74 strike lines 12 through 24 and insert the following: "budget, the revenue and spending aggregates may be revised and other appropriate budgetary aggregates and levels may be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues, and for legislation that will provide $15,000,000,000 in outlays to the Committee on Agriculture, Nutrition, and Forestry for the purpose of restoring outlay reductions required of that committee pursuant to section 6 of this Resolution.

(b) Revised Allocations and Aggregates—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974; budgetary aggregates; and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d)."

COVERDELL AMENDMENT NO. 1152

Mr. COVERDELL proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE COSTS OF THE NATIONAL VOTER REGISTRATION ACT OF 1993.

It is the sense of the Senate that within the assumptions under budget function 800 funds will be spent for reimbursement to the States for the costs of implementing the National Voter Registration Act of 1993.

KERRY AMENDMENT NO. 1153

Mr. EXON (for Mr. KERRY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 64, strike lines 17 through 19 and insert the following: "$2,000,000 in fiscal year 1996, $37,000,000 for the period of fiscal years 1996 through 2000, and $72,000,000 for the period of fiscal years 1996".

On page 66, line 6, decrease the amount by $70,000,000.

On page 66, line 13, decrease the amount by $70,000,000.

On page 66, line 14, decrease the amount by $28,000,000.

On page 66, line 20, decrease the amount by $70,000,000.

On page 66, line 21, decrease the amount by $215,000,000.

On page 67, line 2, decrease the amount by $70,000,000.

On page 67, line 3, decrease the amount by $4,000,000.

On page 67, line 9, decrease the amount by $70,000,000.

MCCONNELL AMENDMENT NO. 1154

Mr. MCCONNELL proposed an amendment to amendment No. 1154 proposed by Mr. KERRY to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE.

It is the sense of the Senate that the assumptions underlying function 800 include the following: that payments to Presidential campaigns from the Presidential Election Campaign Fund, as authorized by the Federal Election Campaign Act of 1974, should not be used for or augment damage awards or settlements arising from a civil or criminal action, or the threat thereof, related to sexual harassment.

GLENN (AND SIMON) AMENDMENT NO. 1155

Mr. EXON (for Mr. GLENN, for himself and Mr. SIMON) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 79, strike lines 1 through 3.

DOMENICI (AND GRASSLEY) AMENDMENT NO. 1156

Mr. DOMENICI (for himself and Mr. GRASSLEY) proposed an amendment to the concurrent resolution, Senate Congressional Resolution 13, supra; as follows:

In lieu of the language proposed to be stricken insert the following:

SEC. 209. REPEAL OF IRS ALLOWANCE.

(a) Section 25 of House Concurrent Resolution 218 (103d Congress, 2d Session) is repealed.

(b) It is the sense of the Senate that the revenue levels contained in the budget resolution should assume passage of the "Taxpayers Bill of Rights 2" and that the Senate should pass the Taxpayers Bill of Rights 2 this Congress.

(c) It is the sense of the Senate that funding for tax compliance efforts should be a top priority and that the assumptions underlying the functional totals in this resolution include the administration's full request for the Internal Revenue Service.

GLENN AMENDMENT NO. 1157

Mr. EXON (for Mr. GLENN) proposed an amendment to amendment No. 1156 proposed by Mr. DOMENICI to the concurrent resolution, Senate Congressional Resolution 13, supra; as follows:

In the pending amendment, strike lines 1-3.

BOXER (AND OTHERS) AMENDMENT NO. 1158

Mr. EXON (for Mrs. BOXER, Mrs. MURRAY, Mr. LAUTENBERG, and Mrs. FEINSTEIN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place add the following: "It is the sense of Congress that no Member of Congress may use campaign funds to defend against sexual harassment lawsuits."

DOLE AMENDMENT NO. 1159

Mr. DOLE proposed an amendment to amendment No. 1158 proposed by Mrs. BOXER to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

In the pending amendment, strike all after the words "it is the Sense of the Congress" and insert the following: "that no Member of Congress or the Executive Branch may use campaign funds or privately donated funds to defend against sexual harassment lawsuits."

EXON AMENDMENT NO. 1160

Mr. EXON proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 63, strike beginning with line 8, through page 65, line 5, and insert the following: "The Senate Committee on Finance shall report changes in laws within its jurisdiction that increase the statutory limit on the public debt to the amount set forth for the public debt for fiscal year 1996 in section 2(5), of this resolution.

"(8) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

"(9) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

"(10) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

"(11) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on the Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,141,000,000 in fiscal year 1996, $9,165,000,000 for the period of fiscal years 1996 through 2000, and $13,795,000,000 for the period of fiscal years 1996 through 2002.

"(12) COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $280,000,000 for the period of fiscal years 1996 through 2000, and $319,000,000 for the period of fiscal years 1996 through 2002.

"(13) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $301,000,000 in fiscal year 1996, $5,760,000,000 for the period of fiscal years 1996 through 2000, and $10,002,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 200. LIMITING INCREASES IN THE STATUTORY LIMIT ON THE PUBLIC DEBT.

(a) RECONCILIATION DIRECTIVES WITH RESPECT TO PUBLIC DEBT LIMIT.—

(1) BUDGET RESOLUTION.—Any concurrent resolution on the budget for a fiscal year that contains directives of the type described in paragraph (1) or (2) of section 310(a) of the Congressional Budget Act of 1974 for such fiscal year shall also include a directive of the type described in paragraph (3) of that subsection for that fiscal year.

(2) RECONCILIATION.—Any change in the statutory limit on the public debt that is recommended pursuant to a directive of the type described in paragraph (3) of section 310(a) shall be included in the reconciliation legislation reported pursuant to section 310 (b) for that fiscal year.

(b) POINT OF ORDER.—

(1) IN GENERAL.—

(A) Notwithstanding any other rule of the Senate, except as provided in subparagraph (B), it shall not be in order in the Senate to consider any bill or joint resolution (or any amendment thereto or conference report thereon) that increases the statutory limit on the public debt during a fiscal year above the level set forth as appropriate for such fiscal year in the concurrent resolution on the budget for such fiscal year agreed to under section 301 of the Congressional Budget Act of 1974.

(B) Subparagraph (A) shall not apply to any reconciliation resolution reported pursuant to section 310(b) of the Congressional Budget Act of 1974 during any fiscal year (or any conference report thereon) that contains a provision that—

(i) increases the statutory limit on the public debt pursuant to a directive of the type described in section 310(a)(3) of such Act; and

(ii) becomes effective on or after the first day of the following fiscal year.

(2) PROHIBITION ON STRIKING PROPER DEBT LIMIT CHANGES.—Notwithstanding any other rule of the Senate, it shall not be in order in the Senate to consider any amendment to a reconciliation bill or resolution that would strike a provision reported pursuant to a directive of the type described in section 310(a)(3) of the Congressional Budget Act of 1974.

(3) WAIVERS.—This section may be waived or suspended in the Senate by a roll call vote of a majority of the Members, duly chosen and sworn.

(c) EXERCISE OF RULEMAKING POWERS.—The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

MOYNIHAN AMENDMENT NO. 1161

Mr. EXON (for Mr. MOYNIHAN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $55,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that retains AFDC as a Federal entitlement and restores budget authority and outlays for other income security programs.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d).".

BINGAMAN (AND OTHERS) AMENDMENT NO. 1162

Mr. EXON (for Mr. BINGAMAN, for himself, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. BIDEN, Mr. HOLLINGS, Mr. BYRD, Mr. KERRY, Mr. DODD, Mr. PRYOR, and Mr. GLENN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of the concurrent resolution, add the following:

SEC. . SENSE OF THE SENATE ON THE IMPORTANCE OF RESEARCH, TECHNOLOGY, AND TRADE PROMOTION AND TRADE LAW ENFORCEMENT PROGRAMS.

(a) FINDINGS.—The Senate finds that—

(1) the public welfare, economy, and national security of the United States have benefited enormously from the investments the Federal Government has made over the past fifty years in research, technology, and trade promotion and trade law enforcement;

(2) these investments are even more important at the dawn of the twenty-first century in order to ensure that future generations of Americans can remain at the forefront of exploring the endless scientific and technological frontier in the face of ever greater challenges from abroad and thereby maintain and improve their health, standard of living, and national security; and

(3) enforcement of United States trade laws and promotion of United States exports, especially programs in support of small and medium sized businesses, serve an invaluable function in creating jobs, promoting national economic growth, and allowing American workers and businesses to have the resources to compete in an ever more competitive global economy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, in the assumptions for the overall accounts, it is assumed that—

(1) in allocating discretionary spending in fiscal years 1996 through 2002 within the discretionary spending limits established in section 201, the Committee on Appropriations will make it a high priority to maintain the overall fiscal year 1995 investment level (without adjustment for inflation) in research, technology and trade promotion, and trade law enforcement programs; and

(2) the conferees on the concurrent budget resolution will not agree to any revenue reductions below current law unless the discretionary spending limit established in the conference report will permit the Committee on Appropriations to achieve the goal established in paragraph (1).

MURRAY AMENDMENT NO. 1163

Mr. EXON (for Mrs. MURRAY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 79, between lines 3 and 4, insert the following:

SEC. . PROHIBITION OF LEGISLATION THAT WOULD DEPRIVE CHILDREN OF THEIR HEALTH INSURANCE UNDER MEDICAID.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, resolution, amendment, motion, or conference report that would cause children eligible to receive benefits under Medicaid (whether currently or in the future) to lose any of those benefits.

(b) WAIVER.—This section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to this section shall be limited to 1 hour, to be equally divided between and controlled by, the appellant and the manager of the bill or resolution, as the case may be. An affirmative vote of a majority of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this provision.

(d) CONGRESSIONAL BUDGET OFFICE REPORTS.—Whenever the Director of the Congressional Budget Office prepares a report pursuant to section 308 of the Congressional Budget Act of 1974 in connection with a bill, resolution, or conference report that the Director believes would cause children eligible to receive benefits under Medicaid (whether currently or in the future) to lose any of those benefits, the Director shall so state in that report and, to the extent practicable, shall include an estimate of the number of children eligible to receive benefits under Medicaid (whether currently or in the future) who would lose any of those benefits as a result of that legislation.

(e) ESTIMATES.—Solely for the purposes of enforcement of this section in the Senate, the number of children eligible to receive benefits under Medicaid shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

MURRAY (AND OTHERS) AMENDMENT NO. 1164

Mr. EXON (for Mrs. MURRAY, for herself, Mr. DASCHLE, Mr. PRESSLER, Mr. AKAKA, Mrs. HUTCHISON, Mr. LEVIN, Mr. BINGAMAN, Mr. PELL, Mr. DORGAN, Mr. BAUCUS, Mr. KERREY, Mr. EXON, Mrs. KASSEBAUM, and Mr. KEMPTHORNE) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE.

(A) FINDINGS.—The Senate finds as follows:

(1) In order to fulfill its responsibility to communities that were adversely affected by Federal activities, the Congress established the Impact Aid program in 1950.

(2) The Impact Aid program is intended to ease the burden on local school districts for educating children who live on Federal property. Since Federal property is exempt from local property taxes, such districts are denied the primary source of revenue used to finance elementary and secondary education. Most Impact Aid payments are made for students whose parents are in the uniformed services, or for students who reside on Indian lands or in federally subsidized low-rent housing projects. Over 1,600 local educational agencies enrolling over 17,000,000 children are provided assistance under the Impact Aid program.

(3) The Impact Aid program is one of the few Federal education programs where funds are sent directly to the school district. Such funds go directly into the general fund and may be used as the local educational agency decides.

(4) The Impact Aid program covers less than half of what it costs to educate each federally connected student in some school districts, requiring local school districts or States to provide the remainder.

(5) Added to the burden described in paragraph (4) is the fact that some States do not rely upon an income tax for State funding of education. In these cases, the loss of property tax revenue makes State and local education funding even more difficult to obtain.

(6) Given the serious budget constraints facing State and local governments it is critical that the Federal Government continue to fulfill its responsibility to the federally impacted school districts in our Nation's States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that in the assumptions for the overall accounts it is assumed that—the Federal Government has a financial responsibility to schools in our Nation's communities which are adversely affected by Federal activities and that funding for such responsibilities should not be reduced or eliminated.

PELL AMENDMENT NO. 1165

Mr. EXON (for Mr. PELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, insert the following:

SEC. . STUDENT LOAN CUTS.

(a) FINDINGS.—The Senate finds that—

(1) in the 20th century, educational increases in the workforce accounted for 30 percent of the growth in our Nation's wealth, and advances in knowledge accounted for 55 percent of such growth;

(2) the Federal Government provides 75 percent of all college financial aid;

(3) the Federal student loan program was created to make college accessible and affordable for the middle class;

(4) increased fees and interest costs discourage college participation by making higher education more expensive, and more of a risk, for students and their families;

(5) full-time students already work an average of 25 hours per week, taking time away from their studies; and

(6) student indebtedness is already increasing rapidly, and any reduction of the in-school interest subsidy will increase the indebtedness burden on students and families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume the Labor and Human Resources Committee, in seeking to achieve mandatory savings, should not increase the cost of borrowing for students participating in the Robert T. Stafford Federal Student Loan Program.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 1166

Mr. EXON (for Mr. LAUTENBERG, for himself, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. HARKIN, Mr. WELLSTONE, Mr. REID, Mr. DASCHLE, and Ms. MIKULSKI) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 3, line 10, increase the amount by $47,000,000.

On page 3, line 11, increase the amount by $144,000,000.

On page 3, line 12, increase the amount by $197,000,000.

On page 3, line 13, increase the amount by $257,000,000.

On page 3, line 14, increase the amount by $322,000,000.

On page 3, line 15, increase the amount by $392,000,000.

On page 3, line 16, increase the amount by $412,000,000.

On page 3, line 20, increase the amount by $47,000,000.

On page 3, line 21, increase the amount by $144,000,000.

On page 3, line 22, increase the amount by $197,000,000.

On page 3, line 23, increase the amount by $257,000,000.

On page 3, line 24, increase the amount by $322,000,000.

On page 3, line 25, increase the amount by $392,000,000.

On page 4, line 1, increase the amount by $412,000,000.

On page 4, line 18, increase the amount by $47,000,000.

On page 4, line 19, increase the amount by $144,000,000.

On page 4, line 20, increase the amount by $197,000,000.

On page 4, line 21, increase the amount by $257,000,000.

On page 4, line 22, increase the amount by $322,000,000.

On page 4, line 23, increase the amount by $392,000,000.

On page 4, line 24, increase the amount by $412,000,000.

On page 5, line 4, increase the amount by $47,000,000.

On page 5, line 5, increase the amount by $144,000,000.

On page 5, line 6, increase the amount by $197,000,000.

On page 5, line 7, increase the amount by $257,000,000.

On page 5, line 8, increase the amount by $322,000,000.

On page 5, line 9, increase the amount by $392,000,000.

On page 5, line 10, increase the amount by $412,000,000.

On page 5, line 17, increase the amount by $47,000,000.

On page 5, line 18, increase the amount by $144,000,000.

On page 5, line 19, increase the amount by $197,000,000.

On page 5, line 20, increase the amount by $257,000,000.

On page 5, line 21, increase the amount by $322,000,000.

On page 5, line 22, increase the amount by $392,000,000.

On page 5, line 23, increase the amount by $412,000,000.

On page 6, line 16, increase the amount by $47,000,000.

On page 6, line 17, increase the amount by $144,000,000.

On page 6, line 18, increase the amount by $197,000,000.

On page 6, line 19, increase the amount by $257,000,000.

On page 6, line 20, increase the amount by $322,000,000.

On page 6, line 21, increase the amount by $392,000,000.

On page 6, line 22, increase the amount by $412,000,000.

On page 43, line 24, increase the amount by $47,000,000.

On page 43, line 25, increase the amount by $47,000,000.

On page 44, line 7, increase the amount by $144,000,000.

On page 44, line 8, increase the amount by $144,000,000.

On page 44, line 15, increase the amount by $197,000,000.

On page 44, line 16, increase the amount by $197,000,000.

On page 44, line 23, increase the amount by $257,000,000.

On page 44, line 24, increase the amount by $257,000,000.

On page 45, line 7, increase the amount by $322,000,000.

On page 45, line 8, increase the amount by $322,000,000.

On page 45, line 15, increase the amount by $392,000,000.

On page 45, line 16, increase the amount by $392,000,000.

On page 45, line 23, increase the amount by $412,000,000.

On page 45, line 24, increase the amount by $412,000,000.

On page 64, line 24, decrease the amount by $47,000,000.

On page 64, line 25, decrease the amount by $967,000,000.

On page 65, line 2, decrease the amount by $1,771,000,000.

McCAIN (AND BROWN) AMENDMENT NO. 1167

Mr. DOMENICI (for MCCAIN for himself and Mr. BROWN) proposed an amendment to amendment No. 1166 proposed by Mr. LAUTENBERG to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

In lieu of the matter proposed, insert the following:

On page 3, line 10, increase the amount by $0.

On page 3, line 11, increase the amount by $0.

On page 3, line 12, increase the amount by $0.

On page 3, line 13, increase the amount by $0.

On page 3, line 14, increase the amount by $0.

On page 3, line 15, increase the amount by $0.

On page 3, line 16, increase the amount by $0.

On page 3, line 20, increase the amount by $0.

On page 3, line 21, increase the amount by $0.

On page 3, line 22, increase the amount by $0.

On page 3, line 23, increase the amount by $0.

On page 3, line 24, increase the amount by $0.

On page 3, line 25, increase the amount by $0.

On page 4, line 1, increase the amount by $0.

On page 4, line 18, increase the amount by $0.

On page 4, line 19, increase the amount by $0.

On page 4, line 20, increase the amount by $0.

On page 4, line 21, increase the amount by $0.

On page 4, line 22, increase the amount by $0.

On page 4, line 23, increase the amount by $0.

On page 4, line 24, increase the amount by $0.

On page 5, line 4, increase the amount by $0.

On page 5, line 5, increase the amount by $0.

On page 5, line 6, increase the amount by $0.

On page 5, line 7, increase the amount by $0.

On page 5, line 8, increase the amount by $0.

On page 5, line 9, increase the amount by $0.

On page 5, line 10, increase the amount by $0.

On page 5, line 17, increase the amount by $0.

On page 5, line 18, increase the amount by $0.

On page 5, line 19, increase the amount by $0.

On page 5, line 20, increase the amount by $0.

On page 5, line 21, increase the amount by $0.

On page 5, line 22, increase the amount by $0.

On page 5, line 23, increase the amount by $0.

On page 6, line 16, increase the amount by $0.

On page 6, line 17, increase the amount by $0.

On page 6, line 18, increase the amount by $0.

On page 6, line 19, increase the amount by $0.

On page 6, line 20, increase the amount by $0.

On page 6, line 21, increase the amount by $0.

On page 6, line 22, increase the amount by $0.

On page 43, line 24, increase the amount by $0.

On page 43, line 25, increase the amount by $0.

On page 44, line 7, increase the amount by $0.

On page 44, line 8, increase the amount by $0.

On page 44, line 15, increase the amount by $0.

On page 44, line 16, increase the amount by $0.

On page 44, line 23, increase the amount by $0.

On page 44, line 24, increase the amount by $0.

On page 45, line 7, increase the amount by $0.

On page 45, line 8, increase the amount by $0.

On page 45, line 15, increase the amount by $0.

On page 45, line 16, increase the amount by $0.

On page 45, line 23, increase the amount by $0.

On page 45, line 24, increase the amount by $0.

On page 64, line 24, decrease the amount by $0.

On page 64, line 25, decrease the amount by $0.

On page 65, line 2, decrease the amount by $0.

SEC. . SENSE OF THE SENATE.

It is the Sense of the Senate that the assumptions underlying the functional totals in this resolution include that the increased revenues resulting from the revision of the expatriate tax loophole should be used to eliminate the earnings penalty imposed on low and middle income senior citizens receiving social security.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 24, 1995, to conduct a hearing on the impact of the peso devaluation and the administration's aid package on the banking system and economy of Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, May 24, 1995 session of the Senate for the purpose of conducting an oversight hearing on international aviation policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, May 24, 1995, for purposes of conducting a Full Committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this meeting is to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Wednesday, May 24, 1995, in room 215 of the Dirksen Senate Office Building, beginning at 9:30 a.m., to conduct a mark up on H.R. 4, the Personal Responsibility Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE OF FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 24, 1995, at 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 24, 1995 at 2:00 p.m.

to hold a hearing on "The Clinton Administration's Counter-Terrorism Intelligence Gathering Proposals."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for an Executive Session, during the session of the Senate on Wednesday, May 24, 1995, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 24, 1995, at 2:00 p.m. to hold a closed hearing on Intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT AND THE DISTRICT OF COLUMBIA

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, be permitted to meet during a session of the Senate on Wednesday, May 24, 1995, at 9:30 a.m., to hold a hearing on Aviation Safety: Do Unapproved Parts Pose a Safety Risk?

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RESEARCH, NUTRITION AND GENERAL LEGISLATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry Subcommittee on Research, Nutrition, and General Legislation be allowed to meet during the session of the Senate on Wednesday, May 24, at 10 a.m., in SR–332, to discuss research and the future of U.S. agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

U.S. CONFERENCE OF MAYORS' COMMITMENT TO MAINTAINING GUN CONTROL LAWS

• Mr. SIMON. Mr. President, I would like to commend the U.S. Conference of Mayors for their May 16 letter restating their commitment to maintaining the Nation's gun control laws. I share their opposition to any efforts to weaken current laws, and I am particularly pleased with their restated commitment to the assault weapons ban.

Some people have called for the repeal of the assault weapons ban, even before it has an opportunity to demonstrate its effectiveness. These are the same people who argued that these weapons, which law enforcement officials have testified serve no purpose other than to kill as many human beings as quickly as possible, are legitimate products with a specially protected status in our society. I disagree with this conclusion.

In the aftermath of the tragic bombing in Oklahoma City, the push to repeal the ban has temporarily eased. When exposed to the scrutiny of the public eye, the absurdity of the effort to repeal the ban is exposed and the American public has had no trouble recognizing the inherent inconsistency of responding to terrorism by loosening common sense measures to stem the flow of weapons into our communities.

I am pleased that the Senate will not be considering a repeal of the assault weapons ban, or any other gun control initiatives, in the short run. However, the efforts to repeal these measures need to be permanently removed from Congresses' agenda.

Those who call for the repeal of gun control laws do not base their objections on substantive flaws with the measure, for when given an opportunity they have proven their worth. During its first year, the Brady law has made an impressive contribution to crime-fighting efforts. The International Association of Chiefs of Police (IACP) reported on the 1-year anniversary of the Brady laws, implementation that in 27 of the States which did not previously meet Brady's requirements, 19,098 prohibited people were denied from purchasing a firearm. And although there is no national reporting requirement, the Bureau of Alcohol, Tobacco and Firearms estimates that background checks in the past year have stopped 70,000 convicted felons and other prohibited persons from purchasing weapons.

In addition to fulfilling its primary aim: to stop felons from buying guns, the Brady law has assisted law enforcement officials in other ways. In Georgia, one sheriff reported that out of the 60 people denied weapons as a result of the Brady check in the first year, 15 had outstanding felony warrants and 15 arrests were made. Brady checks helped police in San Antonio, TX catch a suspected drug dealer, and it also led to the arrest of a man in South Carolina who was wanted for assaulting a police officer in Florida.

The assault weapons ban should also be given an opportunity to demonstrate its effectiveness.

The only way to resist the push to repeal these important laws is for the public to join this debate and make its views known. The U.S. conference of Mayors has once again joined the chorus of voices supporting our Nation's gun control laws, and I greatly appreciate their participation in this important debate.•

TRIBUTE TO MARGARET SWIEZYNSKI

• Mr. GREGG. Mr. President, today I rise to commend a distinguished citizen of New Hampshire, Margaret Swiezynski, for her many years of outstanding service to the Republican Party of New Hampshire and her community.

Margaret has dedicated her life to her family and in her spare time has selflessly given her time to the Republican Party. Her commitment and dedication to her community are to be commended and her involvement in the VFW, Lioness Club, and the local St. Patrick's Church has been instrumental in shaping her community.

Over the years, Margaret has seen many Presidential candidates come and go in New Hampshire, from President Nixon to President Bush. As always, Margaret played a key role in welcoming these candidates to our State and contributed to New Hampshire's reputation for being a key stop for everyone on the road to higher office. It is citizens like Margaret whose commitment and allegiance make New Hampshire such a special place to live and her many years of service should be applauded and certainly not go unnoticed.

Margaret is the proud mother and grandmother of three children and six grandchildren and her commitment is another example of her dedication to family and community. It is a characteristic that can be cherished by her family and Milford, NH, her home of over 40 years.

I, along with all the members of the New Hampshire Republican Party and the citizens of Milford, NH, whose lives Margaret has touched through her loyalty and devotion, would like to extend a heartfelt thanks and wish her all the best in her future endeavors.•

JAMES MADISON COMMEMORATIVE COIN ACT

Mr. ROBB. Mr. President, I rise today in support of the James Madison Commemorative Coin Act, which I joined my senior colleague from Virginia, Senator WARNER, in introducing on May 19, 1995.

This legislation requires the Secretary of the Treasury to issue a coin in the year 2001 commemorating the 250th birthday of James Madison and honoring his many accomplishments. The surcharges raised from the selling of the coins goes to the National Trust for Historic Preservation for the creation of a permanent fund for the preservation and renovation of Madison's home, Montpelier.

This is an important endeavor, Mr. President, because James Madison is one of our nation's most brilliant and significant founding fathers. A Virginian and a distinguished statesman, Madison was the principle drafter of the United States Constitution and the Bill of Rights. He served his country as the fourth President the United States.

His home, Montpelier, is located in Orange County, Virginia, not far from his friend Thomas Jefferson's Monticello.

It is extremely important, Mr. President, that we act today to both honor James Madison's 250th birthday and to create a permanent fund for the preservation of Montpelier. Doing so will ensure that Madison's legacy is sustained for future generations of the great nation he helped create.

I urge my colleagues to support this important legislation.

HONORING SOUTHEAST GUILFORD HIGH SCHOOL

• Mr. FAIRCLOTH. Mr. President, it is a pleasure and a privilege for me to rise today on the floor of the Senate to honor the accomplishments of Southeast Guilford High School. This group of young people and educator from Greensboro, NC, made it to the national finals in the recent 1995, "We The People . . . The Citizen and the Constitution" national competition held in Washington, DC, April 29–May 1. These outstanding young people competed against 49 other classes from throughout the Nation and demonstrated a remarkable understanding of the fundamental ideals and values of American constitutional government. The accomplishments of Christine Youmans, educator, and students Laurie Camp, Ivan Canada, Keith Cockerham, Kamyra Crawford, Joshua Curtiss, Crystal Delgado, Matthew Fulton, Terri Galinski, Kristin Gerner, Allison Gillus, Brent Gonet, Andrew Hamilton, Toby Kennedy, Jennifer Lee, Sara Manning, Brandon McGinnis, Jennifer Michael, Hope Moorman, Lanae Muse, Daniele Neese, Megan Randall, Aisha Rawlins, Christy Shaffer, Zachary Smith, and Mary Sullivan, are appreciated by myself and their home State of North Carolina.•

OKINAWAN KARATE-DO IN MASSACHUSETTS

• Mr. KERRY. Mr. President, Massachusetts is proud to be home to the North American Okinawan Karate-Do Association. Early in this century, Kanbum Uechi studied this ancient art on the mainland of China where it was first developed. Returning to his homeland of Okinawa, he introduced it there in 1910 and was the first master of the Okinawan Karate-Do system.

In 1956, for the first time, American servicemen were accepted as students in the Okinawan Karate-Do schools. One of them settled in the Boston area after his military discharge and began teaching this art form to people in the area. Walter Mattson of Framingham, MA, is the senior American instructor.

Over the years, there has been a continuing cultural exchange between the Masters on Okinawa and practitioners here in North America. Mr. Mattson is primarily responsible for this 35-year exchange program. This summer, Senior Instructor Peter McCrae from Plymouth, MA, will be studying on Okinawa with Master Shintoku Takara.

Many Americans have found in Okinawan Karate-Do a physical and mental discipline which promotes positive attitudes, good health, and self-mastery. Our young people have found in it an alternative to the streets and, in its instructors, positive role models. We are grateful for this Japanese import and we hope that this positive exchange between our two countries continues for many years.•

WILMER JONES-HAM RECEIVES MAHALIA JACKSON AWARD

• Mr. LEVIN. Mr. President, I would like to recognize the recent achievement of Wilmer Jones-Ham. On April 1, 1995 she received the Mahalia Jackson award for community service. Wilmer Jones-Ham is a dedicated woman who commits great energy to develop a sense of hope in youth, the under or unemployed, and homeless in the Saginaw community. She is the founder of the Saginaw Soul Children's Choir, the Saginaw Interdenominational Gospel Music Workshop, and the First Mayor's Scholarship Black and Gold Ball. She has been a teacher for more than 17 years and developed an after school program at her home to help students who need additional instruction in their subjects. It is my honor to congratulate and thank her for all her accomplishments.•

APPOINTMENTS BY MAJORITY AND MINORITY LEADERS

The PRESIDING OFFICER. The Chair, on behalf of the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, pursuant to Public Law 104–1, announces the joint appointment of the following individuals as members of the Board of Directors of the Office of Compliance: Glen D. Nager, of Washington, D.C., for a term of 5 years and to serve as Chair; Virginia A. Seitz, of Washington, D.C., for a term of 5 years; Jerry M. Hunter, of Missouri, for a term of 4 years; James N. Adler, of California, for a term of 4 years; and Lawrence Z. Lorber, of Washington, D.C., for a term of 3 years.

A RETROSPECT OF V-E DAY

Mr. COCHRAN. Mr. President, an issue of the journal entitled Uniformed Services Journal, May-June 1995, contains an article entitled, "World War II Revisited: A Retrospect Of V-E Day and the Events Leading Up To It."

The article includes recollections of some of the distinguished Members of the Congress who participated in World War II, among them Senator STROM THURMOND, Senator BOB DOLE, Senator DANIEL INOUYE, Congressmen TOM BEVILL, SAM GIBBONS, SONNY MONTGOMERY, and others.

It is an excellent reminiscence of their experiences and their views about the significance of V-E Day and their personal involvement in the events leading up to that occasion.

I ask unanimous consent that a copy of the article from the Uniformed Services Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD WAR II REVISITED: A RETROSPECT OF V–E DAY AND THE EVENTS LEADING UP TO IT

(By Cathy Lumsden)

World War II (WW II) represents many things to many people. It represents sacrifice, freedom and hope for a better tomorrow. The road to freedom was paved with death and destruction. Many of you are familiar with Jim Pennington's stories of WW II at retiree recognition programs, chapter events and in the *USJ*, some more than once. But these stories and memories that follow are more than just stories. In today's climate of historical revisionism and political correctness, they remain as one of the few accurate eye-witness accounts of the making of American history in the Great War that literally saved the world. We cannot forget why we fought WWII, "the war to end all wars" or the men and women who fought the war. The thoughts and feelings that follow are real. Take the time to read and understand the contributions these Americans made in the fight for freedom.

SENATOR STROM THURMOND

Sen. Thurmond was serving as a Circuit Judge in his home state when war was declared on Germany. On that day, he called President Roosevelt and volunteered, even though he was exempted from service. Approximately a year later in 1943, LTC Thurmond, USA was a member of the 82nd Airborne Division assigned to First Army Headquarters in Europe. He is the only Senator still serving in Congress who participated in the Normandy Invasion on D–Day.

He was one of three men who volunteered to land in Normandy aboard a glider. The fire was so heavy that his glider was forced to go north to find a safer spot to land. Instead of it getting safer, it got worse. The glider landed in an apple orchard nearby. He was injured in the landing in the forehead, hand and knee. However, LTC Thurmond still joined the rest of the forces in the subsequent battles of the Invasion. LTC Thurmond would have preferred to have jumped but there wasn't sufficient time to train for the jump. After the invasion, he returned to Army Headquarters just as his unit got ready to go into St-Lo and into Paris.

On V–E Day, LTC Thurmond was in Leipzig, Germany when he learned of the end of the war in Europe. He and his unit were disappointed that they were not allowed to take Berlin and had to let the Russians take it. LTC Thurmond was one of the men who uncovered and helped liberate Buchenwald Concentration Camp. He paints a grim picture of what he saw. "I have never seen anything like it in my life. Bodies stacked up like cord wood, eight to ten feet high, those who had died and those who were still living . . . They killed them in one of three ways; by starving them to death with one bowl of thin pea soup per day . . . inducing them to climb a fence to get out, where they were shot . . . or they (the prisoners) were told to go into a big booth like a telephone booth and wait until the SS guards came in . . . they (prisoners) would go into the front of the booth and the SS Guards would go into the back of the booth and hit them with a mallet and smash their heads and kill them . . . The wife of the Commander was particularly cruel, she would take the skin from anyone who had tatoos to make lamp shades . . ." Sen. Thurmond was selected to go on to the Pacific. He went to Fort Jackson, SC for a month, then by train to California and then on to the Philippines. LTC Thurmond was in the Philippines when the war ended. He captured a number of Japanese troops. He returned to Fort Bragg, NC and was called back to the Supreme Court of South Carolina. Sen. Thurmond was awarded five Battle Stars with the 82nd Airborne Division. For his military service, he earned 18 decorations, and awards, including the Legion of Merit with Oak Leaf Cluster, Purple Heart, Bronze Star for Valor, Belgian Order of the Crown and the French Croix de Guerre.

SENATOR BOB DOLE (R-KS)

Senator Dole shares his thoughts on WW II and V-E Day, we should take a moment to remember America's place in the world. When I witnessed the emotion of those gathered on the beaches of France last summer, memories came flooding back—memories of heroism, sacrifice and the pain men and women suffered. We must never be reluctant about our greatness as a country—nor ashamed of our national strength. There is one responsibility only the federal government has, and that is to protect our freedom. We must stop placing the agenda of the United Nations before the interest of the United States. Let us remember that America has been the greatest force for good the world has ever known. Before visiting France last year, I was in Northern Italy where I served in the Tenth Mountain Division 50 years before. While revisiting the battle sites, I thought about why we had been sent there, about the America we were risking our lives to protect and about the hopes for the generations to follow. As we open the door to another century, we can celebrate the fact that the world is a safer, freer place because of American leadership. We must continue to do what we have always done best—leading by example.

Senator Dole was a Platoon Leader with the legendary Tenth Mountain Division. Cpt. Dole was injured while serving in Northern Italy on April 14, 1945. He was awarded two Purple Hearts and one Bronze Star with Oak Leaf Cluster.

SENATOR DANIEL INOUYE (D-HI)

Sen Inouye was awarded a battlefield commission in Italy as a Second Lieutenant in the United States Army. This occurred just as his unit, the 442nd Regimental Combat Team left to rescue "The Lost Battalion" of the 141st Infantry. It had been surrounded and was desperately short of supplies and ammunition.Two days later he left to join his outfit. By the time he reached them, the bloody battle of The Lost Battalion was over. "My platoon, numbering 20 men when I left, now had 11 capable of carrying a weapon—and that included me." Lt. Inouye considered himself lucky thanks to two silver dollars that he carried through every campaign. One was bent and the other cracked almost in two from the impact of a German bullet in France. (Sen. Inouye served in both France and Italy.) He carried them in his breast pocket but on the night of April 20, 1945, lost them. Despite his better judgment, he could not shake the fear that something was about to happen.

At first light (April 21, 1945), his unit (E Company) jumped. E Company's objective was Colle Musatello, a high and heavily defended ridge. Lt. Inouye's Company managed to make it within 40 yards of the German bunkers then almost at once three machine guns opened up at them. He took a hit in the stomach but still continued to fight. Finally he was close enough to pull the pin on the last grenade. "As I drew my arm back, a German stood waist-high in the bunker. He was aiming a rifle grenade at me from a range of ten yards. And then as I cocked my arm to throw, he fired, and the grenade smashed into my right elbow. It exploded and all but tore my arm off . . . The German was reloading his rifle, but my grenade blew up in his face. I stumbled to my feet, closing on the bunker, firing my tommy gun lefthanded, the useless right arm slapping red and wet against my side . . . a bullet caught me in the right leg. The German resistance in our sector ended April 23. Nine days later, the war in Italy was over, and a week after that the enemy surrendered unconditionally." Senator Inouye was awarded the Distinguished Service Cross, the Purple Heart with Oak Leaf Cluster and the Bronze Star.

CONGRESSMAN TOM BEVILL (D-4TH-AL)

Last year, I participated in the commemoration of the 50th Anniversary of the D-Day Invasion on the coast of Normandy, France. The men who participated in that invasion will always be remembered for their heroism. It brought back many memories for me, although I was not part of the initial invasion. As a new Army Second Lieutenant, I was sent to England in late February of 1944, less than four months before D-Day. I was in a staging area with the 5th Armored Division, where I assisted in drilling the troops who were in the first wave to storm the coast of Normandy. At night we would load the troops on ships with their rifles and ammunition and send them out under cover of darkness. They did not know where they were going. They would land somewhere along the coast of Normandy. I remember how anxious the troops were. I realized it was no drill the day we issued emergency rations to the troops. Suddenly, they were provided kits with a several days' supply of chocolate bars, cigarettes and K-rations. We had never done that before. And, that's how we knew it was the real thing. I will never think of myself as a war hero. I am not. That honor goes to men like my colleague, Congressman Sam Gibbons of Florida, who parachuted behind the German lines on D-Day. That honor goes to men like the late Congressman Bill Nichols of Alabama who lost a leg in WW II. That honor goes to Travis Alvis, my childhood friend from Townley, who was killed in the D-Day Invasion. That honor goes to many, many others who stormed the beaches of Normandy in the name of freedom and democracy.

CONGRESSMAN SAM GIBBONS (D-11TH-FL)

Congressman Gibbons served in WWII as an Army Captain in the 501st Parachute Infantry of the 101st Airborne. Gibbons was a member of the initial assault force which invaded Normandy on D-Day. He is the only Member of the House of Representatives serving today who participated in the Invasion. He chose to remember V-E Day like this:

"V-E Day was a beautiful, sunny day. The weather was warm where I was in Paris and everyone was absolutely jubilant. I actually drove my jeep down the Champs-Elysees and weaved in and out of people dancing there. I saw V-E Day at the best time, from the best place."

CONGRESSMAN "SONNY" MONTGOMERY (D-3RD-MS)

I served in the European Theatre during WW II. I was a Second Lieutenant with the 12th Armored Division which arrived in France in November, 1944. We were assigned to the Seventh Army part of the time and with the Third Army part of the time as we drove through France and Germany. We were in heavy combat during the fall and winter of 1944 and 1945. The toughest battle was against well-entrenched German forces at Herlisheim on January 9–10, 1945. We lost a number of tanks in the fighting there, but we held back a German counterattack and finally broke through enemy defenses. The German resistance began to break up after that and we then moved at a rapid pace toward the Rhine River. Another significant event occurred in April when elements of the Twelfth Armored Division captured the bridge over the Danube River at Dillingen before German demolition men could wreck it. Securing that bridge provided a vital artery for Allied troops to flood into southern Germany and helped speed up our efforts to end the war.

We helped liberate a number of concentration camps in Germany as the war neared its end. We drove past hundreds of freed Jewish prisoners walking and sometimes stumbling, along the road. The sight of these impoverished people in their tattered clothes is something even the most hardened soldiers can never forget. I was in southern Germany when I heard the Armed Forces Radio broadcast that the war in Europe had ended, but I had little time to celebrate. I got orders a week later to go to the Pacific theater and prepare for the invasion of Japan. That invasion, of course, was averted when we dropped the atomic bombs on Hiroshima and Nagasaki.

RADM EUGENE B. FLUCKEY (USN-RET.)

Rear Admiral Fluckey, author of Thunder Below was Commanding Officer of the submarine USS Barb. He received the Medal of Honor and four Navy Crosses and is a veteran of eleven war patrols during WW II. RADM Fluckey is credited with the most tonnage sunk by a U.S. skipper in WW II, seventeen ships including a carrier, raider-carrier and a frigate. He is proudest of the fact that no one attached to the Barb received the Purple Heart and that the sub came back ready and eager to fight again. In the Atlantic, he chased German submarines but his biggest contributions were in the Pacific theatre. His contributions there will be highlighted in the upcoming V–J issue of the USI.

CORPORAL CHASE FIELDING (USA), FORMER POW

CPL Fielding arrived in Normandy on D+7 as part of the 29th Division going in to replace the 13th Airborne Division. They made it up to St-Lo which was later leveled by the Air Corps. Three days later, he was only one of three men remaining in his platoon, and was taken prisoner on June 30, 1944. Under American artillery fire, he along with two others were taken to Stalag XII A on the outskirts of Limsburg. "We were fed bread and soup, bread and tea in the morning and water soup the next two meals. . . . Our meat consisted of worms which somehow got in the soup.'' We traveled by train for five days and five nights, forty to fifty men in a small boxcar. We were let out only twice to perform our toilets. Ate, slept and excreted in the same place. It was suffocatingly hot during the day, and with little ventilation and sometimes without water for thirty-six hours, quite a few passed out.

Upon arrival in Limsburg, we had our first bath since the middle of July. We left Stalag XII A on August 24 and arrived at 4–B (Muhlburg) on August 26 and were put into barracks. ''The camp was like heaven compared to the others. . . . I met a member of Tito's band, age 15, and (who had been) wounded twice. There was a kid there, a machine-gunner, who was only eleven years old. . . . The Russians were treated horribly. In some Russian barracks cannibalism had occurred. They were like sticks, and when too weak to move were thrown in a lime pit. . . . One huge field there was fertilized with 10,000 bodies of Jews.'' On September 14th, CPL Fielding moved out as part of a working party. He passed through Dresden on the 15th and entered Sudatenland that night. On the 16th, the working party was housed at Falkensaw where it worked in coal mines. CPL Fielding went on his first sick call on October 6th due to boils. He was treated by a Serbian doctor in the Russian compound. A week and a half later, he developed an abscess and underwent surgery. A hole the size of an egg was left by a French surgeon purposely to keep him out of the mines for awhile. Mr. Fielding's health worsened in November because of another abscess, swollen tonsils and diphtheria.

Later an abscess was removed from the back of his head simply by cutting his head open without any painkiller. About a month later, he was returned to the commando and also to work in the mines. Rumors that Americans were coming closer began in April. Late in April, CPL Fielding and several other prisoners escaped and hid in a bomb shelter. He headed due west. The woods were full of Germans. Picking up information of SS troop movements, the group was able to avoid the SS. On April 27th (officially the 28th) they reached a Yank outpost. CPL Fielding later learned that those prisoners who stayed behind were the last to be liberated in Europe and when found were in such a state that many could hardly walk. A great many had died.

CAPT FRANK X. RILEY (USCG-RET.)

Captain Riley graduated from the Coast Guard Academy on June 19, 1942. He was assigned as Executive Officer on LCI 323 which was designated as Task Force Command Ship (TFCS) and was the first LCI to leave the States. He served aboard the LCI off the North African, Italian and Sicilian coasts; as Commanding Officer of the vessel, he participated in the Normandy Invasion. During the Invasion at Normandy. Captain Riley remembers that two hundred troops were loaded in the troop compartment. His ship, a salvage vessel saved the lives of 1500 Army personnel and salvaged 30 Landing Craft Personnel Vehicles (LCPV) and 50 larger vessels known as LCMs. Six New York City firefighters were put onboard the Landing Craft-Infantry (LCI) to control fires. General Omar Bradley rode the LCI twice, with his second ride being to Omaha Beach.

CAPT QUENTIN R. WALSH (USCG-RET.)

Captain Walsh graduated from the Coast Guard Academy in 1933. On December 7, 1941, his ship (APA) Joseph Dickman was part of a secret U.S. Navy convoy ''William Sail 12X'' approaching Cape Town South Africa. His ship returned to the United States on February 28, 1942 after having been diverted to India. His ship then became involved in the Battle of the Atlantic, surviving a torpedo attack May 15, 1942. Captain Walsh was assigned to the staff of Commander, U.S. Naval Forces, Europe in the Planning and Logistics Section. He was assigned to the planning for Operation Overlord and Phase Neptune and the logistics requirement for Cherbourg and LeHavre. He organized, trained and commanded U.S. Navy Task Unit 127.2.8 which landed over Beach Utah attached to the 7th Corps, U.S. Army. ''My Task Unit 127.2.8 (from June 26—June 29, 1944):

1. Cleaned out the last resistance in the Arsenal.
2. Plotted and delivered the mine fields in the harbor to the British mine sweepers off the port.
3. Established United States Navy Headquarters, Cherbourg.

We had to have Cherbourg to sustain the invasion (Normandy) and the Germans knew it.'' Task Unit 127.2.8 entered Cherbourg by going over the top of Fort duRoule with the 79th Division on June 26, 1944. Subsequently, he led a heavily-armed unit, equipped with submachine guns, hand grenades and bazookas the cleaned out the last resistance in the Cherbourg Arsenal, established U.S. Navy Headquarters in Cherbourg, and, by interrogating slave laborers, Free French and German prisoners, obtained and plotted the mine fields in Cherbourg harbor. Captain Walsh carried out the reconnaissance of ports in Brittany from St. Malo to Brest attached to Patton's Third Army, 8th Corps, until ordered to carry out the reconnaissance of LeHavre with the First Canadian Army on September 12, 1944. Captain Walsh considers his three most important contributions to the Invasion of Normandy as; U.S. Navy Task Unit 127.2.8, the capture of German mine fields, Cherbourg and the capture of Fort duHomet.

These are just of few of the brave men who along with women saved the world. Without them and others like them, democracy as we know it, would not exist. We thank them for their heroism and salute them one and all.

ORDERS FOR THURSDAY, MAY 25, 1995

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Thursday, May 25, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then immediately proceed to a vote on the adoption of the conference report to accompany H.R. 1158, the rescissions bill.

I further ask unanimous consent that immediately following the vote on the conference report, the Senate resume consideration of S. Con. Res. 13, the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. I now ask unanimous consent that the first vote tomorrow morning at 9 a.m. be 20 minutes in length, and the remaining votes in the sequence be limited as under the terms of today's sequence of votes on the budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, there will be a rollcall vote at 9 a.m. on the rescissions conference report. Immediately following that vote, the Senate will resume consideration of the budget resolution and will begin a series of rollcall votes on or in relation to remaining amendments to the budget.

RECESS UNTIL 9 A.M. TOMORROW

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:42 p.m., recessed until Thursday, May 25, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 24, 1995:

DEPARTMENT OF THE TREASURY

LINDA LEE ROBERTSON, OF OKLAHOMA, TO BE A DEPUTY UNDER SECRETARY OF THE TREASURY, VICE MICHAEL B. LEVY, RESIGNED.

IN THE MARINE CORPS

THE FOLLOWING-NAMED AIR FORCE ACADEMY GRADUATES FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 541:

MARINE CORPS

To be second lieutenant

CHRISTIAN R. FITZPATRICK [redacted]
DARREN M. HAMILTON, [redacted]
RUSSELL L. HICKS [redacted]
NATHAN M. MILLER, [redacted]

THE FOLLOWING-NAMED U.S. MILITARY ACADEMY GRADUATE FOR PERMANENT APPOINTMENT TO THE GRADE OF SECOND LIEUTENANT IN THE U.S. MARINE CORPS, PURSUANT TO TITLE 10, U.S. CODE, SECTION 541 AND 5585:

BRETT GREENE, [redacted]

THE JUDICIARY

JOSEPH H. MCKINLEY, JR., OF KENTUCKY, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF KENTUCKY VICE RONALD E. MEREDITH, DECEASED.

ROBERT H. WHALEY, OF WASHINGTON, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF WASHINGTON VICE JUSTIN L. QUACKENBUSH, RETIRED.

B. LYNN WINMILL, OF IDAHO, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF IDAHO VICE HAROLD L. RYAN, RETIRED.

HOUSE OF REPRESENTATIVES—*Wednesday, May 24, 1995*

The House met at 10 a.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, gracious God, that we will not be content simply to follow old paths and repeat meaningless patterns, but that our hearts and minds would be open to new adventures and new opportunities of service. May Your good Spirit breathe into our souls a freshness that cleanses our ideas, our hopes, and our dreams and may we truly look to Your guidance for the days ahead. Teach us to grow in Your grace and trust in Your goodness, this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from North Carolina [Mr. JONES] come forward and lead the House in the Pledge of Allegiance.

Mr. JONES led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER RELATIVE TO FLOOR PRIVILEGES OF FORMER MEMBERS

The SPEAKER. On June 9, 1994, Speaker Foley reminded former Members of the prohibition of clause 3 of rule XXXII against former Members obtaining floor privileges during the pendency of a matter in which they have a personal or pecuniary interest, emphasizing that the test for whether the rule is being violated is the former Member's status as one with a personal or pecuniary interest rather than their intent to lobby. On that occasion Speaker Foley also admonished former Members from importuning the doorkeepers to waive the restrictions of the rule, since the Chair may not even recognize a unanimous-consent request to do so.

The Chair is taking this opportunity to reiterate the guidelines first announced by Speaker O'Neill under clause 3 of rule XXXII on January 6, 1977, and again on June 7, 1978, and by Speaker Foley last year in order to discourage former Members from attempting to exercise their limited floor privileges when they find themselves under this restriction and to remind former Members that the prohibition extends beyond the floor to rooms leading thereto, such as the Speaker's lobby and the respective Cloakrooms.

ANNOUNCEMENT BY THE SPEAKER RELATIVE TO 1-MINUTES

The SPEAKER. The Chair will take 20 1-minutes on each side.

VINE AND WINE

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, over the last 30 years, the Federal Government has become far too generous with the taxpayer's money. Washington bureaucrats not satisfied with wasting money on domestic programs find new and inventive ways to waste it in other countries.

Here are a few examples of what I am talking about: The International Institute for the Unification of Private Law, the International Office of Vine and Wine, the Permanent International Association of Road Congresses, the Colombo Plan Council for Technical Cooperation, and the International Natural Rubber Study Organization.

All of these programs have two things in common: They are funded by the American taxpayer and they need desperately to be unfunded by the American taxpayer.

Mr. Speaker, we realize that the Federal Government cannot continue spending money as if there were no tomorrow, and we can no longer afford overseas extravagance. It is time to streamline bureaucracy and eliminate the proliferation of silly named programs that have no real purpose and no real need to exist. The American Overseas Interests Act will reduce our monetary aid commitments overseas to one percent of the Federal budget, much more in line with what the American people want us to do in this Congress.

HOUSE REPUBLICANS FAVOR TAX CUTS FOR WEALTHY

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, now that the Republicans have forced their budget resolution through this House, it is easy to get lost in a sea of numbers and statistics—to forget about the impact this trickle-down travesty will have on the hard-working people of America.

But I cannot forget—because every time I walk the streets of my district in St. Louis, I meet the people who stand to lose health care benefits, pension benefits, and student loans—all to pay for a tax cut for the wealthy that is so unfair, so unnecessary, so unaffordable that even a Republican Senate rejected it.

This is a picture of Shawn D'Abreu, a student at Webster University in St. Louis. He depends on student loans, as well as college grants and a part-time job, to pay his way through college. To lose any part of his financial aid package could put Shawn's college career in jeopardy, forcing him to delay his degree, or find some source of outside income to make up the difference.

Under the new Republican budget plan, Shawn would have his student loan cut by about $5,000. That is a cut he simply cannot afford to sustain.

If you ask me, a budget that sacrifices Shawn's college education to line the pockets of the wealthy is a dangerous reversal of priorities. The Republicans want to let billionaires renounce their citizenship and pay no taxes. But Shawn, who is the very future of this country, gets stuck with the bill.

That is what the Republicans voted for—tax cuts for the wealthy, and student loan cuts for struggling young people like Shawn. If you ask me, the Senate had it right: That kind of reckless redistribution of income is just plain wrong, and has no place in the United States of America.

HOUSE REPUBLICANS FAVOR FISCAL SANITY

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, once again the distinguished minority leader has given us ample evidence as to why my friends on the other side of the aisle will remain in the minority. I am sorry I did not blow up this picture as did the distinguished minority leader, but I have here a picture of my three children.

My oldest daughter is Nicole. She is preparing to go to Arizona State University and Nicole is very interested in getting a student loan. But Nicole is happy to step up and pay an extra 68 cents a day if it will help us restore fiscal sanity in this country.

To my friends on the other side of the aisle, again I appeal to you, please quit trying to play this baseless class warfare game. Put your shoulder to the wheel and help us govern, because this is not about redistribution of wealth, this is about saving a republic from fiscal disaster, and it is incumbent upon all of us to answer this clarion call to save this country, including students willing to pay an additional 68 cents a day because that is the average they would pay in an increase on their student loan.

HEART SURGERY IN THE OTHER BODY

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, perhaps my colleague from Arizona had best direct his remarks to his Republican colleagues in the U.S. Senate. You see, yesterday they did a little heart surgery over in the U.S. Senate. Yes, my colleague from Texas, PHIL GRAMM, said the heart, the very heart of this budget resolution was a tax cut for the privileged.

PARLIAMENTARY INQUIRY

Mr. LINDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman will state it.

Mr. LINDER. Mr. Speaker, is it appropriate under the rules to address specific actions taken in the other body?

The SPEAKER pro tempore. The Chair advises Members that they should avoid references to Members of the other body.

Mr. DOGGETT. Yesterday the U.S. Senate chose to perform heart surgery. Sixty-nine Members, including 23 Republicans in that body, decided to remove from the budget resolution any tax cut for the privileged. That is good news for Americans. We are still not there. We still do not have a reasonable budget resolution, but the fact that that heart surgery occurred over there in the Senate with joint bipartisan participation to add some reason to the budget resolution speaks volumes for Medicare recipients, speaks volumes for young people in this country, certainly speaks to the needs of Tina Henderson and her daughter Erica in my district who stand to lose substantially on student loans and student assistance, if the budget resolution the House passed is ever written into law.

CONGRESS ACTS TO OVERHAUL FOREIGN AID POLICY

(Mr. JONES asked and was given permission to address the House for 1 minute.)

Mr. JONES. Mr. Speaker, this week, Congress has the opportunity to vote on legislation which would put American interests first. The American Overseas Interests Act overhauls our Nation's foreign aid policy to reflect our foreign policy and national security interests in the 1990's, not the 1950's. It defends our national security and supports our trade and economic interests while balancing the budget for our children's future.

We draw a line between offering a helping hand to countries which support us and countries who choose to work against our interests. We send a bold statement to our enemies by cutting off funds to countries that spy on us, provide weapons to terrorist states and consistently vote against us in the United Nations.

Most importantly, it eliminates three foreign policy agencies and cuts foreign aid spending by nearly $1 billion. Finally, it sends a message to neighbors around the world that we know "we cannot buy friendship."

REPUBLICANS TO STUDENTS: NEED HELP? FORGET IT

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, America is the place that invented mass education, and that is one thing that made this the great country that it is.

For the past 50 years, great programs like the GI bill and the Student Loan Program have opened the doors of opportunity to generations of kids from poor, struggling families. The strongest, richest, most progressive regions in America are those regions where a fine education is within the reach of every worthy student, no matter how poor that student might be.

One would think that with millions of success stories, and one would think that with all the lessons of history, the Republicans would conclude that education ought to get a very high priority.

Nope. The Republicans want to strangle very form of student aid. They want to add thousands of dollars to the cost of student loans, and make deep cuts in every other kind of student aid. Hundreds of thousands of deserving kids will find it impossible to afford a good college education.

In my district alone there are almost 33,000 students who need student loans to make it through school. Losing the interest rate benefit will cost them millions of dollars. Since my district is among the Nation's poorest, many of those kids will lose their best chance for a decent life.

The Republican message to them is that hard work and studious habits do not pay. The Republican message to the 50 per cent of kids who need help to go to college is forget it. As a social policy it is tragic. As an economic policy, it is foolish. Our Government has assisted education as a high priority since the Northwest Ordinance of 1789. George Washington must be embarrassed to see the Republican budget.

IN SUPPORT OF THE AMERICAN OVERSEAS INTERESTS ACT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, the Committee on International Relations, under the excellent leadership of our chairman, BEN GILMAN, has brought to the floor a bill that combines wise policy guidance with sound fiscal discipline.

The bill represents a substantial cutback in the level of discretionary spending proposed by the administration in its 1996 budget request.

It is fair that the foreign affairs programs of this Government join with the domestic programs in making the sacrifices that are necessary to bring our Federal budget into balance by the year 2002.

It is the administration's responsibility to manage the program entrusted to it so that these cutbacks in funding levels produce a leaner and more effective set of programs.

I am convinced that with better management and more cost-consciousness, these cuts can be absorbed without major harm to our overseas interests.

We have allowed the Administration a great deal of management flexibility to make these program changes.

Mr. Speaker, I commend the chairman for the responsible bill he has brought to the floor and urge its adoption.

THE AMERICAN WORKER

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Boeing Corp. needs profits. So guess what? Boeing will get rid of 12,000 workers. That is right. The new American economy: Companies need profits, companies get rid of American workers, companies make more money, Government says, companies are strong, Government says the economy is improving.

Beam me up. In the words of Larry, Moe, and Curly, thank God for Ronald McDonald, ladies and gentlemen. These companies are lean and mean all right, but the problem is the American workers have liens on their homes, without means to pay the mortgages.

Where do we go from here? Four fifty an hour. Congress, Ronald McDonald does not have enough jobs to take care of the American workers' problems in this country. Congress better take a look at this new economy because there is not a job left. I only pray to God that these companies do not have a record year; do you know what I mean?

□ 1015

CAMPAIGN FINANCE REFORM MEASURES

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, the American people are sick and tired of lopsided elections that allow politicians to return to office year after year regardless of their performance. The overwhelming reelection advantages of incumbents have left many American voters feeling that entrenched politicians are rarely held accountable to those they represent.

Many frustrated Americans have identified term limits as a way of bringing Government closer to the people, but the term limits movement has been put on hold after its defeat in the House and the Supreme Court decision handed down this week.

If the 104th Congress wants to address the heart of the public's concerns, we must adopt real campaign finance reform that improves the competitiveness of congressional races.

Today, I am reintroducing a series of bills designed to level the playing field between incumbent and challenger. My four bills would reduce the influence of special interest PAC's, ban leadership PAC's, reinstate the tax credit for in-State contributors, and require that residents of a candidate's district account for a clear majority of the candidate's contributions.

If my colleagues want to restore public confidence in the election process, improve membership turnover, and ensure elected representatives are held more accountable to their constituents. I invite them to join me in cosponsoring these campaign finance reform measures.

ETHICS COMMITTEE ACTION LOOKS LIKE A POLITICAL COVERUP

(Mr. POMEROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POMEROY. Mr. Speaker, when ethics charges are filed against a Member, the public has the right to have the absolute assurance that the charges are investigated and appropriate action taken. Appropriate action, as I see it, could even include dismissal of the charges and sanctions against those who filed the charges if they were found to be frivolous and malicious.

I, therefore, cannot understand why the Ethics Committee, on a party line vote, rejected the call for an outside counsel to investigate the charges currently pending against the Speaker of the House, the gentleman from Georgia, NEWT GINGRICH. If the charges are frivolous, no action could dispel the stigma which presently exists more clearly. If the charges are serious, then each of us, regardless of party, ought to support the appropriate handling of them.

In the meantime, the public is thinking, I believe, if there is nothing to hide, what is the problem with an outside counsel. Instead, the Ethics Committee action to date begins to look like a political coverup of serious charges. We will not restore confidence in Government if this troubling problem continues to exist.

MEMBERS URGED TO SUPPORT THE AMERICAN OVERSEAS INTERESTS ACT

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the House today is scheduled to continue our work on the American Overseas Interests Act—a bill designed to reform and reorganize and downsize our Nation's foreign affairs operations so that we can better serve our international interests in the years ahead.

This bill cuts foreign aid spending by $3 billion over 2 years and $21 billion over 7 years, while serving our national security needs and international economic interests, and providing humanitarian assistance for people who have been hit by disaster and cannot provide for themselves.

By maintaining support for the Camp David accords, we are signaling the opponents of peace in the Middle East as well as radical fundamentalists working to undermine other countries in the Middle East that are friendly to the United States, that our resolve to stay the course remains firm.

Our international relations measure punishes our adversaries by cutting off aid to countries that provide weapons to terrorist states and that consistently vote against us in the United Nations.

It is a sound bill, in the interests of Government reform. I urge my colleagues to support it.

A 1988 QUOTATION BY THE CURRENT SPEAKER OF THE HOUSE

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTIERREZ. Mr. Speaker, I would like to explain why the Speaker's alleged ethics violations require a full and thorough investigation.

But, I do not think I can say anything original.

Someone already said it best 7 years ago here on the House floor.

Let me first read the quote from 1988, and then you guess who said it.

I quote:

> The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of the Speaker of the House * * * the second-most powerful elected position in America. Clearly this investigation has to meet a higher standard of public accountability * * * the integrity of the House is at stake.

OK—who said it? Sound familiar?

Well, here is a hint—he is from Georgia.

And, he has got a big office.

Yes, the speaker of that quote is the current Speaker of the House: Congressman NEWT GINGRICH.

Well, here is a chance for the Speaker to put his money where his mouth is—or, at least, where it was.

Simply ask your hand-picked Ethics Committee to select an outside counsel with broad powers, just as you wanted in 1988.

The moral is this: You have to live by the words you speak, even when you are the Speaker.

EIGHTY-ONE PERCENT OF AMERICANS WANT DRAMATIC CUTS IN FOREIGN AID

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, while the liberal Democrats are attacking the Speaker of the House, we are going to go on and change the government because the people last November demanded change. They want changes in foreign aid. The liberal establishment here in Washington is not real fond of change. They do not approve of things like balanced budgets or fiscal responsibility. For years, now, liberals and Washington bureaucrats have made piles of money of the American taxpayer.

Last November, Americans clearly rejected the status quo here in Washington. They rejected deficit spending, and they told Congress to balance their budget and end the bureaucratic spending spree.

This week, Congress will have a chance to make some fundamental changes in our foreign assistance programs. We will scale back foreign aid and eliminate wasteful agencies. Clearly this is an opportunity to dramatically restructure international involvement, making it more accountable to the American taxpayers and more responsive to American interests.

Less than 10 percent cut this year in foreign aid. That is disgraceful. It is not even hors d'oeuvres. Placing AID under the State Department is like giving your mother to the post office. This bill needs work. Eighty-one percent of the American people want dramatic cuts in foreign aid, and we have not done it. This bill is just the beginning. When it goes to conference, this bill needs tremendous cuts.

PLEASE DO NOT CUT FUNDING FOR EDUCATION: IT IS AMERICA'S FUTURE

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I rise today to object to the budget put forth by the majority Republicans as it relates to education cuts. The majority Republicans have been saying for the past few weeks that their budget is one for the children of America.

Honestly, Mr. Speaker, their drastic budget cut slams the door in the face of our children. Many young people today see education as their only way to become part of the middle class, and they are right. If we cut title I funding, if we cut bilingual funding, if we cut national service assistance, if we cut student loans, if we cut job training, where are they going to get the education and training they need to earn a decent income and become taxpaying citizens?

It does not save taxes next century by cutting education today. Our children will not have a job in the next century to pay taxes if they do not have access to a good education today.

Mr. Speaker, I am particularly concerned about the elimination of bilingual education in the Republican budget. These two children in this picture are from the Love Elementary School in the Heights area of Houston. Love has an incredible success rate in the bilingual program at their school The children are learning English, they are excelling in their studies, and the program works. The students are continuing into junior and senior high. But, they will not if we pass the Republican budget because it cuts education funding.

CHINA SHOULD NOT HAVE MOST-FAVORED-NATION STATUS

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I suspect that when we are gone, the administration will announce they are going to give China MFN. We should know several things: one, persecution has increased. Catholic priests have been arrested; on Easter Monday a Catholic priest was taken away. On Maundy Thursday they raided a house church. Violations of human rights have increased. The Gulags have increased. Most of the people watching this today are wearing clothing made perhaps in Gulags, but since that time, we have found out two additional things. We now know conclusively that they are shooting 25-year-old men and taking their kidneys and selling them for $25,000. We have conclusive proof. I urge anyone who wants to see it to come to my office and I will show them.

The, last week, we found out in Chinese hospitals they are selling aborted fetuses, aborted babies, for food to eat. When this Congress has an opportunity to vote on MFN, I ask Members to think in terms, do they want to give a country like that MFN when they are selling aborted babies for eating and killing people for kidney transplants? These are the things that the Nazis did, and we would never give MFN to Nazi Germany.

REPUBLICANS SHOULD NOT CUT THE STUDENT LOAN PROGRAM

(Mr. OLVER asked and was given permission to address the House for 1 minute.)

Mr. OLVER. Mr. Speaker, I have studied the Republican budget. I have seen the charts and the graphs. I have seen the Republicans cut student loans with one hand to give a huge tax cut to the wealthiest Americans with the other hand.

Carissa Guertin of Fitchburg State College in Massachusetts has seen it, too. She says student loan cuts might take her out of college. Carissa writes, and I quote:

> I am the first in my family to actually go to college. Without student aid, I will be forced to quit college and try to get a job without a degree. This may cause me to add to the growing number of welfare recipients. I might have to become one. I do not see how student aid cuts will help our economy at all in the long run.

Mr. Speaker, I agree with Carissa.

A FRIENDLY WAGER: THE HOUSTON ROCKETS VERSUS THE SPURS

(Ms. JACKSON-LEE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, yesterday I fought against student loan cuts, but today I ask for a moment of personal privilege. As spring proceeds, Mr. Speaker, many say that the hearts of Americans turn to the boys of summer. Mr. Speaker, the hearts of Texans turn to the boys of the B-ball; that is basketball.

Therefore, Mr. Speaker, who I understand is from San Antonio, a friendly wager is in order. That is that the Houston Rockets will take this series in 7. I wonder, does the Speaker have the right stuff to accept this wager, the loser having to provide reasonable penalty for the loss to our respective constituents. I wonder, does he have the right stuff to accept this wager?

The SPEAKER pro tempore (Mr. BONILLA). If the gentlewoman will yield, I thank her, and I would like to say I accept the challenge with great enthusiasm, and I am sure that my fellow Texan shares the pride that we all have in our State in watching two Texas teams battle it out to represents the West in the NBA finals.

I, as a Spurs ticket holder for many years, will be rooting with my heart and soul for the San Antonio Spurs, and I know the gentlewoman will be doing the same for the Houston Rockets, but regardless of who wins, I am sure that she shares my pride in knowing that there will be a Texas team represented in the NBA finals.

Ms. JACKSON-LEE. We are on, Mr. Speaker.

FOREIGN AID

(Mrs. WALDHOLTZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. WALDHOLTZ. Mr. Speaker, speaking as a jazz fan, wait until next year. But today, we will continue debating the American Overseas Act. This act takes bold steps to downsize the Federal bureaucracy, and at the same time make the United States more responsive to a rapidly changing world.

Critics of this bill have said that this is America turning inward, withdrawing from the rest of the world. In fact, however, this is America opening its eyes and squarely facing both our need to balance the budget and to respond to a very different and changing world. Our foreign affairs agencies were created during the cold war, when we had to work to outbid the Soviet Union to buy friends abroad. Now, in a new post-cold-war world that is fundamentally different from the old one, our foreign affairs apparatus is too big and outdated.

The American Overseas Interest Act will overhaul the foreign aid bureaucracy by merging three independent agencies into the State Department, eliminating outdated bureaucracies, and doing away with conflicting and divisive foreign policy. I urge my colleagues to vote for this bill, and vote for eliminating bureaucracy and streamlining foreign policy. We need foreign policy for the nineties, not for the fifties.

□ 1030

DR. FOSTER DESERVING OF SUPPORT FOR SURGEON GENERAL POSITION

(Mr. HILLIARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIARD. Mr. Speaker, I rise today in strong support of Dr. Henry Foster's nomination for the position of Surgeon General. Dr. Foster's credentials are impeccable. In my opinion, his background symbolizes the type of doctor we are seeking to fill this important position.

Throughout his career, Dr. Foster has immersed himself in alleviating two of our Nation's biggest problems, the crisis of teen pregnancy, and the tragedy of drug abuse. Teen pregnancy and drug abuse are perhaps the biggest factors in the high school dropout rate today, not to mention the crime, poverty, and child abuse that is rampant throughout our Nation. It is commendable that Dr. Foster has recognized this, and taken the time to reach out to the teenagers in his community and across the country.

I am offended by the way the radical right of this country and in this Congress have treated Dr. Foster. They are playing politics with a good man's life, and I object.

Dr. Henry Foster exemplifies the strong values and innovative thinking that this country needs in a leader, especially now during these difficult times. I ask that my colleagues in the Senate please bring the Foster nomination to the floor, and vote to confirm his appointment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BONILLA). The Chair reminds Members that they should not refer to the confirmation process in the Senate in their remarks here in the House.

CRUEL CUTS IN STUDENT FINANCIAL AID

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Mr. Speaker, I come to the floor because I heard an extraordinary exchange earlier between the Democratic leader, who justly slammed the Republicans' budget for its cuts in student loans and grants that will add $5,000 to the debt burden of the typical financial aid student graduating from college in future years for families that earn less than $75,000 a year. A Republican freshman rose on the other side to say he would sacrifice for the sake of his daughter, he would take those financial aid cuts for the sake of his daughter.

Well, I have got news for him. He earns $133,000 a year as a Member of Congress. He had a successful career as a sportscaster. His daughter does not need help to go to college, but millions of other American kids do who come from families of modest means, and he is stomping on their fingers as they try and reach that first rung of the ladder to climb up to the success that we all strive for in this country.

These cuts are cruel and they fall only on families who earn less than $75,000 a year. That is the Republican budget's answer for student financial aid.

CUTS IN STUDENT LOAN PROGRAM AFFECT AVERAGE AMERICANS

(Mr. FLAKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLAKE. Mr. Speaker, I rise this morning to bring attention to the dramatic real-life effects that the proposed cuts to Federal student loan programs and the elimination of the Department of Education will have on average Americans.

I am one of 13 children born to parents of fifth and sixth grade educations. For families like mine and maybe even others, more importantly for the millions of middle-class taxpayers, the American dream of education and improving their lives for the next generation will be just that, a dream.

On Saturday I received my doctor-of-ministry degree. For the most part I earned my degree because of my personal commitment to self-improvement and self-responsibility and the fact that somebody along the way cared about my future.

Without the National Defense Student Loan Program, I would not have even had the opportunity to go to college in the first place. It was a loan. I paid it back. Others will do the same thing if given the opportunity.

We must be mindful that even with all of our ivory tower exhortations about the virtues we hold dear, somebody out there in real life places outside of Washington needs a helping hand. We should care enough, even if nobody else does, to help them to make their American dream come true by getting the best education they can. We can do it by maintaining student support.

STUDENT LOANS

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute.)

Ms. VELÁZQUEZ. Mr. Speaker, let me tell you about a letter I recently received from Maria Casillas. Maria lives in my district and writes:

> Cuts in student aid just don't make sense. Student aid actually saves taxpayers money by stimulating economic growth and increasing productivity. Student aid is important to me because it gives me the opportunity to get a better education than my mother or grandmother had. I work hard in school to get good grades and without financial aid, I could not afford college.

Maria wants to go to college and without Federal funding for student loans, she will not have the opportunity to do so. We cannot afford to squander our human resources. Let us invest in the future of our country. Let us provide Maria and young men and women like her with the educational opportunity they deserve. Let us do what is right for the people of this Nation, not what is right for the privileged few.

CALL FOR SPECIAL COUNSEL IN SPEAKER'S ETHICS CASE

(Mr. JOHNSTON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON of Florida. Mr. Speaker, it is common knowledge today that the Republican members of the Ethics Committee defeated a motion to appoint a special counsel to look into the complaints against the Speaker of the House, NEWT GINGRICH. I am disheartened by this action, and I know many of my colleagues as well as public interest groups share my feelings.

Mr. Speaker, I call on you now to do what is right. Release the Republican members from their obligation to vote in lockstep. These are men and women of conscience for whom the vote consequence is beyond any inquiry into your actions.

Rise up and meet the appropriate precedent of the past. Permit the committee and this House to conduct a fair and formal investigation through the vehicle of a special counsel. Anything less falls short of your moral obligation and our collective responsibility to the public. As quoted by Al Hunt in today's Wall Street Journal, there is no way that the House of Representatives is going to achieve any credibility unless they go to an outside counsel.

Mr. Speaker, if you have no fear of the truth, do the right thing.

UNITED STATES-JAPAN AUTO DISPUTE

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, as the New York Times recently reported, it is a steep, nearly insurmountable uphill journey to Japan for United States autos and auto parts. It is also an expensive journey, as rigged prices in Japan serve as significant nontariff barriers to higher sales of our goods in that country.

In my hometown of Toledo, OH, the world-renowned Jeep Cherokee is manufactured having a factory price of $19,100. By the time that Jeep Cherokee clears customs, passes through Japan's Byzantine distribution system, is checked for compliance with 238 regulations and is inspected in no less than 3 places, the sticker price of the same Jeep Cherokee in Nagoya is $31,372, a 52-percent markup.

Japan claims to be one of the world's greatest competitors. This label seems to be true in every market except their own. The Clinton administration is right to keep its foot on the accelerator of the unfair trade practices of Japan.

Open up your market, Japan. It is long overdue.

MEDICARE REFORM

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, even though the third largest expenditure of the national budget is the interest on the national debt, there are still Members of Congress and the Senate and the administration who are debating the need to balance our budget. I think this is clearly irresponsible, particularly in view of what we want to do for the future of America, for the future of children, students, senior citizens, and so forth.

These same people are debating the need to change Medicare, even though the administration has told us that Medicare is going to be out of money and broke within 6 years. The Republican Party is trying to transform Medicare. If you want to help senior citizens, you need to save Medicare.

We are working on insurance reform, trying to make insurance more affordable and more accessible. We are working on some Medicare options so that senior citizens can keep their choice of doctors, so senior citizens can join a health maintenance organization if they choose to, if they can get better care.

We are trying to cut down on the fraud and abuse in the Medicare system which has driven up the price of it. The average cost payout has gone from $4,700 to $6,300. I hope that the Democrats will join the Republicans in trying to save Medicare rather than partisan grandstanding.

MEDICARE AND THE FEDERAL BUDGET

(Mr. FORD asked and was given permission to address the House for 1 minute.)

Mr. FORD. Mr. Speaker, I rise in reference to the budget that is before the House and the Senate, and to say as we look toward the Medicare cuts that many of the new Republican majority in the House have indicated that they want these Medicare cuts for the purposes of giving huge tax cuts to the well-to-do in America. I think when we look around and we really study what these Medicare cuts are all about, $289 billion, we are basically saying that we are going to increase those premiums on the elderly population of this Nation, those recipients of Medicare.

Yes, we ought to reform Medicare. Sure, we ought to look at some type of national health care plan for this country. Sure, those things should happen. But to say like the new Republican majority that we want to cut the Medicare Program for the well-to-do in America, to give them a tax cut, that is wrong, it is mean to the elderly.

We should not let that happen. We ought to take the budget that we have before this House and the Senate and move over the next 7, 8, to 10 years to try to bring about a balanced budget, but let us not do it with the elderly population and the Medicare Program.

PERMISSION FOR CERTAIN COMMITTEES AND SUBCOMMITTEES TO SIT DURING 5-MINUTE RULE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule:

Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce; Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on the Judiciary; Committee on National Security; Committee on Resources; and Permanent Select Committee on Intelligence.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. SKAGGS. Mr. Speaker, reserving the right to object, and I do not intend to object, the majority has consulted with our ranking members on these requests and we have no objection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AMERICAN OVERSEAS INTERESTS ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 155 and rule XXIII, the chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1561.

□ 1043

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal year 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, May 23, 1995, amendment No. 10, offered by the gentleman from Indiana [Mr. BURTON], had been disposed of and the bill was open for amendment at any point.

Eight hours and ten minutes remain for consideration of amendments under the 5-minute rule.

Are there further amendments to the bill:

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Smith of New Jersey: In title XXI (relating to authorization of appropriations for Department of State and certain international affairs functions and activities) insert at the end the following new chapter.

CHAPTER 2—GENERAL LIMITATIONS

SEC. 2121. PROHIBITION ON FUNDING FOR ABORTION.

(a) IN GENERAL.—

(1) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to be available for any private, nongovernmental, or multilateral organization that, directly or through a subcontractor or subgrantee, performs abortions in any foreign country, except where the life of the mother would be endangered if the fetus were carried to term or in cases of forcible rape or incest.

(2) Paragraph (1) may not be construed to apply to the treatment of injuries or illnesses caused by legal or illegal abortions or to assistance provided directly to the government of a country.

(b) LIMITATION ON LOBBYING ACTIVITIES.—(1) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to be available for any private, nongovernmental, or multilateral organization that violates the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited, or that engages in any activity or effort to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

(2) Paragraph (1) shall not apply to activities in opposition to coercive abortion or involuntary sterilizations.

SEC. 2122. PROHIBITION ON FUNDING FOR COERCIVE POPULATION CONTROL METHODS.

Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act are authorized to be available for the United National Population Fund (UNFPA), unless the President certifies to the appropriate congressional committees that—

(a) the United Nations Population Fund has terminated all activities in the People's Republic of China; or

(b) during the 12 months preceding such certification there have been no abortions as the result of coercion associated with the family planning policies of the national government or other government entities within the People's Republic of China. As used in this section the term "coercion" includes physical duress or abuse, destruction or confiscation of property, loss of means of livelihood, or severe psychological pressure.

In section 2102(b)(2)(F), delete subsections (iii), (iv), and (v).

Mr. SMITH of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, while the pro-life anti-abortion policies I seek to reinstate in our foreign aid population control programs are not new, recent experience suggests that these pro-life provisions are needed now more than ever before. In recent months, the Government-imposed nightmare of forced abortion and involuntary sterilization in the People's Republic of China has taken yet another turn for the worse.

□ 1045

In February of this year the Government announced a new intensified campaign against women who attempt to have a child without explicit government permission. According to Steven Mosher, the Director of the Asian Studies Center, Claremont Institute, "China's population control policy, which is without question the most coercive in the world, is about to become more so." Mr. Mosher explains on February 14 the Chinese Government announced a new campaign designed to ensure what Mr. Mosher termed as the most rigorous enforcement of its 16-year-old one child per couple policy.

By now I think, Mr. Chairman, most people are aware of the fact that brothers and sisters are illegal in China, and the one child per couple policy instituted in 1979 relies heavily on forced abortion and forced sterilizations to achieve its results. Forced abortion, Mr. Chairman, is a crime against humanity. This House has gone on record on two occasions to condemn it as a crime against humanity, and we recognized in those resolutions that just as in the Nuremberg war crimes tribunals forced abortion against Polish women was construed to be a crime against humanity, forced abortions in China likewise is such a crime, and sadly it is on the rise in China and sadly as well the U.N. Population Fund is supporting the program to the hilt.

Arrogant leaders, Mr. Chairman, in Beijing have decreed that children should not be born, and the population control cadres march off in lockstep to ensure that millions of women every year are shamelessly violated and their children are poisoned and dismembered.

Last week the Subcommittee on International Operations and Human Rights which I chair heard expert testimony from Dr. John Aird, the former research specialist on China at the United States Census Bureau. Dr. Aird, who is an advocate of abortion rights, who does not support my view on the right to life, nevertheless testified that the brutal, and I quote, "1991 crackdown is continuing." And he also pointed out that it took a turn for the worse in February, and I quote that, "contrary to the claims of some apologists for the Chinese program, it continues to rely on coercive measures to achieve its objective." He also pointed out in his testimony that the Clinton administration's resumption of funding for the U.N. Population Fund was seen by the Chinese Government as a "retreat on the coercion issue and indeed that is what it was."

Mr. Chairman, a retreat on coercion is a retreat on human rights. It is a retreat and abandonment of women who are exploited by their government with international organizations joining in and it is a retreat from the protection and the advocacy of children.

The language in the bill now, Mr. Chairman, and the substitute that will be offered by the gentlewoman from Maryland [Mrs. MORELLA], would codify that retreat by paying lipservice to concerns about coercion, all the while facilitating U.S. taxpayer funds to the U.N. Population Fund, which unapologetically applauds the Chinese program. Make no mistake about it, the substitute will allow the money to get there and adds some language that looks good. It is form without substance.

Let me remind Members that the U.N. Population Fund cannot say enough good things about the Chinese program. In 1989, even when many abortion advocates in Congress had come to recognize the widespread coercion in China, Dr. Sadig, the executive director of UNFPA, continued to defend the programs as she does today, but she said at that time, "the UNFPA firmly believes, and so does the Government of the People's Republic of China, that their program is a totally voluntary program." She also said that China has—and she gushed with this—"has every reason to feel proud of and pleased with its remarkable achievements made in its family planning policy, and control of its population."

"Now the country," she goes on to say, "could offer its experiences and special experts to help other countries." God forbid that that happen, that the Chinese policy, which has pervasive use of forced abortion and forced sterilizations, be exported to other countries to impose that kind of exploitation on women.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. SMITH] has expired.

(By unanimous consent, Mr. SMITH of New Jersey was allowed to proceed for 5 additional minutes.)

Mr. SMITH of New Jersey. Mr. Chairman, these kinds of statements make a mockery of human rights and the idea that the UNFPA says over and over again that the Chinese program is voluntary does not comport with reality. It is a whitewash of very, very, serious crimes.

A police state, I would submit, could not ask for a better front. If the U.N. Population Fund was fronting for international terrorists or perhaps a drug cartel, we would not hesitate for a moment in redirecting U.S. taxpayer funds to more worthy recipients, which is exactly what Presidents Reagan and Bush had done when they were in office. They, like me and like many Members of Congress, believe that fronting for crimes against women and children is unconscionable.

Mr. Chairman, just let me remind Members, and Mr. Mosher and others have pointed this out—and again, he is the one who broke the story back in the early 1980's—in China today women who have an unauthorized birth, because again the government tells you when and if you can have that child. And you are only allowed one, they tell you when and if, and if you fight that, women are arrested, they are taken to abortion clinics in handcuffs, and they are tied up and they are forcibly aborted.

Pregnant women are routinely incarcerated, embarrassed until they acquiesce and make the voluntary decision because they have nowhere else to turn. It is not voluntary, it is coercion. They are forced to attend study sessions away from their families until they agree to have abortions. They are forced to carry out sterilizations without their consent. Infants' skulls are crushed, very often late in the term of the pregnancy as a routine. Often when children are being born to a woman who has an unauthorized child she is carrying. Can you imagine it, a country where children are illegal? And here we have—often have the injecting of iodine, alcohol, or formaldehyde into the cranium of the child as the child is emerging from the womb.

Also, Amnesty International just came to us with a chilling report on how two villages are being focused upon because they refuse to comply, and their homes have been bulldozed, their women have been raped, and there has been torture to get compliance with forced abortions and with the one-child-per-couple policy.

There is also the issue of missing girls, a whole generation of girls, and you are only allowed one. Particularly in the Chinese culture, very often boys are the preference, and that is just the way they do it, but girls are screened out by way of an ultrasound or some other way, and they are killed because they are only allowed one, and the families say if they are only allowed one it is going to be a boy. There is a whole missing generation of girls. Infanticide is on the rise in China.

We are poised, if the Morella amendment were to pass—and unfortunately in the first 2 years of the Clinton administration we are giving money to the group that is out there providing tangible assistance, people on the ground to help and assist these Chinese population-control zealots.

Mr. Chairman, let me remind Members as well that UNFPA, in addition to providing cover and tangible assistance, has pumped over $100 million into this heinous program, and it is the kind of program that only a Nazi could be proud of.

Mr. Chairman, let me also say that the language that I am offering today also would restore longstanding policy as it relates to the so-called Mexico City policy, which erected a wall of separation between family planning and abortion. I remember when President Reagan first announced that back in 1984, Members said no one will accept those clauses. Well, most of the family planning organizations said we want to provide family planning, not abortion, so they accepted it and they and their subcontractees decided to get out of the abortion business.

This is especially important in light of the fact that most of the countries of the world protect their unborn children. Between 95 and 100 nations, virtually all of Central and South America, have laws on their books that protect their unborn children. We are out of the mainstream of human rights when we put those children at such grave risk and allow them to be killed. But let us not export it.

Again, family planning money during the Reagan and Bush years flowed uninterrupted. Only groups like International Planned Parenthood Federation of London, a London-based organization, and PPF of America, their foreign-based organizations, would not accept it, and I say this noting that a number of IPPF affiliates did accept it. They countered what the national office was doing and they said we want to provide family planning and we want to get out of the abortion business.

Mr. Chairman, let me just conclude by saying that this amendment is pro-life. It is backed by all of the pro-life organizations. The amendment of the gentlewoman from Maryland [Mrs. MORELLA] I like CONNIE MORELLA, she is a good friend and colleague—is opposed by all of the pro-life organizations. It is form without substance. It repeats some of the current law and tries to substitute that with the substantive language that we are offering today.

Mr. JOHNSTON of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first, this amendment was defeated in the Committee on International Relations and was proposed by the gentlewoman from Kansas [Mrs. MEYERS]. I am prochoice, but I am adamantly opposed to forced abortions and certainly against sterilization and the policies of the Chinese Government on these issues, but neither does the United Nations Population Control nor any other multilateral or nongovernmental organization working in China fund abortions or support coercive family planning practices.

But because there are forced abortions and sterilizations taking place in China, the Congress, this Congress, previously has mandated that no United States money provided to the United Nations Population Control may be used in China. That is the law today there, and I support this approach.

This amendment is totally unnecessary. It goes far beyond the existing law that we have. It has far-reaching implications for all United States-supported international health and family planning activities.

The real purpose of this amendment is to cut off all U.S. funding for population control worldwide without a doubt.

The United Nations Population Control is the leading multilateral organization providing voluntary family planning services in the developing world. In this bill we already repeat existing law, the Kemp-Kasten language which ensures that no U.S. money go directly or indirectly to support these Chinese programs. This language allows us to take a forceful stand against China without undermining overall multilateral efforts in population planning worldwide.

I strongly urge my colleagues to oppose this amendment, the same as they did in committee.

AMENDMENT OFFERED BY MRS. MORELLA TO THE AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mrs. MORELLA. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mrs. MORELLA to amendment No. 19 offered by Mr. SMITH of New Jersey: Page 1, strike line 4 and all that follows and insert the following:

(1) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to pay for the performance of abortions in any foreign country, except where the life of the mother would be endangered if the fetus were carried to term or in cases of rape or incest.

(2) Paragraph (1) may not be construed to apply to the treatment of injuries or illnesses caused by unsafe abortions.

(b) LIMITATION ON LOBBYING ACTIVITIES.—

(1)(A) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to be available for any private, nongovernmental, or multilateral organization that violates the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

(B) Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act for population assistance activities are authorized to be available to lobby for or against abortion.

(2) Paragraph (1) shall not apply to activities in opposition to coercive abortion or involuntary sterilization.

SEC. 2122. UNITED NATIONS POPULATION FUND LIMITATIONS ON FUNDING.

(a) LIMITATION.—Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act are authorized to be available for the United Nations Population Fund (UNFPA), unless the President certifies to the appropriate congressional committees that—

(1) either—

(A) the United Nations Population Fund does not support coercive abortion and that no United States funds have been used for activities in the People's Republic of China; or

(B) during the 12 months preceding such certification there have been no abortions as a result of coercion associated with the family planning policies of the national government or other governmental entities within the People's Republic of China; and

(2) the United States representative to the governing board of the United Nations Population Fund (UNFPA) has made an official request that UNFPA censure Chinese coercive practices and transmit a report of the action taken on such request to the appropriate congressional committees of the Congress.

(b) DEFINITION.—As used in this section the term "coercion" includes physical duress or abuse, destruction or confiscation of property, loss of means of livelihood, or severe psychological pressure.

Mrs. MORELLA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Chairman, I offer this perfecting amendment on behalf of the prime sponsor, the gentlewoman from Kansas [Mrs. MEYERS], who could not be here today because of illness. Mrs. MEYERS is a member of the committee. The amendment of the gentleman from New Jersey [Mr. SMITH] was rejected by the full committee, which supported Mrs. MEYERS.

This perfecting amendment states that no American money may be used to perform an abortion overseas except in the case of rape, incest, or endangerment of the mother's life. No American money may be used to lobby either for or against abortion, and no American money may be spent by the UNFPA in China, and further, the United States representative to the UNFPA must ask UNFPA to condemn Chinese coercion. The bill already reduces our aid to UNFPA by the percentage of its budget which the UNFPA spends in China.

I want to also indicate exactly what it is we are talking about here. This is not, Mr. Chairman, whether or not U.S. taxpayers' money should be going to pay for abortions. This is already prohibited by current law. The Smith amendment strikes directly at women's rights to access family planning information, to space and time their pregnancies to suit the needs of their families, and to prevent pregnancy if they do not want more children. Access to family planning information and contraception decreases abortions, and we have many examples of that.

The amendment of the gentleman from New Jersey [Mr. SMITH], by cutting out funding of organizations solely because they have an opinion on abortion, will deny money to those groups which have been most effective in preventing unwanted pregnancies.

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This proposal is even more extreme than the Reagan administration's Mexico City policy that denied funding only to groups which actually performed abortions, and this amendment will not just affect groups like Planned Parenthood. The provisions threaten any number of humanitarian assistance organizations sponsored by prolife religious institutions. After all, the U.S. Catholic Conference lobbies on abortion. The proposal offered by the gentleman from New Jersey [Mr. SMITH] will deny funds to Catholic Relief Services. The U.S. foreign assistance funds have, to the greatest extent possible, been channeled through nongovernmental organizations, because they use the money more effectively and with greater accountability than Government agencies. The Smith amendment will, by default, require population assistance to be channeled through foreign government agencies and less of the money will be available to assist those that it is meant to assist.

The amendment that I offer today will maintain current law. No U.S. taxpayers' money will be used to finance abortion. That is the current law. No U.S. taxpayers' money will be used to lobby for more liberal abortion laws. That is already the law. No United States taxpayers money will be spent by UNFPA in China. This is currently the law.

I would like to also point out, Mr. Chairman, the Smith amendment is extreme because it would defund organizations that perform legal abortions or engage in abortion-related advocacy with their own funds. It is an attempt to revive the so-called Mexico City policy and place a new twist on an old gag rule. It is, in fact, an international gag rule. And the gag rule has been repudiated by Congress.

This version would go far beyond cutting off family planning assistance, however. It would cut off any U.S. foreign aid for child survival programs, HIV–AIDS prevention programs, and other basic health services if a local hospital also provides legal abortion services.

Similarly, indigenous women's organizations that receive U.S. aid to improve, the status of women or to promote female literacy would also be defunded if they engage with their non-U.S. funds in efforts to influence their own country's abortion law either for or against.

And, quite frankly, Mr. Chairman, the Smith amendment would have no impact on access to abortion. Rather, it would only hinder access to family planning and other health and development programs centered on the needs of women.

Despite its ostensible goal of reducing abortion, during the time the Mexico City policy was in effect, which was 1985 to 1993, there was no decrease in the number of abortions worldwide, no decrease.

The CHAIRMAN. The time of the gentlewoman from Maryland [Mrs. MORELLA] has expired.

(By unanimous consent, Mrs. MORELLA was allowed to proceed for 5 additional minutes.)

Mrs. MORELLA. Mr. Chairman, instead, it perpetuated the situation where women resorted to unsafe abortions in the absence of access to quality family planning and information about safe abortion. According to the World Health Organization, 500,000 women die each year of pregnancy-related causes, 99 percent in the developing world, and up to one-third of these maternal deaths are attributable to septic or incomplete abortion.

Indeed, the only impact of the old Mexico City policy as well as the new, more sweeping version offered by the gentleman from New Jersey [Mr. SMITH] is to interfere with the delivery of effective family planning and other development programs whose purpose is to reduce the incidence of unwanted pregnancy and the need for abortion. The prime target of the amendment that the gentleman from New Jersey [Mr. SMITH], who is my friend, has offered, the prime target concerning China is the United Nations Population Fund, UNFPA. The gentleman from New Jersey [Mr. SMITH] and the anti-abortion movement are using the UNFPA's presence in China as a pretext for pressing for United States withdrawal from supporting UNFPA altogether, and, indeed, they succeeded in convincing some administrations to boycott UNFPA for almost a decade until funding was resumed by the Congress, with the support of the administration, in 1994.

Operating in over 140 countries, besides China, UNFPA is the principal multilateral organization providing worldwide family planning and population assistance. Nearly half of UNFPA assistance is used for family planning services and maternal and child health care in the poorest and most remote regions of the world. And since its founding, UNFPA has saved the lives of countless women and children.

And I, frankly, think the amendment is unnecessary. Current law already denies foreign aid funding to any organization or program that supports or participates in the management of a program of coerced abortion or involuntary sterilization, and this is in any country under the so-called Kemp-Kasten amendment, which is restated in H.R. 1561.

And, further, current law also ensured that none of the United States contributions to UNFPA may be used in its China program, including numerous penalties for any violation of this requirement.

So, current restrictions and conditions are reiterated in H.R. 1561, as amended by the gentlewoman from Kansas [Mrs. MYERS], in committee. So, frankly, for that and a lot of other reasons, if we want to avoid abortions, if we want to allow these organizations to help women and children in countries throughout the world, then I ask this body to vote for the Morella-Meyers-Porter-Gilman amendment.

Mr. HYDE. Mr. Chairman, I rise in sharp opposition to the amendment to the amendment.

Mr. Chairman, my colleagues, if you think abortion is a good idea or if you think it is a neutral idea or if you think it is an acceptable solution to unwanted pregnancies, then this amendment is for you.

But if you are troubled by abortion, if you understand the difference between family planning, which prevents a conception from occurring, or facilitate one if you want to get pregnant, as distinguished from abortion, which kills the life of an unborn child once it has begun, and those are the words of Planned Parenthood, which used them in a brochure for some years until they got into the business of promoting abortions, then they backed away from it, abortions kill a human life. They do not kill an animal, a vegetable, or a mineral. And so it you think that is a good idea and a helpful idea, there are just too many people in the world and once they get created in the womb, exterminate them, then this is a good amendment.

But if you do not think American money should go to pay for exterminating unborn children, this is a terrible amendment and ought to be opposed.

Now, family planning is one thing. This country supports family planning. But it should not and ought not, and by defeating this amendment will not, support abortion. And those are two different ideas. One prevents a conception; the other exterminates it once it has begun.

In this country, now, following, Roe versus Wade, we have had over 33 million abortions. Is that a figure to be proud of?

I hope and pray and believe that this Congress will back away funding organizations that support abortion.

Now, the UNFPA, with all of its gimmicks and its semantic gymnastics, at the end of the day they support the Chinese coerced abortion policy. Nothing is more evil or inhuman that coercing a woman to have an abortion because it conflicts with the population policy. And yet that is what China does, and that is what the UNFPA supports.

Oh, they have a bookkeeping gimmick, but money is fungible, and that would not deceive anybody, and it ought not deceive you.

Now, we support population control if it is done through family planning, and by withdrawing the money from the UNFPA, there are still some 350 family planning organizations that will receive the largesse, the taxpayers' money to pay for family planning around the world. But the two organizations that do not want to take the money under those terms are International Planned Parenthood and the Planned Parenthood Federation of America. Well, they get plenty of money from other sources, from the abortion culture. Let them get it. But the taxpayers ought to make sure their money does not go to support killing unborn children.

And, therefore, I urge you, with all the vigor I can muster, to reject the Morella amendment. I mean no reflection on the gentlewoman from Maryland [Mrs. MORELLA] or her cosponsors, who are all wonderful people. They just are not as offended by abortion as I am, and I hope this amendment will be defeated.

Mrs. LOWEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong opposition to the Smith amendment and in support of the Morella perfecting amendment. The Smith amendment would do nothing to stop China's policy of coerced abortions to which I object just as strongly as does the gentleman from New Jersey. It is merely an attack on international family planning efforts which I strongly support.

The coercive abortion policy in China violates all principles of a modern society. Despite overwhelming evidence of forced abortions and involuntary sterilization, the Chinese Government denies it is conducting a campaign of intimidation and violence against the Chinese people. We must condemn this brutal policy, which deprives families of real choices and threatens hundreds of thousands of lives. We must ensure that no United States funds contribute to China's repression and violation of individual liberties.

That is why we have a compromise that strikes a sensible balance between the need to censure China for its deplorable policies, while restoring the United States commitment to critical family planning programs in other nations that are trying hard to struggle with exponential population growth which makes their economic development goals even more difficult to meet. The family planning portion of the bill before us today accomplishes these goals. It imposes strong policies to confront the abuses, and imposes tough restrictions on the use of U.S. funds. We continue to ensure that no UNFPA would be used in China.

One of the most important forms of aid we promise to other countries is family planning assistance. No one can deny that the need for family planning services in developing countries is urgent and the aid we provide is both valuable and worthwhile.

The world's population is growing at an unprecedented rate. In 40 years our planet's population will more than double. As a responsible world leader, the United States must do more to deter the environmental, political, and health consequences of this explosive growth.

And let us not forget what family planning assistance means to women around the world. Complications of pregnancy, childbirth, and unsafe abortion are the leading killers of women of reproductive age throughout the third world. One million women die each year as a result of reproductive health problems.

Each year, 250,000 women die from unsafe abortion.

Only 20 to 35 percent of women in Africa and Asia receive prenatal care.

Five hundred million married women want contraceptives but cannot obtain them.

Most of these disabilities and deaths could be prevented.

Today we have the opportunity to ensure funding for the United Nations populations fund, funding which has been held hostage to antiabortion politics in the past. Today, we can make a real difference in the lives of millions of women, and the future of our planet.

Yet, despite the opportunity to make real progress in world health, some would punish UNFPA, developing nations, and many other public health organizations around the world for China's policies. Approval of the Smith amendment would mean denying funds not only for UNFPA, but for critical projects all over the world.

Let us be frank. The language currently in the foreign aid bill makes clear that no United States funds shall be used in China. A vote for the Smith amendment is a vote against sensible, cost-effective international family planning programs.

I urge my colleagues to oppose the Smith amendment. And support the Morella perfecting amendment.

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Mr. CHABOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the committee I rise in strong support of the Smith amendment and in opposition to the Morella amendment, and I would also like to make clear that the gentleman from Illinois [Mr. HYDE], who spoke so eloquently just a few minutes ago, when he was speaking out against the amendment, he was referring to the Morella amendment. The gentleman from Illinois [Mr. HYDE] strongly supports the Smith amendment.

Mr. Chairman, my colleague from New Jersey, Mr. SMITH, is one of the great leaders of the pro-life movement, along with the gentleman from Illinois, Mr. HYDE and also the gentlewoman from Nevada, Mrs. VUCANOVICH, who will be speaking shortly, and I want to commend all three of them for their commitment over the years to the defense of the innocent unborn.

This amendment will simply restore the pro-life policies that served as the basis for U.S. international population policy during the Reagan and Bush administrations. Even though the American people strongly oppose the use of tax dollars for abortions, the Clinton administration has embarked on a worldwide crusade to promote abortion in the developing world. The Smith amendment attempts to curb that crusade by preventing U.S. tax dollars from going to any private, nongovernmental or multilateral organization that directly or indirectly performs abortions in foreign countries.

Mr. Chairman, I believe that the Smith amendment is a sensible amendment, it is a much-needed amendment, and it is the right thing to do. I urge my colleagues to support it.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Morella substitute and in support of the Smith amendment and to compliment my colleague, the gentleman from New Jersey [Mr. SMITH], on his sustained, vigorous, and forthright leadership on the issue of opposition to abortions performed with U.S. funds overseas. He has been vigilant on this issue and has led the way on the committee and in the House year after year.

Mr. Chairman, we cannot allow U.S. funds to be used for population control programs in other countries where abortion is the means of population control. It is just that simple.

If we do not support such policies at home, and we do not—consistently under the Hyde language year after year we have opposed the funding of abortions with U.S. taxpayer dollars here at home—we should not be promoting such practices or allowing such practices to take place overseas. An unborn human being is still a human being whether American or Chinese or African or wherever in the world.

Clearly, the language offered by our colleague from Maryland would open the way for funds to be moved from one account to another, would make, as the technicians say, those monies fungible to be used for abortion support activities in other countries, and particularly in China. The language in the bill is insufficient to prevent the use of Federal funds for abortions overseas.

The Smith amendment will tighten that language up, will make it very clear that no U.S. funding to any private, nongovernmental or multilateral organization that directly or indirectly provides funding for or performs abortions in a foreign country can be supported with U.S. taxpayer dollars in our foreign aid program. That principle should be maintained, should be set forth very clearly in law, and the Smith amendment will do so.

Support the Smith amendment. Defeat the Morella amendment.

Mr. PORTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the committee did not include in its bill a prohibition on funding for the UNFPA, nor did it impose the Mexico City prohibitions on what international family planning organizations can do with their own funds overseas. The Smith amendment was specifically not adopted by the committee, and for good reason, because it is not in the best interests of the United States, and that is what any foreign policy bill is all about.

Mr. Chairman, the United States is the largest international donor of funds for voluntary family planning. We recognize that a host of international issues, including economic development, immigration, political stability, health, and the environment are all linked to population. Providing targeted family planning assistance to nations that request it is in our Nation's interest.

The U.S. voluntary family planning program is a proven success. In Kenya there was a 20-percent reduction in family size in just 4 year, done through voluntary family planning. In Bangladesh the contraceptive prevalence rate went from 5 percent in 1975 to 40 percent in 1993, and there was a decline in fertility from 6.7 births per woman to 4.9, voluntarily. In Egypt the average number of children per family has declined from 5.8 to 3.9 between 1960 and 1994 through voluntary family planning.

The gentleman from New Jersey [Mr. SMITH] aims at an egregious practice of coercive abortion in China that all of us deplore, but the Smith amendment guts United States bilateral and multilateral population programs, and it would first effectively cut off all United States funds to UNFPA, which operates not in China alone, but in 140 developing countries, including the poorest countries in the world, only one of which is engaged in coercive practices. He claims correctly that China is engaged in a regime of coercive family planning practices, but he would condition all United States contributions to UNFPA on its pulling out of China, and there is not anybody who does not understand that a U.N. agency cannot pull out of a member country. It cannot unilaterally pull out of China.

Mr. Chairman, the Smith amendment is a killer amendment for all U.S. family planning programs.

The UNFPA activity in China is minuscule, and very little, or none, of it goes to support the Government. The UNFPA is not supporting coercive practices. It has a total annual budget of $275 million. Only $4 to $5 million goes to China. China's own family planning expenditures are $1 billion a year. UNFPA is not part of the problem in China, it is part of the solution.

Mr. Chairman, the Morella amendment would prohibit any United States funding going to UNFPA unless the President would certify that the UNFPA does not support coercive abortions in China. That is a reasonable way to approach the problem.

The bill also contains language walling off all United States funds into a separate account that cannot be used in China, and United States law has long prohibited funds in this bill from being used to perform abortions overseas.

These are reasonable protections. They ensure that U.S. funds are not used for coercion or for abortions, but allow truly voluntary family planning programs, the ones that we supported in 139 other countries, to continue, all of which would be cut off if the Smith amendment were to be adopted.

Second, the Smith amendment prohibits U.S. funds from going to the most active and effective voluntary family planning organizations overseas, including Planned Parenthood, and it reinstates the so-called Mexico City language keeping AID from funding the most experienced, successful NGO's in family planning.

The Smith amendment keeps U.S. funds from going to entities that use their own funds for performing abortions or for engaging in any activity or effort to alter the laws of any foreign country concerning the circumstance under which abortion is performed, regulated, or prohibited.

This is, in effect, an international gag rule.

Now, Mr. Chairman, I do not say or support abortion as a legitimate family planning method; it is certainly not, and we do not fund it. But this amendment keeps organizations from promoting their own agenda with their own funds.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PORTER] has expired.

(By unanimous consent, Mr. PORTER was allowed to proceed for 1 additional minute.)

Mr. PORTER. It is the equivalent of in the United States prohibiting hospitals using title X funds on the first floor from performing privately funded abortions on the third floor. Existing law already prohibits U.S. funds from going for abortions.

Mr. Chairman, I would say that the Smith amendment is extreme, it prevents organizations from using their own funds for their own legal purposes, and it would, together with the part dealing with UNFPA, effectively destroy U.S. voluntary family planning programs in 139 countries that depend upon our support and are making real progress in this area voluntarily, not with coercion.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in very strong opposition to the Morella amendment and in very, very strong support of the Smith amendment.

As a background, the gentleman from New Jersey [Mr. SMITH] and I spent a week in China, the week we went into Beijing Prison No. 1, but we interviewed all of the population people in China, and what they are doing is abysmal, it is just a disgrace. I say to my colleagues, "If you look at the statement by Director of UNFPA, Nafis Sadik, she said China has every reason to feel proud and pleased with its remarkable achievements made in family planning policy and control of its population growth over the past 10 years. Now the country could offer its experience and especially experts to help other countries."

That is crazy. Let me tell my colleagues what we have now found out.

We have found out in China, and I am not going to show this picture, but I will show it to any Member that wants to see it, but we have found out in China that in government hospitals, because of their forced abortion policies, they are selling, and I would urge all Members to read this article from Eastern Express that says embryonic food of life; they are selling aborted fetuses, or frankly they are selling aborted babies for money, for about $1.25 in Hong Kong money. This money will be used by the Chinese indirectly to literally track down women. We have heard, CHRIS and I, the gentleman from New Jersey [Mr. SMITH] and I have heard, of cases whereby they literally track down women in the villages, and bring them in and force them to have an abortion.

This is a fundamental, important vote; it is much more important than population control. Let me just say, too, that I support birth control, I support money for birth control to India and places like that unable to gain control of the population, but under no circumstances would I ever support, nor should this Congress support, nor should any Member support, giving any American taxpayer money indirectly that goes to China.

Here is a picture of what is not bad to show, of a young lady leaving, leaving with a container of aborted babies, leaving to go to Hong Kong. I say to my colleagues, "When you read this story and look at these pictures, which I will not show, they will make you sick."

This is a vote on a fundamental, ethical, moral issue. Under no circumstances should any American money go to UNPF and then go to China.

So, the gentleman from New Jersey [Mr. SMITH] is right, and I commend him for offering this, and I urge all my colleagues, those who have been following this issue and those who may be new, this is a vote that will be watched. The Chinese Government will watch what we will do, and by voting for the Smith amendment we will send the strongest possible message we can to the Chinese Government that their policy of tracking women down, of forced abortions, of selling aborted babies, is fundamentally wrong, and we will support it in no way. A vote for the Smith amendment is a vote, I think, to help a lot of people.

Mrs. VUCANOVICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from Maryland [Mrs. MORELLA]. I have a great deal of respect for the gentlewoman from Maryland, but I truly believe she is wrong on this amendment. The Morella amendment would facilitate taxpayer funding to organizations which provide and promote abortion on demand.

I rise in support of the amendment offered by the gentleman from New Jersey [Mr. SMITH]. Now, some may claim that this amendment is a gag rule on family planning assistance. Nothing could be further from the truth. This amendment would not prevent groups from merely advising women as to what the laws are in each country regarding abortion. Furthermore, abortion is not considered a family planning method and should not be promoted as one, especially by the United States. Recently the State Department decided that the promotion of abortion should be a priority in advancing U.S. population-control efforts. This is unacceptable to the millions of Americans who do not view abortion as a legitimate method of family planning and do not support Federal funding of abortion except to save the life of the mother or in cases of rape and incest.

This is just one reason why this amendment is important. This amendment will simply ensure that none of the moneys sent to the UNPF may be used to fund any private, nongovernmental, or multilateral organization that directly or through a subcontractor performs abortions in any foreign country—except to save the life of the mother or in cases of rape and incest.

Most recipients of U.S. population assistance readily agreed to these terms from 1984 to 1993 and this amendment does not reduce the funding level for real international population assistance.

In a time when 69 percent of the American public opposes Federal funding for abortion this amendment is desperately needed to clarify congressional intent so that it cannot be disregarded by those who seek to fund abortion on demand throughout the world. I urge my colleagues to support the Smith amendment to H.R. 1561.

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Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Morella amendment and, regretfully, in opposition to the Smith amendment. It is with the highest regard for the gentleman from New Jersey [Mr. SMITH] and others who support his amendment that I beg to differ.

I share the gentleman's concern about the number of abortions that occur in our country, and I believe that if some strong language has been used in this debate already, and I will use a couple strong words too, one being hate, which I do not like to use, but if you hate abortion, as we all do, I think you should love family planning, because this is the way that we can reach the goals that I believe we all share, which is to decrease the number of abortions that occur in our country and in the world.

The Morella amendment reasserts the restriction against any U.S. funds being used to fund abortion except where the life of the mother would be endangered. No taxpayer dollars should be used to fund abortion, nor would they be. The amendment also reasserts the restriction against U.S. funds being used for lobbying on the abortion issue. The Morella amendment further reasserts our strong opposition to the coercive population practices in China.

On the Smith amendment, Mr. Chairman, I believe it is inappropriate to pass this amendment because there are some general setbacks that we would suffer should it become the law. Stabilizing population growth is vital to U.S. national interests. Rapid population expansion is a major source of political instability in developing countries as well as a drain on the global environment. That does not mean that we perform abortions in order to control population growth. It means that we should instead be educating people in methods of family planning so that we, again, can control population growth and reduce the number of abortions.

Rapid population growth makes successful development and democratization much less likely. It reduces the quality and availability of health services, limits employment opportunities, and undermines economic and social progress. There has been tremendous progress already achieved in stabilizing world population, but we can do better and indeed we must.

The new international consensus in support of population planning provides an opportunity to achieve global population stabilization within the next generation. Existing law already prohibits the use of U.S. funds for abortion-related activities. For 20 years there has been a protection in law and policy against using U.S. funds to pay for or advocate abortion.

U.S. population programs focus on providing quality voluntary family planning services. They are directed toward improving maternal and child care of health, slowing the spread of AIDS and HIV and enhancing access to basic education. Population programs work. Since the 1960's, births for women in developing countries have dropped by 37 percent, child mortality by 50 percent, and primary school enrollment is up by 38 percent. U.S. assistance has played an important role in these achievements.

As I said before, there are already strict prohibitions in U.S. funding for abortion as a method of family planning or to motivate or coerce any person to practice abortion. Also, there are strict prohibitions against funding for organizations that support and participate in the management of coercive abortion or in voluntary sterilization. There are existing provisions in the law that prohibit the use of Federal funds for lobbying on abortion.

In addition, Mr. Chairman, I want to point out that, similar to that, indigenous women's organizations that receive U.S. aid to improve the status of women or to promote female literacy would also be defunded if they engage with their non-U.S. funds, in efforts to influence their own country's abortion laws, either for or against.

Those are some of the reasons I urge my colleagues to support the Morella amendment and oppose the Smith amendment.

On the subject of China, I am adamantly, as all of our colleagues have declared, adamantly opposed to forced abortion and sterilization and to policies of the Chinese Government on these issues. Neither the UNFPA nor other multilateral or multigovernment organizations working in China fund abortion or support coercive family planning practices. But because forced abortion and sterilization may be taking place in China, and indeed I believe they are, the Congress has mandated that no United States money provided to UNFPA may be used in China. I support this approach. This amendment, the Smith amendment, has far reaching implications for all U.S.-supported health and family planning activities.

Mr. Chairman, I urge my colleagues to support the Morella amendment and reluctantly to oppose the Smith amendment.

The real purpose of this amendment is to cut off U.S. funding for UNFPA. UNFPA is the leading multilateral organization providing voluntary family planning services in the developing world.

In this bill, we already repeat existing law (the Kemp-Kasten language) which ensures that no United States money directly or indirectly supports the Chinese program. This language allows us to take a forceful stand concerning China, without undermining overall multilateral efforts in population planning.

Mr. GILMAN. Mr. Chairman, we have now gone 50 minutes with regard to this issue. We have about three speakers on our side. I think the other side has about three speakers. I ask unanimous consent that all debate on this amendment be limited to 12 noon today, and that the time be equally divided between both sides of the issue. This is with regard to the Smith amendment and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The time will be equally divided between the minority and the majority to manage.

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent to control the time on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Who will control time for the majority?

Mr. GILMAN. Mr. Chairman, I will control the time until the gentlewoman from Maryland [Mrs. MORELLA] returns.

Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of the amendment of the gentlewoman from Maryland [Mrs. MORELLA]. The amendment continues the policy of preventing funds provided to UNFPA from being spent in China. Further, the United States representative to the UNFPA must seek condemnation of China's coercive population policy, and the amendment prevents funds to groups that lobby for changes in abortion laws in other countries. It does just about everything that anybody wants it to do.

This amendment is the reasonable approach that our foreign policy should take with respect to family planning programs. The aid provided by the United States for the purpose of improving knowledge and access to family planning methods is an important investment in helping people improve the quality of their lives.

Just listen to some of these statistics. In 1830, the world's population reached 1 billion people. Today the world's population is close to 6 billion people. In the year 2020, 8 billion people are expected to live on earth. In 40 years the population is expected to double, to about 12 billion people. During the years 2000 to 2025, the poorest countries will grow the fastest, accounting for 5.1 billion people of the world's population.

Twenty-five percent of the Earth is land, and that is where we live. We do not have that much room on the planet.

Mr. Chairman, population conferences such as the Bucharest Conference, the Mexico City Conference, and the Cairo Conference in 1994, all became mired in this controversy about the abortion issue. I really think it is time, people are pleading with us around the world and people are pleading with us in this country, it is time for us to stop the argument and for those who are pro-choice, if I can label that, and pro-life, if I can label that, to get together and think of creative, thoughtful solutions to this most difficult problem.

I do not think there is anybody in this Chamber that favors abortion. But the people who are discussing this issue today recognize the serious, severe potential calamity if we do not reduce the number of people, the huge burgeoning population growth, especially in underdeveloped countries, where they will never have an economy that can support the people, they do not have resources right now that can support their population.

So it is necessary for us to sit down together, pro-choice people, pro-life people, and think of thoughtful, creative solutions that can solve the problem, so that abortions will become unnecessary as a result of the funds that we provide through education.

Mr. Chairman, I urge my colleagues to support the gentlewoman from Maryland's amendment.

Mr. VOLKMER. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the Smith amendment and in strong opposition to the Morella amendment, and to make three very brief points.

First, I think we need to approach this, every time the word "abortion" is mentioned on this floor, with tremendous compassion for the victims of abortion that are walking around today. Unfortunately, most of us have had experience with abortion. Somewhere in the family there is somebody hurting from this tragedy of abortion. So every time it comes up on the floor, I think it is important to indicate compassion for those for whom this is a very painful memory. The question then becomes why would we export this pain to other countries?

The second point I would like to make is, is it not wonderful to have a bipartisan discussion here? It is sort of a break here on the floor where you have Republicans and Democrats of good faith working together to restore the right policy created in 1984 under Ronald Reagan.

The third point I would like to make is money is fungible. Any time you have funding for a program, the money is fungible. That means if the money comes to that program, yes, it may be restricted so that it cannot go directly to abortion services, but since money is fungible, it means it frees up other money of that program to go into the provision of those services.

It is very important that we understand what is at stake here. We simply want to return to the Mexico City policy enunciated by President Reagan in 1984 that we will not use taxpayer funded dollars to fund any program in any foreign country that provides abortion services. So it is a very simple point here. What the Morella amendment would like to do is change that policy or actually preserve the now existing policy that we will fund those programs. I believe very strongly we should return to that Mexico City policy and not fund programs that provide abortion services.

Mr. GILMAN. Mr. Chairman, I yield the balance of my time to the gentlewoman from Maryland [Mrs. MORELLA], and ask unanimous consent that she be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. MORELLA. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

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Mr. GREENWOOD. Mr. Chairman, I rise in very strong support of the Morella amendment to the Smith language.

I believe that every Member of this body who calls him or herself pro-choice should be a yes vote on the Morella amendment but so should every Member of this body who calls him or herself pro-life but also supports family planning, who also supports child survival programs around the world.

The language in the bill gives every Member of this body who is pro-life anything they could possibly want. It prohibits use of U.S. funds for abortion. But it also, unfortunately, produces a result that no Member of this body could possibly want, and that is to deny life saving services to innocent people around the world, many of them children.

Mr. Chairman, whether we are talking about a hospital in Russia, a community center in India or Bangladesh, a hospital in Kenyatta, where on one side of the hospital, with private funds, abortions are being performed and they will continue to be performed with or without this language, precisely because those nations lack family planning services. And on the other side of the hospital services are being provided that all of the Members in support of my friend's amendment say they support, family planning services, also providing services of child nutrition, child inoculation, services to save young lives.

This amendment would cut off funds to those institutions, simply because in another wing of the hospital, unrelated to those services, not using American money at all, abortions are performed.

For that reason, Mr. Chairman, those of us who do not want to see abortion used as a method of birth control or family planning but do want to see that family planning continues internationally along with American funds for child survival programs should support the Morella amendment. The Morella amendment amending the Smith amendment is a good compromise that we should all support.

Mr. VOLKMER. Mr. Chairman, I yield 30 seconds to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, let me point out to my friends that on the Child Survival Program, I take a back seat to nobody. In the mid-1980's, I authored the continuation of that program and made sure that money for immunization and oral rehydration and the like was available.

This language comports, I am not talking about the Morella language, the Smith language, with that whole idea that children born and unborn are precious and valuable. When the Mexico City policy was in effect during the Reagan and Bush years, child survival was not hurt. Family planning organizations had agreed to put a wall of separation between abortion, and family planning got their money. Only the crusaders for abortion disqualified themselves by not agreeing to the walls.

Mr. VOLKMER. Mr. Chairman, how much time remains on both sides?

The CHAIRMAN. The gentleman from Missouri [Mr. VOLKMER] has 8½ minutes remaining, and the gentlewoman from Maryland [Mrs. MORELLA] has 5 minutes remaining.

Mr. VOLKMER. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. Mr. Chairman, I rise in strong support of the Smith amendment and strongly oppose the Morella amendment.

The Smith amendment is a straightforward attempt to make sure that the American people are not forced to use their tax dollars to subsidize abortions around the world. I think all Americans, virtually all Americans, no matter where they stand on the issue of abortion, agree that millions of abortions around the world is a human tragedy and what makes this tragedy even worse is the fact that some nations impose abortion.

The Chinese population control policy forces women to have abortions. I can think of few established policies that are more antiwoman or policies that are making women victims.

This is not about family planning. Most Americans support responsible family planning. But support for family planning does not mean support for subsidizing abortions around the world. There is no reason why this Congress should continue to provide financial support for these types of international organizations.

Mrs. MORELLA. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise today in support of the Morella amendment to the Smith amendment. Family planning money that the United States contributes annually to the United Nations Population Fund has had an extremely positive impact in developing countries throughout the world. In the 28 countries with the largest U.S. AID-sponsored family planning programs, the average number of children born per family has dropped from six in the 1960's to about four today, a decline of nearly one-third.

Providing women with the means to control fertility enables them to better provide for the children they choose to have. Thailand has made controlling the rate of population growth a priority issue in their development, and it has paid off. The average number of children born to Thai women has declined from 6 in the 1960's to the replacement level of 2.1 now. That means better health; that means less poverty; that means less tragedy in the lives of women and children in Thailand and a far better future for everyone.

Let me point out to my colleagues that current law already prohibits the use of U.S. funds to either pay for or lobby for abortion. We do not need the Smith amendment. The Smith amendment, however, would cut off all foreign aid not just for family planning but to any organization that performs abortions so that local hospitals throughout the world that legally perform abortions would be denied any foreign aid for child nutrition programs, disease prevention or other basic health services for women and families, simply because those institutions, according to their national law, perform abortions.

This is tragic. This is a stunning example of U.S. hubris that we are willing to micromanage the domestic and health policies of developing nations.

I urge my colleagues to support the Morella amendment, maintain the ban against any U.S. dollars for abortion, maintain the ban against any U.S. dollars used to lobby for abortion, but preserve health services for women and children and population growth programs, population control programs throughout the world.

Mr. VOLKMER. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, when President Clinton took office in 1993, he changed U.S. family planning policy overseas in fundamental ways.

He reinterpreted law with regard to funding for the U.N. Population Fund so that United States dollars could be used in China, where it is well-known that a brutal and coercive birth quota policy is in place.

Clinton also outright repealed the Mexico City policy, which prohibited United States funding from going to nongovernmental organizations which perform abortions and which lobby internationally for the repeal of laws protecting unborn children and their mothers from abortion.

Now, regardless of one's personal view of whether abortion is right or wrong, one generally agreed-upon principle is that taxpayers' dollars should not be used for its promotion. These drastic policy changes made by the Clinton administration completely fly in the face of this principle.

The Smith amendment contains nothing radical—it simply puts into law what was practiced prior to Clinton's coming to office. It is Clinton's policy that is radical, forcing U.S. taxpayers to fund organizations that promote or lobby for abortion as a method of family planning overseas.

To my colleagues, I say let us stick to the principle that has served U.S. family planning funding overseas well for so many years—that taxpayers should not be forced to support coercive population control or the promotion of abortion as a method of family planning.

Mr. Chairman, I urge a "no" vote on the Morella amendment and a "yes" vote on the Smith amendment.

Mr. VOLKMER. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Chairman, I thank the gentleman for yielding time to me.

This debate has nothing to do with family planning. It has everything to do with coerced family planning. The Smith amendment has everything to do with funding of forced abortions and everything to do the use of American taxpayer dollars to support organizations which perform abortions overseas and which lobby for pro-abortion policies.

As my colleague from Texas just pointed out, the Smith amendment reenacts, simply reenacts, a policy which was in effect during the Reagan and Bush years. I hope my colleagues can agree that the United States should not be spending American taxpayer dollars promoting abortion anywhere or promoting China's forced abortion policy.

I urge my colleagues to vote "no" on the Morella amendment and to vote "yes" on the Smith amendment.

Mrs. MORELLA. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank the distinguished gentlewoman from Maryland [Mrs. MORELLA] for her leadership on this issue.

I simply ask the question, Mr. Chairman, are we in fact our brothers' and sisters' keepers? And yes, we are. This Nation has been in the forefront of seeking peace but as well of helping those who cannot help themselves. Unless we implement the Morella amendment, 139 countries across this world will lose opportunities for informed, educated family planning. And yes, millions of families across this international family will lose the opportunity to be informed and educated about the ability to do wise family planning.

Where are we in this instance? Are we willing then to cause the annihilation of young children, through hunger and disease simply because we have not further informed these families of the opportunities of sure family planning?

Mr. Chairman, this is a wise amendment. I encourage us to support the Morella amendment that aids us in providing support for our brothers and sisters across the world for family planning.

Mr. VOLKMER. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. EMERSON], who has been an outstanding advocate for the pro-life position.

Mr. EMERSON. Mr. Chairman, I rise in strong opposition to the Morella amendment and in support of the Smith amendment.

Mr. Chairman, I rise today to give my strong support to the Smith amendment to the bill which codifies the Mexico City policy and prohibits funding to the U.N. Fund for Population Activities unless that organization discontinues all activities in China.

During the 1970's and early 1980's, foreign nongovernment organizations were the major source of funding for a number of groups which promoted abortion and the legalization of abortion in developing countries. Adopted in 1984, the Mexico City policy substantially changed the United States position on funding such organizations by stipulating that the Agency for International Development will NOT fund any private organization which participates in performing or promoting abortion as a method of family planning.

A year later, in 1985, the House approved the Kemp-Kasten amendment which denies funds to organizations that support coercive population programs. Funding is denied the UNFPA due to its active participation in China's population control program—its one-child-per-family program.

Today, the Clinton administration is conducting an ideological crusade to expand access to abortion throughout the developing world. The Clinton administration's policy was announced by Under Secretary Tim Wirth in a speech to a U.N. population meeting in 1993. Mr. Wirth stated that the Clinton administration's position was to, "support reproductive choice, including access to safe abortion" and to make such "reproductive choice" available to every woman by the year 2000.

It is inconceivable to me that as we debate the American Overseas Interest Act—a bill which attempts to support basic human rights across the globe—that the Congress would even consider denying the most basic human right, LIFE.

Mr. SMITH'S amendment will codify the Mexico City policy and ensure that United States tax dollars do not support China's coercive population control policies. The Smith amendment is not a gag rule and will have no effect on private organizations that merely advise, counsel, or refer women for whatever types of abortions are legal within a given country. Rather, the Smith amendment will simply ensure that the United States will not pay for abortions or impose a proabortion doctrine in foreign countries.

I urge my colleagues to support the Smith amendment. The right to life is the most fundamental human right—both here and abroad.

Mr. VOLKMER. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I rise in strong opposition to the Morella amendment and in favor of the Smith amendment.

I would like to cut through all the rhetoric that has been heard here today for a little over the last hour and put it very simply. If you are in favor of using taxpayers money to kill babies, then I say vote for Morella. If you are in favor of saving those babies and not using taxpayers money to kill babies, then I say vote for Smith.

Mrs. MORELLA. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I think the gentleman from New Jersey and the proponents of the Smith approach have some obligation to explain to the body the effectiveness of their strategy.

Coercive abortion and coercive policies are going on in China. We pulled out for many years. Nothing changed. Things got worse. Meanwhile, you cut out a whole bunch of positive, important profamily planning programs all over the world.

The Morella amendment in this bill reduces the amendment by the amendment they put in to China, requires them not to support any process and allows the other programs to go on. You cannot keep pushing things on rhetorical and ideological basis without some look at the consequences of what you are doing. Your policy did not work. You tried it. China went on, continued to do it, and all you have done is hurt important and good programs all around the world.

I urge a vote for the Morella amendment and defeat the Smith amendment.

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Mr. VOLKMER. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Washington [Mrs. SMITH], who is a strong advocate of life.

Mrs. SMITH of Washington. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to talk about a woman who, except for being in another country, would look a lot like me. Her name is Chee An. She is a Chinese citizen. I want to give the Members her words as she came back from an abortionist.

She said:

> The population control official gave me an ultimatum. "I have made an appointment for you tomorrow at 8 a.m.," she told me. "If you miss it, the party secretary swears the consequences will be serious." I knew I had no choice, and the next morning, escorted by the population control officials, I went to the hospital. The following days passed in a haze of emotional pain.

I want to tell the Members, under the Smith amendment we would be assured that our tax dollars would not go to that. I ask American women to listen carefully. After Clinton changed the policy, money can be shifted and shuffled to where money that is given for birth control, as we know it, IUDs, condoms, and such, forces women like Chian into stirrups.

I will tell the Members, I started in the proabortion, and none of us ever believed our tax dollars would go to forcing a woman into stirrups. I have to tell the Members, if there is one woman that is kept from this inhumane position, we have done great things today by passing the Smith amendment.

Mr. VOLKMER. Mr. Chairman, I yield 30 seconds to the gentleman from Nebraska [Mr. CHRISTENSEN].

Mr. CHRISTENSEN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, 95 nations, including all, I repeat all, of Latin America, most of Africa, and much of the rest of the developing world have laws that are protective of unborn children. We have allowed our own proabortion laws to undermine American values at the expense of 4,000 children killed every day. The Clinton administration arrogantly believes we should require this poison to be spread to other nations. We need to defeat the Morella amendment and pass the amendment offered by the gentleman from New Jersey [Mr. SMITH].

Mr. VOLKMER. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. SMITH], our outstanding leader.

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend for yielding time to me.

Mr. Chairman, I would like to ask my colleagues how they would think they would feel if they, their loves ones, including families and friends, were forced to live in a land where brothers and sisters were officially declared illegal; where only one child per couple is permitted; where children, if not explicitly authorized by a birth quota system, engineered by the Government, are literally stolen from their moms and killed with poison by population control fanatics; where, as we talk, a new policy of eugenics reminiscent of the Nazis has just gone into effect across the country, and then to know that the United Nations Population Fund is there whitewashing these crimes against humanity in all kinds of international fora where apologists will stand up and say, "But our money is not going to do that."

We all know money is fungible. The Morella amendment allows the FPA to take the United States donation, put it in their right pocket, and it frees up other money that they would send to China where this terrible crime and exploitation of women is daily practiced.

Remember, too, that the U.N. FPA Executive Director has said that this is a totally voluntary program. That is a big lie, Mr. Chairman. It is not true. It is a terrible crime against women.

She has always said we need to export the experience of the Chinese Government. God forbid. We would never allow it to happen here. If we were told that women had to be forcibly aborted, there would be rioting in the streets. Defeat the Morella amendment. I urge Members to support the underlying amendment, the Smith amendment.

Mrs. MORELLA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am really very surprised about the rhetoric, not only the hyperbole, but the accuracy of what the amendment would do.

Under the bill already, Mr. Chairman, none of the funds authorized would be used to help manage a program of any coercive abortion. No funds can be used for abortion. No funds can be used for lobbying. In fact, there is a reduction of the percentage that the United States would give to U.N. FPA for any funds that go to China. We have spoken against China's policies. The amendment would also direct the U.S. representative at the U.N. FPA to censure Chinese policies.

Mr. Chairman, I want to reflect on the previous reference to the woman looking for an abortion. She may well be a Russian woman. Russian women have an average of nine abortions during their lifetime. Why? Because they do not have access to family planning. We are not talking about any proabortion policies, we are talking about policies that are going to enable people to have the ability to manage their lives and their families, and to avoid the need for any abortion.

The amendment of the gentleman from New Jersey [Mr. SMITH] is not about cutting off China; it is about cutting off family planning aid to 139 other countries. We know the world population tops 5 billion. Many of us will live to see it double by 2025. I urge adoption of the amendment. The Morella amendment is endorsed by the committee of jurisdiction and I hope by this House.

Mr. BACHUS. Mr. Chairman, I rise in strong opposition to the Morella amendment and in support of the Smith amendment. The Smith amendment will reinstate the long-standing prohibition on providing taxpayer dollars to any private organization that performs or promotes abortion in foreign countries.

The Smith amendment is correct in recognizing that promoting abortion is never in the true interests of our Nation. Over 95 countries in Central and South America and Africa have laws on the books against abortion on demand. The Hyde amendment, prohibiting taxpayer funded abortions here in the United States, has been in effect for years.

The United States has no business using American taxpayer dollars to overturn abortion laws in other countries. Why would we, as a nation, encourage a practice that is so divisive and controversial in our own country?

The Smith amendment provides clear rules that will ensure that no taxpayer dollars will be diverted for any form of abortion promotion. The outrageous practice of forced abortion in China demands such clear and strong rules as proposed by the Smith amendment.

It should be noted that the Smith amendment will not prevent private individuals from promoting family planning or abortion around the globe. Rather, the Smith amendment reinstates a sound policy that was in effect under the Reagan and Bush administrations. It is a policy that reflects the views of most Americans. Family planning is important but killing the unborn is just as wrong in Africa, Asia, or Latin America as it is in the United States.

Ms. FURSE. Mr. Chairman, the consequences of rapid population growth include poverty, unemployment, hunger and malnutrition, economic degradation, and urban decay.

These conditions may very well worsen before they improve—especially in countries experiencing high rates of population growth. Forty-five percent or more of the populace in several developing countries—including Libya, Syria, Iraq, Nigeria, Ethiopia, Kenya, Cambodia, Guatemala, and Honduras—have not yet reached their reproductive years.

We must mobilize resources to achieve stabilization of our human numbers through modern, safe, effective family planning. Abortion is not a means of family planning. It is a procedure resorted to when people lack access to modern family planning methods or appropriate information and knowledge about such methods.

Those voting on the Smith amendment should know that it is really not about abortion. It would not prevent a single abortion. It is an amendment to limit funds for the U.N. Population Fund—the largest multilateral provider of family planning services for poor women. Thus, its approval would limit access to family planning, which is what it would indeed to. I intend to vote against it and call on my colleagues to do the same.

Mr. BEILENSON. Mr. Chairman, I rise in strong support of the amendment offered by the gentlewoman from Maryland [Mrs. MORELLA], and in opposition to the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The effect of the Smith amendment would be to cripple the ability of such organizations as the UNFPA and International Planned Parenthood to make available family planning services to millions of women and men around the world, at a time when we need these services more than ever, not less than before.

The rapid growth of the world's human population is the most serious problem the world—and the U.S.—faces. We must not adopt a policy that would cut off funding to the organizations that are the most effective in reducing unwanted pregnancies, as the Smith amendment would do. To do so would be utterly senseless.

At this moment, nearly 5.7 billion people share our planet. By this time tomorrow, another quarter of a million will be added to that number.

Ninety-five percent of the newcomers will be born in the developing world. Many of them will die in childhood of malnutrition or disease, and most of the rest will live out their lives in countries that cannot begin to adequately take care of their existing populations, where there are already too few jobs, inadequate schools, inadequate health care, inadequate amounts of food and, usually, very little, if any, individual freedom.

By the year 2020, the world's already strained and overexploited resources will have to sustain life for more than 8 billion people—an increase of 2½ billion, most of them desperately poor, in just 25 years.

In much of the developing world, high birth rates, caused largely by the lack of access of women to basic reproductive health services and information, are contributing to intractable poverty, malnutrition, widespread unemployment, urban overcrowding, and the rapid spread of disease. Population growth is outstripping the capacity of many nations to make even modest gains in economic development, leading to political instability and negating other U.S. development efforts.

The impact of exponential population growth, combined with unsustainable patterns of consumption, is also evident in mounting signs of stress on the world's environment. Under conditions of rapid population growth, renewable resources are being used faster than they can be replaced. Other direct, and catastrophic, environmental consequences of the world's burgeoning population are tropical deforestation, erosion of arable land and watersheds, extinction of plant and animal species, and pollution of air, water, and land.

Overpopulation, however, is not a problem for developing countries only. Rapid population growth in already overcrowded and underdeveloped areas of the world has given rise to an unprecedented pressure to migrate, as people seek decent, and more hopeful lives for themselves and their families. According to a report by the United Nations Population Fund [UNFPA], over 100 million people, or nearly 2 percent of the world's population, are already international migrants, and countless others are refugees within their own countries. Many of the world's industrialized nations are now straining to absorb huge numbers of people, and in the future, as shortages of jobs and living space in urban areas, and resources such as water, agricultural land, and new places to dispose of waste grow even more acute, there will be even greater pressure to emigrate.

Population growth is an enormous problem, but one we can solve—if we make a determined effort to do so. Over the last three decades, population programs have been remarkably successful. Since the early 1960's, contraceptive use worldwide has gone up from roughly 10 percent of couples to over 50 percent today. And over the same period, the number of births per woman dropped from 6 to 3.3, almost half the fertility of just one generation ago. Much of this progress is a direct result of U.S. involvement. In the 28 countries with the largest USAID-sponsored family planning programs, the average number of children per family has dropped from 6.1 in the mid-1960's to 4.2 today.

These international trends, however, while highly encouraging, conceal great demographic diversity among countries and regions. In most of sub-Saharan Africa and some Pacific Island countries, where family planning services are not yet widely available, contraceptive use is below 15 percent, and women bear an average of six or more children. At the global level, an estimated 350 million couples do not have access to a full range of modern family planning information and services. One indication of the large unmet demand for more and better family planning services is the estimated 50 million abortions that occur every year, many of them unsafe.

But time is of the essence. How quickly we provide worldwide access to family planning and reproductive health services is crucial. Like compound interest applied to financial savings, high fertility rates produce ever-growing future populations. For example, if a woman bears three children instead of six, and her children and grandchildren do likewise, she will have 27 great-grandchildren rather than 216.

That is why it is absolutely essential that we adopt the Morella amendment and continue the progress we have been making toward reducing population growth. At the International Conference on Population and Development [ICPD], held in Cairo last year, the United States was instrumental in helping to build a broad consensus behind a comprehensive program of action, which was signed by almost all of the 180 countries that participated in the conference, and which will help guide the population and development programs of the United Nations and national governments into the next century. Central to this plan is the recognition that with adequate funding this decade for family planning and reproductive health services, as well as educational, economic, and social opportunities necessary to enhance the status of women, we can stabilize world population in the first half of the next century.

The ICPD program of action represents a historic opportunity to address adequately the causes and effects of the world's rapidly growing population, while placing an emphasis on individual choice and freedom. To meet this challenge, the international community—developing and industrial countries alike—has agreed to increase spending dramatically to achieve universal access to family planning and basic reproductive health services. In order to fulfill our responsibility under the Cairo agreement, the United States would need to allocate $850 million in fiscal year 1996 for international population programs, an increase of more than $260 million over this year's level.

The U.S. contribution under this bill will no doubt fall short. The fiscal reality of our Nation's fiscal situation has eroded our ability to fully fund even the most effective and cost-efficient programs. But we should still do as much as we can. The Morella amendment will prevent the crippling of our efforts in this area.

Mr. Chairman, combating rapid population growth by ensuring that our limited dollars for family planning assistance are used as effectively as possible is one of the most humane and farsighted efforts we can undertake. Providing adequate funding now will save many times this expense in future U.S. foreign assistance, will greatly reduce human suffering, and will promote global peace and security.

I urge our colleagues to support the Morella amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland [Mrs. MORELLA] to the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. MORELLA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to clause 2(c) of rule XXIII, the Chair announces that he may reduce to not less than 5 minutes the period of time within which a rollcall vote by electronic device may be taken without intervening business on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The vote was taken by electronic device, and there were—ayes 198, noes 227, not voting 9, as follows:

[Roll No. 349]

AYES—198

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Bilbray
Bishop
Boehlert
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cramer
Danner
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Dunn
Durbin
Edwards
Ehrlich
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Foglietta
Foley
Ford
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green
Greenwood
Gunderson
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hobson
Horn
Houghton
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Klug
Kolbe
Lantos
Lazio
Leach
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Martini
Matsui
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Porter
Pryce
Ramstad
Rangel
Reed
Reynolds
Richardson
Rivers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shaw
Shays
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Thomas
Thompson
Thornton
Thurman
Torkildsen

Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
White
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—227

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bevill
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Borski
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Crane
Crapo
Cremeans
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Ehlers
Emerson
English
Ensign
Everett
Ewing
Fields (TX)
Flanagan
Forbes
Fox
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gillmor
Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kanjorski
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thornberry
Tiahrt
Tucker
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—9

Calvert
Cubin
Fazio
Hansen
Kleczka
McDade
Meyers
Peterson (FL)
Rogers

□ 1223

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair advises Members that there has been a problem with one of the voting machines, so the Members are asked to please confirm their vote with the screen and in the voting machine.

□ 1225

Messrs. MOORHEAD, DORNAN, and BUYER changed their vote from "aye" to "no."

Messrs. SABO, CLAYBURN, and DAVIS changed their vote from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ROGERS. Mr. Chairman, on rollcall No. 349, I was unavoidably detained. Had I been present, I would have voted "no."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 240, noes 181, not voting 13, as follows:

[Roll No. 350]

AYES—240

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bevill
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Borski
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Danner
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Ensign
Everett
Ewing
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gillmor
Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thornberry
Thornton
Tiahrt
Tucker
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NOES—181

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Berman
Bilbray
Bishop
Boehlert
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Edwards
Ehrlich
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (CT)
Frelinghuysen
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green
Greenwood
Gunderson
Gutierrez
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hobson
Horn
Houghton
Hoyer
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Klug
Kolbe
Lantos
Lazio
Leach
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Martini
Matsui
McCarthy
McHale
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moran
Morella
Nadler
Olver
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Porter
Pryce
Ramstad
Rangel
Reed
Reynolds
Richardson
Rivers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Thomas
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky

Ward
Waters
Watt (NC)
Waxman
White
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOT VOTING—13

Calvert
Cubin
Fazio
Franks (NJ)
Hansen
Johnston
Kleczka
Klink
McDade
McDermott
Meyers
Peterson (FL)
Rogers

☐ 1235

The Clerk announced the following pairs:

On this vote:

Mr. Calvert for, with Mr. Johnston of Florida against.

Mrs. Cubin for, with Mr. McDermott against.

Mr. DAVIS and Mr. THOMAS changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ROGERS. Mr. Chairman, on rollcall No. 350, I was unavoidably detained. Had I been present, I would have voted "aye."

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. LAHOOD) assumed the Chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

AMERICAN OVERSEAS INTERESTS ACT OF 1995

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MS. MCKINNEY

Ms. MCKINNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment numbered 16 offered by Ms. MCKINNEY: After chapter 5 of title XXXI of the bill, insert the following new chapter (and redesignate the subsequent chapter accordingly and make other appropriate conforming amendments):

CHAPTER 6—ARMS TRANSFERS CODE OF CONDUCT

SEC. 3174. SHORT TITLE.

This chapter may be cited as the "Code of Conduct on Arms Transfer Act of 1995".

SEC. 3175. FINDINGS.

The Congress finds the following:

(1) Approximately 40,000,000 people, over 75 percent civilians, died as a result of civil and international wars fought with conventional weapons during the 45 years of the cold war, demonstrating that conventional weapons can in fact be weapons of mass destruction.

(2) Conflict has actually increased in the post cold war era, with 34 major wars in progress during 1993.

(3) War is both a human tragedy and an ongoing economic disaster affecting the entire world, including the United States and its economy, because it decimates both local investment and potential export markets.

(4) International trade in conventional weapons increases the risk and impact of war in an already over-militarized world, creating far more costs than benefits for the United States economy through increased United States defense and foreign assistance spending and reduced demand for United States civilian exports.

(5) The newly established United Nations Register of Conventional Arms can be an effective first step in support of limitations on the supply of conventional weapons to developing countries and compliance with its reporting requirements by a foreign government can be an integral tool in determining the worthiness of such government for the receipt of United States military assistance and arms transfers.

(6) It is in the national security and economic interests of the United States to reduce dramatically the $1,038,000,000,000 that all countries spend on armed forces every year, $242,000,000,000 of which is spent by developing countries, an amount equivalent to 4 times the total bilateral and multilateral foreign assistance such countries receive every year.

(7) According to the Congressional Research Service, the Untied States supplies more conventional weapons to developing countries than all other countries combined, averaging $14,956,000,000 a year in agreements to supply such weapons to developing countries since the end of the cold war, compared to $7,300,000,000 a year in such agreements prior to the dissolution of the Soviet Union.

(8) In recent years the vast majority of United States arms transfers to developing countries are to countries with an undemocratic form of government whose citizens, according to the Department of State Country Reports on Human Rights Practices do not have the ability to peaceably change their form of government.

(9) Although a goal of United States foreign policy should be to work with foreign governments and international organizations to reduce militarization and dictatorship and therefore prevent conflicts before they arise, during 4 recent deployments of United States Armed Forces—to the Republic of Panama, the Persian Gulf, Somalia, and Haiti—such Armed Forces faced conventional weapons that had been provided or financed by the United States to undemocratic governments.

(10) The proliferation of conventional arms and conflicts around the globe are multilateral problems, and the fact that the United States has emerged as the world's primary seller of conventional weapons, combined with the world leadership role of the United States, signifies that the United States is in a position to seek multilateral restraints on the competition for the transfers of conventional weapons.

(11) The Congress has the constitutional responsibility to participate with the executive branch in decisions to provide military assistance and arms transfers to a foreign government, and in the formulation of a policy designed to reduce dramatically the level of international militarization.

(12) A decision to provide military assistance and arms transfers to a government that is undemocratic, does not adequately protect human rights, is currently engaged in acts of armed aggression, or is not fully participating in the United Nations Register of Conventional Arms, should require a higher level of scrutiny than does a decision to provide such assistance and arms transfers to a government to which these conditions do not apply.

SEC. 3176. PURPOSE.

The purpose of this chapter is to provide clear policy guidelines and congressional responsibility for determining the eligibility of foreign governments to be considered for United States military assistance and arms transfers.

SEC. 3177. PROHIBITION OF UNITED STATES MILITARY ASSISTANCE AND ARMS TRANSFERS TO CERTAIN FOREIGN GOVERNMENTS.

(a) PROHIBITION.—Except as provided in subsections (b) and (c), beginning on and after October 1, 1996, United States military assistance and arms transfers may not be provided to a foreign government for a fiscal year unless the President certifies to the Congress for that fiscal year that such government meets the following requirements;

(1) PROMOTES DEMOCRACY.—Such government—

(A) was chosen by and permits free and fair elections;

(B) promotes civilian control of the military and security forces and has civilian institutions controlling the policy, operation, and spending of all new enforcement and security institutions, as well as the armed forces;

(C) promotes the rule of law, equality before the law, and respect for individual and minority rights, including freedom to speak, publish, associate, and organize; and

(D) promotes the strengthening of political, legislative, and civil institutions of democracy, as well as autonomous institutions to monitor the conduct of public officials and to combat corruption.

(2) RESPECTS HUMAN RIGHTS.—Such government—

(A) does not engage in gross violations of internationally recognized human rights, including—

(i) extra judicial or arbitrary executions;

(ii) disappearances;

(iii) torture or severe mistreatment;

(iv) prolonged arbitrary imprisonment;

(v) systematic official discrimination on the basis of race, ethnicity, religion, gender, national origin, or political affiliation; and

(vi) grave breaches of international laws of war or equivalent violations of the laws of war in internal conflicts;

(B) vigorously investigates, disciplines, and prosecutes those responsible for gross violations of internationally recognized human rights;

(C) permits access on a regular basis to political prisoners by international humanitarian organizations such as the International Committee of the Red Cross;

(D) promotes the independence of the judiciary and other official bodies that oversee the protection of human rights;

(E) does not impede the free functioning of domestic and international human rights organizations; and

(F) provides access on a regular basis to humanitarian organizations in situations of conflict or famine.

(3) NOT ENGAGED IN CERTAIN ACTS OF ARMED AGGRESSION.—Such government is not currently engaged in the acts of armed aggression in violation of international law.

(4) FULL PARTICIPATION IN U.N. REGISTER OF CONVENTIONAL ARMS.—Such government is fully participating in the United Nations Register of Conventional Arms.

(b) REQUIREMENT FOR CONTINUING COMPLIANCE.—Any certification with respect to a foreign government for a fiscal year under subsection (a) shall cease to be effective for that fiscal year if the President certifies to the Congress that such government has not continued to comply with the requirements contained in paragraphs (1) through (4) of such subsection.

(c) EXEMPTIONS.—The prohibition contained in subsection (a) shall not apply with respect to a foreign government for a fiscal year if—

(1)(A) the President submits a request for an exemption to the Congress containing a determination that it is in the national security interest of the United States to provide military assistance and arms transfer to such government; and

(B) the Congress enacts a law approving such exemption request (including a law containing an approval of such a request); or

(2) the President determines that an emergency exists under which it is vital to the interest of the United States to provide military assistance and arms transfer to such government.

(d) NOTIFICATIONS TO CONGRESS.—

(1) IN GENERAL.—The President shall submit to the Congress initial certifications under subsection (a) and requests for exemptions under subsection (c)(1) in conjunction with the submission of the annual request for enactment of authorizations and appropriations for foreign assistance programs for a fiscal year and shall, where appropriate, submit additional or amended certifications and requests for exemptions at any time thereafter in the fiscal year.

(2) DETERMINATION WITH RESPECT TO EMERGENCY SITUATIONS.—The President shall submit to the Congress at the earliest possible date reports containing determinations with respect to emergencies under subsection (c)(2). Each such report shall contain a description of—

(A) the nature of the emergency;

(B) the type of military assistance and arms transfers provided to the foreign government; and

(C) the cost to the United States of such assistance and arms transfers.

SEC. 3178. SENSE OF THE CONGRESS.

It is the sense of the Congress that the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate should hold hearings on—

(1) controversial certifications submitted under section 3177(a).

(2) all requests for exemptions submitted under section 3177(c)(1); and

(3) all determinations with respect to emergencies under section 3177(c)(2).

SEC. 3179. UNITED STATES MILITARY ASSISTANCE AND ARMS TRANSFERS DEFINED.

For purposes of this chapter, the terms "United States military assistance and arms transfers" and "military assistance and arms transfers" means—

(1) assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to military assistance), including the transfer of excess defense articles under section 516 of that Act;

(2) assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training); or

(3) the transfer of defense articles, defense services, or design and construction services under the Arms Export Control Act (excluding any transfer or other assistance under section 23 of such Act), including defense articles and defense services licensed or approved for export under section 38 of that Act.

Ms. MCKINNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Georgia?

There was no objection.

Ms. MCKINNEY. Mr. Chairman, today, I will offer the Code of Conduct amendment to H.R. 1561. My amendment seeks to give Congress—for the first time in two decades—a role in U.S. arms export policy.

As the law is currently written, Mr. Chairman, it is nearly impossible for Congress to stop an arms sale. Not since 1986 has a floor vote been taken on an arms sale, nor has a sale proposed by the administration formally been disapproved by Congress.

In addition to the lack of congressional oversight in arms sales, the economic cost to the American taxpayer is more than $7 billion a year just to support the arms export bureaucracy.

U.S. weapons are being used in 90 percent of today's most significant regional and ethnic conflicts. The weapons and technology that devastated the Iraqi Army only a few years ago, are now available to nations that are undemocratic, violate human rights, and are governed by dictators.

In 1993, the U.S. Government cornered a colossal 70 percent of the global arms sales market, and in 1994 U.S. foreign military arms sales were a whopping $12.9 billion.

America's arms sales have skyrocketed since the end of the cold war. As this first chart shows, Mr. Chairman, U.S. arms transfers from 1990 to 1993 averaged $21.7 billion a year, whereas, from 1986 to 1989, arms transfers only averaged $10.6 billion. It is amazing and shameful that as America solidifies its post-cold war leadership and encourages global democracy, the U.S. Government sold $83.1 billion in foreign military sales to dictators with no congressional review.

Despite this enormous dominance of the international arms market and the "Boomerang Effect" against U.S. Armed Forces—only a few Members of Congress have worked to restrain this dangerous trade.

Additionally, America spends billions of tax dollars to finance exports to tyrants—highlighted by the second chart—while cutting billions from key domestic programs like veterans benefits, Social Security, and student loans.

Mr. Chairman, the Code of Conduct amendment would not prohibit arms transfers to any country. Rather it would establish a higher standard of scrutiny for countries receiving U.S. weapons and more congressional oversight of arms sales. The Code of Conduct makes sure that we look before we leap by providing four guiding principles for U.S. arms transfers.

History demonstrates that as a result of Siad Barre's Somalia, Cedras' Haiti, and Saddam Hussein's Iraq, our soldiers have paid the price for selling U.S. materiel to dictators.

The code would require that both the President and Congress agree that providing assistance to a certain country is in the best interest of the United States. The code also gives the President flexibility. He can request a 1-year waiver for countries not meeting the code's standards, or in cases where vital U.S. interests are in jeopardy, use an emergency authority.

The code is endorsed by 275 organizations from Amnesty International to the YWCA and is supported by the European Parliament. Arms sales to unstable governments must end, and the Code of Conduct will be the first step in that direction.

There are 102 Members of Congress who support the guiding principles of the code—democracy, respect for human rights, and nonaggression. I urge all of you to cast your vote in favor of the Code of Conduct. Let's ensure that America's leadership is positively reflected in our arms export policy. Vote for the Code of Conduct.

[From World Policy Institute, May 1995]

U.S. WEAPONS AT WAR: U.S. ARMS DELIVERIES TO REGIONS OF CONFLICT

(By William D. Hartung)

EXECUTIVE SUMMARY

From Richard Nixon to Bill Clinton, it has been an article of faith for executive branch policy makers that U.S. weapons exports are only made to responsible allies who use these systems for legitimate defense purpose. This report puts that thesis to the test by documenting U.S. weapons deliveries to 50 current ethnic and territorial conflicts.

Contrary to the conventional wisdom in Washington, official U.S. government data on arms transfers provides overwhelming circumstantial evidence that U.S.-supplied weaponry is at the center of many of today's most dangerous and intractable conflicts:

In the past ten years, parties to 45 current conflicts have taken delivery of over $42 billion worth of U.S. weaponry;

Of the significant ethnic and territorial conflicts going on during 1993-94, 90% (45 out of 50) of them involved one or more parties that had received some U.S. weaponry or military technology in the period leading up to the conflict;

In more than half of current conflicts (26 out of 50), the United States has been a significant arms supplier, accounting for at least 5% of the weapons delivered to one party to the dispute over a five year period;

In more than one-third of all current conflicts (18 out of 50), the United States has been a major supplier to one party to the dispute, accounting for over 25% of all weapons imported by that participant in the most recent five year period;

Despite the popular perception that it is U.S. policy to cease deliveries of weapons once a conflict is under way, as of the end of 1993 (the latest year for which full statistics are available) the United States was shipping military goods and services to more than half (26 out of 50) of the areas where there were wars being fought;

In a number of volatile areas the United States has been the primary supplier to governments that are involved in ongoing conflicts. In Turkey (76%), Spain (85%), Israel (99%), Morocco (26%), Egypt (61%), Chad (27%), Somalia (44%), Liberia (40%), Kenya (25%), Pakistan (44%), the Philippines (93%), Indonesia (38%), Guatemala (86%), Haiti (25%), Columbia (28%), Brazil (35%), and Mexico (77%), the United States has been the primary supplier of imported weaponry in the most recent five year period for which full data is available.

Turkey's use of U.S.-supplied fighter aircraft, helicopters, tanks and armored personnel carriers in its recent invasion of Northern Iraq highlights the dangers of a policy of uncritical assistance to allies engaged in ethnic or territorial disputes, as does the employment of U.S.-supplied equipment on both sides of the 1995 Peru-Ecuador border war.

Since the end of the Cold War, the continuing U.S. policy of promoting weapons exports as a key element of U.S. security strategy and economic policy has accelerated the incidence of the "boomerang effect": the transfer of U.S. weaponry to forces that end up doing battle against U.S. troops. The last four times the United States sent troops into combat in significant numbers—in Panama, Iraq, Somalia, and Haiti—they faced adversaries that had received U.S.-origin arms, training, or military production technology in the period leading up to the conflict. This is a clear sign that something is awry in U.S. arms transfer decision making processes.

Last but not least, covert U.S. arms sales have come back to haunt U.S. citizens by inadvertently strengthening terrorist organizations. Two of the men convicted in the 1993 World Trade Center bombing received weapons training in Afghanistan under the direction of fundamentalist Islamic forces that were armed and trained by the CIA. The suspects in the recent murders of several U.S. embassy employees in Karachi, Pakistan are also suspected of having ties to the CIA's Afghan arms pipeline. David Whipple, the former head of counterterrorism at the CIA, has indicated that these are not isolated cases: "some of the people who are actual or potential terrorists in this country are former guerrilla fighters in Afghanistan." And an Algerian official has described the existence of a "floating army" of Islamic fundamentalist fighters who were trained with CIA assistance in Afghanistan and are now engaged in organized attempt to overthrow the governments of Algeria, Egypt, and Saudi Arabia, among others.

As President Clinton tries to mobilize world public opinion against Iran, in part for its alleged role in supporting terrorism in the Middle East, it would behoove him to get his own house in order by clamping down on the CIA's covert weapons trafficking operations, which all too often end up hurting innocent people, including U.S. citizens. The recent revelations that a Guatemalan colonel on the CIA payroll is implicated in the murders of Michael DeVine, an American who ran a farm in Guatemala, and Efrain Bamaca Velazquez, a Guatemalan rebel leader who was married to American lawyer and activist Jennifer Harbury, is just the latest example of a covert arms trading culture that is out of control.

RECOMMENDATIONS

The report makes the following specific recommendations for promoting greater accountability in arms transfer decision making (for the full text of the recommendations, see section IV, below):

Recommendation 1: Pass the arms transfer Code of Conduct bill

In February of 1995, Senator Mark Hatfield (R–OR) and Representative Cynthia McKinney (D–GA) reintroduced legislation calling for the establishment of a Code of Conduct for U.S. weapons transfers. Under the code, governments that engage in aggression against their neighbors, violate the human rights of their own citizens, come to power through undemocratic means, or refuse to participate in international agreements like the United Nations arms register would not be eligible to receive weaponry from the United States. If the President wanted to make an exception for a specific country on national security grounds, he would have to ask Congress to pass a bill providing an exemption for that nation.

The benefits of the Code of Conduct would be twofold. First, it would place considerations about the character of a given arms recipient and how that nation might use U.S. weaponry up front in the arms transfer decision making process, preventing sales to unstable regimes in the process. Second, even in cases where the President sought an exemption, members of Congress would be forced to go on the record for or against, providing a measure of public accountability that rarely occurs under current law.

Recommendation 2: Provide more detailed reporting on U.S. transfers of arms and military technology, and press for other nations to do the same

Up until the Reagan Administration, the State Department issued an annual report under Section 657 of the Foreign Assistance Act that listed most significant items of military equipment delivered from the United States to any foreign country in the prior fiscal year, ranging from rifles and bullets on up to advanced combat aircraft. The section 657 report should be reinstituted as an annual publication, to provide a tool for keeping track of potential abuses of U.S.-supplied weaponry.

A full accounting of U.S. arms transfer policy must also include regular, detailed reporting on U.S. transfers of so-called "dual use" equipment—items such as advanced machine tools and computers, measuring instruments, or unarmed light helicopters and aircraft. If Congress and the public had been aware of the particulars of the nearly $1.5 billion in dual use export licenses that the Commerce Department granted to companies seeking to sell equipment to Iraq during 1985 through 1990, some of the more dangerous items on the list might not have been approved for sale.

Recommendation 3: The Pentagon and the intelligence community should publish regular reports on the use of U.S.-supplied weaponry in ongoing conflicts

All too often, U.S. weapons are supplied on a "fire 'em and forget 'em" basis: the decision to sell is made based on short-term political, strategic, or economic considerations, with little thought given to how these arms might be used a few years down the road. In an attempt to prevent this "boomerang effect" from repeating itself in the future, Representative Cynthia McKinney sponsored a successful amendment to the Fiscal Year 1995 Department of Defense Authorization bill requiring the Pentagon to report annually on how proposed arms transfers might create "increased capabilities" on the part of potential adversaries, and how they might "pose an increased threat" to U.S. forces in some future conflict.

As a further step in the right direction, the Pentagon and the Central Intelligence Agency should be required to file annual reports on how U.S.-supplied weaponry is being put to use in current conflicts, either by the original recipients, or as the result of unauthorized transfers to third parties. These reports could serve as a running record of the consequences of past U.S. weapons trading activities, and they would hopefully inject a note of caution into congressional debates over new proposed transfers.

Recommendation 4: Outlaw covert weapons shipments

From Iran/contra to the arming of Iraq to the ongoing proliferation of weapons originally intended for Afghan rebel movements, covert weapons trafficking have been at the center of a series of unmitigated foreign policy fiascos. As part of the effort to restructure the CIA to better meet the realities of the post-Cold War world, covert arms sales by the CIA and other government departments should be strictly outlawed.

Recommendation 5: The Clinton Administration (or its successor) should vigorously pursue a policy of multilateral arms transfer restraint designed to limit sales of conventional weaponry to regions of conflict or repressive regimes

Contrary to the findings of the Clinton Administraton's new conventional arms transfer policy, Presidential Directive 41, limiting the spread of weaponry to regions of conflict should be the paramount priority governing U.S. arms transfer decisions in the post-Cold War era. Economic and defense industrial base concerns should take a back seat to efforts to construct a multilateral arms export control regime that can serve both as a tool for preventing conflicts, and for limiting their duration and severity once they break out. At a time when the United States controls 72% of new arms sales agreements with the developing world, U.S. leadership remains an essential prerequisite for implementing any meaningful multilateral arrangement for limiting the flow of conventional armaments.

I. Introduction: U.S. Arms Transfers—Promoting Stability or Fueling Conflict?

"[T]here is almost no case since World War II in which arms provided by the United States have been used by the country receiving them for purposes of aggression."—Richard Nixon, "The Real War," 1980.

"[T]here is almost no instance of a country which is primarily dependent upon U.S. weapons using those weapons in an offensive manner."—Joel Johnson, Aerospace Industries Association, February 1994.

"[T]here is strong evidence that countries relying on American weaponry have not started wars with their neighbors . . . To cite the most egregious example, Iraq . . . purchased its weapons primarily from Russia and France."—Ethan Kapstein, "Foreign Affairs," May/June 1994.

"Given the complexities of arms transfer decisions and the multiple U.S. interests involved . . . decisions will continue to be made on a case-by-case basis. These case-by-case reviews will . . . draw the appropriate balance between legitimate arms sales to support the national security of our friends and allies, and the need for multilateral restraint against the transfer of arms that would enhance the military capabilities of hostile states or that would undermine stability."—Fact Sheet on Clinton Administration, Arms Sales Policy Directive, February 17, 1995.

The Arms Export Control Act states that U.S. military equipment and services shall be provided to other nations only for purposes of internal security, "legitimate self-defense," participation in United Nations peacekeeping operations, or involvement in operations consistent with the U.N. Charter.[1] Based in part on this legislative requirement and in part on their ingrained assumptions regarding U.S. weapons sales, several generations of executive branch officials, policymakers, and independent analysts have taken it as an article of faith that U.S.-supplied weapons are primarily used for defensive purposes.

Now that the United States controls nearly three-quarters of all weapons exports to the developing world, the question of whether or not U.S. weapons are used aggressively is of more than merely academic interest.[2]

As of early 1994, there were 50 significant ethnic and territorial conflicts under way in Europe, Africa, the Middle East, Asia and Latin America.[3] By the end of 1993, the number of ongoing wars involving more than one thousand battle-related deaths reached 34, marking the first increase in this grim statistic since the end of the Cold War.[4] By early 1995, progress towards peace in South Africa, the Middle East, and Northern Ireland had been offset by the escalation of conflicts in North Africa (Algeria) and Russia (Chechnya), and the outbreak of a border war between Peru and Ecuador.[5]

With the exception of Russia, China, and a few other nations that produce a wide array of weapons systems for their own use, the majority of participants in today's armed conflicts depend upon imported weaponry.[6] The conventional wisdom among U.S. policymakers is that the weapons that are actually used in the majority of the world's confilcts are supplied by other, less "responsible" suppliers. To the extent that U.S. officials raise questions about arms supplies to regions of conflict, the usual targets of criticism are either Russia or China, which have historically been more willing to supply arms and military technology to "rogue" states like Iraq, Libya, North Korea, and Iran.[7] In addition, some observers make pointed references to France's allegedly amoral, mercantile approach to arms sales.[8] In contrast, it has been argued that U.S. arms sales are grounded in carefully considered decisions to bolster the security of trustworthy allies in critical regions.

The notion that the United States is only arming the "good guys" has a long history. In his book "The Real War," Richard Nixon, the architect of the current U.S. role as the world's leading weapons trafficking nation, argued that U.S.-supplied weapons have rarely been used in a belligerent manner, but that "Soviet arms are the ones that are constantly used to break the peace."[9] Nixon's blanket claim ignored a series of aggressive actions by major U.S. arms clients during the Nixon/Ford administrations, including Turkey's invasion of Cyprus, Indonesia's invasion of East Timor, Morocco's occupation of the Western Sahara, and General Augusto Pinochet's reign of terror in the wake of his 1973 coup d'etat in Chile.[10]

The Reagan Administration presided over one of the most revealing incidents in the history of U.S. policy towards aggressive uses of U.S. military equipment when it responded to Israel's June 1981 bombing of Iraq's Osirak nuclear reactor. Initially, U.S. weapons deliveries to Israel were suspended until the State Department could determine whether the bombing, which utilized U.S.-supplied F-15 and F-16 aircraft, violated Israel's pledge to use U.S. systems for defensive purposes. After a ten week review, Secretary of State Alexander Haig decided to resume arms shipments to Israel, arguing that "I think one in a subjective way can argue to eternity as to whether or not a military action may be defensive or offensive in character." Rather than making a specific case that Israel's bombing of Osirak was justified as a defensive act, Haig seemed to be saying, in Alice-in-Wonderland style, that a defensive use of a weaponry is whatever the U.S. government and its allies say it is.[11] Turkey's 1995 invasion of Northern Iraq, which has been justified by Turkish Prime Minister Tansu Ciller on the grounds that Turkish forces are in "hot pursuit" of Kurdish terrorists, raises similar questions about what constitutes a genuinely defensive deployment of U.S.-supplied weaponry (for further discussion of Turkey's use of U.S. weapons against its Kurdish population, see section II, below).

This "see-no-evil" approach to U.S. weapons trading has survived into the 1990s. The last four times the United States has sent troops into combat they have faced adversaries that received U.S. arms or military technology in the period leading up to the conflict, yet the Clinton Administration's arms transfer policy review stubbornly refused to take into account the very real possibility that U.S.-supplied weapons may be used for purposes contrary to U.S. interests. As if to underscore the business-as-usual tone of the Clinton approach, an official involved in the policy review has indicated that under the Administration's new guidelines, not a single one of the hundreds of major U.S. arms sales of the past fifteen years would have been rejected.[12] The administration's decidedly upbeat perspective on arms sales was summed up early on by Lt. General Teddy Allen, the former Director of the Pentagon's Defense Security Assistance Agency, during testimony to Congress in June 1993: "Many friends and allies depend on U.S. defense equipment, services, and training to deter, and when necessary, defeat, armed aggression."[13] When it finally released the results of its arms export policy review in February of 1995, the Clinton Administration described the five key goals of its policy as follows:

(1) To ensure that our military forces can continue to enjoy technological advantages over potential adversaries;

(2) To help allies and friends deter or defend themselves against aggression, while promoting interoperability with U.S. forces when combined operations are required;

(3) To promote regional stability in areas critical to U.S. interests, while preventing proliferation of weapons of mass destruction and their missile delivery systems;

(4) to promote peaceful conflict resolution and arms control, human rights democratization and other U.S. foreign policy objectives;

(5) to enhance the ability of the U.S. defense industrial base to meet U.S. defense requirements and maintain long-term military technological superiority at lower costs. [14].

The idea of controlling the spread of U.S. weaponry to ensure that U.S. exports do not sustain ongoing wars, fuel regional arms races, or strengthen potential U.S. adversaries is only obliquely hinted at in the Clinton administration's priority list; the underlying assumption is that U.S. weapons transfers go to potential "coalition partners" to be used for strictly defensive purposes. Despite recent evidence to the contrary, the possibility that today's partner could be tomorrow's adversary doesn't seem to enter into the administration's thinking.

To further underscore how small a role the potential risks of U.S. weapons exports will play in executive branch decisionmaking, Clinton Administration officials have indicated that the contribution of a given transfer to the defense industrial base will now be an explicit factor in deciding whether to go ahead with the sale. This could mean that the fact that a deal might extend Lockheed's production run for the F-16 fighter or sustain General Dynamics' assembly line for the M-1 tank will carry greater weight than whether these weapons are being provided to unstable regimes. [15].

Not surprisingly, the claim that U.S.-supplied arms are only used defensively has also been made repeatedly by executives and lobbyists in the defense industry. For example, Don Fuqua, president of the Aerospace Industries Association, made the following claim in a November 1994 article entitled "Merchants of Peace": "during more than half a century, no American soldier ever faced any significant American military equipment used by a hostile power." [16] This industry argument has been echoed in academic circles as well, most notably in an article by Ethan Kapstein of the John M. Olin Institute for Strategic Studies at Harvard which appeared in the May/June 1994 issue of Foreign Affairs:

". . . there is strong evidence that countries relying on American weaponry have not started wars with their neighbors. Contrast that record with the one compiled by countries that have purchased their weapons from Russia, Western Europe, or Third World suppliers. To cite the most egregious example, Iraq, which attacked Iran in 1980 before turning on Kuwait a decade later, had purchased its weapons primarily from Russia and France.

"Why American arms should be used primarily for defensive purposes is an interesting question. The most likely reason is that countries reliant on the United States fear being cut off and forced to look elsewhere if they misbehave."[17]

The question of whether U.S. weapons transfers are as overwhelmingly constructive and stabilizing as this version of the conventional wisdom claims they are deserves closer scrutiny. As the next section will demonstrate, the sheer volume of U.S. arms shipments to areas of conflict calls into question the notion that these transfers have exerted a uniformly positive or predictable influence on local, regional, and international security.

II. U.S. Weapons at War

A comparison of the Pentagon's own data on deliveries of weapons through the U.S. Foreign Military Sales (FMS) and Commercial Sales (CS) programs over the past decade with a list of 50 significant wars that were under way during 1993-94 indicates that U.S. weapons exports have played a major role in fueling the ethnic and territorial conflicts that have become one of the most difficult security challenges of the post-Cold War era [18]:

In the past ten years, parties to 45 current conflicts have taken delivery of over $42 billion worth of U.S. weaponry;

Of the significant ethnic and territorial conflicts going on during 1993-94, 90% (45 out of 50) of them involved one or more parties that had received some U.S. weaponry or military technology in the period leading up to the conflict;

In more than half of current conflicts (26 out of 50), the United States has been a significant arms supplier, accounting for at least 5% of the weapons delivered to one party to the dispute over a five year period;

In more than one-third of all current conflicts (18 out of 50), the United States has been a major supplier to one party to the dispute, accounting for over 25% of all weapons imported by that participant in the most recent five year period;

Despite the popular perception that it is U.S. policy to cease deliveries of weapons once a conflict is under way, as of the end of 1993 (the latest year for which full statistics are available) the United States was shipping military goods and services to more than half (26 out of 50) of the areas where there were wars being fought.

The data outlined above demonstrate that contrary to the assertions of key policymakers, academic analysts, and industry lobbyists, the United States is sustaining the warfighting capabilities of a substantial number of the parties to the world's current conflicts. In a number of volatile areas the United States has been the primary supplier to governments that are involved in either internal or regional conflicts. In cases where the United States has supplied a majority of a client government's imported weaponry over an extended period of time, it is likely that some U.S. systems will be utilized in future conflicts involving these nations (see Table I, below)

Among the most serious conflicts in which the United States has been the primary weapons supplier are Turkey, Morocco, Somalia, Liberia, Kenya, Zaire, Pakistan, Indonesia, the Philippines, Haiti, Guatemala, Colombia and Mexico. Official U.S. weapons deliveries to Haiti, Guatemala, Liberia, and Zaire were cut off as of the early 1990s, but U.S. deliveries to conflict zones in Turkey, Morocco, Somalia and Kenya have actually increased over the past few years. In the case of Somalia, the increase is explained by the fact that a new government has been installed as a result of a UN peacekeeping mission in that nation. But continuing U.S. deliveries to Morocco, Turkey, and Kenya have no such rationale: in these cases, U.S. arms are shoring up regimes that have been intransigent in their pursuit of military solutions to sensitive ethnica and territorial disputes. Last but not least, in both Haiti and Guatemala, legislative attempts to terminate U.S. military assistance were subverted by the implementation of covert aid programs that were actually larger than the overt programs that were eliminated by Congress (see sections II and III for further discussion).

TABLE I—AREAS OF CONFLICT IN WHICH THE U.S. HAS BEEN A PRIMARY WEAPONS SUPPLIER

Region (and recipient)	Percent of total arms imports received from the United States	
	1987–91	1991–93[1]
Southern Europe:		
Spain	85	86
Turkey	76	80
Middle East/North Africa:		
Israel	99	91
Morocco	26	76
Egypt	61	89
Sub-Saharan Africa:		
Chad	27	25
Somalia	44	100
Liberia	40	[2]0
Kenya	25	100
Zaire	17	0
Asia:		
Pakistan	44	3
Philippines	93	75
Indonesia	38	33
Latin America:		
Guatemala	86	[3]0
Haiti	>25	[2]0
Colombia	28	19
Brazil	35	40
Mexico	77	64

[1] The overlap in years covered by the two columns (1987–1991 and 1991–1993) is a function of the way the data is reported in the two most recent editions of the "World Military Expenditures and Arms Transfers" report. For a brief description of the nature of the conflicts in each of these nations, see Appendix A, Table I, below.

[2] The Arms Control and Disarmament Agency (ACDA) reported no arms transfers to Haiti or Liberia from any source during 1991–1993; this does not necessarily mean that there were no transfers of any kind—it is likely that there was some black market trading in light weaponry that was not detected by the intelligence sources that serve as the basis for ACDA's data.

[3] It has recently been revealed that the Central Intelligence Agency continued to make millions of dollars in payments to Guatemalan military and intelligence officials after U.S. military aid was officially cut off in 1991; it has yet to be determined whether some of this money was used to import weaponry.

Source: U.S. Arms Control and Disarmament Agency, "World Military Expenditures and Arms Transfers", 1991–92 and 1993–94 editions, Table III.

While data on the total volume of U.S. weapons supplies to areas of conflict is readily available, specific information on how U.S. weaponry is being put to use in today's wars is harder to come by. This is in part because neither the media nor the armed forces have made it their business to identify the specific types of weaponry utilized in a given conflict or to document the origins of these armaments. Even if gathering such data was a priority, the reality of warfare, particularly multi-sided civil conflicts involving light weaponry, would make it difficult to obtain comprehensive information. Nonetheless, accounts in the mainstream and specialty press have uncovered a number of recent examples of how U.S.-supplied weaponry is being put to use on the battlefield, and a number of arms control and human rights researchers have recently begun a concerted effort to gather more information on the patterns of deliveries of light weaponry to ethnic conflicts. The following examples are illustrative of the ways in which U.S. weapons are being utilized in current conflicts: a more comprehensive accounting would require more open reporting of the nature of U.S. weapons transfers to these areas.

Turkey: Turkey received over $6.3 billion worth of military equipment and services from the United States between F.Y. 1984 and F.Y. 1993.[19] The United States supplied 76% of all weapons imported by the Turkish government between 1987 and 1991, a figure which increased to 80% for the period from 1991 to 1993. The majority of U.S. weapons supplies to Turkey have been paid for by U.S. taxpayers as part of an extensive military aid program that has provided over $5 billion in assistance from F.Y. 1986 through F.Y. 1995.[20] Turkey has also received large deliveries of U.S. weaponry for free or at minimal cost as part of the NATO "cascading" program, which involves redistributing surplus weapons rendered redundant by the Conventional Forces in Europe Treaty (CFE).[21] Last but not least, a number of U.S. weapons systems are produced in Turkey under coproduction and licensing agreements with U.S. firms, including Lockheed's F–16 fighter plane and the FMC Corporation's M–113 armored personnel carrier.[22]

There have been reports in the international and Turkish press indicating that U.S.-supplied weaponry has been used extensively by the Turkish government in its war on the Kurdistan Worker's Party (PKK) in southeastern Turkey. A wide range of U.S. systems, including F–16, F–4, F5, and F–104 fighter aircraft, Cobra and Black Hawk helicopters, cluster bombs, and M–60 tanks and M–113 armored personnel carriers have been used in the conflict, which has claimed over 15,000 lives since 1984.[23]. The Clinton Administration and other supporters of the Turkish government have argued that the PKK is a terrorist organization, not a legitimate political movement. However, regardless of their views on the PKK, most independent observers agree that the politico-military strategy of the Turkish government—strafing and depopulating entire villages in the southeast—entails unnecessary suffering and repeated violations of the human rights of civilian noncombatants. Human Rights Watch has reported that as of October 1994, the Turkish government has depopulated as many as 1,400 villages and hamlets and displaced several hundred thousand people in its prosecution of the war against the PKK.[24] Major encounters involving U.S.-supplied weaponry have included May 1993 bombing raids in the Karliova valley that utilized F–4 fighter plans and Cobra helicopters to kill 44 Kurdish fighters and a January 1994 incursion into Iraq to bombard PKK camps with cluster bombs, 500- and 2000-pound bombs dropped from F–16 and F–4 aircraft.

The Turkish government's March 1995 invasion of Northern Iraq marks the latest chapter in its quest for a military solution to the Kurdish question. A Turkish government spokesperson proudly described the cross-border raid by 35,00 troops as "the biggest military operation in the history of the Turkish Republic."[25] Ironically, the Turkish attack targeted the same sector of Iraq in which the United States had been enforcing a "no fly zone" as part of the United Nations-backed Operation Provide Comfort, an effort designed to protect Iraqi Kurds in the area from Saddam Hussein's regime. Because the United States is far and away Turkey's largest supplier of weapons and military aid, Turkish Prime Minister Tansu Ciller cleared the operation with President Clinton by telephone before sending her military forces into Iraq. White House spokesperson Mike McCurry reported that the President accepted Ciller's explanation that the raids were strictly aimed at PKK "terrorist bases" in Northern Iraq, and that Clinton expressed "understanding for Turkey's need to deal decisively" with the rebel group.[26]

In a move that may prompt debate for some time to come, President Clinton and the Pentagon also ordered U.S. military personnel in Northern Iraq to "stand down" from enforcing the no fly zone against Turkey aircraft for the duration of Turkey's intervention. when a reporter asked Pentagon spokesperson Dennis Boxx whether the Pentagon was "uncomfortable" over the fact that a U.S. ally was "beating up on . . . the same people we've been trying to protect from Iraq for a number of years," Boxx argued that Turkey was taking great care to focus its attacks on PKK terrorist strongholds. When he was asked where U.S. enforcement of the no fly zone would be rendered inoperative for the duration of the Turkish intervention in Northern Iraq, Boxx implied that it would, noting that "it's simply better not to put these people at risk [U.S. military personnel involved in Operation Provide Comfort] until this has been resolved." The chilling implication of Boxx's remark is that the Pentagon actually feared that if U.S. forces had tried to enforce the no fly zone against the Turkish military, Turkish forces would have engaged in an air war against U.S. troops, using U.S.-supplied aircraft. It was almost as if the Pentagon spokesman was acknowledging that Turkey had intimidated the U.S. into allowing its Iraqi incursion to go forward unhindered.[27]

As has been the case in its major anti-Kurdish operations of the recent past, Turkey's offensive in Northern Iraq has relied heavily on U.S.-supplied equipment. Reports in the European press have indicated that Turkey's air war against the PKK (and against a number of Kurdish settlements and refugee camps) in Northern Iraq has been conducted almost entirely with U.S.-designed fighter planes such as the McDonnel Douglas F-4, the Lockheed F-104, and the Lockheed Martin F-16. Other U.S.-supplied aircraft such as the Textron-Bell Cobra helicopter gunship and the United Technologies/Sikorsky Black Hawk troop transport have also been used in support of Turkey's move into Iraq.[28]

U.S. support of the Turkish intervention is based on the assumption that it is a carefully crafted defensive operation aimed at wiping out PKK bases in Iraq, with little or no negative impact on Kurdish civilians. But press reports from the area have raised serious doubts regarding Turkey's claim that it has been mounting a "surgical strike" against terrorists. Turkey's ongoing war against the PKK, both in Northern Iraq and Southeastern Turkey, is looking increasingly like it may become that nation's Vietnam: a draining, divisive, and ultimately unsuccessful effort to defeat a nationalist movement by military means. An April 2nd news analysis piece by John Pomfret of the Washington Post—appropriately entitled "Turkey's Hunt for the Kurds: the Making of a Quagmire?"—captured the dilemma faced by Turkish troops in Northern Iraq as they attempted to sort out Kurdish PKK militants from Kurdish civilians (both Turkish and Iraqi) in the area:

". . . by embracing a military answer to what it considers a terrorist question, Turkey risks bogging its army down in a vicious cycle of incursion and withdrawal, followed by guerilla counterattacks and more incursions again. Such a cycle, Western officials have said, would only empty government coffers overtaxed by an ailing economy and a similar counterinsurgency operation within Turkey."[29]

A western relief worker underscored the futility of Turkey's military strategy when he told Pomfret "you can't wipe out a terrorist operation that operates on two continents by attacking the mountains. It's like killing a fly with a sledgehammer." Turkish soldiers reported a conundrum similar to that faced U.S. forces in Vietnam—an inability to distinguish friend from foe. One soldier told the Post "we have a big problem because we don't know who is a villager and who the PKK is . . . we can't do a thing."[30]

Unfortunately, contrary to the soldier's report, Turkish troops did plenty of things in Northern Iraq, including a number of documented cases of killings and displacement of Kurdish civilians. There is no way of knowing at this point whether these were isolated incidents or part of a larger pattern of abuse, because at a number of key stages in the conflict Turkish military commanders limited access to the combat zones on the part of both journalists and relief workers.[31] At the end of March, during the second week of the Turkish invasion, residents of the Iraqi village of Beshile reported that their village had been bombed and burned to the ground by Turkish forces. Fevzi Rashid, a 43 year old farmer who witnessed the Turkish attack, described it to a reporter from Reuters news service as follows:

"First the planes bombed our village. Then soldiers came some days later and burned our houses. Yesterday they came again and fired at the village with rockets and mortars."[32]

Turkey's claim to be targeting only PKK terrorists has been further undercut by assertions by the Iraqi National Congress, the Iraqi Kurdish organization that controls most of the territory impacted by the Turkish invasion, that on the very first day of the invasion "Turkish soldiers . . . arrested hundreds of refugees as suspected followers of the Kurdish Workers' Party."[33]

Although the Clinton Administration firmly held to its position that the Turkish invasion would be limited in duration and narrow in focus, one expected withdrawal date—Turkish Prime Minister Tansu Ciller's April 19th visit to Washington—came and went with no final timetable for withdrawal in sight. A partial pullback of Turkish troops in late April of 1995 still left at least 10,000 Turkish troops inside Iraq, and there is some dispute even now as to whether all Turkish troops have cleared out of the area (see discussion below). In contrast to the policy of Germany, which has cut off all weapons shipments to Turkey in response to the Iraqi incursion, the Clinton Administration's position on the Kurdish question appears to be "Turkey right or wrong."[34] The U.S. arms industry has officially weighed in on the side of the Turkish government's tactics as well, in the form of a comment by Joel Johnson, chief lobbyist for the Aerospace Industries Association, to the effect that Turkey's military plan was no different from what other global and regional powers have done in similar circumstances:

"It must be acknowledged that the Turks have not invented Rolling Thunder. We used B-52s to solve a guerrilla problem [in Vietnam]. The Russians used very large weapons platforms [in Afghanistan]. And the Israelis get irritated on a reasonably consistent basis and use F-16s in Southern Lebanon. One wishes that it didn't happen. Sitting in the comfort of one's office, one might tell all four countries they're wrong. It's a lot easier to say that here than when you're there and it's your military guys who are getting chewed up."[35]

Setting aside for a moment the obvious moral issues raised by massive bombing raids as a tool of modern warfare, it must be pointed out that Johnson's statement glosses over a key strategic point: in two of the three examples he cites, Vietnam and Afghanistan, the "Rolling Thunder" tactic was employed by great powers that were ultimately defeated militarily and politically by smaller, better motivated nationalist forces. Even staunch allies of the current Turkish regime might find reason to advise Prime Minister Ciller to abandon her country's current military strategy vis-a-vis Kurdish separatist forces.

In response to a growing international outcry against the Turkish government's tactics in its war against the PKK, the Clinton Administration has repeatedly urged Turkey to stop its indiscriminate approach of bombing and depopulating entire villages. congress has gone beyond rhetoric by withholding 10% of Turkey's U.S. military aid for F.Y. 1995 pending a report on abuses against civilians by the Turkish military. In December 1994, Human Rights Watch published a report entitled "U.S. Cluster Bombs for Turkey?" which called for a reversal of a plan to provide advanced U.S.-built CBU-87 cluster bombs to Turkey on the grounds that the weapons might be used against civilians. As a result of the pressure generated by the report, the cluster bomb sale has been shelved for the moment.[36]

Despite these efforts to restrict the flow of U.S. arms to Turkey's war against the PKK, the United States remains Turkey's number one weapons supplier, and Turkey's inhumane warfighting tactics continue. As of the first week of May, 1995, Turkish officials claimed to have removed all of their troops from Northern Iraq, but Prime Minister Ciller has stated in no uncertain terms that she retains the right to invade the area again if Turkey detects further PKK activities there.[37] So far, moves to curb Turkey's use of imported weaponry have had no discernible impact on Ciller's approach to the Kurdish problem: she told members of her governing coalition in early April that "we have one thing to say to those who threaten us about using their arms when they should be standing by us—we will use our right to defend ourselves under any circumstances. You can keep your weapons."[38] Maybe it's time for President Clinton to take Prime Minister Ciller up on her offer.

Afghanistan: Beginning during the late 1970s under the Carter Administration and accelerating during the 1980s under the Reagan Administration, the United States supplied rebel factions in Afghanistan with an estimated $2 billion in covert military assistance.[39] This effort has been widely cited as one of the great success stories of the Reagan Doctrine of arming anticommunist rebels, and there is no question that U.S. weapons supplies contributed to the ability of Afghan guerrilla fighters to drive Soviet forces out of their country. Unfortunately, the longer term consequences of U.S. arms supplies to Afghan forces have been far more problematic. Since Soviet troops withdrew from Afghanistan in February 1989, U.S. weapons have helped to sustain a vicious civil war amongst competing rebel organizations inside Afghanistan. In addition, systems supplied to the Afghan factions for purposes of fighting off Soviet forces are now being resold on the international market, turning up in conflicts where they were never intended to be used.

As Ted Galen Carpenter of the Cato Institute has noted, "[e]ven before they ousted the Soviet-backed government from power in April 1992 feuding mujahadin guerrilla units spent almost as much time battling each other as they did fighting the communists." Far from setting the stage for a period of peaceful reconstruction and reconciliation, the fighting inside Afghanistan actually intensified after the Soviet-supported regime was overthrown—2,000 people were killed in one three-week period in August of 1992, and by the spring of 1994 600,000 people had been displaced from the capital city of Kabul. Much of the equipment used on each side of the Afghan civil war comes from stocks supplied to the various rebel factions by the CIA during the 1980s. [40]

The violence sparked by U.S. weapons and training to the Afghan rebel movements extends far beyond Afghanistan. An Algerian government official has described the existence of a "floating army" of Islamic fundamentalist fighters who received weapons and training in Afghanistan starting in the 1980s, and are now mounting terrorist attacks on U.S.-backed governments in Algeria, Egypt, Israel, and Saudi Arabia. [41] This international network of armed Islamic fundamentalists that the CIA helped to create has struck in the United States as well: two of the men convicted in the 1993 bombing of the World Trade Center had received weapons and explosives training from CIA-backed rebels in Afghanistan prior to their attack in New York. And these two men may not be the only examples of U.S. covert aid backfiring. According to David Whipple, the former head of counterterrorism at the CIA, "some of the people who are actual or potential terrorists in this country are former guerrilla fighters in Afghanistan." And it now appears that the suspects in the recent murders of several U.S. embassy employees in Karachi, Pakistan are also suspected of having ties to the CIA's Afghan weapons pipeline.[42]

One of the most dangerous lingering side effects of the CIA's Afghan weapons trafficking has been the proliferation of U.S.-built Stinger missiles. The Stinger, a shoulder-fired antiaircraft missile that can be used to shoot down anything from a fighter plane to a civilian airliner, has been described by Senator Dennis DeConcini as "the ultimate terrorist weapon." [43] Afghan rebel commanders have been putting their U.S.-supplied Stingers up for sale to the highest bidder in the international arms bazaar, and there have been reports that some of the weapons have now turned up in such unlikely places as Iran, Libya, Qatar, and North Korea. [44]. The CIA was so disturbed by these reports that they put up $65 million for a Stinger "buyback" plan; so far the program has only succeeded in driving up the price that Afghan forces can get for the missiles to two to three times their original price, while recovering very few of the missiles. [45].

The shortsighted attitudes of U.S. policymakers involved in creating the Afghan weapons pipeline were summarized by Edward Juchniewicz, the CIA's associate director for covert operations during the Reagan Administration:

"The Iranians have already captured or otherwise obtained some Stingers and continue to accumulate them. I can understand why people are exercised. I wouldn't want one to hit the airplane I'm on . . . [but] one makes the assumption when one goes to battle that one's equipment will be captured by the enemy. So unfortunately, we lost some Stingers, and now our enemy has one of our best weapons."[46]

What Juchniewicz fails to acknowledge is that the Stingers that were transferred to Iran were not captured by an enemy in battle; they were provided to Iran by Afghan rebel forces that had been considered friends of the United States.

While the spread of U.S.-supplied Stinger missiles poses an ongoing threat because of their possible role in augmenting the capabilities of terrorist organizations, the tens of thousands of tons of light weaponry that the CIA funneled to Afghan factions through its contacts in Pakistani intelligence services may pose an even more serious risk to the stability of South Asia. Analysts of the Afghan conflict have reported that during the 1980s the United States purchased literally hundreds of thousands of combat rifles from such diverse sources as China, Turkey, Egypt, and Israel and passed them on to Afghan rebel groups.[47] However, as British researcher Chris Smith has noted, many of these weapons were siphoned off along the way, because the Afghan pipeline was "extremely badly organized and poorly thought out," to the point that it "leaked profusely and virtually ruptured." As a result, the Northwest Frontier area of Pakistan is dotted with a series of open air weapons marts that are doing a brisk business reselling weapons that were originally intended to go to Afghan rebel forces. Pakistani intelligence officials have been running guns to Islamic fundamentalist forces in the India province of Kashmir, increasing the level of violence of that conflict and undermining efforts to encourage India and Pakistan to come to a diplomatic resolution of the Kashmir issue. Sikh militants fighting in the Punjab region of India have large quantities of Chinese Type 56 assault rifles of the kind that were supplied in large numbers by the CIA to the Afghan war, indicating a likely spillover of the Afghan pipeline into this conflict as well. U.S.-supplied weapons have also been utilized by Islamic fundamentalist fighters engaged in a civil war against Russian-backed government in the former Soviet republic of Tajikistan.[48]

In reviewing the evidence of the spread of U.S.-supplied guns and ammunition that was originally intended for the Afghan war, Human Rights Watch has observed that "[t]he single most important factor in the introduction of small arms and light weapons into South Asia was the effort by the U.S. and Pakistan to arm the Afghan mujahidin resistance."[49]

Indonesia: Governed by one of the world's longest enduring military rulers, General Suharto, Indonesia also has one of the worst human rights records of any major U.S. weapons client. There is direct evidence that some of these human rights violations have been carried out using U.S.-supplied equipment.

In addition to restrictions on freedom of the press, freedom of assembly, and labor rights within Indonesia, the Indonesian government has sustained an illegal military occupation of neighboring East Timor for nearly 20 years. In November of 1991, two U.S. journalists, Allan Nairn and Amy Goodman, witnessed a massacre carried out by Indonesian troops in the Timorese capital of Dili. The troops, armed with U.S.-supplied M-16 rifles, opened fire on a memorial mass and procession in honor of a young Timorese man who had been murdered by the Indonesian army for attempting to speak out about human rights abuses in East Timor.[50] Human rights abuses by Indonesian forces have continued up to the present, both in East Timor and within Indonesia; a recent summary of Indonesia's record of Human Rights Watch described "a pattern of abuse . . . characterized by military intervention in virtually all aspects of Indonesian public life and by the arbitrary exercise of authority by President Soeharto."[51]

The massacre in Dili and subsequent actions of the Indonesian military have sparked calls by the public and the Congress for a cutoff of U.S. military assistance, training and sales to the Indonesian government, but so far these demands have only been partially met. In October of 1992 Congress cut off U.S. assistance to Indonesia under the International Military Education and Training (IMET) program. In 1994, the Clinton administration announced that it would stop permitting arms sales or export licenses to Indonesia for deals involving small arms or crowd control equipment.[52]

Despite these steps, there continues to be a significant flow of U.S. weapons to Indonesia, adding to the more than $583 million in U.S. weapons deliveries to that nation from F.Y. 1984 through F.Y. 1993. In 1993, the last year for which full data is available, U.S. deliveries to Indonesia through the Pentagon's Foreign Military sales program and commercial sales licensed by the State Department topped $34 million. And the most recent statistics from the U.S. Arms Control and Disarmament Agency demonstrate that for a five year period ending in 1991, the U.S. supplied 38% of all weapons imported by the Indonesian government; for the period from 1991 to 1993, the U.S. share of Indonesia's weapons imports dropped slightly, to 33%. As this report was going to press, Defense News reported that the Clinton Administration was seriously considering giving clearance for a multi-billion dollar sale of F-16 fighter aircraft to Indonesia; the article reported some ambivalence within the administration, noting that "White House officials . . . realize they must tiptoe around congressional sensitivity over killings and arbitrary arrests in the former East Timor."[53]

Other examples: In addition to these specific examples of the utilization of U.S.-supplied weapons in active areas of conflict, there is strong circumstantial evidence to indicate that U.S. systems have either already been used or may yet come into play in a host of other wars. The mere fact that U.S. weapons have been delivered to 45 of the 50 current localities that are in the midst of significant conflicts in one strong indication that U.S. weapons are involved in many of today's wars.

Moving from statistical evidence to actual cases, a few recent examples should suffice to demonstrate the myriad ways in which U.S. weaponry may be used in ethnic and territorial conflicts.

Guatemala has been on the front pages of American newspapers in recent months because of revelations that CIA-financed Guatemalan military officers were involved in the murders of Efrain Bamaca Velazquez (a Guatemalan rebel leader who was the husband of Jennifer Harbury, an American lawyer and anti-war activist), and Michael DeVine, an American citizen who owned a farm in Guatemala before he was killed in 1990. Ironically, it took the deaths of an American and the husband of an American citizen to focus widespread media attention on the routine use of U.S. arms to promote murder and torture in Guatemala. As R. Jeffrey Smith and Dana Priest noted in a Washington Post piece that ran after the revelations of CIA complicity in these two deaths, "while U.S. public attention was distracted by civil wars in El Salvador and Nicaragua, the CIA and U.S. military trained and equipped anti-communist military forces widely believed to have killed more than 100,000 peasants during a decades-long simmering insurgency, according to U.S. intelligence, military, and diplomatic officials." Once the Cold War aura of anti-communist "legitimacy" is removed from these activities, an objective view of the behavior of U.S.-backed Guatemalan forces reveals that they have been engaged in a campaign of systematic terror against their own people for over three decades.[54]

As if the obscene spectacle of U.S. government funds supporting the murder of a U.S. citizen were not evidence enough that U.S. arms policies towards Guatemala have gone seriously awry, subsequent revelations about the CIA's role in Guatemala raise even more troubling questions.

From 1986 through 1991, the United States accounted for 86 percent of all weaponry imported by the Guatemalan military. In response to ongoing human rights abuses in Guatemala in general and the murder of Michael DeVine in particular, U.S. military assistance to Guatemala was officially suspended by the Bush Administration in 1990.

As far as the public, the media, most members of Congress, the Secretary of State, and even the U.S. ambassador to Guatemala were concerned, this cutoff of military aid meant that the U.S. government's role in arming and financing the Guatemalan military had been brought to an end. This reasonable assumption turned out to be dead wrong.

In the wake of the revelations about the Guatemalan military's role in the murders of Michael DeVine and Efrain Velazquez, Tim Weiner of the New York Times revealed that from the moment official U.S. aid to Guatemala was suspended in 1990, the CIA immediately initiated a multi-million dollar program of payments to key Guatemalan military and intelligence officials. The payments, which were allegedly aimed at "maintaining good relations" with Guatemalan security officials, totaled $5 to $7 million per year, more than twice the level of the public U.S. military aid that was terminated by the Bush Administration. Among the recipients of CIA funds was Col. Alpirez, the principal suspect in the murders of Michael DeVine and Efrain Velazquez.[55]

In addition to the secret CIA payments, investigative journalist Allan Nairn has uncovered documentation of 144 separate sales of rifles and pistols to Guatemala from U.S. sources, all of which occurred after the 1990 aid cutoff.[56]

As the Clinton Administration and the Congress proceed with separate investigations of the Guatemalan arms scandal, they will have to consider new, tougher safeguards over the CIA's role in the covert arming and financing of foreign military and intelligence services. Otherwise, there will be no guarantee that the will of the President, the Congress, or the public will be respected in future arms sales relationships. The CIA's conduct in Guatemala brings to mind a remark made by former New Hampshire Senator Warren Rudman with respect to another covert arms trafficking scheme run amok, Iran/contra: "If you carry this to its logical extreme, you don't have a democracy any more."[57]

When Mexico moved to put down the rebel uprising in the southern state of Chiapas in early 1994, they initially used some of the nearly three dozen helicopters that the United States had supplied to the Mexican Attorney General's office for use in anti-narcotics activities. Under questioning from Congress, Assistant Secretary of State Alexander Watson acknowledged that "USG-supplied helicopters were being used in Chiapas," but argued that their use was acceptable because "[s]enior officials assured our Embassy that the helicopters were use in a logistical, noncombat role."[58] Since a "logistical" function for the U.S.-supplied helicopters could include the militarily essential task of transporting troops and equipment to the front, the assertion regarding a "noncombat role" is misleading at best.

In March of 1994, the San Antonio Express-News reported that the Mexican government was "quietly importing millions of dollars worth of riot control vehicles across the Texas border, apparently in preparation for any civil unrest after the late-summer presidential election." The systems imported from the United States included the 17-ton Cobra riot control vehicle, equipped with water cannon and dye guns that can be used to "mark" troublesome demonstrators for later identification by the police; and the 12-ton Textron armored water cannon, which can spray with an impact of 120 pounds at a range of up to 50 feet. Pro-democracy activists in Mexico roundly condemned the sale. Apparently, the vehicles have yet to be utilized to put down any major demonstrations, but given the continued political turbulence in Mexico they may yet be used for that purpose.[59]

In February of 1995, Newsday reporter Ray Sanchez reported that U.S.-supplied Black Hawk helicopters were being used to ferry troops to Chiapas in the Mexican government's abortive attempt to round up the top leadership of the Zapatista movement. There is a strong possibility that U.S. weaponry will be used again if there is further civil strife in Mexico: the Mexican government has taken delivery of over $300 million worth of U.S. weaponry over the past decade, and U.S. deliveries accounted for over three-quarters of Mexican weapons imports in the most recent five year period for which information is available.[60]

The Bush Administration's initiative to utilize military assistance to help Andean nations fight the "war on drugs" has led to a number of documented instances of the use (and abuse) of U.S.-supplied weaponry in conflicts having little or nothing to do with the problem of drug interdiction. As the Washington Office on Latin America (WOLA) noted in its 1991 report "Clear and Present Dangers; The U.S. Military and the War on Drugs in the Andes", under the impetus of the Bush policy "the Andean region has supplanted Central America as the main locus of U.S. military activity in the hemisphere." In the first three years of the 1990s, Colombia, Peru, and Bolivia were slated to receive more U.S. military assistance than all of Central America combined, with the rationale of providing equipment and training that could be used to fight drug trafficking in those countries. Despite rhetoric about shifting its emphasis toward reducing demand for drugs in the United States, the Clinton Administration has carried on the Bush policy of providing substantial amounts of military assistance to Andean, Central American, and Caribbean nations for use in anti-narcotics efforts.[61]

In Colombia, Black Hawk helicopters and Textron/Cessna A-37 counterinsurgency aircraft that were supplied as part of the Bush Administration's September 1989 emergency antidrug aid package to that nation were used just a few months later in a series of bombing raids against the village of Llana Fria that resulted in the displacement of 1,400 peasants. The Colombian military claimed that the raids were aimed at leftist guerrilla forces—clearly not a purpose that was covered in the original rationale for the emergency U.S. weapons shipments. To make matters worse, a report by the Washington Office on Latin America (WOLA) indicated that "witnesses claim that the attacks were not aimed at guerrilla camps, as the military said, but at civilian settlements." In a statement that proved to be prophetic, WOLA Executive Director Alexander Wilde warned in a June 1990 congressional hearing that funneling U.S. aid to the Colombian armed forces under the guise of fighting drugs would just "further fuel the crisis of human rights abuse [in Colombia] . . . and undermine political stability, by strengthening the Colombian armed forces." Five years and hundreds of millions of dollars in U.S. military aid later, Colombia has made little progress in stemming the flow of cocaine from its territory to the United States; in fact, in March of 1995 the Clinton Administration stopped just short of cutting off all U.S. aid to Colombia as punishment for the current government's lackluster efforts to bring members of the drug cartels to justice.[62]

When tensions between Ecuador and Peru erupted into a full-scale border war in January of 1995, it marked the latest case in which the United States has provided substantial amounts of weaponry to both sides of a conflict.

Ecuador received over $111 million in U.S. Military equipment between F.Y. 1984 and F.Y. 1993. U.S. shipments accounted for more than 33% of all Ecuadorean weapons imports in the most recent five year period, and 50% of all such shipments from 1991 through 1993. In the five years following the announcement of the Bush Administration's Andean antidrug initiative, Ecuador has received $21 million in security assistance from the United States, including military grants and training, giveaways of excess U.S. Defense equipment, and balance of payments assistance under the Economic Support Fund program (ESF).[63] A passage on the aid program for Ecuador in the 1993 edition of the joint Pentagon/State Department Congressional Presentation on Security Assistance provided an ironic foreshadowing of precisely how the U.S. Weaponry provided to that nation for the fight against drugs would prove useful in its 1995 jungle border war with Peru:

"The proposed FY 93 FMF [Foreign Military Financing] program will provide vehicles, aircraft spare parts, and communications equipment to improve military mobility in remote regions. It will also provide weapons and ammunition."[64]

This increased mobility apparently proved useful to Ecuadorean forces during the early weeks of the war, as they seized a decidedly remote border zone in the Amazon jungle.

When Peru counterattacked to win back the captured territory, its armed forces were also well equipped with U.S. Weaponry. Although U.S. Military aid to Peru has been an on again, off again affair in recent years due to questions raised by Peruvian President Alberto Fujimori's imposition of martial law, the United States still managed to ship $136 million worth of military equipment to Peru between F.Y. 1984 and F.Y. 1993. In all, U.S. sources supplied 6% of Peru's total arms imports between F.Y. 1987 and F.Y. 1991, increasing slightly to 8.5% between 1991 and 1993. Protestations over Fujimori's record notwithstanding, the United States supplied over $293 million in security assistance to Peru between F.Y. 1990 and F.Y. 1994, mostly in the form of cash payments under the Economic Support Fund (ESF) program.[65] A presentation to Congress on the F.Y. 1992 aid proposals for Peru provides a capsule summary of the kinds of assistance and training that the United States has attempted to provide to the Peruvian government and armed forces in the period leading up to the 1995 border war with Ecuador:

"The proposed FY 1992 FMF [Foreign Military Financing] program will provide individual troop equipment, small arms and heavy weapons and ammunition, communications equipment, vehicles, river patrol boats and spare parts for previously-provided aircraft and helicopters. ESF [Economic Support Funds] will provide balance of payments support and fund alternative development activities in coca-growing areas and judicial reform activities. IMET [International Military Education and Training] will provide professional military education, technical, management, and special police anti-narcotics training, and training to improve military and police human rights practices."[66]

Important elements of this ambitious aid program were sidetracked in April of 1992 when President Fujimori imposed martial law, but previous U.S. weapons and training (not to mention hundreds of millions of dollars in aid provided under the Economic Support Fund program) left a substantial mark on the shape and size of the Peruvian armed forces. In a February 1995 briefing for foreign correspondents at the presidential palace in Lima, Fujimori noted that one of the Peruvian aircraft that was shot down in the air war with Ecuador was an A-37 attack plane, a U.S. counterinsurgency aircraft that is manufactured by the Cessna division of Textron and nicknamed the "Dragonfly."[67]

In Asia, the fastest growing arms market in the world, U.S. weapons are playing a central part in a critical conflict as well.

The government of the Philippines has been waging counterinsurgency campaigns against the New People's Army (NPA) and several other indigenous guerrilla movements for over two decades. The United States has taken sides in this civil war by supplying the Philippine government with over $619 million worth of U.S. weaponry over the past decade. The U.S. supplied 93% of the Philippine government's arms imports from 1987 through 1991, dropping to 75% for the period from 1991 through 1993.[68]

While there has been no detailed accounting of the role of U.S. weapons and training in the civil war in the Philippines, it is clear that at least some of the equipment being supplied by the United States has direct applications to counterinsurgency, and that the United States government has gone to some effort to obscure this fact. For example, when the United States made its first report to the United Nations arms register in 1993, it indicated a delivery of nine "combat aircraft" to the Philippines, with no further description. When the Philippines reported on its weapons imports for that same year, they indicated receipt of 19 (not nine) combat aircraft, and they identified the planes as Rockwell OV-10A Broncos, an aircraft designed specifically for counterinsurgency missions. [69] In early April, the International Herald Tribune reported that Philippine forces had used U.S. supplied Broncos to conduct bombing raids against Muslim guerrilla forces near the city of Zamboanga. [70]

The war in Afghanistan is not the only instance of U.S. covert weapons assistance being misused long after the original purpose of that assistance has passed. In Angola, where the U.S. provided approximately $250 million in covert weapons shipments to Jonas Savimbi's UNITA movement between 1986 and 1991, U.S.-supplied systems were utilized extensively in UNITA's efforts to shoot its way into power and overturn the results of U.N.-sponsored elections. A November 1994 report by Human Rights Watch notes that "U.S.-made 106mm recoilless rifles mounted on four-wheel-drive vehicles have been particularly popular with UNITA." The report also recounts Angolan government assertions that they have captured U.S.-made antitank missiles, mortars, and grenade launchers from UNITA forces. As in Afghanistan, UNITA forces in Angola also received Stinger antiaircraft missiles from the United States during the 1980s, although the Bush Administration apparently got the Stingers back from UNITA by swapping them for "less sensitive lethal equipment." [71] As of early 1995, it appeared that UNITA was finally prepared to put down its arms as part of a United Nations sponsored demobilization plan; but the question remains whether the Angolan civil war could have been ended years sooner with considerably less loss of life if the United States and other major arms suppliers hadn't provided hundreds of millions of dollars worth of armaments to both sides in that twenty year conflict.

Last but not least, when a civil war erupted in Yemen at the end of 1994, reporting focused on Soviet-origin weaponry utilized by the government of Yemen, along with the possibility that some of it had been maintained with the assistance of Iraqi advisors. Less attention was paid to the fact that the Yemeni government also had access to 11 F-5E fighters, 50M60A1 tanks, and 70 M113 armored personnel carriers that it had inherited from the government of North Yemen (a former U.S. ally) when North and South Yemen merged. Despite reports that the U.S. government withheld spare parts for U.S. systems during the conflict, at least four of the F5-Es and an unknown number of the U.S.-supplied tanks and armored personnel carriers were utilized in the conflict. [72]

III. Strengthening Potential Adversaries: The Boomerang Effect

One of the most striking features of U.S. arms sales policy since the end of the Cold War has been the regularity with which U.S.-supplied weapons have ended up in the hands of U.S. adversaries. The last four times the United States has sent troops into conflict in substantial numbers—in Panama, Iraq, Somalia, and Haiti—they faced forces on the other side that had received U.S. weapons, training or military technology in the period leading up to the outbreak of hostilities. While representatives of arms exporting companies have argued that this "leakage" of U.S. weaponry to potential adversaries has been minimal (see section II, above), the statistical evidence tells a different story.

Panama: When President Bush ordered U.S. troops into Panama in December of 1989 to capture Panamanian President Manuel Noriega and bring him back to the United States to face trial on charges of drug trafficking and money laundering, they faced a Panamanian defense force that had been to a considerable extent made in the U.S.A. Panama received $33.5 million in U.S. weaponry under the FMS and commercial sales programs during the 1980s, and the U.S. accounted for 44% of Panama's weapons imports in the five years leading up to the invasion. Equally important, a large part of the Panamanian officer corps had been trained by the United States military: from 1950 through 1987, 6,695 Panamanian military personnel received training under the Pentagon's International Military Education and Training program (IMET), at a cost of $8.3 million.[73] Although U.S. troops encountered minimal resistance in their effort to capture Noriega, the Panama invasion was the first incident in a disturbing pattern that has characterized every major U.S. military intervention since the end of the Cold War: U.S. forces going into battle against forces that have been armed or trained by their own government.

Iraq: Despite recent efforts by the defense industry and the Clinton Administration to argue that the United States did not arm Iraq in the period leading up to the 1991 Gulf War, there is ample documentation demonstrating that the Reagan and Bush administrations supplied critical military technologies that were put directly to use in the construction of the Iraqi war machine. There is also strong evidence indicating that the executive branch's failure to crack down on illegal weapons traffickers or keep track of third party transfers of U.S. weaponry allowed a substantial flow of U.S.-origin military equipment and military components to make their way to Iraq.[74]

The differences in perception regarding the degree to which the United States government helped to arm Iraq center around the fact that the most significant U.S. contributions to the Iraqi military complex were not through direct transfers of guns, tanks, helicopters, or other finished weapons systems, but rather through supplies of so-called "dual use" technologies. This misunderstanding was at the heart of the misleading press coverage of the Justice Department's investigation of the BNL affair, a scandal involving provision of U.S.-guaranteed loans to Iraq by the Atlanta branch of Italy's state-run Banca Nazionale del Lavoro. For example, a headline in the New York Times announced that "Inquiry Finds No U.S. Involvement in the Iraqi Arms Buildup," and the Washington Post reported that the Justice Department's lead investigator, John Hogan, had asserted that "Washington appears to have authorized the sale to Saddam only of some communications gear and a single pistol." In fact, the Justice investigators made it clear in their summary of findings that their mandate was not to assess the extent to which U.S. exports may have contributed to Iraq's military production capabilities but rather to "determine whether chargeable crimes could be proved beyond a reasonable doubt." The report went on to note that "[b]ecause our inquiry was limited in that way, this report is not intended either to criticize or to approve of any policy decisions."[75]

To craft a policy for the future that avoids "another Iraq," it is necessary to undertake precisely the task that the Justice Department's investigators viewed as outside their purview: a critical analysis of the policy-making process regarding transfers of militarily useful equipment to the Baghdad regime during the period from 1985 through 1990. As for the types of equipment that were approved for sale to Iraq, the Justice Department report acknowledges that hundreds of dual use items with applications to military production were approved for export to Iraq in the five years prior to the Gulf conflict of 1990-91. The Iraq issue was never about pistols—it has always been about the transfer of weapons production technology.

The first step in understanding the United States contribution to the Iraqi military buildup prior to the 1991 Gulf War is to look at the concept of dual use technologies. Dual use items include everything from unarmed light aircraft or helicopters that can be adapted to military uses, to instruments of torture like thumbscrews, to equipment like computers, machine tools, and measuring devices that can be applied to the production and testing of civilian or military products. Between 1985 and 1990, the U.S. Department of Commerce granted licenses for more than $1.5 billion in dual use exports to Iraq, more than $500 million of which was delivered before the outbreak of the Gulf War in August of 1990.[76] Under pressure from Congress and the public, in March 1991 the Commerce Department released a list of the dual use licenses it granted for exports to Iraq in the five years leading up to the conflict. Even a casual perusal of the list makes it evident that many of these items were put directly to work in Iraq's military research and production network. In addition to items that were licensed for export to obvious military end users like the Iraqi Air Force or the Iraqi Atomic Energy Agency, the list included numerous licenses for equipment that was being sent to Saad 16, a military production complex south of Baghdad that is known, among other things, as the center for

Iraq's research and production work on ballistic missiles.[77] Congressional investigators later learned that even this list, which revealed significant U.S. contributions to Iraq's defense industrial base, was incomplete and misleading; at least 68 entries had been changed to obscure their military applications.[78]

While the Commerce Department's licensing process provided the most direct channel for U.S. assistance to Iraq's military buildup, there were also significant transfers of U.S. military technology and knowhow through indirect channels. When Chilean arms dealer Carlos Cardoen decided to sell Iraq $400 million worth of cluster bombs along with the technology for Iraq to build its own cluster bomb factory, he apparently did so with the acquiescence of several agencies of the U.S. government. According to Nasser Beydoun, a Lebanese-born arms dealer who worked as Cardoen's U.S. representative, the CIA was aware of the deal but "looked the other way" because Cardoen and his associates had been helpful in a covert CIA plan to provide missile technology to South Africa. In addition, investigators for ABC News discovered that in 1986 the U.S. Patent Office had improperly granted Cardoen a patent for his own version of a U.S. cluster bomb design, at a time when Chile was ineligible to receive cluster bombs from the United States.[79] Howard Teicher, who served on Ronald Reagan's National Security Council from 1982 to 1987, has made even more explicit charges of U.S. involvement in Cardoen's scheme to ship cluster bomb technology to Iraq. In a recent sworn statement filed in federal court in Miami, Teicher asserts that under the direction of William Casey, the CIA "authorized, approved, and assisted" Cardoen's effort to give cluster bombs to Iraq, because Casey believed that the weapons would be "the perfect force multiplier" for Iraq to fight off Iran's strategy of sending "human waves" of attackers against Iraqi positions during the Iran/Iraq war.[80] Whether due to oversight or wilful negligence, U.S. government agencies helped smooth the way for Cardoen's transfer of U.S.-origin cluster bomb knowhow to Iraq.

Another major source of weapons for Iraq was Canadian-born artillery specialist (and naturalized U.S. citizen) Gerald V. Bull. During the 1970s Bull ran his firm, the Space Research Corporation, on a 10,000 acre site on the Vermont/Canadian border. It was here that he developed the technology for the G-5 155mm howitzer, a state-of-the-art artillery piece notable for its extensive range. Bull received considerable help at key stages in his career from various agencies of the U.S. government. Before he set up his U.S.-based company, he was granted U.S. citizenship under a rare special act of Congress sponsored by Sen. Barry Goldwater (R-AZ). During the period when Bull was perfecting his howitzer design, Space Research benefited from millions of dollars worth of contracts from the U.S. Army. According to former CIA Angola station chief John Stockwell, in the mid-1970s Bull was assisted by the CIA in setting up a lucrative deal with to supply howitzers, artillery shells, and howitzer production technology to South Africa for use in its war against the government of Angola. When this deal was uncovered, Bull was prosecuted for violations of U.S. arms export laws and served four and one-half months in the U.S. federal prison at Allenwood, Pennsylvania. However, the Customs Service investigator who made the case against Bull has argued that the Justice Department let Bull off relatively easily because his illegal acts were linked to a CIA covert operation.

After Bull was released from prison in 1980, he set up shop in Belgium, marketing his howitzer technology to a customer list that included both China and Iraq. Because Bull was a U.S. citizen and his howitzer technology was developed in the United States, he was required under U.S. law to receive clearance from the State Department's Office of Munitions Control in order to market this system internationally; despite his prior conviction for violating U.S. export laws, the State Department readily granted Bull clearance to sell his guns on the world market. Iraq ended up purchasing Bull-designed G-5 howitzers from both South Africa and Austria. In the case of the Austrian sales, U.S. officials were aware that the guns were being sold to both Iran and Iraq, by lodged protests with the Austrian government only with respect to the sales to Iran. Bull's most ambitious project, helping Iraq to build a "supergun" that would allegedly have been capable of launching a projectile from Baghdad to Tel Aviv, was cut short when he was assassinated in March of 1990. [81]

One final example of U.S. government complicity in the arming of Saddam Hussein is the case of Sarkis Soghanalian, who for years worked as an arms dealer for Iraq out of offices based at the Miami airport. Among the deals that Soghanalian worked on from his U.S. base were a successful scheme to send 26 Hughes MD-50 helicopters to Iraq and a failed deal to procure Romanian uniforms for Iraqi military forces. Soghanalian has maintained publicly that his arms deals with Iraq were not challenged during the 1980s because key U.S. government agencies were "in on the deal," a claim that is lent some credence by the fact that he operated so openly as an arms procurement agent for Saddam Hussein without any interference from U.S. intelligence or law enforcement agencies. He was finally convicted on charges of illegally selling helicopters to Iraq in the fall of 1991, long after his services as one of Saddam Hussein's most valued arms brokers had been rendered irrelevant by Iraq's defeat in the Gulf War. [82]

When he learned of the details of U.S. government acquiescence in Gerald Bull's various illegal arms transactions at the height of the Gulf conflict, Rep. Howard Wolpe (D-MI) reacted angrily, with a statement that could just as easily been applied to the whole executive branch approach to private arms dealers and producers like Cardoen, Bull, and Soghanalian:

> "The bottom line here is that because we have been so lax in our enforcement of American laws we are now finding American-made technology in the hands of the Iraqi forces that are pointing their cannons at American soldiers. That's outrageous." [83]

Somalia: The U.S. arms supply relationship with Somalia presents a textbook case of what can go wrong when short-term political interests outrank long-term strategic considerations in U.S. arms transfer decisionmaking. From the end of the Carter Administration in 1979 through beginning of the Bush Administration in 1989, the regime of Maj. Gen. Mohammed Siad Barre received roughly $1 billion in U.S. military and economic aid, including $154 million in weapons deliveries under the foreign military sales and commercial sales programs. U.S. arms deliveries accounted for 31% of Somalia's arms imports from 1985 to 1989, making the United States Somalia's top weapons supplier during the period leading up to the overthrow of the Barre regime and the outbreak of clan warfare in Somalia.[84]

The rationale for U.S. arms aid to Somalia was pure Cold War geopolitics. The Carter Administration decided that Somali ports and airfields would be useful as stepping stones for a potential military intervention in the Middle East by the new U.S. Rapid Deployment Force (since renamed and reorganized as the Central Command). The Carter and Reagan Administrations justified this new arms relationship with Somalia (which was a Soviet arms client during the 1970s) as a straight quid pro quo: U.S. arms were swapped for access to Somalia military facilities such as the port of Berbera. An added argument for supplying the Somalia regime was the fact the Somalia's larger neighbor, Ethiopia, had recently fallen out of the U.S. orbit and allied itself with the Soviet Union. A run through the executive branch's justifications to Congress from the 1980s for shipping weaponry to Somalia provides a virtual catalog of wishful thinking regarding how U.S. arms supplies might somehow turn around what was obviously a rapidly deteriorating security situation. Time and again, despite mounting human rights abuses and an emerging civil war, Pentagon and State Department officials justified the arms flow to Siad Barre's regime on the grounds that it would "foster stability."[85] the most unintentionally ironic statement of the U.S. policy of ignoring instability in Somalia and pressing ahead with military-related assistance was offered by the Bush Administration in a 1991 presentation to Congress:

> "Prior to the civil war, ended by a January 1991 coup, we urged the Siad Barre government to improve human rights, undertake real political reform and promote national reconciliation. * * * Despite the adverse impact of the civil war and the coup of U.S.-Somali relations, our interests in the region remain the same. The new Somali government has expressed an interest in resuming bilateral relations, and may be willing to undertake several democratic reforms which we support".[86]

This analysis was offered in support of offering U.S. military training to the new Somali government. A new round of fighting within Somalia ensured shortly thereafter, and a year and one-half later President Bush sent U.S. troops to Somalia as part of a United Nations force charged with imposing some semblance of order upon rival armed factions that were threatening the delivery of humanitarian relief to a beleaguered and malnourished Somali populace. From 1991 to 1993, the United States has supplied 100% of all new weaponry imported by Somalia's governing coalition.

When Siad Barre was overthrown in January of 1991, much of the weaponry that the United States had so diligently supplied to his government during the 1980s fell into the hands of the rival factions that carried on the civil war that served as the rationale for the dispatch of U.S. troops to that nation in December of 1992. Despite the usual assertions that U.S. weapons deliveries to Somalia were largely "defensive" or "nonlethal" equipment, the U.S. provided significant quantities of small arms, including 4,800 M-16 rifles, 84 106mm recoilless rifles, two dozen machine guns, 75 81mm mortars, and an unspecified quantity of land mines. Larger weaponry included 24 M-113 armored personnel carriers, 18 155mm towed howitzers, and 448 TOW anti-tank missiles. The smaller items on this list, including the M-16s, machine guns, recoilless rifles, and land mines, were precisely the kinds of weaponry that were utilized by the forces of the warlord Mohammed Farah Aideed and other Somali factions in their fighting with U.S. and United Nations troops posted to Somalia. While the U.S. was far from the only supplier to add to the atmosphere of armed chaos that took hold of Somali society, U.S. weapons delivered during the 1980s played a significant role, first in supporting the regime of Siad Barre in its campaign of terror against his own population, and then in supporting the warfighting capabilities of the Somali factions involved in the civil war that carried on after Barre was overthrown.[87]

Haiti: When President Clinton decided to dispatch U.S. troops to Haiti in late 1994 to clear the way for the restoration to power of Haiti's elected leader, Jean Bertrand Aristide, most of the media attention was focused on the last minute shuttle diplomacy carried out by former President Jimmy Carter retired Gen. Colin Powell, and Senator San Nunn. There was very little discussion of the historic U.S. role in arming and training the Haitian military and intelligence forces that United States troops were sent to keep in check. From F.Y. 1984 to F.Y. 1993, the United States delivered $2.6 million worth of weaponry to Haiti under the FMS and commercial sales programs. This seemingly modest amount was significant by the standards of Haiti, which maintains 7,000 personnel in its armed forces and spends on average only about $50 million per year on its military budget. Of equal importance, during the past ten years the United States has trained 164 members of the Haitian officer corps. In addition, from 1986 through 1991, U.S. intelligence agencies were secretly arming and training key military and intelligence officials in Haiti at a cost of up to $1 million per year, allegedly for the purpose of assisting in the interdiction of illegal narcotics. Taking into account these secret weapons shipments, total U.S. arms deliveries to Haiti during the period from 1987 through 1991 exceeded 25% of total Haitian arms imports. Key U.S.-designed equipment in the Haitian military's inventory include six Cadillac Gage V-150 Commando armored personnel carriers (a vehicle specially tailored for "riot control"), two Cessna 337 aircraft armed with rockets, and a variety of naval equipment and small arms. [88]

While the Haitian mission proceeded remarkably smoothly, with minimal U.S. casualties, the question remains whether past U.S. supplies of arms, training, and intelligence resources to a series of military-dominated regimes in Haiti may have unnecessarily complicated Haiti's transition to democracy, calling forth an intervention that might have been prevented if sounder arms transfer decisions had been made by the United States during the 1970s and 1980s.

IV. Taking Control: Reforming the Arms Transfer Decisionmaking Process

Contrary to recent claims of the Clinton Administration and other key participants in the arms export debate, U.S. weapons are decidedly not limited to responsible suppliers who are using them strictly for legitimate defensive purposes. When 90% of the world's ongoing conflicts involve parties that have received U.S. weaponry; when the last four major U.S. troop deployments have been against adversaries that received arms, training, or military technology from the United States; and when U.S. weapons are utilized to kill innocent civilians and abuse human rights in Indonesia, Turkey, Angola, and Guatemala, something is clearly wrong with the arms transfer decisionmaking process. This section makes specific recommendations for promoting greater accountability in arms transfer decisions, in the hopes of preventing a repetition of the disastrous arms deals that have been documented in this report.

Recommendation 1: Pass the arms transfer Code of Conduct bill

In February of 1995, Senator Mark Hatfield (R-OR) and Representative Cynthia McKinney (D-GA) reintroduced legislation calling for the establishment of a Code of Conduct for U.S. weapons transfers (bill number H.R. 772 in the House and bill number S. 326 in the Senate). Under the Code, governments that engage in aggression against their neighbors, violate the human rights of their own citizens, come to power through undemocratic means, or refuse to participate in the United Nations arms register would not be eligible to receive weaponry from the United States. If the President wanted to make an exception for a specific country on national security grounds, he would have to ask Congress to pass a bill providing an exemption for that nation.

The benefits of the Code of Conduct would be twofold. First, it would place considerations and the character of a given arms receipt and how that nation might use U.S. weaponry up front in the arms transfer decisonmaking process, preventing sales to unstable regimes in the process. Second, even in cases where the President sought an exemption, members of Congress would be forced to go on the record for or against, providing a measure of public accountability that rarely occurs under current law.

Under current procedures, if a major arms sale does not involve the provision of U.S. assistance, Congress can choose whether or not to vote on the deal; failure to vote signals acquiescence in the sale. Of the 50 to 100 major arms sales notified to Congress each year, the vast majority of them are not subjected to a vote, scrutizined in hearings, or debated on the floor of the Congress. And in the more than twenty years since Congress first acquired the power to vote down arms sales, it has never successfully done so. There have been a few "close calls" such as the 1981 Saudi AWACS sale. There have also been a few cases where the executive branch has withdrawn a deal or reduced it in size to avoid a battle with the Congress, such as the 1986 decision by the Reason Administration to forgo additional sales of F-15 aircraft to Saudi Arabia (a decision which was reversed by the Bush Administration when it offered the Saudis 72 F-15s in 1992). But on the whole, the current system has allowed tens of billions of dollars in arms sales to be made every year with very little in the way of congressional scrunity or public input. The Code of Conduit bill would correct this deficiency by stimulating the kind of vigorous public debate that should be a fundamental requirement for making decisions on transfers of weaponry that can have dangerous and unforeseen consequences for United States and international security.[89]

Recommendation 2: Provide more detailed reporting on U.S. transfers of arms and military technology, and press for other nations to do the same.

Although the United States generally discloses more information on sales of arms and military technology than any other major weapons supplying nation, there are still a number of significant gaps in reporting that to make it difficult (and in some cases impossible) to assess the potential impacts of U.S. transfers to a given regime.

At the high end of the trade, prospective sales of fighter planes, tanks, and advanced attack helicopters, and other sophisticated systems are routinely reported to the Congress for its approval or disapproval. However, this information is not always made readily available to the public in a timely fashion. During the 1970s, the unclassified portions of all major proposed arms sales were routinely reprinted in the Congressional Record, thereby allowing interested members of the public to inform themselves about prospective weapons exports and make their voices heard to the Congress when it would still make a difference (Congress currently has thirty calendar days to disapprove or acquiesce in a given sale). This practice was discontinued in the early 1980s, allegedly because of Pentagon concerns that releasing this data would reveal too much information about the "order of battle" of U.S. weapons clients. In the interests of stimulating an informed debate, Congress should return to the practice of printing the details of all major arms sales proposals in the Congressional Record.[90]

At the mid-to-low end of the trade, there is no longer any regular U.S. government reporting on the trade in small arms or "light weaponry"—the rifles, mortars, light vehicles, land mines, and ammunition that are frequently the weapons of choice in today's ethnic conflicts and civil wars. This was not always the case. Up through fiscal year 1980, the State Department issued an annual report under Section 657 of the Foreign Assistance Act that listed every item of military equipment delivered from the United States to any foreign country in the prior fiscal year, ranging from rifles and bullets on up to advanced combat aircraft. The report was discontinued during the Reagan Administration, but the information upon which it was based is still regularly collected by the Pentagon's Defense Security Assistance Agency and the State Department's Office of Defense Trade Controls. The section 657 report should be reinstituted as an annual publication, to provide a tool for keeping track of potential abuses of U.S.-supplied weaponry by undemocratic regimes or nations at war with their neighbors. The report should be widely disseminated in the Congress, the media, and among interested members of the general public.[91]

Finally, a full accounting of U.S. arms transfer policy must include regular, detailed reporting on U.S. transfers of so-called "dual use" equipment—items such as advanced machine tools and computers, measuring instruments, or unarmed light helicopters and aircraft. These items can either be adapted for military use, or, more importantly, utilized to build advanced weapons systems. If Congress and the public had been aware of the particulars of the nearly $1.5 billion in dual use export licenses that the Commerce Department granted to companies seeking to sell equipment to Iraq during 1985 through 1990, some of the more dangerous items on the list might not have been approved for sale. In keeping with the findings of a 1991 Congressional review of U.S. export procedures in the wake of the Persian Gulf War, legislation should be passed requiring the Commerce Department to make public the details of its dual use licensing decisions, including the type of equipment and company involved, the value of the proposed sale, and the institution within the recipient country slated to receive that equipment.[92]

If these steps toward greater transparency regarding U.S. transfer of weapons and militarily useful technology are implemented, the United States will be in a much stronger position to press for increased reporting by other major suppliers.

The United Nations arms register currently excludes reporting on important categories such as small arms and dual use technologies. The Clinton Administration should press to have small arms added to the UN arms register, so that the weapons of choice in today's ongoing wars are covered by this important international monitoring mechanism. For dual use items, in addition to pressing for consultation on sale of major items in the context of developing a successor regime to the Cold War-era Coordination Committee on Multilateral Export Controls (Cocom), the administration should press for some form of international, public reporting system on dual use sales. This might take the form of an annual report by the members of a Cocom successor regime detailing major dual use licenses granted during the previous year, or a voluntary reporting mechanism that could run in parallel to the United Nations arms register.

Recommendation 3: The Pentagon and the intelligence community should publish regular reports on the use of U.S.-supplied weaponry in ongoing conflicts

All too often, U.S. weapons are supplied on a "fire 'em and forget 'em" basis: the decision to sell is made basis on short-term political, strategic, or economic considerations, with little thought given to how these arms might be used a few years down the road. The classic cases of this syndrome are the "runaway weapons" that U.S.-backed Afghan rebel forces have been putting up for sale on the world market during the 1990s and U.S. arms supplies that fell into the hands of eventual U.S. adversaries in Panama, Iraq, Somalia and Haiti (see sections III and IV, above). In an attempt to prevent this "boomerang effect" from repeating itself in the future, Representative Cynthia McKinney sponsored a successful amendment to the Fiscal Year 1995 Department of Defense Authorization bill requiring the Pentagon to report annually on how proposed arms transfers might create "increased capabilities" on the part of potential adversaries, and how they might "pose an increased threat" to U.S. forces in some future conflict. The amendment also requires the Pentagon to "present alternative strategies for regional security based on mutual reductions in the size, spending, and capabilities of forces and among agreements among arms supplying nations to join the United States in reducing or halting military cooperation activities."[93] Representative McKinney's amendment represents an important first step toward shifting the terms of the debate over U.S. arms transfers toward consideration of the long-term dangers of unrestrained weapons trading rather than the apparent short-term political and economic payoffs of a given arms deal.

As a further step in the right direction, the Pentagon and the Central Intelligence Agency should be required to file annual reports on how U.S.-supplied weaponry is being put to use in current conflicts, either by the original recipients, or as the result of unauthorized transfers to third parties. These reports could serve as a running record of the consequences of past U.S. weapons trading activities, and they would hopefully inject a note of caution into Congressional debates over new proposed transfers. The institution of this reporting mechanism would mark a sharp break from past practice, which indicates that in some instances the intelligence community hasn't even been keeping close tabs on its own covert weapons shipments, much less reporting them to the Congress or the public. For example, the Justice Department's final report of its investigation of the U.S. role in arming Iraq contained the following troubling description of the CIA's handling of information on its arms sales activities: "Is one instance, it took the CIA two months to identify the intended recipient of weapons shipped at the CIA's request."[94]

Recommendation 4: Outlaw covert weapons shipments

From Iran/contra to the arming of Iraq to the ongoing proliferation of weapons originally intended for Afghan rebel movements, covert weapons trafficking has been the driving force behind a series of unmitigated foreign policy fiascoes.

Whatever rationale there may have been for covert weapons trading during the Cold War, it is no longer a viable policy instrument in today's unpredictable international security environment. The cases of covert weapons trading gone awry that have been documented in this report—Afghanistan, Iran/contra, Iraq, Guatemala, and Haiti—provide ample indication that secret wheeling and dealing in weapons does more harm than good, both by subverting the democratic conduct of U.S. foreign policy and by damaging U.S. credibility and standing in the international community. As part of his restructuring of the CIA, President Clinton should shut down its covert operations directorate and press for legislation outlawing all forms of secret weapons trading by any U.S. government agency.[95]

Recommendation 5: The Clinton Administration (or its successor) should vigorously pursue a policy of multilateral arms transfer restraint designed to limit sales of conventional weaponry to regions of conflict or repressive regimes

Contrary to the findings of the Clinton Administration's new conventional arms transfer policy, Presidential Directive 41, limiting the spread of weaponry to regions of conflict should be the paramount priority governing U.S. arms transfer decisions in the post-Cold War era. Economic and defense industrial base concerns should take a back seat to efforts to construct a multilateral arms export control regime that can serve as a tool for preventing conflicts, and for limiting their duration and severity once they break out. At a time when the United States controls 72% of new arms sales agreements with the developing world, U.S. leadership remains an essential prerequisite for any meaningful multilateral arrangement for limiting the flow of conventional armaments.[96]

FOOTNOTES

1. On this point see Lora Lumpe, "Arms and No Influence," Arms Sales Monitor, No. 27, Washington, DC, Federation of American Scientists, November 30, 1994; and Dr. Louis J. Samuelson, editor, The Management of Security Assistance (Wright Patterson Air Force Base, Dayton, Ohio: April 1991), p. 51.

2. Richard F. Grimmett, Conventional Arms Transfers to the Third World, 1986–1993, (Washington, DC: Congressional Research Service, July 1994).

3. The list of fifty conflicts was compiled by the author, drawing upon the following sources: Ted Robert Gurr, "Peoples Against States: Ethnopolitical Conflict and the Changing World System," International Studies Quarterly, Vol. 38, No. 3, September 1994, pp. 347–377; Peter Wallensteen and Karen Axell, "Mayor Armed Conflicts," in SIPRI Yearbook 1994 (New York: Oxford University Press, 1994), pp. 81–95; and David Binder and Barbara Crossette, "As Ethnic Wars Multiply, U.S. Strives for a Policy," New York Times, February 7, 1993. The list utilized in this study includes all "major conflicts," defined by SIPRI as "prolonged combat between military forces of two or more governments, or of one government and an organized armed group, and incurring the battle-related deaths of at least 1,000 people during the entire conflict. This study also covers all but a handful of the smallest wars covered in Gurr's list of "Serious and Emerging Ethnopolitical Conflicts in 1993–94." Gurr's list uses a more inclusive standard, namely deaths incurred "directly through fighting or massacres or indirectly through starvation, disease, and displacement, from the beginning of its current phase through mid-1993."

4. Wallensteen and Axell, op. cit., p. 80.

5. Because the Peru-Ecuador border war erupted in January of 1995, it is not covered in the statistical appendix, but it is discussed in the text (see section II, below).

6. Outside of the major producers in the developed world—the United States, Russia, Germany, France, Italy and the United Kingdom—there are only a handful of nations that can be considered self-sufficient (or nearly so) in armaments production. If one considers only smaller, less sophisticated systems such as rifles, mortars, and light military vehicles, the number of countries with significant indigenous production capabilities increases to perhaps two to three dozen. But even in these cases it is clear that arms imports have a substantial impact on the levels at which violent conflicts can be sustained. Unfortunately, trade in small arms (also referred to as "light weapons" by some analysts) is the least well documented aspect of the international arms trade, even though it probably accounts for the bulk of the weapons systems that are actually utilized in current ethnic conflicts. For two recent accounts of the state of the small arms trade, see Jeffrey Boutwell, Michael T. Klare, and Laura Reed, editors, Lethal Commerce: The Global Trade in Small Arms and Light Weapons (Cambridge, MA: American Academy of Arts and Sciences, 1995); and Swadesh Rana, Small Arms and Intrastate Conflicts (New York: United Nations Centre for Disarmament Affairs, February 1995). In addition, the Arms Project at Human Rights Watch has done pathbreaking case studies on the trade in small arms that have been used in massacres and systematic human rights violations, most notably Arming Rwanda: The Arms Trade and Human Rights Abuses in the Rwandan War (New York: Human Rights Watch Arms Project, January 1994).

7. This narrow emphasis on preventing transfers to "rogue states" is at the heart of the Clinton Administration's approach to arms sales, as embodied in Presidential Directive 41, which was released in February of 1994; in addition, the Clinton foreign policy team has maintained the Bush Administration double standard of denouncing Russia and China for particular weapons deals they have entered into the Middle East and Asia at the same time that the United States dominates the overall arms market in each of these regions. For a critical analysis of the "rogue state" strategy, see Michael T. Klare, *Rogue States and Nuclear Outlaws: America's Search for a New Foreign Policy* (New York: Hill and Wang, 1995).

8. It is a commonplace in discussions with representatives of U.S. industry and arms sales policymakers in Washington to hear the refrain that "the French will sell to anybody," or words to that effect. While criticism of French arms transfer policy is certainly justified by France's recent record of providing arms that were used in devastating wars such as the 1991 Gulf conflict and the slaughter in Rwanda, Paris is hardly the only world power that needs to reexamine its weapons export practices.

9. Richard M. Nixon, *The Real War* (New York: Random House, 1980), p. 197.

10. On aggression by U.S. arms clients during the Nixon era see William D. Hartung, *And Weapons for All*, (New York: HarperCollins, 1994), pp. 25–26.

11. Steven R. Weisman, "Reagan Lifts Ban on Sending Israel 16 Jet War Planes," New York Times, August 18, 1981; and Lee Lescaze, "Reagan Lifts Ban on Delivery of 16 Jets to Israel," Washington Post, August 18, 1981.

12. On this point see Chapter 13, "Clinton Policy: Arms Control or Business As Usual?" in William D. Hartung, *And Weapons for All* (New York: HarperCollins, paperback edition, 1995).

13. Statement of Lt. Gen. Teddy G. Allen, Director, Defense Security Assistance Agency, before the Subcommittee on International Economic Policy, Trade, Oceans, and Environment of the Committee on Foreign Relations, United States Senate, June 16, 1993.

14. Wording of the administration's policy goals is taken verbatim from "Fact Sheet: Conventional Arms Transfer Policy," White House Press Office, Washington, DC, February 17, 1995.

15. Ibid. See also Thomas E. Ricks, "Arms Sales to Take Into Account Effect on Industry," The Wall Street Journal, November 16, 1994.

16. Don Fuqua, President, Aerospace Industries Association, "Merchants of Peace," Aerospace Industries Association Newsletter, Volume 7, Number 5, November 1994, p. 3.

17. Ethan Kapstein, "America's Arms Trade Monopoly," Foreign Affairs, Vol. 73, No. 3, May/June 1994, p. 18.

18. See appendix A, Table I for details on U.S. transfers to fifty current conflicts. Data used for this analysis is drawn from two principal sources: U.S. Department of Defense, Defense Security Assistance Agency, *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of September 30, 1993* (Washington, DC: DSAA, 1994), tables 2 and 6; and U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1991-92* (Washington, DC: U.S. GPO, 1994), Table III. For further details on sources, see the footnotes to Table I in Appendix A, below.

19. See Appendix A, Table I.

20. Human Rights Watch Arms Project, *U.S. Cluster Bombs for Turkey?*, (New York: Human Rights Watch, December 1994), p. 9.

21. Ibid., p. 11; see also British American Security Information Council, *Fueling Balkan Fires: The West's Arming of Greece and Turkey*, Project on the Arms Trade Report 93.3, (Washington, DC: BASIC, 1993), and British American Security Information Council, "US-German Arms Exports and Greece at a Record High," May 20, 1994.

22. For an overview of Turkey's military industrialization drive and the role of U.S. and other foreign firms in helping to sustain it through coproduction and licensing deals, see Gulay Gunluk-Senesen, "An Overview of the Arms Industry Modernization Program in Turkey," in *SIPRI Yearbook 1993: World Armaments and Disarmament* (New York: Oxford University Press, 1993), pp. 521–532.

23. For the best review of the evidence on the Turkish armed forces use of U.S.-supplied systems against the PKK, see *U.S. Cluster Bombs for Turkey?*, op. cit., pp. 4–6.

24. Human Rights Watch/Helsinki, *Turkey: Forced Displacement of Ethnic Kurds from Southeastern Turkey* (Washington, DC: Human Rights Watch, October 1994), p. 4.

25. "Turkey Unleashes a Massive Raid on Kurdish Bases in Turkey," *International Herald Tribune*, March 21, 1995.

26. Ibid.

27. Department of Defense News Briefing by Dennis Boxx, March 21, 1995, official DoD transcript.

28. "Turkey Unleashes," op. cit., note 25; "Turkish Army Readies Final Assault on Kurd Pockets," *International Herald Tribune*, March 25–26, 1995; and John Barham, "Turkish Army Invades Iraq to Strike at Turkish Bases," *Financial Times* (London), March 21, 1995.

29. John Pomfret, "Turkey's Hunt for the Kurds: The Making of a Quagmire?", *Washington Post*, April 2, 1995.

30. Ibid.

31. "UN Evacuates Kurds from Path of Turkey's Offensive," *International Herald Tribune*, March 27, 1995; "Turkey Plays Down Criticism of Assault," *International Herald Tribune*, March 29, 1995; and Pomfret, "Turkey's Hunt," op. cit.

32. Suna Erdem, "Iraqi Kurds Say Turkey Torched Their Town," *Washington Post*, March 30, 1995.

33. "Turkey Unleashes," op. cit.

34. "Germany Withholds Materiel Over Drive on Kurds," *International Herald Tribune*, March 30, 1995.

35. David Morrison, "Turkish War Concern for America," National Journal, April 15, 1995.

36. U.S. Cluster Bombs for Turkey, op. cit., pp .9–10; and Thomas W. Lippman, "Rights Group Seeks to Block Proposed Cluster-Bomb Sale to Turkey," Washington Post, December 28, 1995.

37. "Turkish Aid Says Troops Have Left Iraq," New York Times, May 5, 1995. The article actually cites conflicting reports from two different Turkish officials—Turkish Defense Minister Mehmet Golhan is quoted as saying "We have no one there . . . We have withdrawn them all and we only have security measures on the border." However, the article goes on to indicate that "Deputy Prime Minister Hikmet Cetin said . . . that a few troops still remain in Northern Iraq, but he did not give details."

38. John Pomfret, "Turkish Premier Assails Kurdish Attack's Critics," Washington Post, April 5, 1995.

39. Kenneth Katzman, "Afghanistan: U.S. Policy Options," Congressional Research Service Issue Brief, November 29, 1993, p. 15.

40. Ted Galen Carpenter, "The Consequences of Afghanistan," World Policy Journal, Vol XI, No. 1, Spring 1994, p. 77.

41. Jim Hoagland, "No More Frankensteins," Washington Post, July 13, 1993.

42. Tim Weiner, "U.S. Will Try to Buy Antiaircraft Missiles Back From Afghans," New York Times, July 24, 1993; on the ties of the World Trade Center suspects to Afghan weapons training camps, see Caryle Murphy, "U.S. Policies Trouble Egypt," Washington Post, August 1, 1993 and Tim Weiner, "Blowback from the Afghan Battlefield," New York Times Magazine, March 13, 1994.

43. William D. Hartung, "Proliferation's Profiteers," CEO/International Strategies, February/March 1993.

44. Molly Moore, "Missile Buyback Stumbles," Washington Post, March 7, 1994; and Tim Weiner, "U.S. Will Try to Buy Back Antiaircraft Missiles from Afghans," op. cit.

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90. As of the early 1980s, it was still possible to construct a list of major U.S. arms sales proposals by tracking the announcements of new letters of offer that were reprinted in the Congressional Record; for an example of an analysis conducted using this data, see William D. Hartung "Weapons for the World Update—1982," New York, Council on Economic Priorities, 1982, it is still possible to track major U.S. arms sales through a combination of Pentagon press releases and notices in the industry press, but this method can result in time lags that limit the ability of the public to learn about major sales proposals and make their views known to Congress before the 30 day period within which Congress can vote down a sale has passed. For current efforts to track major arms sales, see the "Deals in the Works" section in Lora Lumpe, ed., Arms Sales Monitor (Washington, DC: Federation of American Scientists, published 8 to 10 times per year); and Sarah Walkling. ACA Register of U.S., U.S. Arms Transfers (Washington, DC: Arms Control Association, February 1995).

91. The idea of reinstituting the section 657 reports has been put forward in recent years by a number of non-governmental organizations, including Human Rights Watch, the British American Security Information Council (BASIC), and the Project on Demilitarization and Democracy. See Natalie J. Goldring and Ottfried Nassauer, "Available Sources and Data: The Trade in Light Weapons," paper prepared for the American Academy of Arts and Sciences Conference, "International Trade in Light Weapons," February 24–25, 1994; and Stephen D. Goose and Frank Smyth, "Arming Genocide in Rwanda," Foreign Affairs, Vol. 73, no. 5, September/October 1994, pp. 86–96.

92. Strengthening the Export Licensing System: First Report by the Committee on Government Operations (Washington, DC: U.S. Government Printing Office, 1991), pp. 40–53.

93. Lora Lumpe, editor, Arms Sales Monitor, No. 27, (Washington, DC: Federation of American Scientists, November 30, 1994), p. 9.

94. John M. Hogan, "Addendum to the BNL Task Force—Final Report," (Washington, DC: United States Department of Justice, 1995), p. 3.

95. Caleb Rossiter of the Project on Demilitarization and Democracy suggested prohibiting covert arms supplies and training in his February 22, 1994 testimony before the Senate Foreign Relations Committee's Subcommittee on International Economic Policy, noting that "[C]overt aid programs corrupt the recipient precisely because they are covert and have no leverage . . . If we are to engage in aiding foreign forces, we should do so openly." A summary of Rossiter's testimony appears in Lora Lumpe, editor, Arms Sales Monitor, No 24 (Washington, DC: Federation of American Scientists, March 15, 1994), pp. 4–5.

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APPENDIX A: U.S. ARMS DELIVERIES TO AREAS OF CONFLICT, 1984–1993

Region/Conflict (Major conflicts in bold)[1]	U.S. deliveries, 1984–1993 ($ millions)[2]	Last year U.S. Arms delivered[3]	Percent of imports provided by U.S. 1987–91/1991–93[4]	Other suppliers[5]
Europe:				
1. **Former Yugoslavia** (Conflicts in Croatia and Bosnia/Herzegovina)	$163.4	1991	13/0	Russia, Germany, Slovakia, Iran, Egypt, Saudi Arabia.
2. Spain (Govt. vs. Basque Separatists)	4,003.6	[6] 1993	85/86	France.
3. **United Kingdom** (British forces and protestant paramilitary groups vs. IRA).	6,318.5	1993	100/95	
4. **Russia**[7] (Conflicts in Chechnya and North Ossetia)	None			NA.
5. Moldova (Conflicts in Dniester region)	None			NA.
6. **Georgia** (Conflicts in Abkhazia and Southern Ossetia)	None			NA.
7. **Turkey** (Govt. vs. Kurdish separatists)	6,302.8	1993	76/80	Germany.
Middle East/North Africa:				
8. **Azerbaijan** (Conflict with Armenia over Nagorno/Karabakh)	None			NA.
9. **Iraq** (Conflicts with Kurdish groups in the North and Shiite Muslim groups in the South).	4.4[8]	1989	<1/0 (see[8])	Former Soviet Union, China, France.
10. **Israel** (Vs. Palestine intifada through mid-1993 and vs. Hamas)	9,544.1	1993	99/91	
11. **Algeria** (Govt. vs. Islamic militants)	105.2	1993	1/0	Former Soviet Union, Egypt, China.
12. Morocco (Moroccan govt. vs. Western Sahara independence movement; UN referendum to be held).	404.0	1993	26/76	France, other West European suppliers.
13. Egypt (Govt. vs. Islamic militants)	7,227.9	1993	61/89	France.
14. **Sudan** (Govt. vs. Sudanese People's Liberation Army)	155.6	1989	9/0	China, Middle Eastern suppliers, Italy.
15. Yemen (Civil war, North vs. South)	50.6	1991	1/0[9]	Former Soviet Union, China.
16. **Iran** (Govt. vs. Kurdish separatists, Mujahaddin guerillas)	Covert sales, value undisclosed[10]	NA	NA/0	Russia, China, European suppliers.
Sub-Saharan Africa:				
17. Mauritania (Govt. vs. black minority)	1.5	1992	<1/0	Former Soviet Union.
18. Mali (Govt. vs. Tuareg ethnic group)	.2	1993	<1/0	Former Soviet Union, Middle Eastern sources.
19. Chad (Ongoing civil war between Anakaza and Bideyet ethnic groups)	50.3	1993	27/25	France.
20. **Somalia** (Multi-sided clan warfare)	109.3	1991	44/100	Italy.
21. Senegal (Govt. vs. Diola tribe)	13.6	1993	11/100	France, other European suppliers.
22. **Liberia** (Govt. & West African peacekeeping forces vs. rebels led by Col. Charles Taylor).	33.4	1990	40/0	Former Warsaw Pact, Middle Eastern sources.
23. Togo (Govt. vs. opposition forces, including members of Ewe tribe)	1.9	1993	<1/0	Latin American sources.
24. Nigeria (Military-dominated govt. vs. pro-democracy forces; Hausa vs. Yoruba ethnic conflict).	82.4	1993	9/2	Italy, Czechoslovakia, Former Soviet Union, France.
25. Uganda (Govt. vs. rebels based in Northern Uganda)	10.6	1993	5/100	Former Soviet Union, Italy.
26. **Rwanda** (Hutu-dominated govt. vs. Tutsi minority; govt. overthrown by Rwandan Patriotic Front in 1994).	1.4	1993	<5/0	China, France, Egypt, Uganda, South Africa.
27. Burundi (Ethnic conflicts between Hutu & Tutsi ethnic groups)	.6	1993	<1/0	Former Soviet Union.
28. Kenya (Ethnic conflicts in Rift Valley region sparked by supporters of President Moi).	100.2	1993	25/100	U.K., France.
29. Zaire (Multiple rebellions vs. regime of President Mobutu)	55.9	[11] 1990	17/0	China, France.
30. **Angola** (Govt. vs. UNITA rebels)	250–300	NA	NA/0	Former Soviet Union (to Angolan govt.).
31. **South Africa** (Govt. & Inkatha Party supporters vs. ANC, through mid-1993; radical white ultra-nationalists vs. ANC govt.).	8.3[13]	1988	NA/NA	See[13].
Asia:				
32. **Tajikistan** (Govt. vs. Islamic opposition)	Rebels have rec'vd U.S. weapons that were originally supplied to Afghan rebels by the CIA[14].	NA	NA/0	NA.
33. **Afghanistan** (Civil war among competing ethnic factions)	$2B in covert military assistance provided by U.S. to Afghan rebel factions, 1980–1991.	1991	NA/0	Former Soviet Union, Saudi Arabia (financier).
34. Pakistan (Govt. vs. secessionist movements in Sindh and NW Frontier Province; conflict with India over Kashmir).	1,801.7	1993	44/3	China.
35. **India** (Govt. vs. secessionist forces in Kashmir; govt. vs. Sikh militants in Punjab; govt. vs. secessionists in Assam; Hindu-Muslim conflict in state of Uttar Pradesh).	316.6	1993	1/0	Russia, U.K., West European suppliers.
36. Bhutan (Govt. vs. ethnic Nepalese rebels)	0.2	1992	<1/0	NA.
37. **Sri Lanka** (Govt. vs. Tamil insurgents; Sinhalese militants)	8.6	1993	7/0	China.
38. **Bangladesh** (Govt. vs. Chittagong Hill People's Coordination Association)	16.7	1993	4/5	Former Soviet Union, China.
39. **Myanmar (Burma)** (Govt. vs. Karen separatists, Islamic opposition)	6.2	1989	1/0	China.
40. China (Govt. vs. Tibetan independence movement; govt. vs. Muslim secessionists in Xinjiang province).	423.9[15]	1993	8/1	Russia.
41. **Philippines** (Govt. vs. New People's Army)	619.3	1993	93/75	Italy.
42. **Cambodia** (Govt. vs. Khmer Rouge)	Covert assistance to rebel factions during 1980's; reports of U.S.-supplied Thai army transferring weaponry to Khmer Rouge[16].	NA	NA/0	Former Soviet Union, China.
43. **Indonesia** (Govt. vs. independence forces in East Timor; govt. vs. separatist movement in Northern Sumatra).	583.3	1993	38/33	Germany, Netherlands, U.K., other European suppliers.
44. Papua New Guinea (Govt. independence movement on Bougainville island)	None			Former Soviet Union.
Latin America:				
45. **Guatemala** (Govt. vs. Guatemala National Revolutionary Unity)	35.8	[17] 1993	86/0	Israel.
46. Haiti (Govt. and paramilitary forces vs. democracy movement, through mid-1994; new govt. and UN forces vs. paramilitary groups 1994 on).	2.6[18]	1992	[19] >25/0	Latin American sources.

APPENDIX A: U.S. ARMS DELIVERIES TO AREAS OF CONFLICT, 1984–1993—Continued

Region/Conflict (Major conflicts in bold)[1]	U.S. deliveries, 1984–1993 ($ millions)[2]	Last year U.S. Arms delivered[3]	Percent of imports provided by U.S. 1987–91/1991–93[4]	Other suppliers[5]
47. **Colombia** (Govt. vs. Revolutionary Armed Forces of Colombia; govt. vs. National Liberation Army).	647	1993	28/19	Brazil.
48. **Peru** (Govt. vs. Shining Path guerrillas; govt. vs. Tupac Amaru revolutionary movement).	136	[21] 1993	6/8	France, Former Soviet Union.
49. Brazil (Govt. vs. indigenous peoples of Amazon region)	528.8	1993	35/40	Germany, France.
50. Mexico (Govt. vs. rebel movement in Chiapas)	301.2	1993	77/64	

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[1] This table reviews U.S. arms transfers to a list of fifty significant ethnic and territorial conflicts that were under way during 1993 or 1994. The informed reader will note that some of the conflicts listed here have since been resolved and/or reduced in intensity (for example, in South Africa and Angola), while other, new conflicts are not covered (such as the January/February 1995 Peru-Ecuador border war). For an explanation of how the list of conflicts was arrived at and the sources used in making that determination, see footnote 2 in the text, above. Countries listed in bold print represent major conflicts that have resulted in 1,000 or more battle-related deaths since the outbreak of the war.

[2] Unless otherwise noted, figures in this column are based on U.S. deliveries under the Pentagon's Foreign Military Sales (FMS) program and the commercial arms sales program (which involves items on the U.S. Munitions List and requires a license from the State Department); the source of the data is U.S. Department of Defense, Defense Security Assistance Agency, "Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts as of September 30, 1993" (Washington, DC: DSAA, 1994). One of the main limitations of this data source (a limitation common to all other major compilations of data on the arms trade) is that it does not include covert arms sales or sales to non-government recipients such as militias, guerrilla movements, and rebel organizations that are major players in the majority of today's ethnic and civil conflicts.

[3] The figures on the last year U.S. arms were delivered is based on data on deliveries under the FMS and commercial sales programs in "Foreign Military Sales . . . Facts," op. cit. In many cases commercial arms sales are allowed to continue even after the U.S. government has cut off military aid and/or sales under the Pentagon's Foreign Military Sales programs.

[4] Data on the percentage of a nation's imports provided by the United States is drawn from United States Arms Control and Disarmament Agency, "World Military Expenditures and Arms Transfers," 1991–92 and 1993–94 editions (Washington, DC: U.S. GPO, 1994 and 1995), Table III. The column on % of deliveries provided by the U.S. is divided into two time segments (1987–91 and 1991–93) separated by a slash. The one year overlap (1991 is covered in both series) is a function of ACDA reports the data in its 1991–92 and 1993–94 reports. The ACDA data are not directly comparable to the data on deliveries listed in column 2, because they cover a different range of equipment. The Pentagon's delivery figures include items considered to be weapons by virtue of their inclusion on the U.S. Munitions List. The Arms Control and Disarmament Agency (ACDA) report uses a broader definition that includes "weapons of war, parts thereof, ammunition, support equipment and other commodities designed for military use . . . Dual use equipment, which can have application in both military and civilian sectors, is included when its primary mission is identified as military." Dual use equipment is by definition "not" included in the Pentagon's figures on deliveries under the FMS and CS programs. The time lag between the currency of the data on U.S. deliveries listed in column 2 and the ACDA data on the U.S. proportion of deliveries to each of the governments involved is a function of the slower schedule for the release of the ACDA data, which is no doubt in part a function of the greater difficulty of compiling information on arms deliveries and purchases by every nation in the world. As noted in note 2, above, the percentages listed here represent the proportion of weapons imported by the governments involved in each conflict that came from U.S. sources; there are no comparably reliable figures on supplies to non-state actors such as rebel movements and private militias. Listings of 0%* are marked with an asterisk to denote the fact that according to ACDA's figures the country in question received no arms imports from any governmental source during the period covered—this does not mean that there were no weapons deliveries at all, but rather that there are no known deliveries by governments (i.e., weapons may have flowed through covert or private channels).

[5] Unless otherwise noted, identifications of other major suppliers are drawn from two sources: U.S. ACDA, "World Military Expenditures and Arms Transfers," Table III, op. cit., and Ian Anthony, Paul Claesson, Elisabeth Skons, and Siemon T. Wezeman, "Arms Production and Arms Trade," in "SIPRI Yearbook 1993: World Armaments and Disarmament" (New York: Oxford University Press, 1994), Table 10B.3. Countries listed as other suppliers provided approximately 10% or more of a recipient government's imported weaponry in the most recent multi-year period covered by one or both of these sources. Since the periods covered begin before the breakup of the Soviet Union, all transfers involving constituent states of the former Soviet Union are identified as "former Soviet Union." In the case of ongoing arms transfer relationships, Russia is by far the most active arms exporting nation amongst the former Soviet Republics, although its total deliveries in recent years have been only a fraction of the levels achieved by the Soviet Union during the 1970s and 1980s.

[6] Since the main data source for this table only goes up through 1993, an indication that the last U.S. delivery was in 1993 does "not" mean that U.S. arms shipments have been halted, but rather that as of the end of 1993 the nation in question was an active, ongoing weapons client of the United States.

[7] Human rights monitors have reported war-related deaths in Russia's intervention in Chechnya at levels as high as 20,000 to 25,000; although some observers have argued that these figures are an overstatement, there seems to be no question that this qualifies as a major conflict (based on a standard of 1,000 or more battle-related deaths).

[8] This figure for U.S. arms deliveries to Iraq does not include the $500 million in dual use items shipped to Iraq from the United States between 1985 and 1990, nor does it encompass covert shipments or sales of U.S. equipment via third parties. For a summary of these U.S. contributions to the Iraqi war machine, see the discussion of Iraq in section IV of the text, above.

[9] U.S. arms supplies to North Yemen from as early as 1978–79 made their way into the government arsenal of the combined state of Yemen formed by the merger of North and South Yemen; these shipments are not reflected in this table. For further discussion of this point, see section III, above.

[10] According to the final report of Iran/Contra special prosecutor Lawrence Walsh, the Oliver North/Richard Secord "enterprise" that ran the Iran/Contra arms operations for the Reagan Administration took in over $47 million and delivered substantial quantities of military equipment to Iran, including over 1,000 TOW anti-tank missiles; on this point, see Lawrence E. Walsh, "Final Report of the Independent Counsel for Iran/Contra Matters, Volume I: Investigations and Prosecutions" (Washington, DC: Office of the Independent Counsel, August 4, 1993). In addition, according to a 1986 report in "Aviation Week and Space Technology," (Paul Mann and James K. Gordon, "Iran Secures Operational Gains from U.S.-backed Military Aid," "AW&ST," November 17, 1986), a Reagan Administration official involved in Middle East affairs asserted that "at U.S. instigation Iranians bought critical radar and landing gear components that at times . . . enabled Iran to double the number of sorties flown by its McDonnell Douglas F–4 aircraft against Iraq."

[11] For many years Zaire served as a conduit for U.S. covert arms supplies to rebel forces fighting against the Angolan government. It is not known precisely how much of this U.S. assistance may have been siphoned off to bolster the military forces of the Mobutu regime in Zaire. For a discussion of the role of Zaire in the Angolan arms pipeline, see Lucy Mathiak, "Light Weapons and Internal Conflict in Angola," in Boutwell, Klare, and Reed, editors, "Lethal Commerce," op. cit., pp. 89–90.

[12] The range of values cited for U.S. covert arms shipments to Angola in the 1980s is based on Human Rights Watch Arms Project, "Angola: Trade and Violations of the Laws of War Since the 1992 Elections," op. cit., p. 47 (for the $250 million estimate); and Mathiak, op. cit., p. 89 (for the $300 million estimate).

[13] This figure does includes only officially sanctioned exports licensed by the U.S. government. There is considerable anecdotal evidence to indicate that a number of U.S.-based firms made shipments of weaponry and weapons components to South Africa during the 1970s and 1980s in violation of the United Nations arms embargo on the apartheid regime.

[14] On this point see Katzman, op. cit., "Afghanistan: U.S. Policy Options," note 28 in the text.

[15] U.S. arms deliveries to China were suspended by the Bush Administration in response to the 1989 Tiananmen Square massacre, but the Clinton Administration has been flirting with the idea of reopening military exports to China, beginning with dual use items.

[16] There have been recent reports to indicate that the flow of weapons to the Khmer Rouge from Thailand and China has been cut off, starting some time in 1994 (cite new Human Rights Watch report).

[17] Although U.S. military aid and commercial arms sales to Guatemala were cut off in December of 1990 because of the Guatemalan government's record of human rights abuses, modest commercial deliveries continued through 1993, as did military-related aid under the "international narcotics control" segment of U.S. security assistance. See "Human Rights Watch World Report 1993," op. cit., p. 117–118.

[18] Deliveries to Haiti listed here exclude $500,000 to $1 million per year in covert military aid supplied to Haitian military and intelligence forces between 1986 and 1991.

[19] This figure takes into account the provision of $3 to $6 million in military-related assistance justified as anti-narcotics aid (see note 18).

Dear Code of Conduct Supporter:

I would like to thank those who voted for the "Code of Conduct" during the markup of HR 1561 on May 11. The close vote (18–17) and the 101 cosponsors demonstrate the commitment and support for the "Code." It is one of the most important reforms of the arms export process in two decades.

I will be offering the "Code" as a floor amendment to HR 1561 on May 24. I urge your support as we move this legislation forward.

Let's end the "Boomerang Effect" on our armed forces and take a serious step toward underscoring America's leadership role in the new world order and ending our role as the world's number one gun dealer.

We must live up to our claim to protect human rights, foster democracies and promote peace and stability. The arms sales of today are the "Boomerangs" of tomorrow. Vote for the "Code of Conduct" Amendment and end our role as the client for tyrants!

Sincerely,

CYNTHIA MCKINNEY,
Member of Congress.

[From the Christian Science Monitor, May 23, 1995]

IT'S TIME THE U.S. STOPPED "BOOMERANG" ARMS SALES—AN AMENDMENT TO FOREIGN AID BILL WOULD BAN WEAPONS FOR DICTATORS

(By Cynthia McKinney and Caleb Rossiter)

A defining moment in post-cold-war foreign policy will come today when the House of Representatives takes up the "Code of Conduct" amendment to the foreign aid bill. The Code of Conduct would ban US arms sales to dictators, human rights abusers, and governments not participating in the United Nations arms trade register.

On May 11, the code was narrowly defeated in the House International Relations Committee by an 18-to-17 vote after a heated debate. The vote on the House floor will be the first time in 19 years that Congress debates which countries should be permitted to receive our weaponry.

The code's surprisingly strong showing came despite the opposition of the Aerospace Industries Association, which represents arms-exporters whose political-action committees gave $7.5 million to candidates in the last election cycle. The Clinton administration also weighed in heavily against the amendment, with Assistant Secretary of State Wendy Sherman appearing before the committee and distributing a letter "firmly opposing" passage of the code while supporting its principles.

Congress is getting involved in arms restraint for the simple reason that successive administrations have failed to show leadership. In 1993, the administration approved a record $12.9 billion in arms sales to developing countries, three times the sales to all other countries combined. More than 90 percent of those weapons went to dictators. Then in February, 1995, the president issued a directive that, for the first time, makes corporations' financial health a factor in arms sales decisions.

As the Pentagon buys less, arms-makers pressure the government to keep production lines open by approving strategically questionable sales abroad. In fact, arms sales to developing countries have doubled since the fall of the Berlin Wall.

The arms industry claims that the increase in sales saves jobs. As defense industry profits and CEO salaries rise, however, layoffs of line workers have increased almost in direct relation. Even worse for the American economy, one-third of all sales are paid for by the taxpayer through foreign aid. "Offset" agreements that help purchasing countries coproduce weapons and sell commercial products in America displace as many workers as the arms sales save.

Hence, we are giving bullies bigger sticks, even though in the past they have used them against their own people and the United States. We have already seen this "boomerang effect" from past sales to armed forces that oppressed their citizens. In the last four overseas US engagements—Panama, Iraq, Somalia, and Haiti—our troops faced the very weapons we sold to those dictators who were once our friends. In Somalia, we spent $2 billion and two dozen American lives trying to clean up the mess that flowed from our $200 million in arms sales.

Who among today's favored customers are tomorrow's Somalias and Iraqs?

If the House passes the Code of Conduct, maybe we will not have to find out. Until then, arms transfer policy will be business as usual—big business as usual.

Cynthia McKinney (D) of Georgia is the primary House sponsor of the McKinney/Hatfield Code of Conduct Bill. Caleb Rossiter is the former deputy director of the Congressional Arms Control and Foreign Policy Caucus.

HOUSE OF REPRESENTATIVES, COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC, May 10, 1995.

DEAR COLLEAGUE: During the full International Relations Committee mark-up of the foreign aid authorization, my colleague on the Committee, Cynthia McKinney, will be offering as an amendment her "Code of Conduct on Arms Transfers" bill (H.R. 772). I urge your support for this important reform of the arms sales process.

The amendment establishes a Code of Conduct for recipients of U.S. military exports and training. The President would decide which countries meet the specific language of the four criteria: promotes democracy, protects human rights, not engaged in aggression, and participates in the U.N. arms trade register. Countries not meeting the criteria would require a waiver agreed to by both the President and Congress.

At present, the decision on whether a country should be eligible to receive U.S. weapons is made by the executive branch alone. The Code of Conduct is really a congressional responsibility act that restores the balance that existed in the original Arms Export Control Act before a Supreme Court decision on an unrelated case invalidated its review procedures.

Arms transfers to undemocratic countries have been the Achilles heel of U.S. foreign policy. Many times we have spent scarce foreign aid cleaning up after conflicts fueled by our own arms transfers; many times we have seen our own troops face weapons we sold to once-friendly dictators. This bill creates a presumption against such transfers while providing a channel for a joint decision to approve them if national security requires.

I have attached for your review a description of the bill, which includes answers to questions about it. Thank you for your consideration of the McKinney amendment.

Sincerely,

HOWARD L. BERMAN,
Member of Congress.

AMNESTY INTERNATIONAL, USA,
Washington, DC, May 10, 1995.

Dear Member of the House International Relations Committee:

As a member of both the House International Relations Committee (HIRC) and the Congressional Human Rights Caucus you are in a strategic position to help stem the flow of U.S. weapons to countries who violate the human rights of its citizens. The "Code of Conduct on Arms Transfers Act" sponsored by Representative Cynthia McKinney (D-GA), will be presented to the HIRC as an amendment to "Division C" of the Foreign Aid Reorganization bill (H.R. 1561) as early as tomorrow. I urge you to vote in favor of this provision.

As an ally in exposing and stemming human rights violations, you recognize the importance of governments accepting accountability. Under this legislation, recipients of U.S. weapons and security assistance would have to vigorously investigate, discipline, and prosecute those responsible for violations, as well as take other positive measures to combat gross violation of internationally recognized rights.

The Code of Conduct would require the President to make an annual certification of countries eligible to receive U.S. weapons. Arms would be prevented from going to countries that are undemocratic, violators of human rights, engaged in armed aggression, not full participants in the U.N. Register of Conventional Arms. If a country does not meet the criteria, transfers can still be made if it is found to be in the interest of U.S. national security.

Amnesty International continues to investigate countries known to have committed human rights violations and their receipt of U.S. security assistance. The Code of Conduct offers another avenue to make violators of human rights accountable for their actions. We urge your support on this important legislation.

Sincerely,

JAMES O'DEA,
Director, Washington Office.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 9, 1995.

Dear International Relations Committee member:

As you may be aware, our colleague, Rep. Cynthia McKinney, will offer an amendment to attach the Code of Conduct for international arms sales to the Foreign Aid bill later this week. It is my hope that you will join Rep. McKinney, myself, and almost 100 of our colleagues in supporting this timely and reasonable legislation.

Often times, international terrorists acquire U.S.-supplied weapons through pro-American dictators, aggressors, and human rights abusers. A prime example of this was the supplying of Afghani rebels through Pakistan and Saudi Arabia. Moreover, the arms we supplied to the Shah of Iran eventually ended up in the hands of Khomeini and his global terror network. We must stop the boomerang effect which ends up placing U.S. troops, and even U.S. civilians, at the risk of being attacked by our own weapons.

The guiding principle of the Code is that U.S. arms should not be provided to countries that are undemocratic, violate human rights, or are engaged in acts of aggression. However, the United States currently provides 73 percent of all arms to the third world, many of which have not yet held a free and fair election or do not adhere to internationally accepted standards of human rights.

Congress owes it to the American people to play a stronger role in reaching decisions over the transfer and sale of weapons to rogue nations. While the Code is not a ban on arms sales, it will increase congressional oversight and public scrutiny of arms sales.

Once again, I urge you to support Rep. McKinney's Code of Conduct amendment in the International Relations Committee.

Sincerely,

ELIOT L. ENGEL,
Member of Congress.

DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE,
Washington, DC, May 10, 1995.

Hon. BENJAMIN A. GILMAN,
Chairman, International Relations Committee, Washington, DC.

DEAR CHAIRMAN GILMAN: I write to express our concerns about H.R. 1561. I enclose a letter, which the U.S. Catholic Conference has co-signed, which opposes proposals to cut drastically development assistance and U.N. peacekeeping, and questions the wisdom of restructuring that could weaken development and human rights programs.

The enclosed letter does not address our strong support for continued U.S. funding for overseas assistance and protection for refugees, the main provisions for which are contained in a separate State Department Authorization Bill, H.R. 1564. It is our understanding that the International Relations Committee plans to vote on consolidated H.R. 1561, which incorporates these other provisions, rather than allowing them to be considered separately. We regret this decision as it leaves us in the uncomfortable position of opposing a consolidated bill that, in our view, is still fundamentally flawed but which contains provisions we would wholeheartedly endorse were they to be considered on their own merits.

In addition to these concerns, I would like to raise two additional matters related to this legislation. First, I encourage you to support the Code of Conduct on Arms Transfers, an amendment that will be offered to H.R. 1561. In his recent encyclical, The Gospel of Life, Pope John Paul II condemned the arms trade as "scandalous." That weapons of war are bought and sold almost as if they were simply another commodity like appliances or industrial machinery is a serious moral disorder in today's world. The predominant role of our country in sustaining and even promoting the arms trade, sometimes for economic reasons, is a moral challenge for our nation. The foreign aid cuts in H.R. 1561 are another example of our country's increasing reluctance to share its economic resources in support of sustainable economic development, while we remain the dominant supplier of weapons to the developing world.

The Code of Conduct is important for two reasons. It imposes appropriate conditions for arms transfers: respect for democracy and human rights, non-aggression, and participation in the U.N. Register of Conventional Arms. And it would bring greater openness and public accountability to decisions to transfer arms by forcing these decisions to be more openly debated in Congress. The Code could thereby improve prospects that the United States would more strictly enforce and strengthen controls on arms transfers and would reduce substantially its role in this deadly trade.

Third, we are concerned about proposals to absorb the Arms Control and Disarmament Agency (ACDA) into the State Department. While we do not normally comment on matters of government reorganization, we are concerned that placing ACDA within the State Department will reduce the prominence of critical arms control and disarmament issues at a time when they are already receiving less attention than they have in the past. There is an urgent need to implement existing arms control agreements, to move toward deeper reductions in nuclear weapons, to stem nuclear proliferation, and to control conventional weapons, such as landmines. Maintaining ACDA's independent voice in foreign policy making is more likely to ensure that this important arms control agenda receives the attention it needs.

Thank you for considering these various concerns about the legislation currently before the International Relations Committee.

Sincerely,

DREW CHRISTIANSEN,
Director, Office of International Justice & Peace.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 8, 1995.

Dear House International Relations Committee Member: The "Code of Conduct Arms Transfer Act," restricts arms exports to countries that are undemocratic, do not abide by basic international human rights standard, and are engaged in acts of armed aggression.

Today—given the new world order—it is in the best interest of the United States to encourage the development of stable, democratic, and economically viable allies that respect the fundamental human rights of its citizens.

While there are current restrictions on exports of U.S. arms to countries that demonstrate a "gross and consistent" pattern of human rights abuses, these restrictions are seldom enforced. In fiscal year 1994, the State Departments' annual "Country Reports on Human Rights Practices," showed that the U.S. sold weapons to at least four nations that had significant human rights abuses. These four nations purchased $6.2 billion in arms—nearly half of the total $12.9 billion sold. Additionally, $2 billion in U.S. grant money or subsidized U.S. loans to these nations was used to purchase arms.

It is time for Congress to become more proactive in protecting international human rights. We need to end arms exports to those nations that fail to respect the dignity and fundamental well-being of their citizens.

Your vote on May 11 for the Code of Conduct is a vote for the protection of basic human rights.

Sincerely yours,

DONALD M. PAYNE,
Member of Congress.

PROJECT ON DEMILITARIZATION AND DEMOCRACY
Washington, DC, May 5, 1995.

THE MCKINNEY-HATFIELD CODE OF CONDUCT ON ARMS TRADE: RESTORING THE CONGRESSIONAL ROLE IN THE ARMS TRANSFER PROCESS

This is the first major reform of the arms export process in two decades. Prior to enactment of the Arms Export Control Act in 1976, there were virtually no restrictions on the executive branch's arms transfers. Congress, led by Sen. Hubert Humphrey, enacted the Arms Export Control Act in response to record transfers of arms by Secretary of State Henry Kissinger. The Shah of Iran and President Marcos of the Philippines were among the leading recipients. Today's record U.S. transfers to undemocratic and unstable governments similarly threaten our interests in democracy and development abroad.

The Arms Export Control Act originally gave Congress a major role in reviewing proposed arms transfers, but the Supreme Court's decision in the unrelated "Chadha" case in 1983 eliminated that role. The AECA gave each House of Congress the ability to block a proposed transfer by passing a resolution. The Supreme Court ruled such "one-House vetoes" unconstitutional, declaring that Congress can only change policy by enacting laws, not by taking such partial steps as passing one-House resolutions. As a result, for the past 12 years, Congress could only block a sale by passing a resolution in both Houses and enacting it over a presidential veto, all within 30 days. In terms of time alone, this is nearly impossible. Congress has never enacted such a resolution, and rarely even takes up a resolution opposing an arms transfer, because there is no meaningful chance to succeed.

The Code of Conduct legislation would restore Congress to its earlier role as an equal partner in arms transfer decisions, by requiring congressional approval for sales to countries not meeting the Code's standards. Under the Code legislation, the President would certify countries for eligibility each year. The President could request a one-year waiver for a country not meeting the Code's standards (for democracy, human rights, aggression, and the U.N. arms trade register). Both Houses of Congress would have to approve the waiver, either by enacting a foreign aid bill containing the waivers, or by enacting a separate law. The Congressional Research Service has studied the Code of Conduct process, and declared it constitutional.

CALEB ROSSITER,
Director.

MAY 9, 1995.

DEAR MEMBER OF THE HOUSE INTERNATIONAL RELATIONS COMMITTEE: The undersigned arms control, development, religious, human rights and veterans organizations are writing to voice support for the "Code of Conduct on Arms Transfers" bill sponsored by Representative Cynthia McKinney (D-GA) and close to 100 other members. A full committee vote on the Code, as an amendment to the Foreign Aid bill, is expected this week. We urge you to vote in favor of this provision.

The Code of Conduct would require the President to make an annual certification of which countries are eligible, under four criteria, to receive U.S. weapons. To be eligible to receive U.S. weaponry a country cannot: grossly abuse human rights; deny democratic rights; or attack a neighbor or its own people. Also, countries must participate in the U.N. Register of Conventional Arms to be eligible. By creating these criteria weapons will be kept from countries that are bad risks and, it is hoped, the Code will induce undemocratic and aggressor nations to improve their current practices.

This bill is neither a ban nor a moratorium on arms sales. If, for national security reasons, the President wants to sell weapons to countries that are not certified, a majority of Congress must vote to approve the arms transfer. Under the current system, Congress can only vote to stop an arms sale. Under the Code of Conduct Congress can, after careful scrutiny, determine which countries are vital to U.S. security interests and should therefore be eligible to receive arms. The Code also underscores Congress' Constitutional power to regulate trade with foreign nations.

History has shown that sometimes American weapons last longer than U.S. friendships with foreign governments. In Panama, Somalia and Haiti, U.S. troops faced forces that has been equipped with American weapons. The Code of Conduct is an attempt to reduce the likelihood that the men and women of the armed forces will be affected by this "boomerang effect" of the arms trade. Only by closely examining the circumstances surrounding a pending arms sale can Congress hope to minimize the chance of an American soldier being injured by an American weapon.

Furthermore, in a time of tough budgetary decisions, continuing to spend billions of dollars each year in foreign aid to support arms transfers flies in the face of budget cutting measures. Reducing arms transfers would be a prudent way to cut federal spending while contributing to our national defense by keeping advanced weapons out of the hands of future potential adversaries.

As the world's leading arms supplier, the U.S. must demonstrate restraint and international leadership regarding weapons sales to undemocratic nations. The Code of Conduct provides the President and Congress an opportunity to take the first step to reduce the potential for conflict and to prevent harm being done to lives and livelihoods. We urge you to contact Representative McKinney's office to be listed as a co-sponsor of the Code and to vote in favor of this amendment when it comes before the full committee later this week.

Sincerely,

John Isaacs, President, Council For a Livable World; Howard Hallman, Director, Methodists United for Peace With Justice; Peter J. Davies, U.S. Representative, Saferworld; Steve Goose, Program Director-Arms Project, Human Rights Watch; Deborah Walden, Director of Policy and Programs, Women's Action For New Directions; Edith Villastrigo, National Legislative Director, Women Strike for Peace; Tim McElwee, Director, Church of the Brethren; John B. Anderson, President, World Federalist Association; Robin Caiola, Co-Director, 20/20 Vision; James Matlack, Director-Washington Office, American Friends Service Committee; Lora Lumpe, Director-Arms Sales Monitoring Project, Federation of American Scientists; Joe Volk, Executive Secretary, Friends Committee on National Legislation; Caleb Rossiter, Director, Project on Demilitarization and Democracy; Monica Green, Executive Director, Peace Action; Mark B. Brown, Acting Director-Lutheran Office for Governmental Affairs, Evangelical Lutheran Church in America; Vice Admiral John Shanahan, Director, Center for Defense Information; Maurice Paprin, President, Fund for New Priorities in America; Darryl Fagin, Legislative Director, Americans for Democratic Action; Jerry Genesio, Chairman/Executive Director, Veterans for Peace; Greg Bischak, Executive Director, National Commission for Economic Conversion and Disarmament.

MAY 8, 1995.

COMMITTEE ON INTERNATIONAL RELATIONS,
House of Representatives, Washington, DC.

DEAR MEMBER: The officers, directors and members of Veterans for Peace urge you to support passage of the McKinney-Hatfield Code of Conduct on Arms Trade (H.R. 772). We understand the bill may be offered as an amendment to the Foreign Aid Authorization bill later this week.

Veterans for Peace (VFP) is a national membership organization of U.S. military veterans, including decorated veterans of both World Wars, the Korean and Vietnam Wars, and many other conflicts and skirmishes. Our members include retired officers and enlisted men, some of whom served twenty or more years. Many are graduates of military academies, a number are former POWs. One, a pilot during the Vietnam War, languished in the Hanoi Hilton for eight years. Two are recipients of the Congressional Medal of Honor, dozens received Silver and Bronze Stars for valor, and hundreds were awarded the Purple Heart for combat wounds. The work of VFP is primarily educational: to raise awareness of the great costs of preparing for war and of war itself in comparison to the alternatives of international behavior.

The Code of Conduct legislation should have universal support, if for no other reason than the increasing phenomenon of U.S.-made arms returning to threaten our own U.S. forces. There are other reasons to support the bill. For example, it would substantially help:

Keep arms from dictators and countries using weapons in aggression against neighbors or even their own people;

Restore needed Congressional power and responsibility in the area of arms trade and control;

Protect the U.S. jobs currently being destroyed by the application of so-called "offset" agreements, by which defense contractors promote foreign goods in order to secure arms sales.

Thank you for your consideration of these important issues, and, hopefully, for your support of H.R. 772.

Sincerely yours,

JERRY GENESIO

Chairman and Executive Director (USMC/1956–62).

CENTER FOR DEFENSE INFORMATION,

May 8, 1995.

THE MCKINNEY-HATFIELD CODE OF CONDUCT ON ARMS TRADE: ENSURING THE SAFETY OF U.S. MILITARY FORCES

The Clinton Administration's recent arms sales policy states that the impact on defense jobs must be taken into account when exports are considered. One wishes that the same consideration was extended to the impact on the lives and wellbeing of American service personnel. The current laissez-faire status quo in the international arms trade, where increasingly any conventional weapons sale is deemed permissible as long as it purports to make a profit for its manufacturer, is creating a self-generated danger—the possibility that our service men and women will someday be fighting nations or groups who obtained U.S. weapons and technology.

Many of our former current and arms customers—Panama, Iran, Iraq, Israel, numerous Arab countries, Taiwan, South Korea, Pakistan, and India are in highly volatile parts of the world or have undemocratic governments. Thus our arms and technology sales potentially create—as in the Gulf—the very threat our own forces may someday confront. Furthermore, the threat we are building by our arms sales also justified the continued inflated military spending for even newer equipment to counter the items we have sold others.

Even the Pentagon now officially acknowledges that it faces the prospect of American weapons being used against U.S. military personnel. In the latest Annual Report of the Secretary of Defense to the President and Congress Secretary William Perry writes, "In general, threats encountered in MRCs [Major Regional Conflicts] would be standing armies of foreign powers, armed with mixes of old and modern weapons systems. . . Thus, U.S. forces must be prepared to face a wide variety of systems, including some previously produced in the United States." [author's emphasis, p. 170]

A comparison of the Pentagon's own data on deliveries of weapons through the U.S. FMS and commercial sales programs over the past decade with a list of fifty significant wars that were under way during 1993–94 indicates that U.S. weapons exports have played a major role in fueling the ethnic and territorial conflicts that have become the primary post-war security challenge as indicated by the Pentagon's own Bottom-Up Review and National Military Strategy. These are the same types of conflicts U.S. forces are most likely to be deployed to in the future.

Parties to 45 current conflicts have taken delivery of over $42 billion worth of US weapons in the past decade.

Out of the fifty significant ethnic and territorial conflicts going on during 1993–94, 90% (45 out of 50) of them involved one or more parties that had received some US weapons or military technology in the period leading up to the conflict.

In more than half of the fifty current conflicts (26 out of the 50), the United States has been a significant arms supplier, accounting for at least 5% of the weapons delivered to one party to the dispute over a five year period.

Areas where U.S. weapons are most likely to be utilized in current or future conflicts include southern Europe; the Middle East and North Africa; Sub-Saharan Africa; Southwest and Southeast Asia; and Central and Latin America.

This data raises serious questions about the claim that US weapons are only used for defensive purposes. As a weapons supplier to fully 90% of the areas where wars are now going on and a major supplier to more than one-third of these areas, it is clear that the US is bolstering the warfighting capabilities of a substantial number of the parties to the world's current conflicts. It does not take a stroke of genius to realize that these capabilities can just as easily be used against U.S. soldiers, sailors, and airmen. It is a sad irony that the current U.S. arms trade policy confirms the words of cartoonist Walt Kelly's character Pogo when he said, "We have met the enemy and he is us."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 8, 1995.

DEAR COLLEAGUE: The House International Relations Committee will mark up HR 1561, the Foreign Aid and Reorganization Bill this week. I will offer HR 772, the Code of Conduct Arms Transfer Act as an amendment to Title 31 of Division C. The "Code" now has 99 cosponsors in the House and would provide guidelines for arms exports—prohibiting transfers to governments that are undemocratic, violate human rights, or are engaged in acts of armed aggression.

The "Code" would not ban all arms sales. Sales and transfers would continue in the national interest of the United States and to those nations which meet the "Code's criteria." Today's exports could be tomorrow's nightmare for American forces. In the last four US deployments—Panama, Iraq, Somalia, and Haiti—American troops faced armies strengthened by US materiel and technology. In 1993, of the 14.8 billion in US arms sales, 90 percent were purchased by nations that do not meet the Code's guidelines.

Americans throughout the nation support the "Code"—with more than 227 citizen's organizations endorsing its principles and 96 percent of Americans demanding an end to arms sales to dictators.

Let's stop the "Boomerang effect." Vote for the "Code of Conduct on May 11!"

Please contact Robin Sanders at 51605 with questions or concerns.

Sincerely,

CYNTHIA MCKINNEY,
Member of Congress.

FRIENDS COMMITTEE ON
NATIONAL LEGISLATION,
May 10, 1995.

House International Relations Committee,
U.S. House of Representatives Washington, DC

DEAR REPRESENTATIVE: Does the United States need a Code of Conduct on Arms Trade? Who answers Yes to that question?

Vietnam Veterans of America Foundation; Amnesty International; Human Rights Watch; Lutheran Office for Governmental Affairs; Maryknoll Justice & Peace Office; Federation of American Scientists; Bread for the World; Committee for National Security.

Institute for Food & Development (Food First); United Methodist Church, General Board of Church & Society, Peace with Justice Program; American Baptist Churches, USA; Center for Defense Information; Physicians for Social Responsibility.

More than 250 other national and regional organizations have endorsed the principles for a Code of Conduct on Arms trade.

Humanitarisn aid, human rights, arms control, economic development, women's religious, and veterans' agendas, all would benefit from a Code of Conduct on Arms Trade. That is why the Code is popular with a growing grassroots movement for nonproliferation of conventional weapons.

The Friends Committee on National Legislation urges you to vote for the Code of Conduct on Arms Trade when the House International Relations Committee considers the amendment by Representative McKinney on the Foreign Aid Authorization bill.

Sincerely,

JOE VOLK.

BRITISH AMERICAN SECURITY
INFORMATION COUNCIL.

To: Members of the House International Relations Committee.
From: Bronwyn Brady and Susannah Dyer, BASIC.
Re: Arms Transfer Amendment to Foreign Aid Bill.
Date: 10 May 1995.

It has come to our attention that the Committee is scheduled to vote on the Code of Conduct on Arms Transfers as an amendment to the Foreign Aid Bill. Your consideration of this legislation coincides with a parallel initiative being pursued in the European Union.

Congress now has the opportunity to join its partners in the European Union as they seek to implement similar controls. According to the US Arms Control and Disarmament Agency, Europe and the United States together sell over 90% of the world's weapons. Focusing narrowly on maintaining market share, no country has been willing to take unilateral steps toward control, fearing it will lose export markets to competitors. Therefore, it is vital that as the world's leading suppliers, the EU and the United States work together to implement restraint. Cooperation will prevent either US or European companies from undercutting one another in pursuit of sales.

Tomorrow in Brussels, the European Code of Conduct will be launched, calling on the EU to adopt stricter controls on weapons exports. This Code builds on the eight existing criteria on arms exports already agreed by member states in 1991–92. These criteria stress that weapons exports should take into consideration: the purchasing country's human rights record; the internal and regional stability of recipient states; and the effects of weapons purchases on the recipient country's economy.

A number of members of the European Parliament have declared their support for this initiative, highlighting the need for a coherent and controlled approach to European weapons exports, and encouraging the Parliament to press for the Code. In addition, the proposed Code has already been endorsed by almost 50 NGOs across Europe, including Save the Children and Medico International. In the lead-up to the review of the Maastricht Treaty in 1996, it is critical that an effective EU arms export control regime be an integral part of an EU Common Foreign and Security Policy.

In addition to the US and European Code of Conduct Initiatives, similar measures have also been pursued in other international fora. In November 1994, a proposal was tabled at the United Nations, calling for a Code of Conduct for international conventional arms transfers with a view to promoting restraint. These efforts will continue in both working groups and the General Assembly. In addition, the Organization for Security and Cooperation in Europe (OSCE) agreed a series of "Principles Governing Conventional Arms Transfers" in December 1993, requiring member states to consider human rights, and reiterating "their strong belief that excessive and destabilizing arms buildups pose a threat to national, regional, and international peace and security". It is clear that there is growing international consensus regarding the urgent need to restrain the international weapons trade.

In its position as the world's leading exporter of weaponry, the United States has a special responsibility to provide a global leadership in the area of restraint. Passage of the Code will encourage the United States to work in concert with its allies to control the spread of weapons to rogue regimes and regions of conflict. This will prevent scenarios such as the one which unfolded in the Gulf War, where US troops faced weapons supplied to Iraq by both the United States and its European allies.

As your European counterparts begin developing a harmonized EU arms export policy, we urge you to support the Code of Conduct amendment and demonstrate US leadership in promoting unified international restraint of the global weapons trade. Please feel free to contact our office in London or Washington for further details on the European initiatives described above.

UNITARIAN UNIVERSALIST
ASSOCIATION OF CONGREGATIONS,
Washington, May 10, 1995.

DEAR REPRESENTATIVE: Unitarian Universalist Association of Congregations, strongly supports the Code of Conduct on Arms Transfers bill introduced by Rep. Cynthia McKinney and Senator Mark Hatfield that would place restrictions on the sale and transfer of conventional weapons by the United States to dictators.

We think that the present U.S. arms sales policy which permits the sale of arms to governments which abuse internationally recognized human rights; engage in aggression against their own people or other nations; and do not participate in international efforts to control arms is not in our national interest, fuels regional and local conflicts and aids and abets undemocratic governments.

The Arms Export Control Act of 1976 (AECA) gave Congress the power to review proposed U.S. arms exports using a human rights standard. Unfortunately, the AECA has not stopped a single arms transfer since it became law. The Supreme Court in 1983 found the Congressional mechanism whereby either House could block such sales to be unconstitutional. The McKinney-Hatfield Code of Conduct bill would return to Congress a mechanism for participating in the decision making process on U.S. arms transfers.

We respectfully urge you to support the McKinney measure when it comes before the Committee. The Code of Conduct on Arms Transfers has gained more support among the Unitarian Universalist grassroots than any other legislation we have worked on.

The time has come for charting a new U.S. arms sales policy that puts our country on the high ground and sets an example for the international community to match.

Sincerely,

ROBERT Z. ALPERN,
Director.

Ms. WOOLSEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the code of conduct amendment offered by the gentlewoman from Georgia, and I would like to commend her for her tireless work on this important issue.

As written, our current arms transfer policy is reckless and dangerous. Over the past decade, we have sent weapons to countries who have turned around and used them against our sons and daughters in the Armed Forces. We have provided ammunition for governments who oppress their people and commit acts of aggression against the international community. U.S. arms transfer policy must be more responsible.

In the debate over military spending and foreign policy, we continue to hear that "the cold war is over, but the world is still a dangerous place." Mr. Chairman, our current arms transfer policy is making the world an even more dangerous place. I thought we fought the cold war in order to make the world safe for democracy and human rights, not dangerous for U.S. soldiers and innocent citizens worldwide.

Opponents of this measure argue that the United States should not restrict itself to selling arms only to countries who promote democracy and protect human rights. They suggest that we should be allowed to sell weapons to countries which may not fit these categories, but who are friendly to the United States.

Mr. Chairman, Members of the House, Manuel Noriega used to be friendly. Iraq used to be friendly. Why do we refuse to learn that even the Devil can be friendly if he wants to make a deal?

Mr. Chairman, I urge my colleagues to support the McKinney amendment and reject the current reckless arms transfer policy.

Mr. BERMAN. Mr. Chairman, will the gentlewoman yield?

Ms. WOOLSEY. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I want to add my support for what the gentlewoman said for the McKinney amendment. This is a restrained and sensible set of guidelines which reinvolve the Congress in the way that it used to be in the process of arms transfers before the Supreme Court decision knocked that process out and made us essentially irrelevant.

This provides waiver authority. There may be times when a country that is bad on human rights or a country that is not democratic should get some of our assistance for other, larger kinds of considerations.

□ 1245

There is waiver authority here. Come to Congress, let us go through that process. I think it is a sensible, restrained approach to try and deal with the causes of regional instability in so much of the world and the fueling of an arms race.

Mr. HASTINGS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to express my support for the amendment offered by my colleague, the gentlewoman from Georgia [Ms. MCKINNEY].

This amendment establishes a code of conduct for recipients of U.S. military exports and training. It gives the President the authority to decide which countries meet the four responsible criteria: promote democracy, protect human rights, not engaged in acts of aggression, and participants in the U.N. arms trade register. Those countries which do not meet the criteria would require a waiver agreed to by both the President and the Congress.

As we apply conditions on our military aid to other countries, so should we apply conditions to our weapons exports. It is outrageous that in our last four overseas United States engagements—Panama, Iraq, Somalia, and Haiti—our troops were threatened by weaponry that we sold to various dictators who were once our friends, and later our enemies.

As the only superpower in the world, it is imperative that the United States set the standard for responsible leadership. Congresswoman MCKINNEY's amendment would ensure our moral leadership by prohibiting the sale of arms to those countries that are undemocratic, violate human rights, or are engaged in acts of armed aggression.

Arms transfers to undemocratic countries which past administrations have courted for a variety of reasons, have often come to haunt us. We have spent precious human and financial resources cleaning up after conflicts which were fueled by our own arms transfers. Our own children have been endangered by the very same weaponry that we sold because of short-term foreign policy interests. This legislation will protect our children in the future by creating a presumption against such transfers, but does establish a thorough, responsible review process for those sales that are in our best interest.

Mr. Chairman, I ask the Members to support the McKinney amendment.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find myself in kind of an uncomfortable position because I do not particularly like some of the ways that the President has conducted foreign policy, and I did not particularly like the invasion of Haiti or the way he conducted our operations in Somalia and lost a bunch of American lives, but here is one case where I do agree with the President. The President has to have some leverage and be able to conduct foreign policy, and many times his ability to negotiate with countries that are buying U.S. arms is one way that he can get the job done.

So the President of the United States, Mr. Clinton, is against this particular amendment. In this particular case, I concur with him because I think it hamstrings him in one respect, as far as his ability to conduct foreign policy is concerned.

But, in addition to that, there is another economic issue that needs to be taken into consideration. If anybody believes that a country that wants to buy weaponry is going to not buy it simply because they cannot buy them from the United States, they are just barking up the wrong tree. France sells weapons, Great Britain sells weapons, a number of countries sell sophisticated weaponry. If they do not buy them from the United States of America, then certainly they are going to buy them from some place else.

It will have an adverse economic impact on many segments of our society. If you go out to California and take a look at the aircraft industry, it is in a depressed state. It is starting to come out of it now because of the commercial sales. The fact of the matter is if you put these kinds of constraints on the sales of these kinds of materials, you are going to have an impact on industry in this country, and there are going to be a lot of people lose their jobs and those jobs will go overseas to manufacturers of this equipment in foreign countries.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the sentiments that the gentleman from Indiana is showing in terms building up our own economic base here at home. It is a legitimate concern.

This amendment does not say that we cannot sell arms to Third World countries, nor does it say we cannot sell arms to other countries throughout the world. All it says is that when there are human rights abuses, when there are gross inequities in terms of how the country that is trying to purchase arms treats its neighbors, is overly aggressive in those issues, in terms of spending far too much money on its own arms industry rather than looking out after its own people, that the United States ought to take those issues into account.

It gives the President the flexibility of overruling these on a national security basis, and in any given year. So I think it does provide the kind of flexibility that is necessary to address the concerns the gentleman from Indiana has articulated, but it does put us into the immoral position that we are currently in where we are actual selling arms to our neighbors that end up using those arms, or to our friends that end up using those arms against us when we get into conflict.

Mr. BURTON of Indiana. I thank the gentleman for his contribution. I disagree simply because the President of the United States has the ability right now to put pressure on those countries by not allowing arms sales to them. As a matter of act, the President has exercised that authority already in a number of countries. If you followed what has been going on in the past several years, you will find there are a number of countries that even purchased equipment from the United States and the President has not allowed those purchases to go forward.

So he does have some latitude. It is a Democrat President. He is asking for this authority to be maintained. Whether it is a Republican or Democrat, I would support it.

The fact of the matter is there is an inconsistency as far as our foreign policy is concerned. There are many pieces of legislation which I have sponsored, regarding human rights abuses in India, for instance, that have not passed this House because the minority now, then the majority, would not support them.

So I find it kind of interesting that here is the President of the United States wanting to protect his ability to conduct foreign policy and, because of human rights issues, his party is trying to stop it, while at other times in our history when we were fighting for human rights abuses to be removed on other pieces of legislation, we could not get that support.

Mr. KENNEDY of Massachusetts. If the gentleman would yield further, maybe this kind of legislation would actually improve and get the kind of result that you were looking for in terms of your amendment with regard to Pakistan.

Mr. BURTON of Indiana. Not Pakistan. India.

Mr. KENNEDY of Massachusetts. With regard to India in times past. The fact of the matter is, if we had a uniform policy instead of the hodgepodge policy that we have today, I think we would get the moral leadership of the rest of the world to support us, as we have seen today in the European Parliament, which is taking up legislation very similar to this.

Mr. BURTON of Indiana. I appreciate the gentleman's contribution. In a perfect world we might have a consistent foreign policy worldwide. But as the gentleman well knows, we do not have a perfect world; we have an inconsistency in foreign policy. That is why the President, whether Republican or Democrat, has to have latitude in conducting that foreign policy that includes the ability to stop arms sales or allow those arms sales to go forward.

I am very sympathetic to the human rights abuses issue being raised here.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Mr. BURTON of Indiana. I am very sympathetic to the human rights issue being raised here. This is a very, very complex world. It is a dangerous world. Even though the so-called cold war is over, we still have to have a foreign policy that will allow us to be able to deal with friends to make sure that they have the ability to defend themselves.

I might add one more time, if we do not sell them these weapons, we will make sure that they will buy them someplace else. Let us allow that the President of the United States will be able to make these determinations where necessary and at the same time protect American jobs by not letting them go overseas.

Mr. KENNEDY of Massachusetts. If the gentleman will yield further, the fact is that I have worked very closely with Members of the Republican side in the Committee on Banking and Financial Services to structure amendments that are very similar to this dealing with funding for the World Bank and the IMF, which have received bipartisan support. The question is whether or not Members of this body want to provide this authority in the Presidency or whether or not we want to establish this as a national policy for this country.

We have gotten bipartisan support for such a policy in times past, and I would hope we would gain support on the Republican side for this well-thought-through amendment that the gentlewoman from Georgia [Ms. MCKINNEY] is offering.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has again expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 30 additional seconds.)

Mr. BURTON of Indiana. I thank the gentleman for his contribution.

Let me just end up by saying that we have asked time and time again that there be a stronger voice by the Congress in the conducting of foreign policy, and the Administration has found that they do not want that to be accomplished. They wanted to keep that power in the executive branch, and I understand that. And we have not been successful in making those changes.

In this particular case, I think the President's arguments are well founded, and I, as a Republican, find myself once again in a difficult position, but I am supporting the President in this particular case.

Mrs. MEEK of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. MILLER of California. Mr. Chairman, will the gentlewoman yield?

Mrs. MEEK of Florida. I am happy to yield to the gentleman from California.

Mr. MILLER of California. I thank the gentlewoman for yielding.

I rise in strong support of this amendment. I think it is very important that we consider it. I would hope we would pass it.

The gentleman is right. It is not a perfect world, but we have got to strive to make it a better world.

Mrs. MEEK of Florida. Mr. Chairman, I rise in strong support of the amendment offered by my colleague, the gentlewoman from Georgia [Ms. MCKINNEY].

The United States has long been an arms merchant to the world, Mr. Chairman, but this amendment is not about the quantity of arms sales. This amendment is about who we sell arms to and who makes these decisions.

At the present time, except in rare circumstances, the executive branch alone decides what countries are eligible to receive weapons. This process has resulted in arms transfers to undemocratic countries that use our arms to maintain their own control and to oppress their own people, and in recent United States military operations overseas, in Panama, Iraq, and Somalia, our troops had to fight against hostiles armed with the very weapons we previously sold to them.

We sold $200 million in weapons to Somalia. We spent $2 billion fighting soldiers armed with these weapons, many times at the destruction of the U.S. soldiers and citizens.

This amendment brings Congress into the arms sales process without tying the hands of the President. This amendment sets reasonable criteria that have to be met before arms can be transferred, including promoting democracy, protecting human rights, participating in the U.N. arms trade register, and refraining from aggression. A waiver is provided for countries that do not meet this criteria if the national security requires.

Mr. Chairman, the McKinney amendment is a very sound amendment. It is reasonable and responsible reform. It restores the balance of power in arms sales between the legislative and the executive branches. It helps secure responsible decisions in this important policy area.

Mr. Chairman, I commend the gentlewoman from Georgia [Ms. MCKINNEY] for bringing forth this wonderful amendment, and I strongly urge its passage.

Mr. FATTAH. Mr. Chairman, will the gentlewoman yield?

Mrs. MEEK of Florida. I yield to the gentleman from Pennsylvania.

Mr. FATTAH. Mr. Chairman, I thank the gentlewoman for yielding.

Let me commend the sponsor of the code of conduct amendment, and let me try to be as brief as possible, Mr. Chairman.

I rise in support of this amendment. I think that we cannot divorce American ideals from American foreign policy, and in the area of arms sales, I do not think we would want our contribution and our legacy to the world to be that we have sold arms to everyone and allowed for the continuation of the practice of war as almost a permanent vocation in this world.

So I would hope that we would support the McKinney amendment and the companion effort in the Senate because I think it moves us in the right direction, and even though it may be a debatable matter in some people's minds, I think that for all of us, if we want to be on the right side of history on this issue, that we should, in the final analysis, find ourselves voting favorably for the McKinney amendment.

Mr. SALMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment is offered in good faith. But it is slightly misnamed. This amendment is not about human rights, and this amendment is not about foreign policy. This amendment instead is about a philosophical difference that exists within the Congress.

Some in this body simply believe that all arms sales to our allies are wrong in all cases. They believe that helping our allies defend themselves and helping them defend our vital interests amounts to exporting violence.

□ 1300

I disagree. Often selling arms to our allies may mean we do not have to send U.S. troops, and that makes sense for Americans.

Moreover, responsible arms sales have for many years played an important role in our Nation's foreign policy.

Obviously, opponents of arms sales to our allies could not hope to enact a complete ban on the practice, so they have come up with this lesser amendment.

But we should not artificially restrict our arms sales to our allies, or hold them hostage to interpretations of vague definitions contained in this amendment.

I welcome continued debate on whether we should ban all arms sales to other nations. But this back door effort at beginning such a ban today, should be defeated.

Mr. Chairman, I yield to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman and my colleague, I just want to make a couple of points and rise in opposition to the amendment that has been offered here this afternoon.

First of all, this does address the human rights violation question, and none of us favor any type of human rights violations anywhere in the world or by any of our allies, but the matter of fact is that this amendment is not a realistic amendment, and it is not a needed amendment. I say to my colleagues: First of all, if you want to look at human rights violations, just refer to—and I invite all my colleagues to do this, and other folks that are listening—read the Amnesty International human rights violation reports. You find actually one of the countries that is cited is the United States. Not only is the United States cited, but you also have Israel, Egypt, Turkey, and, if this amendment passed, I think you really would jeopardize the status of peace efforts in the Middle East if this was properly applied according to the language in the amendment, and again I think it serves no purpose. We must work against human rights violations wherever they occur, and human rights violations are not condoned by this Congress.

Let me also point out that a major flaw in this amendment is the President already has the authority. Maybe the other side of the aisle or the sponsor does not trust the President of the United States, but in fact under current law the President of the United States is required to even notify Congress before there is an arms sale in the appropriate committee of Congress.

So first of all, it is not a realistic amendment, and it is not an amendment that recognizes that there are human rights violations, whether it is in the United States or with our allies that are sometime recipients of these arms; and, second, the amendment has no purpose because the President really already has the authority, and the Congress is, in fact, notified when there are these arms sales pending. So it is not a needed amendment, and it is not a useful amendment, and I urge its defeat.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of this amendment authored by the gentlewoman from Georgia [Ms. MCKINNEY].

This amendment is about the new world order. The United States has emerged as the undisputed political, economic, and military leader of the world.

With the end of the cold war, the old ways of doing international business—especially military business—are no longer adequate. This is a time to re-evaluate. It is a time for America to live up to the promise of its creed—across our borders as well as within them.

This Nation must not support dictators. It must stand strongly against human rights abuses. We have the capacity—through diplomatic pressure, business opportunity, and military arms relationships—to make the world safer for its citizens. The United States should exercise that power. This, Mr. Chairman, is what the McKinney amendment is all about.

We only need to look at the recent past to find examples of good intentions gone bad in the U.S. arms sales.

Many people have heard about the recent, gross violations of human rights in Turkey. Turkey happens to be one of the largest recipients of United States military aid. Former Assistant Secretary of Defense Lawrence Korb testified yesterday that Turkey's rulers have used United States-supplied F-16's, Black Hawk helicopters and M-60 tanks against its own Kurdish population.

The United States also militarily supplies human rights abusers in Indonesia and Malaysia. Unfortunately, we are considering more aid to the Government of Indonesia—despite widely reported human rights abuses by the Indonesian military against East Timor.

In the not quite so recent past, this country felt forced to stop a military exercise by Iraqi leader, Saddam Hussein. We had a major war—risking the lives of thousands of soldiers—against Iraq, a country which had always been a human rights abuser, and which had been the recipient of U.S. aid, including military aid.

Too many times in this country's history, we have been short-sighted policy in our arms export policy. Too many times, short-term military alliances have led to long-term human rights disasters, or worse.

The McKinney amendment does not preclude military assistance to any country. If the President and Congress agree that an arms sale is in the national security interest, that sale would be allowed.

However, the McKinney amendment would establish basic, humane, and appropriate standards for the conduct of U.S. military export policy. These standards are common sense standards such as requiring our military exports to go to countries which hold free and fair elections; such as being sure our sales go to countries which do not engage in gross violations of human rights, and making sure that our arms exports do not go to countries which engage in illegal acts of armed aggression.

If there was ever a time when this country could justify working with human rights abusers to further some longer-term strategic objective, that time is surely past. This country, without any serious military threat to our security, now must face its responsibility, and act as the world's moral leader. The McKinney amendment would apply a moral test to U.S. foreign policy.

Let us assert our role as a moral leader in the world. Support the McKinney amendment.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the McKinney amendment. I agree with some of her concerns, but not the solutions embodied in the amendment.

Certainly, Mr. Chairman, during the cold war the two superpowers did transfer billions of dollars of weapons to the developing world every year as a part of their strategic competition. With the dissolution of the former Soviet Union and excess conventional military equipment flooding global markets, I believe it is essential to find a way to stop the spiral of militarization. An overarmed developing world not only has a terrible human cost, it is also contrary to American interests in fostering democracy, building political stability, and enhancing growing global economy, and I think those are some of the gentlewoman's concerns, and I certainly agree with them.

In my mind the solution to the problem of militarization in arms transfer must be a multilateral one. It would do us, nor the developing world, any good if we reduce exports only to find the gap filled by other suppliers. Yet it is also clear that multi-lateral solutions require U.S. leadership both by the President and by the Congress.

Congress has already begun to address the need for arms restraint, enacting several measures which I support, including, No. 1, encouraging the President to establish a multilateral arms restraint regime; No. 2, imposing a moratorium on the export of anti-personnel land mines and calling on the administration to negotiate a worldwide ban on their deployment; and, No. 3, calling on the administration to oppose multilateral lending to countries who refuse to reduce military spending in concert with their neighbors.

That brings me to the amendment at hand.

Mr. Chairman, I am in strong agreement with the sentiments, as I said, which were expressed in the amendment which express the view that we should not sell arms to countries that are democratic, that do not respect human rights, and that do not promote peace and stability. Where I have problems with this amendment is that it mandates, at least as I read it, that human rights, democracy, and participation of the U.N. arms registry of conventional arms be the only criteria that should govern our arms transfers. To say that these criteria should be paramount in evaluating a particular transfer is, I think, going too far. This is too restrictive in my view. Arms transfers serve important foreign policy and national security objectives. That can contribute to regional stability and help deter aggression. They can even foster interoperability should U.S. Assistance ever be required as in the Desert Storm operation.

Human rights and the democratic make up of recipient governments ought to be among the criteria in making a final decision on a proposed transfer. In some cases they may be the primary criterion, but not in all cases. The President must be able to weigh all relevant criteria to reach sensible, sound decisions on the merit of each proposed transfer.

Moreover, the amendment would require the President to certify annually those nations that qualify for arms transfer according to these criteria. Transfer to other countries could only be made if the President certifies to Congress that such a transfer is in the national security interests of the United States and the Congress enacts a law approving such an exception or if the President determines that an emergency exists under which it is vital to the interests of the United States to provide the transfer. If the President cannot meet this very high standard, quote, that an emergency exists, end of quote, then this amendment would force the Congress to enact a resolution of approval for arms sale. This, of course, turns the current system of congressional review of arms transfer on its head, a system that I, for one, do not think to be broken.

Now, I do believe the author of this amendment has made a very serious effort to modify the language to address concerns of limiting Presidential flexibility by inserting new language under which countries could receive arms if they were violating the criteria in the bill if the President determines that an emergency exists, so there is that flexibility for the President. I would only point out this is a very high standard and one that I think cannot be met, at least not in very many instances. The President's room to maneuver is largely circumscribed, so in my view the modification does not fix one of the fundamental flaws of the amendment.

I want to correct the conclusion here that I think supporters of the amendment may be making. The Congress, contrary to what the supporters——

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(By unanimous consent, Mr. BEREUTER was allowed to proceed for 3 additional minutes.)

Mr. BEREUTER. The Congress, contrary to what the supporters of the amendment are seeming to be saying, currently has a very important role in determining which sales are made. In many ways, tangible or not so tangible, the Congress influences the sales about which the administration ends up notifying the Hill. There is an elaborate consultation procedure which we will not find in the formal statutory law whereby the administration vets possible sales with the appropriate committees. Members and staff briefings are convened on proposed sales that are controversial, and, contrary to what some may think, the administration backs off and drops proposed sales, not just this administration, but that has been the trend and the practice.

So, it is incorrect, I think, to argue that we have no role under the current process. The administration and the Congress are in constant dialogue about arms transfers which are conducted in accordance with the Arms Export Control Act. The Congress significantly influences arms transfers in direct and practical ways through the years beginning with consultation on the Javits report. Critics of arms transfer point to the fact that Congress has never enacted a resolution of disapproval on arms sales. That is not a correct measure. In fact, congressional passage of such a resolution would represent a breakdown of the existing process, not a measure of its success. The fact that we have not passed a resolution then is evidence that in fact the consultation process is working.

□ 1315

Now, I have gone on at length here because I think this is a serious amendment with much merit. But the author of this amendment is committed to the issue, and I commend her. But for the reasons I stated, I cannot support it in its current form, and I would urge a "no" vote for all of my colleagues.

Mr. Chairman, I strongly urge a "no" vote.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, will wonders never cease, where my colleague from Georgia and I are standing together on an issue in this body?

Let me note that the cold war is over. I would not have supported this amendment if it had been 10 years ago. I believe that now is the time for us as a Nation to seriously consider what our policies are around the world in a different light than what we did 10 years ago during the cold war.

This amendment puts Congress squarely in the decisionmaking process. My good friend, the gentleman from Nebraska [Mr. BEREUTER], just suggested there is a process that is taking place right now, but it is just not codified. It is not set down solid in legislation.

Well, I believe that now that the cold war is over we can afford to take this decisionmaking process about what kind of countries that we will be dealing with, especially arming to the teeth, what kind of countries we will be selling our sophisticated weaponry to, is a decision in which the Congress can play a legitimate and verifiable role, and that we can be held accountable to our own people for the moral basis of the decisions that are being made by our Government in this area.

When the cold war was on, we left these decisions up to the President of the United States, and I supported that, because we were up against an enemy that wanted to destroy our country. I was, as many of you know, a member of President Reagan's staff for 7 years. I felt it appropriate that the President had the right to counter Soviet moves that were aimed at putting us in a vulnerable situation to a military threat, without necessarily having to come to Congress and have the issue debated on for weeks.

We are not in that situation today. In fact, during the cold war, human rights were secondary in many of the cases in our dealings with foreign countries. In many cases, if we were not dealing with such a hostile and horrible enemy as the communists, we should have been ashamed of ourselves in dealing with the tyrants we were dealing with. But just like in the Second World War when we allied ourselves with Stalin, we allied ourselves in the cold war against the communists with some unsavory characters.

That is no longer the case. The cold war is over, and today human rights should play a more important role in our decisionmaking process than it did when we were under attack. If a country is crucial to our national security, even besides the fact we are not in the cold war, this amendment provides us the ability to say well, you may not be up to our democratic standards, and indeed we want you to be more democratic and respect human rights, but we will put you on an exception list. You are acceptable because you are crucial to the national security interests of the United States.

I would imagine we might debate countries like Saudi Arabia, who I believe is crucial to the security of the United States, and other kingdoms where people in those countries are more inclined toward having a kingdom than a democracy. That would be a legitimate decision we could make. I have no doubt this Congress is capable of working with the President to determine which nondemocratic countries are crucial to our national security.

This gives the President in fact leverage even in those countries to secure more human rights for their people, when now the President cannot just say well, the Congress is forcing me and thus have a dialog with these countries.

Now, I may, as I say, disagree with the proponents of this amendment on many issues in terms of what countries we are dealing with, but the principle is sound. Let me say this in terms of the practicality. When Ronald Reagan became President of the United States, we decided we were no longer going to be just anti-Communist and support anti-Communist regimes. I believe that was the turning point in the cold war.

When Ronald Reagan made human rights and democracy the issue against the Communists, when he turned away from just supporting dictators who are anti-Communist but instead went to the people of then the Soviet Union and other countries under Communist domination and said we in the West do believe in democracy and we are willing to support those people who are struggling for freedom, and we established the National Endowment for Democracy, that is when the cold war turned around.

In the long run, that proved the downfall of communism. It was the practical thing to do. In the short run, it gave us some problems, because there were some anti-Communist dictatorships which basically were on our side. This too will be practical if we have guts enough to stand for our principles.

The CHAIRMAN. The time of the gentleman from California [Mr. ROHRABACHER] has expired.

(On request of Mr. BURTON of Indiana and by unanimous consent, Mr. ROHRABACHER was allowed to proceed for 1 additional minute.)

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, the gentleman made one salient point in his comments. He said during the Reagan administration, in which he served, that the felt the President should have this latitude, because of the critical time problems that the President should not have to mess around with Congress for 3 or 4 weeks when he might have to make a quick decision.

What makes the gentleman think that will not happen at some point in the future with some future President?

Mr. ROHRABACHER. Mr. Chairman, reclaiming my time, the cold war is over. The fact is that today we should not be operating under the same rules as when our country was targeted by a very powerful enemy that meant to destroy us. We now can afford to bring the moral questions into play, and we should, the human rights questions, the democracy questions. This is what America can stand for, and if we do, we will have the allegiance of young people around the world, rather than the fear of those young people of their own regimes that might be armed by our people. That is the way America should be. That is the strength. Abraham Lincoln said, "Right makes might."

Mr. FARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the gentlewoman from Georgia's amendment to H.R. 1561, the McKinney Arms Code of Conduct. The Arms Code of Conduct is a rational approach. It implements a coherent and comprehensive arms control policy. This legislation would prohibit U.S. military assistance and arms transfers to foreign governments, unless the President certifies that the foreign government adheres to a national code of conduct.

In order to be eligible for military assistance, the gentlewoman's amendment specifically requires that the foreign government head be elected through a fair and free elections process; that the country respect human rights and not be engaged in any aggression which violates international law; and must fully participate in the U.N. Register of Conventional Arms.

The United States is the sole superpower in the world and the world's undisputed leader in arms exports. Today, U.S. firms dominate more than 70 percent of the international arms sale market, up from 57 percent in 1991. According to the U.S. Arms Control and Disarmament Agency's 1993–94 report, World Military Expenditures and Arms Transfers, the United States sold $10.3 billion in arms exports worldwide, compared to our closest competitor, which is Great Britain, which racked up $4.3 billion in sales. In 1994 alone, the U.S. taxpayer paid more to subsidize weapons sales than we paid for the Federal elementary and secondary education programs.

Ninety percent of the significant ethnic and territorial conflicts in the world in the last 2 years involve one or more parties which had received some type of U.S. weaponry or military technology in a period leading up to the conflict. Additionally, in the war with Iraq there were countless documented and verified instances where U.S. troops faced the enemy who was armed with U.S. based technology and weaponry.

Mr. Chairman, as the world's leading exporter of weaponry, the United States has an implicit responsibility to provide global leadership on this issue by formulating a policy of restraint. While the world's arms market is a lucrative venture, no country has been willing to take up unilateral steps toward control, fearing loss of exports to market competitors. Therefore, it is vital as the world's leading supplier, that the United States take responsibility for initiating a comprehensive and a rational approach to controlling arms sales, which will prevent repeat scenarios, such as those that occurred in Iraq where United States forces faced weapons supplied by the United States.

I urge my colleagues to support the adoption of the McKinney Arms Code of Conduct amendment. This amendment is supported by 103 cosponsors, Democrats and Republicans alike, including the chair of the Senate Committee on Appropriations. Approving this legislation will be one of the most significant steps this body takes to enhance our national foreign policy.

Mr. Chairman, I yield to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I would like to thank the gentleman for yielding.

Mr. Chairman, I also rise in support of the McKinney amendment. I think it is a very responsible amendment. I comment her for introducing it. Quite simply, it seems to me in the absence of the cold war we have lost our way in terms of foreign policy. Foreign policy is supposed to advance our interests, our long-term interests, in the global community. To do this, however, we cannot be passive. We have to have some standards and objectives to pursue.

It seems to me our objective ought to be encouraging diplomatic solutions around the world and discouraging warfare and the use of weapons around the world. The McKinney amendment represents sound policy advancing our foreign policy interests, because it sets a specific criteria on which we can evaluate arms sales. Democracy, adherence to human rights, the absence of aggression, and participation in the U.N. Registry of Conventional Arms, all give us a sound basis on which to evaluate who we ought to be selling arms to. It is correct policy because it gives us leverage. It enables us to leverage those people who are buying our arms in the direction that we wish them to go.

It is also good policy because it imposes moral values. People throw that around. We ought to have moral values in U.S. policy. Well, opposing human rights violations, promoting democracy, and opposing aggression represents the best of moral values.

I am not naive. There are certainly circumstances that are exigent that will require changes in this policy. The bill addresses that. It has a national security exception which the President can utilize. It also has an emergency waiver which the President can utilize. But it seems to me we have got to quit being passive and reactionary and understand what advancing our interests really means. I urge adoption of the McKinney amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today I rise in support of the code of conduct amendment that is offered by my friend and colleague, the gentlewoman from Georgia [Ms. McKINNEY]. The code of conduct will be the first major reform of U.S. arms transfer policy in almost two decades.

The code of conduct highlights guiding principles on human rights and democracy which I believe are important to America's leadership role in the post-cold-war era. This amendment would help stem the flow of U.S. weapons to countries that violate human rights of its citizenry and fail to respect international human rights standards. The code of conduct offers an avenue for America to make violators of human rights accountable for their actions if they wish to continue to receive U.S. arms sales.

Mr. Chairman, two-thirds of all the foreign military sales went to countries described by the State Department Country Reports on Human Rights Practices as human rights violators, with undemocratic governments. The code of conduct is supported by some 275 national organizations who believe that human rights should play a key role in our arms export policy.

Mr. Chairman, I will never forget some years back when I made a trip to Croatia when it was under siege. The gentleman from Virginia [Mr. WOLF] and I got into a place by the name of Vukovar. Vukovar was surrounded by Serb artillery and tanks. We went there to try to bear witness to peace and to try to encourage the people there. We followed it up with meetings with President Milosevic and others. But I remember looking at shell casings and bomb casings that littered the streets, dozens of bomb casings, and they were U.S. made.

Now, some people can say "Oh, big deal. That doesn't really matter. We sell it to them and how they use it is their business." But it greatly distressed me to know that people, innocent civilians, were being destroyed by the dropping of these 500-pound bombs. I remember bringing that issue to the attenetion of our National Security Adviser, Brent Scowcroft. He surely agreed. He said, "Yeah, we sold those bombs, and other kinds of military hardware to the former Yugoslavia," which had a disgusting human rights record.

Now, I think we need to be more serious about who we are willing to sell arms to. This code of conduct may not be perfect. It may be liable to additional change as it makes its way through conference, should it pass. There are reasonable objections by reasonable people about what ought to be a part of this, whether or not the national security exemption is the best and most properly drawn way of proceeding. But I think it makes a clear statement that it will not be business as usual. Arms sales ought to be conditioned and human rights ought to matter.

Unfortunately, we have had hearings in the Committee on Human Rights, the Subcommittee on International Operations and Human Rights which I chair, two human rights hearings. Amnesty International came forward and told us in this administration, the Clinton administration, human rights is an island, disconnected from policy considerations.

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We have seen it in a myriad of other issues like the most-favored-nation status for China and other kinds of human rights considerations. There is a disconnect. This tries to, at least in the selling of arms, which kill people, we try to make sure, the gentlewoman from Georgia [Ms. MCKINNEY] tries to make sure that, if we are going to sell arms, that human rights is a significant factor.

I thank the gentlewoman for offering the amendment.

Mr. FALEOMAVAEGA. Mr. Chairman, I move to strike the requisite number of words.

I rise to offer my strong support of the amendment offered by my colleague and good friend the gentlewoman from Georgia, [Ms. MCKINNEY].

Mr. Chairman, I recall one of the fundamental concerns raised by one of our great Presidents in our time—the late President Dwight Eisenhower. Before leaving the White House and in one of his speeches—President Eisenhower warned our nation of the everincreasing power and influence of the industrial military interests in our country.

Now don't get me wrong—I want our military industry complex to produce weapons and military equipment that meet our national security interest too—but the question is how much and to whom should we sell these weapons?

Mr. Chairman, everyone here in this Chamber knows that our Nation is the largest producer and exporter of military equipment and weapons of war. It is time that our national leaders need to be more sensitive about exporting and selling of weapons of war to kill and maim other human beings.

Mr. Chairman, I commend the gentlewoman for introducing this amendment, and I urge my colleagues to support this amendment.

Mr. Chairman, I include for the RECORD the following article:

[From the Washington Post, May 24, 1995]

ARMS SALES 'CONDUCT CODE' OPPOSED—STATE DEPARTMENT SAYS PROPOSAL COULD IMPINGE ON POLICY AND FRIENDLY NATIONS

(By R. Jeffrey Smith)

The Clinton administration declared yesterday that it opposes a "code of conduct" drafted by some members of Congress to block U.S. arms sales to countries that commit human rights abuses or are not democratic.

At a Senate hearing, Undersecretary of State Lynn E. Davis criticized the proposed code on grounds that its rigid criteria for arms sales would impinge on the administration's authority to decide foreign policy and could force a cutoff of military aid to friendly nations in regions important to U.S. interests.

The code, which is scheduled to come up for a vote on the House floor today, was crafted by Sen. Mark O. Hatfield (R-Ore.) and Rep. Cynthia McKinney (D-Ga.) to stanch estimated annual sales or gifts of billions of dollars worth of U.S. arms to countries that the sponsors claim are not upholding important U.S. values. At the hearing, Hatfield particularly criticized recent U.S. arms sales to Malaysia, Indonesia and Turkey, which he said had each engaged in recent human rights abuses.

The proposed code states that U.S. military assistance and arms transfers should be provided only to nations with governments chosen by free elections that protect basic freedoms and are not engaged in "gross violations of internationally recognized human rights."

It also bars aid to nations engaged in illegal acts of armed aggression and to nations that do not register their arms transactions with the United Nations. The president could waive these restrictions for any country, but only with congressional approval.

The code has collected 102 sponsors in the House, but last week it missed gaining the International Relations Committee's endorsement by a one-vote margin. Hatfield has vowed to try to attach it to a foreign aid or defense appropriations bill this year.

Davis told a Senate Appropriations subcommittee that while the administration supports the "principles" expressed by the code, it "simply cannot agree to this weighting of criteria" for deciding on individual arms sales.

Instead, she said, the administration prefers its own policy of selling arms based on "national security," as spelled out in flexible language approved by President Clinton in February.

Under this policy, Davis said, no single criterion such as respect for human rights "takes precedence over another." Arms transfers can be made to nondemocratic nations if they promote regional stability or help prop up failing U.S. defense companies that produce key military technologies.

Although McKinney has charged that 90 percent of the $12.9 billion in U.S. arms sales approved last year went to countries that Washington classifies as nondemocratic, Davis said the "vast majority [went to] . . . allies, major coalition partners, and European neutrals."

Davis confirmed that the administration is considering offering F-16 jet fighters to Indonesia, despite recent evidence of fresh abuses by Indonesian military forces in East Timor.

Assistant Secretary of State for Human Rights John Shattuck, who appeared with Davis, said "we are paying close attention to Indonesia's human rights situation and will take this into consideration" in deciding on such sales.

With regard to Turkey, he said "we are, as you know, gravely concerned about the use of [U.S.-made] military material, particularly cluster bombs" during Turkey's military assaults on Kurds in southeastern Turkey and northern Iraq.

But Shattuck did not say whether the use of these arms would affect future sales to Turkey, which he described as "a crucial NATO ally."

Lawrence J. Korb, an assistant secretary of defense in the Reagan administration who is now at the Brookings Institution, testified later that Turkey's use of F-16s, Black Hawk helicopters and M-60 tanks against the Kurds indicated that many U.S. arms transferred overseas "are used not against the foreign enemies of the U.S., but against the indigenous populations."

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I will not take the whole 5 minutes. I would just like to put some facts on the table.

Right now under the Export Control Act, the Congress of the United States can stop sales. In the past when the President, any President, has started to go ahead with arms sales and he found opposition was rising under the Export Control Act that was passed by the Congress of the United States, they have pulled in their horns and they have renegotiated those sales deals with these foreign countries. So we already have the authority in law to do what is being talked about today. The only difference is we are turning the process around. That hamstrings the President of the United States in his conducting of foreign policy. That is a mistake

Ten years ago, the United States controlled only 15 percent of the arms sales. My colleagues who spoke on the other side are absolutely right; we do control a large part of arms sales today, but that is because the Soviet Union has disintegrated. Ten years ago, they controlled 50 percent of the arms sales worldwide, and they sold to countries like Iraq, Iran, and Libya. We are not selling to those pariah countries, but they did.

Now that they have fallen apart, our percentage of the market has gone up, but we are still below, way below, where we were 10 years ago. So while our percentage is higher, our actual sales are lower. So the bottom line is this. Simply put, we have the control in the Congress to stop any arms sales that we want to under the Export Control Act. We do not need this legislation.

Second, we should not hamstring the President of the United States in his conducting of foreign policy. And third, the economic concerns that I talked about awhile ago are real, because there are other countries who will sell this equipment to foreign governments if we do not. Along with those sales will go American jobs.

I think those points should be considered by my colleagues. We have the authority to deal with this problem already. We do not need this amendment.

I thank the gentleman for yielding to me.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment offered by the gentlewoman from Georgia. I can tell you that in the course of my service in Congress, too often we have seen instances where we have taken the scarce resources of the United States, bought military weaponry, sent it to corners of the world and then find not too much later that it has been turned either on our country or on our allies.

These so-called boomerang sales are addressed directly by the amendment offered by the gentlewoman from Georgia. I think her amendment is a step in the right direction. I rise in strong support.

Mr. Chairman, I yield to the gentlewoman from Georgia.

Ms. McKINNEY. Mr. Chairman, I would just like to correct for the record some misstatements and misrepresentations that have been made about this amendment.

First of all, this amendment does not ban arms sales to any country. Second, if there is a problem with this amendment in terms of human rights, it is not that this amendment will fail because it does not address human rights well enough; it will fail for other reasons.

Let me just begin to say what some of those reasons are.

One is that we are spending millions of dollars to quell regional strife that we, in turn, are the fomenters of. First of all, we are fomenting murder and rampage around the world by fueling conflict, by arming potential adversaries, that is the boomerang effect that my colleague just spoke about, by promoting territorial expansion and crossborder aggression and also by facilitating terrorism and repression. And, in fact, as we learned recently, the CIA funded Jihad school over in Afghanistan trained two of the suspects in the World Trade Center bombing.

Second, we are violating our own law. The law states that it shall be the policy of the United States to exert leadership in the world community to bring about an arrangement for reducing the international trade in implements of war. We are violating our own policy.

And then finally, why is that the case? It is the case because in the Washington Post story by Jeffrey Smith in today's newspaper, it says that the present administration takes the tack that arms transfers can be made to nondemocratic nations if they help to prop up failing U.S. defense companies.

So the bottom line, once again, is the amount of money that is being spent in failing U.S. defense industries.

Finally, I would just like to compliment and thank those people who have worked so hard on behalf of this amendment. They are the over 200 grassroots organizations that have gone around the country in support of this amendment, the strong support of our colleagues who have spoken here this afternoon and who have cosponsored this amendment, and finally the strong staff work of Robin Sanders who put it all together.

Mr. DURBIN. Mr. Chairman, I thank the gentlewoman. I want to echo her comments. It is a false economy for us to believe that we are encouraging exports and creating American jobs by these arms transfers and in questionable situations, because, as the gentlewoman alludes to, many times we find in the future even greater expenditures are necessary because of this so-called boomerang effect. We send guns to the wrong people. They turn on us. They shoot at us and they shoot at our friends.

What the gentlewoman is trying to do is to minimize that possibility. She has the strong support of so many organizations, including the U.S. Catholic Conference and others, and I hope my colleagues will take her amendment very seriously and join me in supporting it.

Ms. FURSE. Mr. Chairman, I rise in support of the Arms Trade Code of Conduct.

The House International Relations Committee nearly passed this historic piece of legislation in its markup last week, where it failed by a margin of just 18 to 17. A Gallup Poll released in February found that only 15 percent of those queried supported our Government selling military equipment to other countries.

The European Union and the United States together sell 90 percent of the world's weapons. No country has been willing to take unilateral steps toward control, fearing it will lose export markets to competitors. Therefore, it is vital that as the world's leading suppliers, the European Union, and the United States work together to implement restraint.

Fortunately, the European Parliament has started that process already. In January of this year, the European Parliament passed a resolution calling on the European Union to immediately implement a coherent and comprehensive arms export control policy at the Union level. A measure similar to this amendment before us today is being considered by the European Union at this time.

As the world's leading exporter of weaponry, the United States has a special responsibility to provide global leadership in the area of restraint.

As to the issue of jobs in the United States, we must weigh the limited economic benefits of expanding arms exports against the larger costs to the economy as a whole. Arms exports do nothing to address the fundamental problems of lagging U.S. competitiveness in nonmilitary industries. Furthermore, arms exports undermine peaceful conflict resolution upon which world trade, economic growth, and long-term job creation are based.

Administration policy states that the impact on defense jobs must be taken into account when exports are considered. Well, Mr. Chairman, I wish we would extend the same consideration to the impact on the lives and well-being of American service personnel. Our laissez-faire approach to arms sales creates a self-generated danger—the possibility that our service men and women will someday be fightings nations or groups who obtained U.S. weapons and technology.

Even the Pentagon now officially acknowledges that it faces the prospect of American weapons being used against U.S. military personnel. In his latest Annual Report to the President and Congress, Secretary of Defense Perry writes that "threats encountered in major regional conflicts would be standing armies of foreign powers, armed with mixes of old and modern weapons systems. * * * Thus, U.S. forces must be prepared to face a wide variety of systems, including some previously produced in the United States."

With its current policy, the United States is bolstering the warfighting capabilities of a substantial number of those fighting today's conflicts. It does not take a stroke of genius to realize that these capabilities can just as easily be used against U.S. soldiers, sailors, and airmen.

It is a sad irony that the current U.S. arms trade policy confirms the words of cartoonist Walt Kelly's character, Pogo, when he said, "We have met the enemy and it is us."

Mr. MARKEY. Mr. Chairman, I rise today in strong support of the Code of Conduct on Arms Transfers and commend my colleague from Georgia, Representative CYNTHIA McKINNEY, for bringing this important legislation to the floor today.

Since 1990, the United States has been the top-selling merchant in the international arms bazaar. We have dominated the global arms market by sending billions and billions of dollars worth of all types of weaponry to some of the world's worst human rights abusers and most corrupt and repressive regimes. Sophisticated combat weapons exported from the United States, such as armored personnel carriers, antitank missiles, and specialized rifles, have found their way into the hands of notorious international troublemakers and fueled conflicts raging throughout the world.

Placing short-term economic interests above crucial security concerns and fundamental human rights principles has serious consequences, both for our stature as a world leader and for the safety of U.S. military personnel engaged around the world. By cashing in on profits from arms sales abroad without closely scrutinizing potential customers according to criteria like the ones outlined by Representative McKINNEY, we risk incurring substantial security and human costs. During the Gulf war and in Somalia, for example, the safety of many of our men and women in the Armed Forces was threatened by weaponry sold by our own Government. Moreover, skyrocketing arms sales have contributed to regional arms races, which in turn force us to increase spending to deal with greater threats to our national security.

As we continue to adjust to the realities of the post-cold-war world, we need to revise our philosophies concerning foreign military sales. With the dissolution of the Soviet Union, many of the principles which guided our arms export policies in the past no longer are relevant. The provisions of the Code of Conduct on Arms Transfers will establish a sensible, much-needed framework for making decisions about what we send abroad and to whom. The United States should take a leadership role in forging new policies and encouraging new thinking in this area.

Being the world's No. 1 weapons supplier is a very dubious distinction. As we approach the start of the 21st century, we should re-evaluate the priorities which have placed us in this category and look to the Code of Conduct as a model.

Again, I would like to thank Representative MCKINNEY for all her hard work on behalf of this important issue. I strongly support this initiative and urge my colleagues to vote for the McKinney amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Georgia [Ms. MCKINNEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Ms. MCKINNEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 157, noes 262, not voting 15, as follows:

[Roll No. 351]

AYES—157

Abercrombie
Ackerman
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Boehlert
Bonior
Borski
Boucher
Brown (CA)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
DeFazio
Dellums
Diaz-Balart
Dixon
Doggett
Dooley
Dornan
Durbin
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Furse
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hinchey
Horn
Houghton
Hoyer
Jackson-Lee
Jacobs
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Lantos
Leach
Levin
Lewis (GA)
Lincoln
Lipinski
LoBiondo
Lowey
Luther
Maloney
Manton
Markey
Martinez
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Morella
Nadler
Neal
Oberstar
Obey
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Pomeroy
Porter
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Rohrabacher
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Scott
Serrano
Skaggs
Slaughter
Smith (NJ)
Stark
Stokes
Studds
Stupak
Tanner
Thompson
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—262

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kelly
Kennelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lofgren
Longley
Lucas
Manzullo
Martini
Mascara
Matsui
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Mica
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Petri
Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Young (AK)
Young (FL)
Zeliff

NOT VOTING—15

Andrews
Bateman
Calvert
Cubin
Fazio
Hansen
Kleczka
McDade
Meyers
Miller (FL)
Moran
Olver
Peterson (FL)
Scarborough
Sisisky

☐ 1358

Mr. COX and Mr. DICKS changed their vote from "aye" to "no."

Messrs. REYNOLDS, DOOLEY, and EHLERS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment, amendment No. 26.

The Clerk read as follows:

Amendment offered by BEREUTER: At the end of the bill, add the following:

DIVISION D—ADDITIONAL PROVISIONS

TITLE XLI—PUBLIC LAW 480

SEC. 4001. AUTHORIZATION OF APPROPRIATIONS FOR TITLE III.

(a) IN GENERAL.—Notwithstanding section 3242 of this Act, there are authorized to be appropriated $25,000,000 for each of the fiscal years 1996 and 1997 for the provision of agricultural commodities under title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727 et seq.).

(b) AUTHORITY TO TRANSFER AMOUNTS.—Notwithstanding any other provision of law, amounts authorized to be appropriated by subsection (a) may be used to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.).

SEC. 4002. REDUCTION IN AUTHORIZATIONS FOR CERTAIN UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

Notwithstanding paragraphs (1) and (3)(F) of section 2106 of this Act, the following amounts are authorized to be appropriated to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the North/South Center Act of 1991, the national Endowment for Democracy Act, and to carry out other countries in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $445,645,000 for the fiscal year 1996 and $423,080,000 for the fiscal year 1997.

(3) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—For "Hubert H. Humphrey Fellowship Program", "Edmund S. Muskie Fellowship Program", "International Visitors Program", and "Mike Mansfield Fellowship Program", "Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation", "Citizen Exchange Programs", "Congress-Bundestag Exchange Program", "Newly Independent States and Eastern Europe Training", "Institute for Representative Government", and "Arts America", $67,265,800 for the fiscal year 1996 and $67,341,400 for the fiscal year 1997.

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

□ 1400

Mr. BEREUTER. Mr. Chairman, the budget neutral Bereuter amendment restores the $25,160,000 to the current funding level of the Food for Development United States food assistance program for fiscal year 1996 and 1997. This is the Food for Peace Program, title III.

The current funding is $157 million. The legislation before us cuts it to zero. What I am attempting to do is to take $25 million from the USIA, the U.S. Information Agency's education and cultural exchange programs, and restore at least $25 million to the title III program.

The Bereuter amendment helps ensure that U.S. foreign assistance is directed to the world's most deserving aid recipients, starving people in famine- and war-stricken countries.

Mr. Chairman, the U.S. food assistance has been reduced by 24 percent in the last 2 years. In March the United States told other food donor countries that we would decrease our minimum commitment of food aid from 4.47 to 2.5 million metric tons. Over the past decade, the United States has provided between 6.5 and 8 million metric tons. The Bereuter amendment, through authorizing $25 million for the Food for Peace Program, still represents a 50-percent cut in the President's fiscal year 1996 budget request.

U.S. food assistance funds are spent here in the United States on agricultural commodities, processing, bagging, enrichment, internal transportation, port facilities and shipping. My amendment is supported by the merchant marine organizations.

I am pulling the $25 million in this amendment from USIA's education and cultural exchange programs and administrative accounts. The Congressional Quarterly May 6, 1995, article pointed out a $2 billion international exchange program, "They have exploded into a hodgepodge of seemingly duplicative and overlapping overseas activities."

Mr. Chairman, I think it is an appropriate place for us to move $25 million to the Title III Food for Peace Program so it is not completely zeroed out. It is important for humanitarian reasons. It is important for our domestic purposes, as well, and it keeps a commitment we have made. It still cuts the President's request by 50 percent. I think that is too much, but $25 million seems to me at least to be a start back up the hill.

I urge my colleagues to strongly support the amendment.

Mr. Chairman, I yield to the distinguished gentleman from Kansas [Mr. ROBERTS], the chairman of the Committee on Agriculture.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the gentleman's amendment to restore the $25 million in funding for title III of the Food for Peace Program.

I think it is essential, as the gentleman has pointed out, that we fund all titles of the Food for Peace Program. The amendment does not increase spending. Let me emphasize that to all of my colleagues. It cuts spending responsibly without really gutting the program.

Last year marked the 40th anniversary of the Food for Peace Program. It started in the Eisenhower years. It started with a gentleman who formerly represented the district I have the privilege of representing now, Mr. Cliff Hope, Sr.

We on the Committee on Agriculture have a very keen interest in making the Food for Peace Program as sound and as effective as possible. We are going to work very closely with the gentleman from New York [Mr. GILMAN], the chairman, and the gentleman from Nebraska [Mr. BEREUTER], and the rest of the committee to see that the Food for Peace Program effectively and efficiently meets its goals.

The gentleman from Missouri [Mr. EMERSON], chairman of the Subcommittee on Department Operations, Nutrition, and Foreign Agriculture, intends to hold hearings on this program. We intend to address any concerns with the program as a whole in the 1995 farm bill.

I urge support in regards to the Bereuter amendment. I thank the gentleman for his leadership in this regard.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I yield to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I thank the gentleman from Nebraska for yielding.

Mr. Chairman, I, too, rise in strong support of his amendment. I wonder if we could have a brief colloquy here.

I am concerned that the most basic fundamental humanitarian assistance, food and medical assistance, be maintained in the posture that it currently sits; that is to say, immune from politics and the whims of the State Department. I would like some assurance that it will remain a tool of the PVO's who are so committed in the administration of the most fundamental humanitarian assistance.

Mr. BEREUTER. Mr. Chairman, I would say to the gentleman, we have done our best to assure that in fact we have an increase in the title II program which is most important. Sometimes, as the gentleman knows, however, we have to take from the title III program for those title II-related humanitarian programs. This amendment I am offering will continue to provide us that flexibility.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(By unanimous consent, Mr. BEREUTER was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. Mr. Chairman, I will come back to the gentleman from Missouri in a second, but I yield to the gentleman from New York [Mr. GILMAN], the chairman.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to join with the gentleman from Missouri [Mr. EMERSON] and the gentleman from Kansas [Mr. ROBERTS] with regard to their concern on the Public Law 480 proposal. We want to make certain that we keep that at reasonable levels. It is an important program. I want to assure the gentleman we will do our best to make certain it is going to be effectively administered.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for that assurance, and I yield back to the gentleman from Missouri.

Mr. EMERSON. Mr. Chairman, I thank the gentleman for yielding further.

Mr. Chairman, I think it is very important to point out that what we are talking about here is fundamental humanitarian assistance, food that goes to people when they are starving to death. We are not talking about pouring money down a rat hole here, or giving some Ambassador the opportunity with the use of taxpayer dollars to build the Taj Mahal.

We are talking about keeping starving people alive. I think that point needs to be made, and I think an understanding of the fact that the Food for Peace Program is part of the foreign assistance program is a fact with which most Americans are unfamiliar.

I mean, most Americans, I believe, would think that we are just throwing money willy-nilly around the world for no good purposes, and I happen to be one who believes that most Americans think that when there are people who are starving, they ought to be fed.

I thank the gentleman for his contribution to this cause, and I look forward to continuing to work with him to pursue our mutual interests in this subject area.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for his strong statement. He is exactly right. This is the program that ends up putting food in people's mouths across the world, in the most terrible situations that we have seen so much in our electronic media.

The gentleman is a former ranking member of the Hunger Committee, he knows well how directly this food assistance has been provided in Ethiopia and Somalia and other places. I thank the gentleman for his comments.

Mr. Chairman, I urge a strong "aye" vote.

AMENDMENT OFFERED BY MR. BROWNBACK TO THE AMENDMENT OFFERED BY MR. BEREUTER

Mr. BROWNBACK. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWNBACK to the amendment offered by Mr. BEREUTER: Strike section 4002 of the Bereuter Amendment and insert the following:

SEC. 4002. REDUCTION IN AUTHORIZATIONS FOR CERTAIN UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

Notwithstanding paragraphs (1), (3)(F), (4)(A), and (5) of section 2106 of this Act, the following amounts are authorized to be appropriated to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the United States International Broadcasting Act of 1944, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the North/South Center Act of 1991, the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $445,645,000 for the fiscal year 1996 and $402,080,000 for the fiscal year 1997.

(2) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—For "Hubert H. Humphrey Fellowship Program", "Edmund S. Muskie Fellowship Program", "International Visitors Program", "Mike Mansfield Fellowship Program", "Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation", "Citizen Exchange Programs", "Congress-Bundestag Exchange Program", "Newly Independent States and Eastern Europe Training", "Institute for Representative Government", and "Arts America", $82,265,800 for the fiscal year 1996 and $62,341,400 for the fiscal year 1997.

(3) RADIO CONSTRUCTION.—For "Radio Construction", $70,164,000 for the fiscal year 1996 and $52,647,000 for the fiscal year 1997.

(4) INTERNATIONAL BROADCASTING ACTIVITIES.—For "International Broadcasting Activities", $311,191,000 for the fiscal year 1996 and $246,191,000 for the fiscal year 1997.

Mr. BROWNBACK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BROWNBACK. Mr. Chairman, my amendment has been agreed to by the gentleman from Nebraska [Mr. BEREUTER] and a copy of it has been shared with the minority.

What my amendment simply does is it spreads the $25 million in cuts around a little bit further than what the Bereuter proposal has. The gentleman from Nebraska [Mr. BEREUTER] suggests cuts to USIA salaries and exchanges, and my amendment would lighten those cuts in the salaries and exchanges areas and broaden the reductions to radio construction and broadcasting.

What we are attempting to do by this is to support what the gentleman from Nebraska [Mr. BEREUTER] is doing to put this money into the hunger programs, to be able to feed those who are starving, but spreading around a little bit more the cuts in the USIA program. That is what my amendment to the Bereuter amendment would do. I would ask for it to be considered.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BROWNBACK. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman my colleague and my neighbor for yielding.

Mr. Chairman, I have no objections to the additional flexibility he provides to USIA and where those cuts must come to make this basic amendment budget neutral. I thank him for his initiative.

Mr. BROWNBACK. Mr. Chairman, with that, I would hope that we could vote on this because I think it does do what most people would like, let the USIA agency be able to take care of this within its own, and that would be then supportive of the Bereuter amendment to put $25 million in additional food aid program.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWNBACK. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I urge my colleagues to support the proposed amendment by the gentleman from Kansas [Mr. BROWNBACK] that has been accepted by the gentleman from Nebraska [Mr. BEREUTER], the proponent of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. BROWNBACK] to the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. WYNN

Mr. WYNN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYNN: In section 3414 of the bill (in subsection (e) of section 711 of the Foreign Assistance Act of 1961)—

(1) in paragraph (1) of such subsection (e), strike "$3,000,000" and insert "$15,000,000";

(2) redesignate paragraph (2) of such subsection as paragraph (3); and

(3) insert after paragraph (1) of such subsection the following new paragraph:

"(2) USE OF AMOUNTS FOR LATIN AMERICA AND THE CARIBBEAN.—Of the amounts authorized to be appropriated under paragraph (1) for fiscal years 1996 and 1997, $12,000,000 for each such fiscal year shall be made available for the sale, reduction, and cancellation of loans, or portions thereof, for countries in Latin America and the Caribbean.

Mr. WYNN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. WYNN. Mr. Chairman, the amendment I am proposing today is a very straightforward one that addresses our economic interest in Latin America. This amendment would put $12 million into a debt relief program for Latin America and the Caribbean.

Yesterday in the course of our debates, we cut money out of a fund called International Organizations, which is dues-assessed, International Organizations. I wan to take a portion of that money, $12 million, and put it toward debt relief.

I believe in so doing we can advance our economic interests. One of the things I said a little earlier today was this: that in a post-cold war era, we have to understand that our foreign policy ought to advance our interests. We have specific interests in the Western Hemisphere in terms of encouraging and expanding trade opportunities.

Why? Because these trade opportunities in our own backyard can create jobs in the United States. But unfortunately the debt burden in many of our neighboring countries in Latin America and the Caribbean is a major factor in inhibiting economic growth and decreases the absorptive capacity. In other words, they cannot trade with us because they are paying off these very old debts. A debt relief program would help address this concern.

To be eligible for this program, these countries would have to meet specific economic and political criteria included in existing legislation for the region.

These requirements include an IMF program, a World Bank program, significant investment reform and normalized relations with commercial creditors. In addition, eligible countries must have governments which have been democratically elected, are not in gross violation of human rights, and have supported our efforts to combat narcotics and terrorism. In other words, we want to deal with friendly, democratic countries that are working with us and have normalized economic conditions.

Why are we doing this? Debt reduction provides a catalyst for Caribbean and Latin American countries undertaking economic reforms and liberation programs.

□ 1415

Debt reduction is specifically important for small countries in the Caribbean, where most debt is bilateral. In Jamaica, for example, debt service continues to consume more than 49 percent of the government's budget. Debt relief will accelerate trade links by freeing vital foreign exchange reserves that otherwise would have be used for debt service. These reserves can now be used to import products from the United States.

For example, with 70 cents of each dollar buying U.S. goods and services in the Caribbean, debt reduction in the region can stimulate significant U.S. exports. Think about that, 70 cents of every dollar in that region is spent on our goods and services. We need to do business with them.

After a decade of economic adjustment and reform, many countries in Latin American and in the Caribbean are enjoying their best economic prospects. Policy reforms in these countries and the resulting economic stability encouraged will help our economic ties with these countries. Total trade between the United States and Latin America and the Caribbean has grown since 1987. There has been a steady growth in terms of both imports and exports.

Latin America is the fastest-growing U.S. export market in the world, and the only region where the United States now enjoys a trade surplus.

Open markets also promote economic development in poor Latin American countries. This will help them stem the flow of illegal immigration to the United States. My colleagues are going to hear my colleagues from across the aisle say well, perhaps these are laudable goals, but we just cannot afford it, but I think that argument misses the boat.

In the business of economic trade and foreign policy we have to promote our long-term interests. It is terribly shortsighted not to spend this small amount of money, only $12 million from our own backyard to ultimately create jobs for our own people.

They can either spend the money on debt service or they can spend the money buying U.S. products. Debt reduction, especially for heavily indebted countries of the Caribbean basin, will send an important signal of U.S. commitment to democratically elected governments in the region.

I would like to urge all Members of the House to consider the importance of our regional neighbors, to consider the importance of trade in terms of our long-term economic picture, and begin to think of foreign policy as a proactive endeavor and not just a reactive endeavor and not just an area where we can find some savings here.

I think in that context Members will find this amendment is certainly reasonable, modest in the amount of money involved, but the long-term investment will certainly serve America's economic interests.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is a budget-breaking amendment. It simply adds money to the bill without reducing funding elsewhere.

The gentleman from Ohio [Mr. KASICH] gave us clear direction to cut this bill, and we did so yesterday under the Brownback amendment by reducing our spending by an additional over $400 million. This amendment earmarks funds. The distinguished chairman of the Committee on Appropriations, Mr. LIVINGSTON, has made it clear to all of us that the Committee on Appropriations would oppose such earmarks.

Furthermore, the gentleman from Maryland [Mr. WYNN] is seeking to add funds to a new and untested program. And I would like to note that already in the bill we authorized $3 million for fiscal year 1996, and $3 million for fiscal year 1997, to do what the gentleman is suggesting. It is a total of $6 million for an initial start on this program to begin operations in a limited way.

Accordingly, I urge my colleagues to oppose the Wynn amendment even though it has a worthy endeavor as its objective.

Mr. WYNN. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Maryland.

Mr. WYNN. Mr. Chairman, I thank the gentleman for yielding. Let me emphasize first to my colleagues the amount of money that I am proposing to expend is less that the amount of money that was in the bill when it came out of committee. There is not one nickel more than came out of the committee in its original form.

Had I gone ahead of the gentleman from Kansas [Mr. BROWNBACK] yesterday, I would have proposed moving $12 million out of the international organizations account. Unfortunately, because he moved ahead of me, he took $400 million out across the board. I am only suggesting that of that $400 million he would remove that we preserve $12 million to advance our economic interests in the region. But clearly this is not a budget-buster in any form or fashion.

I would have to reiterate to the chairman that I believe that this is also an opportune time to advance our interests in that region.

It seems to me that all of our foreign policy positions to date have been reactive. Nothing has been done to advance or leverage the direction in which we want to go. Nothing has been done to create new jobs or new trade markets.

Mr. GILMAN. If I may reclaim my time from the gentleman, the gentleman I think is incorrect in that he does specifically add $6 million to this proposal, without any offsets. So that creates a budgetary problem for us, and it is for that reason that we are opposing the gentleman's amendment.

Mr. WYNN. If the gentleman will yield further, I would say that all of the money I am proposing to spend comes out of the money that the gentleman from Kansas [Mr. BROWNBACK] has already cut, so it is not any additional money added on. The money has already been cut. I am just suggesting it be moved into a second area.

Let me make one comment about appropriations. I feel very strongly about this. This is an authorization bill. We are the Committee on International Relations. We are the ones who ought to set foreign policy that we recommend to our colleagues in the Congress. We should not let the appropriators dictate to us what direction this money should be spent. The purpose of the authorizing bill is just the opposite, to give direction in terms of our priorities. We studied this issue. We need markets in Latin America and the Caribbean. It seems to me our directive to appropriators ought to be this is a worthwhile purpose. It does not bust the budget. It does not exceed what we came out of committee with.

Mr. GILMAN. If I may reclaim my time, once again I would like to submit that the gentleman has a worthy purpose, but he has not provided any offset. Mr. BROWNBACK's measure put us in conformance with the budget so we would not meet a budgetary problem.

Moreover we are trying to work very closely with the Committee on Appropriations so we are not spinning our wheels here and so our authorization measure will be finally met with approval by the Committee on Appropriations.

So, I think since this is a new program, I will be pleased to work with the gentleman in the future to see if we can work out a better method of funding for the gentleman's worthy objective.

Mr. HAMILTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. I think the gentleman from Maryland is making a very worthy initiative here. What you have in the context of the total bill is very, very sharp reductions for all of Latin America. There is very little in this bill which sends a favorable signal to Latin America. The gentleman from Maryland is merely requesting $12 million, as he has requested.

This is a terribly important amendment from the standpoint of the Caribbean. Our economic interests in that region are growing very, very rapidly and the gentleman from Maryland has called that to our attention again and again, and that is one of the fastest-growing markets for us in the world. So the $12 million is a very modest move, it is an important signal to countries that are much neglected in this bill, and I commend him for it and I support the amendment.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to follow up on Chairman GILMAN's remark that this may well be a worthy purpose, but I want the people of this House to know that we already have $3 million authorized for 1996 and 1997 for this program. What this amendment would do is to add another $12 million to this bill, and that is going in the wrong direction. We need to go in the opposite direction.

I will soon be offering an amendment to make some additional cuts, but while this may be a worthy purpose, it would earmark some $12 million additional for Latin America. And as I mentioned, we already have authorized in 1996 and 1997 $3 million to authorize this program. So we are going along with the Treasury initiative. That is why we authorized the program.

There are many, many good programs, but we have to draw fine lines, and the fine line we drew was to start this program and authorize it at 1996 and 1997 levels at $3 million, and what the gentleman wants to do in this amendment is add $12 million onto that. This is in the wrong direction, so I would have to be constrained to ask the House to vote against this particular amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. WYNN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WYNN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 125, noes 297, not voting 12, as follows:

[Roll No. 352]

AYES—125

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bishop
Bonior
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Coyne
de la Garza
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Edwards
Engel
Evans
Farr
Fattah
Filner
Flake
Foglietta
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson-Lee
Jefferson
Johnson, E. B.
Johnston
Kennedy (MA)
Kennedy (RI)
LaFalce
Lantos
Lewis (GA)
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Matsui
McKinney
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Rangel
Reed
Reynolds
Richardson
Rose
Roybal-Allard
Rush
Sabo
Sawyer
Schumer
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Studds
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOES—297

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Danner
Davis
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
Mascara
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Meehan
Metcalf
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Traficant
Upton
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Calvert
Conyers
Cubin
Fazio
Green
Hansen
Kleczka
McDade
McDermott
McNulty
Meyers
Peterson (FL)

1445

The Clerk announced the following pairs: On this vote:

Mr. Conyers for, Mr. Calvert against.

Mr. Gene Green of Texas for, Mrs. Cubin against.

Ms. ESHOO changed her vote from "aye" to "no."

Messrs. MARTINEZ, HILLIARD, and PALLONE, Ms. DELAURO, Mrs. MINK of Hawaii, and Messrs. WILSON, ORTIZ, BARRETT of Wisconsin, and DOGGETT changed their vote from "no to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GENE GREEN of Texas. Mr. Chairman, I was unavoidably detained and was not able to vote on the Wynn amendment, rollcall No. 352. Had I been present, I would have voted "yes".

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AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: In section 2104(a)(1)(A) (relating to authorizations of appropriations for migration and refugee assistance) strike "$560,000,000" and insert "$590,000,000".

In section 2104 strike subsection (a)(4), subsection (b), and subsection (d).

In section 2104 redesignate subsection (c) as subsection (b).

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, this Member rises to offer an amendment to section 2104 of H.R. 1561, along with my colleagues, Mr. LAMAR SMITH and Mr. OBEY, which would restore common sense to the bill's handling of the 47,000 Indochinese asylum seekers in refugee camps in Southeast Asia. While the issues here are, in one sense, emotional and complex, the justification for our amendment can be boiled down to one short sentence. Economic migrants have no claim to resettlement in the United States as political refugees and should return to their home countries.

The Bereuter-Obey-Lamar Smith amendment would allow the repatriation of Indochinese in Southeast Asian camps who have been determined by the U.N. High Commissioner on Refugees to have no, I repeat no, claim to refugee status. These migrants—at least 12,000 of whom are North Vietnamese—have been screened out by the UNHCR, i.e., they have been declared economic migrants, not political refugees.

Let me make one crucial point so there is no misunderstanding about the intent of this amendment. Since our departure from Vietnam in 1975 the United States has resettled more than 1 million Indochinese refugees. This Member has always supported that effort and continues to believe the United States must offer refuge to bona fide political refugees who have a well founded fear of persecution in Indochina, as elsewhere. This Member will work with others concerned about fair treatment of legitimate refugees, but this Member cannot support a program to give non-refugees the rights and privileges of bona-fide political refugees.

The language in this section appears to be doing just that by calling for the bulk of the 47,000 Indochinese in the camps to be, and I quote, "offered resettlement outside of their countries or origin." Another fundamental issue in this debate is the role of the U.N. High Commissioner for Refugees. The legislation suggests that UNHCR can no longer be trusted to make fair and objective refugee determinations. If that is what the drafters intended, then I would ask them who should take over this international refugee determination role, the United States? Clearly, we cannot fill the breach. This is a very dangerous precedent, which could undermine future refugee efforts worldwide.

Let me take a minute to point out the problems I see with the existing language in the bill. Section 2104 calls for the resettlement of tens of thousands of Indochinese economic migrants to the United States. While the language does not name the United States explicitly as the resettlement country, there should be no misunderstanding about it—no other country would take them. The Governments of Canada and Australia, also home to thousands of Indochinese refugees, have told my office that they and the other resettlement countries would not be willing to take any of the screened out from the camps.

In addition to the immigration problems that this language would cause us, there are some real dangers in this legislation for the asylum seekers themselves. I must say that I have been somewhat surprised at the breadth and depth of concern about the legislation among the non-government organizations which advocate refugee rights and interests. Not only the U.N. High Commissioner for Refugees, but also the U.S. Committee on Refugees, Save and Children, World Vision, World Education, World Learning, and the Southeast Asian Resource Action Center have all make issued statements opposing major elements of this section. Many other groups have raised similar concerns with us orally. These NGO's with many years of direct experience working with Indochinese asylum seekers, have convinced me that the bill as written holds the following dangers.

This provision could prompt a new exodus of Indochinese seeking entry into the United States, putting them at risk on the high seas and swelling the refugee camp populations. My colleagues, you should be aware that last year, as reported in the New York Times, more than a thousand Vietnamese took to the sea when a false rumor was spread that Japan was offering employment opportunities. The bill's message of hope for resettlement in the United States would likely have a similar effect on large numbers of Vietnamese.

The UNHCR and the refugee groups have expressed fears that the provision would increase the chance for violence in refugee camps by giving the 47,000 asylum seekers false hope for resettlement in the United States when the countries where the camps are located are unlikely to give us access to them and, even if they did, many of the asylum seekers would not be eligible for resettlement.

The bill would cause the absolute collapse of voluntary repatriation through which 72,000 Indochinese have already returned home without evidence of persecution. Now asylum seekers who can demonstrate that the negative screening decision of the UNHCR was mistaken can request reconsideration from U.S. officials or other resettlement countries in Vietnam.

Finally, for my colleagues who have an interest in refugee issues in other parts of the world, you should understand that this section would reduce the funds available for other refugee programs, such as for bona fide refugees from the former Soviet Union and Eastern Europe, by earmarking $30 million dollars to resettle economic migrants from Vietnam, Cambodia, and Laos. Moreover, by conditioning use of these funds on unmeetable conditions, it is likely that the funding would disappear completely and not be available for any refugee programs.

In closing, let me reiterate what the Bereuter-Obey-Lamar Smith Amendment would do. It would:

Stop the resettlement of Indochinese economic migrants in the United States.

Make full refugee funding available for bona fide political refugees, for example from the former Soviet Union and Eastern Europe.

Prevent a new outflow of boat people from Indochina seeking entry into the United States.

Allow the international voluntary repatriation program to proceed with U.S. assistance and under close U.S. monitoring.

Assist U.S. nongovernment agencies monitoring the migrants who have returned home to ensure that they are not persecuted.

Maintain U.S. refugee policy that only bona fide political refugees enter as refugees.

Support an international consensus on refugee determination and processing that prevents the United States from having to bear the full brunt of refugee programs all over the world.

Stop yet another example of refugee decisions being made without regard to costs for local communities to educate, train and assist the refugees.

I request your support for the Bereuter-Obey-Lamar Smith amendment to the refugee provisions of H.R. 1561

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY TO THE AMENDMENT OFFERED BY MR. BEREUTER

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey to the amendment offered by Mr. BEREUTER: Strike everything after "$590,000,000", and insert the following:

In section 2104(a)(4) (relating to authorizations of appropriations for the resettlement of Vietnamese, Laotians, and Cambodians) strike "There" and all that follows through "who—" and insert "Of the amounts authorized to be appropriated for fiscal year 1996 under paragraph (1) there are authorized to be appropriated such amounts as are necessary for the admission and resettlement, within numerical limitations provided by law for refugee admissions, of persons who—"

At the end of section 2104 add the following new subsection:

(e) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to require or permit an increase in the number of refugee admissions for fiscal year 1996 from the numerical limitation for refugee admissions for fiscal year 1995.

Mr. SMITH of New Jersey. Mr. Chairman, this amendment perfects the language of section 2104, which protects certain high-risk refugees from forced repatriation to Vietnam, Laos, and Cambodia. This bill, as it currently stands, contains important language that will prevent United States tax dollars from being spent for the forcible repatriation to Vietnam and Laos of people who fought side by side with American forces.

Under current U.S. law, these people are refugees, and they are also our friends. They should not be forced back to the places where they were persecuted, but, at the very least, U.S. tax dollars should not be spent to force them back. Thousands of people who served on our side in the war and were later persecuted by the Communists on account of such service are now being detained in camps throughout Southeast Asia. The camps also hold Catholics, Protestants, Buddhists punished for religious observance, and others who served time in reeducation camps or new economic zones for their anticommunist views or activities.

Despite the strength of their claim to refugee status, almost all of these people are scheduled for repatriation to Vietnam and Laos within the next few months under a scheme known as the comprehensive plan of action. I suppose the comprehensive plan of action [CPA] was intended as a sincere effort to deal humanely with the Vietnamese boat people. Unfortunately, it has turned out to be just the opposite. First, the responsibility for deciding who is and who is not a refugee, which used to be done by United States and U.N. refugee interviewers, was transferred to local immigration officials who had no real experience or training. Big mistake. Some of the interviewers were not only incompetent but also corrupt. There are well-documented instances of local officials demanding money and sexual favors from refugees as a condition of favorable screening. And to the surprise of no one, almost nobody now is a refugee.

The Lawyers Committee for Human Rights visited and did in-depth analysis of the refugee process in Hong Kong. Their conclusion, after looking over several hundred cases, was the following: The entire screening process and review procedures remain seriously flawed. The process remains hostile to genuine refugees. Several international standards were ignored. Hundreds, perhaps thousands, of Vietnamese refugees have been wrongly rejected.

Because of unfair screening and defective screening, Mr. Chairman, our tax dollars are about to pay to send back soldiers who served for years in reeducation camps. They are going to send back anti-Communists, writers and poets, members of the underground resistance movement, and even people who work for the CIA.

□ 1500

They are going to send back Buddhist monks whose temples were shut down because they would not join the official church and Catholic nuns whose convents were violated. That is what U.S. taxpayers will pay for if the underlying amendment is adopted.

Mr. Chairman, a core provision of the CPA, the comprehensive plan of action, that has been deep-sixed, was that repatriation to Vietnam and Laos was to be strictly voluntary. The idea was that the United Nations would work with governments of these countries to make sure that it was safe, and then would work to convince the people in the camps that it was safe for them to return. Unfortunately, some of the people who returned were persecuted. In Laos some were even killed.

The U.N. monitoring program consists of only eight monitors for all of Vietnam and two for the country of Laos, along with support staff that has been hired through the Communist governments of these countries. So they have been unable to check up on most of the people who were returned.

Wonders of wonders, with government people interacting as translators and being there as part of this process, they never seemed to have discovered a single instance of persecution. I would ask my friends if you were in the situation of having been sent back against your will, and a so-called observer comes in, or repatriation monitor, to talk to you, and with that person happens to be a translator hired by the government, are you going to talk about harassment, knowing when they walk out the door you are going to be probably mistreated?

It reminds me of the visits to the POW camps during the Vietnam war when people would go over there to Vietnam, Hanoi, and elsewhere, and would meet with our prisoners. They would be told stories that there is no torture. Of course, those prisoners, our POW's would not talk of torture. They would only go back to even more torture had they spoken the truth.

One of our POW's, you might recall, ingenuously with his eyes flashed out "torture" in Morse Code, getting the word out that indeed they were using torture against these people.

Mr. Chairman, somehow the people in the camp with this situation just do not believe there has not been a single instance of persecution.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. SMITH] has expired.

(By unanimous consent, Mr. SMITH of New Jersey was allowed to proceed for 4 additional minutes.)

Mr. SMITH of New Jersey. Mr. Chairman, so the CPA soon ran out of volunteers. They then began selecting people to volunteer and imprisoning them when they refused. Sometimes they just dragged them into airplanes, sometimes literally kicking and screaming. If they know someone is going to resist, they may tranquilize him or her before putting them on the plane.

So the CPA has become a looking glass world in which refugees are not refugees and voluntary repatriation is not voluntary. Yet the United States has given over $150 million during the last 6 years. The language now in section 2104 that has been put there by myself and my good friend, the gentleman from New York [Mr. GILMAN], the chairman of our committee, and other members of our subcommittee, would cut further funding to the CPA unless the United Nations and other countries involved agree to fix the program, to provide resettlement opportunities for a limited number of high-risk refugees, again the old soldiers, the nuns and others with compelling cases, within existing refugee allotments.

Mr. Chairman, the amendment I am offering today is a perfecting amendment to meet the objections raised by some, making it absolutely clear that this language in the bill would not mean the admission of large numbers of immigrants or even refugees. It provides explicitly that the provision should not be construed either to require or to permit an expansion of the numerical limitation on refugees beyond the number that it was allocated for 1995. It gives the State Department more flexibility in its refugee budget by eliminating separate authorization of funds for resettlement of people.

The State Department has been lobbying very hard against this provision. But after my perfecting amendment, the only thing to say to the State Department is take a hard look at these people in high-risk categories. If they are refugees under U.S. law, we should not hide behind an inadequate third country screening to pay for them to be forced back to persecution; second, no more money for the repatriation program until you can certify that it has been fixed and everyone has been given a fair screening and everyone that should be resettled has been resettled.

Mr. Chairman, I do hope that Members will support the Smith amendment to the Bereuter amendment. It has the support of a number of organizations in the refugee communities who are adamantly opposed to the Bereuter amendment and have come out as such within the last couple of days, the list of which I will talk about further.

Mr. HYDE. Mr. Chairman, I rise in support of the Smith perfecting amendment.

Mr. Chairman, I will be very brief. This is not a simple problem, but I think one of the darkest chapters in our country's history in this century was called Operation Keelhaul. It occurred in Europe after World War II when defecting Russians who were amassed in camps were forcibly repatriated in boxcars back, to return and never to be seen again. Our troops and our soldiers at gunpoint forced these people, who had fled from the tyranny of the Soviet Union, back into these boxcars. As I say, they were never seen again.

Forcibly repatriating people who have fled from their own homeland is an atrocious act. We ought not to countenance it. We ought to help people who have risked the seas and pirates and risked their lives to flee to what they thought was a safe haven, and then finding that we are participating in forcibly repatriating them.

These people deserve better. It is a matter of honor. They worked with us, they fought with us, they moved where we are, the land of liberty and freedom. We are not asking that they be repatriated to America. We are asking only that they not be forcibly returned to the places from which they fled.

A person born in a faraway country loves their homeland. If they could return, they would. But these people face all sort of dangers. They lived in reeducation camps. They have finally escaped. Now we are going to forcibly repatriate them? I hope my country never does that. If people want to leave tyranny and leave abuse and move towards the light of freedom, we should facilitate that, not inhibit it.

So I strongly support, and I do not criticize Mr. BEREUTER or Mr. OBEY or Mr. SMITH, they are as well-intentioned as anybody can be. But I just think they are dead wrong. We ought never at the point of a gun or barbed wire or anything else force people to go back from whence they have fled in terror.

So I hope the Smith amendment is adopted.

Mr. OBEY. Mr. Chairman, I rise in opposition to the Smith perfecting amendment.

Mr. Chairman, I take a back seat to no one in this institution in terms of my concern about decent treatment for refugees. I think all who know me know that. But the fact is that section 2104 of this bill, in the original bill, sets aside $30 million specifically for the purpose of admitting for resettlement in the United States thousands of Southeast Asian refugees who do not qualify for legitimate refugee status. It also creates artificial incentives for those people to come to the United States rather than return to their homeland, because it in effect cuts off any aid to Southeast Asians who want to return to their homeland and need tiny amounts of help to do so.

In my view, that is wrong-headed. The amendment that Mr. BEREUTER and Mr. SMITH and I are trying to offer would eliminate that section of the bill.

Now, I am supporting and offering this amendment with these other two gentlemen for two reasons: First of all, I think the committee provision really breaks an international agreement which was made by the United States with 78 other countries. It makes no distinction between legitimate political refugees and persons who simply want to come to the United States for economic reasons. It also, I would point out, leaves local communities holding the bag for the cost of educating and training refugees who can often be very difficult to resettle and train, because some of them, for instance, do not even have a written language.

I want to get into the case of the Hmong, for instance. The United States Government has allowed more than 120,000 of the 400,000 Hmong who were living in Laos in 1975 to enter this country. There was a very good reason for the United States doing that. The Hmong had done our dirty work in Laos during the Vietnam War. When the government collapsed, we allowed many of them to come into this country because of the service they had provided to the United States during the war.

I understand that. But I would point out that the obligation that the United States has to recognize what people like the Hmong did for us is an obligation of the Federal Government. It is not an obligation of the county government, it is not an obligation of the municipal government. In fact, what we have now is the Federal Government in effect posing for political holy pictures by allowing into this country all of the refugees that we can allow in, but then transferring the responsibility to pay for the cost of those refugees to the States and local government. I do not believe that is an equitable arrangement.

It seems to me that if this committee wants to create the impression that it is allowing any and all refugees under this amendment to enter this country, then they ought to be guaranteeing that the Federal Government in fact is going to meet its responsibility by sharing the costs of educating and training those refugees. If it does not, the Federal Government is welching on its commitment not only to those refugees, but to local communities as well.

I would also point out that if you adopt the Smith amendment to the Bereuter-Obey-Smith amendment, what you are doing in effect is creating false expectations and making a shambles of what an orderly refugee process is supposed to be.

I do not favor forcing a single refugee back into their original country if they do not want to go. I believe even in the case of refugees who have initially determined they want to go back to their country of origin, that in the case of the Hmong, which is the one case I know pretty intimately, it seems to me they ought to be given a chance to change their minds so that there can be no doubt that the United States is not forcibly repatriating a single refugee.

I did my graduate thesis on Operation Keelhaul. I am very familiar with it. It was an outrageous chapter in American history. I do not want to see us repeat that chapter. But neither do I want to see us in a soft-headed way simply appear to be doing a favor for refugees, when in fact what you will be doing is causing more turmoil in those refugee camps, causing more confusion, causing them to believe that the refugee program is now blown away and that they will therefore all have an opportunity to enter the United States.

I would point out or simply ask why we should be creating an artificial incentive so that not only do we make available resources to bring refugees to this country, but we also shut off, in effect, the resources necessary to allow refugees who want to return to their original country to do so.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. OBEY] has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, it just seems to me in this instance the opponents of the Bereuter amendment are well meaning, but I think in my heart they are misguided. I would urge Members to reject the Smith amendment because it will simply leave a false impression out there, which will cause great additional turmoil in those refugee camps.

What we ought to be doing is saying to the Thai Government and other governments in the area, we ought to be asking them to help us in the process by which we give every refugee an opportunity to determine for themselves whether they want to be repatriated or whether they want to come to this country. We ought not be creating artificial incentives so that in the end they have no financial alternative to coming to the United States, unless this committee is willing to guarantee that it is the Federal Government that will then bear the financial burden of that decision. I do not think this committee is going to do that. Absent that guarantee, I think we ought to support the Bereuter amendment.

Mr. DAVIS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Smith amendment.

Mr. Chairman, many of the Vietnamese boat people and Hmong asylum seekers in Southeast Asia are facing imminent deportation to communist Vietnam and Laos. Many of them have been severely persecuted because of their U.S. ties during the war or because of their political or religious beliefs. However, many of them have been unfairly denied refugee status by local governments under a screening program established by the United Nations High Commissioner for Refugees and heavily funded by the U.S. Government. This screening program is rife with corruption and other fundamental flaws. Among those already denied refugee status, there are some 100 religious leaders, thousands of former political prisoners and officers of South Vietnam, and many human rights activists and dissident intellectuals.

□ 1515

Classified as nonrefugees, they now face deportation to Vietnam. Many of them have taken their own lives to protest the injustices in screening to avoid deportation.

Thousands of Hmongs already recognized as refugees are also facing deportation to Laos. In my judgment, no U.S. contribution to the UNHCR should be used to finance such refoulement of refugees. Any use of United States money for the repatriation of Vietnamese boat people or Hmong asylum seekers must be conditioned on a fair review of their refugee claims.

I would like to review with the House who some of these individuals are, because you need to look sometimes beyond the numbers and the rhetoric to look at who are the individuals we are talking about that would be protected under the Smith amendment.

One of the people comprehensive plan of action would force back to Vietnam is a lady, a Sister K, a Catholic nun. Her father served as a counterintelligence officer for the Republic of Vietnam of Vietnam. After 1975, he was sent to a reeducation camp for more than 6 years.

In 1988, the communists raided Sister K's convent. They arrested her and the mother superior, who was accused of plotting against the government. The seminary was confiscated. Sister K was sentenced to 6 months at hard labor. She then went to live with her family, but in 1991 her father and other Catholics were arrested for planning to build a church. Sister K went into hiding and escaped from Vietnam. Sister K has been labeled an economic migrant by the Thai immigration inspector who was in charge or her interview under the comprehensive plan of action. She is scheduled to be forced back to Vietnam. Her story of persecution has been corroborated by her mother superior, who also eventually escaped to the United States and is hospitalized through the effects of the torture she underwent while in prison.

Another individual called Captain Tran was an officer in the Army of the Republic of South Vietnam. He served side by side with American troops. After 1975, he managed to evade capture and joined an underground anti-Communist resistance movement. Eventually the movement was uncovered by the Communist authorities. Many of its members were tracked down, viciously tortured, and executed.

The members of the movement who managed to escape then plotted the assassination of the Communist officer who had ordered the torture and extrajudicial killings. Captain Tran eventually escaped from Vietnam. But the Hong Kong authorities found him to be credible. They agreed that he had reason to fear punishment by the Communists upon return, but held that his participation in the counterrevolutionary plot was a nonpolitical crime and that made him ineligible for asylum.

Captain Tran is scheduled to be forced back to Vietnam this year under the comprehensive plan of action. Staff members of the House Committee on International Relations interviewed him and found him highly credible. He said he will commit suicide before returning to Vietnam.

Mr. Chairman, as a nation, I think we have to take steps that will bring about a fair, humane, and dignified solution to the Indo-Chinese refugee problem once and for all within United States laws and without any increase in quota or budget. So, Mr. Chairman, I rise in support of the Smith amendment and ask my colleagues to support it.

Mr. SMITH of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. PAYNE of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Bereuter amendment regarding Southeast Asian refugees. I have visited refugee camps in Thailand and Hong Kong over the last 20 years, most recently just last summer in Hong Kong. It is my observation that while the early refugees were certainly tied in with U.S. interests and support of our war efforts, the present refugees do not reflect this early perception by the American people and veteran organizations.

Most of the refugee population in the Hong Kong camps have been through a screening process and have been classified as economic migrants, or to put it explicitly many are northern Vietnamese fishermen who had nothing to do with supporting our war efforts.

The United States was a signature to the Comprehensive Plan of Action in 1989 which strengthened the principles of first asylum in Southeast Asia. For example this program enabled the repatriation of Vietnamese, Cambodian, and Laotians back to their country of origin if not classified as a refugee. By this action countries like Thailand that had become weary of holding refugees were able to see the end of the tunnel, and stopped pushing back potential refugees into the sea. We all remember the terrible piracy and raping of women on boats that occurred. This new program helped to reduce such incidents. It also worked out agreements with countries that were the source of the migration like Vietnam to take back these people and encourage them to utilize internationally accepted immigration programs like the Orderly Departure Program that has allowed 500,000 to start new lives in the United States and other countries. While there may be some refugees who have been improperly classified, these cases could be reviewed with U.S. intervention under the flexibility of the present agreement.

Moreover, the root cause of the migration is the poor economic conditions in these countries, especially Vietnam. By continuing our agreement we encourage additional cooperation with Vietnam which will lead to increased cooperation on the POW issue and complete the normalization of relationships between our two countries.

The Bereuter amendment will also maintain funding to continue the Comprehensive Plan of Action. It will also send a signal that the United States remains a partner in this well-thought-out plan.

This will discourage those still detained in the Hong Kong camps from rioting. Over 200 were wounded yesterday in Hong Kong fighting with handmade metal spears according to this morning's edition of the New York Times. It is downright cruel for us to build expectancies that the United States will take these migrants as refugees. Support the Bereuter amendment and help to stop the bloodshed in Hong Kong.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, what is even worse is to send them back to possible death and torture at the hands of the Communist Vietnamese Government. Some of those people have been disappearing.

Mr. Chairman, I am happy to yield to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I will be brief. I urge every Member to read the letter of the gentleman from Florida [Mr. MCCOLLUM] before they vote on this. The gentleman is going to speak, so I will not reiterate his letter. But his letter probably sums it up better than anything. In his letter he points out in the PS that the important provision in H.R. 1561 has been endorsed by the American Legion. This is what the American Legion says. They said:

> These former members of the South Vietnamese armed forces who escaped certainly have great reason to fear being forcefully repatriated. All one needs to do is review the latest State Department report on human rights in Vietnam to realize that little has changed with respect to what happens.

We have talked to families in my area who have talked about their family members who have literally committed suicide. I think the gentleman is right, and I strongly support the Smith amendment. I think it will be very good for the country.

Mr. BURTON of Indiana. I yield to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding to me.

I think it needs to be reiterated that human rights groups have reported several instances of people being hurt upon their return, jailing, interrogation about anticommunist political activities in the camps, discrimination in employment and housing, and in Loas the disappearance and the probable killing of Hmong leader Vue Mai.

The American Legion again, the gentleman from Virginia [Mr. WOLF], brought the American Legion, relying on their own contacts with former Vietnamese comrades in arms who corroborate these accounts. One reason that the United Nations cannot find any persecution is that they have only eight monitors for all of Vietnam and only two for Laos.

I wanted to remind the membership we are talking about people that are going out with a support staff that has been hired through the Vietnamese and the Laotion Government. This is a situation where the person that is with the repatriation monitor is reporting to a government, and the government is hostile in many instances to these individuals. Who can blame them for not speaking openly after being forcibly repatriated in the first place? I do think there is underreporting as well.

Mr. BURTON of Indiana. Mr. Chairman, let me just end up by saying that there is an anti-illegal-immigration attitude in America today with justification. We have millions of people coming across the Mexican-American border for economic reasons, and that has caused a real problem with our economy in many States. But the fact of the matter is there are still people in this world who are fleeing Communist dictatorships, and to send them back to death or worse is a horrible thought. It is analogous to taking people who came across the Berlin Wall. It is a wrong-headed move. I hope my colleagues will support the gentleman from New Jersey [Mr. SMITH].

□ 1530

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(At the request of Mr. OBEY and by unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the gentleman from yielding to me.

Mr. Chairman, I very much respect the gentleman's concern about the refugees in question, but I would simply ask this: Why should we engage in a legislative process which in fact cuts off the assistance to refugees who do, on a voluntary basis want to go back to their own country? Why should we eliminate the financial assistance provided to those people?

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, because, with all due respect, I would say to the gentleman from Wisconsin, the process has been corrupted by money and sexual abuse, so some of these people are volunteering to go back out of coercion.

Mr. OBEY. If the gentleman will continue to yield, the fact is that under the process for Hmong refugees, each refugee will have to again resign a statement indicating that he or she is engaging in voluntary repatriation, and if they do not sign a statement, they are not repatriated. It seems to me the gentleman's statement is off base.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, this is part of the problem. If they do not sign the voluntary agreement, they are put in jail, in many instances. In Thailand six Hmong leaders, all of whom were screened in as refugees, but scheduled for voluntary repatriation to Laos anyway, were jailed because they were actively resisting voluntary repatriation.

Mr. OBEY. Tell the whole story.

Mr. SMITH of New Jersey. This is the whole story, if the gentleman will yield further. These people, we wonder why there may be people who may react, and I do not condone the violence, but when people come in in riot gear to tell these people "It is time for you to be voluntarily repatriated," they react with an attitude.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(At the request of Mr. OBEY and by unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me simply ask the gentleman, why do we not also explain the fact that the same organization which is peddling those stories in fact is also raising funds by selling military, police, and civilian titles in their resistance army? Why do we not talk about the intimidation from them that is going on within the Hmong community? There is intimidation going on on both sides.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, let me make clear to the gentleman that our embassy confirmed this story. I want to go back to something I said earlier on. The Refugee Committee of Lawyers for Human Rights has so blasted the process of screening they have changed international standards. The credibility is one where they are viewed with unbelievable skepticism before they even open their mouths. It is a flawed process.

We are saying that the President should certify, and if it is not a flawed process, then the money is okay, but if he can certify these people are being voluntarily repatriated, that is a different story.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 30 additional seconds.)

Mr. BURTON of Indiana. Mr. Chairman, let me just end real briefly by saying this. If there is any doubt about these people being sent back to possible death, or worse, at the hands of the Vietnamese Communists, then we should err on the side of safety. That is the reasonable and humanitarian thing to do.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Smith amendment. We should not support the shameful forced repatriation of our allies who fought by our side during the Vietnam war. The gentleman's amendment would permit our Nation to end that period with honor and dignity.

The American Overseas Interest Act does not require one extra penny to be spent nor would it increase the number of refugees admitted to the United States. It merely disassociates the United States with sending people back to Vietnam and Laos who have genuine refugee claims because they fought with us during the war.

It is not accurate to speculate that it is safe for our allies to return to Vietnam and Laos. The U.N. repatriation monitoring process in place in Vietnam and Laos are run by Vietnamese and Laotian citizens hired in coordination with those Governments. In Laos 14 of the 18 UNHCR repatriation monitoring personnel are citizens of Laos hired by UNHCR with the coordination of the Laotian Government. In Vietnam 30 of the 38 UNHCR repatriation monitoring personnel are Vietnamese citizens hired by UNHCR with the coordination of the Vietnamese Government. It is no small wonder that it is claimed that there have been no cases of retribution. The Governments of those two repressive governments are investigating themselves. This is clearly a case of allowing the fox to guard the hen house.

It is for this reason that the American Legion and other veteran organizations support Mr. SMITH'S amendment and fully support the provision in the bill. Our military men and women who fought in Vietnam and in Laos are unanimously opposed to any effort to abandon our allies.

Permit me to read from a letter dated May 23 sent to me by John Summer, the executive director of the American Legion.

> The American Legion supports the initiative . . . which would provide for a reexamination of the refugee status of thousands of Vietnamese who fled their homeland out of fear of political reprisal, up to and including death.
>
> The American Legion considers it a debt of honor to strongly support your efforts to authorize the proper screening of those individuals who continue to be held in refugee camps in Asia, and to allow for the resettlement of those refugees who fought side-by-side with the American forces during the Vietnam war, as well as their families.

The United Nations will not allow our Hmong allies living in camps in Thailand and eligible under United States law to immigrate here, to leave the camps. Instead the Thai Government and the U.N. are using our funds to forcefully send our Hmong allies back to a dangerous fate in Laos.

The screening process of refugees administered by the comprehensive plan of action must be broadly reviewed in order to remedy unfair and otherwise defective status determination. The use of U.S. funds must be conditioned on a thorough review of this process. The American Overseas Interests Act would allow for such a review.

Accordingly, I strongly support the Smith amendment, and oppose the Bereuter amendment. Let us end this sad period of history in Vietnam and Laos with honor and dignity.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would ask the gentleman, does he really believe that Save the Children would be participating in forced repatriation? Does the gentleman really believe that? That is one agency we have provided the $1.5 million to to assist people who want to return to their own country.

Does the gentleman really believe Save the Children Foundation is in the business of forcing people to be repatriated?

Mr. GILMAN. Mr. Chairman, we are not talking about Save the Children now, we are talking about the Vietnamese UNHCR personnel, the Laotian UNHCR personnel, who are apparently not doing an effective job.

Mr. OBEY. Mr. Chairman, if the gentleman will continue to yield, I would simply say that I sent two of my staffers into the region to try to determine what the facts were. They came back with many indications that the voluntary agencies involved do not support the elimination of the ability to assist people who want to go back to their own country.

Mr. GILMAN. Mr. Chairman, I would ask the gentleman, does he believe there has not been one single case of retribution? We sent our own staff people over to look into the refugee camps, and they were refused entrance and examination.

Mr. OBEY. Mr. Chairman, will the gentleman continue to yield so I could answer his question?

The CHAIRMAN. The time of the gentleman from New York [Mr. GILMAN] has expired.

(At the request of Mr. OBEY and by unanimous consent, Mr. GILMAN was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would, frankly, be surprised if there had not been any cases of retribution, because, after all, this is not heaven. However, the fact is that I do not oppose anybody's efforts to try to see to it that each and every refugee has an honest choice about where they want to go, but I do think it is softheaded for this Congress or for the American Legion or any other organization in this country to say "Oh, yes, we will accept the system which will in fact bring financial incentives for all of them to come to the United States, and by the way, we will not provide the funds for it, and we will let the local units of government get stuck with having to support them." That is not good.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, it does not help this debate one iota for the gentleman to call it softheaded to say that the screening process was influenced. The overwhelming consensus by the human rights groups is that it is flawed.

Let me just, again, remind the gentleman, and this is not a conservative human rights organization, the Lawyers Committee for Human Rights Refugee Project concluded, and I quote, "The entire screening process and review procedures remain seriously flawed." They went on to state: "The process remains hostile to genuine refugees, and thousands may have been wrongly rejected."

Mr. BERMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Smith amendment to the Bereuter amendment.

Ms. LOFGREN. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. Mr. Chairman, before I make any comments, I yield to my colleague, the gentlewoman from California.

Ms. LOFGREN. Mr. Chairman, I thank the gentleman for yielding to me.

I also support the Smith amendment, Mr. Chairman, and I would like to say how proud I am to be involved with a movement that would allow boat people to be treated as the refugees that they really are. There are thousands of these refugees lingering in miserable camps throughout Southeast Asia, waiting for freedom. I think we need to stand by our former allies and make sure that they are treated as the refugees they are.

Mr. Chairman, I remember a few years back refugees were forced out of the camps in Hong Kong, and a number of refugees committed suicide rather than return to the Communist regimes from which they fled. Mere economic refugees do not commit suicide when faced with repatriation.

Mr. Chairman, I know lawyers who have been involved in the Lawyers Committee on Human Rights. They tell me what the gentleman has said, that the process has been flawed. We need to stand by our former allies. I remember when Vietnam fell 20 years ago, the efforts I made to save those who were escaping from communism. We must not forget them today.

Mr. Chairman, I thank the gentleman for yielding to me, and I strongly urge support of the Smith amendment.

The CHAIRMAN. The time of the gentleman from California [Mr. BERMAN] has expired.

(At the request of Mr. VENTO and by unanimous consent, Mr. BERMAN was allowed to proceed for 3 additional minutes.)

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I rise in support of the Smith amendment and the underlying intent of the bill.

It is really a difficult one. I understand the good intentions, but I think there has been a shadow over this process. The increased interest of the governments in camps, the Thai Government, to close refugee camps has, I think, rushed the process greatly. There has been repeated reports, and I mean extensive reports, even in the Minnesota papers, concerning mistreatment and abuse of individuals in these areas.

Mr. Chairman, I rise in support of the Smith amendment to the Bereuter amendment which would rewrite a provisions in the legislation. Specifically, I am very concerned that the Hmong currently in refugee camps in Thailand, first, that they are voluntarily returning, and second, that they receive whatever funding has been promised if they do repatriate. These people are returning to very difficult conditions in Laos and are in dire need of the minimal assistance being provided to them in order to survive. They are often sent to locations where they must glean a living from lands and communities with few resources. It is, however, vital that we support the non governmental organization and a truly objective

UNHCR presence in Laos and Vietnam, because of the necessary monitoring to ensure the safety of those repatriated. There has been a great deal of trouble getting credible information out of Laos with regards to the Hmong.

The Hmong are in a special situation. It is my understanding that most of the Hmong have refugee status and therefore are already eligible for resettlement in the United States or another country. There are now reported less than 500 Hmong who have been determined to be ineligible for resettlement. Other reports indicate a much higher number. This legislation and initiative should be viewed as ensuring that the process is credible and that the resettlement decisions are voluntary.

Hopefully with the modifications now presented the Smith language will more precisely resolve the questions raised.

Certainly some groups opposed to funding repatriation assistance because of the possibility of persecution of the Hmong by the Laotian Government. Unfortunately, our own State Department has done a poor job of laying these fears to rest. The Hmong in the United States and those still in the refugee camps hear from the State Department that there is no need to worry about those who return to Laos at the same time they hear stories of Hmong who have disappeared or been shot. It has been extremely difficult to get satisfactory information or answers to specific circumstances hence this legislative language attempts to ensure certification of the circumstance, a common practice to verify or qualify support that Congress has written into law, certainly we can assume that the Clinton administration will proceed with dispatch and a good faith effort.

The Hmong are special because the large majority of them already have refugee status and are eligible for resettlement in the United States or another country. What the United States Government needs to ensure is that the Thai Government and other camp governments and the U.N. High Commissioner for Refugees is making a proper determination of the Hmong who are requesting resettlement. The Hmong are under considerable pressure from the Thai to repatriate because the Thai want to close the refugee camps and be done with this 20-year-old problem. We and certainly the Clinton administration and most in Congress don't want anyone to be forced to repatriate nor do we want to cut off aid for those who choose to return, who do not want to resettle in the United States or elsewhere.

Clearly, the situation of Hmong refugees in Thai refugee camps is an ugly and sad one which we would all gladly see resolved. It is crucial that these people be treated fairly, that they not be denied the opportunity to resettle in the United States or elsewhere because they have not previously chosen this option. Many of these people, although they suffered persecution by the Government in Laos, many in fact some would say most, hoped one day to be able to return to their native land. They stayed in the refugee camps, a bad place to live, because they dreamed that one day they would be able to return to life in their country. Now these people are being faced with a choice they must make now and they should be allowed to make the choice for which they are eligible.

The United States cannot neglect its obligation to the Hmong people who sacrificed lives and homeland to fight on the side of the United States in the Vietnam war. They cannot be allowed to forget those who are still suffering as a result of the Vietnam war. This amendment maintains the fragile status quo, a situation that much concerns the Hmong-Americans in Minnesota. Certainly, reports of serious human rights violations need to be fully resolved and rectified. Often the choice of Hmong within a refugee camp is being questioned as to whether such a person made a voluntary choice to return to Laos. That must be resolved. There can be no misunderstanding that when a refugee returns to his or her homeland that there basic rights and personal safety are secure. That funding and assistance provided for reintegration is necessary should be obvious. The certification process in this measure is viewed by my Hmong-American constituents as the last hope to rectify this situation that affects their family members. The hearings held in Congress and the letters written too often have left more questions than answers, therefore I oppose stripping the language from the bill, and am in support of the rewritten Smith amendment and the Hmong refugees.

Mr. NADLER. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from New York.

Mr. NADLER. Mr. Chairman, I rise in support of the Smith amendment. I want to simply state that I differ from my friend, the gentleman from Tennessee [Mr. DUNCAN], in that we ought to protect refugees, whether they are refugees from communistic dictatorships or from any other dictatorships. They have the same human rights, and we ought to protect them.

Clearly in this instance the Smith amendment ought to be adopted, and the Bereuter amendment replaced, because we should protect these refugees, and because the so-called screening over there, most human rights observers and organizations have said is not adequate.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in support of the Smith amendment to the Bereuter amendment. If adopted without the Smith amendment the Bereuter amendment will make the United States complicit in the persecution of thousands of Southeast Asian refugees.

Forget the rhetoric of the nativism demagogues, the Bereuter amendment would not close any loophole in our immigration law, because none exists. In fact, it would shatter what is best and most balanced in our refugee policy.

Without Smith, the Bereuter amendment would eliminate language in the bill requiring that no one can be returned to Vietnam with the assistance of American taxpayer money until they receive a fair and impartial screening to determine if they are genuine refugees.

Is there something wrong with that?

The language of the bill is straightforward:

It provides up to $30 million for the relocation of Vietnamese, Laotian, or Cambodian refugees.

It prohibits the use of U.S. funds to repatriate those refugees unless the President can certify that bona fide refugees, and only bona fide refugees, have been offered, not even placed in but offered resettlement outside their countries of nationality. That means relocation anywhere else, not only to the United States.

It also requires the President to certify that the process of determining refugee status conforms to our basic commitment to fairness, honesty, and due process.

The bill does not, as you may have heard, require that all these refugees come to the United States. Read the bill, it's on pages 102–103.

The bill does not steal money away from refugees from the former Soviet Union. Eighty million dollars is set aside for that purpose on page 101.

So what is all the excitement about?

These refugees are not on U.S. soil; our Government is not running these refugee camps. Is it too much to suggest that we should not pay for their forced repatriation until we can be assured that they will not face persecution?

For those refugees who will come to the United States, this bill does not create any new refugee slots. In fact it does not even use all of the slots available. These are refugees who quality for resettlement, that is, refugees who are persecuted for their past affiliation with the United State or who have been persecuted on the basis of religion or ethnicity.

We must not abandon our commitment to honesty, fairness, and decency.

I know money for refugee programs is politically unpopular these days. At the very least we should agree that those scarce dollars that are available should not be used to move refugees involuntarily to their countries of origin to face persecution.

Mr. Speaker, I opposed the war in Vietnam. Many of our colleagues here supported that war, and some even fought there. Those differences still have the power to divide this Nation. The mere suggestion that some may come from the northern part of Vietnam sill seems to have the power to suggest to some Members that these refugees will make war on us when they arrive here. I think that, regardless of the stand you took 25 years ago, if you ever cared about the people of Southeast Asia, of if you were moved to take a stand on either side because the preservation of fundamental American values was important to you, then you must help adopt the Smith amendment. I urge a yes vote on Smith and no vote on Bereuter.

Mr. BERMAN. Mr. Chairman, this is a very complicated and important issue. There is a lot of right on both sides. The fact is the Orderly Departure Program and CPA have dealt with the problem of boat people, dealt with a way to allow people who are in fear of political persecution to leave Vietnam directly to resettle in countries, and have set up a process which, unfortunately, has been too flawed in the camps on the countries of first asylum to resettle in other countries.

The gentleman from New Jersey [Mr. SMITH], by his amendment, has taken a major step toward ameliorating concerns earlier expressed during committee debate on the language which is in the bill. He has softened the earmark, he has made it clear that the intention of his amendment is not to increase the number of refugees admitted to the United States above those currently permitted.

The gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Wisconsin [Mr. OBEY] are pointing out the potential problems with some of the restrictions in the language of the gentleman from New Jersey [Mr. SMITH], or some of the requirements in the language. However, I, at least at this particular point in time, want to focus on energizing our State Department to get the UNHCR and the people in charge of that screening process to take a look at a number of cases where it is clear that people with a well-founded fear of persecution, if they were to be repatriated back to Vietnam, should have a chance to prevent what could be a catastrophe for them.

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Between now and the conference committee, we can look at how to do this. I do not think every candidate should be rescreened. I do not think we want to end voluntary repatriation. I do not think we want to give the people in the camps false hopes about things that are going to happen.

I do not want them to think we want to embark on something which would become politically unsustainable in the United States, but the gentleman from Illinois [Mr. HYDE] and others were right. When you are talking about people who fought on our side, who were imprisoned for 10 years for political acts and now are talked about being sent back, you want to make sure that that is not being done in a fashion that is going to put their lives and their liberty in jeopardy.

I think the Smith language in the bill as modified now helps to send the message to the State Department, to the international community about our concerns about the flaws in the rescreening process and in the repatriation process and that between now—I actually hope this bill does not get to a conference committee, but if it were to get to a conference committee, we can deal with some of the problems that people have correctly pointed out.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as chairman of the Subcommittee on Asia and the Pacific of the Committee on International Relations, I rise in strong opposition to the Smith amendment. It is well-intended but it is a disastrously bad approach.

The gentleman from California has said the section of the bill is made slightly better, by the amendment of the gentleman from New Jersey [Mr. SMITH]. The gentleman, Mr. BERMAN, was the person that raised the initial concerns about this section in the committee. I say this section of the bill is a disastrously bad approach. I do not use that language very often. I know that the intention of the gentleman from New Jersey is to be highly respected, and I respect it, too, but the results, the bloodshed, the tragedies that will result from this reversal of policy are just going to be extraordinary.

If we make this change in the refugee program in Southeast Asia the blood is going to be on our hands for the additional boats of refugees that are going to be launched. This section of the bill and the Smith amendment completely devastates the UNHCR-multinational Comprehensive Plan for Action which is being implemented.

Why is it that most of the refugee groups that have spoken out on the issue have spoken against the language in the bill and would speak, if they have not done so already, against the language offered by the gentleman from New Jersey [Mr. SMITH] as an amendment to my amendment? It is because they understand that what you are unleashing here by approving the Smith amendment is a tragedy.

Mr. Chairman, we have heard many comments about forced repatriation. Of course no one is in favor of forced repatriation. We have accepted over 1 million Indochinese refugees into this country because we have a responsibility as our former allies to do so. We have done that generously. Now we have the UNHCR trying to get a reasonable hold on this economic refugee and boat people process. We have 47,000 refugees waiting there at this moment, which are categorized by the UNHCR as economic refugees.

I want to see any Member stand up in front of their local VFW chapter and American Legion chapter and say, "We granted refugee status to economic refugees from North Vietnam, our former enemies." That is what I want to see you do. If you vote in favor of this amendment which guts my amendment offered for myself and for the gentleman from Wisconsin [Mr. OBEY] and for the gentleman from Texas [Mr. SMITH], you are devastating the Comprehensive Plan for Action.

What about UNHCR? Is it a corrupt process? Well, no, it is not. Are there corruptive elements in it? Absolutely, there are.

Take a look at this. Since the screening process began in 1989, about 125,000 Indochinese have been screened under close supervision of the UNHCR. One-quarter of those screened, representing more than 31,000 asylum seekers, have been found to be bona fide refugees and have been resettled in the West. The screening process included the right to appeal directly to UNHCR, which did not hesitate to overturn bad screening decisions. In fact, it overturned 1,500 initial refusals.

While there are undoubtedly examples of error in such a massive screening process, the bulk of informed opinion, both government and NGO, disputes the assertion of mass fraud and corruption in the process. If you destroy this process by the Smith language in the bill, you have left the United States holding all of the responsibilities for the tide of refugees that you are about to launch. I ask you to think seriously about that.

What about the egregious cases that are mentioned and identified by the NGO's? I will work with my colleagues and the NGO's to press UNHCR and the State Department to be more active in seeking redress. I understand that at least 48 cases from the list have been successfully overturned, and more perhaps should be. But I caution my colleagues in the House, do not launch this wave of refugees.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would like to ask a specific question with respect to a specific group of refugees.

Right now, there are a lot of Hmong refugees trapped in Thailand. Some of them want to go back to Laos. A lot of them want to come to the United States. And a lot of them, if given the opportunity, would prefer to stay in Thailand.

I would simply ask this question of those who are supporting the Smith amendment. If this country today unilaterally takes this action, and sends a message to refugees around the world that we are about to absorb all of the refugees discussed under this amendment, and if under those circumstances the Thailand Government then decides against allowing those Hmong refugees to resettle in Thailand, are we really doing those Hmong refugees any good?

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. BEREUTER was allowed to proceed for 2 additional minutes.)

Mr. BEREUTER. Mr. Chairman, I continue to yield to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Are we not in fact by this action today going to make it highly unlikely that the Thai Government would in fact make that third option available to those Hmong refugees? And does that not in fact mean, just as the gentleman says, that the United States is going to unilaterally assume onto its own shoulders all of the burden for the turmoil that will result and all of the financial burden that will result as well?

It just seems to me that if we want to change the screening process, we ought to focus on demands to change the screening process. We should not in the process blow up an international agreement unilaterally, which this language does.

Mr. BEREUTER. I thank the gentleman. That is exactly what it would mean with respect to the Hmong refugees. About 2 months ago, I wrote to the State Department in support of the Hmong. I now understand an agreement is being worked out with the Thai Government to grant us access to the Hmong in the camps later this year. But if we blow it up by this action today, that is gone.

Mr. Chairman, the gentleman from New York [Mr. GILMAN], the committee chairman, asked me in his absence to make a unanimous-consent request. I do that in concluding my remarks.

Mr. Chairman, I ask unanimous consent that debate on the pending amendments and any amendments thereto be limited to 30 minutes, to be controlled by the gentleman from New Jersey [Mr. SMITH] for 15 minutes, the gentleman from Wisconsin [Mr. OBEY] for 7½ minutes, and myself, the gentleman from Nebraska [Mr. BEREUTER], for 7½ minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

Mr. GUNDERSON. Mr. Chairman, reserving the right to object, there are a number of us who have been patiently waiting to engage in this debate and we are not about, when we have constituents and their families whose fate is at the mercy of the outcome of this, to agree to that kind of a unanimous-consent request when we have had no time, when certain Members have continued to ask for more time, more time and more time so they can conduct their discussions at our expense. At this point, I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. McCOLLUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have heard a lot of emotional debate today and I would just like to try to put this in some perspective. I do not serve on this particular committee, but I have served on the Immigration and Refugee Subcommittee for over 14 years. I personally have visited the Hmong camps, I have personally visited Hong Kong, I have been there more than once, and I think I have some feel for the history of this matter since about 1980.

The story that I would like to tell a little bit of to put it in perspective is the story of the way in which the decisions were being made back in the 1980's with regard to how we screened people in and out among these groups of boat people and the Hmong and so on. In the very early 1980's, there was a very strict screening. President Reagan when he came into office, was in office a couple of years, and some of us reported to him from our visits over there that this was a major problem, that indeed the standards being used to screen in were not allowing those to come in who had been those who had assisted us during the war, who were truly people who have credible fears of persecution, and so on and so forth.

So in light of that, in 1983 President Reagan adopted a command performance, if you will, from our Immigration and Naturalization Service and the State Department, for how we were going to handle the screenings of refugees to come in from over in that part of the world. That series of standard criteria, if you will, were later adopted into statute in what is known as the Lautenberg amendment.

It is those criteria which the gentleman from New Jersey [Mr. SMITH] has offered and put in the bill which is underlying this today and which we are trying to defend on this side, and I must reluctantly oppose my good friend, the gentleman from Nebraska [Mr. BEREUTER], because he wants to strike that more liberal standard, if you will.

That standard prevailed, this standard I am talking about, for nearly 6 years, until 1989, when this comprehensive plan was adopted. It is only since the comprehensive plan has been adopted that the U.S. screeners are out of the picture pretty much, and all of the UNHCR folks are doing the screening we are hearing the complaints about.

We do not want to let everybody in. The standard that Ronald Reagan promoted and adopted and we operated under for 6 years is the standard that we simply want, those of us supporting the Smith and the underlying bill position want to have adopted at least for 1 year, to look at the group that we are talking about forcibly repatriating in many cases. Let's screen them under that standard.

Let me tell you what the preferences are to that standard, the presumption almost that they still have to prove credible fear:

Former officials of the government in the south existing prior to the takeover in 1975, and we are talking about Vietnam, national and local officials.

Former members of the military of the government in the south existing prior to the takeover in 1975.

Catholics and Buddhist monks. Now, there might be some of them, a very tiny few of them, from the north. I think they are going to be the only ones you hear today who could be even under this list.

Persons formerly or presently employed by the United States or Western institutions, or persons educated in the West.

Persons required after the takeover in 1975 to undergo reeducation in reeducation or labor camps, or who were imprisoned or sent involuntarily to new economic zones because they were considered politically or socially undesirable.

Ethnic Chinese.

Montagnards.

Chams.

Accompanying members of households or persons falling into any of the preceding categories.

The same type of list, I am not going to read it, is there for the Laotian and the Cambodian situation.

We are not talking about just letting everybody in who is an economic refugee. With all due respect to the gentleman from Nebraska [Mr. BEREUTER], that is not what this whole debate is about.

What those of us who believe in the underlying bill and believe in the modest amendment that the gentleman from New Jersey [Mr. SMITH] is offering today want to see happen is that for at least a year, maybe two if it takes it, that we take a look at the boat people from Hong Kong, the Hmong who are over in Thailand, the others in the camps in Malaysia, and judge them and have them judged by the standards that were on that list in 1983 to 1989, so that we can be satisfied in our consciences as American people that we have indeed allowed those to come out who really should and not be sending those back that would be sent back in harm's way.

A lot of us just do not have confidence in the current process. We have seen too many examples where it is not working. I do not see the harm in it. I personally do not see the draw of the boat people, that we are going to draw a whole bunch more people out with this.

The standard is pretty darn clear and it is pretty narrow. It is not economic refugees, again, with all due respect. It is substantially below the 40,000 figure some have used that would ever be allowed in under this standard. I suspect a very small number, comparatively speaking, would actually qualify under this Lautenberg or this Ronald Reagan standard, which is really what it is. It would be a modest number of people who would be ultimately screened out.

Again, we are not actually going to accomplish this necessarily because the underlying proposal simply says we are not going to provide money for the comprehensive plan anymore. We are not going to be a party to what we think is wrong unless these standards are adopted and used in the screening process. That is all it does.

The CHAIRMAN. The time of the gentleman from Florida [Mr. McCOLLUM] has expired.

(On request of Mr. BEREUTER, and by unanimous consent, Mr. McCOLLUM was allowed to proceed for 2 additional minutes.)

Mr. McCOLLUM. Mr. Chairman, I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding, and I appreciate his expertise and his experience.

Mr. Chairman, I have two questions for the gentleman. I will ask them both first and let the gentleman respond.

First of all, the gentleman said we may need a year, perhaps two years. What happens when the country of first asylum begins to fail to cooperate, an action which I fully expect to take place immediately?

The second question: In light of the fact that even a small rumor floated that there were jobs available in Japan caused a boat flotilla of over 1,000 people to leave. They had to be rescued from the sea. Given that example, why does the gentleman think we are not about to launch a major exodus of boat people?

Mr. McCOLLUM. First of all, I do not personally believe we are going to launch any major exodus, because the amount involved in this as far as what the changes are concerned is modest. They are not comprehensive like the gentleman I know in all due respect believes; I understand he does.

Second, I believe, yes, there is a chance that Thailand and some of the other countries, Hong Kong perhaps, will not accept this standard that we would say we will impose. If we do not provide them the money, they may very well forcibly send a lot of these folks on back, anyway, and I think that that may very well continue to happen. I do not know.

But I do not want my name and the name of this Congress and the money of the American people being spent for the kind of forcible repatriation that I believe is going on with a substantial number, not all, but a substantial number of these folks.

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I in good conscience, and I think most of the Members who are on our side of this issue are really voting with that in mind, and we believe the downside is not as great as the upside of what we are doing. There is some risk, but I think it is a modest risk.

Mr. BEREUTER. If the gentleman will yield one more time, the UNHCR I believe the gentleman understands, has screened in 125,000 Indochinese. And then when we had the appeals process for those screened out at least 1,500 were screened in. So in fact it is not a totally corrupt process and it isn't a hopeless process for legitimate political refugees.

Mr. McCOLLUM. Reclaiming my time, I realize they have done a modestly good job, maybe a good job in some cases, but there have been enough reports to this Member and experienced staff, including one sitting beside me in the gentleman's committee that have not been able to get the answers to satisfy this Member that convinces me there is a corruption in its process and there is something going on I cannot condone. While some may have been good, all of it has not been good. It is my personal belief, with all due respect to the gentleman, if we need to give it a second look, we will give it, and if it does not work, so be it. But we owe it to the people involved and all those who came out in the past and that have been allies of us in the process and in the long since Vietnam period to do this, in my judgment, and that is why I feel as passionate about it as I do.

I think we need to give them the one more chance. I urge an aye vote for the Smith amendment as a major alteration and as the gentleman said, it will change your amendment. It restores the basic bill to what it should be, allowing all of the refugees to come in under the existing ceiling now so we would not be taking in any additional, and at no additional cost, I submit.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have friends on all sides of this debate. But I rise in strong support of the Smith amendment and sadly against the Bereuter amendment, and I do so not only as a matter of intellect but with some measure of heart.

It was in the Central Highlands 27 years ago this summer when the village chieftain of a Hmong tribe, the Montagnard mountain people, wound a small piece of cheap silver around my wrist, and I have not had it off in 27 years. And I promised him I would not take it off until, as he put it, the Communists stopped kidnaping, killing, and abusing his people.

Now we have finally gotten around to treating native Americans with respect simply because they were here first by 10,000 to 20,000 years. The Hmong people are perfectly analogous to our American native Indian tribes in this country. And they have been terribly abused.

And it is not only for them but for the Vietnamese, and all of the other various backgrounds in that small abused country for almost two centuries of Laos that I speak.

Once about every 10 years, Mr. Chairman, so this may be the last time I will be sitting in the front bench, I will look at these Roman letters that are cut into the front bench of our clerks and our leadership. It reads union on the eastern end and peace on the western side, but these three words I think are apropos to this debate—justice, tolerance and liberty. Most of them, even the economic refugees, are yearning for freedom and for liberty so badly that it enables them to be horribly abused.

I have been fascinated that all sides here agree there is abuse. We are arguing over how much abuse. To ask a man to give you his daughter for sexual abuse, a type of coercive rape over seeking liberty, is probably the most offensive sex crime that you could possibly imagine. To keep upping the ante from a few hundred dollars to thousands of dollars. I have gotten names of people here that I will not put in the RECORD, because we have a defense mechanism in this well where we can name people, and I am not prepared to do it outside of this Chamber so I will not use their names. But they are colonels, higher ranking men, hired by the United Nations refugee people to operate in this screening process. Some of these high-ranking men will make families in the camps put together their money and fly a leader all the way down to the capital of Indonesia, to then be told that half his family will get refugee status but the other half, generally including wives and daughters, will have to submit to more bribes if not to this form of coercive rape.

I think it is terrible that screening officials have charged as low as $400 U.S. dollars, demanding U.S. currency, up to $4,000 and there have been substantiated cases as high as $10,000 or $12,000.

I have been to Southeast Asia eight times while the war for freedom was going on, twice to Hanoi as a Congressman and several times to go back to those camps. My oldest of my five children, my daughter Robin, spent a year in those camps in 1980 and 1981. She saw abuses then, Mercedes Benz cars arriving from Bangkok, air-conditioned cars extorting money from those people. This corruption has been going on for 14 years. I do not care if it is 3 percent, 5 percent, or 10 percent. My evidence shows me it is even more than that. We have got to come to a screeching halt here.

Of course we do not like to see people fashioning spears and stakes. God forbid they get hold of guns to fight for their liberty as this country has done. There are excesses and innocent people in Hong Kong who are law enforcement authorities that have been terribly wounded, but the whole process, we must step back from it and look at it. The Smith amendment is the best way to do it.

As the gentleman from Florida, Mr. McCOLLUM, did not point out in his letter, but the gentleman from Virginia, FRANK WOLF, who is an absolutely sterling person in this Chamber in either party on these human rights issues, pointed out that the American Legion is asking us to step back from this process. I have never found people in any American Legion hall, with all due respect to the gentleman from Wisconsin, Mr. OBEY, to be soft-headed. Far from it. I think what we have got to do is give these people the benefit of the doubt that they have put their lives at stake, on the road and more often at sea, have fielded Thai raping, pirates. They have fielded shark attack, dehydration and at least 700,000 or 800,000 people drowned on the high seas.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding. I want to make clear when I used the term softheaded I was referring to Members of Congress, not members of the American Legion.

Mr. DORNAN. I will try not to take that personally. As a member of the American Legion I guess I have a pass on that. I would urge to rarely vote "no" on my good friend the gentleman from Nebraska, Mr. BEREUTER, and "yes" for my friend, the gentleman from New Jersey, CHRISTOPHER SMITH.

[From the Washington Times, May 22, 1995]

U.S. BANKROLLS CORRUPT U.N. PROGRAM

Since 1989, the United States has contributed roughly 150 million dollars to a United Nations program that screens refugees for resettlement and non-refugees for repatriation. This screening program is, however, seriously corrupt and has placed numerous refugees at risk. It affects thousands of U.S. citizens whose tax dollars have gone into financing it, ironically.

In Indonesia, for instance, screening officials have charged asylum seekers 500–4,000 U.S. dollars for refugee status at the initial screening stage. At the final appeal stage, the price goes as high as $10,000–12,000.

The head of the corruption racket is none other than Colonel Wim Roesdi, Chairman of the Indonesian Task Force, in charge of Vietnamese asylum seekers. He has even opened a bank account under the name of Obrien Sitepu, his right-hand man, at Chemical Bank, New York to collect cash directly from U.S. relatives of the asylum seekers.

Several lawyers working for the U.N. High Commissioner for Refugees (UNHCR) to oversee the screening process also took part in the racket. Rahmad Irwan, representing UNHCR on the Refugee Status Appeal Board, is known to have demanded both money and sexual favors from asylum seekers in exchange for refugee status. He then shared the proceeds with his Indonesian counterparts on the Appeal Board.

In a number of instances, the boat people had to offer their wives and daughters for several nights or longer, sometimes for weeks, as part of the deal. Many refugees with strong persecution claims have been denied refugee status because they could not afford the bribes or because they refused to offer their wives or daughters.

In some cases, U.S. relatives were required to travel to Jakarta to pay cash directly to Colonel Roesdi. Some female relatives had to satisfy his sexual demands in addition to the cash.

A number of officials affiliated with U.S. consular offices are also involved. For instance, Sumarno, an Office Manager of the Joint Voluntary Agency—a U.S. agency funded by the State Department and operating out of U.S. consular offices—routinely proposed deals to U.S. citizens who came to visit their relatives in Galang Camp. Several U.S. citizens have denounced his criminal activities to U.S. consular officials but were met with bureaucratic indifference. Meanwhile, their relatives in Galang Camp suffered retaliation by the Indonesian authorities. They have become victims of threats and physical abuses, and their correspondences have been intercepted and confiscated.

As a consequence of corruption, those with cash as well as collaborators, operators, and mistresses of screening officials are recognized as refugees and resettled. On the other hand, genuine refugees with compelling claims but without money to pay, or who refuse to offer their wives or daughters to screening officials, have often been denied refugee status and now face deportation.

Many religious leaders severely persecuted in Vietnam, have been "screened out" because they have nothing to offer. For instance, Ven. Thich Thanh Lien, Chief Representative of the Unified Buddhist Church of Vietnam in Galang Camp was denied refugee status despite his strong refugee claims. In 1993, his disciples and colleagues in the United States and other countries had to pool money to pay Colonel Roesdi $7000 to get the screening decision reversed. Similarly, Ven. Thich Minh Hau, another Buddhist monk, was granted refugee status only after his disciples paid $5000 to the screening authorities so as to prevent his deportation to Vietnam. Several other monks are less fortunate. They have spent the past seven months in prison awaiting eventual deportation to Vietnam, where their Church had been outlawed.

Thousands of former political prisoners, human rights activists, resistance fighters, who had been imprisoned for their U.S. ties during the war or because of their political beliefs have also been denied refugee status.

In a number of instances, screening officials intentionally screen in only half of the family. Once resettled, they must pay to get the rest of their family out. Those who do not have the means to pay have to accept indefinite separation from their loved ones.

Many boat people recently resettled have offered to testify. A number of former UNHCR lawyers have gone public. In late 1993, Simon Jeans, formerly with UNHCR in Indonesia, publicly denounced the flawed screening system. In his words, "several refugees whose status had been accepted by UNHCR officials were turned down by Indonesian officials after failing to come up with the cash."

Another lawyer, who established the screening program in Indonesia but who later resigned, reported that "the reason why corruption was possible to such an extent in Indonesia was that the UNHCR leadership in that country was never interested in enforcing qualitative standards in screening."

Despite the many appeals by asylum seekers and refugee advocates and the many undeniable evidences, UNHCR has steadfastly denied any wrongdoing by its own officials or local screening officials. Instead, the agency has invested considerable resources into silencing protesters and into explaining away the egregious screening decisions.

The United States ends up bank rolling a corrupt U.N. program, which victimizes not only victims of persecution in Vietnam but also thousands of U.S. citizens who have been coerced into paying bribes to screening officials. Those who refuse to cooperate have seen their relatives abused and threatened by camp officials. Some of their relatives have committed suicide to protest the injustice or to escape deportation to Communist Vietnam.

It is time to stop the tragedy and save lives.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think I am as much of an establishment guy or at least accused of that as any of my colleagues, and I come here today with the highest respect for the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Wisconsin [Mr. OBEY], and frankly, I think they are partially right. But it is the part where they may not be right that drives me to this particular debate and why I rise in such strong support for the Smith amendment.

The fact is that we are dealing with either an intentional or an unintentional misinformation game, and people's lives are at stake as this game goes on.

I want Members to know that last fall the gentleman from New York [Mr. GILMAN], the distinguished chairman of this committee, the gentleman from Iowa [Mr. LEACH], and myself wrote a letter to the United Nations High Commissioner for Refugees. We wrote that letter because six members of the Hmong community who were in the Ban Napho camp had tried to provide a petition to Mr. GILMAN's staff raising their concerns about the repatriation process. Those six gentlemen were as a result of that effort arrested, and they were taken to a prison or an immigration detention center at Suan Phlu.

Now we wrote asking about them, and we received a letter back on December 7 which said: "Their well-being, like that of other persons of concern to UNHCR, are monitored by full-time UNHCR personnel. You might be interested to know that the persons concerned are in good health and are receiving preferential treatment, including English classes. They are only complaining of boredom."

Why do I tell Members that? I tell them that because between Christmas and New Year's of this past year a member of my staff and five other staff people gave up of their holidays to go over to Thailand and to try to investigate the circumstances. They were able to get in during visitation hours to that detention center, and while they were there they were able to talk to these six individuals. Do you know what these six individuals told them? They told them that there had only been one visit over the entire 4-month detention process by anyone from the U.N. High Command on Refugees. They had only been out of their cell once, and that was when a friend from the Ministry of Interior came to visit them. No one from the United States Embassy, despite our requests, had been there to visit them, and the U.S. Embassy was only 2½ blocks away. They were quarantined in a small cell of 18 people. They were required to sleep on concrete floors with only a towel as their bedding. They were given only two meals a day of bamboo and rice. They were given no medical care at all. Two people complained of fevers and two others complained of ulcers.

Now, I tell you all of that because as this debate was emerging last week, our State Department sent a new letter regarding this same situation at which they said, "Although the six were taken to Suan Phlu, they were still considered refugees by the Thai Government and UNHCR. They were well treated and their welfare was monitored by the UNHCR."

I do not enjoy calling people like our State Department or the UNHCR liars, but I have to tell my colleagues when we are talking about truth, when we are talking about justice, when we are talking about people's lives, both of these agencies are misrepresenting the truth.

I do not doubt for 1 second that what the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from Wisconsin [Mr. OBEY] are suggesting is that there is some room for some problems that need to be resolved. But let us not kid ourselves about this debate this afternoon. This is a debate that is going to be heard around the world, because this is a debate about whether the United States Congress approves of the forced repatriation procedures as they are ongoing at this very moment, and if we reject the Smith amendment, Members will reject the hopes and the lives of many people of the Hmong community to torture and in many cases eventual death.

I would suggest that since we voted on the Desert Storm resolution and the vote to send our troops into hostility and harm's way, it is this vote this afternoon on the Smith amendment which will affect more lives of more individuals than any vote since that time.

I plead with Members for the sake of these people who stood with us as our friends, support the Smith amendment.

Mr. ROTH. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, I think that we have had a good debate on this amendment this afternoon, and I compliment the previous speaker from Wisconsin. I think that his heart is in the right place, and like him and many of you I have been contacted by our Hmong community, and our hearts go out to them. But we also have an obligation to our own people and our own taxpayers.

We are being flooded with legal and illegal immigrants in this country. Now we are going to open up the borders. In fact we do not have borders over our own country anymore. We are going to take in tens of thousands of economic refugees again.

Yes, we should help these people in the camps. We should look out for them. They did stand with us. But the war was 20 years ago. How many more are we going to bring into this country? Yes, we would like to bring everybody into America, but that is not possible.

This is well-intentioned, but we cannot allow a new outflow of boat people. Is that fair to these people, to give them hope to bring them on the high seas again? This would not be in their best interests.

Yes, we also have to consider our own people. You know who is going to pay for this. We had unfunded mandates we passed in the first 100 days. These people coming into local communities, who is going to educate them, who is going to train them? This is going to cost a lot of money. I heard here in debate before that we have 1 million that we have brought into the country. How many more can we absorb?

□ 1615

Yes, the Hmong are good citizens. We have a million here now. How many more can we absorb? How many more can we assimilate?

We have an obligation to our own people, too, and we have to draw fine lines, our own people, your taxpayers and mine. The American people are a people with a great heart, but we must also have a level head, and that is why this is a good amendment. It is an amendment with a heart, but it is also an amendment with reason, and that is why I am for the Bereuter-Obey amendment.

Mr. MORAN. Mr. Chairman, I move to strike the requisite number of last words.

I rise in support of the Bereuter-Obey amendment and against the amendment by my friend, the gentleman from New Jersey [Mr. SMITH].

Mr. Chairman, there are two very fine Vietnamese restaurants in Arlington, Cafe Saigon and Nam Viet. They are owned by a Vietnamese gentleman who served South Vietnam in the army. In fact, he was imprisoned afterward, tortured.

I met with him in my office, as he is a constituent, on Friday. He showed me dozens of pictures. One of those pictures was of the chief of intelligence for the South Vietnamese army, who is a very wealthy man now. He is a consultant to the Vietnamese Government. He showed me any number of other pictures of people who had been very active in high-ranking positions for the South Vietnamese army who had been considered enemies of the people on the fall of Saigon but are now very much a part of society and the economy. He showed me pictures of him standing in Hanoi, pictures of him standing in every place that we would have thought was off limits.

He explained that he was able to travel anyplace. He went over there because he has helped to set up an orphanage for Vietnamese children, particularly the Amerasian children, the children of American GIs, who had been orphaned who are left in Vietnam, and he told me, Mr. Chairman, that the real need is for American involvement, not for us to turn our backs and continue trying to punish Vietnam. He felt his country and his people had been punished enough, that it is now time for healing, it is time for people like him and others like him to participate in Vietnam's economy.

He feels very strongly that the people who are living in very difficult conditions in refugee camps ought to be repatriated back to Vietnam to see, as he did, the changes that have occurred in Vietnam, to realize that time marches on, that the Vietnamese people now are far more focused on the future, a fairly bright economic future, than they are obsessed in the past.

There seem to be more people in this country who are looking upon Vietnam with the blinders of the past than there are in Vietnam itself. This body time and again has made wrong decisions with regard to that country. That country has suffered a great deal. I do not want that country to be a Communist nation, but when you trace the history, we were in many ways complicit with what occurred.

I am not going to go through a whole history at this point, but I think we would be far better off taking a constructive role, helping Vietnam develop a free enterprise economy, develop a democracy at some point, which I think is possible, and work with them to show them how important protection of human rights is to us and should be to them. We can only do that when we have face-to-face contact with the Vietnamese people.

That is why the Bereuter-Obey amendment is the appropriate, constructive one, and I think the Smith amendment, with all due deference to my friend from New Jersey, is focused too much in the past and past bigotries and does not take into consideration the enormous progress that has been made in the last few years.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH] to the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 266, noes 156, not voting 12, as follows:

[Roll No. 353]

AYES—266

Ackerman
Allard
Andrews
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bateman
Becerra
Bentsen
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Coble

Coburn
Collins (GA)
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Davis
de la Garza
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Evans
Everett
Farr
Fawell
Fields (LA)
Flake
Flanagan
Foglietta
Forbes
Fox
Franks (CT)
Franks (NJ)
Frisa
Funderburk
Ganske
Gekas
Geren
Gilman
Goodling
Graham
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hancock
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hinchey
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Johnson (SD)

Johnson, E. B.
Johnson, Sam
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaHood
Lantos
Largent
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Menendez
Metcalf
Mica
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Ortiz
Orton
Owens
Oxley
Packard
Pastor
Paxon
Peterson (MN)
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce

Quillen
Radanovich
Rahall
Rangel
Regula
Rohrabacher
Ros-Lehtinen
Roybal-Allard
Royce
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (NJ)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stenholm
Stockman
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thornton
Tiahrt
Torkildsen
Torricelli
Towns
Upton
Velazquez
Vento
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zimmer

NOES—156

Abercrombie
Archer
Baldacci
Barrett (WI)
Barton
Bass
Beilenson
Bereuter
Bilbray
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Clay

Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Costello
Coyne
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon

Doggett
Duncan
Durbin
Ensign
Eshoo
Ewing
Fattah
Fields (TX)
Filner
Foley
Ford
Fowler
Frank (MA)
Frelinghuysen
Frost
Furse
Gallegly
Gejdenson
Gephardt

Gibbons
Gilchrest
Gillmor
Gonzalez
Goodlatte
Gordon
Goss
Green
Greenwood
Hamilton
Harman
Hastert
Hastings (FL)
Hefner
Hilliard
Horn
Houghton
Jacobs
Jefferson
Johnson (CT)
Johnston
Jones
Kanjorski
Kaptur
Klug
LaFalce
Latham
Laughlin
Lewis (GA)
Lightfoot
Lipinski
Luther
Maloney

Manton
Markey
Martinez
Matsui
McCarthy
McDermott
Meehan
Meek
Mfume
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Moran
Morella
Neal
Obey
Olver
Pallone
Parker
Payne (NJ)
Payne (VA)
Pelosi
Petri
Pickett
Ramstad
Reed
Reynolds
Richardson
Riggs
Rivers
Roberts

Roemer
Rogers
Rose
Roth
Roukema
Rush
Sanders
Sawyer
Schroeder
Sisisky
Skaggs
Slaughter
Smith (MI)
Smith (TX)
Stearns
Stokes
Studds
Stump
Tanner
Thomas
Thompson
Thornberry
Thurman
Torres
Traficant
Tucker
Visclosky
Ward
Woolsey
Wyden
Wynn
Yates
Zeliff

NOT VOTING—12

Calvert
Conyers
Cubin
Fazio

Hansen
Kleczka
McDade
McNulty

Meyers
Peterson (FL)
Quinn
Watt (NC)

□ 1649

Messrs. EWING, MANTON, THORNBERRY, STEARNS, BARRETT of Wisconsin, JACOBS, MATSUI, and MEEHAN, and Ms. WOOLSEY changed their vote from "aye" to "no".

Messrs. ALLARD, LAZIO of New York, BONO, JOHNSON of South Dakota, UPTON, MARTINI, BACHUS, HOYER, NETHERCUTT, PETERSON of Minnesota, BROWDER, HALL of Texas, STENHOLM, MONTGOMERY, CRAMER, CONDIT, BEVILL, McHALE, TAUZIN, BISHOP, TOWNS, CHAPMAN, SPRATT, HOLDEN, KILDEE, PASTOR, THORNTON, TORKILDSEN, WILLIAMS, POMEROY, WISE, DE LA GARZA, PORTER, and EDWARDS, and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from "no" to "aye".

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. HASTINGS OF FLORIDA

Mr. HASTINGS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS:

At the end of the bill add the following new title:

TITLE XXXVI—ADDITIONAL PROVISIONS

SEC. 3601. ADDITIONAL AUTHORIZATION FOR THE DEVELOPMENT FUND FOR AFRICA.

Notwithstanding section 3221(a)(2) of this Act, $802,000,000 is authorized to be appropriated for each of the fiscal years 1996 and 1997 to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.).

Mr. HASTINGS of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HASTINGS of Florida. Mr. Chairman, I offer an amendment today to increase by $173 million the Development Fund for Africa account. This additional $173 million will restore this account to the current funding level.

The Development Fund for Africa was established by a bipartisan majority in 1987. Why? Because development aid is clearly in our long-term interest. Development assistance ensures that underdeveloped economies become stable friends and future trading and business partners.

The Development Fund for Africa has been critical to supporting the transition in South Africa, crucial in turning around Africa's economic decline, has helped bring about market liberalization efforts in some 20 countries, and has addressed basic issues such as girls education, vaccinations against curable diseases, and halting the spread of AIDS.

The Development Fund for Africa helps develop the physical infrastructure, the human resource base, and the rule of law structures which provide a safe and hospitable locale for American businesses to operate successfully. The Development Fund for Africa was specifically created to target development resources efficiently in countries that both need the assistance and have the potential to become self-sufficient economies which can later buy our products.

Cuts in the Development Fund for Africa account would undercut our efforts to strengthen export markets and fledgling democracies in southern Africa; undermine our ability to prevent Somalia-like crises and famine; and diminish support for democracy building to countries in political transition, allowing countries like Mozambique and Angola (which are on the cusp of recovery) to slip into chaos and crises similar to Rwanda.

Those who would dismiss Africa as being unimportant are taking a narrow, shortsighted view of American interests. We are making a long-term investment in Africa, and we know from our own experience that the United States benefits directly from the development which foreign aid helps fuel.

We hear a lot of talk about Africa being a sinkhole for foreign aid and that the U.S. has no reason to remain engaged in Africa.

But I am not sure that many Members are aware that South Africa played a key role in the recent indefinite extension of the Nuclear Non-Proliferation Treaty.

U.S. engagement, and U.S. assistance, has played an important part in the emergence of South Africa as a democratic partner for the United States.

South Africa's role in the NPT conference shows that our support is already bringing dividends.

Nor are many Members aware that American exports to Africa are growing faster than U.S. exports to Europe and that U.S. trade with Africa exceeds our trade with the former Soviet Union.

It is in our national interest to prevent crises like we have witnessed in Rwanda and Somalia, which together cost us $2.25 billion in emergency assistance funds. Preventive diplomacy will help us avoid these crises.

Aid to Africa is not only in our self-interest, it is consonant with our national values. We have a long and proud tradition in this great country of helping the needy both home and abroad. Emergency aid is invaluable for relieving human suffering, but sustainable development assistance is critical to breaking the cycle of dependency and despair by addressing the root causes of poverty.

We have unavoidable responsibilities around the world. Some of the problems around the world which currently demand our attention are problems of our own making. Our foreign policy goal for the past 40 years was the dissolution of the communist system. We have been largely successful in achieving this goal, but the repercussions of the breakup mean that there is both a political and financial vacuum in many troubled spots. Now that we have forced so many countries to abandon either their type of government or their support system, do we now say, "Sorry, you're on your own? We can't help?" I don't think so.

Senator Claude Pepper of Florida was the only Member of Congress to criticize the isolationist mood in the U.S. Congress when Hitler began toppling nations in 1939. Senator Pepper argued that it was the responsibility of all mankind to intervene in the face of evil. Senator Pepper said, "when a few men are wronged and the force of brutality and the jungle are let loose, when civilization is denied and godliness and goodness scorned, that is no private war, that is a war against man. Hence, to vindicate those things for which good men stand, good men everywhere must stand together against wrong, not only wrong to a chosen few, but wrong to any man, woman or child."

To ignore our responsibilities to nations less fortunate, to refuse to share our bounty, to silence our teachers, to shut out friends who cry for our help, these are crimes against humanity. The American people are not that cruel, nor should we be. I beg my colleagues, support the Hastings amendment.

□ 1700

Ms. ROS-LEHTINEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is with great reluctance that I rise to oppose this amendment to increase the funding level for aid to Africa.

If we had an unlimited amount of money to allocate to foreign aid, I would join Mr. HASTINGS in supporting $802 million for the Development Fund for Africa.

Mr. HASTINGS has been a good friend, both as a fellow member of the Florida delegation, and, as one of the most active members of the Subcommittee on Africa.

Whenever we have a subcommittee meeting—not just at the hearings or formal briefings, but in the many informal, private activities we have, such as meetings with foreign officials or the local members of the African diplomatic corps—I can always count on Mr. HASTINGS to be there and to be a very active participant.

And, as someone who is new to the assignment on the Africa Subcommittee, I have found that Mr. HASTINGS is a very valuable resource as I study the issues of American policy toward Africa.

But we don't live in an age of unlimited resources.

We live in a time of fiscal austerity and we have to make the hard decisions on how to allocate limited resources among the various spending priorities.

It was in that context of competing priorities that the committee, while considering the bill at our mark up sessions, gave a great deal of attention to the funding of the Development Fund for Africa.

While the budget climate required that all programs contribute their fair share to the deficit reduction effort, we cut aid to Africa less than other development assistance programs.

Aid for Latin America and the Caribbean, areas of the world also of great concern to every member of the Florida delegation, has not been protected with funds destined as a separate line item in this bill.

What will happen is that by raising the aid for Africa without specifying the source of the funds, eventually it could hurt the poor nations of the Caribbean and Latin America whose development assistance programs will be cut or perhaps other areas will be cut.

This has been the history of the aid program over the last few years—as other regions of the world have received increased development assistance funding, at least some part of the money to provide that assistance has been taken from the aid programs in Latin America and the Caribbean or other areas of the globe.

I think this would be a mistake.

We are trying to help countries in the Caribbean to improve their standard of living, just as we are trying to help Africa, Latin America, Europe and on and on.

Economic development programs in Latin America are an important part of our overall efforts to control the illegal immigration and drug trafficking that has had an impact on the people of Florida and other southern States.

There was an intensive debate in Committee, and the bill's funding level of $629 million for the Development Fund for Africa is one that was given great care.

We had to find other programs in the bill and forced them to accept disproportionately large cuts in order to provide this level of aid to Africa.

I should note that the Development Fund for Africa is not the only source of funding for aid programs in Africa.

It is important to keep this in mind.

President Clinton has the authority to take funds from the PL–480 program and channel PL–480 resources to Africa.

He also has the authority to allocate general development assistance funds and apply them to projects and programs in Africa.

In addition to the DFA funding, Africa projects are funded by A.I.D., through its Global Programs Bureau and out of regular Development Assistance funding.

About $60 million a year in Peace Corps programs, and a quarter billion dollars of PL–480 programs, are also provided to Africa each year.

One should, in the current climate of cutbacks in all programs, allow the administration some flexibility in managing these program cuts.

Increasing the funding for Africa will actually deprive President Clinton, and his Secretary of State, of the flexibility they need to manage the program cutbacks in accord with their foreign policy needs and priorities.

I therefore urge Members to vote against this amendment.

Mr. HASTINGS. Mr. Chairman, will the gentlewoman yield?

Ms. ROS-LEHTINEN. I yield to the gentleman from Florida.

Mr. HASTINGS. Mr. Chairman, I ask most respectfully, is the gentlewoman aware that the accounts that she identified are all being cut as well?

Ms. ROS-LEHTINEN. Mr. Chairman, absolutely, we agreed. That is part of the basis of my speech. All of the programs are being cut.

In fact, the Africa program, in relation to the other programs that are being cut, is not nearly cut as much. I think that is the point that I was making; all of the programs are cut, just as we are cutting domestic programs, so we should cut foreign programs.

Mr. ACKERMAN. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I rise to support restoring the development fund for Africa to its current funding levels which is good for people and for business and for all of America.

Mr. ACKERMAN. Mr. Chairman, I rise today in strong support of the Development Fund for Africa. The DFA protects some of the most vulnerable people on earth. And efforts to slash it by $173 million are simply unacceptable.

As you know, Mr. Chairman, the African continent represents one of the last untapped markets in the world. And the continent has seen tremendous progress, with new democracies taking root throughout:—South Africa being the most shining example.

If the DFA is cut by $173 million, not only will ordinary people suffer, but the U.S. image as a world leader will be seriously damaged:

The aid program to South Africa—a role model of evolutionary change with respect for market economics—will be undermined. Should the United States cut and run after campaigning against apartheid for so long?

The AIDS epidemic will worsen—an estimated two million additional people will become infected with HIV due to cutbacks in U.S.-supported programs.

Programs that help prevent hunger by investing in sustainable farming will be decimated.

And the expansion of United States exports to the African continent, which now amount to over $4.4 billion, will be hindered.

Mr. Chairman, U.S. aid is not a give away; it's an investment that brings about exports to the developing world—exports which amount to 40 percent of all U.S. exports.

But for there to be a market there needs to be healthy, educated and economically productive societies. Slashing the DFA to bits will not accomplish that goal. Not at all.

That is why I am cosponsoring this amendment, along with some of my distinguished colleagues on the International Relations Committee, to raise the DFA to the fiscal year 1995 level of $802 million.

Strangely enough, while this bill slashes lifesaving programs like the DFA, we are finding room to increase our military sales program.

Unlike the DFA, this is not a program geared to help people that are starving, or are in the midst of democracy building. Maintaining aid to Africa is within our responsibility as a world leader and it is the least that we can do for people who are deserving of our assistance. I strongly urge your support for this amendment.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of this subcommittee, the Subcommittee on Africa, I know how heartfelt this amendment is. I congratulate the author of this amendment. I agree that the people of Africa need help. I would like to support my friend from Florida in his efforts to help deserving people in Africa. Like everyone else, I have a question, however. Where is the money going to come from?

If my colleague could offer a corresponding cut and make his amendment budget neutral, then possibly we could all support his amendment. But just to come in with a blank amendment is not going to get the job done. It is only a wish list.

If instead the money must come from the taxpayers packets, then I must oppose the amendment. I cannot agree to add $173 million to the budget deficit. It is clear as a bell that there are many worthwhile programs, but that is how we got into this budget mess that cries out today for a solution. So let me reiterate; the goals here are laudable, but the ladder to the goal is missing.

If the 167 million can be found in other programs, if we can find the money in other projects, then I think this would be an amendment that we should go with. But this Congress cannot abide and adhere to every Member's wish list.

On my way into the Capitol this afternoon I was looking again. Is there any money growing on the trees? And to everybody's surprise, I must say I did not find any money growing on trees. Until that happens, i.e., money grows on trees, we must find money from sources in this bill. Reallocate or find new funds.

Again, the goals of this amendment are laudable. I appreciate what the gentleman is trying to do. But the question remains, the $173 million, where will it come from?

Therefore, without the funding, I must be opposed to this amendment.

Mr. JOHNSTON of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at the markup of the full committee, I made probably the improprietous observation that this bill is racist. And I want to point out that it is not racist through malice, it is racist through ignorance. The fact is that I do not think that many of the Members of the full committee have any idea about Africa.

For the last 2 years, I chaired the Subcommittee on Africa of the Committee on International Relations. I toured 26 countries during that period of time. Each time I went, I asked Members of the minority party, then Republicans, to accompany me. In fact, I begged them to come with me to Africa, and in that 2-year period not one ventured to travel.

In the majority report to this bill, they refer to "Africa did this" and "Africa did that." You would think that Africa was a country in itself. I made the flip remark in the committee that someday I am going to expect a Republican to come up to me and ask me where the capital of Africa is. But would we say the same thing about Asia? Would we say Asia did this and Asia did that and, therefore, let us cut off relief to this entire continent?

My colleagues, this is Africa. This is a continent four times larger than the United States. It is a continent that has over 56 countries in there, and it is a continent which is exploding with democracies.

Let me go around there. Let us start out with South Africa, the jewel of the crown. South Africa now is an emerging democracy. It has $100 billion in GNP. You can just go around the continent. Botswana. Botswana has surplus now in its treasury. Malawi just ended up having its elections and is a democracy.

Zimbabwe. Mozambique is coming out of a depression there. Uganda, Idi Amin's country, is now a democracy there and is trading with the United States.

Tanzania. Look at the French francophone countries, Chad, Niger, Benin, Carte de Vois, Burkina Faso, Senegal, Mali, all of these countries want to have better relationships with the United States and are breaking away from the French codes there and will be great trading partners.

Look at Ghana. Jerry Rawlings now in Ghana is trying to settle the dispute in Liberia, a great ally there and a great trading partner.

□ 1715

Namibia down here, free elections, and a democracy. Seychelles, Mauritius, Eritrea, such a new country it is not even on my map here. Eritrea is a democracy which we will trade with. Next year, see Angola come around. Angola can feed this entire continent. Zambia, Central African Republic, the Congo and even Kenya. Look at 1997, where Liberia, our colony in this continent and our responsibility, will probably be a democracy, along with Ethiopia and Nigeria.

My friend, the gentleman from Wisconsin [Mr. ROTH], at the committee meeting said "Gee, Egypt is in Africa." Of course it is in Africa. Egypt gets about $1.5 billion. I might point out, though, that Egypt is not sub-Saharan Africa. Egypt is not black Africa, which I came up with the phrase, this being racist. Egypt is not in the jurisdiction of the subcommittee on Africa. Egypt is not under the Assistant Secretary of State for Africa. Egypt is now considered the Middle East. Let us talk about sub-Saharan Africa.

We now have the development fund for Africa. The development fund for Africa is $600 million for 600 million people. There is where I think it is immoral. That is why I feel this bill is immoral.

If we want to get the funds for this, last night the gentleman from Indiana [Mr. BURTON], said "We can cut the State Department by 5 percent and nobody will be harmed." Why not cut the Defense Department by 5 percent, that is $12 billion 5 million, and it can underwrite the entire foreign affairs bill that we are stripping to pieces here today.

Mr. Chairman, I strongly support the Hastings amendment. I think these funds should be restored, or we are going to lose Africa. We are going to lose a great trading partner. We are going to lose 28 emerging democracies, which we have pumped money into, and we are seeing results for the first time.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Our visitors in the gallery are admonished not to applaud during the debate.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

First of all, Mr. Chairman, I am very sympathetic to the remarks made by my colleague, the gentleman from Florida. I do not believe anybody in this Chamber is racist, but I do believe there are problems in Africa that should be addressed. We are trying our best to do that. We are sending $629 million there this year, and $614 million next year. This amendment would, over a 2-year period, increase by $360 million the amount of money that is going over there.

I notice we have a lot of young people visiting with us today. Many of them applauded. Many of us in this Chamber are very concerned about their futures, because we know if we do not get control of Government spending in this country, that at one point, some point in the future, we are going to have a debt so great that the interest on the debt alone is going to gobble up a lot of our tax dollars, and their quality of life will start to deteriorate. We have to get control of Federal spending, so we have to make hard choices.

Ms. MCKINNEY. Mr. Chairman, will the gentleman yield? I would like to know why he is cutting student loans.

Mr. BURTON of Indiana. The school lunch program was increased 4 percent per year. We are just sending it back in block grants, we are not cutting it. We are cutting the rate of growth. However, that is another subject.

The fact of the matter is we have to control spending. That means we have to make hard choices. I am very concerned about the people in the Sudan. My colleague, the gentleman from Virginia [Mr. WOLF], has been down here on the floor talking about that.

We have met with some of the people from the Sudan about the horrible atrocities that are taking place, and the people starving to death over there. We worked very hard to get food aid in there. We did the same thing in Somalia. However, we cannot cut the defense budget to take care of those problems. The fact of the matter is the defense budget has been used in large part for a lot of the new military forays and objectives in Somalia and in Haiti, and we have used an awful lot of our military money in those areas.

The budget is so strapped in that area that we have a lot of people who are in the military whose quality of life is already suffering. We all know that. In fact, some of those people have been on food stamps, people in our own military. We have to be careful when we start talking about cutting the defense of this Nation.

Mr. Chairman, let me just get back to the case at hand. We need to set priorities. Make no mistake about it, Africa is a priority. Maybe it should be a higher priority, but as my colleague, the gentleman from Wisconsin, said a while ago, let us find the money someplace else. If we can find it someplace else and we can do it, then I do not have any problem with doing that in conference committee.

The fact of the matter is that at this point, $629 million, plus $5 million for the Africa regional peacekeeping force, $1.1 million for the Organization of African Unity, $10 million for Angola, or $5 million, and some other funds from other areas of government, is about all we can afford.

I would just like to say to my colleagues, we are doing what we can. This is a lean, mean foreign affairs budget, foreign aid package, but it is one that I think is realistic and one that deals with the problem.

I would like to end up by saying one other thing. I think the last speaker that spoke on the Democrat side alluded to the fact that Angola in a few short years could take care of the whole continent. There are a number of countries in Africa that are mineral-rich. They have large resources. They have diamond mines, all kinds of minerals. As a matter of fact, during the cold war, 11 minerals that we had to have to survive as a Nation only came from two sources, the Soviet Union, and the southern part of Africa. Yet, because of the wars and because of lack of democracy over there and because of the problems, those minerals and those things that would make them self-sufficient have not been mined.

Therefore, rather than just throwing money at the problem, we as a Nation need to be working with those governments to bring about the democracy that my colleagues have talked about, so they can start taking care of themselves, so we can wean them away from the United States foreign aid program. We cannot take care of the entire world indefinitely. We are the only superpower left, we do have responsibilities, but the amount of money we have in this budget is realistic. I think this amendment, therefore, should be defeated.

Mr. FOGLIETTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this important amendment which would restore funding for the Development Fund for Africa.

The African continent is in a state of transition. This transition holds great promise as well as peril for the people of Africa and the community of nations. In South Africa, we have witnessed the peaceful transition to a multiracial democracy. In Rwanda, untold innocents have been killed in the struggle between rival Hutus and Tutsis.

Despite the challenges, I believe that Africa's future can be one of peace and economic prosperity.

However, they will need our help.

The Development Fund for Africa has proven to be a successful economic development tool which has enabled many nations to begin the transition to free market economies and stable democratic institutions. This proven program has made valuable investments which have greatly improved health care services, expanded educational opportunities and boosted small business development.

Several years ago, Mozambique was embroiled in a vicious civil war. Last year, with the help of American assistance, free and fair elections were held and ninety percent of registered voters went to the polls.

In Guinea, American assistance and training programs have helped to increase elementary school attendence by 43 percent. In the country of Mali, agricultural production has doubled since 1981 with the help of American technical assistance.

These are the building blocks of a stable continent—a community of nations which can help advance American interests in the world and can become an important trading partner.

Working in partnership with the people of Africa we have made great progress. With a relatively small investment—representing roughly 0.05 percent of our 1.5 trillion budget, we can continue this work and build a bright future.

Mr. Chairman, I urge my colleagues to support the people of Africa and American interests in this important part of the world by supporting this amendment.

Mrs. CLAYTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Florida [Mr. HASTINGS] and others. I believe it is shortsighted to think that we can promote democracy, encourage world peace and expand trade opportunities in America, while pursuing a policy of isolation. That is particularly true when it comes to developing nations—nations that may hang in the balance—when it comes to their tilt towards democracy. I have been encouraged, in recent years, by the growing number of African nations that have converted to democracy, and, I believe, foreign aid has been a vital element in those conversions.

I also believe that foreign aid is particularly critical to the expansion of trade opportunities. Although, I believe that the policies we pursue to encourage the expansion of trade should be evaluated, an across-the-board budget cutting is an unwise position. Unfortunately, the House-passed budget resolution and the Senate committee budget resolution propose the elimination or major reduction of the International Trade Administration, the Trade Development Agency, the Eximbank and agricultural export promotion programs. The Overseas Private Investment Corporation [OPIC] would be privatized. On top of that restructuring, the bill we are now considering, H.R. 1561, would reduce the amount of foreign aid authorized by $1 billion, and would eliminate three agencies—The Agency for International Development, the U.S. Information Agency and the Arms Control and Disarmament Agency. The functions of those agencies would be moved to the Department of State. The Senate version of the bill had proposed moving the functions of the U.S. and Foreign Commercial Service to the Department of State and combining the Eximbank, the Trade Development Agency and OPIC into one quasi-independent agency. Those provisions, however, did not survive committee consideration last week and are not now included in the Senate bill.

Mr. Chairman, I do not think we should lose sight of the fact that, compared to other, major industrialized nations, the United States ranks last in terms of the percentage of gross national product [GNP] devoted to exports. There seems, therefore, to be little wonder that we have a growing balance of trade deficit when Britain, France, Canada, Italy, Germany, and Japan, spend more per thousand dollars of gross national product than we do. The irony of these proposals is that this radical change comes at a time when our export promotion programs and, presumably, our foreign aid programs, are helping to produce unprecedented gains in peace and commerce. In the area of agriculture, for example, we now export about one-third of the products we produce. Last year, farm and farm-related exports generated more than $100 billion in economic activity for America, producing nearly 1 million jobs here. With respect to merchandise trade, farm production actually generates a trade surplus which, this year, is expected to be some $20 billion. In North Carolina, farm and farm-related jobs constitute at least one-fifth of the employment and, on average, 25 to 30 percent of the revenue. It, therefore, greatly concerns me when I see proposals to impose deep cuts in foreign development for Africa programs which provide opportunity for trade. We should not blindly cut programs in our march toward a balanced budget by the year 2002. We should pass a budget bill that aims at a balanced budget. I support that goal.

We must be certain that our actions do not further weaken the United States as we seek to compete in an increasingly competitive global marketplace. This is not 1946, Mr. Chairman. America no longer maintains the dominant position we once held in the world marketplace. We are being dramatically outspent by other nations whose goal is to promote their products and replace us whenever they can. Perhaps, even more importantly, Mr. Chairman, I believe we can best achieve security in this Nation by interacting economically with other nations. Foreign aid and economic interaction with other nations is not a giveaway, it is a sound and prudent investment in our own security. The best way to avoid war is to promote peace. An effective way of promoting peace is to engage in commerce and finance with the World community. The Hastings amendment focuses on mineral rich and strategically important Africa—a continent where democracy can flourish. By investing in Africa now, we can assure that we will continue and expand trade with them in the future. And, by investing in Africa now, we establish relationships that will be vital if the security of the United States is threatened. Support the Hastings amendment.

Mr. PAYNE of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Hastings amendment to restore the $802 million level for the Development Fund for Africa.

In order to put this subject in perspective it would be helpful to look at the three periods in recent Africa history that have bearing on changing the course of events for Africa. First, the independence era in the early 1960's when the continent was freed of their colonial masters, and leaving them without adequate resources and preparation for their new freedom.

Second, during the cold war, when Africa was used and abused. Used by both the Soviet Union and the United States to fight hot wars on African soil. The most symbolic were in Angola, Ethiopia, Eritrea, and Somalia, and you know there were others.

Abused, because we ignored humanitarian principles, and turned our eyes away from corruption and human rights abuses when it seemed in the interest of winning.

It now would seem fair that preferential rehabilitation assistance is needed to right the wrongs of the past, even though they may have been justified in winning the cold war.

We really were not very good teachers in preparing Africa for our grand plans of multi-party democracies and free markets economies to be operated free of corruption.

Measures of the quality of life in Africa have spiralled down in the last two decades, at the same time going up in other parts of the developing world. Many, like Vice President GORE, who read the Kaplan article in Atlantic Monthly were appalled at the condition of Africa, and determined to assist the continent. Unfortunately, others doubted Africa was even salvageable.

We are now a few years into the third period, which I would call the post cold war period. Armed conflict continues to afflict sub-Saharan Africa where fighting persists in Sudan, Liberia, and Sierra Leone, and we have our fingers crossed on Angola, despite the cease fire agreement. The potential for renewed outbreaks in Rwanda, Burundi, and Somalia is high, and other countries like Zaire and Nigeria are at risk. Human rights problems have been accelerated due to overpopulation and lack of sustainable development. However, all is not gloom and doom. There have been historic advances. In South Africa, Namibia, Botswana, Ghana, and other countries we could name.

I would also like to relate the historic Congressional Black Caucus efforts to reverse the inequalities of the past led by former Congressmen Diggs, Dymally, and Gray, not to mention the contribution of RON DELLUMS in sponsoring the Anti-Apartheid Act which mobilized Americans against racial discrimination in South Africa. And, remember the late Mickey Leland, who gave his very life in pursuit of increasing the awareness of all Americans to the plight of our Africa.

I do not feel aid to Africa should be considered a partisan issue. Both the Republicans and Democrats have been most cooperative in preserving the Subcommittee on Africa when Congress was requested to scale down the number of committees. Africa, which usually comes last, was considered important by both parties. Members like former Chairman HAMILTON, Chairman GILMAN, Speaker GINGRICH, and HENRY HYDE were most helpful.

There are many Republicans on the Senate side like NANCY KASSEBAUM, Chair of the Senate Africa Affairs Committee, JAMES JEFFORDS, PAUL COVERDELL. All have Africa's interest at heart.

Just think, Africa has almost 60 countries with a population over 600 million. If we do not adopt the Hastings Amendment this will leave us providing less than $1 per person in the neediest of all continents.

In closing I would like to quote Tony Lake, the President's national security advisor in a recent speech he made on May 3. He said:

> If the United States cuts aid to Russia, the pace of economic reform will be slowed and important American interests will be harmed. If the United States cuts Aid to Africa, while our interests are less effected, people will die.

I ask you—is an African life not worth the investment of a few more pennies per person to come back to the $802 million level for the Development Fund for Africa. Support the Hastings amendment and save African children.

□ 1730

Mr. GILMAN. Mr. Chairman, I have been informed that we have 5 speakers on the other side remaining and that we have several on this side.

Mr. Chairman, I ask unanimous consent that all debate on this amendment be concluded by 6 p.m. with the time to be equally divided on both sides.

The CHAIRMAN. On this amendment and all amendments thereto?

Mr. GILMAN. On this amendment and all amendments thereto, Mr. Chairman.

The CHAIRMAN. With 12 minutes on each side and the time to be managed by the gentleman from New York [Mr. GILMAN] and the gentleman from Florida [Mr. HASTINGS].

Is there objection to the request of the gentleman from New York?

Mr. HASTINGS of Florida. Mr. Chairman, preserving the right to object, if I could engage the gentleman from New York [Mr. GILMAN], the chairman, in dialogue further, I misunderstood the gentleman.

Did the gentleman say 12 minutes for each side total?

Mr. GILMAN. Mr. Chairman, if the gentleman will yield, the total would be concluded by 6 p.m., with the time remaining to be equally divided.

Mr. HASTINGS of Florida. Mr. Chairman, further reserving the right to object, I most respectfully will have to object because I do have a number of speakers that have been waiting, and I recognize that they, too, deserve an opportunity to be heard.

Mr. GILMAN. How many speakers does the gentleman have?

Mr. HASTINGS of Florida. Probably there are 6 additional speakers. I could ask them to curtail some of their remarks and doubtless they will be able to do that.

Mr. GILMAN. Mr. Chairman, I will be pleased to reduce our time to 10 minutes and give the remainder of the time to the gentleman as long as we conclude by 6 p.m.

Would the gentleman find that acceptable?

Mr. HASTINGS of Florida. Further reserving the right to object, I would still need an additional 15 minutes, Mr. Chairman. If we could conclude by 6:15, then that would be acceptable.

Mr. GILMAN. Mr. Chairman, we will accept the 6:15 deadline, with the time to be equally divided.

Mr. HASTINGS of Florida. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes, and the gentleman from Florida [Mr. HASTINGS] will be recognized for 20 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I think since they have more speakers on the other side, I would reserve my time and allow the other side to proceed.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. HASTINGS].

Mr. HASTINGS of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise today in strong support of the amendment of the gentleman from Florida to restore full funding to the Development Fund for Africa.

You have heard a lot of talk about how we cannot afford it. Let me set the record straight. For anyone who is under a misconception, foreign aid amounts to 1 percent of the United States budget.

I think we can afford it, because it is consistent with our long-term objectives. Someone said, "Well, money doesn't grow on trees. Where are we going to get the money?"

I suggest that there are a lot of Republican pork projects laying around from which we can get the money. I suggest there are a lot of tax breaks for the wealthy from which we can get the money. At any rate, when you are only talking about a fraction, 1 percent, of the budget, it seems to me the money ought to be found.

I would like to talk today about some of the success stories involved in the Development Fund for Africa because I think they illustrate the point. Our foreign aid program ought to advance our interests. Our interests are reflected in these successes.

American exports to Ghana expanded by 73 percent between 1992 and 1993 as a result of U.S. programs that helped revise the investment code, remove regulatory bottlenecks and improve infrastructures.

In Zimbabwe, U.S. programs to strengthen the business climate have helped to formulate antitrust laws, lowered interest barriers for U.S. exporters, and investors.

Forty years ago we had a very different situation. Nine out of ten African countries were still under colonial rule. That is not true today. Today nearly two-thirds of the countries in Sub-Saharan Africa have or are in the transition to democratically elected governments.

In some of the poorest regions of Africa, U.S. support for childhood immunization and oral rehydration therapy has resulted in saving 800,000 children per year. We have had great successes.

But the important point today is we can have far greater successes if we make a very small investment. An investment has two benefits: First, it helps us avoid humanitarian crises which we may ultimately be called on to address. Second and most importantly, though, it opens new markets for U.S. goods. What does that mean? It means jobs for American workers.

I think we have an opportunity to advance our long-term interests, provide assistance with infrastructure in Africa, and create new open markets receptive to U.S. exports. We have got examples of our export situation improving dramatically in Africa. We need to take advantage of it. The money is there. It may not grow on trees but it is certainly available in this budget. I hope the House will concur and support the Hastings amendment.

Mr. HASTINGS of Florida. Mr. Chairman, I yield 3 minutes to my friend, the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I thank my friend, the gentleman from Florida, for yielding me the time.

Mr. Chairman, last November he was my colleague, along with the gentleman from Florida [Mr. JOHNSTON] and the gentleman from Louisiana [Mr. JEFFERSON] on a trip to West Africa. We visited five countries in West Africa, and it was just unbelievable.

These countries, many of which were leaning toward the Soviet bloc during the 1960's, are now looking to the United States for aid and help. I said it the other day. I will say it again now. My colleagues, did we win the cold war to just throw it all away?

A little bit of U.S. money goes such a long way, No. 1, in helping democracy take root in these countries; No. 2, in making these countries effective as a trading partner with the United States; No. 3, in ensuring that these countries will continue to have friendly relations with the United States; and, No. 4, in ensuring that the United States will have influence in these countries.

The other side talks a lot about free market economies and business and whatever. I can think of no better way to spend our money than in these emerging African nations which will develop free market economies which will be good trading partners with the United States with just a little bit of help from us.

It makes no sense for me, and that is why I have problems with this bill. This is essentially an isolationist bill. We are retreating from our traditional role in the world. I know some people say, well, America cannot be the policeman of the world. I do not think we can, either, but we certainly can help with technology. We certainly can help democracy take root.

My colleagues, it is to our benefit, it is to America's benefit. Seventy-five percent of all foreign aid moneys are spent right back in this country, stimulating our economy, helping us by creating jobs. One percent of our budget, that is all foreign aid is, and all we hear is cut, cut. It makes no sense whatsoever.

I am on the Subcommittee on Africa of the Committee on International Relations. I want to be on that subcommittee because I want to be part of a generation of Americans that does something for this continent, that shows a partnership with the countries of Africa. I can think of no more important place whereby America can establish democracy in these emerging republics.

Mr. Chairman, I support the gentleman's amendment to restore funding for the Development Fund for Africa to current levels. If I had my druthers, we would do even more. I hope my colleagues support this amendment.

Mr. HASTINGS of Florida. Mr. Chairman, I yield 3 minutes to my colleague and neighbor in service, the distinguished gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, first of all, I have the greatest amount of respect and admiration for my colleague, the gentleman from Florida [Mr. HASTINGS] who has conducted himself so notably in his pursuit of fairness for Africa

Today we keep talking about cuts and reductions in the Development Fund for Africa. We all know that there must be cuts. The cuts are too deep, Mr. Chairman, for the development funds in Africa, because these deep reductions could prove to be penny wise and pound foolish, and we will need to respond to humanitarian emergencies, and it will be more costly than our investment that we make in development activities.

For example, Mr. Chairman, we have spent $2 in humanitarian aid for every $1 in development aid in the greater Horn of Africa in recent years. The record is already there. It has already been spent. We need to address some of the root causes and not the symptoms, and I am hoping that you are willing to do that for Africa as you have some other developing countries.

It is very, very important that you think of the image of providing lesser funds for Africa now when they were not even even in the very beginning. We did not have a Development Fund for Africa until the 1980's, and now that they are at the bottom of the list, it would show a greater strength if this Congress were to bring them up to par so then they could take a cut that would not ostensibly take away everything.

Foreign aid for Africa has never received full funding. That is really not an argument here.

It is not hard to imagine reductions severely compromising the many gains that you have made in helping create strong economies, reduce population growth and protect the environment in Africa. Deep cuts could also lead to the rapid destabilization of these early democracies, possibly resulting in untenable and costly human crises and conflicts.

This is not a situation in which the United States would want to find itself. It is very, very important that we protect our interests in Africa. Three of them. We want to help them develop the economies which will create exports, which we have heard before, and jobs here in the United States. We do not want to have any more Somalias or Rwandas which had a terrible cost in terms of human suffering and social significance.

The Development Fund for Africa is our main policy instrument in developing these interests. I think we should just be fair and be sure that the Development Fund for Africa does not keep the deep, deep cuts which you have done to them already.

□ 1745

Remember that to support the Hastings amendment; it is a good amendment.

Mr. HASTINGS of Florida. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Michigan [Miss COLLINS].

Miss COLLINS of Michigan. Mr. Chairman, I thank the gentleman from Florida for yielding me this time.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida [Mr. HASTINGS]. This amendment will restore funding for the Development Fund for Africa. Maintaining effective aid programs for Africa is in our national interests. The amount of development assistance we provide to Africa is so small, even a slight reduction in the Development Fund will have a drastic consequence that far outweigh any short-term savings.

Cuts of funding will prevent us from providing African countries with the resources needed to promote educational and economic opportunities for its people.

Africa is a potentially significant partner in world trade, thus it is in our national interest to assist African nations.

To the gentleman from Indiana who said that we must start getting African nations to wean off of aid from America so they can develop their own resources, I would like to say that two countries in this entire world get one-half the foreign aid; Israel gets $3 billion, and they have been getting that for the past 9 years or 10 years; Egypt gets $2 billion. I do not want that money cut, I want Israel and Egypt to get that money.

But we are talking about merely $802 million for 56 countries, a mere $802 million for 56 countries. Gentleman, $629 million is simply too little.

I urge my colleagues to support the Hastings amendment. The Development Fund for Africa must not be singled out to carry a disproportionate share of cutbacks simply to meet my colleagues' commitment to reduce the budget.

Mr. HASTINGS of Florida. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from Florida [Mr. HASTINGS] has 8 minutes remaining.

Mr. HASTINGS of Florida. Does my distinguished chairman have any additional speakers?

Mr. GILMAN. We have one more speaker on this side, Mr. Chairman.

Mr. HASTINGS of Florida. Do I have the right to close, Mr. Chairman?

The CHAIRMAN. The manager of the bill has the right to close. The gentleman from New York [Mr. GILMAN] has the right to close.

Mr. HASTINGS of Florida. That being the case, Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, to close the debate on our side, nowhere is the justification for foreign aid clearer and more compelling in terms of our national values than Africa. Africa is the final frontier for development. The great global challenges of tomorrow can be seen in the challenges facing Africa today, and even if I were to turn to the tragedy of disease which obviously foments within the confines of the rain forests in that great country, there are also many discoveries yet to be made in that same rain forest for medicinal purposes for the rest of the world.

If we give up Africa, the continent could well slide into chaos, we could find ourselves in a world of two distinct communities where the difference between the rich and poor become unbearably extreme, and that is not a world which we want for our children.

A lot of times my colleagues in this body need to have for them language couched in business terms. Let me see if I can do that briefly. In 1993 the United States exported more to sub-Saharan Africa, $4.8 billion precisely, than to Eastern Europe, which was $2.3 billion, or to the NIS, which was $4 billion, including Russia, where the United States exports a total $3 billion.

The current 1992 figures for sub-Saharan international markets, excluding South Africa, is $28.5 billion. If that market were to grow at a nominal rate of 3 percent a year in constant terms, it would double every 21 years, reaching a level of $83.2 billion in the year 2025. That market would exceed the size of Korea's market today.

I make those points for the reason that foreign aid is often thought of by the American people as a giveaway. But there is something else that is given away with foreign aid, and that is stability for American companies to do business.

In my district alone, there is one company that does $20 million a year of exports to the continent of Africa. There are numerous countries from Africa that provide immense resources ranging from crude oil to other minerals for this country. I ask my colleagues to stop looking at this continent as a battleground and to start looking at it as marketplace as rightly we should.

I have asked not that there be money taken from any account. I have asked merely that we restore to an account an amount for the Development Fund of Africa that was already in existence and is meager by comparison to the multiplier effect of the good that it does.

Mr. Chairman, I yield back the balance of my time.

Mr. GILMAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Ms. ROS-LEHTINEN], our ranking chairman of the Subcommittee on Africa.

Ms. ROS-LEHTINEN. Mr. Chairman, we have heard a number of Members come forward in support of this amendment. Unfortunately, I must remain opposed to the Hastings amendment. It is a budget buster. Without making corresponding cuts in other accounts, this amendment deviates from our plan to balance our Federal budget by the year 2002.

Many Members have talked about the importance of development in Africa. I agree. Chairman GILMAN agrees. That is why, in this bill, aid to Africa is cut less than any other region.

Those who say that the majority in this body do not care about Africa are wrong. As my good friend Mr. PAYNE noted, the majority kept the Subcommittee on Africa despite a reduction from seven subcommittees to five.

The Development Fund for Africa, the DFA, is maintained in this bill.

Mr. Chairman, the American Overseas Interests Act is an excellent bill. It keeps the United States engaged throughout the world, including the continent of Africa. It does so while complying with our plan to balance the Federal budget by the year 2002. Chairman GILMAN deserves great credit for this accomplishment.

I regret very much that I cannot support this amendment, but I firmly believe that this bill maintains our United States commitment to Africa.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I must oppose the Hastings amendment.

This amendment busts the budget, simply adds hundreds of billions of dollars back into the bill.

I support aid to Africa, and we added money for Africa above the level in the introduced bill because of our concerns, and the concerns of the gentleman. Our committee supported the Houghton amendment and added back even more funding for Africa. In the end we added $100 million back for aid to Africa above the amount introduced in the bill initially.

Therefore, reluctantly, while I support the proposals of the gentleman from Florida [Mr. HASTINGS], I oppose his amendment.

We are underbudgeted because we did make those cuts. Under the bill, Africa was cut far less than all other development assistance. This amendment, offered by the gentleman from Florida [Mr. HASTINGS], while well-intended, would add over a period of 2 years some $360 million in foreign assistance in this bill. In addition to all of the aid that the gentleman from Indiana [Mr. BURTON] mentioned such as peacekeeping, economic support, et cetera, we also provide funds for many U.N. programs, and we also provide food aid under title II of Public Law 480.

Our bill is within the constraints of our budget resolution, and will help to cut the deficit. But if we adopt the Hastings amendment, it will add substantially to deficit spending, forcing us to borrow even more.

Accordingly, I am urging my colleagues to oppose the Hastings amendment.

Mr. GILMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the unanimous-consent agreement, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. HASTINGS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GILMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 278, answered "present" 1, not voting 14, as follows:

[Roll No. 354]

AYES—141

Abercrombie
Ackerman
Andrews
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bishop
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Coyne
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (CT)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson, E. B.
Johnston
Kennedy (MA)
Kennelly
Kildee
LaFalce
Levin
Lewis (GA)
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McKinney
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pomeroy
Rangel
Reed
Reynolds
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Waxman
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—278

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dingell
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Meehan
Metcalf
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pickett

Pombo
Porter
Portman
Poshard
Pryce
Quillen
Radanovich
Rahall
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Fields (LA)

NOT VOTING—14

Calvert
Conyers
Cubin
Fazio
Hansen
Harman
Kleczka
Lantos
McDade
McNulty
Meyers
Peterson (FL)
Quinn
Watt (NC)

□ 1819

Mr. EHLERS changed his vote from "aye" to "no."

Ms. EDDIE BERNICE JOHNSON of Texas changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WATT of North Carolina. Mr. Speaker, I was unavoidably detained on Wednesday, May 24, and was not present for two recorded votes on the bill, H.R. 1561. I wish to have it included in the RECORD that had I been present, I would have vote "yes" on rollcall vote No. 354 and "no" on rollcall vote No. 353.

Mr. SABO. Mr. Chairman, I rise to express my strong opposition to H.R. 1561, the American Overseas Interest Act, and the proposal to eliminate the Arms Control and Disarmament Agency (ACDA). This agency performs a unique advocacy role in formulating our nation's foreign policy. Under this legislation, ACDA's strong and knowledgeable voice on arms control and non-proliferation issues will be muted by a new State Department "super-bureaucracy."

The State Department performs the necessarily broad mission of advancing and protecting the global interests of the United States and its citizens. To accomplish its responsibilities, the State Department must consider many different issues as it formulates our Nation's foreign policy. On the other hand, ACDA's mission if sharply focused on strengthening our national security by advocating, formulating, negotiating, implementing, and verifying sound arms control, nonproliferation, and disarmament policies and agreements. As a result, ACDA is staffed with physicists, chemists, engineers, and other specialists who spend their entire careers dealing with one issue—arms control. To fold ACDA into the State Department would be a serious mistake. This nation needs ACDA to maintain a strong, independent voice for arms control.

Even if the State Department could match ACDA's arms control expertise, the goals of arms control and non-proliferation are sometimes at odds with the broader objectives of the State Department. In fact, if this bill had been enacted thirty years ago, we would not have a nuclear Non-Proliferation Treaty [NPT]. In the 1960's, it was ACDA that pressed for the NPT. The State Department had opposed the original negotiations out of deference to friendly countries that wanted to explore the nuclear option.

I have listened to the arguments that, because the cold war is over, an independent voice for arms control is no longer needed. One only needs to look at the nuclear ambitions of North Korea and Iran or the recent gas attacks in Japan to understand the continued importance of battling the proliferation of nuclear, chemical, and other weapons of mass destruction. Some have also claimed that the reorganization proposed in this bill will save the taxpayers money. However, no study has identified any savings from eliminating ACDA. In fact, a recent Congressional Research Service study has found that merging ACDA into the State Department could actually cost $10 million.

Clearly, this legislation doesn't take into account the importance of having a strong and independent arms control and non-proliferation viewpoint within the United States government. Instead, it appears to me that organizational boxes are simply being moved in an arbitrary manner. I urge my colleagues to oppose this bill, ACDA must be protected.

Mr. ANDREWS. Mr. Chairman, I rise today to support a provision in the American Overseas Interests Act, which modifies section 36(b)(1) of the Arms Export and Control Act to require greater congressional oversight and scrutiny of arms sales to the Government of the Kingdom of Saudi Arabia until such time as the Secretary of State certifies and reports to Congress that the unpaid claims of American companies described in the June 30, 1993 report by the Secretary of Defense pursuant to section 9140(c) of the Department of Defense Appropriation Act, 1993 (Public Law 102–396; 106 Stat 1939), including the additional claims noticed by the Department of Commerce as page 2 of the report, have been resolved satisfactorily.

The $43.4 million claim of Gibbs & Hill, Inc. is one of the claims as yet unresolved. Gibbs & Hill was decimated by financial losses incurred in the design of the desalination and related facilities for the Yanbu Industrial City in Saudi Arabia in the late 1970's and early 1980's as a result of the Kingdom's failure to honor its contractual obligations and pay for additional work required of the company.

My involvement in this matter dates back almost 2 years. The company, which is a large employer in my district, approached me for assistance in having its claim paid through the Special Claims Process established for the resolution of claims of American companies which had not received fair treatment in their commercial dealing with the Government of the Kingdom of Saudi Arabia. This Special Claims Process was established between our Government and the Government of the Kingdom of Saudi Arabia, following congressional hearings on the unfair commercial practices of the Kingdom of Saudi Arabia first held in the House Subcommittee on Europe and the Middle East in May 1992. In response to my letter to Saudi Ambassador Bandar bin Sultan Abdulaziz of April 29, 1993, the Ambassador promised to spare "no efforts in resolving this claim in an expeditious and fair manner." Since this date, the company, the Congress and the past and present administrations have received a series of promises and commitments from the Government of the Kingdom of Saudi Arabia to resolve the claim favorably for Gibbs & Hill. The most recent commitment coming on October 6, 1994, one day prior to our country once again coming to the defense of the Kingdom when threatened by invasion from Iraq, in fulfillment of our commitment to our bilateral relationship.

I should note that I am not alone in my support of the full and prompt resolution of the Gibbs & Hill claim. More than 3 dozen Senators and Members of Congress, the President, the National Security Council, the Senate Foreign Relations Committee, and Senate Armed Services Committee, the Department of Defense, State and Commerce have all expressed their desire to see this claim resolved so as to successfully conclude the Special Claims Process.

On January 23, 1995, I expressed my growing frustration with the delaying tactics of the Saudi Embassy in fulfilling its commitment to the company, the Congress and our Government. I also noted that the failure of the Saudi Embassy to resolve this claim, under the mandate established by its own Government, was beginning to grow into a significant strain on the United States-Saudi relations. Again, this was a sentiment shared by numerous of my colleagues in the Congress, who wrote and communicated with the Department of State, and the Saudi Embassy in January of this year. In these communications, it was made clear that the delaying tactics of the Saudi Embassy would no longer be tolerated, and unless serious discussions were held between the company and the Kingdom leading to the full and prompt resolution of the claim, legislative alternatives would be considered to bring this matter to a close.

Despite several attempts to resolve the claim successfully, the Government of the Kingdom of Saudi Arabia has shown no signs of cooperation. Therefore, I introduced H.R. 1243, which would focus its attention on resolving all the unresolved claims with the Kingdom of Saudi Arabia. Under the leadership of Congressman CHRIS SMITH, this bill was made part of the American Overseas Interest Act. I hope in the long run we will focus on other remedies in our bilateral relationship with the Kingdom of Saudi Arabia to ensure the prevention of unfair treatment of any other United States company doing business with the Kingdom of Saudi Arabia.

Mr. GILMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. FOX of Pennsylvania) having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, I ask for this 1-minute for the purpose of inquiring of the distinguished chairman of the Committee on Rules about the schedule for the rest of today and tomorrow.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding, and let me just say that there will be no more votes tonight. We will be in at 10 a.m. tomorrow morning. We will suspend 1-minutes. We will then go to conference on the Medicare select bill.

I would like to announce now also there will be an emergency meeting of the Committee on Rules to consider a second rule on the American Overseas Interests Act, H.R. 1561.

After we finish the Medicare select bill tomorrow morning, we will go back on the 5-minute rule on the remaining time on this American Overseas Interests Act.

Mr. GEPHARDT. Will the gentleman tell us what time he is intending to adjourn tomorrow?

Mr. SOLOMON. No later than 2:30.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman from New York.

ACHIEVEMENTS IN AERONAUTICS AND SPACE DURING FISCAL YEAR 1994—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore. laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Science:

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during Fiscal Year 1994, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involve 15 contributing departments and agencies of the Federal Government, as this report reflects, and the results of their ongoing research and development affect the Nation as a whole in a variety of ways.

Fiscal Year 1994 featured many important developments and changes in U.S. aeronautics and space efforts. It included 7 Space Shuttle missions successfully completed, 15 Government launches of Expendable Launch Vehicles (ELVs), and 4 commercial launches from Government facilities. Among notable developments in the ELV area were the launch of the Deep Space probe, Clementine, initial use of the Titan IV Centaur upper stage, and the first launch of the Taurus launch vehicle. Highlights of the Shuttle missions included the highly successful servicing mission for the Hubble Space Telescope (HST), which replaced several faulty parts and installed a sophisticated package of corrective optics to compensate for the spherical aberration in HST's primary mirror. Also, the flight of the Space Radar Laboratory began to provide information on environmental change, and a mission with a Russian astronaut, Sergei Krikalev, as a member of the crew signalled the beginning of a three-phased cooperative program in space between Russia and the United States.

In a year of tremendous accomplishments for the international Space Station, National Aeronautics and Space Administration (NASA) developed an initial set of specifications that included Russian elements as part of the design. Russia's agreeing to join the 12 original participating nations as a partner resulted in the expansion of the existing Shuttle/Mir program into Phase I of the international Space Station program, which officially began with Sergei Krikalev's flight on the Shuttle. All of the partners held a successful systems design review in Texas in March, and in June Russia and the United States signed an interim agreement on the Space Station and a $400 million contract for Russian space hardware, services, and data. In August, the program completed a vehicle architecture review and in September, the Space Station Control Board ratified the recommendations it included. The redesigned Space Station costs $5 billion less than Space Station Freedom and still offers increased research capability and users flexibility.

In aeronautics, activities included development of technologies to improve performance, increase safety, reduce engine noise and other environmental degradation, improve air traffic management, lower costs, and help American industry to be more competitive in the world market. For example, high-speed research continued during Fiscal Year 1994 to focus on resolving critical environmental issues and laying the technological foundation for an economical, next generation, High Speed Civil Transport (HSCT). In this connection, the United States reached agreement with Russia to use the Tu-144 supersonic transport as a testbed for HSCT development. In addition, efforts in advanced subsonics focused on reducing aircraft and engine noise levels, on development of wind shear sensing devices, and on creating technologies that will improve general aviation aircraft.

In space science, astronomers using HST's revitalized optics discovered disks of protoplanetary dust orbiting stars in the Orion Nebula, suggesting that the formation of planets in the Milky Way and elsewhere may be relatively common. Also, HST's revelation of helium in distant constellations provides valuable information about the conditions in the universe during its initial evolution. The Spacelab Life Sciences-2, U.S. Microgravity Payload-2, and International Microgravity Laboratory-2 greatly increased our understanding of the role of gravity on biological, physical, and chemical processes. In biology, we learned that gravity affects the function of the neural connections between brain cells; this can have profound implications for rebuilding damaged brain cells due to strokes and diseases. In Earth science, the Space Radar Laboratories-1 and -2, plus the Lidar In-Space Technology Experiment payload, used powerful radar and laser technology to penetrate cloud cover and map critical factors on a global scale. Also, the highly successful launch of the Clementine Deep Space Probe tested 23 advanced technologies for high-tech, lightweight missile defense. The relatively inexpensive, rapidly-built spacecraft constituted a major revolution in spacecraft management and design; it also contributed significantly to lunar studies by photographing 1.8 million images of the surface of the Moon.

Additionally, on May 5, 1994, the White House announced that the National Oceanic and Atmospheric Administration (NOAA), the Department of Defense, and NASA were establishing a joint program to effect the convergence of civil and military polar-orbiting operational environmental satellite systems into a single operational program. Other White House announcements during the year included a policy for licensing U.S. firms by the Secretary of Commerce to operate private remote sensing systems and sell their images to domestic and foreign entities and a national space transportation policy that will sustain and revitalize U.S. Space transportation capabilities by providing a coherent strategy for supporting and strengthening U.S. space launch capabilities to meet the growing needs of the civilian and national security sectors.

Thus, Fiscal Year 1994 was a highly successful one for the U.S. aeronautics and space programs. Efforts in both areas have contributed significantly to furthering the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 24, 1995.*

APPOINTMENT OF INDIVIDUALS AS MEMBERS OF THE BOARD OF DIRECTORS OF THE OFFICE OF COMPLIANCE

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 301 of Public Law 104–1, the Chair announces on behalf of the Speaker and minority leader of the House of Representatives and the majority and minority leaders of the U.S. Senate their joint appointment of the following individuals to the Board of Directors of the Office of Compliance:

Mr. Glen D. Nager of Washington, DC, chairman, to a 5-year term;

Ms. Virginia A. Seitz of Washington, DC, to a 5-year term;

Mr. Jerry M. Hunter of Missouri, to a 4-year term;

Mr. James N. Adler of California, to a 4-year term; and

Mr. Lawrence Z. Lorber of Washington, DC, to a 3-year term.

There was no objection.

A VISION FOR AN AMERICA WITH MORE GRATITUDE

(Mr. INGLIS of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. INGLIS of South Carolina. Mr. Speaker, I rise today to congratulate Joey Hill, a winner of the South Carolina Voice of Democracy Broadcast scriptwriting contest in South Carolina. Joey Hill is the president of the student body at Southside High School in Greenville, SC.

In this year, on the theme "My Vision for America," Joey wrote this: "I have a vision for America. I long to see gratitude return to the hearts of our citizens. Too often we always want to play the victim, the person to whom the world owes a great debt. Although pointing the finger is easy and maybe even a little fun, we will, after continued pointing, find the consequences too great to bear, so we must change, and the key to change is gratitude."

Mr. Speaker, I agree with Joey, that this is a time of change. We do not need to blame others and claim entitlement for past debts. What we need, instead, is a little gratitude for what has been given us. I am very proud to congratulate Joey today, and to enter his speech in the RECORD of today's proceedings, as follows:

MY VISION FOR AMERICA

"It's too hard." "It's not fair." "I never get the good things in life." "The grass on the other side gets greener and greener while useless stubble sprouts on my side of the fence." Complaining; it seems as if it comes natural to Americans. Of the many purposes for which words could be used, complaints tiptoe off our tongues most often and that fact reflects badly on us. We always want to play the victim, the person who is never in the wrong, the person to whom the world owes a great debt. Although pointing the finger is easy, and maybe even a little fun, we will, after continued pointing, find the consequences too great to bear. So we must change, and the key to changing is gratitude. I have a vision for America. I long to see gratitude return to the hearts of our citizens. We must be grateful to those persons who came before us, who paved a smooth, scenic way for us to travel on through life and we must take advantage of the blessings they have won for our sake.

History is spotted with them. They are dubbed the movers and shakers—the somebodies. The people to whom the United States of America fall into unpayable debt. These persons struggled under the most uncompromising of trials to gain freedoms for this nation's citizens. Their names are many: Frederick Douglass, Susan B. Anthony, Sojourner Truth, Thurgood Marshall, Cesar Chavez, John Brown, Harriet Beecher Stowe, John Kennedy, Martin King, Malcolm X. Their voices spoke the same message, but in a myriad of ways. This message covered many topics: perseverance in the midst of a trial, retention of goodwill when the world gives you its worst, striving for excellence in the realm of education. These persons sincerely encouraged us to better ourselves. They gave us wisdom to live by. For example, Cesar Chavez stated to the world that "the strongest act of manliness is to sacrifice ourselves for others in a totally nonviolent struggle for justice." Susan B. Anthony tested our sincerity about the equality of women with her establishment of temperance organizations. And every American has heard of the labors of Dr. Martin Luther King, Jr.—but many of Americans fail to understand the significance of his work. King courageously led a people who were punched, kicked, beaten, bitten by dogs, waterhosed, and murdered in some of the most inhumane ways so that we, the present day citizens of the United States of America—White, Black, Latino, Oriental, Indian, Native American—might be educated in the realm of culture; that we might not be discriminated against because of our culture.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

SAD NEWS FROM COLORADO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. MCINNIS] is recognized for 5 minutes.

Mr. MCINNIS. Mr. Speaker, once again I stand in front of my colleagues of the great House of Representatives bringing sad news from the State of Colorado. On Friday, April 28, 1995, a mad killer drove into a local grocery store in South Jefferson County. As he drove into that grocery store and got out of his car, walked into the grocery store, shot his wife dead, then shot the store manager dead, and then a police officer, the first officer responding to the scene, Sgt. Tim Mossbrucker, was shot before he even knew what hit him.

□ 1830

Sergeant Mossbrucker was a father, he was a husband, he was an officer strongly admired by his fellow officers in Jefferson County. He was a young father. He was a father of five children, with a sixth child on the way.

Once again, a police officer has given his life in the line of duty, and, once again, as too often happens, his wife, Lynn, who in her own respects is a strong, wonderful woman, will be delivering their child without his presence.

Once again we have children who will be raised through life without their father, because their father gave his life in the line of duty. Lynn, his wife, tucked 3-year-old Alex into bed that Friday night, saying, "A bad person hurt daddy bad—so bad that he can't come home."

Lynn, his wife, will have to go through life maintaining the strength she has so far shown in life.

Mr. Speaker, I would like to read a poem that was presented at the service for this fine officer. First of all, for the officer, from mother to son.

MOTHER TO SON

God gave me a wonderful little pride and joy,
  a bouncing baby boy.
And as he grew straight and tall,
  he was always ready to give it his all.
A policeman he decided to be,
  as he studied life sitting on my knee.
He exceeded far beyond expectation,
  honest and smart, care and loving.
A little soul, entrusted to my care,
  always helpful, his goodness he would share.
Growing straight and tall, a protector of life he became,
  until one Friday morning an angel came.
Swift and graceful, taking him from me.
  No more "Hi, Mom," or sweet smile I would see.
A role model for his children had always been his fame,
  but in the calm, a hero for his community he became.
Lovingly he left me, a strong young woman and the little flock of six,
  all in all, a glorious mix.
But that's not all, I am truly blessed you see,
  two more sons and a daughter gave to me.
They grew, too, in much the same way,
  adding more to our family, making me proud every day.
With a husband, daughters, sons, grandchildren, parents and friends,
  now "our little hand."
Steadfast and strong we make our stand.
Timothy Michael was your name,
  it occurred to me long before you came into my life to stay.
I love you more than I can say.
God bless and keep my little boy,
  my strong, straight and tall deputy son.

For your hard fought battle has been won.
Until some day when we meet again,
  fighting the good fight as best we can.
Tim, guide us in God's great and wondrous plan.
  Love, Mom.

The sergeant was a true professional, a true professional that was taken from us by a despicable killer. But we also had two other lives that were lost that day, and I should point out that 11 children as a result of this incident were left without a parent: Lynn, Matt, Erin, Annie, Alex, William, Moss, Iralee, Mark, David, and Mindy.

Mr. Speaker, all too often we have to appear in front of this body and speak of an officer, a man or woman in blue, who has given their life for the rest of us.

Mr. Speaker, I make these statements for the RECORD as a memorial and as a thank you from the United States of America, not only to the fallen officer, but to his strong wife and his wonderful children. I also include for the RECORD a tribute from Russ Cook, the Chief of Police of the Golden Police Department.

To the EDITOR:

Residents of South Jefferson County were shocked last week when they were awakened by a tragic crime, usually thought to occur in big cities. No one could have suspected that an angry and enraged killer was about to walk into their local grocery store and gun down his wife, the store manager, and wound an innocent, unsuspecting pregnant woman. Sheriffs deputies were doing their job responding to the many daily calls where violence is anticipated and usually resolved by their skills and training. But Friday, April 28, 1995 was going to be different!

Certainly, Sheriff's Sergeant Tim Mossbrucker didn't know that when he turned into the parking lot of this sleepy little suburban grocery store, he would be gunned down in cold blood. I'm sure that other deputies responding did not know that they would be confronted by gunfire that was going to take the life of their colleague and friend.

How they must feel. You can rest assured that how they feel is how we all feel. What can be done about someone who has so much rage and anger that he is willing to cut down members of society by simply pulling a trigger?

I know that the entire law enforcement community shares the grief and sense of helplessness that must be felt by members of the Jefferson County Sheriff's Department. I, too, share the grief and despair that they are experiencing. Sadly, this will not be the last law enforcement officer we will put to rest; this is not the last time we will have innocent victims taken from us over senseless violence.

I would hope the next time you see someone who is willing to put his/her life on the line for little pay and lousy hours, you will tell them that you appreciate them and what they do. It is quite possible that each time they put on a uniform and start a tour of duty, it could be their last.

RUSS COOK,
Chief of Police, Golden Police Department.
May 2, 1995.

BIPARTISANSHIP NEEDED TO SAVE SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT. Mr. Speaker, I come here tonight with a stronger hope and brighter optimism for a sound and stable future for this country.

Bipartisanship is alive and well in the U.S. Senate, and we need more of it here in the House of Representatives.

I would like to take a few moments to commend Senators ALAN SIMPSON and BOB KERREY—two Senators of opposite parties—for their willingness to put politics aside and work together to save Social Security.

To me, the significance to be found in their effort is their realization of a big problem and their willingness to put partisan politics aside in order to go about the task of solving it.

Mr. Speaker, in Monday afternoon's issue of Congress Daily, Senator KERREY said, and I quote: "I am the chairman of the Democratic Senatorial Campaign Committee, and so it's possible for us to come forward and say the DSCC is not going to go out and attack Republican Senators for doing the right and responsible thing. We can take politics out of it."

Senator KERREY also said, and again I quote: "I will not put blinders on and say, 'well, I've got to attack somebody just because they're a Republican.'"

Senator KERREY, if you're watching this, I thank you and applaud you for championing this crucial issue with someone from the other side of the aisle. The House of Representatives needs more bipartisanship like that of you and Senator SIMPSON.

Like Social Security, one of the most crucial issues facing this Congress is preventing Medicare from going broke for the millions of seniors who depend on it.

But no one seems to want to put politics aside, roll up their sleeves, and solve the problem.

Instead, all we've heard are criticisms and attacks.

What good are these attacks doing? What legitimate purpose are they serving?

None. Nothing. All the carping, all the complaining, all the criticisms, are doing not one thing to save Medicare.

In the May 29 edition of Newsweek magazine, it was reported that during a meeting of Democrats at the White House to discuss saving Medicare, Senator JOHN BREAUX suggested that Democrats join in a bipartisan commission to reform Medicare.

The article went on to report that many of those present in the meeting rejected the idea, instead opting to let Republicans take the heat on this crucial effort.

What kind of leadership is that? How can we make any real progress with that kind of an attitude coming from the other side of the aisle?

Senator BREAUX, you're right on target, and I appreciate your foresight of this important issue. We need more of that kind of thinking here in the House of Representatives. We're going to have to have it if we're ever to save Medicare.

It's time for Congress to come together and devise a plan to preserve Medicare, and don't worry about who saves it.

Saving Medicare won't be something that will take place overnight.

It will require vision and foresight by the policy makers. Any Medicare reform proposal Congress proposes must entail reasonable, flexible, and common-sense alternatives for those who may choose to seek their medical care another source, such as an HMO.

Saving Medicare will require understanding by the millions of seniors who depend on it. Any restructuring of Medicare will require some changes. But everyone must realize that if there are no changes, there won't be any Medicare.

And most importantly, saving Medicare will require everyone in this body to work together if we are to realize success in our efforts.

We cannot—we must not—waste our time haggling with each other about preserving Medicare, because in the next 7 years, father time will grant us no time outs, no reprieves, and no second chances.

The many millions of seniors who are depending on us to save Medicare cannot afford gridlock.

Like Senator KERREY said, "we can take politics out of it."

I hope everyone in Congress can come together like Senators SIMPSON, KERREY, and BREAUX. Together, we must devise a plan to save Medicare.

I urge my colleagues on the other side of the aisle to participate in the process of saving Medicare in a positive and constructive manner.

We owe the millions of seniors of this country who are depending on us, our best effort.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to avoid references to Members of the other body.

INCIDENTS AT UNITED STATES-MEXICAN BORDER SHOULD BE INVESTIGATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BILBRAY] is recognized for 5 minutes.

Mr. BILBRAY. Mr. Speaker, I have the privilege of representing the 49th District of California. I also happen to have the privilege of living in the southwestern corner of the United States, where the Pacific Ocean meets the Mexican border. Sad to say, I also happen to have to represent an area that is severely impacted by intrusion and incursions across the Mexican border, not only of illegal immigration, but those individuals that cross the border to perpetuate crime and theft.

Mr. Speaker, the problem is not just those of unorganized crime or organized crime, but the problem is actually of those who are invested with government authority in Mexico, participating in a program of theft and violence against the people of the United States and those in San Diego County.

This photo here is a good example of the problem. This is a federal Mexican police officer driving a United States stolen car, without even having the wherewithal to bother to take off the California license plate that was on the vehicle. This vehicle is stolen, and identified by the Federal agents as stolen, and still is being used on official business for Mexico's Government.

Now, this week we had a situation that I think has to be brought to attention here in Washington, D.C. Mr. Speaker, this week two Mexican Federal agents crossed over into United States territory at the port of entry and actually stopped members of the United States, citizens of the United States, with AK-47 weapons in their possession and took those individuals, tried to forcibly take those individuals back into Mexico. Our United States agents confronted them with their weapons drawn, and for a moment there was actually a standoff between Mexican Federal agents on United States soil and American Federal agents on United States soil, point-blank range, ready to have a shoot-out.

Thank the powers above that we did not have a tragedy here. But we did have a situation that really calls for attention, and that is the fact that U.S. citizens were ready to be forced off of U.S. territory by agents of a foreign government, with weapons, I want to point out, that are illegal, not only to be imported into this country but to be possessed in this country, and that is a fully automatic AK-47.

Now, the Mexican Attorney General has said these people are going to be handled, and our Government has turned them back over to Federal agents to be taken to Mexico City. I certainly want everyone in this capital and in Mexico City to recognize this Member will be watching this quite closely, along with my constituents.

Mr. Speaker, not only did that happen, but in the City of Coronado an individual was arrested who has been identified as being a state police officer in the act of stealing a vehicle from my district to export it to Mexico. Now, let us be frank. A lot of us support free trade, but this is not the type of free trade I or my constituents support. If we are going to export cars, we would like it to be paid for first.

Mr. Speaker, I want to point out that an interesting side note to this incidence at the border is the car that was being driven by the Mexican officials who tried to take the American citizens across the border was not only found to have alcohol and drugs in it, but actually happened to be a stolen American car being driven in this act.

Now, there was other instances that have occurred, again this week, where there were two individuals who identified themselves as being dealers for officials on the Mexican side who were Government officials, and they were being paid and reimbursed for that theft.

Mr. Speaker, this is another incident of the situation that our border is out of control. I am not speaking against the people of Mexico or their Government, as much as the fact that there are problems within their Government that we must insist be corrected.

There have been successes. I would like to announce that the State of Baja California Sur has cooperated with the United States, identified 300 cars for investigation, and actually have identified that 75 of those 300 cars are in fact stolen American cars. They have cooperated with U.S. officials, and those cars are now going to be returned to their rightful owners.

□ 1845

So there are successes, but the problem is that we have recognized a situation here to where we not only have crime crossing the border, but we have crime and violence crossing the border under the guise of government authority.

When my police officers in Coronado stop a car burglar and stop them in the act, I think it is quite inappropriate for my police officers to be greeted with a Mexican badge that says, you have to release me because I am a Mexican official.

Well, thank God our police officers do not play by that game. I will ask all my colleagues to pay attention to this issue, Mr. Speaker, and that this Nation pay attention. And I hope that we send a message to the White House and to Mexico City that these things have to stop now.

MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to address my colleagues in the House about the very important issues facing our senior citizens. This has been a very senior-sensitive 104th Congress, and I am proud to say that under the leadership of individuals on both sides of the aisle we have been able to accomplish some very good things.

Most notably, we have been able to raise the income eligibility for those seniors under 70 who want to have income above $11,280 and earn it. Under our new legislation, they will be able to make up to $30,000 a year over the next 5 years without it being deducted from the Social Security.

In addition, we have rolled back the very unfair 1993 Clinton tax increase on Social Security. In addition, we have instituted the $500 elder care tax credit and the tax credit for the purchase of long-term care health insurance.

Now that brings us to the issue that was raised by my colleague and friend, Congressman BRYANT of Tennessee, about Medicare. We, in the Congress, want to do all we can to make sure we preserve and protect it for the 32 million of our Nation's senior citizens and 4 million persons with disabilities. But the Medicare spending, as you know, has gone up between 10 and 11 percent a year, whereas in the private sector health care is about a 4 to 5 percent increase a year, which tells many of us in Congress and those also watching to see what we will do that there really has been a great deal of fraud, abuse and waste in the system. If we do not take action to save Medicare, Mr. Speaker, by the year 2002, the Medicare portion of the FICA taxes for everyone will be raised 125 percent from the current level.

Seniors will face an increase in their annual premiums. We can stop that by preserving, protecting and improving our Medicare by making sure we control the rate of growth and also look to innovations with possibilities of the medical savings accounts and with managed care.

Last year we have seen that the Social Security Medicare board of trustees projected that the part A of the trust fund, the hospital care portion, would go broke by 1996. The trustees, who included Labor Secretary Robert Reich, Health and Human Services Secretary Donna Shalala, and then Secretary Lloyd Bentsen of the Treasury, all members of the Clinton cabinet, said:

> The federal hospital insurance trust fund, which pays inpatient hospital expenses, will be able to pay for only about seven years and is severely out of financial balance in the long range.

The trustees, therefore, have logically called for prompt, effective and decisive action to save the fund from its own insolvency. As well the bipartisan commission on entitlement and tax reform, headed by Senator BOB KERREY and Senator John Danforth came to the same conclusion.

This impending disaster only came to light very recently. The Clinton administration had tried to sweep it under the rug. His fiscal year 1996 budget proposes no changes or solutions to Medicare's problems, and he even did not bring that up when he had the White House Conference on Aging. It was not even addressed by him.

As Medicare travels the road toward bankruptcy, President Clinton has been AWOL, absent without leadership, on this issue. He has even refused to participate in a bipartisan effort to save Medicare. Not until the Republicans had come forward to talk openly and honestly about how we can save, preserve and protect Medicare has the problem been described and the options been discussed.

House Republicans are determined to work with House Democrats to save Medicare by using new approaches, new management, new technologies to improve it, preserve it and protect it. Congress has an unprecedented opportunity, Mr. Speaker, to undertake a fundamental reform of this important Medicare Program.

One of the steps many of us are taking are Medicare preservation task forces, where we have senior citizens, people involved with AARP, RSVP, groups across our country like my own in Montgomery, Pennsylvania to make sure we include seniors in the solution. Seniors need to be served. We want to make sure we hear from them about options on making sure we protect it not only for seniors now but for generations to come.

The General Accounting Office has estimated that there is $44 billion that is wasted on fraud and abuse in the Medicare and the Medicaid funds. As much as 30 cents of every $1 is simply wasted or lost due to mismanagement.

House Republicans will increase Medicare spending under our proposal from $4,700 per retiree to as much as $6,300 per retiree by 2002. This is a 45-percent increase in Medicare spending per retiree.

We will preserve the current Medicare system but we need to develop a new series of options for our senior citizens so they can control their own future. I believe that by working together both sides of the aisle we can save Medicare, preserve and protect it so that we can provide the best possible health care at the lowest cost to our senior citizens so they can control their destiny. And we working together with them, we will in fact have a bright future.

TIMBER SALVAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from North Carolina [Mr. TAYLOR] is recognized for 60 minutes as the designee of the majority leader.

Mr. TAYLOR of North Carolina. Mr. Speaker, we are here today to talk about the Presidential veto of the timber rescission or timber salvage amendment that is part of the rescission package that has passed this House, passed the Senate, has been confirmed, from the conferees, by the House and is waiting confirmation in the Senate.

The President has promised to veto the entire rescission package, and that includes the timber salvage amendment. The salvage amendment was put together after considerable consultation with the Forest Service, with many groups; in fact, the final amendment reflected a good many suggestions from the White House itself, and still the White House wishes to veto the entire rescission package, including the timber amendment.

What we are talking about with the timber amendment tonight is to tell people what is going to be the result of that Presidential veto. First of all, we have to look at what is happening to our forests and what is happening to the jobs related to forest harvesting. Our forests are deteriorating in health because we are not managing them along the lines of our best scientific knowledge in forests. We have a well-funded special interest of environmental groups in Washington that take in over $600 million, and they take in that money by scaring people into thinking the last tree is going to be cut tomorrow or some other fantasy in order to bring those hundreds of millions of dollars in to themselves. This does not meet with true science or with what is actually happening in the forest.

The forests are deteriorating because of the bad management that has been pushed by these organizations creating the policy over the last several years.

The salvage amendment was an effort to try to return sensible environmentalism and sensible science back to the harvest of our timber. And what else is at stake? Is it better environmental policy for us not to harvest dead and dying wood in our forests, to lose tens of thousands of jobs because we do not allow that harvest, to make the people of our country have to use alternative resources other than wood? And what is the consequence of using alternative resources other than wood?

We will make this podium, these chairs, this table out of either wood, metal or plastic. If we make them out of plastic, then we have to import the oil from the Middle East. We have to fight to get it out, many times. We spill it several times along the way. The toxicity in the manufacturing is greater than it is in wood manufacturing. And it is much harder to recycle or to dispose of when its usefulness is over.

The same thing with metal. We dig it from the ground. A great deal of energy in the smelting process, and it is much harder to recycle than is the renewable resource of wood. Also, both of those items are finite resources; when they are gone, they are gone.

The renewable resource of wood managed on a perpetual yield basis can take our lands, our best suited lands for timber and grow over and over again the multitude of products that we need for all of our home products, paper, many resources that otherwise we would have to use finite resources.

Now, it is better for us to use the renewable resource of wood or use up our finite resources?

We are today importing over one-third of the timber that we need, over 16 billion board feet. Often this is harvested from far more sensitive environmental areas than we have available to us in the United States.

So by forcing these imports, we are damaging tropical rain forests in many cases and other more sensitive parts of land.

What we tried to do with the timber amendment, a bipartisan amendment that had the support of the United Brotherhood of Carpenters, the United Paperworkers International Union, Western Council of Industrial Workers, National Association of Home Builders, Realtors, Women in Timber and many other small business organizations. It was to craft language that would provide us with 59,000 more jobs during the three years in the timber communities. It would bring in an additional $2 billion in payroll for timber workers in communities all over this country. It would provide over $450 million in additional tax revenue, and it would put over $423 million returned to the Treasury directly. Two hundred three million dollars would be shared with the counties, mostly going to education, which is where the counties put funds coming from the harvest of timber.

It would also bring us a lower cost in fighting forest fires, which utilized $1 billion in Federal cost in 1994 and cost us 32 lives in this country fighting fire.

The President plans to veto this bill, the entire rescission bill and the timber salvage provision. That would put people back to work, reduce expenditures on forest fires, and improve forest health.

Included also was section 318 timber. Many people have said that the timber salvage bill is not needed because the Government has a process now for harvesting salvaged timber. It does. But it has been used in such a way by many organizations through the appeals process, through delaying processes, that they render the harvest in salvaging of timber useless. If timber in the Northwest, in the Southeast, the Southwest, is not utilized within 6 to 24 months, then it usually is lost as far as any practical use and the ability to salvage it.

So it must be done quickly. Appeals and other actions by special interests in this country delay it for years.

For instance, the section 318 timber, it is in Washington and Oregon, this area has already met all the environmental requirements. This is green timber but it has not yet been released.

It has been waiting since 1990, over 5 years. And this meets all the environmental requirements, and it meets, it has already been approved to move, but it has been held up for over 5 years while people in Washington and Oregon are without jobs.

I think the salvage bill itself provides an opportunity to review environmental laws. It requires the secretary of agriculture to see that those laws are followed; if he feels that a tract can be salvaged following the Environmental Species Act and the Forest Acts and some other group disagrees with him, they have the right to appeal. They cannot have endless appeals. They must appeal directly to a federal judge, a district court judge and they have 45 days in which the judge will hear the evidence and then make a ruling, and then that is the end.

If he feels the environment is endangered, then he can declare the sale unacceptable. If he thinks there is no environmental damage to be done, he can declare the sale to move ahead, and that is the end of the appeals process.

□ 1900

The Forest Service itself then puts together, through professionals, the sale, and puts it out to the highest bidder. There is no forest giveaway, there is a sale to the highest bidder for the timber to be utilized.

Mr. Speaker, the fact that this legislation brings in revenue, puts people back to work, uses our best science, and gives full protection for environmental laws should mean that the President should not veto this legislation, but should pass it.

Mr. Speaker, I will yield to some of the people affected by this. I yield to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I thank the gentleman for yielding to me. I wish to acknowledge the gentleman's leadership on this salvage issue as a member of the Committee on Appropriations and a member of the conference committee. He is to be commended for the work that he has done.

Mr. Speaker, this will definitely result in a vast improvement for the quality of our forest health, which is so desperately needed in many parts of my district. In many parts of California and the Sierras, the percentages range up to one-third of dead and dying trees. A third of the Sierras in parts are dead and dying trees.

I believe the gentleman is the only licensed forester in the United States Congress, so the gentleman has an expertise that no one else really does, not to the degree that the gentleman does. He understands what happens when we have a forest fire, and the environmental damage that that does when it burns so hot. He understands that if we do not take this dead and dying timber while it still has commercial value, then the taxpayer is burdened by shelling out money out of, I guess, the general fund to go remove these trees. There is nothing to be regained in terms of repaying the Treasury.

Is that your understanding?

Mr. TAYLOR of North Carolina. This is true, and not only that. I doubt if we could get that money expended, and the wood would not go to create jobs, in most cases, if it was harvested that way.

Mr. DOOLITTLE. Yes, because it has a no value. So at that point they are just doing something to improve the health.

I would comment, we have had a highly slanted, unfair, biased report called the Green Scissors Report, which is a coalition of, I believe, Earth First and the National Taxpayers Union and Citizens Against Government Waste, which is, I think, just shocking in terms of the distortion that is in that report. One of the things they attack is so-called below-cost timber sales.

What I find interesting is that many of these self-professed groups that profess to protect the environment drag out the appeals process as long as they can, so they make sure that timber has no commercial value, and then, when money is spent to get rid of that timber to protect the health of the forest, I believe that counts against the overall tree program, and so it is bootstrapping. They make sure that it does not recover the costs, and then they try and show "Look what pork barrel scandal support of industry we have here, because the taxpayer money is going to support the timber industry," when in reality, their own actions have guaranteed that result.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield to the gentleman from Washington [Mr. METCALF], whose State is also involved in this, if he would talk to us about the impact in his area.

Mr. METCALF. Mr. Speaker, the President will soon have on his desk legislation that would make good use of a valuable natural resources. However, without the President's signature, this resource will rot away.

Tonight I will tell Members the story of just one tree, one in thousands in western Washington State. The Forest Service estimates that over $20 billion board feet of dead, dying, or downed timber is now in our forests. This tree on this picture and many others like it blew down in a windstorm on the Olympic Peninsula.

This is not an uncommon occurrence in this Washington State coast. While this tree grew in a region that is perfect for its growth, the unique combination of heavy rainfall, wet soil, and high winds caused trees like this giant 500-year-old growth Douglas fir tree to blow down. Thousands of these blown-down trees are lying on the forest floor right now.

However, this tree had a chance to be different. Mr. Jim Carlson, in the picture, tried to purchase this tree from the Forest Service, to be cut up in his sawmill and sold to the public. His sawmill used to employ about 100 people. The Quinault Ranger District refused to sell this tree to him. Mr. Carlson later came back to the Forest Service and asked to buy the tree, pay money for it, the lumber to be used in the construction of an interpretive building that he wanted to build on this ranch as part of an economic diversification project. This would have allowed Mr. Carlson to get into the tourism business which, as long as we are going to put him out of the timber business, seems to me about the least we could do.

The request was also denied, in spite of the fact that provisions for this type of sale were contained in the Grays Harbor Federal Sustained Yield Unit Agreement.

The taxpayers are the big losers in this story, though. This tree contained, just look at this tree, it contained 21,000 board feet of lumber. The sale of this tree by the Federal Government to Mr. Carlson would have brought the taxpayers, would have brought the Federal Government, $10,000 to $20,000. Mr. Carlson would have been able to manufacture that lumber from this one tree and sell it for approximately $60,000 on the retail market. That is the value of that one tree.

Mr. Speaker, the sad end for this tree came in a perfectly legal, though terribly wasteful manner. An out of-work timber worker, armed with a firewood permit and a chain saw, cut up this grand old giant for $5 a cord and paid about $115, $115 to the taxpayers of this Nation, instead of the $10,000 to $20,000 that that tree was worth when it fell.

The rest of the story, as Paul Harvey likes to say, is that this past year this timber worker had his home sold on the steps of the county courthouse, because he could not pay $932 in back taxes, while the Quinault Ranger District that would not sell him the tree for lumber did not have enough money to purchase the diesel fuel to run their road grader.

The extreme environmentalists oppose harvesting downed or diseased timber. For those who feel good to have that fine timber rot on the forest floor, for those people, I remind them that 15 billion board feet that lies there now will rot. There are no roads to get to it. It is not accessible, and it will rot.

I feel good about the 6 billion board feet that we can salvage. The environmentalists claim these trees are necessary for the nutrients they provide to the forest floor. However, if we check with the forestry scientists, they will tell us that 90 percent of the nutrient value is found in the crown of the tree. That is what stays in the forest when you take out the lumber. It stays in the crown of the tree, while 80 percent of the fiber is found in he trunk. That 80 percent that we need, and which can be put to good use, contains less than 10 percent of the nutrient value.

It is possible, therefore, Mr. Speaker, to have the majority of the fiber we seek from these trees and at the same time leave the majority of nutrients behind. With a sensible salvage policy, we can have our cake and eat it too, and at a profit to the Federal Government.

Mr. Speaker, there are thousands of trees just like this one in the Pacific Northwest. When in full operation, Mr. Carlson could have run his mill with only 150 trees like this each year. He would employ 60 direct, full-time workers, with a payroll of over $1 million, from a yearly sales total of $7.5 million to $9 million. He would pay $200,000 to $400,000 per year in corporate income tax, he would pay $1 million to $2 million in Forest Service stumpage fees. That is what the Federal Government gets directly.

His employees would pay personal income tax of over $1 million. They would have complete company-paid medical care for themselves and their families. In addition, Mr. Carlson would employ up to 40 other people in subcontractor positions. These would include the loggers and those people that would help get the logs out of the forest.

To the State of Washington alone, this legislation would mean 7,500 man-years of direct, indirect, and induced employment. These are jobs we desperately need, as well as making wise use of a resource that would otherwise go to waste.

Sadly, if these giants are not harvested within 2 years of being blown down, or fire or disease-damaged, they are of no value as timber. They begin to deteriorate within 2 years. Thus, they are of no value to us as taxpayers. This is part of the emergency situation we face in our forests.

Unless the President signs this important legislation, giant trees like that will rot back into the forest floor from which they sprang. It is my hope that he can see the common sense in this legislation, and make the best use of our forest resources.

The forest communities all over the Pacific Northwest are dying. Our people are dying, in economic terms. This salvage timber opportunity is here now, and it is something that we deeply need in the State of Washington. We can wait no longer for consideration and meaningful action addressing this situation. We desperately need President Clinton to help by signing the bill which authorizes the timber salvage.

Mr. TAYLOR of North Carolina. Mr. Speaker, I thank the gentleman for his comments. Of course, he has given an exact case, something very close to home, where individual lives are being impacted by a policy that does not realize science, and does not realize the reality of forest management, but is trying to pander to an elite group of special interests in Washington.

Mr. Speaker, I would say to the President of the United States that if he is serious about helping working people, and if he is serious about providing a balanced budget and providing resources to carry out a number of programs that he would like to see in that budget, then we have an opportunity here to restore hundreds of millions of dollars to the taxpayers, to the budget, and to put tens of thousands of people back to work.

I was mentioning a moment ago that we have section 318 timber that has been approved. If the President signs this bill, we will get the benefit of 8,942 instant jobs, in addition to the ones in the salvage bill, because part of the timber salvage amendment includes three phases. It includes the timber salvage portion, it includes the section 318 timber that has been approved and been waiting 5 years now, past all regulations, been waiting 5 years to be put on the market, and the option 9 that the President himself recommended.

With the 318 money we will put 8,942 people to work immediately, $313 million in additional payroll funds for timber workers, $47 million in additional tax revenue, $184 million returned to the Treasury, and $61 million to be shared with the counties for whatever uses they need and see fit.

Good-paying jobs are not government-trained jobs, they are reality, they are what is needed in the marketplace. We have 151 job training programs, yet here we could put tens of thousands of people back to work without the taxpayer training.

Mr. Speaker, I yield to the gentleman from California [Mr. HERGER], who also has a personal experience. He has a personal experience of what is going on in the mismanagement of forests in California.

Mr. HERGER. Mr. Speaker, I thank the gentleman for yielding to me, and for all of his hard work. I believe he is the only certified forester in the House of Representatives. I thank him for his leadership in this area.

Mr. Speaker, when the President threatened to veto the 1995 Supplemental Appropriations and Rescission Bill, H.R. 1158, he stated, among other things, that he "really objected to the timber salvage provision of the bill." I was quite surprised to hear this, particularly in light of what the amendment stands for in terms of wildfire prevention, forest health, jobs, and the preservation of rural schools all over the country.

What I would like to do for the next few minutes, Mr. Speaker, is outline just what the President means when he says he objects to the amendment. That is, where his priorities lie, and what that means to the rural communities in my district in northern California and in other regions throughout the country.

□ 1915

Apparently the President is objecting to wildfire prevention and forest health.

Mr. Speaker, last year nearly 4 million acres of forestland nationwide and some 375,000 acres in my district alone were consumed by wildfire. This was due primarily to the excessive buildup of natural fuels, that is, dead and dying trees in our forests.

Mr. Speaker, of the 8 national forests in my northern California congressional district, I have areas where as much as 50 to 80 percent of the trees are dead and dying due to disease, insect infestation caused primarily because of 7 out of 9 years of severe drought. In fact, tree mortality in my district is so severe that the California State Board of Forestry has declared much of the area as a zone of infestation.

When these dead and dying trees ignite, they burn with such intensity that virtually everything in the forest, live trees, riparian habitat, owl nesting sites and even the soil is consumed. This kind of wildfire brings the health of the forest to its lowest ebb. Nature is unable to repair itself for years, even if man does everything within his power to help. Wildfire also does not discriminate between animal and human habitat.

Last year the city of Loyalton, for example, in my district was threatened to be burned to the ground 3 times by the same fire. Each time the town was spared by changing winds. Next year the families who live in Loyalton may not be so fortunate.

Our salvage amendment offered the President the tools to protect our forests and forest communities from this kind of catastrophe, but apparently the President finds this proposition objectionable. Apparently the President would rather see our forests and the towns adjacent to them, the Loyaltons in States throughout the country, blow up in fire storms than remove the dead and dying trees that cause this kind of disaster.

The President apparently also objects to putting unemployed people back to work. Mr. Speaker, since 1987, 51 mills have closed in northern California due to drastic decreases in Federal timber sales and the listing of the Northern Spotted Owl. Forty-two of these mills have closed since the beginning of 1990. Twenty-nine are in my district.

These closures have literally devastated many small timber-dependent communities. Thousands of workers have been dislocated, causing unemployment to exceed 20 percent in some areas. Welfare rolls have ballooned and domestic violence has risen sharply. It has simply been a social travesty.

When the President held his Western Forest Health Summit in 1992, he promised to help these people. What has he done since then? Since he made his highly touted promises to the people of northern California, Forest Service timber sales in the region have fallen to approximately half of their 1992 levels and to approximately one-third of their historic levels.

Year 1995 looks even more bleak for the timber communities. Of the 20 timber purchasers which currently have outstanding timber contracts in the Klamath and Sierra Provinces of northern California, only 7 of these 20 will have outstanding contracts at the end of 1995. The bottom line is, the industry is being bled dry.

How ironic it is to consider that at the same time we have a desperate need to remove the dead and dying timber from our forests, we also have a work force in desperate need of jobs. Mr. Speaker, common sense says that we have the wherewithal to kill two birds with one stone, to save our forests and put a number of people back to work. But again, Mr. Speaker, the President apparently finds this objectionable. The fact is that he is turning his back on the promises he made in 1992 and to the people to whom he made them.

Finally, the President apparently also objects to infusing money for schools and roads into depressed rural communities which have not the money for either. Mr. Speaker, 25 percent of the receipts of all Federal timber sales are returned directly to counties to fund schools and road construction. Any county school superintendent in northern California would tell you of the devastating impact reduced timber sales have had on the schools in his or her district.

Plumas County, for example, has had its annual school budget cut by as much as $5.3 million from its 1992 levels. Siskiyou County has lost over $1.7 million annually since 1992. These drastic cuts to school budgets which are very small to begin with, Mr. Speaker, have forced school boards to eliminate some of the most basic scholastic programs which most school districts take for granted.

Our salvage amendment would give county school districts and road funds an infusion of a projected $380 million. This money would also help restore basic programs in rural schools. But, again, Mr. Speaker, the President apparently finds this proposition objectionable. Apparently his "people first" philosophy does not include children in poor rural communities.

So what does the President not object to? If he objects to fire prevention, job creation, and the preservation of rural schools, what does he not object to? He apparently does not object to continuing what he began the day he took office, an all-out war on the West spurred on by environmental extremists and special interest groups, a preservationist war that apparently he will continue waging until our forests are locked up completely and the enemy, the people who have lived and managed them for generations, have been vanquished.

Mr. Speaker, I thank the gentleman from North Carolina [Mr. TAYLOR] for his leadership in having this special order and bringing this to the attention of not only the Members of the Congress but to the American people.

Mr. TAYLOR of North Carolina. I appreciate the gentleman's commitment to his constituency and the people of this country and his willingness to tell them the truth about what is happening in your district, and it is happening in districts all over the United States.

I would like to ask the gentleman a question. The President when he indicated that he would veto this bill, he made a statement, and I am quoting from it. He says, "I object to this amendment which would basically direct us to make timber sales to large companies."

The people who harvest the timber out in your area, are those the major companies, the Weyerhausers and the other larger corporations? In our area, it is mostly mom-and-pop outfits, they hire maybe under 100 people, they are people in the community, and most of those folks are right there in the community. These are not large companies. These are basic community small businesses.

Is that the case in your area?

Mr. HERGER. That is absolutely the case in our area. Again there is probably not any other industry that has as many small business type family organizations than in the timber business, that business which provides our Nation with our paper products, provides us with the wood products to be able to build our homes, to be able to have affordable homes, essential needs. Yet as the gentleman mentioned, these are primarily done by family small businesses.

Mr. TAYLOR of North Carolina. I would suggest that the President get away from the elite environment that he is surrounded by at the White House and go out and talk to these folks and see how many businesses are involved.

Major timber companies that have millions of acres of land do not need this to produce their forest products, but small businesses do. They are being devastated to the point of tens of thousands of jobs all over this country.

I think the gentleman brought our another point, homebuilding. The average cost of a home has gone up over $7,000 just over what has happened in the Pacific Northwest, and expected to go higher. We are using today metal studs for construction purposes as well as other metal components instead of the renewable resource of wood.

How can you possibly be an environmentalist and want to use a finite product that is hard to recycle, hard on the environment when it is brought in and smelted and produced as opposed to a renewable resource like wood, easily recyclable and can be used over and grown over and over again?

Mr. HERGER. I thank again the gentleman for bringing this out. Again we are talking about a renewable resource. As I mentioned earlier in my talk, I have some eight national forests, all or parts of them in my district. Of that part, during the time when we were under historic levels and were harvesting, approximately 75 percent were off-limits to any type of harvesting at all. They were in preserves, they were in national parks, in wilderness areas. So we really had about 25 percent of the pie that could be harvested, and through our California laws could not be harvested any more rapidly than they were growing back.

At this point, even that 25 percent has been locked up. Maybe there is about 5 percent or even less that we are able to harvest. Again, we are talking about a renewable resource. These steel studs that you are referring to or even in our grocery store, the plastic. Plastic is not renewable. Steel studs are not renewable. But yet our forest products are renewable. Again, it is a tragedy to our environment to see this happening, that not only are our forests rotting and burning but our communities are being deprived of their very livelihoods. Again, this is a tragedy, and I thank the gentleman for bringing this out.

Mr. TAYLOR of North Carolina. The gentleman makes another good point. We are not talking about any harvest in national parks. We are not talking about harvesting in wilderness areas or wild and scenic river areas. As you say, 75 percent of the national forests even are off-limits from this harvest. Only about 25 percent of the area which is already being used and harvested from a commercial standpoint, or at least eligible—it is not being harvested now—for harvesting will be impacted. A very small part, one-third, of this Nation's public lands that the Government owns today.

I would also remind, and I think the gentleman pointed out a moment ago, management of the forest and thinning of the forest is important for forest health, whether it is down wood or standing wood. There was a wire today, a green wire that came out that pointed out that aspen trees in New Mexico and Arizona are on a rapid decline.

It points out that in 1962, there were 486,000 acres and it is down to 263,000 acres now, a 46 percent decrease of aspen, and the primary reason is the aspen, and I am quoting from it, needs open spaces to grow. They need to clear the forests so the younger trees can grow out, and that can be done, according to this green wire, in several ways. One is by wood harvest. That is important in managing today's forest. If you are going to have a wealthy forest, it has to be managed, and harvest is part of that management.

I would go back and talk again about what the President said in his statement. He went on, in addition to saying this was made up of large timber companies, we were directing the cuts in sales to large timber companies, and that is entirely false. I would say it is close to 99 percent of these companies that are going to be harvesting, that will be winning bids on forest sales, come from small family firms and would be classified as small businesses under all the definitions of small business.

He also mentioned there would be a subsidy to the taxpayer. The Congressional Budget Office saw no subsidy, the taxpayer was not subsidizing these sales. In fact, they saw tens of millions of dollars coming into the treasury, and I think we quoted from those figures a moment ago.

Then he went on to say that this legislation would essentially throw out all environmental laws, and that is ridiculous. If he would talk to his own chief of the U.S. Forest Service, he would tell them that the environmental laws are not being thrown out, that the Secretary is required to follow a number of the environmental laws. If there was no requirement for following them, there would be no reason for an appeal, and there is an appeal process.

I would go to the last segment in the salvage amendment, and, that is, that was inserted by the Senate. It was Option 9 timber harvest.

□ 1930

The President himself went to the Pacific Northwest directly after his election and promised the people that he would start seeing that the forests there were being harvested. Now he cut the harvest down to approximately 20 percent of what it would be or what it had been in the past, but even that is not happening. The extreme elements who are influencing the administration are seeing that is not happening. Of the 1.2 billion board feet that were selected for harvest under Option 9, almost none of that timber has been cut since the plan was selected by the administration.

It was tested in district court, was upheld in district court in December, and the conference language would require that it now proceed and it would insulate it from further judicial review so that we do not have to subject the tens of thousands of employees to endless appeals on this process.

In real terms if we restore and bring the Option 9 procedures ahead, it would restore almost 19,000 jobs for timber workers in the communities in the so-called spotted owl areas, it would add $664 million in additional payroll for timber workers, it would add $54 million in additional tax revenue, and $360 million would be returned to the Treasury; $120 million would go to the counties to be shared as we mentioned a moment ago primarily for education.

Even the Forest Service estimates that if we do not proceed it may be years and years before Option 9 can move ahead, and that in effect is the President denying the people even that part of his promise that he made in the Pacific Northwest.

We have a section that is called the 4–D areas, a provision that legitimizes future action for the administration's 4–D section on Endangered Species Act rulings for relief of small landowners which was also included by the conferees. When the administration finishes its 4–D rules, millions of small landowners will be out from under the ESA restrictions on timber harvesting. It would free up hundreds of thousands of board feet of new timber by small property landowners.

The acceptance of this provision was basically a good-faith attempt to show that Congress is willing to work with the administration's plan to utilize section 4–D of the ESA to provide relief for small landowners.

In other words, the President has made many representations. What we are trying to do is to bring those representations to fruition. Certainly the President can support that.

The President's veto means that the administration's commitment to provide relief in timber communities will not happen. The President's veto threat and comments on the timber provisions in the rescission bill is proof that his campaign pledge to put people first has been breached.

The number of jobs in the entire rescission bill, including the salvage portion, 318 and Option 9, would create over 88,000 jobs; in other words, it would put that many people who have been unemployed this period of time back in their jobs all across this country. Instead of that, the President is willing rather to see that the forests rot or burn than to see that good silviculture, good management, forest health management is put in place.

I would remind him that his promise was to help bring economic activity back to the area. His veto of this legislation will kill that entirely. His signing of that bill will give 88,000 people across this country and primarily in the Pacific Northwest immediate employment.

There are numerous opportunities for us to evaluate this bill. The Congress had hearings, the Committee on Agriculture and Committee on Resources had joint hearings before they requested that I sponsor this amendment in the Committee on Appropriations. We had debate in the Committee on Appropriations, we had debate on the floor. There were 277 Members of Congress who supported this bill; it was opposed by 149. It passed with almost two-thirds of this Congress' support. It passed in the Senate. It came back and was approved, the conference language in the House was approved overwhelmingly, as it will be in the Senate. And so, this is the people through their representatives speaking for what is needed in this country and what they want.

The President is vetoing it because he is being asked by a group of ill-informed special interests in Washington not to do it.

If you read the Wall Street Journal of 2 weeks ago last Friday you will see why. The environmental organizations in this town, the special interests to which I refer that take in the $600 million and lavish it out to political special interests, were polled as to their support. The report said they were basically left-leaning, 93 percent who support the President of the United States, voted for President Clinton in the 1992 election. And he now is reaching out to pander to that very elite special interest and forget 88,000 honest taxpaying citizens who can be put back to work immediately.

I would remind them of one other statement that was made by the group, an environmental group who spoke positively about the President's threat to veto, and I am quoting the Oregon-based Headwaters organization, and it said "By preventing these clear cuts, President Clinton today saved the marble murrelet from extinction." Now that defies sensibility. We are talking about dead timber, we are talking about timber that in many cases has already blown over on the ground, we are talking about timber that has been burned, we are talking about timber that is insect-infested. Clearcutting dead and dying timber is ridiculous, and how you could have saved anything, the marbled murrelet from taking out salvaging dead timber remains to be seen.

I yield to the gentleman from California, Mr. RIGGS, whose district also is impacted by this legislation, who has real people who are suffering because of the policies of this administration and because of the veto threat of this administration.

Mr. RIGGS. I thank the gentleman for yielding, and I commend him for his extraordinary leadership in helping to steer this very important piece of legislation properly called the emergency timber salvage amendment through the House and making sure it survived the House and Senate conference committee.

I want to tell the gentleman that I am dismayed to put it mildly that the President might specifically point to our emergency timber salvage amendment as grounds for vetoing the emergency supplemental appropriations and rescissions package, first of all because the bill as the gentleman well knows appropriates Federal assistance, Federal aid for disaster victims in California, many of whom live in my congressional district and were victims of last winter's severe flooding, but also because, frankly, we need to ensure a greater supply of timber, and what better source than the dead and dying trees on Federal forest lands for the independent mills in the north part of my congressional district, which are very much a part of that regional economy, and the independent mills, frankly, are almost the backbone of our regional economy and have been beset by any number of pressures in recent years, not least of which is in my view an overregulation of our Federal forest lands and a moving away from utilizing those forest lands to produce a resource that the mills can then use to turn into products and to create and to save jobs.

Let me point out to the gentleman what I am sure he has already mentioned here tonight, and that is our amendment is vitally needed for fire-supression purposes and the health of the forests. Our amendment would save lives and save, frankly, the Federal Government millions of dollars in fire-suppression costs that have been spent combating these raging wildfires that have burned out of control particularly in the western United States in recent years.

Second, it would generate revenues for the Federal Treasury by again allowing the salvage harvesting of these dead and dying trees on Federal forest lands. Our amendment, which the gentleman was able to incorporate into the appropriations bill when it left the full committee, was actually one of the revenue-positive aspects of that piece of legislation, and was one of the measures that were used to pay if you will for the expenditures in the bill, not least of which again was Federal disaster assistance for emergency victims in California.

Second, I would like to point out, as again I am sure the gentleman has stressed here tonight, that our amendment is designed at taking some of these dead and dying and diseased trees out of Federal forest lands at a rate, frankly, that is far below the annual mortality rate on Federal forest lands, so what we have proposed here is a very reasonable amendment, one that is good for the environment, again good for forest health purposes, it is good forestry technique or silvicultural technique in that it allows the selective thinning of our forest lands targeting dead and dying trees, thinning those forest lands and managing those forest lands for again forest-health and fire-suppression purposes.

I must say I am perplexed by the President's position on this particular issue. It seems like his administration has been, frankly, talking on both sides of this issue. In fact the very day before the President mentioned in his veto threat our emergency timber salvage amendment as grounds for a potential Presidential veto I has been assured by our former colleague and the new Secretary of Agriculture, Dan Glickman from Kansas, that he as the Agriculture Secretary intended to do all that he could as a key representative of the administration to ensure that we began selling more timber off of our Federal forest lands, and as the gentleman pointed out in his opening remarks when he was kind enough to introduce me and yield ti me to me, my congressional district, the First Congressional District of northwest California, is home to all or part of four Federal forest lands. Our economy, our regional economy in northwest California is very much resource-dependent. We have traditionally relied upon the forest products industry as the primary source of steady, good-paying, industrial-type jobs, and, frankly, I would hope that the administration will reconsider their position, allow us to begin extracting that resource off of Federal forest lands for the benefit of our economies and the benefit of our local communities in our congressional district, in your congressional district, and in many congressional districts across the country.

Mr. TAYLOR of North Carolina. Would the gentleman perhaps consider this question: If the President signs this rescission package, he will put 88,000 people back to work, and these are good, high-paying jobs, that is why we have at least three or four union endorsements here, we have the National Home Builders, we have many organizations endorsing this.

At a time when unemployment is relatively high across the country and especially high in the Pacific Northwest and other areas that would be impacted greatest by this, why would the President not sign a bill that would put 88,000 people back to work, would improve the forests' health, would actually by his own Forest Service admission, would really create a healthier forest? Why would he not do that?

Mr. RIGGS. If the gentleman would yield, I would be the last one to speculate for the administration on this particular question, and I know that the gentleman's question is somewhat rhetorical in nature. But he makes a very, very good point.

First of all we are talking about jobs that are not easily replaced in the local economies of resource-dependent communities. And I cannot fathom his motivation, except for the possibility that the President is afraid of frankly antagonizing a core constituency in the national Democratic Party, and that is the more militant environmental element which has made professional environmental activism a movement in America in recent years. They are the forces, the entrenched forces of the status quo on this particular issue. They are the ones that are frankly saying let those dead and dying trees rot on the forest floor rather than use those trees as a resource to produce a value-added product and again ensure good paying jobs in the forest products industry and the communities that depend on that industry as the primary source of their economic livelihood and economic well-being.

Mr. TAYLOR of North Carolina. A little while ago I mentioned the study that was published in the Wall Street Journal a couple of weeks ago pointed out this special interest in Washington of the environmental movement, and this is to be distinguished from genuine, honest, working people out there that are concerned about the environment. I have three children, I am concerned about the environment.

□ 1945

Many people across the country are concerned. I am talking about a special interest here that takes in over $600 million by frightening people and does not come close to putting out the truth of what is happening. It is an organization that, according to the Journal report, is very far left. It voted 93 percent for Mr. Clinton in 1992. I know it is a special interest group that backs him.

But pandering to that group at the expense of these tens of thousands of wage earners out in that part of the country and doing it against the recommendations that he made himself, promises he made himself, with option 9 and other promises to get these people back to work, I cannot understand why he is picking this very left-wing group over this large part of America's working people, labor unions that want to go back to work, members, others, and I am just confused as to why this administration would pander to this small, elite group as opposed to mainstream America, why he would fly in the face of nearly two-thirds of the House of Representatives.

This was a bipartisan effort.

To get two-thirds, we had over 70 Democrats who voted and worked hard for the bill. The gentleman from Washington [Mr. DICKS] was particularly helpful to get the bill passed; the gentleman from Texas [Mr. WILSON], others were involved in this, as well as the gentleman from California [Mr. RIGGS], and it is all of us who are looking to help these working men and women get their jobs back, high-paying jobs in most cases, to get them back in the mainstream economy, and here the President is threatening to do that, to veto it. He is threatening because of the pressure from a group that does not know a sourwood from a white pine.

I had one of them testifying in the Committee on Interior the other day who testified he was an environmental educator. After he told me all the things that were happening in the forest, the world was coming to an end, I tried to ascertain his qualifications. I found out he did not have a degree in anything, and his practical knowledge was void. I asked him what portion of the country was owned by the Federal Government. It is about a third. He did not have a clue. I asked him how many acres were in the U.S. Forest Service system. It is 191 million acres. He did not know. I asked him how much of that 191 million acres could be harvested today. He said it all could. Less than 25 percent of it can be harvested today.

What I am saying is, with that kind of misinformation, the President would do well to listen to the working men and women in California and Washington and Oregon and other parts of this country as opposed to listening to a very elite special interest group that is giving him very bad information.

Mr. RIGGS. If the gentleman will yield, I think the gentleman makes an excellent point, and I would simply add that again the hard-core professional environmental element, which again has become, giving, I guess, the devil its due, a well-organized and well-funded movement in this country in recent years, having lost this debate through a fair and open process at the full Committee on Appropriations level when the bill was marked up, in fact, when the gentleman's amendment was voted on on an up-or-down basis, having lost the debate out here on this House floor when we debated at some length the merits of the gentleman's emergency timber salvage amendment, then employs a back-door mechanism, goes to the White House and convinces the certain figures in the President's administration that he really ought to veto this bill, which, as the gentleman pointed out, passed the House with strong bipartisan support, and I want to say that the President, frankly, is not, in my just intuitive sense here, he is not heeding his instinct. He is not doing what I think, frankly, he knows is the right thing.

I mean, after all, this is a President who campaigned on a promise of putting people first. Well, I want to point out to the President that the independent timber mills of this country have launched a new campaign called Putting Family Businesses First, so if the President met his campaign rhetoric, if he really does believe in putting people and families first, he can begin by reconsidering his threat to veto the gentleman's outstanding emergency timber salvage amendment.

Mr. TAYLOR of North Carolina. That falls in line with the President's declaration that these are large companies. These are not large companies. These are small, family-size businesses.

THE REAL ENVIRONMENTAL EXTREMISTS

The SPEAKER pro tempore (Mr. Nethercutt). Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. Lewis] is recognized for 30 minutes as the designee of the minority leader.

Mr. LEWIS of Georgia. Mr. Speaker, I yield to the gentleman from Ohio [Mr. Brown], my friend and colleague.

Mr. BROWN of Ohio. Mr. Speaker, I just sat here listening for the last hour as the gentleman from Georgia [Mr. Lewis] did, and my friend, the gentlewoman from North Carolina [Mr. Clayton] talking about environmental extremists and environmental extremism.

The fact is that 70 percent of the American public wants to see not weaker but stronger environmental laws, and the real extremists and the real radicals in this environmental debate are not people that support the clean water laws and not people that support the clean air laws and not people that support public health laws, but the real extremists are a good many Republicans in this body who literally want to privatize some of the national parks, sell the national parks to large corporations, want to roll back a lot of the environmental laws, clean air laws, safe drinking water laws, laws that affect, that we have built a consensus in this country around that have given us the best public health in our history, that have given us the best, strongest laws in the world to protect our citizens against everything from breast cancer to tuberculosis. We have done that well in this country in the last 3 or 4 decades, something I am proud of.

I live in Lorain, Ohio. My back door looks out over Lake Erie. Twenty years ago, Lake Erie was declared dead in many parts. Part of the Cuyahoga River in Cleveland caught on fire.

Becuase of the efforts of the U.S. EPA, because of the commitment of a lot of people in Lorain, Cleveland, Medina, and all of northeast Ohio and other areas, we as a Nation were able to clean up that lake, so my daughters, Emily and Elizabeth, can now swim in Lake Erie, and other people, we drink the water, we can enjoy that lake recreationally, and it helps create jobs. It helps attract people to the Great Lakes to build their businesses and build their industries and employ people.

The extremists and the environmental issue are not those 70 or 80 percent of the American people that want clean air, pure food, safe drinking water for their children and their families and their grandchildren, but the people that want to sell off the national parks and allow the chemical companies and other polluters to write the laws that dismantle the best environmental laws in our history and the best environmental laws in the whole world, and that is what concerns me when I hear this kind of debate on the House floor.

Mr. LEWIS of Georgia. I say to my friend, the gentleman from Ohio [Mr. Brown] I must agree with you. There is nothing radical about wanting to know what is in the air we breathe, what is in the water we drink or what is in the food we eat. I thank the gentleman very much for his comments.

I yield to the gentlewoman from North Carolina [Mrs. Clayton].

CELEBRATING THE MOTOR-VOTER LAW

Mrs. CLAYTON. Mr. Speaker, I also want to applaud my colleague, the gentleman from Georgia [Mr. Lewis] for organizing this special order and his dedication and commitment to the cause of voting and the rights of civil rights. He has an impeccable reputation, and those people who know of his record know that, indeed, the gentleman from Georgia [Mr. Lewis] is a long-distance runner in the struggle for civil rights and the opportunity for basic rights that the Constitution affords all Americans, the right to vote for all our citizens.

He has faced all manner of discouragement, and yet he has never been discouraged. I just want to thank you, I say to the gentleman from Georgia [Mr. Lewis], for not only this special order but for the life that you have lived and showing that America should be there for everyone and living the life that is exemplary, what you are. And so I am delighted to participate with you.

Mr. LEWIS of Georgia. I thank the gentlewoman for those comments.

Mrs. CLAYTON. The right to vote is a precious right because all rights derive from the voting right. Freedom of speech, which we know as the First Amendment, has far less meaning without the right to vote and to elect those persons who will uphold that fundamental freedom.

Freedom from illegal search and seizure, which we know as the fourth amendment, has little meaning if those who hold elective office do not stand up and protect those basic freedoms.

The term due process, the fifth amendment, providing important procedural safeguards, guaranteed by the Constitution, become mere words if those who we elect fail to protect them.

And the equality of treatment under the law, the 14th amendment, is a platitude we talk about that becomes a living reality only when, now only when, those we vote into office become champions of those rights.

The Constitution is a living and breathing document that gets its life from people we elect.

It is, therefore, clearly the best way to safeguard all of our rights is to exercise our most fundamental right, and that is the right to vote. And the first step in exercising that right obviously is to register. We in Congress have made registering to vote easy. The National Voter Registration Act of 1993, the so-called motor voter bill, was passed by Congress and signed into law by President Clinton May 20, 1993.

The motor voter act took effect January 1 of this year. It requires basically that we get our drivers license, we can register by mail, any time we get public services, those three areas allow us to register very easily. With this simplified registration, we expect citizens will register to vote.

Indeed, in North Carolina, since implementation of the motor voter law, some 88,000 new voters have registered, 88,000. The reason for the simplified registration procedure is actually to encourage more people to participate, and we know there has been a declining participation of citizens in elections, so we need to do that.

One author has said the deadliest enemy is not really those who live in foreign lands but really it is within ourselves. I want to say to you, JOHN, that the same thing could be applied to us in our own community or in our own private life: The deadliest enemy is not without, it is within, and that deadly enemy that is within is those who would discourage the participation, and this would be apathy, idleness, inattention and indifference. And because of these enemies, only about one-fourth of those voting last November actually voted, and so, therefore, we had, what, the Contract With America as a result of that, apathy and indifference, although we have the right to register.

The majority of Americans did not vote for those who pressed for the Contract With America. The proponents offered it, nevertheless, but one-half of them accepted that, only one-half of that 25 percent who voted, but nevertheless if people had voted, it would have been a different study.

Compare the record with those who voted in Africa. When people voted in Africa, they stood in long lines to vote; they stood, and the weather was inclement. Some of the people were disabled themselves, but they wanted to vote so well that they would suffer personal indignities just to have the opportunity to vote, the threat of violence, even death, for those who were in South Africa. They wanted the opportunity to participate.

And I think, I would say to the gentleman from Georgia [Mr. LEWIS] that we, too, need to have that same sort of spirit that the right to vote guarantees all other rights, and unless we understand that very fundamentally, that the Constitution is indeed a living and breathing instrument and each of those elements are important, but unless we exercise our right to vote, we will not have people who will implement properly the Constitution.

Again, I want to thank the gentleman for the efforts you had in making the motor voter a reality and thank you for allowing us to participate with you on this anniversary.

Mr. LEWIS of Georgia. Let me just thank the gentlewoman from North Carolina for those comments, those words, and for participating really in this special order tonight.

Mr. Speaker, I yield to the gentleman from Ohio [Mr BROWN]

Mr. BROWN of Ohio. It is my pleasure to join with the gentlewoman from North Carolina [Mrs. CLAYTON] and the gentleman from Georgia [Ms. MCKINNEY], and also the gentleman from Georgia, [Mr. LEWIS], celebrating the second-year anniversary of one of the things that I think was very positive, one of those most positive accomplishments of this dead in Congress, and that is the National Voter Registration Act, which is the final jewel in opening up our political system to everyone in this country.

Unfortunately, there are some people that in this body want to repeal the National Voter Registration Act, and some Republican Governors around the country that do not want to implement it even though it is the most efficient, most cost-effective way to achieve universal voter registration in this society.

I was Ohio secretary of state for 8 years. One of my jobs was to encourage people and do all I could to get them to register to vote. We registered literally 1 million people over those 8 years. We were able to do it by using a lot of the motor voter registration at unemployment offices, registration at restaurants, reaching out all over to people in all walks of life, and it works.

Nationally, that is what is happening right now. we are reaching into all segments of the community, rich and poor, black and white, men and women, all across the board. We are seeing hundreds of thousands of people in State after State after State register to vote.

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If we are going to be the kind of democracy that we need in this country that we have all striven for, it means we need to expand the number of people voting so everyone has a choice in selecting the next Congress, selecting the next President.

I say to the gentleman, "I am proud to join with you, Mr. LEWIS, in your efforts to get more people registered to vote, whether it is—regardless of where those people are registered, whether it is a government office, whether it is a license bureau, whatever kind of place it might be, so that people more efficiently can find opportunities to register to vote all over our land. It has made a difference in registering millions of voters and expanding the electorate so we do, in fact, like most countries in the world, have universal suffrage so more and more people vote and choose our leaders."

Mr. Speaker, I thank the gentleman again for his efforts in bringing us the National Voter Registration Act.

Mr. LEWIS of Georgia. I want to thank my friend, the gentleman from Ohio [Mr. BROWN], for participating in this special order, for all of his good work to increase voter participation, long before I came to this body, as the Secretary of State of the great State of Ohio. I say to the gentleman, "Thank you very much." On January 1 of this year, the National Voter Registration Act, known as motor-voter, went into effect. This month marks the two year anniversary of Motor Voter becoming law. Tonight I want to recognize the important role Motor Voter has played in registering voters and promoting democracy.

The motor-voter law allows citizens to register at motor vehicle bureaus, welfare offices and other agencies. The goal of the law is to simplify voter registration and encourage people to participate in the political process. After only 3 months, the results are in. Motor Voter is working.

In only 3 months, over 2 million citizens have registered or updated their registration. Motor Voter will add an estimated 20 million voters to the rolls by the 1996 election. Motor Voter would be an even greater success if all states complied with the law.

Unfortunately, some States have not complied with the Motor Voter law. They refuse to follow the law of the land. Even some Members of Congress oppose Motor Voter. They want to repeal this successful law.

Mr. Speaker, during an earlier period of my life, I put my body, my heart and my soul on the line to increase participation of all people in the political process. From the sit-ins to the Freedom Rides to the March on Washington, to the March from Selma to Montgomery, I and thousands of others worked for the civil rights of all Americans. We wanted to make one man, one vote—one woman, one vote—a reality. This was our cause.

In the history of our nation, we were not alone. Time and again, ordinary American citizens have risen in defense of one person, one vote. From the Minutemen at Lexington and Concord to Abraham Lincoln—from Susan B. Anthony to Viola Liuzzo—from Dr. Martin Luther King, Jr., to James Chaney, Andy Goodman and Mickey Schwerner . . . people have given their heart, their soul—and often their lives—so that all Americans could vote.

We have all come a long way. The Declaration of Independence and the United States Constitution first stated that all people are created equal, and that they are endowed with certain inalienable rights. The Thirteenth, Fourteenth and Fifteenth Amendments to our Constitution, the Voting Rights Act and the Civil Rights Act have ensured that all Americans can exercise their right to vote. Motor Voter guarantees that they will.

Too many people, especially the young and the poor, are sitting on the sidelines. They have not registered to vote. They are not going to the ballot box. We must encourage all Americans to vote. We all must be involved. For people not to register—for people to refuse to participate in the political process—is dangerous to the health of our country.

Despite our proud democratic history—despite the obvious success of Motor Voter, certain Members of this body want to repeal Motor Voter. They want us to take a step back in history—a step away from having a truly democratic society. We must not let this happen.

Why do so many of my colleagues want to repeal Motor Voter? Why do they want to make it harder for people to vote? What do they fear? That people will vote? That people will get involved? That we will expand democracy?

This is what Motor Voter does. It makes it easier for all Americans to participate in our democratic process. Motor Voter opens up the process—it makes it easier for people to come in, to participate. Registering to vote is as simple as renewing your driver's license.

The more people vote—the more people become involved—the more government becomes responsive to the people. Each and every citizen has the power to hold their elected officials accountable.

When people do not vote, they forfeit their power—they silence their own voices. They say "I do not care."

How can so many Members of Congress continue to oppose Motor Voter? They say it is an unfunded mandate—an unfunded mandate. My Colleagues, if telling states to register voters is an unfunded mandate, it's a mandate as old as the Constitution.

Read article I, section 4 of the Constitution. "The times, places and manner of holding elections for Senators and Representatives shall be prescribed in each state by the legislature thereof; but Congress may at any time by law make or alter such regulations."

My Colleagues, our Constitution is not just another unfunded mandate. We cannot put a price tag on political participation. We cannot put a price on democracy.

Despite the opposition, despite the attempts to make it harder for Americans to vote, I am heartened by all that Motor Voter has accomplished in three short months. We must encourage people to become involved—to stand up and speak out—to vote. We must continue to support Motor Voter.

Now, Mr. Speaker, I am delighted to yield to the gentlewoman from the State of Georgia, the gentlewoman from the great State of Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Congressman LEWIS, I just want to commend you for remembering the importance of motor voter to our democracy, and I cannot help but think about I have a 9-year-old son, and I buy books. The most recent book that I purchased for him was a pictorial of the civil rights movement. It has got all of these wonderful, glorious, and infamous pictures about the dogs, and the water hoses, and Bull Connor, and this is a legacy of this country.

This is also a legacy of our quest for real and true democracy. You were there. You saw it. I can only rewalk your footsteps. I can only go back and see where you were 30 years ago at Edmund Pettis Bridge and recall in my own new way the contributions of Goodwin, Chaney and Schwerner, and Viola Liuzzo, and, when I go to Montgomery, I never go there without passing by the civil rights memorial at Morris Deze's Southern Poverty Law Center.

We have some of our colleagues here who participated in that struggle for American democracy. BOB FILNER is one who serves in Congress with us now who was there with the Freedom Riders fighting for a more perfect democracy.

I have a question for you. You have a story that you tell about the man with a cattle prod in his hand, and for our viewers tonight I just would like for you to retell that story because this is a part of our history, and this is a history that we cannot forget; lest we forget, we will surely allow those enemies of democracy who want to restrict the American people's right to vote to wane. So please tell the story.

Mr. LEWIS of Georgia. Well, let me just say to my friend and colleague from Georgia, I will never forget some 30 years ago in the little town of Selma, AL, in the heart of the black belt in Dallas County in 1965. Only 2.1 percent of blacks of voting age were registered to vote. They had to take a so-called literacy test. People were afraid. There were black men and women teaching in the local college, black doctors and lawyers, but they flunked the so-called literacy test. They could only go down to attempt to register on the first and third Mondays of each month.

On the third Monday in January 1965, it was my day to lead a group of people down to the Dallas County Courthouse. To be exact, it was January 18, and we walked up to the steps of the courthouse, and there was a sheriff named Jim Clark. He wore a gun on one side, a night stick on the other, and he carried an electric cattle prod in his hand, and he did not use it on cows, he used it on people, and he said to me, "John Lewis, you're not some agitator. You're the lowest form of humanity."

At that time I was almost 25, and I had all of my hair. I was a few pounds lighter, but I looked him straight in the eye, and I said, "Sheriff, I may be an agitator, but I'm not an outsider. I grew up 90 miles from here, and we're going to stay here until these people are allowed to register and vote."

And he said, "John, you're under arrest," and he arrested me along with many other people.

A few days later in a little town near Selma a young black man by the name of Jimmy Lee Jackson was leading the march for the right to vote. He was shot in the stomach by a state trooper, and a few days later he died. In the course of what happened to him we said that we were marching from Selma to Montgomery to dramatize to the Nation and to the world that people wanted the right to participate in the democratic process. And on March 7 we decided to march in twos, leaving downtown Selma, walking through the streets of Selma, about 525 of us, elderly men and women and a few young children.

We came to the apex of the bridge. We saw a sea of blue. It was the Alabama State troopers. We continued to walk until we came within hearing distance of the State troopers, and a man identified himself and said, "I'm Major John Cloud of the Alabama State troopers. I give you 3 minutes to disperse and go back to your church."

In less than 1½ minutes he said, "Troopers, advance," and they came toward us, beating us with night sticks and bull whips, trampling us with horses and using tear gas.

This became known as bloody Sunday, and because of what happened in Selma, President Johnson came to this hall, and spoke to a joint session of Congress, and introduced the Voting Rights Act, and it was passed, and since then I must say, my colleague, we have seen hundreds and thousands and millions of new registered voters because this Congress had the courage to pass the Voting Rights Act in 1965, and Motor Voter is another step down that long road toward opening up the political process and letting all of the people come in.

Ms. MCKINNEY. You know you said something about accountability, and the fact that we enlarge the voting pool also indicates that we would enlarge the attentive public; that is, the public that is paying attention to what we do with the laws that we pass and the impact that what we do here has on those peoples' lives. I cannot help but believe that there is a group of people, and I am sure they are a small group of people, who want to escape accountability for the things that they do, and therefore they introduced legislation to repeal Motor Voter, or they try to call it an unfunded mandate in an effort to escape the accountability that the American people would bring on them for the kinds of policies that we are seeing put into play now.

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Also, I have to say that it has never been so easy, particularly in the South, in Georgia, to register people, as it is today, and that is because of motor voter. We have a simple little form.

I remember in 1992, we had Jesse Jackson come down to the 11th district to do some voter registration for us because we knew we needed that. We found all kinds of voting registration barriers. And in one little small town, Milledgeville, I know you know Milledgeville, GA, we had to stage a protest march, because for some reason it was inconvenient for the folks down at the courthouse to register a lot of people in the town, who happened to be African-American and who happened to be students in the town.

So we have got these impediments that have been removed. And now it is so easy, all people have to do is want to be registered and they can register. And it sure makes it a whole lot easier for those of us who want them to be registered.

I think this new move on the part of this small group of people is perhaps, well, we know it is wrong-headed and ill-founded, but it takes us in the wrong direction. It takes us backwards, and we do not need to be going back. We need to be going forward. Our democracy is stronger when the American people feel that they have an investment in their Government. Right now the American people do not feel that they have an investment, and a lot of people sit on the sidelines at election time because it is so darn hard to go out there and register to vote. We, of course, as you know, have the purges that go on.

Motor voter cures all of that. You can register to vote at midnight in your home if you want to, and that is the beautiful thing about motor voter.

So I just think this move that is afoot is wrong-headed and ill-founded, but there are 170 cosponsors on the repeal bill, so it is a threat that is imminent. And that is why I am so happy that the gentleman is alerting the rest of us here to the importance of motor voter, and at the same time the American viewing public that is interested and is looking at C–SPAN right now, to let them know that motor voter is good and motor voter is not safe.

Mr. LEWIS of Georgia. Let me agree with you that motor voter is good, and it is necessary to open up the political process. As you well know, in our own State hundreds and thousands of people have been registered during the past 3 months. I think in Georgia more than 3,000 people every single day are being registered because of motor voter.

Ms. MCKINNEY. And we do not even have all of the counties on line yet. Just imagine what it would be like if we had all of the counties, 159 counties in Georgia, on line for motor voter. When that happens, Georgia will not be last anymore. I am so sick and tired of Georgia being last in most things. Georgia can become first, and it will also be first in democracy.

Mr. LEWIS of Georgia. Let me just thank my colleague, the gentlewoman from the State of Georgia, CYNTHIA MCKINNEY, for participating in this special order tonight. I appreciate your help and all of your support. I think we have a moral obligation, a mandate, and a mission as Members of this body to do what we can to increase the political participation of all of our citizens. Open the process up, let everybody come in.

Ms. MCKINNEY. The gentleman knows that I have long admired his work and his advocacy on behalf of the American people and the American democracy.

Just a word about the nature of this discourse tonight: This is not about Democrat or Republican. This is about the American people and enhancing and fine-tuning our democracy. We do have, we are blessed in this country to have the most perfect democracy on the face of the Earth. Yet it can still be a whole lot better. Motor voter is but one tool to get us there, and I appreciate the gentleman and his strong leadership and advocacy. You know you have my support every step of the way.

Mr. LEWIS of Georgia. Thank you very much for those kind words and for participating in this special order tonight.

Miss COLLINS of Michigan. Mr. Speaker, the absolute need for the motor-voter law is clear. Without it, millions of American voters will continue to be denied equal access to the franchise by a bureaucratic opposition that simply does not make sense. Without it, millions of Americans will remain voteless, and voteless people are powerless people.

Like the Voting Rights Act, a thirty-year old success story itself, this new law has clearly begun to eclipse the barriers and the lingering legacy of voting booth exclusion that have had a "chilling" effect on the political participation of African-Americans and other ethnic minorities in this country.

The motor-voter law is already a striking success in some states where discriminatory and unfair registration laws and procedures once prevailed. In states like Texas, Florida, and Georgia—where the history of voting discrimination has been most egregious—more than 200,000 previously unregistered voters have gained new opportunities to register to vote, at motor vehicle departments, public assistance offices, mental health and disability agencies, and by mail.

Instead of mouthing platitudes about democracy, we in this body ought to feel more compelled to make democracy a reality. But the truth is, until every American citizen has one-hundred percent, undeniable access to the ballot box, Democracy will be little more than an illusion. Democracy, it is said, is a "collectivity" of individuals. But there can be no democracy when millions of Americans remain shut out of the Democratic process.

Mr. Speaker, making voting more accessible to the public is not a partisan issue. In fact, Mr. GINGRICH himself has said that "it is simply good public policy."

Voting is the linchpin of American Democracy. Registering to vote should be as convenient as applying for a library card, or filling out a tax return. The costs of the motor-voter law are minimal, especially when considering the payoff in increased citizen participation.

Even my own home state of Michigan is now resisting this great effort to eliminate the final barriers to full enfranchisement, and of this I am ashamed. Mr. Speaker, it is a national disgrace if America is permitted to return to its darkest period, when millions of citizens were systematically denied equal access to the franchise, and ultimately their power to govern. It is a disgrace that this country simply cannot afford.

Mr. STOKES. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Georgia [Mr. LEWIS], for reserving this Special Order. I am pleased to join him for a discussion of the motor-voter law. The National Voter Registration Act was signed into law by President Clinton on May 20, 1993. The law requires motor vehicle bureaus, welfare offices and other public agencies to offer voter registration services. Today, we gather to mark the two year anniversary of this successful legislative initiative.

The motor-voter law took effect on January 1, 1995. It is noted that during the months of January and February alone, more than 630,000 citizens across the country registered to vote. Analysts predict that next year, as many as 20 million Americans will be added to the ranks of the voting population. Not since the Voting Rights Act of 1965, which removed obstacles that had kept many African-Americans from the voting booth, have so many new voters registered to vote.

Mr. Speaker, the road to passage of national voter registration laws has not been an easy one. Many in this Chamber will recall that efforts to establish a national voter registration system followed closely on the heels of the passage of the Voting Rights Act of 1965. During the 1970's, a substantial effort was made to implement a national voter "postcard" or mail registration system. Efforts also focused on the passage of a national voter registration standard that would have allowed citizens to register to vote on election day. Both measures failed to be enacted by both the House and Senate.

During the 1980's, we celebrated the enactment of several voter registration measures. In 1984, Congress passed the Voting Accessibility for the Elderly and Handicapped Act. The Act established national requirements for making polling places more accessible to the elderly and the handicapped, and provided greater access to absentee ballots for these individuals. The Uniform and Overseas Citizens Absentee Voting Act required States to permit absentee uniformed service personnel and overseas voters to use absentee registration procedures, and to vote by absentee ballot in federal elections.

Mr. Speaker, the goal of the National Voter Registration Act is to simplify voter registration, thereby encouraging citizens to participate in the election process. In addition to making it easier for individuals to register to vote, the Act also provides more than adequate measures to prevent voter fraud by making violations of the Act a federal offense. Further, the cost that states bear to implement the motor-voter law has proven to be minimal.

As we celebrate the success of the motor-voter law, we must ensure that this important Act is not repealed. We must also ensure that all states are in compliance with the motor-voter law. In the United States, 80 percent of our nation's youth, those 18 or 19 years of age, apply for driver's licenses. Yet, fewer than 40 percent of this age population is registered to vote. We have a responsibility to make certain that all Americans are participants in the electoral process. The motor-voter law represents an important step in achieving this objective.

Mr. Speaker, I am proud to join Congressman LEWIS for this special order. He has played a major role in securing and protecting the voting rights of minority citizens and others. I applaud his leadership, and I offer my full support of his efforts.

IN REMEMBRANCE OF APHIS EMPLOYEES

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 60 minutes as the designee of the minority leader.

Mr. DE LA GARZA. Mr. Speaker, we stand here today in memory of the seven employees of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, those that were tragically murdered in the bomb blast at the A.P. Murrah Federal Building in Oklahoma City on April 19, 1995. The explosion murdered scores of innocent children and adults, injured hundreds, shattered innumerable lives, and shook the soul of the Nation. We remember them all.

But today we mention the 15 employees stationed in the building at the time of the explosion. By stroke of providence, five of the employees were not in the building at the time. Three of the employees left the building alive. The remaining seven were killed in the explosion.

Mr. Speaker, I personally feel some kinship with these APHIS employees. My father in his late years worked for APHIS. He was a proud, dedicated, loyal employee, as were these who worked in that building and the seven that we lost.

Today the Department of Agriculture held a day of remembrance to honor the victims and survivors, continuing the tradition of planting trees to honor those we have lost. These employees were dedicated workers who have left a legacy of service to all citizens. They have one thing in common: They died serving their country.

As APHIS employees, these men and women were on the front lines working in the heartland of America to improve agriculture productivity and to protect our public health. These employees were beloved by families and friends and cannot be replaced. I know all of us here today and people throughout the country and the world embrace their families and friends in their sorrow and join me in paying tribute to them.

I hope that somehow the American people might learn and grow closer from this tragic incident. What we must learn is that the agenda of a small minority of anti-government terrorists is based on extremism and hatred and has no place in America. We must also learn respect for our Federal workers who are trying hard every day to make this government work.

On April 22, the Washington Post printed an editorial entitled "Federal Employees." I will include that for the RECORD, Mr. Speaker.

FEDERAL EMPLOYEES

Some of them are still buried in the rubble. Some are hospitalized, perhaps broken in body, if not in spirit, for the rest of their lives. Others will be memorialized by the nation tomorrow. They are part of the group of an estimated 550 women and men who earned their living in that federal building in Oklahoma City. They are federal workers.

The next time you are tempted to go off on the federal work force, as if those employed inside federal office buildings constitute nothing more than a financial threat to the Republic, think of that gutted facility in Oklahoma City. But don't stop there.

Suspects in this country's worst bombing in 70 years are now in custody. Credit a swiftly launched, massive round-the-clock investigation conducted by thousands of law-enforcement agents and officers around the country—yet more federal government workers of that nameless, faceless, much-denounced variety. When you are tempted to indulge in easy, all-purpose, indiscriminate rhetoric about slow, cumbersome and complacent federal bureaucrats caught up in an entitlement mentality, think of the men and women in law-enforcement agencies such as the FBI, Alcohol, Tobacco and Firearms and Secret Service who dropped everything to be part of the manhunt. They, too, like their colleagues who were at work in the devastated Oklahoma City building, are federal workers.

The Oklahoma City bombing, as tragic as it is, is not the first time federal employees have found themselves putting so much on the line by mere reason of their association with the U.S. government. Far away from the national spotlight, in places as remote as Khartoum and Karachi, federal workers on the front lines have paid the ultimate sacrifice in service of their country. Women and men on the federal payroll in those locations bear the title of Foreign Service officer, or AID worker, or U.S. Embassy staff. But they pursue the same basic mission that employees of the Department of Housing and Urban Development, Social Security, the Food and Drug and the General Services administrations and other federal agencies in Oklahoma City are also about: They are trying to make their government work. And most work long and hard to make that happen.

So the next time you feel yourself about to deliver categorical thoughts about federal workers not having to work for a bottom line and getting caught up in process rather than results and all the other easy words of generalized contempt that serve to undermine respect for the work these famously "faceless" workers actually perform, consider the possibility that they are good people who not only work hard but also are committed to the work they perform in our behalf. That is why so many of them were where they were when evil visited them Wednesday morning in Oklahoma City. It's worth remembering.

Mr. Speaker, what brought us closer was that these are good people, who not only work hard, but also are committed to the work they perform in our behalf. That is why so many of them worked where they work when evil visited them that Wednesday morning in Oklahoma City.

It is worth remembering. I hope in tribute to them, all of us, the Nation, have respect, the proper admiration for those. I know it is very easy to say bureaucrat or say Federal employee sometimes in a negative, derogatory way. But, Mr. Speaker, these seven died serving their country and serving us.

I yield to my distinguished colleague from Oklahoma who represents that district.

Mr. LUCAS. Mr. Speaker, on Wednesday morning, April 19, at 2 minutes after 9 o'clock, America's heartland lost its innocence. The bombing of the Alfred P. Murrah Building in downtown Oklahoma City was a cowardly act of tragic proportions, with no justification. I, like you and the Nation as a whole, will never forget the scene or the devastation, the death, the suffering, and, most of all, the innocence of the victims.

I cannot begin to express the heartbreak and sense of helplessness one feels when faced with such a gruesome scene. As each day has passed since this crime, the spirit, courage, resourcefulness that exemplifies our great Nation has been displayed. Our outrage, while still in mind, has been superseded by charity, kindness, prayer and healing.

This evening, I join with heavy heart the distinguished chairman of the Committee on Agriculture, Mr. ROBERTS, and the equally distinguished ranking member of the committee, Mr. DE LA GARZA, to memorialize the employees of the Animal and Plant Health Inspection Service who lost their lives in this bombing. While the building resided in my district, a number of these good folks were my constituents.

With that, I would like to thank my colleagues for organizing this special order this evening.

Mr. DE LA GARZA. Mr. Speaker, I yield to my distinguished colleague, the chairman of the Committee on Agriculture, Mr. ROBERTS.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise today to, as has been said, honor the memory of the men and women and children who lost their lives in the Oklahoma City bombing. Among killed, as has been said, were the seven employees of the Department of Agriculture agency called the Animal and Plant Health Inspection Service. It is commonly known by its acronym as APHIS. As chairman of the House Committee on Agriculture, along with the committee's distinguished ranking member, Mr. DE LA GARZA and the gentleman from Oklahoma, Mr. LUCAS, and other members of the committee and Members of the Oklahoma delegation, we gather here this evening to pay a special tribute to these seven employees and the families and friends that they leave behind.

Mr. Speaker, the decision to take this special order came from many members of the House Committee on Agriculture who wanted to pay their respects. As chairman of the committee, I wish to pay, however, a special tribute to a long-time employee of the Department of Agriculture, Mr. Carl Barnes, who was the Personnel Director for the department under Secretary of Agriculture Mr. Orville Freeman. Mr. Barnes served under several Presidents and continues to be an example and champion of public service. He also just happens to be a good neighbor and brought to my attention the article by Steve Twomey in the Washington Post entitled "They walk, they talk, and they bleed." Mr. Twomey wrote his column following the tragedy in Oklahoma City, and I think it is fitting and appropriate that this article be brought to the attention of our colleagues and to everyone concerned, as it has been all too easy when people are unhappy with the way that our government works, or does not work, that we point a finger of blame at the hard working men and women who makeup our Federal work force.

Excerpts from his article include, "To get there, you march down a long, gloomy, marble corridor, devoid of human touches. Doors slip by at an exact spacing and interval. Nothing distinguishes one office from the next, except small signs identifying the occupants and their titles. Yes, this fits. Cold is how the bureaucracy is supposed to look. It is tempting to imagine Federal gnomes in here dreaming up costly regulations, wasting forms in triplicate, and funding cost-plus contracts with your money, because that is what you imagine the Federal workers do. Your escort, and yes, while security is tight, walks you to room 312–E, which is to say the third floor east of the administration building, the United States Department of Agriculture. It is an older but attractive building along the Mall that exudes government formality right down to the flower beds on Jefferson Drive.

What a sign hanging outside 312E: Administrator, Animal and Plant Health Inspection Service. You think it even sounds make-work. "60 Minutes" would love this office, which, naturally, has a government acronym, APHIS, pronounced A-fus.

You enter, and from an inner room emerges not a bureaucrat, not a GS-level, not an anonymous cog in the federal machine, but a human, who has a name and, at the moment, feelings so overwhelming you hesitate to ask about them.

Lonnie King, in dark suit and white shirt, a man of average build with graying hair but a youthful and pleasant face, has served APHIS for 17 of his 51 years, rising to acting administrator.

"Here's a ribbon," he says, "from Oklahoma City."

He tosses a purple one on the table in front of you. He carried it home Sunday, after the memorial service. Does the public know what APHIS does? What the seven did?

"No," King says. "No."

The 6,500 people who work for him can be found in every state and even overseas. The federal budget says they "protect the animal and plant resources of the nation from destructive pests and diseases." They help farmers, monitor imports, do research. What that means for you is better, more abundant and cheaper food on the table, be it at home or in a restaurant. Before that Wednesday, King certainly knew that the reputation of The Federal Employee wasn't what it used to be.

"We're not immune to the press and the TV," he says. Comedians, journalists and talk-show hosts have made mincemeat of the type, calling them wasteful, incompetent, dangerous. King took the contempt personally, because it clashed with his view, which was that he was surrounded by people who cared, who showed up every day, not for the paycheck, not to waste, but to serve.

"Who thinks of us in those terms?" he says, "Is it that bad, that we're so hated? Could it happen here? Am I safe?"

In a way, the bombing also was an attack on this region, the capital region, on the 360,004 civilians here who do Uncle Sam's tasks. We often forget that they got those tasks from us, through Congress. It is we who have told them to provide clean air and water, stop the flow of drugs, help farmers, process Social Security checks, promote trade, protect workers and much more.

Do they perform flawlessly? Of course not. Who does?

The irony of the bombing, King says, is that the perpetrator benefited every day from what APHIS does, every time he ate. "He was probably degrading the government with his mouth full," King says, "and dumb enough not to understand."

Yes, Linnie King is angry.

"I'm not blaming anybody," King says, "but I hope people will stop and think and ask themselves about what's being said."

He leaves you with this.

Monday morning, with seven of their colleagues still buried in the rubble, two of three APHIS workers who survived went back to work in temporary offices.

Mr. Speaker, today special ceremonies were held by the Department in behalf of the service deceased employees. In keeping with these ceremonies, it is our privilege to honor each individual with a brief tribute.

Olen Bloomer is survived by his adult daughters, Maureen Bloomer and Lucretia Bjorklund; his son, Lee Switzer; four grandchildren, Amelia, Heather, Jeff, and Sara; and one great granddaughter, Dillon Ann. His memory will be cherished by seven siblings—Ester Willis, Elwanda McComas, Merle Easter, Erdene Jones, Doyle Blommer, Dean Bloomer, and Dennis Blommer. He was preceded in death by his wife of 26 years, Norma Jean, who passed away in 1990.

Olen was born in Elk City, Oklahoma, in 1933, and spent his youth working on his father's cotton farm near the Beckham-Washita county line. A few years after graduating from Highway High School, Olen joined the U.S. Air Force, where he served in a number of locations, including Thailand. His work in the Air Force focused on purchasing and inventory management. He retired in 1974 after 20 years of service.

Olen went back to work for the Federal government in 1977, this time for APHIS. Olen began this second career at the screwworm rearing lab in Mission, Texas. He was subsequently reassigned to Salt Lake City, Utah, where he worked for 5 years as an administrative assistant. He was serving as the budget assistant for Oklahoma at the time of his death.

Olen labored to keep the agency's budget trim and in order and was admired by the staff he supported for his ability to stay cool under pressure and cut through the bureaucratic red tape when emergencies struck. He was always willing to help and volunteered ably at troubleshooting computer problems. His grandchildren called him "Big Dad," not only out of deference to his 6-foot, 6-inch stature, but to distinguish him from their fathers. He was a true gentle giant and will be sorely missed by many.

Mr. DE LA GARZA. Mr. Speaker, I yield to my distinguished colleague the gentleman from Oklahoma.

Mr. LUCAS. Jim Boles is survived by his loving wife of 12 years, Jennifer, his 8-year-old son, James Michael, and adult son, Stephen, and his family in Mississippi.

Jim was born in Quitman, Mississippi. He attended Lake High School in Lake, MS and graduated in 1964. He entered the U.S. Army in 1964 and served as the noncommissioned officer-in-charge of the 793rd military police battalion, a small M.P. detachment, in Bayreuth, West Germany. Upon leaving the U.S. Army in 1968, Jim managed an oil station and served as accounting clerk for State Beverage Company, both in Jackson, MS.

In 1970, Jim joined APHIS where he worked for the next 25 years. During his tenure with APHIS, he made many friends throughout the Department and lived in Mississippi, Florida, Maryland, and finally, Oklahoma. Jim met his wife Jennifer through APHIS.

As administrative officer for APHIS' Veterinary Services office in Oklahoma City, Jim helped develop new and better ways of conducting the various administrative functions Government agencies must carry out. His progressive ideas paved the way for innovative resource—and responsibility—sharing with sister branches that saved the Government both time and money.

Above and beyond his on-the-job duties, he will be remembered for encouraging, guiding and helping develop his coworkers' career goals. But his foremost concern was the well-being of his colleagues as people. He was careful to recognize fellow employees for their accomplishments and service to the community and agency. We all will miss his smile, sense of humor, and dedication.

Mr. DE LA GARZA. Mr. Speaker, Margaret Louis Clark was known by her many friends and colleagues as Peggy. She is survived by her loving husband, David Spencer, three daughters, Rosslyn 16, Margaret Blayne 13, and Chelsea 6, her mother Mary Spurlin, and sister, Susan Winchester. Peggy was 42.

A native of Chichasha, OK, Peggy attended Star Spencer High School in Oklahoma City. Her academic achievements were all made at Oklahoma State University, where she earned a bachelor of science degree in agriculture in 1976, and a doctorate of veterinary medicine degree in 1978. After completing her studies, Peggy began veterinary private practice placing special emphasis on the equine industry.

In 1981, Peggy worked for the Oklahoma Department of Agriculture as a staff veterinarian and coordinated Federal/State disease control programs. In 1985, she moved over to the State of Oklahoma's Horse Racing Commission. As the official veterinarian, she performed pre- and post-race examinations. Peggy joined APHIS in 1994 as part of a Federal training program called the Public Veterinary Practice Career Program. Her assignment to the Oklahoma City office as a Veterinary medical officer was part of that developmental training.

Outside of the office, Peggy was very involved in the lives of her children and was active in horse shows, livestock shows, and soccer. She was an active and popular member of the Oklahoma Veterinary Medical Association, and helped run her family's horse breeding operation. Peggy was appointed by the Governor to serve a 6-year term on the Oklahoma State Board of Veterinary Medical Examiners, where she served as secretary. Although she was the newest member of the Veterinary Service staff in Oklahoma City, Peggy's outgoing personality, willingness to help, and professional competence made her a most welcome addition.

Mr. Speaker, I yield to the distinguished chairman of the committee.

Mr. ROBERTS. Richard Leroy Cummins' memory will be cherished by a large and loving family, including his wife of 30 years, Frances; his daughters, Courtney and Nikki; his son, Kraig; grandsons Chayse and Austin; his mother, Christine; his two brothers, Wall, of Tucson, AZ, and Frank of Ruidosa, NM; and many friends and coworkers.

Dick was born in Douglas, AZ, in 1940. He spent his youth in and around Douglas and graduated from Douglas High School in 1957. He then attended Arizona State University in Tempe, AZ, where he pursued studies in business administration.

Dick's notable career as a public servant began with the U.S. Air Force in 1959, where he worked in aircraft maintenance in Colorado and Oklahoma for 4 years. Upon leaving the Air Force, he worked for the Southern Pacific Railroad for 2 years.

In 1965, Dick joined the U.S. Department of Agriculture, where his professional contributions were welcomed for 30 years. He first worked with the Agricultural Research Service on the screwworm eradication program in Douglas, AZ. In 1980, he moved to Henryetta, OK, and become Animal Health Technician. A short time later he moved to Durant, OK, where he served in the same capacity. Dick was promoted to investigator in 1987 and reassigned to Oklahoma City to work with the Regulatory Enforcement and Animal Care staff. In this position, Dick was responsible for ensuring that animal breeders, dealers, and exhibitors comply with the standards of humane care and treatment prescribed in the Animal Welfare Act. Dick moved again to Mustang, OK, where he continued to work as an investigator working out of his home. He was a senior investigator at the time of his death.

Dick received well-deserved recognition in 1990 for his work on the Midwest Stolen Dog Task Force. His diligence helped curb the theft of pets for sale to research institutions. Dick was a devoted family man, animal lover and advocated humane treatment of all living things.

Mr. DE LA GARZA. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. LUCAS].

Mr. LUCAS. Known by her many admiring friends and relatives as Adele, Doris Adele Higgenbottom is survived by her loving husband, David; his children, Kelly and Van; her mother, Melanie; and the Maddox family. She was 44.

Adele was born in Pecos, TX, and graduated from Pecos High School in 1968. Several years later, Adele resumed her studies at the University of Oklahoma in Norman, OK, where she earned a bachelor of arts degree in English in 1982.

Adele began her Federal career with APHIS as a clerk/typist in Oklahoma City in 1978. A few years later, she transferred to the Federal Aviation Administration where she served as a purchasing agent. In 1980, she resigned from the FAA and went to San Antonio, TX, to spend a few months with her family. While there, she worked as an advertising salesperson for the San Antonio Express and News. She rejoined APHIS in Oklahoma City in late 1980 as she mastered the often complicating purchasing regulations.

Adele was popular in the Oklahoma City office, as much for her positive outlook as her animated personality. Adele served as manager of the Federal Women's Program and was an ardent supporter of equality and women's rights. Adele and her husband, David, met in 1989 through David's work with the State Department of Agriculture.

Adele was heard to say she was happy to be married to someone with whom she could share so much of her professional life and who cared about the same people and issues she did. David and Adele considered themselves a happy and compatible team whose personalities and interests complemented each other well.

Mr. DE LA GARZA. Carole Sue Khalil is survived by her daughter, Heather, and many loving relatives and friends. She was 50.

Carole was born in Shattuck, OK, and attended Laverne High School in Laverne, OK. She graduated in 1962. Following graduation, she attended the Draughons School of Business in Oklahoma City for 1 year where she completed an executive secretarial course. Already she had big plans to serve her country and the civic good as a public servant.

Carole began a lifelong commitment to the U.S. Government in 1964 when she took the first of several temporary positions in the clerical field with the Internal Revenue Service in Oklahoma City. Her career with the U.S. Department of Agriculture began with the Agriculture Research Service's Animal Health Division in 1967. In this position, which was based in Oklahoma City, Carole provided clerical support to a variety of animal disease eradication programs.

Carole was promoted to export document examiner in 1992. In this position, she provided critical review of documents used to clarify the health of all animals exported from Oklahoma to other countries. Her eye for detail and ability to catch even minute errors were among the reasons she was a valuable contributor to the staff.

Carole also took care of many routine personnel functions, such as time and attendance reports, training nominations, personnel reports and benefit actions. She was an able and dedicated employee whose contributions were appreciated by everyone with whom she worked.

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I yield to my chairman, the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, Rheta Long is survived by a large and loving family, including her daughter, Valerie Tramel; son, John; sisters, Wilda York and Leona Thompson; and grandsons, Kenneth and Christopher Tramel, and Nicholas Long. Rheta was preceded in death by her husband of 11 years, Thomas; her brothers Earl and Andrew Dean Bender; father, Andrew Bender; and grandson, John Thomas. Rheta was 60.

Rheta was born in Guymon, OK. She attended Guymon High School and graduated in 1952. Afterwards, she attended Panhandle State College and Phillips University to study education. She earned a bachelor of science degree in education in 1955.

Rheta was married in the summer of 1955 and dedicated herself to her family and church. She was an active volunteer with the Boy Scouts and Girl Scouts of America. In 1968, Rheta began teaching mathematics in Guymon and found the experience rewarding. She said it was a pleasure to show children that school and learning could be fun.

Rheta began her 20-year Federal career in 1974 as a military personnel clerk with the U.S. Army. In 1978, Rheta transferred to the U.S. Fish and Wildlife Service in Guymon, OK, to take a clerical position. Rheta came to APHIS in Oklahoma City in October 1982, where she served as a program clerk. She handled workers' compensation claims, and was the final authority on payment eligibility for indemnity claims. She was very active in the Federal Employees Women's Group and Equal Employment Opportunities Committees. Rheta had a vision disability and she served as the Persons with Disabilities Special Emphasis Program Manager as a means of helping educate people about the challenges of working with a physical handicap.

Rheta was active with the Christian Women's Foundation and looked forward to the Jewel Box Theater's seasonal plays. A devoted grandmother, Rheta was very proud of her grandchildren and kept snapshots of them at her desk. Her dedication, cheerful attitude, and many contributions to the effectiveness of the office helped many of her coworkers in their time of need. She will be greatly missed by all.

Mr. Speaker, the members of the Committee on Agriculture, the chair of the Committee on Agriculture, the distinguished chairman emeritus of the Committee on Agriculture, and the gentleman from Oklahoma, [Mr. LUCAS], share in the sense of personal loss and share in the sense of personal pride regarding the contribution of these employees. Perhaps an appropriate closing is this from Helen Steiner Rice.

When I must leave you for a little while,
Please go on bravely with a gallant smile
And for my sake and in my name,
Live on and do all things the same—
Spend not your life in empty days,
But fill each waking hour in useful ways—
Reach out your hand in comfort and cheer,
And I in turn will comfort you and hold you near.

Mr. Speaker, I thank the distinguished gentleman from Texas for taking this special time.

Mr. DE LA GARZA. I thank my distinguished colleague.

Mr. Speaker, if I might add a personal note, we notice that Mr. Bloomer served at the screwworm eradication plant in Mission, TX, the years when my father worked there, so I feel certain that they knew each other in those days and they have already found each other up there and they are talking about the good old days at the plant in Mission.

Mr. Speaker, I thank my two colleagues. The seven that we lost not only belonged to APHIS, to USDA, they belonged to our Nation and they belong now to all of us. May they rest in peace.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore (Mr. NETHERCUTT). Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HANSEN (at the request of Mr. ARMEY), for today and the balance of the week, on account of official business relating to base closings.

Mr. MCNULTY (at the request of Mr. GEPHARDT), for today after 2 p.m., on account of personal business.

Mr. KLECZKA (at the request of Mr. GEPHARDT), for the week of May 22, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. LOFGREN) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. DOGGETT, for 5 minutes, today.

Mr. GENE GREEN of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. EHRLICH) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, today and on May 25.

Mr. EHLERS, for 5 minutes, today and on May 25.

Mr. BRYANT of Tennessee, for 5 minutes, today.

Mr. BILBRAY, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. LOFGREN) and to include extraneous matter:)

Mr. FOGLIETTA.
Mr. STARK.
Mr. STOKES.
Mr. VISCLOSKY.
Mr. SCHUMER.
Mr. MENENDEZ.
Mr. MORAN.
Mr. BARRETT of Wisconsin.
Mr. MINETA.
Mr. HOYER in two instances.
Mr. RICHARDSON in four instances.
Mr. FORD.
Mr. ENGEL.
Mrs. KENNELLY.
Mr. CLAY.
Mr. RUSH.
Mr. TUCKER.
Mr. BONIOR in two instances.

(The following Members (at the request of Mr. EHRLICH) and to include extraneous matter:)

Mr. DAVIS.
Mr. RIGGS.
Mr. PACKARD.
Mr. FORBES in two instances.
Mr. SMITH of Washington.
Mrs. ROUKEMA.
Mr. LEWIS of California.
Mr. LIGHTFOOT.
Mr. TAYLOR of North Carolina.
Mr. SOLOMON.
Mr. CHAMBLISS.
Mr. TALENT.
Mr. SHADEGG.
Mr. MCCOLLUM.

(The following Members (at the request of Mr. DE LA GARZA) and to include extraneous matter:)

Mr. GILMAN.

Mr. SHAW.
Mr. WELLER.
Mr. BARCIA.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1421. An Act to provide that references in the statutes of the United States to any committee or officer of the House of Representatives the name or jurisdiction of which was changed as part of the reorganization of the House of Representatives at the beginning of the One Hundred Fourth Congress shall be treated as referring to the currently applicable committee or officer of the House of Representatives.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1421. An act to provide that references in the statutes of the United States to any committee or officer of the House of Representatives the name or jurisdiction of which was changed as part of the reorganization of the House of Representatives at the beginning of the One Hundred Fourth Congress shall be treated as referring to the currently applicable committee or officer of the House of Representatives.

ADJOURNMENT

Mr. DE LA GARZA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 51 minutes p.m.), the House adjourned until Thursday, May 25, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

909. A letter from the Under Secretary, Department of Defense, transmitting the defense environmental quality program annual report to Congress for fiscal year 1994, pursuant to 10 U.S.C. 2706(b)(1); to the Committee on National Security.

910. A communication the President of the United States, transmitting his follow-up report on the deployment of United States combat-equipped aircraft to support NATO's enforcement of the no-fly zone in Bosnia and Herzegovina (H. Doc. No. 104–79); to the Committee on International Relations and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEVIN (for himself and Mr. HOUGHTON):

H.R. 1690. A bill to amend the Internal Revenue Code of 1986 to simplify certain rules relating to the taxation of U.S. business operating abroad, and for other purposes; to the Committee on Ways and Means.

By Mr. LAZIO of New York:

H.R. 1691. A bill to provide for innovative approaches for homeownership opportunity and provide for the temporary extension of the rural rental housing program, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. CLINGER:

H.R. 1692. A bill to amend the Federal Election Campaign Act of 1971 to increase the limitation amount applicable to contributions to candidates in Federal elections by individuals and to decrease the limitation amount applicable to contributions to such candidates by nonparty multicandidate political committees; to the Committee on House Oversight.

H.R. 1693. A bill to amend the Federal Election Campaign Act of 1971 to prohibit congressional leadership committees; to the Committee on House Oversight.

H.R. 1694. A bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary limitation on contributions from other than individual district residents in House of Representatives elections; to the Committee on House Oversight.

H.R. 1695. A bill to amend the Internal Revenue Code of 1986 to provide for an income tax credit for in-State contributions to congressional candidates; to the Committee on Ways and Means.

By Mr. COOLEY:

H.R. 1696. A bill to authorize the Administrator of the Environmental Protection Agency to exempt certain small landfills from the ground water monitoring requirements contained in landfill regulations promulgated by the Agency; to the Committee on Commerce.

H.R. 1697. A bill to provide for the continuation of certain commercial activities at the Red's Horse Ranch area of the Eagle Cap Wilderness, Wallowa and Whitman National Forests, OR; to the Committee on Resources.

By Mr. LIGHTFOOT (for himself, Mr. HOYER, Mr. CLINGER, Mr. VISCLOSKY, and Mr. HORN):

H.R. 1698. A bill to amend title 31, United States Code, to require electronic funds transfer for all Federal payments by 2001 to promote efficiency and economy in the disbursement of Federal funds and to eliminate crime incident to the issuance of Treasury checks; to the Committee on Government Reform and Oversight.

By Mr. McCOLLUM:

H.R. 1699. A bill to amend the Community Reinvestment Act of 1977, the Equal Credit Opportunity Act, and the Fair Housing Act to improve the administration of such acts, to prohibit redlining in connection with the provision of credit, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NADLER (for himself, Ms. MCKINNEY, Mrs. MALONEY, Ms. VELÁZQUEZ, Mr. FRANK of Massachusetts, Mr. SERRANO, Ms. WOOLSEY, Mr. FATTAH, Mr. TORRES, Mr. DELLUMS, Mr. MEEHAN, Mr. COYNE, and Mr. SABO):

H.R. 1700. A bill to make an exception to the United States embargo on trade with Cuba for the export of medicines or medical supplies, instruments, or equipment, and for other purposes; to the Committee on International Relations.

By Mr. ROEMER (for himself, Mr. ZIMMER, Mr. BARRETT of Wisconsin, Mr. SHAYS, Mr. KLECZKA, Mrs. ROUKEMA, Mr. YATES, Mr. INGLIS of South Carolina, Mr. JACOBS, Mr. UPTON, Mr. FRANK of Massachusetts, Mrs. MALONEY, Mr. MEEHAN, Mr. OBERSTAR, Mr. SCHUMER, Ms. DANNER, Mr. WYDEN, and Mr. DEFAZIO):

H.R. 1701. A bill to cancel the space station project; to the Committee on Science.

By Mr. SERRANO:

H.R. 1702. A bill to protect the constitutional right to travel to foreign countries; to the Committee on International Relations.

H.R. 1703. A bill to allow for news bureau exchanges between the United States and Cuba; to the Committee on International Relations.

H.R. 1704. A bill to reinstate the authorization of cash remittances to family members in Cuba under the Cuban Assets Control Regulations; to the Committee on International Relations.

By Mrs. SMITH of Washington (for herself and Mr. TATE):

H.R. 1705. A bill to amend the Stewart B. McKinney Homeless Assistance Act to require public notice and local hearings before property is made available under that act for use to assist the homeless, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. SOLOMON:

H.R. 1706. A bill to amend the Public Health Service Act to establish Federal standards to ensure quality assurance of drug testing programs for private employers, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK (for himself, Mr. WAXMAN, Mr. ACKERMAN, Mr. COYNE, Mr. DELLUMS, Mr. FOGLIETTA, Mr. GONZALEZ, Mr. KENNEDY of Rhode Island, Mr. MCDERMOTT, Mr. OLVER, Mr. PALLONE, Ms. PELOSI, Mr. RANGEL, and Ms. WOOLSEY):

H.R. 1707. A bill to amend title XVIII of the Social Security Act to ensure access to services and prevent fraud and abuse for enrollees of health maintenance organizations under the Medicare Program, to amend standards for Medicare supplemental policies, to modify the Medicare Select Program, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WELLER (for himself, Mr. METCALF, Mr. BARR, Mr. FOX, Mr. STOCKMAN, Mr. EHRLICH, Mr. CHRYSLER, Mr. NEY, Mr. HEINEMAN, Mr. BONO, Mr. HAYWORTH, Mr. LOBIONDO, Mrs. KELLY, Mr. TATE, Mr. DAVIS, Mr. GRAHAM, Mr. FOLEY, Mr. FORBES, Mr. SALMON, Mr. ENGLISH of Pennsylvania, Mr. FRISA, Mr. BURR, Mr. WAMP, and Mr. BRYANT of Tennessee):

H.R. 1708. A bill to establish the Federal Mortgage Insurance Corporation as a wholly owned Government corporation to provide full mortgage insurance and provide for the development of credit enhancement products for mortgages for single family homes of low- and moderate-income homebuyers, and for other purposes; to the Committee on Banking and Financial Services.

By Ms. DANNER:

H.J. Res. 92. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office for Representatives and Senators in Congress; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. Hinchey.

H.R. 103: Mr. Engel and Mrs. Morella.

H.R. 104: Mr. Souder.

H.R. 109: Mr. Peterson of Minnesota and Mr. Pombo.

H.R. 127: Mr. Kildee, Mr. Stupak, Mr. Gonzales, Mr. Barcia of Michigan, Mr. Durbin, and Mr. Sabo.

H.R. 303: Mr. Callahan.

H.R. 390: Mr. Laughlin.

H.R. 467: Mr. Evans and Mr. Solomon.

H.R. 468: Mr. Peterson of Florida, Mr. Hefner, and Mr. Riggs.

H.R. 488: Mr. Luther.

H.R. 500: Mr. McCrery.

H.R. 540: Mr. Barton of Texas, Mr. Nadler, Mr. Torres, and Mr. Bonior.

H.R. 625: Mr. Young of Florida and Ms. Lofgren.

H.R. 733: Mr. Barr and Mr. Frank of Massachusetts.

H.R. 734: Mr. Frank of Massachusetts.

H.R. 747: Mr. English of Pennsylvania and Mr. Neal of Massachusetts.

H.R. 755: Mr. Brown of Ohio.

H.R. 784: Mr. Shadegg, Mr. Sam Johnson of Texas and Mr. Bono.

H.R. 789: Mr. Hastert.

H.R. 801: Mr. Doyle, Mr. Rush, Mr. Fox, and Mr. Solomon.

H.R. 863: Mr. Rose.

H.R. 868: Mr. Canady.

H.R. 873: Mr. Bateman and Mr. Riggs.

H.R. 1023: Mr. Sabo, Mr. Filner, and Mr. Gekas.

H.R. 1037: Mr. Payne of Virginia.

H.R. 1044: Mr. Solomon.

H.R. 1090: Ms. Rivers and Mr. Pastor.

H.R. 1143: Mr. Riggs.

H.R. 1144: Mr. Riggs.

H.R. 1145: Mr. Riggs.

H.R. 1210: Mr. Costello.

H.R. 1222: Mr. Goss, Mr. Olver, Mr. Canady, Mr. Skaggs, and Mr. LoBiondo.

H.R. 1233: Mr. Scott, Mr. Borski, Mrs. Lowey, and Mr. Filner.

H.R. 1235: Mr. Luther.

H.R. 1242: Mr. Burton of Indiana, Mr. Montgomery, Mr. Lewis of Kentucky, and Mr. Buyer.

H.R. 1264: Mr. Thompson, Mr. Hinchey, and Mr. Gutierrez.

H.R. 1297: Mr. Thompson.

H.R. 1298: Mr. Brown of California.

H.R. 1302: Mr. Borski.

H.R. 1352: Mr. Bliley, Mr. Peterson of Florida, Mr. Bereuter, Mr. Fazio of California, and Mr. Spratt.

H.R. 1402: Mr. Hinchey and Ms. Woolsey.

H.R. 1431: Mr. Baker of Louisiana.

H.R. 1442: Mr. Condit and Mr. Payne of Virginia.

H.R. 1450: Mr. Luther and Mr. Sabo.

H.R. 1487: Mr. Bachus and Mr. Hayworth.

H.R. 1490: Mr. Evans, Mr. Underwood, and Ms. Lofgren.

H.R. 1491: Mr. Orton.

H.R. 1493: Mr. Packard, Mr. Jacobs, Mr. Ackerman, Mr. Hastings of Florida, Mr. Thompson, and Mr. Payne of New Jersey.

H.R. 1500: Mrs. Kelly, Mr. Stokes, Ms. Velázquez, and Mr. Yates.

H.R. 1510: Mr. Luther.

H.R. 1532: Mr. Gene Green of Texas and Mr. Frost.

H.R. 1533: Mrs. Kelly and Mr. Baker of Louisiana.

H.R. 1552: Mr. McCollum, Mr. Crane, Ms. McCarthy, Mr. Jones, Mr. Weller, Mr. Wolf, Ms. Lofgren, Mr. Pomeroy, Mr. Talent, Mr. Rahall, Mr. Wise, Mr. Brown of California, Mr. Barrett of Wisconsin, Mr. Barrett of Nebraska, Mr. Foley, Mr. Latham, Mr. McKeon, Mr. Klug, Mr. Roemer, Mr. Clyburn, Mr. Leach, Mr. Montgomery, Mr. Pete Geren of Texas, and Mr. Gene Green of Texas.

H.R. 1583: Mr. Hastings of Florida.

H.R. 1588: Mr. Hostettler.

H.R. 1594: Mr. Inglis of South Carolina and Mr. Hefley.

H.R. 1595: Mr. Hayworth, Mr. Deutsch, Mr. Chabot, Mr. Bunn of Oregon, Ms. Pryce, Mr. Fox, Mr. Clyburn, Mr. Hostettler, Mr. LaTourette, Mr. LaHood, Mr. Andrews, and Mr. Coble.

H.R. 1611: Mr. Ney.

H.R. 1662: Mr. Rangel, Mr. Hastings of Florida, Mr. Young of Alaska, Mr. Kennedy of Rhode Island, Mr. Baker of Louisiana, and Mr. Mollohan.

H. Con. Res. 42: Mr. Moran and Mr. Doolittle.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1561

Offered By: Mr. Andrews

Amendment No. 79: Add the following at the end of Division A:

TITLE VI—OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 601. ABOLITION OF OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) Abolition.—The Overseas Private Investment Corporation is abolished, effective October 1, 1995.

(b) Administration of Existing Obligations.—The Secretary of State shall carry out the functions performed on September 30, 1995, by the Overseas Private Investment Corporation only for purposes of administering insurance, reinsurance, financing, and other contracts or agreements issued or entered into by the Corporation that are effective on October 1, 1995. Such functions shall terminate when all such insurance, reinsurance, financing, and other contracts or agreements expire.

(c) Termination of Provisions.—Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 and following) shall cease to be effective on October 1, 1995, except that such title shall continue in effect with respect to the functions performed by the Secretary of State under subsection (b).

(d) Termination of Affairs.—The Director of the Office of Management and Budget shall take the necessary steps to terminate the affairs of the Overseas Private Investment Corporation.

H.R. 1561

Offered By: Mr. Bilbray

Amendment No. 80: Page 100, line 10, strike "$12,472,000" and insert "$21,958,000".

At the end of the bill, add the following:

DIVISION D—ADDITIONAL PROVISIONS

TITLE XLI—FOREIGN BUILDINGS

SEC. 4001. AUTHORIZATION OF APPROPRIATIONS.

Notwithstanding section 2101(a)(4), there are authorized to be appropriated for "Acquisition and Maintenance of Buildings Abroad", $367,274,000 for the fiscal year 1997.

H.R. 1561

Offered By: Mr. Burton of Indiana

Amendment No. 81: In paragraph (1) of section 3309(b) (relating to the future of the United States military presence in Panama)—

(1) in the matter preceding subparagraph (A), strike "a new base rights" and insert "an"; and

(2) strike subparagraph (B) and insert the following new subparagraph:

(B) to ensure that the United States will be able to act after December 31, 1999, to maintain the security of the Panama Canal and guarantee its regular operation; and

H.R. 1561

Offered By: Mr. Burton

Amendment No. 82: In paragraph (1) of section 3309(b) (relating to the future of the United States military presence in Panama)—

(1) in the matter preceding subparagraph (A), strike "a new base rights" and insert "an"; and

(2) strike subparagraph (B) and insert the following new subparagraph:

(B) to ensure that the United States will be able to act after December 31, 1999, to maintain the security of the Panama Canal and guarantee its regular operation, consistent with the Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, and the resolutions of ratification thereto; and

H.R. 1561

Offered By: Mr. Chabot

Amendment No. 83: At the end of the bill, add the following:

DIVISION D—ADDITIONAL PROVISIONS

TITLE XLI—AUTHORIZATION OF APPROPRIATIONS

SEC. 4101. AUTHORIZATION OF APPROPRIATIONS.

(a) Foreign Military Financing Program.—Notwithstanding section 3101 of this Act, there are authorized to be appropriated for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section—

(1) $3,274,440,000 for fiscal year 1996; and

(2) $3,216,020,000 for fiscal year 1997.

(b) Economic Support Assistance.—Notwithstanding section 3201 of this Act, section 532(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2346a(a)) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,346,378,000 for fiscal year 1996 and $2,238,478,000 for fiscal year 1997.".

(c) Development Fund for Africa.—Notwithstanding paragraph (2) of section 3221(a) of this Act, there are authorized to be appropriated $649,214,000 for fiscal year 1996 and $634,214,000 for fiscal year 1997 to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.).

H.R. 1561

Offered By: Mr. Filner

Amendment No. 84: In section 2103(1)(A), strike "$12,472,000" and insert "$19,372,000".

In section 2103(4), strike "$13,202,000" and insert "$6,302,000".

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 85: Strike subsection 505(e) and insert the following:

"Section 505(e) Authority Subject to Express Appropriation. The authority to make voluntary separation incentive payments which is provided under this section shall be effective for any fiscal year only to the extent or in such amounts as provided in advance for that express purpose in appropriation Act."

H.R. 1561

Offered By: Mr. Gilman

Amendment No. 86: After section 510, insert the following new section:

SEC. 511. TRANSFER OF FUNCTION.

Any determination as to whether a transfer of function, carried out under this Act, constitutes a transfer of function for purposes of subchapter I of chapter 35 of title 5, United States Code, shall be made without regard to whether or not the function involved is identical to functions already being performed by the receiving agency.

H.R. 1561

Offered By: Mr. Hamilton

Amendment No. 87: On page 286 after line 19, amend the subsection "(e)" which would be added to section 222 of the Foreign Assistance Act of 1961, by adding at the end a new sentence as follows:

"The provisions of this subsection shall not apply to guaranties which have been issued for the benefit of the Republic of South Africa."

H.R. 1561

Offered By: Mr. Hamilton

Amendment No. 88: At the end of the bill add the following new chapter:

CHAPTER XXXVI—ADDITIONAL PROVISIONS

SEC. 3601. ADDITIONAL AUTHORIZATIONS.

(a) Notwithstanding any other provision of this Act, except for sections 2101(a)(3), 2101(a)(5), 2101(a)(6), 2102(e)(1), 2104(a), 2106(2), 2106(3)(B), 2106(3)(C), 2106(3)(D), 2106(3)(E), 2106(6), 2106(7), 3141, 3151, 3161, the following amounts are authorized to be appropriated for the specified programs and activities:

(1) $1,748,438,000 for each of the fiscal years 1996 and 1997 for "Diplomatic and Consular Programs" of the Department of State.

(2) $372,480,000 for each of the fiscal years 1996 and 1997 for "Salaries and Expenses" of the Department of State.

(3) $421,760,000 for each of the fiscal years 1996 and 1997 "Acquisition and Maintenance of Buildings Abroad".

(4) $24,250,000 for each of the fiscal years 1996 and 1997 for "Office of the Inspector General" of the Department of State.

(5) $15,465,000 for each of the fiscal years 1996 and 1997 for "Payment to the American Institute in Taiwan".

(6) $8,579,000 for each of the fiscal years 1996 and 1997 for "protection of Foreign Missions and Officials".

(7) $934,057,000 for each of the fiscal years 1996 and 1997 for "Contributions to International Organizations".

(8) $425,000,000 for each of the fiscal years 1996 and 1997 for "Voluntary Contributions to International Organizations".

(9) $533,304,000 for each of the fiscal years 1996 and 1997 for "Contributions for International Peacekeeping Activities".

(10) $100,000,000 for each of the fiscal years 1996 and 1997 for the Department of State to carry out section 551 of Public Law 87–195.

(11) $13,858,000 for each of the fiscal years 1996 and 1997 for "International Boundary and Water Commission, United States and Mexico; Salaries and Expenses".

(12) $10,393,000 for each of the fiscal years 1996 and 1997 for "International Boundary and Water Commission, United States and Mexico; Construction".

(13) $740,000 for each of the fiscal years 1996 and 1997 for "International Boundary and Water Commission, United States and Canada".

(14) $3,550,000 for each of the fiscal years 1996 and 1997 for "International Joint Commission".

(15) $14,669,000 for each of the fiscal years 1996 and 1997 for "International Fisheries Commissions".

(16) $15,000,000 for each of the fiscal years 1996 and 1997 for "Asia Foundation".

(17) $496,002,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(1) of this Act.

(18) $130,799,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(3)(A) of this Act.

(19) $119,536,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(3)(F) of this Act.

(20) $395,340,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(5) of this Act.

(21) $85,919,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(5) of this Act.

(22) $4,300,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(8) of this Act.

(23) $20,000,000 for each of the fiscal years 1996 and 1997 for the purposes of section 2106(9) of this Act.

(24) $76,300,000 for each of the fiscal years 1996 and 1997 to carry out the purposes of the Arms Control and Disarmament Act.

(25) $3,351,910,000 for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy costs, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section.

(26) $2,504,300,000 for each of the fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961.

(27) $1,300,000,000 for each of the fiscal years 1996 and 1997 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d).

(28) $802,000,000 for each of the fiscal years 1996 and 1997 to carry out programs under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.).

(29) $788,000,000 for each of the fiscal years 1996 and 1997 to carry out programs under chapter 11 of Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.).

(30) $480,000,000 for each of the fiscal years 1996 and 1997 for economic assistance for Eastern Europe and the Baltic states under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989.

(31) $31,760,000 for each of the fiscal years 1996 and 1997 to carry out section 401 of the Foreign Assistance Act of 1969 (22 U.S.C. 290f).

(32) $17,405,000 for each of the fiscal years 1996 and 1997 to carry out the African Development Foundation Act (22 U.S.C. 290h et seq.).

(33) $529,027,000 for each of the fiscal years 1996 and 1997 for necessary operating expenses of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 (other than the office of the inspector general of such agency).

(34) $39,118,000 for each of the fiscal years 1996 and 1997 for necessary operating expenses of the office of the inspector general of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.

(35) $50,000,000 for each of the fiscal years 1996 and 1997 for the provision of agricultural commodities under title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727 et seq.)."

(b) Nothing in this section shall be construed to affect sections 3103, 3104, 3202, and 3203 of this Act.

SEC. 3602. AGGREGATE AUTHORIZATION OF APPROPRIATIONS.

Notwithstanding any other provision of law, the aggregate authorization of appropriations provided for in this Act shall not exceed $16,505,843,000 for fiscal years 1996 and $15,395,362,000 for fiscal year 1997.

H.R. 1561

Offered By: Mr. Hoke

Amendment No. 89: Page 289, add the following after line 26 and redesignate the succeeding chapter accordingly:

CHAPTER 8—OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 3275. SUBSIDY COST OF OPIC PROGRAMS.

Section 235(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)) is amended by adding at the end the following:

"(C) The subsidy cost of the investment guaranties and direct loan programs under subsections (b) and (c) of section 234 may not exceed $79,000,000 for fiscal year 1996. The subsidy cost of such programs shall not be separately designated for the independent states of the former Soviet Union, or for any other particular country or group of countries, but shall be combined for all countries. The standards in effect on May 15, 1995, for determining for which projects the Corporation should provide guaranties and loans in countries other than the independent states of the former Soviet Union shall apply to projects in all countries. No net subsidy cost of the investment guaranties and direct loan programs may be incurred after September 30, 1998.".

SEC. 3276. STUDY ON PRIVATIZATION.

(a) Study and Report.—The Overseas Private Investment Corporation shall conduct a study on privatizing the activities of the Corporation and, not later than 180 days after the date of the enactment of this Act, submit to the Congress a report on the study.

(b) Contents of Report.—In the report submitted under subsection (a), the Overseas Private Investment Corporation shall set forth the necessary steps to transfer to the private sector all the evidences of ownership of the Corporation with respect to the activities of the Corporation, whether through the sale of the Corporation's stock, contracts, leases, or other agreements or rights, or otherwise. The process of privatization described in the preceding sentence shall be prudent and orderly, shall maximize the value to United States taxpayers, shall proceed as quickly as market conditions permit, through a limited transition period, and shall be completed by a date certain. The report shall outline a privatization plan which, at a minimum—

(1) specifies the date certain for completion of the privatization process that begins

not later than 1 year after the report is submitted;

(2) ensures that any transitional United States Government support before the completion of the privatization process involves no net cost to the United States Government;

(3) provides for the sale or other transfer of the existing portfolio and reserves of the Overseas Private Investment Corporation; and

(4) retains, during the transition period, the agreements entered into with foreign countries under section 237(a) of the Foreign Assistance Act of 1961.

SEC. 3277. REPEAL.

Effective on the date certain that is specified under section 3276(b)(1), title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is repealed, and any reference in any other law to the Overseas Private Investment Corporation shall cease to be effective.

H.R. 1561

OFFERED BY: MS. JACKSON-LEE

AMENDMENT NO. 90: on page 260, line 24, strike "$2,000,000" and insert in lieu thereof "$2,500,000".

H.R. 1561

OFFERED BY: MS. JACKSON-LEE

AMENDMENT NO. 91: on page 265, line 10, strike "$5,000,000" and insert in lieu thereof "$6,500,000".

H.R. 1561

OFFERED BY: MR. MICA

AMENDMENT NO. 92: page 75, lines 6 through 22, and insert the following:

separates from service with the agency during the period beginning on the date on which the offer is made for a voluntary separation incentive payment under this section and the last day of the second quarter of the fiscal year in which the offer is made.

(d) PERIOD OF AUTHORITY.—The head of an agency shall have authority to authorize payment of voluntary separation incentive payments under this section for a 60-day period beginning on the 61st day after the date on which the President transmits to the appropriate congressional committees the applicable reorganization plan for the agency under section 221, 321, or 421.

H.R. 1561

OFFERED BY: MR. MICA

AMENDMENT NO. 93:

SEC. 2106. UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

Page 105, strike lines 20 through 23.

SEC. 3212. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

Page 260, line 24, strike "$2,000,000" and insert "$2,800,000".

H.R. 1561

OFFERED BY: MRS. MORELLA

AMENDMENT NO. 94: Page 196, after line 2, insert the followng new section:

SEC. 2712. REGARDING THE GUATEMALAN PEACE PROCESS AND THE NEED FOR GREATER PROTECTION OF HUMAN RIGHTS IN GUATEMALA.

(a) FINDINGS.—The Congress makes the following findings:

(1) Formal negotiations to bring an end to the 34-year armed conflict in Guatemala and to establish conditions for democracy in Guatemala were resumed in January 1994 under United Nations mediation between the Government of Guatemala and the armed opposition, the Guatemalan National Revolutionary Union (URNG).

(2) These negotiations have resulted in the signing of a series of landmark accords on human rights, the establishment of a Commission for the Historical Clarification of Human Rights Violations, the resettlement of displaced populations, indigenous rights and identity, and other issues, and are expected to lead to the signing of further accords and a final comprehensive accord in the near future.

(3) The government and the Guatemalan National Revolutionary Union (URNG) agreed in the human rights accord signed on March 29, 1994, that "[t]he Government shall not sponsor the adoption of legislative or any other type of measures designed to prevent the prosecution and punishment of persons responsible for human rights violations".

(4) The United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA) established under the Global Human Rights Accord to monitor compliance with that agreement began operations across Guatemala in November 1994 and released its first report in March 1995.

(5) MINUGUA reports that in Guatemala there have been numerous violations of the right to life, and that the vast majority of cases involving death have not been adequately investigated or resolved by the competent Guatemalan authorities.

(6) MINUGUA reports that the Guatemalan Government has not adequately guaranteed the right to be free from torture or other cruel, inhuman, or degrading treatment, and that no information exists to demonstrate that such cases in which the involvement of military and police officers has been verified have been investigated in depth or that the guilty parties have been prosecuted.

(7) MINUGUA reports that Guatemala has made no progress in the investigation of criminal acts alleged to constitute human rights violations, and that specific actions and inquiries which could and should have been undertaken promptly were not carried out.

(8) MINUGUA has observed numerous, persistent serious human rights violations to which, in nearly every case, there has been no response from competent Guatemalan authorities.

(9) Systematic human rights violations are committed with impunity against Guatemalan civilians, especially members of the indigenous population, by members of government security forces and by the Civil Self-Defense Patrols acting under their authority.

(10) Human rights abuses that endanger and intimidate judicial authorities, human rights activists, and public figures continue to occur, such as the killing of Guatemala's Constitutional Court President Epaminondas Gonzalez Dubon on April 1, 1994, civil patrollers firing on a group of peaceful human rights demonstrators in Colotenango on August 3, 1993, the killing of former presidential candidate Jorge Carpio Nicolle on July 3, 1993, the killing of Chimaltenango district court judge Edgar Ramiro Elias Ogaldez on August 20, 1994, the kidnapping on August 29, 1994, of police agent Miguel Manolo Pacheco, who was assigned to protect appeals court judge Maria Eugenia Villasenor, and the October 14, 1994, murder of police agent Cesar Augusto Medina.

(11) The Organization of American States has found that the Civil Self-Defense Patrols are a "source of human rights violations" and should be "disbanded or reorganized".

(12) The Organization of American States has found that in Guatemala there have been serious "cases of arbitrary arrest, illegitimate deprivation of liberty, isolation, and torture and execution without trial" of individuals, including Efrain Bamaca, the husband of United States citizen Jennifer Harbury, and other members of the Guatemalan National Revolutionary Union who are held by various government security forces.

(13) The Organization of American States has determined that the Communities of Populations in Resistance, which have been harassed and attacked by government armed forces and the Civil Self-Defense Patrols, are civilian communities.

(14) The Organization of American States has called on the Government of Guatemala to "take a clear stand on the grave problems that obstruct the full observance of human rights, set well defined goals, and schedule policies for attaining them".

(15) The security of repatriated refugees in Guatemala and of internally displaced civilians, including the Communities of Populations in Resistance, remains at risk due to continued military intimidation and harassment, and their reintegration into Guatemalan society has been hampered by inadequate access to land and other productive resources.

(16) There has been insufficient progress in bringing to justice all of those responsible for the murders of United States citizens Michael DeVine, Griffin Davis, and Nicholas Blake, the abduction and torture of United States citizen Dianna Ortiz, the attempted murder of United States citizen Meredith Larson, the murder of guerrilla comandante Efrain Bamaca Velazquez (the husband of United States citizen Jennifer Harbury), and the murders of the following Guatemalan citizens: anthropologist Myrna Mack Chang, politician Jorge Carpio Nicolle, Constitutional Court President Epaminondas Gonzalez Dubon, and victims of the Colotenango massacre perpetrated by Civil Self-Defense Patrols.

(17) Recent reports and congressional hearings have established that United States agencies hold information concerning the role of individual Guatemalan military officers in several human rights cases in which the United States and the Congress have expressed longstanding concern, including the cases of Michael DeVine and Efrain Bamaca.

(18) Eyewitness testimony presented to the Inter-American Commission on Human Rights has implicated nine Guatemalan military officers in the clandestine detention and torture of Efrain Bamaca.

(19) The United States Embassy and Honduras threatened to revoke the visas of all possible witnesses to the December 1994 shooting of an American citizen in Tegucigalpa when they refused to provide information on the crime.

(20) Congressional hearings have established that covert actions taken by the Central Intelligence Agency were in direct contradiction of officially articulated United States policy toward Guatemala.

(21) Guatemala has failed to extradite Colonel Carlos Rene Ochoa Ruiz, under indictment in Tampa for drug-trafficking, in spite of the official request from the United States Government.

(22) The Guatemalan National Revolutionary Union has engaged in violations of the laws of war, including the assassination of military commissioner Teofilo Lopez Castillo, firing on a bus filled with civilians which ran a roadblock in Chupol, and the recruitment of child soldiers.

(23) MINUGUA has called on the URNG to stop the destruction, and threatened destruction, of installations on rural estates, to refrain from sabotaging electric power pylons, and to prevent retaliatory attacks against civilian persons or property.

(b) DECLARATION OF CONGRESS.—The Congress—

(1) commends the President of Guatemala, Ramiro de Leon Carpio, and the leaders of the Guatemalan National Revolutionary Union for establishing a framework for formal negotiations, and for reaching agreement on several important accords in these negotiations, which, under the mediation of the United Nations, are designed to bring an end to more than 30 years of internal armed conflict and set Guatemala on the road to democracy;

(2) commends the leaders of the various segments of civilian society for their role in articulating the concerns of all sectors of Guatemalan society and for bringing critical issues onto the agenda of the peace negotiations;

(3) calls on President de Leon Carpio and all parties in the negotiation process to proceed in the spirit of the Oslo Accords to achieve peace by political means, to the end that a final, binding, and verifiable agreement will be attained at the earliest possible date;

(4) calls on the Group of Friends of the peace negotiations (Colombia, Mexico, Spain, Venezuela, Norway, and the United States) to continue and intensify their support of the peace negotiations through diplomatic initiatives and dialogue with all parties;

(5) calls on President de Leon Carpio to immediately develop a measurable and substantive plan to end grave human rights abuses, in compliance with internationally recognized human rights standards, Guatemala's national Constitution, and the recommendations of MINUGUA, the United Nations Independent Human Rights Expert for Guatemala, and the Inter-American Commission on Human Rights, a part of the Organization of the American States;

(6) calls on President de Leon Carpio, as a sign of good faith and a contribution to peace, to immediately disband the Civil Self-Defense Patrols, which are one of the major sources of human rights violations in Guatemala, and to cancel plans to convert these patrols to "Peace and Development Committees";

(7) calls on the Guatemalan Government to ensure that any amnesty promulgated to allow the URNG to be reintegrated as a political party cover only crimes against the state and not human rights violations;

(8) calls on President de Leon Carpio to ensure the safety and complete return and reintegration of Guatemalan refugees in Mexico, in full compliance with the Accord of the Permanent Commissions of the Guatemalan Refugees in Mexico and the Government of the Republic of Guatemala, signed in Guatemala on October 8, 1992, that determines the conditions and understandings under which certain Guatemalan refugees may be repatriated;

(9) calls on President de Leon Carpio to recognize the civilian character of the Communities of Populations in Resistance, ensuring their security and their right to peaceful integration into Guatemalan society with the full exercise of rights and liberties guaranteed under Guatemala's national Constitution;

(10) calls on the United States executive branch to allocate sufficient funding for a transition to peace fund for Guatemala, which should include all of the military aid frozen in the pipeline since 1990 and should be supplemented with additional resources, to be used to finance the United Nations Verification Mission and to implement other peace accord implementation programs as they are determined;

(11) calls on the executive branch of the United States Government to undertake every effort to assure that no foreign assistance provided to the Government of Guatemala is made available to "Peace and Development Committees" which have been created from transformed civil patrols;

(12) calls on the executive branch of the United States Government to condition all assistance to Guatemala, with the exception of humanitarian assistance, development assistance, and Administration of Justice assistance, on—

(A) full compliance with MINUGUA recommendations and the recommended precautionary measures of the Inter-American Commission on Human Rights, including resolution of concerns involving clandestine prisons;

(B) progress in the continuation of the peace process;

(C) substantive improvement in the protection of human rights;

(D) the dissolution of the Civil Self-Defense Patrols;

(E) the guaranteed safety of refugees, returnees, and the internally displaced;

(F) verifiable resolution of the DeVine, Ortiz, Davis, Blake, Larson, Bamaca, Mack, Carpio, Gonzalez Dubon, Elias Ogaldez, Pacheco, Medina, and Colotenango cases;

(G) the strengthening of the various segments of civilian society, which are essential to the establishment of genuine democracy in Guatemala; and

(H) extradition of Guatemalan Colonel Carlos Rene Ochoa Ruiz;

(13) urges the executive branch, in its efforts to achieve the goals listed in paragraph 12, to also consider termination of Caminos Fuertes civic action program, and the licensing of private arms sales and the sale of excess defense articles;

(14) calls on the executive branch to immediately suspend the visas of any Guatemalan military officer implicated in human rights abuses, drug-trafficking, and other crimes until these cases have been adjudicated to the satisfaction of the Secretary of State;

(15) calls on the executive branch to permanently cancel the visas of Guatemalan military officers implicated in human rights violations or other criminal activity if the judicial process related to such activity is disrupted by threats or acts of intimidation against police investigators, prosecutors, judges, witnesses, or their families;

(16) calls on the executive branch to permanently cancel the visas of Guatemalan military officers and those of their immediate family if the threats or acts in section 15 are carried out;

(17) calls on the executive branch to comply as fully and as expeditiously as possible with freedom of information act requests dealing with human rights cases in Guatemala, beginning with those that have already been filed by Jennifer Harbury and Dianna Ortiz;

(18) calls on the Administration to support the work of the Commission on the Clarification of the Past by moving to review for declassification in an expedited manner all United States Government records pertaining to human rights violations in Guatemala; and

(19) calls on the administration to assure that no covert action undertaken in Guatemala contradicts publicly stated policy unless the President signs a finding authorizing such activity and fully informs the appropriate congressional committees of the action authorized and the reasons for the authorization.

H.R. 1561

OFFERED BY: MR. ROEMER

AMENDMENT NO. 95: In paragraph (3) of section 3221(a) (relating to authorization of appropriations for development assistance for the independent states of the former Soviet Union), strike "$643,000,000" and insert "$578,000,000".

H.R. 1561

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 96: At the appropriate place, insert the following:

Whereas, female genital mutilation is a violation of women's basic human rights; and

Whereas, female genital mutilation constitutes a major health risk to women, with lifelong physical and psychological consequences; and

Whereas, female genital mutilation should not be condoned by any government;

It is the sense of Congress that:

The President seek to end the practice of female genital mutilation worldwide through the active cooperation and participation of governments in whose nations female genital mutilation takes place. Steps to end the practice of female genital mutilation shall include:

(1) encouraging nations to establish clear policies against female genital mutilation, and enforcing existing laws which prohibit it; and

(2) assisting nations in creating culturally appropriate outreach programs that include education and counseling about the dangers of female genital mutilation for women and men of all ages; and

(3) ensuring that all appropriate programs in which the U.S. participates includes a component pertaining to female genital mutilation, so as to ensure consistency across the spectrum of health and child related programs conducted in any country in which female genital mutilation is known to be a problem.

H.R. 1561

OFFERED BY: MR. SMITH OF TEXAS

AMENDMENT NO. 97: In section 2252 (relating to persecution for resistance to coercive population control methods)—

(1) insert "(a) DEFINTION OF REFUGEE.—" before "Section"; and

(2) add at the end the following new subsection:

(b) NUMERICAL LIMITATION ON ASYLUM.—Section 208 of the Immigration and Nationality Act (8 U.S.C. 1158) is amended by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of law or of this Act, for any fiscal year not more than 2,000 aliens may be granted asylum on the basis of a determination pursuant to the third sentence of section 101(a)(42) (relating to persecution for resistance to coercive population control methods).".

H.R. 1561

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 98: At the end of title XXVII (relating to congressional statements), add the following new section:

SEC. 2712. SENSE OF THE CONGRESS REGARDING SYRIAN OCCUPATION OF LEBANON.

It is the sense of the Congress that—

(1) the Government of Syria should honor the Taif Agreement and withdraw all of its troops from Lebanon;

(2) the United States should take every action feasible through the United Nations to encourage the Government of Syria to withdraw all of its troops from Lebanon not later than 6 months after the date of the enactment of this Act; and

(3) the Secretary of State should report to the Congress, not later than 6 months after the date of the enactment of this Act, as to the actions the United States has taken to effect a withdrawal of all Syrian troops from Lebanon.

H.R. 1561

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 99: At the end of chapter 2 of title XXXIV of division C (relating to special authorities and other provisions of foreign assistance authorizations), add the following new section:

SEC. 3420. LIMITATION ON PROCUREMENT OUTSIDE THE UNITED STATES.

Funds made available for assistance for fiscal years 1996 and 1997 under the Foreign Assistance Act of 1961, for which amounts are authorized to be appropriated for such fiscal years, may be used for procurement outside the United States or less developed countries only if—

(1) such funds are used for the procurement of commodities or services, or defense articles or defense services, produced in the country in which the assistance is to be provided, except that this paragraph only applies if procurement in that country would cost less than procurement in the United States or less developed countries;

(2) the provision of such assistance requires commodities or services, or defense articles or defense services, of a type that are not produced in, and available for purchase from, the United States, less developed countries, or the country in which the assistance is to be provided;

(3) the Congress has specifically authorized procurement outside the United States or less developed countries; or

(4) the President determines on a case-by-case basis that procurement outside the United States or less developed countries would result in the more efficient use of United States foreign assistance resources.

H.R. 1561

OFFERED BY: MR. WAMP

AMENDMENT NO. 100: Strike subsection (a) of section 3204 (relating to funding for the International Fund for Ireland).

Strike section 3221 (relating to authorization of appropriations for development assistance authorities).

EXTENSIONS OF REMARKS

MEDICARE BENEFICIARY PROTECTION AMENDMENTS OF 1995

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. STARK. Mr. Speaker, I am pleased to introduce the Medicare Beneficiary Protection Amendments of 1995. I am joined by Mr. WAXMAN, Mr. ACKERMAN, Mr. COYNE, Mr. DELLUMS, Mr. FOGLIETTA, Mr. GONZALEZ, Mr. KENNEDY of Rhode Island, Mr. MCDERMOTT, Mr. OLVER, Mr. PALONE, Ms. PELOSI, Mr. RANGEL, and Ms. WOOLSEY.

This legislation is designed to achieve what its title implies—to improve the protections provided to Medicare beneficiaries. This legislation is urgently and increasingly needed, for two chief reasons.

First, proposals are appearing that have as their focus the movement of more and more Medicare beneficiaries into managed care insurance products. Some proposals would push beneficiaries into health maintenance organizations. I support a less coercive approach, one that allows beneficiaries to determine the pace at which they move into HMO's. But either way, HMO's will continue to play a growing role in Medicare.

Second, an extensive survey of Medicare HMO enrollees and former enrollees, recently completed by the inspector general of the Department of Health and Human Services, documents several problem areas with Medicare HMO's. The inspector general's findings substantiate numerous complaints I have received from individual beneficiaries over the past few years.

It is clear that before Congress flings the Medicare doors wide open to managed care plans, we ought to act to prohibit managed care practices that are known to jeopardize beneficiary care. And we ought to act swiftly, because this is an area where an ounce of prevention is worth more than a pound of the cure.

The summary finding of the inspector general's report, I believe, captures very well the overall experience we are having with the service delivery of Medicare HMO's:

> Generally, beneficiary responses indicated Medicare risk HMOs provide adequate service access for most beneficiaries who have joined. However, our survey results also indicated some problem areas: beneficiaries' knowledge of appeal rights, access and service to [end stage renal disease]/disabled beneficiaries, and inappropriate screening of beneficiaries health status at application.

Overall, Medicare beneficiaries are receiving adequate services, but serious problems exist with a significant number of enrollees, particularly among those enrollees who have the greatest health care needs. Some of the specific findings of the inspector general are:

> [C]ompliance with Federal enrollment standards for health screening and informing beneficiaries of their rights appeared to be problematic.
>
> Most beneficiaries reported timely doctor appointments for primary and specialty care, but some enrollees and disenrollees experienced noteworthy delays.
>
> Perceived, unmet service needs and lock-in problems led 22% of disenrollees and 7% of enrollees to seek out-of-plan care.
>
> Disabled/ESRD [end stage renal disease] disenrollees . . . reported access problems in several crucial areas of their HMO care.

In addition, the inspector general's survey found that:

> 16% [of enrollees] either planned to leave or wanted to leave [their HMO], but felt they could not, primarily for reasons of affordability.

The most troubling of the inspector general's findings is that:

> 66% of disabled/ESRD enrollees wanted to leave their HMOs.

I have no illusions that the "Medicare Beneficiary Protection Amendments of 1995" will completely alleviate all of these problems. In fact, I am hopeful that consumers, providers, and others will continue to offer suggestions as to how we can continue to improve the quality of care received by Medicare beneficiaries. Nonetheless, the remedies I am proposing today will take us a long way toward that goal.

In addition to providing specific responses to managed care practices that have created beneficiary access problems, this legislation provides a framework through which Medicare beneficiaries can make informed choices about their Medicare coverage options.

Too often today, while a beneficiary has the legal right to exit an HMO and return to traditional Medicare coverage, the inability to secure an affordable Medicare supplemental policy—a medigap plan—makes this a hollow option. As proposed in this legislation, the institution of a coordinated open enrollment process for Medicare beneficiaries will guarantee that the options we claim to provide to beneficiaries are actually open to them.

Central to the functioning of the coordinated open enrollment process—and to guaranteeing true choice for beneficiaries—is the beginning of attained-age pricing of medigap premiums. Attained-age pricing is the policy of raising medigap premiums as an enrollee gets older. In their report on medigap plans, Consumer Reports magazine described attained-age priced plans as hazardous to policyholders. I agree.

A comparison of the least expensive attained-age rated medigap plan versus the only community-rated medigap plan in California—using plan E for the comparison—showed that a typical Medicare beneficiary will pay $3,360 more for the attained-age plan than the community-rated plan over his or her life. On top of being more expensive, this attained-age rated plan restricted access to a limited number of health care providers. The reason for the higher lifetime premium is that while the attained-age plan starts with a lower premium, the premium quickly rises as the beneficiary ages to well above the non-age-adjusted community rate.

The premium comparison follows:

MEDICARE SUPPLEMENTAL PLAN E

(Premiums as of May, 1994 for the California counties of San Diego, Orange, Los Angeles, San Bernardino, Imperial, and Riverside)

COMPARISON OF PREMIUMS OF ATTAINED-AGE MEDIGAP PLAN VERSUS STANDARD MEDIGAP COMMUNITY-RATED PLAN

Insurer and type of plan	Age of beneficiaries—			
	65–69 yrs. old	70–74 yrs. old	75–79 yrs. old	80+ yrs. old
Community-Rated Plan AARP/Prudential plan Standard "Medigap" No restrictions on accessing beneficiaries' providers of choice	$957	$957	$957	$957
Attained-Age Plan Blue Cross plan Medicare Select type Limited network of providers and restricted access to the limited network	780	1,080	1,260	1,380
Cumulative difference in premiums of attained-age supplemental plan to community rated plan	−$177 X 5 yrs	+$123 X 5 yrs	+$303 X 5 yrs	+423 X 5 yrs
	−885	+615	+1,515	+2,115
Additional cost for a person living to the age of 85 who enrolls in an attained-age plan				+3,360

Source: Senior World Newsmagazine, San Diego Edition, May, 1994, analysis conducted by the Office of Congressman Stark.

Because this legislation would accomplish the central goal of providing greater protections to Medicare beneficiaries, it has the endorsement of consumer and senior organizations. Two of the largest senior and consumer organizations made the following comments:

> Congressman Stark's proposed Medicare Beneficiary Protection Amendments of 1995 will institute needed protections in the Medicare Select program * * * it also strengthens protections for Medicare beneficiaries in other managed care options.—Testimony of the National Committee to Preserve Social Security and Medicare before the Committee on Ways and Means Subcommittee on Health, February 10, 1995.
>
> Consumers Union strongly supports the Medicare Beneficiary Protections Amendments of 1995. This Act would provide important protections for the Medicare beneficiaries who enroll in managed care plans, purchase Medicare Select policies, or purchase a medigap policy * * * [T]he protections will benefit tens of millions of senior citizens.—Consumers Union, May 8, 1995

I would like to complement my colleagues who are joining me today in introducing this bill. They have responded to the needs of their senior and disabled constituents—those who rely upon Medicare for their health insurance

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

coverage. They have responded to the challenge to balance the goals of providing a broad range of coverage choices for Medicare beneficiaries while at the same time making sure that these choices do not place Medicare beneficiaries at risk.

I look forward to working with all my colleagues to move the Medicare Beneficiary Protection Amendments of 1995 forward. Due to the urgency of this issue, I hope we will not delay in taking up consideration of this legislation.

A summary of the bill follows.

MEDICARE BENEFICIARY PROTECTION AMENDMENTS OF 1995—SUMMARY (5/19/95)

I. MEDICARE MANAGED CARE BENEFICIARY PROTECTION PROVISIONS

A. Marketing standards

1. Plans could not market to beneficiaries on a door-to-door basis.

2. Plans could not require beneficiaries to attend an enrollment seminar and would be required to permit enrollment through the mail.

3. Commissions may not constitute the predominant source of compensation for agents.

4. To the extent an agent is compensated based upon a commission, the plan would be required to recover the commission if the beneficiary disenrolled within 90 days after initial enrollment.

B. Due process requirements for providers in networks

1. Public notice would be required as to when applications by participating providers are to be accepted.

2. Descriptive information regarding the plan standards for contracting with participating providers would be required to be disclosed.

3. Notification of a participating provider of a decision to terminate or not renew a contract would be required not later than 45 days before the decision would take effect, unless the failure to terminate the contract would adversely affect the health or safety of a patient.

4. Notices would be required to include reasons for termination or non-renewal. Carriers would be required to offer providers receiving notification of termination or non-renewal an opportunity for review of the reasons, with a majority of those conducting the review to be peers of the provider that have contracts with the managed care plan.

5. The findings of such a review would be advisory and non-binding. Federal or State laws pertaining to the right of involved parties to appeal or seek recourse would not be superseded.

C. Standards for utilization review would be established by the Secretary

1. Individuals performing utilization review could not receive financial compensation based upon the number of certification denials made;

2. Negative determinations about the medical necessity or appropriateness of services or the site of services would be required to be made by clinically-qualified personnel;

3. Utilization review procedures would be required to be based on reasonable, current medical evidence and applied consistently across reviewers and developed in consultation with participating providers;

4. Plans would be required to provide to enrollees a written description of the utilization review requirements of the plan.

D. Centers of excellence: Plans would be required to demonstrate that enrollees have access to designated centers of excellence

1. According to standards developed by the Secretary, plans would demonstrate that enrollees with chronic diseases or who otherwise require specialized services would have access to designated centers;

2. The Secretary would designate centers that provide specialty care, deliver care for individuals with chronic diseases or other complex cases requiring specialized treatment. Such centers must meet standards established by the Secretary pertaining to specialized education and training, participation in peer-reviewed research, and treatment of patients from outside the facility's geographic area.

3. Recognition of trauma centers: The existing requirements that plans provide for reimbursement of services outside the plan's provider network where medically necessary and immediately required because of an unforeseen illness, injury, or condition would be clarified to include services provided by designated trauma centers.

4. Ob-Gyn Referral: Plans would be prohibited from requiring enrollees to obtain a physician referral for obstetric and gynecologic services.

E. Access to emergency medical care

1. Plans could not require pre-authorization for emergency medical care.

2. A definition of emergency medical condition based upon a prudent layperson definition would be established to protect beneficiaries from retrospective denials of legitimate claims for payment for out-of-plan services.

3. Plans could not deny any claim for a beneficiary using the "911" system to summon emergency care.

4. Plans would be required to provide timely authorization for coverage of emergency services.

5. Plans would be required to reimburse fully emergency physicians for any services provided to beneficiaries in order to fulfill the requirements of the anti-dumping statute.

F. Deadline for responding to requests for coverage of services

1. Plans would be required to make a final determination within 24 hours;

2. Secretary would be required to establish an expedited process to review appeals of plan denials.

G. Nondiscriminatory service area requirements

1. In general the service area of a plan serving an urban area would be an entire Metropolitan Statistical Area (MSA). The Secretary could waive this requirement if the plan demonstrated that it could not develop capacity to expand to the entire MSA and that the plan's proposed service area boundaries to not result in favorable risk selection. The Secretary could not waive the requirement that the plan serve the central county of an MSA.

2. The Secretary could require a plan to contract with Federally-qualified health centers (FQHCs), rural health clinics, migrant health centers, or other essential community providers located in the service area if the Secretary determined that such contracts are needed in order to provide reasonable access to enrollees throughout the service area.

H. Contractors would be required to disclose information about physician payment

1. Information would be provided under the terms of the contract with the Health Care Financing Administration (HCFA).

2. Information would be made available to plan enrollees, or potential enrollees, upon request.

I. Intermediate sanctions on HMOs

1. Civil money penalties of up to $25,000 for each violation that directly or indirectly adversely affects an individual enrolled in the plan.

2. Civil money penalties of up to $10,000 for each week after the Secretary begins proceeding to terminate a contract.

3. A new formal process would be adopted through which HMOs could submit a corrective action plan for violations of the requirements. More severe penalties could be imposed on HMOs with previous deficiencies.

4. HMOs which fail to cooperate with PRO quality review and which fail to meet standards for appeals would be subject to existing intermediate sanctions and civil money penalties.

J. Amendments to Health Care Prepayment Plan under section 1833 (HCPPs)

1. The HCPP option would be restricted to organizations that could not qualify under section 1876 as an HMO such as the UMW and other union plans.

2. New requirements would be imposed on HCPPs: Solvency and marketing standards would be imposed; HCPPs would be required to meet the section 1876 standards for grievance procedures and physician incentive plan requirements, and would be subject to the section 1876 intermediate sanctions and civil money penalties.

3. The provision of the Social Security Amendments of 1994 which subjects HCPPs to the MediGap standards effective January 1, 1996 would be repealed.

4. A transition rule would be provided for beneficiaries enrolled in HCPPs which would not continue as a result of this provision.

K. Other beneficiary protections

1. An enrollee of an HMO receiving unauthorized out-of-plan treatment could not be charged more than what Medicare would have paid under fee-for-service rules.

2. Plans would be required to make arrangements for dialysis services for beneficiaries traveling outside the plan's service area.

L. Benefit package for section 1876 HMO plans

1. In addition to regular Medicare benefits, plans would be required to provide hospitalization and SNF coverage without the three-day stay requirement.

2. For Medicare covered services, plans may not impose cost-sharing other than nominal co-payments.

3. Limits on additional benefits (if any) must be fully explained and enrollees given reasonable notice that benefits are expiring.

4. Requirements to provide additional benefits to the extent that the plan's adjusted community rate is exceeded by the AAPCC payment would not change.

M. Plans would be required to provide information on provider credentials to enrollees and patient enrollees

N. A demonstration project on competitive rate-setting for Medicare risk contractors would be conducted

O. HMO outlier pool

An outlier pool would be created for HMOs with risk contracts to provide reinsurance for high-cost cases. The pool would be created by withholding a percentage of current payments.

P. PRO review

All section 1876 and section 1833 plans would be subject to PRO review.

II. MEDICARE SELECT PROVISIONS

The Medicare Select demonstration program would be amended:

A. Establish Federal oversight of Medicare Select

1. Secretary would establish standards for Medicare Select in regulation.

To the extent practicable the standards would be the same as the standards developed by the NAIC for Medicare Select plans. Any additional standards would be developed in consultation with the NAIC.

2. Medicare Select plans would generally be required to meet the same requirements in effect for Medicare risk contractors under section 1876: Community rating; prior approval of marketing materials; intermediate sanctions and civil money penalties; additional requirements added by this bill as described below.

3. If the Secretary has determined that a State has an effective program to enforce the standards for Medicare Select plans established by the Secretary, the State would certify Medicare Select plans. If the Secretary does not make such a finding with respect to a State, the Secretary would certify Medicare Select plans in that State.

4. Existing requirements for State-based standards and fifteen-State restriction would be repealed.

B. Benefit Requirements

1. Fee-for-service Medicare Select plans would offer either the MediGap "E" plan with payment for extra billing added or the MediGap "J" plan. Both have preventive benefits and adding extra billing benefits to "E" should not add cost given that network doctors should all accept assignment.

2. If an HMO or competitive medical plan (CMP) as defined under section 1876 offers Medicare Select, then the benefits would be required to be offered under the same rules as set forth in Title III below. Such plans would therefore have different benefits than traditional MediGap plans.

III. MEDIGAP PROVISIONS

A. All MediGap policies would be required to be community rated.

B. MediGap plans would be required to participate in coordinated open enrollment.

C. The loss ratio requirement for all plans would be increased to 85 percent.

IV. COORDINATED OPEN ENROLLMENT

A. The Secretary would conduct an annual open enrollment period during which Medicare beneficiaries could enroll in any MediGap plan, Medicare Select, or an HMO contracting with Medicare.

1. Each Medigap plan, Medicare Select plan, and HMO contractor would be required to participate in the open enrollment system.

2. The Secretary would make available to beneficiaries information on Medigap and Medicare-contracting HMO plans.

B. Generally, except for cause, an enrollee could enroll, disenroll, or switch plans only during the annual open enrollment period, with the following exceptions:

During the first year of enrollment with a limited access plan (including HMOs and Medicare Select) the beneficiary could disenroll at the end of any calendar quarter and return to fee-for-service. During the second year, disenrollment could only occur mid-year at the end of the second calendar quarter. After the first two years, disenrollment could only occur during the open enrollment period;

There would be an exception for HMOs which the Secretary determines has reached capacity;

There would be an exception to individuals newly eligible for Medicare or who are new residents of the service area of a plan who could enroll on an open enrollment basis during the sixty-day period that begins thirty days before they become eligible or before they become a resident of the service area.

COMPREHENSIVE FETAL ALCOHOL SYNDROME PREVENTION ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. RICHARDSON. Mr. Speaker, I am pleased to introduce the Comprehensive Fetal Alcohol Syndrome Prevention Act. Fetal Alcohol Syndrome [FAS] is the leading cause of mental retardation in the United States and is one of the most common birth defects to occur in our country. Diagnosis is rare prior to birth and there is no cure for FAS or Fetal Alcohol Effects [FAE], its less severe counterpart.

This disease is completely preventable, by simply avoiding alcohol during pregnancy, but the number of affected children is rising sharply. Recent studies indicate that the percentage of babies stricken by FAS has increased sixfold in the last 15 years.

The statistics are appalling: the disease affects 1 in 250 live births; 5,000 infants are born each year with the recognizable facial, physical and mental abnormalities caused by FAS; 50,000 babies are born annually with FAE, and suffer from learning disabilities, central nervous system damage, and physical disorders.

Not only are the emotional impacts of these diseases devastating, the costs associated with treatment are very high: health care costs for one child stricken with FAS total $44,000.

FAS and FAE strike without regard to race or economic status, but the rate of incidence is higher among certain groups; for instance, the rate is 30 times higher among Native Americans. This disease threatens to destroy whole generations on some reservations if stronger federal action is not initiated.

Surprisingly, much of the public is still unaware of the dangers of drinking during pregnancy. The medical community does not uniformly caution against alcohol consumption for pregnant women, and most medical schools do not provide curriculum on FAS prevention and detection.

This bill seeks to address each of these issues comprehensively. It requires the Department of Health and Human Services to close the gaps in our current efforts to prevent FAS and FAE by establishing a coordinating committee to streamline program development and eliminate duplicative research programs. The committee will develop professional practice standards and curriculum for health care providers, and will initiate a national public awareness program to outline the dangers of alcohol consumption during pregnancy. Finally, additional research will be conducted to aid detection and a cure for FAS so that future generations will not suffer from this debilitating disease.

This bill, as evidence by our bipartisan list of cosponsors, deserves the support of all Members, and I look forward to working toward its passage.

VIRGINIA R. SAUNDERS, 50 YEARS OF FEDERAL SERVICE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. HOYER. Mr. Speaker, I rise today to recognize Ms. Virginia Saunders, congressional document specialist at the Government Printing Office, for reaching 50 years of dedicated and enthusiastic Federal service on Friday, May 26, 1995.

Ms. Saunders was born Virginia R. Frisbie in Darlington, MD, on October 11, 1926. After working briefly at the Federal Bureau of Investigation, she came to the Government Printing Office on February 4, 1946, as a war service junior clerk typist in the division of public documents, stock section. Two years later, she was promoted to the division of public documents reference section. In February 1951, Ms. Saunders was promoted to indexing clerk and earned subsequent promotions in the same classification. In July 1958, she was promoted to library technician. Becoming a congressional documents specialist in April 1970, she was then promoted to supervisor of the congressional documents section in July 1974. In October 1983, Ms. Saunders assumed her current position of congressional documents specialist in the congressional printing management division, customer services.

Although one may not yet recognize the name of this outstanding GPO employee, the end product of her dedicated efforts is certainly familiar. Ms. Saunders has primary responsibility for the Congressional Serial Set, which is a compilation of all the House and Senate documents and reports issued for each session of Congress. Dummy volumes establishing the format for each edition are prepared and assigned a serial number following each session of Congress. The actual books are produced by GPO's binding division, often as many as 100 volumes per set for each session of Congress. As a chronicle of events of the U.S. Congress over the years, the Congressional Serial Set is rivaled only by the CONGRESSIONAL RECORD. While the Serial Set records behind-the-scenes legislative activities for the United States, the CONGRESSIONAL RECORD reflects the "in session" proceedings. Distributed to the House and Senate libraries, the Archives, the Library of Congress, and depository libraries, the Congressional Serial Set joins the CONGRESSIONAL RECORD in offering students and historians a rich insight into the American system of government.

In late 1989, Ms. Saunders drew upon her indepth knowledge of depository library program responsibilities in informing the Nation, and her then-43 years of GPO experience, to submit an employee suggestion regarding the appendix to the Iran Contra Report to Congress. She suggested that this 40-volume publication, which was printed as both a Senate and House report, be bound only once for the serial set volumes of House and Senate reports that are sent to depository libraries. She further suggested that the Schedule of Volumes, which is a listing of the bound volumes, contain a notation explaining the mission serial number voluments. The implementation of this suggestion resulted in a reduction of 13,740 book volumes to be bound, saving the Federal Government over $600,000. In recognition of these efforts, she received GPO's top monetary Suggestion Award for that year. In ceremonies held on January 9, 1991, Ms. Saunders was awarded a Presidential letter of commendation under the Presidential Quality and Management Improvement Award Program. In his letter to Ms. Saunders, President Bush noted, "You have demonstrated to an exceptional degree my belief that Federal employees have the knowledge, ability, and desire to make a difference."

I know my colleagues and Ms. Saunders' family, friends, and coworkers join me in congratulating her on 50 years of exemplary Federal service.

CONGRATULATIONS TO THE SHELTER ISLAND HEIGHTS POST OFFICE

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. FORBES. Mr. Speaker, I rise today to praise the exceptional service provided by the Shelter Island Heights Post Office. For the past 115 years, the Shelter Island Heights Post Office has served the community with extreme dedication. I would also like to commend the Shelter Island ferry service which has provided the vital link between the mainland and Shelter Island. This ferry service has been at the heart of the Postal Service for the Shelter Island Heights community. With the help of this ferry service, the Shelter Island Post Office has been able to deliver over 1.5 million pieces of mail in 1989 alone. Excellence at the Shelter Island Heights Post Office has become the norm, not the exception.

If one looks at the leadership of the Shelter Island Heights Post Office it comes as no surprise that they have been able to maintain such high standards of service. The Shelter Island Heights Post Office is led by its Postmaster Heather L. Reylek, who has helped keep her post office unsurpassed by any other in the Nation. She exemplifies all of the qualities that one would hope and expect for in a community's postmaster which include her excellent understanding of community issues and how they affect her employees. Mr. Speaker, I ask that you join me in congratulating Postmaster Reylek on the excellent job she has done as postmaster of the Shelter Island Heights Post Office. With her as postmaster, the Shelter Island Heights community can no doubt expect its high standards of service to be continued.

On Saturday, June 3, 1995, the accomplishments of the Shelter Island Heights Post Office will be celebrated at the special pictorial cancellation ceremony. At this ceremony, a commemorative stamp of the ferry boat used in the Shelter Island Heights community since 1904 will be revealed to help illustrate the history of this community. I can think of no better way to celebrate these accomplishments than with the issuance of this ferry boat stamp. I ask the entire House of Representatives to join with me in congratulating the Shelter Island Heights Post Office for a job well done.

TRIBUTE TO JOE SLABBINCK

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to my good friend Joe Slabbinck who is being honored this evening by the Clinton Township Goodfellows. Joe is being named as a Goodfellow of the Year at a recognition dinner at the Fern Hill Country Club in Clinton Township, MI.

Joe is currently a Board member and has served in the past as president, vice-president, and secretary of the Clinton Township Goodfellows. He is also currently the president of the Tenth Congressional Democratic Committee. I have known Joe for many years and have had the fortunate opportunity to work with him on numerous occasions. Joe is a nuts and bolts kind of guy who always makes sure that projects stay on track. This is true in his role as a Goodfellow and as a Democrat.

After 30 years at Chrysler, his success at helping build world class quality cars is only surpassed by his success in building organizations dedicated to meeting people's needs. In addition to the Goodfellows, Joe has devoted time and energy to the Interfaith Center for Racial Justice as well as the Volunteer Services Committee of the United Community Service. His helpful attitude and relentless drive ensure that organizational goals are always achieved.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Joe and his wife, Brenda, have dedicated much of their lives to this endeavor. I deeply admire their strong values and outstanding example of civic involvement. Their time, talents, and energy are appreciated by all of us. I thank Joe and Brenda for their efforts and commend them for their good work.

I applaud the Clinton Township Goodfellows for recognizing Joe. He has provided outstanding leadership to the group and I know he is proud to be honored by the members.

The devotion the Goodfellows and Joe have displayed to their community is an inspiration. Their contributions are many and they deserve our gratitude for their compassion and work.

On behalf of the Clinton Township Goodfellows, I urge my colleagues to join me in saluting Joe Slabbinck.

INTRODUCTION OF THE FEDERAL MORTGAGE INSURANCE CORPORATION ACT OF 1995

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. WELLER. Mr. Speaker, I stand here today to introduce legislation that will allow many Americans—the low and middle income, first-time homebuyers and minorities—to embark on a venture that is inherently part of the American dream. The bill I am introducing—the Federal Mortgage Insurance Corporation Act of 1995—will give a helping hand to those who want to buy a home and make a better life for themselves and their families. Owning a home instills a sense of pride and responsibility and this bill will ensure that anyone in our society—not just the wealthy—can afford to buy a home here in the United States of America.

The purpose of this legislation is to establish a Government corporation to administer the highly successful single-family mortgage insurance program currently under the management of the Federal Housing Administration at the Department of Housing and Urban Development. Under a corporate structure, the single family program will be better equipped to respond more efficiently to the needs of Americans in pursuit of the dream of home ownership.

The Corporation will be run by a Board of Directors made up of experts in housing finance and leaders in community action whose neighborhoods have been well served by FHA over many years. The board will appoint a President who will run the day to day operations like any other president. The act relieves the Corporation of burdensome civil service restrictions and procurement requirements and provides paperwork reductions that can hamper the productivity and progress of the noblest of objectives that we undertake.

Also, like other corporations, the FMIC must carry on the FHA single family program tradition of being a self-sufficient enterprise. Congress can only appropriate funds for the FMIC to the extent that the Corporation has net income. Moreover, the Office of Federal Housing Enterprise Oversight will oversee the capitalization of the FMIC funds as well as the safety and soundness of its products.

The FMIC will also continue the successful mission of the FHA only more efficiently. The act will expand homeownership opportunities for those segments of the market that need it most: first time homebuyers, lower income families, and minorities. The FMIC's greater flexibility will allow an even greater portion of this market to gain sorely needed access to capital and credit.

The Federal Mortgage Insurance Corporation Act of 1995 will continue the successful public-private partnership of FHA. More families will be able to share in the American dream of homeownership and it does not involve a subsidy from the government. This is exactly the kind of effective governance that the American people expect and deserve.

My legislation carries forward the message of the November 8 election: calling on us all to streamline and reduce bureaucracy and to do a better more efficient job, in this case promoting the basic American dream of homeownership.

CREDIT OPPORTUNITY AMENDMENTS ACT OF 1995

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. McCOLLUM. Mr. Speaker, today I am introducing legislation to fundamentally reform the Community Reinvestment Act of 1977 and to strengthen and clarify the enforcement of fair lending laws. CRA is one of the worst examples of runaway federal regulation on the books today. It is the number one regulatory burden for our depository institutions and compliance costs exceed one billion dollars a year.

When originally adopted, CRA was designed to stop redlining. Redlining is the practice of lenders refusing to make loans because of the racial composition of the neighborhood surrounding the property securing the loan. The enforcement of CRA quickly left its original purpose and turned toward credit allocation.

I strongly support efforts to eliminate redlining. The legislation I am introducing today includes redlining in the list of prohibited activities under the Equal Credit Opportunity Act and the Fair Housing Act. This makes it clear that we will not tolerate illegal discrimination in lending.

In adopting CRA in 1977, Congress did not anticipate there would be any additional burden on the banking industry. The Senate report accompanying CRA indicates that Congress believed that all the data needed to assure compliance was available and no new reporting or other paperwork would be required.

The enforcement of CRA by the federal banking regulators grew in complexity and burden throughout the years. In 1989, CRA was amended to add provisions requiring written evaluations and specific grades for institutions. This added further burdens for the industry and set us on the precipice of credit allocation.

Recently, the Clinton Administration completed a two year effort to rewrite CRA regulations. The new rules vastly expand the paperwork burdens for most banks. In addition, they complete the transition of CRA from prohibiting redlining to credit allocation. The new rules require regulators to measure bank performance on the basis of the total dollar amount and number of loans made to certain areas or groups. This is credit allocation, pure and simple.

Another concern with CRA is the enforcement mechanism. Under current law, performance under CRA is taken into account when a bank regulator is considering an application from an institution for a merger or other transaction. Consumer groups have used protests to pending applications to force institutions to commit credit to certain borrowers or areas. In some cases the institutions have been forced to make grants to the protesting groups.

Recently, the Clinton Administration has linked the enforcement of CRA with other fair lending statutes. This has placed the Justice Department in the position as an additional bank regulator. It also has further confused the question of what is required to comply with CRA and the fair lending laws. In addition, the Justice Department has begun using disparate impact analysis to attempt to prove lending discrimination. Disparate impact analysis is imported from employment law and relies solely on statistical data to prove discrimination. Importing this analysis into lending discrimination is inappropriate. First, we should not find discrimination without some element of intent. In addition, the statistics available present an incomplete picture of the lending decision.

The bill I am introducing today addresses these problems. It amends CRA to eliminate the current enforcement provisions and the requirements for written evaluations. It replaces these sections with a new requirement that institutions disclose their activities undertaken to meet the needs of the communities they serve and to make these disclosures available to the public.

The legislation amends the Equal Credit Opportunity Act and the Fair Housing Act to prohibit redlining. In addition, it limits the Attorney General's authority under the Acts to bring cases only on referral from the primary regulator. Finally, it limits the use of statistical data to prove discrimination to those cases where there is evidence of intentional discrimination.

Mr. Speaker, this bill will eliminate credit allocation by the federal bank regulators. It is tough on lenders that redline neighborhoods. Yet, it is fair by removing costly and unnecessary burdens from financial institutions. These burdens currently result in limiting the amount of credit available to our citizens and businesses.

HONORING VICE ADMIRAL THOMAS J. KILCLINE, USN RET.

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. MORAN. Mr. Speaker, today I rise to pay tribute to Vice Admiral Thomas J. Kilcline, USN (Retired) on the eve of his retirement from his position as President of the Retired Officers Association. Because of his many accomplishments, I consider it appropriate to formally recognize him for his more than 50 years of service to this Nation.

Admiral Kilcline was born in Detroit, MI, on December 9, 1925. He enlisted in the United States Navy in 1943, graduated from the U.S. Naval Academy in 1949, and was designated a naval aviator in November 1950 after which he flew with VR–5 until 1953. Admiral Kilcline attended the Naval Postgraduate School and later Massachusetts Institute of Technology, where he earned a masters degree in aeronautical engineering in 1956.

He then joined Heavy Attack Squadron Nine, serving on the *Saratoga* and *Ranger.* In 1959, he was assigned to the staff of the Commander Sixth Fleet. He completed the Command and Staff Course at the Navel War College and in 1962 completed test pilot school. He was later assigned as coordinator of test programs for all attack aircraft at the Naval Air Test Center. In January 1965, Kilcline reported to Heavy Attack Squadron Eleven (VAH–11) aboard the *Forestall.* He commanded an RA5C squadron deployed to the Vietnam theater. He returned to the staff of the Commander Naval Air Force, U.S. Atlantic Fleet in August 1967, and a year later was assigned as operations officer and later executive officer aboard the *USS Ticonderoga* (CVA–14) during operations off Vietnam. He then became program manager for acquisition and support of the RA–5C aircraft, Naval Air Systems Command. In October 1970, he was named Director of Liaison with the House of Representatives under the Navy Office of Legislative Affairs.

From August 1972 until May 1974, Kilcline was commanding officer, Naval Air Station, Patuxent River, Maryland. He was then assigned as director of aviation officer distribution, aviation captain detailer and later, Assistant Chief of Naval Personnel, Officer Distribution and Education. In August 1975, he assumed command of Naval Base Subic Bay with duties as Commander In Chief Pacific Representative in the Philippines and Commander U.S. Naval Forces, Philippines. He became Chief, Legislative Affairs in February 1978 and in July 1981, was assigned as Commander Naval Air Forces, U.S. Atlantic Fleet. He retired from the Navy in 1983.

His awards include the Distinguished Service Medal; the Legion of Merit with three gold stars; the Bronze Star; the Air Medal; and awards from the governments of the Philippines and the Republic of Vietnam.

Following retirement, Admiral Kilcline formed a military and congressional consulting firm which he disestablished when he became TROA president in December 1986. Through his stewardship, The Retired Officers Association played a pivotal role in convincing Congress to enact several legislative initiatives to maintain readiness and improve the quality of life for all members of the military community—active, reserve and retired, plus their families and survivors. I won't describe all of his accomplishments, but will briefly focus on a few to illustrate the breadth of his concern for military people.

Under his direction, TROA supported strengthening the underpinning of the Montgomery GI. Bill and thus provided a solid foundation for our Nation's future leaders by placing the wherewithal for a college education on the horizons of more than 1,000,000 young men and women who otherwise might have been denied that opportunity. He was ever mindful of the adverse effects on morale and retention caused by broken commitments and inadequate compensation and forcefully championed the causes of fairness and equity. His leadership efforts to preserve the long-standing commitment to lifetime care in military health care facilities, to fight perennial threats to retiree Cost of Living Adjustments and to provide adequate military pay raises are some of his other significant contributions. Most recently, he fought and won the battle for a transition plan that provides a comprehensive benefits package for those personnel and their families who are forced out of active service as a result of the force structure drawdown that, hopefully, is in its final stages.

One of Tom's added strengths has been his lovely wife of 44 years, the former Dornell Thompson of Pensacola, Florida. Dornell has stood steadfastly at his side, championing the cause of military people, particularly their families and survivors, everywhere. For these contributions, we owe her a debt of gratitude, as well.

Tom and Dornell live in McLean, Virginia. They have had four children: Captain Tom Jr., an F-14 pilot now in the Navy Chair at the National War College; Lieutenant Patrick, lost in an F-14 accident off the USS Constellation; Lieutenant Kathleen, a Navy doctor killed in an auto accident; and Mary, wife of Commander Bob Novak, a P-3 pilot assigned as a program manager in the Naval Air Systems Command in Washington, D.C.

I wish to extend my heartfelt appreciation for his numerous contributions to military people everywhere and my best wishes for continued success in all of his endeavors.

IN MEMORY OF EVELYN CHRISTINE HALL

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. RUSH. Mr. Speaker, I rise today with great sadness to ask my colleagues to join me in honoring Evelyn Christine Hall who passed from this life on April 16, 1995, at the age of 60.

Evelyn Hall was born on November 8, 1934, in Covington, TN. Fondly referred to as "Mickey," Evelyn was a loving wife, mother, and friend who touched the hearts of many.

After completing high school in 1952, Evelyn moved to Chicago where she met her husband, Johnnie Marshall Hall. To this union were born five loving children, two sons and three daughters. She was employed by the U.S. post office in 1964, and retired from service in 1976. However that did not slow her down. In 1985 she received her salespersons license in real estate and eventually her brokers license. She even added another feather to her cap in 1994 when she received her associate of arts degree from South Suburban College in Illinois.

Evelyn leaves to cherish her memory, a loving husband, Johnnie M. Hall, Sr.; 2 sons: Rev. Gregory R. Hall and Johnnie M. Hall, Jr.; 3 daughters: Natalie D. Hall, Cora J. Layrock, and Shiela A. Hall-Frazier; a stepdaughter, Margaret A. Hall; 2 brothers: Eddie and Lloyd Coward; 16 grandchildren; 2 great-grandchildren; 1 special aunt, Evelyn Bates; and a host of cousins and friends. As you can well see, she will be greatly missed by many.

I am honored to enter these words of tribute to Ms. Evelyn Christine Hall into the RECORD.

AMERICA'S CITIES

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. RICHARDSON. Mr. Speaker, I rise today to call to the attention of my colleagues a wonderful article written by the Honorable Raymond L. Flynn, United States Ambassador to the Vatican. Ambassador Flynn had a distinguished career as mayor of Boston before his current service as Ambassador, and is very well informed of the problems and crises facing American cities. As an acknowledged expert in Urban Affairs, Ambassador Flynn has a keen interest and useful insight into solving the pressing problems of our cities. I would like to share a copy of Ambassador Flynn's article as published recently by Urban Affairs Review and commend it to my colleagues.

AMERICA'S CITIES—CENTERS OF CULTURE, COMMERCE, AND COMMUNITY—OR COLLAPSING HOPE?

(Raymond L. Flynn)

Perhaps the greatest obstacle facing cities today is the changing nature of the definition of city. The term city formerly signified a social center wherein large populations gathered to live, to exchange goods and ideas, and to develop and sustain a system that provided for the needs of its inhabitants. The very word had connotations of hopelessness, a place where "they" live. People demand greater measures against crime, welfare fraud, and illegal immigration. Underlying these demands, however, is the sentiment held by many Washington officials that few resources should be dedicated to urban areas—and to those who dwell within them.

In 1968, the Kerner Commission (U.S. National Advisory Commission on Civil Disorders) issued a warning that America was in danger of being divided into two nations: one white, one black. Presently, the United States faces the prospect of becoming a gated community—confining the poor within the city limits, separating them from those better off in the suburbs. Instead of seeking solutions to the problems of the cities, the cities themselves, along with the people living in them, have been incorrectly identified as the problem. If this misperception continues, more will be at stake than our cities. Indeed, the very values on which our nation was founded—equality, and life, liberty, and the pursuit of happiness—will be placed in jeopardy.

The question has been asked, Why should we concern ourselves with cities? It has been suggested by some high-ranking officials and sociologists that cities have outlived their usefulness. It is argued that new technology and the world economy have made cities obsolete and that we should discard them like unproductive units in a company that needs downsizing.

This utilitarian approach to the modern city ignores the reality that cities are made up of much more than material and human resources. The people are the heart of the city and cannot be reduced to a pool of disposable "goods" in an economic system. Cities are much more than economic entities; therefore, the human side of urban life cannot be ignored.

There are many compelling motives for turning our attention to the problems of the modern city. Among them are the following:

1. Cities have always been, and will always be, places of refuge, where those in need seek the support and comfort of others. They are centers for opportunities and hopes, where ideas, talents, and native intelligence are translated into a mutually energizing and life-giving environment conducive to the development of both culture and commerce. The historic roots of our nation remind us that nearly all of our families entered the American mainstream through cities. Most of these families arrived by ship, crossing one border or another, legally or illegally (and, many times, in the "gray area" in between). Cities in the United States kept the promise inscribed at the base of the Statue of Liberty—to receive "Your tired, your poor, your huddled masses yearning to breathe free." No matter how far we may have come since then, we cannot forget the values of the cities that were home to them. To do so would be hypocritical, denying to new immigrants the promise offered to our ancestors by American cities.

2. From a purely economic perspective, it would actually be less expensive to spend more rather than less on cities and the people living within them. The cost of urban misery is astronomic. From furnishing prison beds to caring for low-birth-weight babies, from providing for health care for AIDS victims and the elderly to feeding the urban poor, the cost of the barely living index is exorbitant. This growing moral deficit pulls not only on our consciences but also on our economy. The expense of preventive programs can reduce the cost of urban neglect.

3. From a socioeconomic perspective, saving urban America might be in everyone's self-interest. It seems that the rumors of the death—and decrease in importance—of cities are greatly exaggerated. Cities are again seen for what they have always been—economic engines that create and distribute wealth. In an upcoming book, Neil Pierce argues that city-states are replacing nations as the key units of production in the modern global economy (Spence 1994, 11). Michael Porter, author of The Competitive Advantage of Nations (1990), talks about the "untapped economic potential" of cities, especially as hosts for the "clusters" of industry he sees as the driving force in the new economy (Porter 1994, 11). Yes, capital is mobile, but it has to land somewhere. Invariably, it is in cities. But which ones? A new school of thought, with proponents such as Paul Romer, an economist at the University of California at Berkeley, Lester Thurow of M.I.T., and Michael Porter of Harvard, holds that cities attract investment to the degree that they can bridge the income gap with their surrounding suburbs. Romer states that "maybe even the rich can be worse off from inequality" (Bernstein 1994, 79).

These sentiments are being echoed on the political front by Democrats and Republicans alike. Labor Secretary Robert B. Reich recently warned that "A society divided between the 'haves' and the 'have-nots' or between the well educated and the poorly educated . . . cannot be prosperous or stable" (Bernstein 1994, 79). Republican theorist Kevin Phillips, who traces the growing inequality to a transfer of wealth from the middle class not down to the poor but up to the rich (Bernstein 1994, 79) agrees with this assessment. He remarks that economic stratification is contrary to the American sense of fairness and equality.

Where did we go wrong? How did we lose the idea of equal opportunity that has been part and parcel of city life? At the moment, it is fashionable to ascribe the plight of our cities to the failure of the urban policies of the 1960s and 1970s. Fashionable, but false. There are at least four factors that have contributed to the present situation.

1. Even as the urban policies of the 1960s and 1970s were being initiated, the "suburbanization" policies that began in the 1950s were continuing. Superhighway subsidies and low-interest mortgages accelerated the process of urban disinvestment. Cities began to spruce up their front yards

and put out the welcome mats while the moving trucks were pulling up to the back door, carrying away not only the furniture but, more important, the families that form the fabric of a strong and vibrant community.

2. Those who did stay to "fight the good (urban) fight" found themselves embroiled in an unproductive and unnecessary civil war (well documented by urban expert Nicholas Lemann, 1991) over whether these new policies should be administered from the bottom up (by community-based organizations) or from the top down (by local government). It is not clear who won that war, but it is clear who lost—the cities and the people in them. It is also clear that with few exceptions, mayors began to see themselves more as CEOs than as community champions, while people in the neighborhoods increasingly found themselves having to fight City Hall.

3. The urban policies of the 1960s and 1970s were preempted by the "What's in it for me?" policies of the 1980s. Tax and investment policies were enacted by an antiurban administration in Washington that favored the wealthy corporations at the expense of the community. This political about-face prevented any progress that had begun in urban areas from taking root.

4. Finally, America still has not dealt with the issue of race. Federal government mandates, quota systems, and reckless policies have divided poor whites and blacks, pitting one against the other. Until we deal with this problem, our urban areas will remain fragmented.

So what are we going to do about it? Ironically, the 1994 election gives us a new opportunity to finally "get it right." Let's begin by not repeating the mistakes of the past. Let's recognize the importance of U.S. cities and support them, just as we support any valuable institution in American society, such as home ownership and business investment. It is imperative to encourage ownership and investment in our cities—by individuals and corporations—at least as much as we do in the suburbs. We need to promote policies that will halt the flight of the working middle class, the backbone of our society, from our cities.

Too costly? Many say so. However, those who call for cuts in support to the cities might eventually have to consider equal cuts in the suburbs. No enterprise zones downtown? Fine, but let's stop building express roads to the suburban shopping malls, roads that carry away both shoppers and jobs.

Further, let's not force a false choice between community and local government. During my 10 years as mayor, the city of Boston was able to enjoy unprecedented success in building affordable housing by collaborating with community development corporations, in promoting jobs for Boston residents by working together with employers and unions, in caring for the hungry and the homeless by uniting our efforts with a network of charitable organizations, in providing quality community health care by working with neighborhood-based health centers, and in fighting crime by facilitating cooperation between police and residents to form "crime-watch" groups. Citizens and governments have enough to fight against without fighting each other.

Moreover, mayors should be the leaders in working for economic and social justice. They should be out in the communities, fighting for the rights of their people in the neighborhoods and not just in boardrooms, up at the state House (where much of the political power has shifted), and down in Washington. The present generation of "button-down" mayors needs to return to a more grassroots approach if they want their constituents to recognize that they are working for their benefit and to avoid the divisiveness of a citizen-versus-City-Hall mentality. Urban America needs players, not spectators; fighters, not promoters; activists not actors.

I believe that city mayors have some powerful and active allies in their effort to serve the well-being of their citizens. One such ally is the religious community. I have some experience in this area and can personally testify that the Catholic Church, for example, is not motivated by what is considered liberal or conservative or by labels such as Democrat or Republican but, rather, by the quest for Truth and Justice. The Catholic Church may be perceived as conservative on moral issues, but is liberal and progressive regarding economic and social issues such as strong concern for working families and the needy (once traditional Democratic voters). This, of course, is true for other religious organization as well.

You have only to read the documents from Annual U.S. Bishop's Conference to be convinced that on many social and economic issues, the positions of the Catholic Church are very much like those of the Clinton administration, whose agenda support working families, the needy, and the American cities. Furthermore, their stated positions are in strict opposition to those set forth in the "Contract with America." Although the Catholic Church does not support the Democratic party platform on abortion, it is they make this country work. We must bring cities back if we're going to remember who we are, where we came from, and what we hope to be. We must bring cities back if we're going to continue to care.

IN HONOR OF "UNCLE DAN" BEARD

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. GILMAN. Mr. Speaker, I rise today commemorate the life of a great American, Daniel Carter Beard.

Daniel, or "Uncle Dan" as he was known to the thousands of young men whose lives he affected, was the cofounder of the Boy Scouts of America. Born in 1850, Daniel Beard was vigorous enough to be active in the Boy Scouts until his passing in 1941, just months shy of his 91st birthday. While his presence lives on in the design of the original Scout uniform, far more important are the effects that he had on the teaching, thoughts, and philosophies of the Boy Scout movement which is with us to this day.

Daniel Beard cofounded the Boy Scouts in 1910 when he was 60 years young. At an age when most people would think of slowing down and retiring, Daniel Beard began to speed up. By profession he was an illustrator, editor and author of books for boys. His abilities complemented his love of nature, and so he organized groups of young men and taught them the skills of America's pioneers. He would later merge these groups into the Boy Scouts. He became the first National Scout Commissioner of the Boy Scouts and added the title of Chairman of the National Court of Honor in 1913. During this time he was editing and writing articles for Boys' Life magazine as well as continuing his fight as an early proponent of conservation. He was thus one of America's first environmentalists. Daniel Beard carried on his tradition of helping and teaching the young men of this country until his death.

Daniel Beard spent the final years of his life at his home, Brooklands, in Rockland County, NY, in my 20th Congressional District of New York State. One might think that he no longer continued in his practice of working with young men but this is not the case. On moving to Brooklands in 1928, Dan Beard hosted a national Scout rally at his home. At the age of 78, he appeared in his famous buckskin outfit and spoke at length to the boys in attendance. Subsequently he joined an honor guard of Rockland Eagle Scouts when they attended the National Scout Jamboree in Washington, DC, at which he was the guest of honor. He attended all of the major Scout gatherings during those years and his popularity with the young men involved was amply proved. At the 1939 World's Fair, his introduction received louder applause than most of the other guests of honor, including President Franklin D. Roosevelt.

In the last years of his life, Dan Beard continued to be active in the Scout community of Rockland County. In 1940, at the age of 90, he led 100 Scouts from the county in the dedication of a community site. In the same year he presided over a meeting of the Campfire Girls of Arden, NY, in Orange County, NY, showing his support and love for all young people. Thus, he was one of the first Americans to express support for gender equality in our society.

Daniel Beard's life of service cannot be lauded enough. His effect upon so many of the young men whose values were shaped by their time in the Scouts is immeasurable. He summed up the course of his life when he said: "Once a Scout, always a Scout." He proved this sentiment with his unending dedication to the organization that he cofounded. Many of the young men and women of this Nation, and of Rockland and Orange Counties in particular, owe this man a debt of gratitude for his influence and service.

On June 3, 1995, Daniel Beard will be honored in Rockland County by the Dan Beard Committee and the Rockland County Council of the Boy Scouts of America. The council and the committee will host a day of dedication for Daniel Beard in the Village of Suffern, Rockland County, NY.

Mr. Speaker, I would like to invite our colleagues to join us in honoring Daniel Beard. Fifty years after his death Daniel Beard is still considered a great American and an outstanding example of how many lives one dedicated person can affect.

IN OBSERVANCE OF MEMORIAL DAY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. HOYER. Mr. Speaker, I rise today in advance of Memorial Day, to remember the men and women who made the ultimate sacrifice in defense of this great Nation and the ideals for which it stands. It is fitting that before we Americans celebrate the arrival of summer, we set aside a special day in honor of all those brave and selfless individuals who have died to defend our freedom and security. Each of the patriots whom we remember on Memorial Day was first a beloved son or daughter, sibling, spouse and friend. Each had hopes and dreams not unlike our own.

The loss of these Americans—indeed, the loss of any life to war—fills us with sorrow and strengthens our resolve to work for peace. Yet it would be a great injustice to our fallen service members to observe this day solely as one of mourning. On this Memorial Day, our hearts should swell with thankfulness and pride as we reflect on our Nation's heritage of liberty.

Gen. James A. Garfield was the main speaker at the first national Memorial Day on May 30, 1868 at the National Cemetery in Arlington. He best expressed the utmost respect and reverence we as a nation should have for those who lost their lives in defense of our country, and its ideals.

> I am oppressed with a sense of impropriety of uttering words on this occasion. If silence is ever golden, it must be here beside the graves of fifteen thousand men whose lives were more significant than speech and whose death was a poem the music of which can never be sung. With words we make promises, plight faith, praise virtue. Promises may not be kept; plighted faith may be broken; and vaunted virtue be only the cunning mask of vice. We do not know one promise these men made, one pledge they gave, one word they spoke; but we do know they summed up and perfected, by one supreme act, the highest virtues of men and citizens. For love of country they accepted death, and thus resolved all doubts, and made immortal their patriotism and virtue.

I, too, have no illusions about what little I can add to the silent testimony of those who gave their lives willingly for their country. Yet, we must honor them—not for their sakes alone, but for our own. And if words cannot repay the debt we owe these men and women, surely with our actions we must strive to keep faith with them and with the vision that led them to battle and to final sacrifice.

As one looks out across the rows upon rows of white crosses and Stars of David in military cemeteries in our country and across the world, the willingness of some to give their lives so that others might live never fails to evoke in me a sense of wonder and gratitude. They span several generations of Americans, all different and yet all alike, like the markers above their resting places.

And how they must have wished, in all the ugliness that war brings, that no other generation of young men would have to undergo that same experience. At this time each year we should instill in every generation, now and yet to come, a deep appreciation and full understanding of the meaning of why they died. The sacrifices we remember on Memorial Day must be made meaningful to every new generation of Americans, so that those sacrifices shall not have been made in vain.

The passage of years has dimmed the memories of many who have witnessed the destruction and tragedy of war, but we need only look at the "reminders" of the price of freedom paid in places such as Gettysburg, Omaha Beach, Normandy, and "Hamburger Hill." Each is a name that invokes memories of patriotism and valor. Each reminds us that our Nation was founded on the belief that our democratic ideals are worth fighting for and, if necessary, worth dying for. We have a sacred obligation to remember for all time the names and the deeds of the Americans who paid that price for our freedom. Memorial Day has now become an occasion for honoring all those who died protecting that freedom. One reminder, engraved in the stone memorial at the Omaha Beach Cemetery, eloquently states, "To these we owe our highest resolve, that the cause for which they died shall live."

Mr. Speaker, Memorial Day is a day to honor Americans who gave their lives for their country. It is their deaths, not the wars which claimed them, that we honor today. This day is our way of keeping alive the spirits and accomplishments of those who made the ultimate sacrifice for their country. It is a time of reflection, it is a time of honor, it is a time of renewal. Today, and every day, we must remember what was sacrificed for the many freedoms we enjoy today. We must honor those who made that sacrifice for us. And we must renew our commitment to the ideals which their sacrifices preserved, always with the hope that future generations of Americans will never need to make those same sacrifices.

SIXTEENTH ANNIVERSARY OF BESFI

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. FORBES. Mr. Speaker, today I would like to congratulate Madame Valia Seiskaya and the Ballet Education and Scholarship fund, Inc. (BESFI) on the occasion of the fund's 16th anniversary. Madame Seiskaya is a cofounder and current director of BESFI, and it is appropriate that she receive the honors she so richly deserves. Madame Valia Seiskaya has elevated the standards by which all ballet teachers are judged while enriching the cultural life of Long Island immeasurably.

Her students have won awards and scholarships far too numerous to mention. If one had to pick a defining moment it would be in 1994, when Michael Cusumano, a 14 year old pupil of Madame Seiskaya, won not only a bronze Medal and Special recognition at the 16th International Ballet Competition in Bulgaria, but a Gold Medal level Jury Award at the 6th Prix de Danse, in Paris, France.

A leader in dance education, Madame Seiskaya was honored at the Varna, Bulgaria competition with a nomination for best teacher and coach.

Under Madame Seiskaya's leadership BESFI has developed several programs ranging from a scholarship program, a stipend support program, and the renowned Summer Intensive Workshop, which draw students from across the Metropolitan area. Some have gone on to join the New York City Ballet, the Joffrey Ballet, and the American Ballet Theater.

Madame Seiskaya and BESFI have enriched the education and artistic maturity of scores of young dancers. I wish them continued success in all their endeavors.

TRIBUTE TO DONALD O. BROOK

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Donald O. Brook who is being honored this evening by the Clinton Township Goodfellows. He is being named as a Goodfellow of the Year at a recognition dinner at the Fern Hill Country Club in Clinton Township, MI.

Donald Brook is currently Deputy Chief of Police in the Clinton Township Police Department. During his 26 years of service he has served the people of Clinton Township faithfully in his role as a police officer. During this time, Deputy Chief Brook managed to earn four college degrees, including a doctorate from Wayne State University in Administration and Supervision.

In addition to applying his academic knowledge in his profession as a police officer, Chief Deputy Brook teaches at Macomb Community College and Central Michigan University. As an adjunct faculty member of both institutions, he teaches students in the areas of criminal justice and management and supervision.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Donald Brook has dedicated much of his life to this endeavor. His time, talents, and energy are appreciated by many. I thank Donald Brook for his efforts and commend him for his good work.

I applaud the Clinton Township Goodfellows for recognizing Chief Deputy Donald Brook. For 25 years, nearly as long as he has been an officer of the law, Donald Brook has also served the community-at-large as a Goodfellow. He has provided outstanding leadership to the community of Clinton Township and I am sure he is proud to be honored by the Goodfellows.

The devotion the Goodfellows and Chief Deputy Brook have displayed to their community is an inspection. Their contributions are many and they deserve our gratitude for their compassion and work.

On behalf of the Clinton Township Goodfellows, I urge my colleagues to join me in saluting Doctor and Chief Deputy Donald Brook.

CELEBRATING THE SERVICE OF MARK JAFFE

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. BARCIA. Mr. Speaker, we have in recent weeks spent a great deal of time talking about educational opportunities for our young people, and the value of education. We should never forget that the quality of education is most dependent upon the people who are involved in the day to day efforts to make our schools the best in the world.

The people who have been served by the Essexville-Hampton Public School system have had the good fortune of twenty-eight years of service from Mark Jaffe as a trustee of the Essexville-Hampton Board of Education from July 1966 to 1970 and 1972–73, and as its President from 1971 to 1972, and again from 1973 to the present. He is recognized as a tenacious doers, who has always acted on his belief of what was best for the school system, even if that meant taking unpopular stands.

And the Essexville-Hampton Public Schools are better because of it. During his tenure, Mr. Jaffe was responsible for the establishment of Quintin E. Cramer Junior High School in 1969, and also saw Garber High School designated as one of the top 10 high schools in the State of Michigan in 1987 as well as being a National Excellence in Education Honoree that same year.

His capabilities and commitment extended to business where he held a number of directorships and offices with a number of area companies, including First of America Bank Michigan Airgas, Mid-Michigan Welding Supply, Bay City Inns, Peoples National Bank and Trust, Valley Oxygen Company, Thermal Concentrates, Inc., and Bay Welding Supply. He also exhibited a strong sense of other civic involvements with many organizations, including the Bay Area Chamber of Commerce, the Great Lakes Center Foundation, United Way, Delta College, Saginaw Valley State University, the YWCA, the University of Michigan, the Rotary Club, the Bay Medical Center Fund Drive, and as Chairman of the Finance Committee of the Essexville-Hampton Citizens Advisory Committee.

Mark Jaffe has had a sense of responsibility to his community and to his work that is exceeded only by his commitment to his family. His wife Judith, and his children Lynne Goldstein, Ellen Conginundi, and David, have all been key components of his lifetime of caring, and remain important anchors for those times when we all need to rest on calmer shores.

Mr. Speaker, people of accomplishment send the best kind of message to our young people—that hard work and perseverance have their just rewards. Mark Jaffe has been a lifetime model for thousands of young people in the Essexville-Hampton Public Schools, and I am sure that he will continue as a leader worthy of respect and honors in all else that he might chose to do. I urge you to and all of our colleagues to join me in wishing him the very best on his retirement.

SALUTE TO JEROME W. WILLIAMS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. CLAY. Mr. Speaker, I would like to take this opportunity to pay tribute to an outstanding American and former employee of the U.S. House of Representatives, Mr. Jerome W. Williams. Jerome served as administrative assistant in my Washington office from January 1976 until his retirement in December 1992.

A native of St. Louis, MO, Jerome Williams first distinguished himself in the field of education. He graduated from Stowe Teachers College and earned his master's degree in education administration from St. Louis University. He began teaching at Bates Schools in September 1955 and later served as principal of Sumner, Beaumont, and Hadley high schools and Lexington and Cole elementary schools. In September 1970 Jerome was named district assistant superintendent of the McKinley-Roosevelt District for the St. Louis public schools and in June 1974 he became director of the Inservice Center of the St. Louis Board of Education. Jerome is a member of the Missouri State Teachers' Association, the National Education Association, and National Association for Curriculum Development.

In 1976 Jerome Williams left St. Louis and came to work on Capitol Hill where he served as my administrative assistant. He organized, supervised, and maintained my congressional office in a manner that effectively and efficiently served the people of the First District of Missouri. His dedication and commitment to this institution were unsurpassed.

In addition to 20 years of service in the St. Louis public school system and 17 years on Capitol Hill, Jerome served his Nation in the U.S. Army from November 6, 1953, until August 10, 1955.

Jerome Williams has exercised a lifelong interest in his avocation, public speaking and drama. He has studies radio announcing and acting and has been a member of several drama groups. Jerome has also manifest a special interest in young people and is an outstanding father of four children—Yvette Williams, Karla Wallace, Jerome Williams, Jr., and Andrea Williams, and is grandfather of Darrell Banks. In 1970 Jerome Williams was honored as recipient of the Harris-Stowe College Outstanding Alumni Award.

Mr. Speaker, Jerome W. Williams has truly led a distinguished life of public service and devotion to is family, community, and Nation. I salute Jerome in his retirement and wish him godspeed.

100TH ANNIVERSARY OF HARTFORD'S PARKS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mrs. KENNELLY. Mr. Speaker, 100 years ago, the leaders of my hometown of Hartford, CT, made an important decision. They created the Hartford Park system, that now comprises many parks that have served countless residents throughout the past century.

One of the driving forces behind the creation of the park system was Mr. Frederick Law Olmsted, also known as the Father of Landscape Architecture. A native of Hartford, born in 1822, Mr. Olmsted went on to design almost 100 public recreation grounds and planned communities nationwide, including Central Park, Boston's Emerald Necklace, and the U.S. Capitol grounds.

In Hartford, our parks have remained places of enjoyment in so many ways. They provide recreational and cultural activities for our community. At Keney Park, families gather for a variety of events throughout the summer months, including golf, tennis, and swimming. Elizabeth Park features beautiful rose gardens through which to stroll, and ponds for watching the ducks in summer and for ice skating in winter. Goodwin Park is a premier location for bike rides, golf, tennis, and other recreational activities. These and Hartford's other scenic spots continue to enrich the lives of the residents of our community and surrounding areas.

As we celebrate this important anniversary in Hartford, I commend the city parks and recreation department, the Hartford Parks Advisory Commission, and the many park advisory groups that have been instrumental in ensuring our parks continue to serve residents for generations to come.

TRIBUTE TO THE SAN BERNARDINO AMERICAN LEGION AUXILIARY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of the American Legion auxiliary, San Bernardino unit, which recently celebrated its 75th anniversary of service to our community and our Nation.

The San Bernardio American Legion auxiliary has a long and proud tradition of dedication and outstanding service. At the very first meeting held on April 10, 1920, at the Women's Club House and presided over by Mrs. R.F. Gardner, 18 names were listed on the original charter. At that time, the auxiliary was organized to safeguard and convey to America's youth the ideas and principles upon which our Republic was built, to foster allegiance and respect for our flag, and to offer support for the men and women who served in the Armed Forces. These responsibilities the women of the San Bernardino auxiliary took seriously in their service to our community, State, and country.

The minutes from those early meetings are intriguing and offer insights into the concerns of that time. Purchasing savings bonds, entertaining patients at Arrowhead Hospital, working with the poor, and honoring our flag were several subjects discussed in those early days.

Over the years, auxiliary members have served in World War II, Korea, Vietnam, Panama, and Operation Desert Storm. Its members have participated in Operation Send-Off at the former Norton Air Force Base, savings bonds drives, health programs for the children of our veterans, scholarships to our community youth, and working with the American Red Cross, and other worthy organizations. That spirit of giving and support continues to this day as members of the auxiliary work with and provide assistance for the veterans, their families, and children in their homes, and at the Jerry L. Pettis VA Hospital in Loma Linda.

Mr. Speaker, I ask that you join me, our colleagues, and our many friends in recognizing the many fine achievements and selfless contributions of the American Legion auxiliary in San Bernardino. Over the years, the auxiliary has touched the lives of many people and it is only fitting that the House of Representatives recognize this outstanding organization today.

SUBTLE TRADE BARRIERS BLOCK U.S. FIRMS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. SOLOMON. Mr. Speaker, I submit for the RECORD the following excerpt taken from the article "Protectionism Plays a Subtler Hand" in the Washington Post on Sunday, May 14. This article addresses the problems which American firms are having in overseas trade. Despite the dismantling of many of the old tariffs and quotas, many "nontariff trade barriers" still exist. By eliminating these barriers, the United States can greatly reduce its $108 billion trade deficit.

One industry which is affected by these barriers is energy. American corporations, such as Westinghouse and General Electric, control about 30 percent of the world's powerplants and equipment. However, in the lucrative German market, these corporations have been blocked. U.S. officials claim that this is blatent trade discrimination, although it is not done through traditional practices of tariffs and quotas. Germany has repeatedly denied contracts to American firms and then given them to European firms.

Another industry which has been affected is automobile and truck tire manufacturing. Cooper Tire, despite the promises made under NAFTA, has been shut out of the valuable market in Mexico. New restrictions placed on the industry by the Mexican Government have blocked imports from the United States, while exports to the United States have increased.

The Clinton administration has made some steps by putting pressure on the German Government. This pressure must be continued to help American corporations prosper in overseas markets. This will help to alleviate the trade imbalance which the United States now suffers.

The article referred to follows:

[From the Washington Post, May 14, 1995]

PROTECTIONISM PLAYS A SUBTLER HAND

(By Martha M. Hamilton)

GE had a recent experience in Germany that was similar to the Westinghouse problem in Cottbus, according to U.S. trade officials.

GE spent more than a year and $750,000 bidding for the right to supply turbine generators for a power plant in Lippendorf in the former East Germany, only to find itself excluded from the final round of negotiations for the $250 million contract. Asea Brown Boveri's German subsidiary was awarded the contract.

GE and U.S. trade officials have been joined by the European Union in protesting the actions of the Veag, the privatized eastern German electric utility. The EU agreed that Germany doesn't allow foreign companies a fair crack at its public sector contracts—a market valued at about $160 billion.

So far, administrative reviews and challenges in German courts have failed to provide GE with the remedy it seeks, and Germany has maintained there was no unfair discrimination against GE.

Last month, U.S. Trade Representative Mickey Kantor and Commerce Secretary Ronald H. Brown wrote Germany's minister of economics, Guenther Rexrodt, that they consider the GE case "a test" of Germany's willingness to abide by the rules of the memo of understanding and willingness to allow U.S. companies fair access to public sector contracts. Brown is expected to meet with Rexrodt later this month.

One argument that U.S. trade officials hope will persuade Germany to open up public sector contracts is that the German public is paying a higher price than needed for services because its markets are protected from competition.

GE still hopes it may win the Lippendorf contract, according to Gadbaw. He said challenging the German government has been hard for GE, which doesn't like to find itself suing a potential customer. "We had to weigh the fact that we are very successful in the German market in a whole range of product lines with the fact that one of our principal product lines was being shut out of that market," he said.

H.R. 971 AND ITS EFFECTS ON INDIAN TRIBES

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. RICHARDSON. Mr. Speaker, last week when the House passed H.R. 961, the Clean Water Amendments of 1995, certain provisions were included in the bill that would seriously undermine the tribes' authority to regulate their environments through Clean Water Act programs. These provisions, amending section 518 of the Clean Water Act, would change current Federal law and the established Federal policy of maintaining a government-to-government relationship between tribes and the Federal Government, a relationship that has been affirmed by every President of the United States for the past 30 years. The practical effect of the amendments would be to reverse the current authority for tribes to safeguard their environments, as currently provided for in the Clean Water Act. This would leave reservation waters less protected, and less capable of being protected, than the rest of the Nation's waters. In certain situations, this arguably would abrogate Federal++bligations to the tribes.

The implementation of the Clean Water Act provisions for tribal authority since 1987 has been an environmental success story. The impetus for these amendments is a few hypothetical situations which stem from long-standing disputes over tribal-State jurisdiction. These jurisdictional disputes are the product of the variety and contradictions among the changing Federal laws and policies governing tribal land tenure over the past century and a quarter—including termination, assimilation, and the General Allotment Act. If the authority to set water quality standards is determined by the checkerboard pattern of tribal and non-Indian fee lands left by these laws and policies, it would create a water management scheme that is administratively unworkable and environmentally destructive.

State-tribal cooperative agreements may be an effective tool for environmental management where those agreements are freely negotiated and mutually agreeable. However, the agreement process outlined in H.R. 961 will likely lead to coerced negotiations. Also, the amendments will create burdensome procedures for dispute resolution and judicial review. They also may sharply limit tribal authority to regulate waters within reservation boundaries, a function consistent with tribal self-governance and the general trend to allow more local control over local environments.

In the past few years, EPA and the tribes have begun to build strong partnerships to protect tribal environments. The bill as passed will undermine that progress and should not be a part of any reforms to the Clean Water Act.

RIVERWOOD INTERNATIONAL'S MACON PAPERMILL AWARDED ISO 9002 CERTIFICATION

HON. SAXBY CHAMBLISS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. CHAMBLISS, Mr. Speaker, Riverwood International Corp. is a global paperboard, packaging, and packaging machinery company headquartered in Atlanta, GA, with 1994 annual sales of $1.3 billion and 6,200 employees worldwide. On May 17, 1995, Riverwood International announced its Macon papermill, in Georiga's Eighth Congressional District, was awarded ISO 9002 certification, reflecting the companies adoption of international quality standards for its global packaging customers.

The first steps in the implementation process for Macon was the formation of a Quality Improvement Team. This team became the guide to the installation of the ISO standards. The Quality Improvement Team consists of department managers, the director of manufacturing, and the vice president/resident manager. Department managers were chosen to participate on the team because they could provide the implementation resources in their respective area. The largest single resource recognized was the participation of the operational personnel.

ISO 9002 certification includes all of the production and installation systems of a facility, and covers all areas of the mill from the woodyard to warehouse. The mill, which received its certification from Lloyd's Register Quality Assurance Ltd., has the capacity to produce more than 500,000 tons per year of coated and linerboard.

We should all be proud of the economic leadership provided by Riverwood in conjunction with the fine people of Macon, GA. This unique focus on team-work and commitment to the community are examples we should strive to emulate. Congratulations to all of the folks at Riverwood who worked so hard to gain this distinction.

TRIBUTE TO THE LATE RICHARD E. LEMASTER

HON. JOHN SHADEGG

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. SHADEGG. Mr. Speaker, I rise today to recognize the heroism of Mr. Richard E. Lemaster, who was, on this date, posthumously awarded the distinguished National Hero award by the National Association of Letter Carriers for his heroic actions of February 15, 1994. On that date, Mr. Lemaster lost his life while rescuing his niece and attempting to rescue his brother and sister-in-law from their burning mobile home. Mr. Lemaster's widow, Margie Lemaster, her son, Chris, Mr. Lemaster's brother and sister in-law and several other members of his family were present in the District of Columbia today for the award ceremony in his honor. I would like to formally acknowledge ultimate sacrifice made by Mr. Richard E. Lemaster, a U.S. Postal Service letter carrier for more than 23 years, and a true American hero.

IN MEMORY OF WILLIAM ROBERTSON, MILWAUKEE POLICE OFFICER SLAIN IN 1994

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. BARRETT of Wisconsin. Mr. Speaker, the somber memorial held last week on the Capitol Mall in Washington, DC, honoring the 157 police and Federal agents killed in the line of duty in 1994 included an excellent police officer who worked and lived in my community.

In the early morning hours of Wednesday, September 7, 1994, Officer William Robertson, age 31, was shot and fatally wounded by a sniper while on patrol with his partner. An unknown assailant, without any provocation or confrontation, murdered a dedicated Milwaukee Police officer and in the process shattered the lives of many people.

William Robertson joined the Milwaukee Police Department in September 1993 after 6 years of exemplary service with the Whitefish Bay Police Department. Mr. Robertson received three commendations for outstanding service while serving the citizens of Whitefish Bay, including one for removing an unconscious driver from a burning car after an accident. He was respected by his peers and received much praise from his supervisors for his willingness to learn and to teach others.

William Robertson's ultimate career goal was to be in a classroom teaching recruits at the Milwaukee Police Academy. Helping others, especially disadvantaged children, was a way of life for Mr. Robertson. He volunteered much of his time helping the Special Olympics, including raising funds for the charity. He was a key organizer of the Wisconsin Law Enforcement Torch Run, a statewide relay race that benefits the Special Olympics.

Less than eight weeks after his untimely death, Mary Robertson, his widow, gave birth to healthy twins. A son named William Arthur and a daughter named Kayla Mary were born into the world oblivious to the perils that had taken their father's life.

As Americans pause to honor the 157 fallen law enforcement officials, I especially salute the service of Milwaukee Police Officer William Robertson and offer my sincere condolences to his family and friends. I am grateful for all the police officers who, like Officer Robertson, risk their lives everyday to make Milwaukee a safe place to live.

TRIBUTE TO THE LAKE BRADDOCK SENIOR HIGH SCHOOL SYMPHONIC BAND

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. DAVIS. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to the Lake Braddock Senior High School Symphonic Band of Burke, Virginia has been selected for 1995 as a recipient of the Sousa Foundation's Sudler "Flag of Honor", the highest recognition of excellence in concert performance that can come to a High School band. During the 13 years the award has been in existence, only 31 bands from the entire United States Japan and Canada have been selected for the Flag of Honor award. They will be presented this award on Thursday, May 25, 1995 in the Lake Braddock High School Auditorium by Colonel Bryan Shelbourne, Leader of the United States Army Band and member of the Sudler Flag Selection Jury.

To be eligible for nomination for the Sudler Flag a high school band must have maintained an outstanding concert band over a period of seven or more years. Although the band's concert activities receive the most attention in the selection process the band program in the school must be a complete one and include a marching band, small ensembles, and solo participation by its members in contest-festival opportunities.

The band director must have been the conductor of the band for seven or more consecutive years including the year of the award and is expected to have been involved in professional band and music education organizations and activities at the local, state, and national level.

Mr. Speaker, I know my colleagues join me in honoring this fine symphonic band and its conductor Mr. Roy C. Holder for their outstanding achievement.

TRIBUTE TO JIM HENRY

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. TALENT. Mr. Speaker, I rise today to offer my congratulations to Jim Henry, a constituent of mine who was recently awarded the Small Business Administration's "1995 Small Business Person of the Year" award for the State of Missouri.

Ten years ago Mr. Henry left his job with Emerson Electric and bought R.C. Wilson Co., a small collection agency in St. Louis, Missouri. At the time Mr. Henry bought R.C. Wilson he had no small business experience or background, but he did have a can-do philosophy, which has helped him build one of the most successful collection companies in our city. Over the past ten years, sales, employment and clientele at R.C. Wilson have grown significantly. Sales have increased by 200 percent, while employment at R.C. Wilson has grown from 25 to 118. At the same time, his company's collection success rate is over 30 percent—higher than the 22 percent average for the industry.

Mr. Henry explains his success this way: "The way a business owner treats employees makes or breaks a business. The key to long-term success is to treat your employees with dignity and always maintain the highest level of integrity and honesty in all dealings." This attitude is reflected in the companies employee benefit policies. R.C. Wilson Co. has a generous tuition reimbursement program which enables many employees to continue their education through post-graduate levels. The company also provides an annual scholarship for Missouri Business Week to the child of one employee. The company also shares profits with its employees.

Mr. Speaker, I want to close by again offering Mr. Henry my congratulations on being named the 1995 Missouri Small Business Person of the Year, and to wish him and the employees of R.C. Wilson Co. continued success.

HONORING DISABLED VETERANS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. MENENDEZ. Mr. Speaker, on April 2, 1995, the Disabled American Veterans and Auxiliary, Department of New Jersey, held its Eighth Annual Legislative Breakfast.

Ms. Linda Trulio, 2d junior vice president of the auxiliary, wrote the following poem in honor of all disabled veterans and the mission of the DAV toward our fallen veterans.

I believe that her words are worthy of my colleagues consideration and commend them to you herewith.

SERVING THOSE WHO SERVED

By: Linda A. Trulio

Dedicated to the motto of the disabled American Veteran, Presented at the New Jersey Legislative Breakfast April 2, 1995.

We rode the waves together, and sailed the stormy seas.
We braved the intense jungles and hid among the trees.
I pulled you from the waters deep and muddy sinking sands.
I gave you my last cigarette, without question or demand.
When flying high through stormy clouds and dodging rockets flares,
I looked behind our aircraft and saw you praying there.
We shared our jokes and memories, and thought so much of home.
We knew that with a buddies arm, we never were alone.
And when the snipers' bullets found my leg and shoulder torn,
I looked to you now for some help, my life now surely gone.
I made it home alas, all tattered and all torn,
And wondered what my future held, not much just pain and scorn.
I felt so useless, just what would I do?
Will they still love me when they see I have one shoe?
How will I eat; how will I write?
Will I still work with partial sight?
And then I looked up from my bed,
and saw you standing there.
My friend, my pal, your hand on my head,
Your eyes they held a tear.
I'm here my friend; I'm here to help and never will I stray.
We'll fight together, I'll lead you on and still take time to pray.
I'll visit you and give you strength in hospitals far and near.
I'll look in on your family and those you hold most dear.
And when your rights and benefits are under threat or endangered,
I'll fight the fight for you my friend. You'll keep what was created.
I'll be your eyes and write the words. I'll lead you step by step.
I'm here to serve, the one who served, the one I'll not forget.

HONORING THE METRO-DADE URBAN SEARCH AND RESCUE TEAM FOR THEIR HEROIC RESCUE EFFORTS AT THE OKLAHOMA CITY BOMBING ON APRIL 19, 1995

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. SHAW. Mr. Speaker, recently, America has been faced with great tragedy. America as a whole has been greatly affected by the bombing of the Edward R. Murrah federal building in Oklahoma City. I am sure you all join me in mourning the loss of those Americans whom we lost, and praying for this tragedy's survivors to recover as best they can from this injustice.

The Metro Dade Urban Search and Rescue Team has been a great aid to the unfortunate victims of the Oklahoma City bombing, and I would like to take this time to thank them. As you may remember this is the same group of fearless workers who gave us Floridians so must support in recovering from Hurricane Andrew.

Oftentimes, while grieving the loss of disaster's victims, we forget how courageous and fearless these team members are. I am not only grateful but very proud that you are member of my community. Thank you.

TRIBUTE TO RHODES COLLEGE MOCK TRIAL TEAM

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. FORD. Mr. Speaker, I rise today to recognize and pay tribute to members of the Rhodes College Mock Trial Team for winning the 1995 National Intercollegiate Mock Trial Tournament. Rhodes College, a prestigious four year liberal arts college in my congressional district, has for six consecutive years, sent a group of students to the National Intercollegiate Mock Trial Tournament. For four out of six years, the Rhodes College Mock Trial Team has captured this distinguished award.

These undergraduates deserve special mention because they have developed the vital skills of communication, advocacy and rhetoric. Mastery of these skills will make them well qualified for careers in public service, the professions or business. Led by Political Science Professor Marc Pohlman and Memphis Attorney Whit Gurkin, the team consisted of the following Rhodes students: Melissa Berry of Searcy Arkansas, Ryan Feeney of Marietta, Georgia, Jenny Hall of Bartlett, Tennessee, Mike Hart of Monroe, Louisiana, Nikki Holzhauer of Columbus, Mississippi, Karen Jones of Collierville, Tennessee and Gina Yannitell of Baton Rouge, Louisiana. The team participated in a trial involving a train which struck an automobile. Because evidence existed that both parties were negligent, the court had to decide proportional responsibility what damages would be awarded.

This year, the team competed in the regional tournament which qualified it to compete in the national tournament in Des Moines, Iowa on April 5, 1995. A distinguished panel of Iowa Supreme Court Justices and federal judges judged the competition. The jury was comprised of prominent state and local citizens including Iowa Governor Robert Ray. Rhodes joined 72 other colleges and universities in Des Moines and defeated St. Johns University, Northwestern University, University of Minnesota, Dayton University and Loras College to win the national championship. Among the prominent schools that participated in the competition were Brown, Cornell, Duke, Grinnell, Johns Hopkins, Northwestern, and Yale.

The Rhodes Mock Trial Team is carrying on the college's tradition of advocacy and debate. Its continued success is a tribute to the quality of higher education in Tennessee's Ninth Congressional District. I am proud and honored to recognize this important milestone.

IN TRIBUTE TO THE U.S. MERCHANT MARINE IN THE SECOND WORLD WAR

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. MINETA. Mr. Speaker, today, we observe National Maritime Day to pay honor and tribute to those who served our country in the merchant marine during the Second World War.

We have observed this day since 1945, when President Franklin D. Roosevelt, by proclamation, designated this day. For our observance this year, the 50th since the end of the war, the Administrator of the Maritime Administration, Vice Adm. Albert J. Herberger, has written a moving tribute to the merchant mariners who gave of themselves a half-century ago. It is my pleasure to share this tribute with my colleagues:

THE MERCHANT MARINE DURING WORLD WAR II

(By Maritime Administrator Albert J. Herberger)

Fifty years ago, America celebrated National Maritime Day in inland cities such as Kansas City, Akron and Salt Lake City, as well as in the Nation's Capitol and many port cities.

Governors of West Virginia, Nebraska, New Mexico and Indiana joined their coastal colleagues in issuing proclamations or statements honoring those who built and sailed the merchant ships so vital to the war effort.

The President, too, asked the people of the United States to observe May 22, 1945 as National Maritime Day. It was the last proclamation issued by Franklin D. Roosevelt.

In his Maritime Day proclamation, President Roosevelt saluted the ". . . many thousands of patriotic men and women [who] are toiling through the long hours of the day and night in the construction of the great fleets of vessels that carry the goods of victory to the distant battlefronts of the United Nations . . . .

"Our ships, sailing every ocean, have been manned by courageous officers and seamen all of whom have left the security of their firesides and many of whom have given their lives for the land of their allegiance. . . ."

Many civilian American seafarers made the ultimate sacrifice; more than 6,000 were killed, and 733 American cargo ships were lost to enemy action.

Thousands were injured during attacks. Many were forced to wait aboard lifeboats and rafts, hoping for rescue after their vessels were lost.

The story of Capt. James F. Harrell, master of the SS GULF STATES, was told in this contemporary account:

"Proceeding in convoy through an area of enemy submarine activity, he sighted, at a great distance, two drifting lifeboats heavily loaded with survivors apparently too exhausted to signal. Though fully aware of the danger to his own ship, he obtained permission from the Commodore to leave the protection of the convoy and succeeded in taking aboard 106 survivors of a torpedoed Dutch ship in a rescue operation which required three hours to effect.

"On a subsequent voyage, his ship, carrying 78,000 barrels of crude oil, was hit by two torpedoes. Fire immediately enveloped the entire after part of the ship trapping all but the Master and eleven of his crew.

"Captain Harrell directed the launching of the one remaining life raft, ordered the men with him over the side, and chose to give his life in a heroic attempt to rescue the trapped men."

Capt. Harrell was one of nine officers and seamen of the nation's wartime merchant fleet who were awarded the merchant marine distinguished Service Medal during May 1945. His was presented posthumously to his wife, Alice Harrell, of Port Arthur, Texas.

Another recipient was Paul Irwin Valentine, of Tiffin, Ohio. He served as second cook and baker aboard the SS DANIEL HUGER. Following is his story, as recounted in 1945:

"His ship was subjected to a two-hour high level bombing attack by seventeen enemy planes. As a result of a near miss, bomb fragments pierced the hull and the cargo of high octane gasoline exploded.

"Despite heroic efforts to combat the flames two to three hundred feet high, the fire was soon out of control and the ship was abandoned.

"Upon arrival of the shore fire brigade it was decided to try to save the ship with foamite. It was necessary to have a few men return to the ship, enter the adjacent hold, and play a hose on the heated bulkhead to prevent the raging fire from spreading.

"Second Cook and Baker Valentine was one of four who volunteered to risk his life in an attempt to save part of the cargo, which was so necessary to the continuance of war operations. That the fire was eventually brought under control and most of the cargo saved, was due in no small measure to his outstanding bravery."

As the citation issued to him 50 years ago said, "His willingness to risk his life to save his ship, and his heroic conduct during the fire are in keeping with the finest traditions of the sea."

These are just two examples of the heroism of America's civilian seafarers. From the beginning of the war to May 31, 1945, awards to merchant mariners included 113 Distinguished Service Medals, 11 Meritorious Service Medals, 3,893 Mariner's Medals, 32 congratulatory letters, 192,282 Merchant Marine emblems, 84,697 combat bars, 5,957 defense bars and 363,292 was zone bars for service in the Atlantic, Pacific, or Mediterranean-Middle East war zone bars.

Merchant mariners came from all parts of the country to serve the nation. Those receiving awards in May 1945 represented the states of Alabama, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia and Washington, as well as the District of Columbia and the then-territory of Hawaii.

As has been the case in recent years, virtually all 1995 National Maritime Day observances will be in port cities. In Washington, D.C., we will remember the war time service of our merchant mariners at a ceremony at the U.S. Capitol.

No doubt we will recall the Maritime Day tributes received a half century ago from the leaders of America's armed forces.

For example, Lieutenant General Alexander A. Vandegrift, United States Marine Corps Commandant, pointed out how the Marine Corps had been aided by the merchant marine:

"The men and ships of the Merchant Marine have participated in every landing operation by the United States Marine Corps from Guadalcanal to Iwo Jima—and we know they will be at hand with supplies and equipment when American amphibious forces hit the beaches of Japan itself. On Maritime Day we of the Marine Corps salute the men of the merchant fleet."

The devotion to duty by the men at sea was praised by the Supreme Allied Commander, General Dwight D. Eisenhower:

"The officers and men of the Merchant Marine, by their devotion to duty in the face of enemy action, as well as natural dangers of the sea, have brought us the tools to finish the job. Their contribution to final victory will be long remembered."

Earlier, "Ike" had said, "When final victory is ours there is no organization that will share its credit more deservedly than the Merchant Marine."

I hope all Americans, whether from desert, mountain, or prairie regions or coastal states, will pause on National Maritime Day, May 22, 1995, to remember General Eisenhower's words and the heroic deeds of our merchant marine war veterans.

Like our military veterans, they deserve our thanks and our recognition for securing the freedom we enjoy today.

TRIBUTE TO JOHN MORLEY

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. ENGEL. Mr. Speaker, on May 31, 1995, Mr. John Morley will be retiring after 51 years of dedicated service to millions of baseball, football, hockey, basketball, racing, and soccer fans, as well as concert-goers, circus fans, and many others in stadiums, arenas, parks, and zoos across the country. Mr. Morley will be retiring from his position as the vice president of operations for Harry M. Stevens, Inc., now a member of the Aramark family of companies. At Harry M. Stevens he has been a leader of the team that provides food, beverages, souvenirs, and service to Presidents and Popes, athletes and actors, musicians and many more.

Mr. Morley began his career vending hot dogs at Yankee Stadium, and then moved on to be a steward in Washington. He later moved back to New York as a manager, and then on to Kentucky for the Derby. As the Mets began playing in Shea Stadium, Mr. Morley returned to New York in order to serve as general manager of the stadium. While in New York he also worked in Nassau Coliseum after the Islanders were established. Throughout his career he has set the highest standards of service to American fans at thousands of games and events including several World Series, Super Bowls, Stanley Cups, Kentucky Derbies, and many concert tours from the Beatle's first stadium appearance in the United States to the Who's farewell tour.

John Morley's professional life has been characterized by a commitment to excellence, a commitment to respect for fellow employees, and a commitment to making the best possible experience for the fans. His commitment to the fans is reflected in the smiling faces of children enjoying that first ballpark hot dog or wearing their teams' hat; his commitment to employee excellence is demonstrated by the tens of thousands of men and women whose working careers began in a stadium, many of whom have chosen careers staying in the service sector and many of whom have chosen to use the experience as a foundation for other industries; his commitment to the fan experience is reflected in the many new services, menu items and quality programs that enable fans to maximize their entertainment experience.

Mr. Morley will be missed by all those he has served and especially by those with whom he has worked. His commitment to excellence will continue through the legacy he has left after half a century of service to sports fans and music lovers.

TRIBUTE TO THE PASSAIC COUNTY DARE PROGRAM

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mrs. ROUKEMA. Mr. Speaker, substance abuse—and the crime it breeds—is a real and terribly dangerous threat to our communities, our neighborhoods and our families. Winning the war on abuse requires aggressive interdiction, vigorous enforcement, effective treatment and tireless education. No one is more aware of this and no one has worked harder to fight the scourge of drug abuse than the men and women of the Passaic County Drug Abuse Resistance and Education Program.

DARE is the largest and most effective drug-abuse prevention and education program in the United States and is now taught to 25 million youths in school from kindergarten to 12th grade. The DARE curriculum was originally developed by the Los Angeles Unified School District. Today it is taught by veteran police officers across the country. After completing 80 hours of specialized training, the officers enter the classroom, where they provide children with the skills and self-esteem needed to resist peer pressure and the temptation to use drugs.

The DARE program is clearly a success. Independent research has determined that DARE substantially affects students' attitudes toward substance abuse. It has helped students improve study habits, achieve higher grades and gain a greater respect for police officers, decreasing vandalism and gang activity in the process. I can testify that among the police departments and educators in my Congressional district, DARE is unanimously singled out for the highest praise.

On June 11, the Passaic County DARE family will celebrate the program by holding a parade. DARE students, police officers, teachers, public officials and members of local civic and fraternal organizations from 16 municipalities will march together to send the message loud and clear that we will not tolerate substance abuse in our communities and schools.

Today, I ask my colleagues in the House to join with me by showing our appreciation for the dedication of the thousands of DARE volunteers in Passaic County who have made a life-and-death difference for countless young people in their communities. They make us all proud.

A SPECIAL SALUTE TO GLENORA STARKS 1995 CONGRESSIONAL SENIOR CITIZEN INTERN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. STOKES. Mr. Speaker, during the month of May, our Nation celebrates National Senior Citizen Month. In communities throughout the United States, senior citizens are recognized for their contributions to their communities and the Nation. This week, seniors from congressional districts across the Nation will gather on Capitol Hill for the annual Congressional Senior Citizen Intern Program. During their internship, seniors receive a firsthand look at the legislative process. They attend meetings and issue forums on topics which impact the elderly community, and have an opportunity to engage in extensive dialogue with congressional leaders and administration officials.

Mr. Speaker, over the years, I have been proud to participate in the Congressional Senior Citizen Intern Program. I rise to congratulate an outstanding senior citizen in my congressional district who has been selected to participate in this year's program. I want to share with my colleagues and the Nation some information regarding my 1995 Congressional Senior Citizen Intern, Mrs. Glenora Starks.

Mrs. Starks is a resident of Oakwood Village, OH. She retired from the catering staff of the Marriott Inn in Beachwood. The proud mother of two sons, Bruce and Keith, Mrs. Starks in a member of Liberty Hill Baptist Church.

Mr. Speaker, I am proud to state that the Greater Cleveland area has benefited greatly from Mrs. Starks strong commitment and leadership. She is the founder and director of the Do Good Club, an organization which greatly benefits seniors throughout the Greater Cleveland area. Under Mrs. Starks' tutelage, young children lend assistance to seniors who reside in the neighborhood and area nursing homes. Because of the Do Good Club, the quality of life for those individuals is greatly improved. Mrs. Starks is also a member of the National Council of Negro Women; the NAACP; and a member of the Missionary Support and Prayer Club at the Oakwood Senior Center.

Glenora Starks is also politically active in the community. She is a member of the executive committee of the Cuyahoga County Democratic Party; a member of the Democratic Club and a precinct committeeperson. In addition, Mrs. Starks is a member of the 11th Congressional Caucus where she provides assistance to the Senior Citizen Committee. Mrs. Starks is also a member of an organization, 100 Plus One Women for Congressman Louis Stokes, which has benefited my congressional efforts. I am proud to have her support of my legislative activities.

Mr. Speaker, Mrs. Glenora Starks lives by the adage, "Don't ask God for strength to move mountains—ask Him for strength to climb mountains." I take this opportunity to recognize Mrs. Starks for her service to our community. I am proud to welcome her to Capitol Hill as my Congressional Senior Citizen Intern, and I am pleased to salute her on this occasion.

SALUTE TO MR. BRETT J. BUSH

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise today to pay tribute to Mr. Brett J. Bush, the 1995 recipient of the Union League's Good Citizenship Award.

Upon his receipt of the Good Citizenship Award, Brett was selected by the Freedom Foundation to be a participant in the 1995 International Youth Leadership Conference with over 250 other Union League Award winners. The conference was held May 11 through May 14, 1995 at the Freedom Foundation headquarters in Valley Forge PA.

Brett is a sophomore at Bishop McDevitt High School in Wyncotte, PA. An honor student and athlete, Brett is involved in numerous extra-curricular activates at Bishop McDevitt High School. Additionally, Brett participates in community volunteer work with the Super Kids baseball program and the Fox Chase Cancer Center.

I join Brett's family, friends and teachers in commending him for his excellent service to his community. Brett is truly an inspiration to us all in demonstrating the importance of hard work and community service. I wish Brett the best of luck in all his future endeavors.

BILL CLINTON RECORD

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. RICHARDSON. Mr. Speaker, during the more than 2 years that President Clinton has been in office, he has withstood a great deal of criticism from an array of opponents. He has been attacked from all directions. The number of lies that have been told to tarnish the President's record has been astonishing.

But, President Clinton has not only survived the attacks, he has excelled in his duties. This isn't just my opinion. This is the conclusion of an outstanding nonpartisan article published in the May edition of the Washington Monthly.

The article's author, Daniel Franklin, compares President Clinton's record with that of President Truman. Mr. Franklin's conclusion is that, "Clinton's first 2 years have put Truman's to shame." Mr. Franklin cites many of President Clinton's successes including his handling of the economy, the creation of 6 million new jobs, his passage of numerous legislative initiatives from the Family and Medical Leave Act to a domestic Peace Corps, and his foreign triumphs from trade pacts to Haiti to the Middle East peace process.

For those of my colleagues who have taken the time in the past to criticize our President, I urge you to take the time now to read this fair, objective, nonpartisan analysis of the President's first 2 years in office. The article which follows should be a must read for all Americans.

[From the Washington Monthly, May 1995]

HE'S NO BILL CLINTON

(By Daniel Franklin)

It was tough year for the President. Foreign policy errors bogged down his domestic programs; nominations were stonewalled by a hostile Congress; party insiders even considered recruiting a challenger for the Democratic nomination. He was, in the words of one journalist, "essentially indecisive * * * essentially vacillating." Quite simply, Americans began to doubt seriously that he had the character to be the country's top executive.

Yes, 1946 just wasn't Harry Truman's year. But he bounced back, won reelection in 1948, and has received from history a reverence that borders on the Rushmoric. For many Americans now, Truman is seen as a model president—a man of integrity, modesty, and decisiveness. Walter Isaacson of Time called him "America's greatest common-man president." Eric Sevareid said that "Remembering him reminds people what a man in that office ought to be like * * * . He stands like a rock in memory now." So revered is the Man from Independence that in 1992, both parties' nominees fought to be considered "the Truman candidate."

Now that Republicans have both houses of Congress for the first time since 1946, Clinton aides are scanning David McCullough's bestselling Truman biography in search of the magic bullet that will hand Bill Clinton a Trumanesque comeback in 1996. Clinton took the Truman title in 1992, but now the country—and the press—is skeptical. "Bill Clinton," wrote historian James Pinkerton in the Los Angeles Times, "is no Harry Truman."

That's true, but those White House staffers looking for a magic bullet are missing the point. Clear away the historical fogs and set aside the acerbic press coverage and you cannot escape a startling conclusion: Clinton's first two years have put Truman's to shame. By April 1995, Clinton has accomplished far more for the American people than "give 'em hell" Harry had by April 1947. Clinton has guided the economy more successfully. He has enacted more laws with real impact. Yet while Truman is held in near-Jeffersonian regard, Bill Clinton is written off as a Warren Harding in jogging shorts.

Consider one of the core issues of any presidency: the economy. With the war over, the country began the painful conversion to a peacetime economy. Hundreds of thousands of veterans returned from World War II to an economy that had reached record production levels without them. In Chicago alone, at least 100,000 veterans were jobless. Major industries—including coal, railroad, and steel—convulsed with labor strikes that threatened to paralyze the entire country. Truman's response was heavy-handed and ineffectual. He threatened to seize coal mines and draft striking railroad workers into the military. Both measures were rebuffed by the Supreme Court and Congress, respectively, for being blatantly unconstitutional.

The economy grew but the growth was more than overshadowed by inflation rates that soared to 14.6 percent in 1947. There were shortages in many of the products people needed, including housing, automobiles, sugar, coffee, and meat. And with the Great Depression fresh in the American memory, many wondered whether another economic crash, one even greater than before, was just around the corner.

Truman could have prevented the inflation. After the war, Republicans in Congress launched an effort to repeal wartime price controls. Truman saw that decontrol had to be gradual, so that it would not unleash inflation. But, as The New Republic's "TRB" columnist wrote in 1946, "The trouble is, Truman didn't make a real fight. . . . He didn't carry through. . . . He saw and predicted the recession but let Congress and business have their way. Truman won the argument all right, but that isn't quite enough in politics."

Clinton knows this. He is the first president in the last 30 years to achieve both job growth and low inflation. The "misery index"—inflation plus unemployment—is currently below nine; under Bush it was above 11; under Truman it was nearly 20.

The key to this achievement is Clinton's budget plan, which passed through Congress in 1993 only after a knock-down, drag-out fight led by the President—a fight won with only the votes of fractious Democratic party, and against a vehement and united Republican front. Phil Gramm was one of the loudest critics, predicting that "hundreds of thousands of Americans will lose their jobs because of this bill."

Gramm was dead wrong. By cutting the deficit to $192 billion in 1995, from $290 billion just three years ago, the President has succeeded in bringing down long-term interest rates and encouraging business investment that has stimulated extraordinary job growth. Already, the economy has produced nearly six million new jobs—five million more than it did during Bush's entire term. The unemployment rate, which was 7.6 percent when Clinton took office, has dropped to 5.5 percent.

In his first two years as president, Truman never seemed to have the stomach to enter the ring and fight like Clinton has. In September 1945, Truman delivered a 21-point program to Congress that rivaled the New Deal in its scope. The plan increased federal funding to agriculture, housing programs, and a variety of public works projects. But Truman let nearly every major component of his domestic program go down in defeat without a fight. In a way, says McCullough, that was the point. "His whole strategy on these domestic issues was to go for the high ground. Be more liberal in the program, and if they knock it down, you'll have something to run on."

This is fine if your only concern is winning reelection, not so fine if you want to solve the country's problems. Clinton has staked his presidency on the passage of his economic and social programs and fought like a junkyard dog for his victories. Elizabeth Drew recounts in "On the Edge" that during the battle to pass the North American Free Trade Agreement, "Clinton threw himself into the fight—meeting members of Congress in one-on-one sessions, making many phone calls to them, giving speeches, meeting with opinion leaders, meeting with individual members. Shortly before the vote, there were White House dinners for undecideds." He brought the same energy and conviction to the fight to pass the Global Agreement on Tariffs and Trade. Clinton was willing to alienate the labor interests that are among the Democrats' strongest constituents because he believed that the treaty would produce jobs for the country. Regardless of your opinion of these treaties, you must respect the fact that he risked his neck to get them passed.

Clinton has stuck to the path of ambitious achievement throughout his presidency and tried to avoid the partisan posturing that might serve him better at the polls. His success, by any objective measure, has been astonishing. Eighty-six percent of the legislation he endorsed has passed through Congress, a record unmatched by any president since Johnson.

The bills he has passed will make real contributions to the welfare of millions upon millions of Americans. Take education policy. While the economy has changed, putting a higher premium on education and skills, the American education system hasn't. Everyone knows that a high school diploma no longer guarantees a good job. But before Clinton took office, high school graduates who did not go on to college—nearly 40 percent—were stranded because the United States was the only major industrial nation without a vocational apprenticeship program.

Clinton's Schools-to-Work program created a network of apprenticeship programs to give those students real job skills that can't be learned in high school. The students intern with workers—electricians, plumbers, carpenters—and learn the skills needed to find and keep a job. When the program reaches full implementation, one-half million students will be enrolled annually. That's one-half million more skilled workers entering the workforce every year than before the program.

To counter the staggering growth in college tuition, Clinton reformed the student loan program so it would lend money directly to college students, and collect the debt as a percentage of their income. Previously, students received their college loans through banks and paid back a set amount for 10 years. From 1985 to 1991, the size of the average college graduate's total debt had jumped 150 percent. For many, the debt was stifling; 40 percent of graduates said their debt payments forced them to work two jobs.

But under Clinton's plan, defaults will be cut drastically because the debt payments, extended over a 25-year-period and based on the graduate's income, are manageable. A graduate with a $30,000 income and a $50,000 debt will pay $345 per month, instead of the $581 under the previous plan. As graduates' salaries rise, so do the amounts of their debt payments. As a result, graduates are able to perform low-paying but meaningful work, such as teaching or social work, that the country desperately needs.

Then there's Americorps. While Republicans seek to slash this domestic Peace Corps, 20,000 volunteers are on the streets immunizing babies, restoring national parks, and counseling troubled teens. For their 10- to 12-month commitment, the volunteers earn vouchers worth $4,725 toward tuition or for paying off student loans. And, carried out properly, the program has the potential to radically change the way Americans view community and national service. "It provides what might be called a social glue," argues Labor Secretary Robert Reich, "by bringing young people from all different backgrounds and incomes together to work on community projects, and enhance the health and safety or beauty of a community. It not only improves community but it creates community * * * connecting people to other people across socioeconomic barriers."

Truman's contribution to equal opportunity and economic fairness—the heart of the Democratic Party—was meager during the first two years of his term. Yet again, his proposals that did aim to aid the poor—unemployment compensation, minimum wage increases, and housing funds—were all abandoned to high-minded defeat in Congress. As with his economic programs, and in stark contrast to Clinton, Truman refused to enter the fray. "I don't think," says Stanford historian Barton Bernstein, "Truman really committed himself."

Even Clinton's harshest critics must grant that the President is committed to economic fair play. An that commitment has led him to push through a program that gave significant help to the most deserving group of society: the 3.2 million working poor, who are struggling to break themselves out of the cycle of poverty. The Earned Income Tax Credit (EITC) guarantees that any person working 40 hours a week, even at minimum wage, will not fall below the poverty line. Whereas earlier a mother of two may have received more money by staying on welfare and other aid programs, the EITC goes a long way toward making work more profitable than the social dole. Thus, without any of the messy bureaucracies that rankle conservatives, Clinton made the road out of poverty substantially easier. And to pay for his deficit-reduction program and the EITC, Clinton wisely raised taxes on the very rich, who have benefited most from this country and can afford to give something back.

Nearly as significant has been Clinton's fight to reform and expand Head Start. Nearly one out of every five children in the country lives in poverty. Head Start takes poor children as young as three years old and gives them pre-school education, immunizations, healthy meals, and other services. Clinton increased federal funding by nearly 50 percent from 1992, and added 100,000 children to the program's rolls. And Clinton moved to address the deficiencies in individual Head Start programs by instituting rigid quality standards. If a program does not meet the standards, the government can cut its funding and find a more worthy recipient. Even if Congress fails to pass a single line of welfare reform legislation, between the EITC and Head Start reforms, Clinton will have made one of the more significant contributions to social policy in decades.

And let's not forget Clinton's efforts to solve what many consider the most serious and vexing of America's problems: crime. Amid the partisan attacks and counterattacks, which the press recorded faithfully, the clear benefits of the President's bill were lost. Even the most conservative estimates say that the bill will put around 20,000 more police officers on the nation's streets through support to community policing programs. And the $8.8 billion that Clinton's bill allocates to prisons will help ensure that violent criminals are not forced back on the streets due to overcrowding.

Clinton is also the first president in history to have the courage to take on the 800-pound gorilla of special interests: the National Rifle Association. The organization is the ninth-largest PAC in the country, donating nearly $2 million to congressional campaigns in 1994. For years their money and ability to mobilize their 3.3 million members led many to consider them the single most powerful interest group in Washington. For the past 25 years, their friends in Congress have stalled the banning of armor-piercing bullets and assault weapons. But Clinton has defied the gun lobby, including in his crime bill a provision that bans 19 different kinds of assault weapons. He also passed the Brady

Bill, which requires five-day waiting periods for all gun purchases so background checks can be conducted. The law, which had been stonewalled by the NRA's congressional proxies since it was first introduced in 1986, prevented 44,000 convicted felons—and 2,000 fugitives—from purchasing weapons in the first year of its enactment.

Other domestic triumphs? The President early in 1993 passed the Family and Medical Leave Act, which ensures that family members who take time off from work to care for a newborn child or a sick relative will have their jobs waiting for them when they return.

And his "Reinventing Government" initiative has had several notable successes, such as the elimination of over 1,200 field offices of the bloated and overextended Department of Agriculture. Perhaps no government function is more burdened by red tape than the government procurement process. Before the President's plan, buying an office computer could take as much as three months of wading through the swamp of regulations that nearly doubled the retail cost of computers. Now a government worker can go to a computer store and buy one off the shelf like anyone else. This may sound picayune until you realize that 70 to 80 percent of government acquisitions are small, everyday purchases like these. And it is only through this concern for government reform, for which Clinton is unique among recent presidents, that government will begin to work under the guidelines of common sense.

One of the most lasting legacies of any president is the lifetime appointments he makes to the nation's highest court. In this, too, Clinton outshines Truman. Stephen Breyer and Ruth Ginsburg breezed through Senate confirmation with bipartisan support both on Capitol Hill and within the legal community and are universally hailed as being pragmatic, intelligent, and moderate. "These two have helped calm the waters and soothe what had been an inflamed Supreme Court process—inflamed by Bork, inflamed by Thomas," says Yale Law Professor Akhil Amar. "The long-term stability of the Court and the Republic is not well served by confirmation donny-brooks and spectacles." In his first two years, Truman nominated Fred Vinson and Harold Burton, two men whose mark on the Supreme Court was far from exemplary. It was Chief Justice Vinson who, with Burton's assent, delivered one of the most damaging blows to the First Amendment in the Court's history. The Dennis v. United States decision, written by Vinson, declared that even the teaching of communism was illegal and punishable by imprisonment.

Truman himself didn't have the most pristine record on civil liberties. He instituted the Federal Employees Loyalty Program, which directed the FBI and the Civil Service Commission to weed out those federal employees suspected of communist or socialist activities. As a result, 212 federal employees were dismissed; thousands more resigned in protest or fear. It was, writes McCullough, "the most reprehensible political decision of his presidency."

It had its competitors. Under Truman, Navy ships were ordered to sail into the fallout zone around Bikini Island after a nuclear weapons test. When the tragic effects of the test were brought to Truman, he decided to keep them secret for fear the embarrassment would hurt the country's nuclear programs—and his reelection changes. This set an ugly precedent: In succeeding years, the government tested the effects of radioactivity on humans and then covered it up.

By marked contrast, it was under Clinton that the government began an active effort to reveal incidents ostensibly classified for national security, but actually hidden to prevent political embarrassments. And it has been under Clinton that the government has finally made a concerted effort to make reparations to the victims of the nuclear tests.

In general, Truman steered clear of the nation's dealings with nuclear issues. In one cabinet meeting, Truman admitted to not knowing, and not wanting to know, the exact number of nuclear weapons in the country's arsenal. " Mr. President, you should know," said Secretary of Agriculture Henry Wallace. But Truman kept his distance, leaving nuclear arms production to the military and Atomic Energy Commission.

Once again, it is Clinton who has stepped up to plate and explained the extent of the mess: It will take, the administration announced, 70 years and between $230 and $350 billion to clean up the toxic waste produced by the production of nuclear arms.

You do not have to stop at our shores to come to the conclusion that Clinton has thus far outshone Truman. The great foreign policy decisions attributed to Truman, remember, did not come until later in his term. In the spring of 1947, the country was reeling from the succession of communist victories. Every Eastern European country had fallen to communism except Czechoslovakia, which would not be far behind. China's fall to communism was imminent. And with the reckless use of its veto in the United Nations, the Soviet Union was halting American efforts to shape the post-war world. The United States, it seemed, was on the ropes.

Meanwhile, Clinton's foreign policy, though ridiculed mercilessly by Republicans, has been, on the whole, refreshingly successful. The passage of NAFTA and GATT were hard-fought and significant victories. Other successes have been jawdroppers. Answer me this: If you were told two years ago that Israel would sign peace agreements with the PLO and Jordan; that Haiti would have a democratically elected president; that there would be a cease-fire in Northern Ireland; and that the third-largest nuclear power in the world would voluntarily disarm its nuclear capability, what would you say? That's what I thought.

All four developments, to varying extents, can be credited to a foreign policy team that has been derided as hopelessly incompetent. The success has even impressed Owen Harries, editor of the conservative National Interest. "The charge against the Clinton Administration has been that it is all show and no substance," Harries wrote in The New Republic. "But the opposite may be nearer the mark. . . . [S]ome sensible decisions have been made and some dangers avoided. It could have been a lot worse if the advice given by many of the people now criticizing Clinton had been followed."

Take Ukraine, a newborn Soviet successor state with a government considerably less than stable, which suddenly found itself holding the third-largest arsenal of nuclear weapons in the world. Clinton, Gore, and Secretary of State Warren Christopher pressured and cajoled the country to abandon its hopes of becoming a nuclear power. Under this constant pressure, Ukraine agreed last November to dismantle its 1,800 nuclear warheads. Kazakhstan and Belarus, with considerably smaller nuclear forces, followed suit, giving the world three less nuclear nightmares to worry about.

In the Middle East, the first praise for peace accords certainly goes to the major players: Israel, the PLO, and Jordan. But the Clinton Administration deftly walked a very fine line: Israel would never have agreed to the deal without a strong friend in Washington, while the Palestinians and Jordanians would have balked if they felt the administration was one-sided or unfair to their concerns. It is a testament to the trust won from both sides that the peace treaty was signed on the White House lawn.

Most pundits felt that democracy in Haiti was a pipe dream. Bush hemmed and hawed as the military junta settled in and terrorized the Haitian people; thousands fled to the United States. But Clinton's policy, despite messy appearances, has led to the bloodless overthrow of a military dictatorship and the restoration of that country's first democratically elected president.

And in an effort to bring an end to the decades-long fighting in Northern Ireland, Clinton has stood up to England (our "special relationship" notwithstanding) to force it to deal with its troubles in Northern Ireland. When in 1993 Clinton agreed to grant a visa to Sinn Fein leader Gerry Adams to visit the United States for the first time, British legislators openly insulted the President, saying that America had betrayed its trust. But over British objections, Clinton has allowed Adams to return twice more to meet with the administration and continue the push for peace. Eight months into the cease-fire, Clinton's persistence has paid off in lives.

True, there is no "Clinton Doctrine" by which to measure every foreign policy question that comes down the pike. It would no doubt make things easier if there were. But simple doctrines work in simple worlds. Presidents from Truman to Reagan could vow to fight communism wherever it reared its head. Whether or not they met their promise, they at least had the pose.

Clinton, then, is being penalized because there is no mortal threat to the country. The vast majority of armed conflicts in the world today are either civil wars or ethnic conflicts. No simple formula applies. The process has at times seemed messy, but in a subtle and deft fashion, Clinton has loosened diplomatic knots of Gordian complexity.

Truman went on, of course, to make some of the shrewdest and politically courageous decisions of the century: the Marshall Plan in the summer of 1947; the desegregation of the military in 1948; and the Berlin Airlift that same year, which, without provoking war with the Soviet Union, broke the blockade of West Berlin. While pundits hang the lame-duck tag on Clinton, they ignore that if Clinton maintains this pace, and continues to better Truman domestically and abroad, Americans could see an enormously successful presidency.

Similarly, the predictions that Clinton has no chance in 1996 miss a crucial point. Like Truman, Clinton has an uncanny ability to project an empathy with the American people. Truman was profoundly unpopular at this point in his first term. In November of 1946, his approval ratings stood at 32 percent. But in 1948, voters compared the warmth and humility of Truman to the arrogance of Thomas Dewey and chose the man they felt cared most about their problems. By this standard, Bill Clinton will never suffer from comparison to a man like, for example, Phil Gramm. Clinton could still pull off that Trumanesque comeback, and those who wish to make parallels between the Man from Independence and the Man from Hope will have one more comparison to draw.

CLEAN WATER ACT AMENDMENTS

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. RIGGS. Mr. Chairman, I am pleased that the House approved amendment No. 66 to H.R. 961, the Clean Water Amendments of 1995, without objection. Under its terms, municipal wastewater reuse facilities that utilize advanced treatment will be added to the existing section 404(f) activities not requiring permits. By facilitating the regulatory process for those cities that have treated wastewater to a high degree, the effect of the amendment will be to encourage the use of properly treated wastewater to restore degraded wetlands and create new wetlands.

In specifying municipal wastewater treatment facilities in the amendment, I was not implying that other, nonmunicipal wastewater reuse activities that utilize advanced treatment for similar purposes now require a permit under the act if exempted by other provisions. My amendment does not affect those other provisions of the Clean Water Act. Thus wastewater reuse facilities which have long been exempt, such as those operated successfully by the forest products industry, would continue to be exempt from the permit process.

HONORING ESSAY WINNERS

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. SCHUMER. Mr. Speaker, one of the pleasures of serving in this body is the opportunity we occasionally get to recognize truly outstanding and talented citizens of this country. Today, I am especially pleased to recognize the winners of the fifth annual drug avoidance essay contest.

The first place winners are Tracey Barnes of PS 93, Gloria Milan of PS 380, Jessica Schumer of PS 230, Aisha Matthew of PS 138, Danielle Moseley of PS 244, Shameka Jackson-Barrington of PS 214, Michael Falanga of PS 205, Alexis Legister of PS 139 Annex, Bryan Small of PS 327, Jennifer Fringo of PS 86K. I am also pleased to acknowledge the runners up: Radiance Salem of PS 11, Latoya Sanabria of PS 257, Iasia Holloway of PS 124, Grace Berry of PS 221, Lauren Stambler of PS 114, Jamece Grey of PS 149, Meghan O'Brien of PS 127, Michael Albala of PS 206, Stacy Adams of PS 298, Joseph Williams of PS 75K, Glenfield Browne of PS 305, Charnise Sutton of PS 297, Enas Ahmed of PS 131, Blas Brown of PS 167, Tristan Brathwaite of PS 268, Giselle Cabon of PS 158, Lyndsay Adesso of PS 204, Jason Wilk of PS 312, Candice McMeans of PS 73, Juan Arcena of PS 384K.

Reading over the essays I cannot help but think of how wise these young students are. They know the terrible cost of drugs on individuals, families, cities and our country. These essays challenge us to do better by out children; they deserve to grow up in a safe, drug-free environment. I know my colleagues in the House of Representatives will join me both in congratulating the winners and runners up of the drug-free essay contest, and in wishing them the best of luck in the future.

RESCISSION BILL VETO THREAT

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. PACKARD. Mr. Speaker, despite his rhetoric, the President obviously cares nothing about balancing the budget. He leaves a conspicuous open seat at the budget cutting table. After 4 months of silence and no apparent plan of his own to balance the budget, he has issued a completely irresponsible veto threat. Should he win the veto battle, any chance at a early start on deficit reduction this year will be eliminated.

What is more unconscionable than his lack of action on the issue, is his timing. He is attempting desperately to reassert the relevancy of his presidency by playing politics with the rescissions bill. This politicizing threatens to jeopardize the expeditious funding of emergency disaster aid to the victims in California and Oklahoma. The $7.2 billion in emergency appropriations are paid for by cutting wasteful spending elsewhere in the budget. And we did not add more to the taxpayers tab, something virtually unheard of in Washington.

The reasoning for his veto threat is pork in the bill, yet this bill slashes $16.4 billion in spending by eliminating unauthorized programs, consolidating duplicative programs, cutting unspent funds piling up from one year to the next and eliminating funding for wasteful, ineffective programs. Where's the pork? This bill eliminates funding from legislation signed by the President himself. The pork he says we failed to target is the pork he sanctioned.

The President seems to have forgotten the will of the American people. Last November, the citizens of this country voted for change. His lack of attention to the budget and spending cuts continues the status quo and dims the future of our children.

MANDATORY ELECTRONIC FUNDS TRANSFER EXPANSION ACT OF 1995

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. LIGHTFOOT. Mr. Speaker, today I rise to introduce legislation which will save taxpayer money, reduce theft and fraud of Federal payments and make the Government run more efficiently. I am proud to join Representatives STENY HOYER, BILL CLINGER, PETER VISCLOSKY, and STEPHEN HORN in introducing the Mandatory Electronic Funds Transfer Expansion Act of 1995.

Under this legislation, recurring Federal payments such as Federal salaries and pensions would be issued by electronic funds transfer [EFT] instead of paper checks. The Department of the Treasury's Financial Management Service, the Federal Government's primary disburser, has testified that it costs the Federal Government 43 cents to issue a paper check. But an electronic funds transfer costs just 1.5 cents, saving the Government over 41 cents for nearly every salary or retirement check it issues.

The Government is already realizing savings from the use of EFT. Of the 841 million payments issued by FMS, 49 percent were disbursed electronically. But we can realize additional savings, while making salaries and benefits more convenient for recipients. The savings add up quickly, into the millions of dollars. The extensive use of EFT will reduce Federal spending and diminish the opportunity for theft and fraud.

THE HOMELESS AND COMMUNITY COOPERATION ACT OF 1995

HON. LINDA SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mrs. SMITH of Washington. Mr. Speaker, today, I am introducing the "Community and Homeless Cooperation Act of 1995" which will amend the McKinney Homeless Assistance Act.

The Act was originally designed to make under-utilized or unutilized Federal buildings available for sheltering our Nation's homeless. In Olympia, one of the largest cities in my district, there were plans to make a vacant and dilapidated Federal building into a large shelter for the homeless yet over 30 percent of the beds for the homeless in Olympia's existing shelters went unused. Common sense would dictate that we didn't need another shelter, we needed additional resources for outreach and services for existing shelters.

Recently, Thurston County commissioners in my home State of Washington pointed out to me in a recent letter, "With the current 'use it or lose it rule', a social service agency has a difficult time saying "no" to a free building—even one requiring extensive and expensive upgrades." My legislation will allow these buildings to be sold and a portion of the money used to help existing shelters meet their daily funding needs while the remainder will be returned to the Federal treasury exclusively to reduce the deficit. And, for the first time in the 7-year life of this legislation, the homeless and the community will have a voice in the selection of buildings to be used. As the Olympian, newspaper stated, "* * * location of these services is key."

The Community and Homeless Cooperation Act of 1995 gives a city and its homeless a sense of community and cooperation in determining what is in their best interest. Through community forums to determine building placement or through making proceeds from sales of these buildings available to increase homeless assistance services on Main Street, we empower the people on Main Street, homeless and homeowner alike.

TRIBUTE TO AMBROSE JOSEPH (JOE) MANLEY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1995

Mr. VISCLOSKY. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to an outstanding citizen of Indiana's First Congressional District, Mr. Ambrose Joseph (Joe) Manley. On Friday, June 2, 1995, Joe, along with his friends and family, will celebrate his retirement from the Northwest Indiana District Council of Carpenters, Merrillville Union Local No. 1005. This testimonial dinner will take place at the Radisson Hotel celebrity ballroom in Merrillvile, IN.

Joe has dedicated a substantial portion of his life to the betterment of union members and the community of northwest Indiana, as well as the entire State.

Joe's distinguished career in the labor movement has made his community and Nation a better place in which to live. For the past 20 years, Joe has aspired as an important figure in Local No. 1005. Joe has held several position throughout his tenure, but none as important as business manager, a position from which he retired on Dec. 31, 1994.

Moreover, Joe fought for union rights in several other capacities. Joe has been active as past president of the Indiana State Council of Carpenters and past vice-president of the State of Indiana AFL–CIO. These positions have allowed him to fully exercise his fight for labor rights.

As a result of Joe's caring and nurturing nature, he has been spreading his goodwill throughout northwest Indiana by serving on several boards over the past years. Joe is well known in the Indiana State Democratic Party where he was once the vice chairman. During his reign as vice chairman, he was chosen to be a delegate for the State of Indiana to the 1992 National Democratic Convention. Furthermore, Joe served as a past Admiral of the Pirates for Tradewinds Rehabilitation Center. Currently, Joe is a board member for the Arthritis Foundation, Hoosier Boys Town, and the Northwest Indiana Forum, Inc. Joe also is a member of the Hammond Times editorial board.

On this special day, I offer my heartfelt congratulations. Joe's large circle of family and friends can be proud of the contributions this prominent individual has made. His work in the labor movement has made America work. Those in the movement will miss Joe's dedication and sincerity. Fortunately, the community as a whole will continue to profit from his unselfish involvement to make northwest Indiana a better place in which to live and work. I sincerely wish Joe a long, happy, and productive retirement.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 25, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 26

9:00 a.m.
Labor and Human Resources
Business meeting, to consider the nomination of Henry W. Foster Jr., of Tennessee, to be Medical Director in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations, and to be Surgeon General of the Public Health Service, Department of Health and Human Services; and the proposed Child Care and Development Block Grant Amendments.
SD–430

9:30 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the General Accounting Office, and the Office of Technology Assessment.
SD–116

10:00 a.m.
Finance
Taxation and IRS Oversight Subcommittee
To hold hearings to examine S-Corporation reform and the home office deduction.
SD–215

JUNE 6

9:30 a.m.
Agriculture, Nutrition, and Forestry
Forestry, Conservation, and Rural Revitalization Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on resource conservation.
SR–328A

Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on intelligence programs.
S–407, Capitol

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of the Interior.
SD–138

Energy and Natural Resources
Energy Production and Regulation Subcommittee
To hold hearings on S. 708, to repeal section 210 of the Public Utility Regulatory Policies Act of 1978.
SD–366

Finance
To hold hearings on the overstatement of the Consumer Price Index.
SD–215

2:00 p.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on democracy and the rule of law in Hong Kong.
SD–419

Joint Printing
To hold oversight hearings on the activities of the Government Printing Office (GPO).
1310 Longworth Building

JUNE 7

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Service and the Selective Service System.
SD–192

10:00 a.m.
Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To resume hearings on S. 381, to strengthen international sanctions against the Castro government in Cuba, and to develop a plan to support a transition government leading to a democratically elected government in Cuba.
SD–419

Judiciary
Youth Violence Subcommittee
To hold hearings to examine issues relating to welfare, illegitimacy and juvenile violence.
SD–226

JUNE 8

9:30 a.m.
Indian Affairs
To hold hearings on S. 436, to improve the economic conditions and supply of housing in Native American communities by creating the Native American Financial Services Organization.
SR–485

2:00 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings to review the Forest Service reinvention proposal and the proposed National Forest planning regulations.
SD–366

JUNE 13

9:30 a.m.
Agriculture, Nutrition, and Forestry
Production and Price Competitiveness Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.
SR–328A

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on health programs.
SD-192

JUNE 15

9:30 a.m.
Agriculture, Nutrition, and Forestry
Production and Price Competitiveness Subcommittee
To resume hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.
SR-328A

JUNE 19

2:00 p.m.
Governmental Affairs
Post Office and Civil Service Subcommittee
To resume hearings on proposals to reform the Federal pension system.
SD-342

JUNE 20

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on counternarcotic programs.
SD-192

JUNE 22

9:30 a.m.
Indian Affairs
To hold joint hearings with the House Committee on Resources Subcommittee on Native American and Insular Affairs on S. 487, to amend the Indian Gaming Regulatory Act.
SR-485

JUNE 27

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense.
SD-192

JUNE 28

9:30 a.m.
Indian Affairs
To hold hearings on S. 814, to provide for the reorganization of the Bureau of Indian Affairs.
SR-485

POSTPONEMENTS

MAY 25

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings to examine the financial and business practices of the American Association of Retired Persons (AARP).
SD-215

HOUSE OF REPRESENTATIVES—*Thursday, May 25, 1995*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. BONILLA].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 25, 1995.

I hereby designate the Honorable HENRY BONILLA to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, for Your gift of healing—healing of body, mind, and spirit. Our petitions are for estrangement to be replaced by reconciliation and alienation to be replaced by trust. We pray that Your spirit will touch people's lives, that illness will be displaced by strength, and anxiety be overcome with confidence. We place these petitions before You, O God, that Your power, that created the Heavens and the Earth and every living person, will live in our lives and nurture us along life's way. This is our earnest prayer. Amen.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Colorado [Mr. SKAGGS], please come forward and lead the House in the Pledge of Allegiance.

Mr. SKAGGS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 1-minute requests today at the end of business.

REQUEST FOR PERMISSION TO LIMIT AMENDMENTS, OFFER AN AMENDMENT, AND EXPAND DEBATE TIME ON H.R. 1561, AMERICAN OVERSEAS INTERESTS ACT OF 1995

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that, No. 1, during the further consideration in the Committee of the Whole of the bill H.R. 1561, pursuant to House Resolution 155, that other than pro forma amendments for the purpose of debate and amendments en bloc described in section 2 of House Resolution 155, no further amendment to the committee amendment in the nature of a substitute be in order except those printed in the amendments portion of the CONGRESSIONAL RECORD on or before May 24, 1995;

No. 2, the chairman of the Committee on International Relations, with the concurrence of the ranking minority member, is authorized to offer an amendment notwithstanding the preprinting-in-the-CONGRESSIONAL-RECORD requirement above or in House Resolution 155;

No. 3, consideration of the bill for amendment under the 5-minute rule may continue on the same terms as during the initial 10-hour period under House Resolution 155 for an additional period of 6 hours and may extend beyond 2:30 p.m. on Thursday, May 25, 1995; and

No. 4, no further amendment shall be in order after the additional 6-hour period.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. DOGGETT. Reserving the right to object, Mr. Speaker, what we need on this whole international relations legislation is some bipartisanship consistent with the history of this Congress in providing some bipartisan support for Presidents, regardless of party, in the conduct of our international relations.

My concern is that what we have, instead, is a 352-page detailed bill micromanaging foreign policy. Mr. Speaker, I do not think 6 hours more of talk, if it is the kind of talk that we have had throughout the course of this debate so far, is going to get us any nearer a bipartisan foreign relations bill.

It is obvious, since this bill was supposed to be crammed through yesterday, that the votes are not there for this kind of micromanagement.

Mr. SOLOMON. Mr. Speaker, regular order.

Mr. DOGGETT. Mr. Speaker, in view of that, I object to the request, because it has already been decided.

The SPEAKER pro tempore. Objection is heard.

ANNOUNCEMENT REGARDING EMERGENCY MEETING OF THE COMMITTEE ON RULES

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I will not go into the issue that the gentleman just brought up. I would call for an emergency meeting of the Committee on Rules right now up in room 314.

APPOINTMENT OF CONFEREES ON H.R. 483, MEDICARE SELECT EXPANSION

Mr. BLILEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 483) to amend title XVIII of the Social Security Act to permit medicare select policies to be offered in all States, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. DOGGETT

Mr. DOGGETT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DOGGETT moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the House bill, H.R. 483, be instructed to resolve the difference between the House's 8½-year program and the Senate's 5-year program of medicare select policies, within the scope of the conference, in light of the changes in Medicare—the program that medicare select policies supplement—to increase beneficiary cost-sharing and to limit choice of provider as contemplated in this year's budget process.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DOGGETT] will be recognized for 30 minutes, and the gentleman from Virginia [Mr. BLILEY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, this Medicare Select bill does not take into consideration the tremendous changes that are going to be made in Medicare under the budget resolution which was approved in this House, unfortunately, within the last week. This Medicare Select legislation does not take into consideration the fact that though no Member of the majority has come forward to tell the American people, they

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

are proposing a doubling of the deductible for those on Medicare. They are proposing to increase, to add new charges if a senior citizen needs to go to a lab as a result of the doctor's orders. They are proposing new charges for home health care. They are proposing that even if one has the audacity as an American senior to say, "I want the doctor that I have always had, and I would like to stay with my own doctor, the doctor of my choice," that will be an extra $20 a month.

All of these things need to be considered by the conferees. That is what this motion is designed to do.

Mr. Speaker, I would like to emphasize what the effect of this Medicare Select will be, unless we have these conferees instructed to consider this increase that has been proposed in the budget resolution increasing out-of-pocket costs to seniors, where we are going to end up. Many American seniors right now are just barely able to make a go of it. They have to make, in my district, from some of the people that I have talked with, individual seniors, they have to make a decision between whether or not they will have enough food on the table or whether they will have to pay the prescription bill that is not covered by Medicare at present.

With regard to those seniors, to now load them up with additional out-of-pocket costs, charging them to see their own doctor, doubling their deductible, increasing their premiums year after year, those are the changes that have been proposed by one of the secret task forces. Those are the changes that, when it came to the floor of this Congress, after all the debate on the budget measure, not one Member was willing to come forward and fess up to the fact that those changes are there, that they are being made in the Medicare Program.

Of course, no consideration has been given in this Medicare Select bill, which is not a bad idea to have Medicare Select, it just does not solve the problem if we load onto American seniors all of those additional charges.

What we are trying to do, Mr. Speaker, through this instruction is to see that the conferees consider these really drastic changes. It increased out-of-pocket charges, which so many American seniors are going to have more of every year unless the conferees give adequate consideration to this.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. DOGGETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL], the distinguished ranking member of the Committee on Commerce, to add a word or two at this point.

Mr. DINGELL. Mr. Speaker, the Congress is considering legislation of great importance to the American people. The bill before us and the matter on which the conference will commence between the House and Senate is the so-called Medicare Select Program.

Mr. Speaker, the bills for which we are appointing conferees expand the Medicare Select Demonstration Program.

And although many support this program, I believe that because the Medicare cuts required by the Republican budget are so drastic and will require such fundamental reductions in the Medicare Program, it is irresponsible to pass any Medicare legislation, including extending Medicare Select, without taking these reductions into account.

Medicare Select is a preferred-provider managed care plan that pays cost sharing for Medicare beneficiaries if they go to a selected list of providers. It will not pay for cost sharing if beneficiaries go to providers outside the selected list.

Both the House and the Senate bills expand Medicare Select to all 50 States, the Senate bill makes it an 8½-year program, the House bill a 5-year program.

Therefore, I move that the managers on the part of the House at the conference on H.R. 483 be instructed to resolve the differences between the House and Senate bills—taking into account the impact of the budget proposal, including Medicare Select cost increases that may result from increased beneficiary out-of-pocket costs and limitations on beneficiaries' choice of providers.

As Democrats, we should remain committed to protecting seniors from cuts that will drastically affect the Medicare Program and, more importantly, from increasing their out-of-pocket health care costs.

The Republican budget proposal adds $3,500 to the out-of-pocket health care costs of each and every senior citizen over 7 years.

This translates to a back-door raid on Social Security. By 2002, nearly 50 percent of every senior citizen's cost-of-living adjustment in Social Security will go to pay for the increased cost in Medicare.

We cannot let that happen.

We should also preserve seniors' traditional right to choose their own health care and their own doctors.

The Republican's budget proposal will have serious consequences for every aspect of the Medicare Program, including Medicare Select. Therefore, we must act to protect all seniors and take these critical issues into account.

I urge all Members to support the motion to instruct.

Mr. BLILEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the motion to instruct conferees. Presently, we will be going to a conference with the other body on a bill which extends the Medicare Select Program in the Medicare Program. Medicare Select is a particular type of MediGap policy which allows seniors to choose a Medicare benefits package modeled on a preferred provider delivery system of health care. The Medicare Select policy allows seniors to buy a less expensive MediGap insurance policy which wraps around the traditional Medicare benefit. It represents the new wave of innovative managed care delivery options that the private sector is currently using to hold down the rise in health care costs. Let us remember that for those elderly who choose a MediGap policy it is one of 11 options currently available.

This conference needs only to resolve the difference between the two bills on two elements—the length of the extension of the program, and whether or not a GAO study will be done. Those are the only outstanding issues.

But this motion to instruct is attempting to tie the extension of the Medicare Select Program to the recently passed House budget resolution. The House budget resolution is only binding on authorizing committees in terms of meeting aggregate budget numbers in entitlements and other programs. In terms of Medicare, it is the authorizing committees which will determine the policies that will meet budget targets. That is a process that will occur months from now in budget reconciliation. Therefore, at this point in time it is impossible to determine the effect of a future event on a current conference. Therefore, this motion to instruct seems to be based on a belief by my Democratic colleagues in their ability to use crystal balls and psychics to devine the future.

I urge my colleagues to use the conference to resolve our differences quickly so that medicare select can be extended before its June 30 sunset date. If we do not, the only losers will be the hundreds of thousands of Medicare recipients who are currently in this program.

Mr. Speaker, I reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield myself 30 seconds to respond.

Mr. Speaker, it is easy to talk about billions and jillions and resolutions that are going to come. However, when we are talking about the future, I am concerned about the future of just one person like Henrietta Carter in Austin, TX, who writes me of a friend who she says just cannot afford health insurance now, "so she suffers a lot, because Medicare doesn't take care of her doctor visits and she has nothing to help with medication. She fell and cut a large gash in her leg but refused to go to the doctor because she was afraid she couldn't pay. There are days we know she is hurting, but she just keeps on." That is the kind of individual I am concerned about.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from West Viriginia [Mr. WISE].

Mr. WISE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I, too, would raise the name of a constituent from my district, Martha Haircrow, from Charleston, who talked recently about the medical problems she is having and the great concern that she has about Medicare to meet that challenge. The argument here is that this is a narrow bill. It simply deals with medicare select. The irony of that is, let us take a look at the alphabet, 26 letters. However, if we take two letters out and fool around with them, we can greatly change the complexion of the alphabet. Therefore, we ought to be looking at Medicare and what is going to be happening to it in toto.

I understand why some do not want to do it. It has 300 billion dollars' worth of cuts that were mandated in the budget resolution that passed out of this House that many of the people on the other side of the aisle supported. It is $3,500 more of out-of-pocket expenses. The part B premium, that is the monthly premium that seniors pay every month, will shoot up sharply as a result of these budget cuts, the Medicare cuts.

The irony to this, of course, is that at a time when Medicare part B premiums will be going up, the same budget resolution mandated a change in the cost-of-living adjustment so that the monthly cost-of-living adjustment that seniors receive will be going down; less money coming in, more money being paid out of pocket. It is a sure prescription for real problems to every senior citizen.

There will be more copayments, there will be more deductibles paid out of pocket, more cost increases, no assurance that some of the programs that many of us pushed for last year in restructuring Medicare, such as outpatient prescription medications, the beginnings of long-term care, that they will be dealt with. Therefore, what is going to happen is that there will be a bit here done and a bit there done, but avoiding the entire picture.

Mr. Speaker, I do not see how we can legislate Medicare select in a vacuum. Indeed, if medicare select is going to be the wave of the future for Medicare, then we have to have all of the Medicare cuts that this body approved and that the Republican leadership supported and pushed through. They have to be on the table as well.

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds just to point out that this program is not a new program. It has been in 15 States. It serves 450,000 people. Last year, of all of those 450,000 people, there were but 9 complaints.

Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. THOMAS], chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, if anybody tuned in and listened to the arguments on the other side of the aisle, they would think that this was a free for all debating here on any subject that any Member wanted to speak on. In fact, that is not the case. What is in front of us is a motion to instruct conferees. The House passed 408 to 14 a measure to extend Medicare Select. Medicare Select is a so-called MediGap. It is one of those insurance policies available to folk to create a whole package around part A and part B Medicare. There are currently 10 MediGap insurance type policies that have been approved by the Department of Health and Human Services. Medicare select is simply an 11th offering.

It says, instead of the traditional structure, you may go out into a network to get this wrap-around health care package. That is all it is. That is all it ever was. That is all it is ever going to be. It is simply the 11th, the addition to 10 other small programs.

What the minority is trying to do, Mr. Speaker, is argue the entire Medicare issue on their motion to instruct. What a bizarre motion to instruct. It says that "will be instructed to resolve the differences between the House 8½ year extension and the Senate 5-year extension of Medicare Select policies." Eight and one-half years, 5 years? The House bill that was passed said extend it for 5 years. The Senate bill that was passed said extend it for 18 months. Extension in the unabridged dictionary right over here says "An additional period of time from the current time;" adding time, an extension. Where in the world the Democrats got 8½ years and 5 years as extensions is beyond me.

□ 1020

But that is what they say here.

In addition, to make this motion germane, they say the scope of the conference, but what they really want to do is talk about the large program of Medicare. They do not offer specific proposals to fix Medicare that the trustees of the trust fund said is going broke in 7 years. No. They do not offer constructive alternatives. They stand up and complain. What a whimpering group the Democrats have been reduced to in this House.

Where are your ideas? Where are your alternative proposals to what we are offering? This is a simple motion to instruct conferees about extending a program that is currently in 15 States, very high success rate, to allow any of the 50 States to participate in the program. For how long? 5 years.

And guess what? After that 5-year period, the Secretary of Health and Human Services has to come to the Congress and say that this program has not resulted in savings, that those enrolled in Medicare Select policies are not provided with comparable coverage, and if that is the case, we do away with it. But if they are provided with comparable coverage, if it does provide savings, then we are going to go ahead and continue the program.

That is what this debate is about. A bill that passed 408 to 14 and by unanimous vote in the Senate, are we going to extend this modest little program?

I want Members to listen to this side of the aisle during this debate on what is supposed to be a motion to instruct. They are going to throw all kinds of garbage to scare the seniors about what is going to happen to the Medicare Program. I will tell you what is going to happen. If we listen to them and do nothing, the Medicare Program is going to go bankrupt.

Mr. Speaker, Republicans as the majority are going to offer constructive alternatives which will not only make sure that the program does not go bankrupt but it creates real choice in today's health care market like a modest little program called Medicare Select.

When we listen to the stories over here, it is going to be about making political hay, not about the program that the House and the Senate are going to reconcile their differences over to give seniors one small additional choice in the arsenal of making sure they have adequate health care protection.

Mr. DOGGETT. Mr. Speaker, I yield myself 20 seconds.

Mr. Speaker, when we talk about whimpering, this is a picture of what Republicans have told us and told American seniors they are going to do on the floor of this House. It is a total blank. That is whimpering. Had it not been for reporters, had it not been for the American Association of Retired Persons exploring these secret task force memos, we would not know a thing.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I am almost amused when I hear our colleagues on the other side of the aisle say, "Don't let the Democrats frighten the elderly." Then they go talk about how the trust fund is going to go bankrupt and they are going to save Medicare.

The fact of the matter is when you look at the extent of the budget cuts that they are proposing in Medicare, it is far beyond anything to deal with the trust fund. It is going to devastate the Medicare Program.

That relates to the issue that is before us today. We need to focus on why we have MediGap policies and the Medicare Select policies.

We need these for one simple reason. Medicare requires people to pay a lot of money out of pocket right now when they get sick and use services. Most

Medicare beneficiaries are so frightened by the amounts they will have to pay if they get sick that they take out a supplemental insurance policy to protect themselves.

Yet in this budget resolution that was adopted by my Republican colleagues in the House last week, people on Medicare are going to have to pay a lot more money than they already do out of their own pockets. Their MediGap premiums are going to soar, whether they try to economize by using Medicare Select or not, or if they decide they cannot afford the premium for a supplemental policy any longer, they are going to run the liability of having to pay very high cost-sharing amounts.

Medicare is not a program giving a lot of wealthy people a free ride, contrary to what some of our Republican friends try to use as a characterization. Most Medicare beneficiaries have modest incomes of $25,000 a year or less. They already pay a hefty deductible of $716 if they have to go to a hospital. They pay a part B premium to get coverage for physician services which is already $550 a year. They have a $100 deductible and coinsurance on these services.

Mr. Speaker, if they really get sick, they can exhaust their coverage entirely. On top of that, they have no coverage for prescription drugs, and only Medicaid to rely on if they have to go into a nursing home. It is no wonder they end up paying on the average something like $840 in premiums for MediGap coverage.

What is the answer of my Republican colleagues? To ask them to pay more. The AARP has estimated the average Medicare beneficiary will pay something like $3,500 more out of pocket over the next 7 years if the changes in the House budget, the requirements that the Republicans are looking at, go into effect.

Mr. Speaker, I want to insert my full statement in the RECORD, but I wanted to take this time to point out that what really is going on is what people are now paying is only a small portion of what they are going to have to pay if the Republican budget goes through.

Mr. Speaker, as the House goes to conference with the Senate to determine the period during which Medicare Select products can be marketed, it is important to focus on why we have MediGap policies, and Medicare Select policies.

We need these policies for one simple reason: Medicare requires people to pay a lot of money out-of-pocket when they get sick and use services. Most Medicare beneficiaries are so frightened by the amounts they will have to pay if they get sick that they take out a supplemental insurance policy to protect themselves.

And yet, in the budget resolution my Republican colleagues passed in the House last week, people on Medicare are going to have to pay a lot more.

Their MediGap premiums will soar—whether they try to economize by using Medicare Select or not—or, if they decide they cannot afford the premium for a supplemental policy any longer, they will risk liability for very high cost-sharing amounts.

Medicare is not a program giving a lot of wealthy people a free ride. Most Medicare beneficiaries have modest incomes of $25,000 or less. They already pay a hefty deductible of $716 if they have to go into the hospital. They pay a part B premium to get coverage for physician services which is nearly $550 a year. They have a $100 deductible and coinsurance on those services.

If they get really sick, they can exhaust their coverage entirely. And on top of all that, they have no coverage for prescription drugs, and only Medicaid to rely on if they have to go into a nursing home.

It is no wonder they end up paying on the average something like $840 in premiums for MediGap coverage.

And what is the answer of my Republican colleagues? To ask them to pay more. The AARP has estimated that the average Medicare beneficiary will pay something like $3,500 more out of pocket over these next 7 years if the changes this House budget requires go into effect.

People who try to protect themselves with MediGap insurance will find that their MediGap premiums are going to skyrocket. That is going to take money out of the pockets of Medicare beneficiaries just as surely as a tax increase.

And people who decide to get their coverage through a Medicare Select policy will find they are faced by very large cost-sharing obligations if they choose a physician that is not covered by their plan. Exercising their right to choose a physician is going to be an expensive one.

Every Medicare beneficiary is going to have to pay more cost-sharing or higher MediGap premiums, whatever their economic circumstances. Even if they are struggling along with just their Social Security check to support them.

And the poorest of our elderly will suffer the most. Today, Medicaid pays their premium for Medicare, and helps them pay their cost-sharing. But once Medicaid is gone, and we have capped the Federal dollars we spend on that program, that help will not be there any longer.

And let me also note something else that will not be there once Medicaid becomes a block grant—the assurance of nursing home care for those who need it and cannot afford it. Once again, the middle-class American family is going to have to struggle with paying $35,000 or $40,000 a year for their elderly parent's nursing home care.

This budget is bad for you if you are old or you are sick. Medicare and Medicaid coverage will be less—and it is not enough today. A more expensive Medicare Select or other MediGap policy will not be an answer.

This bill on which the House goes into conference today is of minor significance in the light of the changes the budget resolution will mean for the Medicare Program. And that is the issue that should be on the minds of our House conferees as they meet with our colleagues in the Senate.

Mr. BLILEY. Mr. Speaker, might I inquire who has the right to close?

The SPEAKER pro tempore (Mr. SHAYS). The gentleman from Texas [Mr. DOGGETT] has the right to open and also the right to close.

Mr. BLILEY. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. BILIRAKIS], the chairman of the Subcommittee on Health and Environment of the Committee on Commerce.

Mr. BILIRAKIS. Mr. Speaker, I rise in opposition to the motion to instruct the conferees with regard to the conference on the Medicare Select Program. The instruction is virtually incomprehensible. It states that the conferees must resolve the differences between the two bills in light of changes in Medicare contemplated in this year's budget process.

Medicare Select is a very simple program: It is simply a demonstration project for a preferred provider network under MediGap policies, the private insurance policies that are designed to fill in specific gaps in the Medicare benefits structure such as deductibles, copayments, and services not covered by the Medicare Program. It is just another MediGap option available to Medicare beneficiaries. The authority for the Medicare Select Program is due to expire at the end of June. The extension of this program has absolutely nothing to do with the budget process we are currently engaged in. In fact, the program is not designed to, nor has it, reduced Medicare costs to the Federal Government. It merely is of help to the seniors.

This motion to instruct is asking the conferees to consider the Medicare Select Programs in light of this year's budget process. This effort makes no sense since: First, it is imperative that the conference on Medicare Select be completed before the end of June when the authority for the program expires; second, the budget resolution which just passed the House has a September reporting date for the committees of jurisdiction to act on Medicare; and third, the budget resolution must be conferenced with the Senate budget resolution, which has not yet been passed.

It seems that the real purpose of this motion to instruct is to once again try to steer us away from the seriousness of the task ahead of us: To ensure that the Medicare Program is preserved for current and future beneficiaries. I should not have to remind Members that the trustees for the Medicare hospital insurance and supplementary medical insurance trust funds are facing significant financial problems in both the short term and the long term.

Under the best estimates of the trustees, the hospital insurance trust fund will be exhausted by 2002. In short, the hospital insurance side of the program will not be able to pay its bills because of exploding part A expenditures. Part A is described by the trustees as a program "severely out of financial balance."

Not only is the HI trust fund financially out of balance, but spending growth by the supplementary medical insurance [SMI] trust fund is also a concern because the SMI rate of growth is unsustainable. SMI cost growth directly affects Medicare beneficiary part B premiums as well as general revenues from which the largest share of SMI costs are financed.

In 1995, premiums paid by enrollees will finance only about 28 percent of annual costs, according to the 1995 trustees' report. Over the next decade, the contribution from general revenues to the SMI trust fund will increase from $46 billion in 1995 to $151 billion in 2004, for an average annual growth rate of over 14 percent.

We are deeply concerned about the future of the Medicare Program. We strongly believe any solution to this crisis must be addressed in a bipartisan manner and we are disappointed by the administration's repeated refusal to join this effort. We are particularly alarmed that the President is ignoring the strongest possible warnings from the very individuals he appointed to safeguard the Medicare Program since 4 of 6 trustees are administration officials.

The end result of this instruction will be to put in jeopardy the MediGap policies of the 450,000 Medicare beneficiaries currently enrolled in Medicare Select plans. This program is very popular among senior citizens with good reason. In August 1994, Consumer Reports rated the top MediGap insurers nationwide. Eight out of ten of the top rated 15 MediGap plans were Medicare Select plans. During our Health Subcommittee hearing on Medicare Select, the National Association of Insurance Commissioners testified in favor of the program and stated that out of the 10 Medicare Select States that report into the NAIC's complaint data system, there were only 9 Medicare Select complaints last year.

This instruction is simply a dilatory tactic and should be rejected. Members should think seriously before they cast a vote eliminating the Medicare Select Program.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. STARK], the ranking member of the Subcommittee on Health and Environment of the Committee on Ways and Means, a Member of this house who has worked long and hard to try to protect our Medicare beneficiaries.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

APPOINTMENT OF CONFEREES ON H.R. 483, MEDICARE SELECT EXPANSION

Mr. STARK. Mr. Speaker, we have heard today about ideas and proposals being proposed. But these same proponents of these ideas have put forth a budget that destroys children in this country, destroys clean air, destroys safe water, reduces law enforcement, all in the name of providing tax cuts to the rich. All I can say is, please leave our seniors alone.

The gentleman who preceded me a few speakers ago in the well, who chairs the Subcommittee on Health and the Environment of the Committee on Commerce, has already cut $84 billion out of the trust fund for Medicare just to give tax cuts to the very rich. Do not help us anymore, Mr. Chairman. You have done enough harm already.

Medicare Select is nothing but a political payoff to big insurance companies. Prudential Life Insurance Co. has already been convicted of stealing billions of dollars from seniors. Golden Rule Insurance Co. is under more litigation with State insurance commissioners than any other insurance company in the country. The staff who drafted this silly bill was paid hundreds of thousands of dollars by the insurance industry last year, and they are telling you they are here to help seniors?

Mr. Speaker, do not believe that. They have already cut $3,000 out of seniors' pockets by changing the taxes that they will pay, to pay for their silly budget which is designed only to give tax cuts to the rich.

So, yes, let us balance the budget, let us help kids become healthy, let us have education and a clean environment, but do not louse up Medicare with silly ideas that are untried, that are just a payoff to the major insurance companies in this country, that will do nothing but deny medical benefits to the seniors who are already happy with their health care. This is free enterprise to pay off Republican campaign contributions run amok.

Mr. BLILEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON], the prime author of this legislation.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in opposition to this motion to instruct conferees. We have 35 days left before this program expires. We have 20 legislative days left before this program expires.

The preceding speaker talked about this being a payoff to big insurance companies. It is absolutely true that insurance companies are in the business of providing insurance, and that people buy insurance voluntarily and because they value it, because it gives them some security in their lives.

My interests and my concern is not the insurance companies. My interests and my concern are the seniors of America, the people. And people who buy Medicare Select policies are getting more health care at a lower cost. That is why they buy Medicare Select policies rather than some other MediGap policy.

In some instances the premiums are 40 percent less. If you are living on a fixed income, Mr. Speaker, that matters. Not only are the premiums less, but they get coverage for annual medicals, sometimes for pharmaceuticals, prescription medications, for some vision, some dental.

People are buying these policies voluntarily, and because they offer them more at a cheaper price. Our job is not to steer seniors in this market. Our job is only to assure that there is a market that offers choice.

The Medicare Select policies are regulated exactly like every other MediGap policy. These policies are not out there in the market with any less government oversight than any other MediGap policy.

□ 1040

So let us get on with this conference, let us make sure that this option for seniors in America that offers more health care for less dollars does not expire, let us try this time to meet our responsibilities, to renew the law without a gap.

Let me just add one other comment. My colleagues on the other side have said that we are cutting Medicare, and somehow we should not renew this program because we are cutting Medicare.

Now remember, it is the trustees, that is the Secretary of HHS, the Secretary of Labor, other members of the President's Cabinet who are saying Medicare is going bankrupt, it goes broke next year. That means it takes in less than it is going to pay out and it goes bankrupt, that means it eats all of its assets in 6 more years. So it is not the Republicans who are saying this. It is the Republicans who are saying we are going to do something about it, we are going to protect seniors in America, preserve Medicare. Under no, no scenario are we cutting spending. In fact, Medicare in the last 7 years for seniors in America spent out $844 million. In the next 7 years if we reform Medicare to serve seniors it will pay out $1.6 billion, almost twice as much.

So, the figures are simply there. We are going to increase spending on Medicare and we are going to increase the amount we spend per beneficiary, not only more beneficiaries but per beneficiary, and we are going to do it in a way that will provide seniors better quality health care.

Let us not mix debates here. Let us focus this debate on simply preserving a right, a choice for seniors in America, preserving their access to a plan that offers in the 15 States it is available more health care benefits at a lower cost.

This is only about preserving existing choice for seniors, existing access to cost-effective care, and I urge the body, remember, almost everyone in this body voted for this bill when it went through, so vote against the motion to recommit, to support timely action on behalf of America's seniors.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I support providing Medicare beneficiaries with more choices, and that is why I worked with the previous speaker to back this legislation, the Medicare Select Program. It does provide more choice for seniors.

However, it is absolutely impossible to have this debate this morning and talk about choice and not talk about the budget that was recently passed on this floor.

The cold facts are that $283 billion in Medicare reductions were contained in that budget and will increase premiums, copayments, and deductions, and that will leave seniors with a choice of what they spend their money on, their fixed-income money for many of them. That budget we passed drastically reduces Medicare reimbursement for doctors and hospitals because that is a fact. When you are reducing an increase by $283 billion and as more and more doctors become unwilling to accept a Medicare assignment, we will reduce choice for seniors. Even though Select Medicare that we are talking about today increases the choice, the fact of the matter of the budget we recently passed decreases the choice.

Along with this, the budget would also address nursing care coverage. Once more, again, seniors will be faced with diminishing choices on how to cope with enormous costs.

I support Medicare Select because it provides more choice. Everybody in this body wanted to do this for the seniors. Unfortunately this legislation follows on the heels of a budget that could do more to limit choices for Medicare beneficiaries than any piece of legislation ever passed on this floor.

So yes, we are talking about two things, but the fact of the matter is you cannot be in a vacuum when you talk about Medicare; it is too big and too important. And of course we are all going to differ, but the fact of the matter is, with the budget, choices will be limited.

Mr. BLILEY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise in opposition to this motion to instruct. It frankly puts the cart before the horse. This is an amendment to the current Medicare Program and wholly inappropriate to require the conferees to resolve differences in the context of contemplated changes to Medicare.

We all know the House-passed budget calls for reduction in the rate of growth of the Medicare Program. What we do not know, however, is how it will be achieved.

It is interesting to me that the gentleman from Texas [Mr. DOGGETT] showed us a blank chart. You know what? The blank is in the White House, not in the House of Representatives.

The blank chart has been filled up with Republican ideas and I will tell you what, before we are through, we are going to have Medicare fixed, it is going to be a super program for all our seniors, and we are not trying to take away from the seniors. We are trying to help the seniors protect the program and make it something that will be viable in the future.

It is interesting also to note that the gentleman from California [Mr. WAXMAN] and the gentleman from Texas [Mr. DOGGETT] both voted for this Medicare Select when it was passed on the floor by overwhelming vote. It is interesting to note that the gentleman from Texas [Mr. DOGGETT] has now changed his mind. It makes one wonder how can you have convictions on anything and vote on the floor in a different manner.

Medicare is going broke. I think the gentleman from Florida [Mr. BILIRAKIS] has said that, all our speakers have said it, it is going broke in the year 2002, and there is no way that this Government can pay anyone over 65 once that trust fund is to zero. The bills will not be paid. That is why Medicare needs to be fixed and fixed in a hurry and that is our goal, our aim, and it has been transferred to a scare tactic for the seniors of this Nation. We are not trying to scare anybody, we are just telling you the facts. The President's own people reported that Medicare is broke, going broke, and we are going to fix it and we are going to make it a system that is viable for all Americans, forever I hope.

I would just like to add that as of October 1994, approximately 450,000 beneficiaries were enrolled in Medicare Select. While a majority are covered through Blue Cross/Blue Shield plans, approximately 50 companies offer Medicare Select products. Medicare beneficiaries are old and these policies save 10 to 37 percent in premiums over traditional fee-for-service MediGap policies. And in August 1994, Consumer Reports rated the top MediGap insurance nationwide; 8 out of the top rated 15 MediGap plans were Medicare Select.

Failure to pass this legislation will lead to higher premiums for enrollees and the potential withdrawal of insurers from the market, meaning our seniors in that case would not have a choice of plans.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, we are here talking about Medicare Select at the same time the Republican leadership has passed a bill making unprecedented cuts to the Medicare and Medicaid Programs which will result in limited access to or complete elimination of rural health care. The cuts of $250 billion by the Republicans are the deepest spending reductions in the 30-year history of the health industry for our senior citizens. In fact, Medicare cuts hurt not just seniors but everybody, including our small hospitals.

Nearly 10 million Medicare beneficiaries live in rural America where there is often only a single hospital in the county. These rural hospitals tend to be small and serve primarily Medicare patients. Significant cuts to the Medicare Program will force many rural hospitals to cut back on the services they offer, or they will have to turn to the taxpayers for assistance in order to survive.

Most significantly, these devastating cuts would force many rural hospitals to close their doors completely. This would mean that many of us will have no hospitals to turn to in a time of medical crisis. Medicare Select, coupled with the cuts, will require increasing the cost of not just Medicare, but also the Medicare Select policy, or the MediGap policy, no matter what we have.

It is projected that each of the 25 hospitals in my district in northern Michigan will lose an average of $746 per Medicare patient in the year 2000. Medicare Select will not replace this lost revenue. Seniors will be forced to replace the lost revenue.

Meanwhile, Republicans have already voted to give a $20,000 per year tax cut to the wealthiest 1.1 million Americans in this country. That is Medicare Select: A select few will benefit while the seniors will suffer.

It is imperative the people of northern Michigan have access to quality medical care. That is why I will continue to fight against the Medicare Select proposal. I will continue to fight against the Republican proposal to cut Medicare and Medicaid which is so devastating to Michigan hospitals.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, I am very glad that the gentleman from Michigan has brought this resolution out on the floor, because it is absolutely timely for us to discuss this very central issue. The Republicans are proposing 300 billion dollars' worth of tax cuts, mostly for the wealthy. And they are proposing 300 billion dollars' worth of reductions in Medicare, largely for the 83 percent of the elderly who have $25,000 or less income per year.

Three hundred billion dollars' worth of tax cuts for the wealthy, 300 billion dollars' worth of cuts in Medicare over the next 7 years. Now you do not have to be Dick Tracy to figure out that the elderly are going to be paying for the tax cuts of the rich.

The only request that is made by this resolution is that the conferees look at this issue, and try to make a determination as they are looking at Medicare Select as to what other recommendations they should be making to this body in that context. I do not think that that is an unreasonable request at all at this time, and in fact for us not to discuss it is to avoid, ignore the single most pressing issue on us, which is whether or not we should give this $300 billion to the wealthy as we are taking it away from the poorest and the most elderly in our country. That is what this whole debate is all about.

Back in 1981 David Stockman on this floor tried to harness voluminous amounts of information to defend a knowingly erroneous premise. That erroneous premise was you could cut taxes for the wealthy, increase defense spending, and balance the budget simultaneously.

Fool me once, shame on you. Fool me twice, shame on me.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, what I wanted to point out in this debate today is that the Republicans who put together this proposal on the Committee on the Budget sent a letter to the chairman of our Subcommittee on Health, the gentleman from Florida [Mr. BILIRAKIS], and in it they outlined various proposals that could be implemented in order to achieve the cuts in Medicare that many of the speakers have talked about today.

The options that exist in this document, I think there are 35 proposals, in my opinion limit choice rather than expand choice, and some of the speakers on the other side of the aisle today talked about how Medicare Select is going to provide more choices. The bottom line is if this budget resolution that the Republicans have passed is implemented, the choices, and by their own admission, the choices that are proposed in order to achieve these Medicare cuts are going to be less.

Let me give you an idea. One of the things that is discussed is increasing premiums for new beneficiaries who choose Medicare fee-for-service. One of the problems that my senior citizens are concerned about is that they do not want to be forced into managed-care systems when they prefer fee-for-service where they can choose their own doctor or their own hospital. Although I think Medicare Select is good as an option, we do not want the situation to arise where the cost differential, if you will, between having a fee-for-service system where you can choose your own doctor or having to go into a managed-care system, where the cost differential is so great that in effect you are forced into a managed-care system. In effect, by increasing the premiums for new beneficiaries and saying it is going to cost more for a fee-for-service system, you are forcing a lot of people who have no choice into managed care, into HMO's, into not being able to choose their own doctor or their own hospital.

Another one of the proposals that is put forward by the House Republican budget is essentially to simply give people a voucher, $5,100 a year, they give you a voucher and you can go out as a senior citizen and find whatever policy you can to pay for your health insurance. Think about how many senior citizens because of their disability, because of the problems that they have, how difficult is it for them to go out and shop around and get a health care policy.

The choices are being limited by these Republican proposals, and Medicare Select is not going to solve the problem.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DOGGETT] has 7 minutes remaining, and the gentleman from Florida [Mr. BILIRAKIS] has 9 minutes remaining.

Mr. BILIRAKIS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, you know some of the speakers who were up here today talked about how overwhelmingly the House passed this Medicare Select extension. At the time that we passed that, we did not realize that the Republican budget that was going to come out was going to cut Medicare so deeply, cut Medicaid so deeply, and that the cuts in Medicare were going to be exactly reflective of the tax breaks that were going to be given to the wealthiest citizens of this country. That is the message that many of us are carrying here to the floor today. We did not know all of this back then, and when you take a look at the impact on your district and on your State, you begin to see that Medigap is truly the gap, the credibility gap, the Republican Party now has on the issue of Medicare, and that is why we have these concerns.

There will be some people on the other side who say we have not made cuts. Well, the fact of the matter is if you do not believe you have made cuts, talk to the CFO's at the hospitals, talk to the CEO's at the hospitals. In Pennsylvania we now know, and we met with some of our CEO's and CFO's last week, many of them are Republicans, many of them are Democrats, but they share one message, 54 hospitals across the State of Pennsylvania, because of the cuts that the Republicans are planning, 54 hospitals across our State are on the critical list. Forty thousand health care workers across the State of Pennsylvania could lose their jobs; 348,000 citizens in the State of Pennsylvania alone will be risking not having direct access to hospitals, when and if many of these hospitals are forced to close.

You see many of these hospitals get as much as 60 percent or more of the funds that they take in from Medicare. That money will not be there in those amounts right now, and so when you start talking about Medicare Select, when you start talking about making up the difference, there is going to be a lot more of a difference to make up.

One in five citizens across the State of Pennsylvania happens to be on Medicare; one in six of them happen to be senior citizens. Many of our senior citizens in a State that has the largest rural population in this entire Nation, many of our citizens are on both Medicare and Medicaid because they are elderly and they are poor.

Mr. DOGGETT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. BROWN], representing Oberlin and environs.

☐ 1100

Mr. BROWN of Ohio. Mr. Speaker, there is an old country and western song that goes, "She got the gold mine, and I got the shaft." Republicans want to give the gold mine to wealthy special interests and give the shaft to America's elderly, $300 billion in tax breaks, $300 billion in cuts in Medicare.

The Republicans indignantly cry that these are not really cuts, they are only slowing the growth in Medicare. Tell that to the literally millions of Medicare people in Ohio and Pennsylvania and California and all over this country who will have $3,500 more taken out of their pocket over the next 7 years in higher premiums, in deductibles, in copayments. Tell those people these are not really cuts.

These are cuts in services. These cuts in services are to pay for tax breaks for the wealthiest Americans, tax breaks for special interests, tax breaks for people that really do not need those kinds of tax breaks, the highest income people in this country.

Mr. Speaker, I support Medicare Select because it provides choice, but as Republicans move to make these cuts in Medicare, what they are talking about is rationing health care, and what they are talking about is taking away physician choice.

We should reject that, Mr. Speaker. We should reject that kind of thinking. It is not good for America's elderly. It is not good for the American people overall.

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, well, I guess we are not going to talk about the motion to instruct. Obviously, that was not the reason you offered what purportedly is a motion to instruct conferees.

The factual information in the motion to instruct is simply wrong. There is no instruction in the motion to instruct. It simply says that you want to talk about what is going on in this year's budget process. That is what the motion to instruct says.

So, if you do not want to talk about your motion to instruct, and I am quite sure you do not expect it to pass because it would be rather bizarre to pass a motion to instruct that has no instructions to the conferees, so what you really want to do is talk about the issue of Medicare, and you want to talk about the issue of Medicare in terms of what Republicans are trying to do to make sure that the Medicare trust fund does not go bankrupt.

I think you need to remember that in April the trustees of the health insurance trust fund, the Secretary of Health and Human Services, Donna Shalala, the Secretary of the Treasury, Mr. Rubin, Secretary of Labor, all President Clinton's appointees to the Board of Trustees, said if we do nothing, if we do nothing, Medicare goes bankrupt in 2002.

What Republicans are proposing to do is take the $4,700 that is spent on each senior today and grow that to $6,400 in 2002. If we can do that, if we can accomplish an increase in the program at that rate, we save Medicare from bankruptcy.

The Democrats have had some difficulty in understanding that concept. I want to commend the gentlewoman from Connecticut [Mrs. KENNELLY] because the gentlewoman from Connecticut said it right. What we are talking about is reducing the increase. The job for all of us is to create a Medicare which has more choice for seniors, which grows in the amount that is available, but that fundamentally makes sure the program does not go bankrupt.

You have heard the word "cut" over here from virtually every speaker. It is a word that is somewhat pejorative, that is loaded, that is a political term that they want to use. They cannot deny themselves the use of the term "cut." The gentlewoman from Connecticut [Mrs. KENNELLY], to her commendable credit, did not say "cut," because she knows it is not a cut. It is a reduction in the increase, and, frankly, when you have increases going up at 10.5 and 11 percent a year in an old 1960's bill-paying structure, when today's marketplace is half that, taxpayers should want us to make sure that we get the savings from the marketplace in the Medicare Program. That is what we propose to do.

And we are looking for people to join us in the effort to save Medicare. I did not hear one person on this floor today talk about joining in the effort to save Medicare.

But I want this voice to be heard on the floor. I want my Democrat colleagues and friends to listen carefully to the words of this individual. This is what he said: "Today, Medicaid and Medicare are going up at 3 times the rate of inflation. We propose to let it go up at 2 times the rate of inflation. That is not a Medicare or Medicaid cut." Repeat, "That is not a Medicare or Medicaid cut."

So when you hear all of this business about cuts, let me caution you that is not what is going on. Who said that? William Jefferson Clinton, President of the United States and a Democrat. He believes we have to reduce the rate of increase, just as the gentlewoman from Connecticut [Mrs. KENNELLY] said. We have to reduce the rate of increase.

What we are proposing is to reduce the rate of increase. What President Clinton has said must be done, what he believes should be done is to reduce the rate of increase. How we do that is going to be a very, very positive exercise as we open up a 1960's fee-for-service bill-paying bureaucracy to all of the exciting changes that are going on out there in the health care world, one very small, modest change that has been a pilot program for 3 years, called Medicare Select, that has almost a half million folks in that program, with only nine complaints to date.

It is a program that we want to continue for a 5-year period. We have told the Secretary of Health and Human Services, "Keep an eye on that program. If it does not do what it is supposed to do, that is, increase choice and save money, we will sunset the program. We will come up with another idea." Right now what we need are new ideas, not the same old arguments, new ideas.

Medicare Select is a promising new idea. We want to send the program to the 50 States who want to join it. The States voluntarily take up the program. it is not imposed upon them. People voluntarily buy their insurance. It is not imposed upon them. It is a slightly different way of doing business in the insurance and health care area. We want to see if it has some promise.

We are going to try some other ideas. We are going to bring the sunshine from the outside, the positive reduction in expenses from the outside, into this archaic system, by choice. Republicans are going to do that. We would really love to have our Democratic colleagues join their President in reducing the increase in positive ways.

Instead, what you hear is pure political propaganda. They do not want to talk about Medicare Select.

I will tell you, you just heard a number of Democrats come to the microphone, the gentlewoman from Connecticut [Mrs. KENNELLY], the gentleman from Texas [Mr. DOGGETT], the gentleman from California [Mr. WAXMAN], the gentleman from Massachusetts [Mr. MOAKLEY], the gentleman from New Jersey [Mr. PALLONE], the gentleman from Pennsylvania [Mr. KLINK], they all voted for the Medicare Select measure when it left here, 408 to 14.

This is a good idea. What you have here today on the part of the Democrats is an exercise largely in futility. They are now the minority party. They do not get to ram proposals down people's throats by pure quantitative measures because they have more votes than someone else. We are asking them to come to the table with your ideas. Let us hear them.

Over the next several months there is going to be a feeding frenzy of ideas in the Health Subcommittee of Ways and Means and Health Subcommittee of Commerce. We are going to put together a proposal that will make sure the Medicare trust fund will not go broke, that seniors will have a better choice, we will grow the Medicare Program from today's $4,700 to $6,400 for every American. We will save the program.

This is a modest beginning. Vote down the motion to instruct, which instructs nothing, and let us get on with change.

REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 1561, AMERICAN OVERSEAS INTERESTS ACT OF 1995

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–130) on the resolution (H. Res. 156) providing for further consideration of the bill (H.R. 1561), to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for U.S. foreign assistance programs for fiscal years 1996 and 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF CONFEREES ON H.R. 483, MEDICARE SELECT EXPANSION

Mr. BLILEY. Mr. Speaker, I yield back the balance of my time.

Mr. DOGGETT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. DINGELL], the distinguished ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, the facts from this debate are clear. The Democrats want to see that the discussions in the conference will address the proposed cuts in Medicare benefits. That is all we want.

The hard fact is that senior citizens of this country are going to take a $300 billion hit on their Medicare costs and that $300 billion hit is going to be used to finance a tax cut for the well-to-do.

Now, I can understand how my Republican colleagues get outraged about this. One of my colleagues from California quoted the President telling that Medicare is in trouble. Everybody has known Medicare was in trouble. The President tried to do something about it last year, and his comments of last year, quoted on this floor by the previous Member who addressed this body, simply said Medicare is in trouble unless you pass his universal health care coverage program. Every single Republican opposed that. Everybody knows health care in this country is in trouble. Everybody knows health care costs in this country are escalating at an excessive rate. Everybody knows that availability of insurance and the affordability of insurance is declining.

We can talk about innovation and innovativeness and everything else, and a feeding frenzy of innovation that is supposed to take place. In the health care subcommittee, run by the gentleman from California, there has been no excessive innovation or anything of that kind going on in his committee and certainly nothing vaguely resembling a feeding frenzy of innovation, certainly no sign of innovation in his committee, nothing except cuts for the senior citizens, give a tax break to the rich and talk about how the Democrats are responsible for the problem.

The real problem began last year in this Congress and the year before when the Republicans refused to a man to consider any reform in health care overall which would not only have addressed the problem of Medicare and its viability but also every other health care program in this country which would have made health care available to every American and which would have seen to it that the costs of health care for business, for industry, for government, and for the ordinary citizen would have gone back.

Mr. DOGGETT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we have been told that this is a debate about MediGap, and indeed it is. It is a debate about whether or not these conferees will consider the realities of what has occurred on this House floor with reference to the cuts and the increases in out-of-pocket costs to Medicare recipients across this country. There is a giant MediGap, because another 30 minutes later all we have is a blank page from the Republican Party with reference to what they are going to do to seniors across this country.

They refuse to come to this floor and tell the people of America what the journalists have found, what the American Association of Retired Persons has found, that when a senior anywhere in this country reaches for their wallet to pay for the same level of health care, they are going to reach in and find it does not stretch as far as it used to, because their premiums, their deductible has been doubled, their premiums have been raised, new out-of-pocket costs face them, and instead of MediGap, the kind of insurance we are going to need is medigorge, because a giant gorge is being created that will not be filled unless this instruction is approved.

The SPEAKER pro tempore (Mr. SHAYS). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Texas [Mr. DOGGETT].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. DOGGETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 197, nays 224, not voting 13, as follows:

[Roll No. 355]

YEAS—197

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velázquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—224

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield

Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—13

Becerra
Calvert
Clay
Cubin
Fazio
Gallegly
Hansen
Istook
Kleczka
Livingston
Meyers
Nussle
Peterson (FL)

□ 1135

The Clerk announced the following pair: On this vote:

Mr. BECERRA for, with Mrs. CUBIN against.

Mr. COBURN and Mr. KIM changed their vote from "yea" to "nay."

Ms. WATERS and Mr. SCHUMER changed their vote from "nay" to "yea."

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. SHAYS). Without objection, the Chair appoints the following conferees: Messrs. BLILEY, BILIRAKIS, HASTERT, ARCHER, and THOMAS, Mrs. JOHNSON of Connecticut, and Messrs. DINGELL, WAXMAN, GIBBONS, and STARK.

There was no objection.

REMOVAL OF NAMES OF MEMBERS AS COSPONSORS OF H.R. 571

Mr. BONILLA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. SCHUMER], the gentleman from New Jersey [Mr. TORRICELLI], and the gentleman from Wisconsin [Mr. BARRETT] be removed as cosponsors of H.R. 571. The gentlemen misunderstood the substance of that bill, and we have agreed to remove them as cosponsors.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT REGARDING PRE-FILING REQUIREMENT FOR AMENDMENTS TO H.R. 1530, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, yesterday the Committee on National Security ordered reported H.R. 1530, the National Defense Authorization Act for fiscal year 1996. The Rules Committee plans to meet during the week of June 5 to grant a rule for the bill which is scheduled for floor consideration during the week of June 12.

The Rules Committee expects to report the traditional structured rule making in order only amendments prefiled with our committee.

Members who wish to offer amendments to the bill should submit 55 copies of their amendments, together with and a brief explanation, to the Rules Committee office at H-312 of the Capitol, no later than 5 p.m. on Tuesday, June 6.

Amendments should be drafted to the amendment in the nature of a substitute recommended by the National Security Committee. Copies of the committee substitute will be available for examination by Members and staff in the offices of the committee at 2120 Rayburn House Office Building.

Members are advised to use the Office of Legislative Counsel to draft their amendments.

If Members or their staff have any questions regarding this procedure, they should contact David Lonie of our staff at extension 5-7985. We appreciate the cooperation of all Members in submitting their amendments by the 5 p.m., June 6 deadline in properly drafted form.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON RULES,
Washington, DC, May 25, 1995.

PRE-FILING REQUIREMENT FOR AMENDMENTS TO DEFENSE AUTHORIZATION BILL (H.R. 1530)

DEAR COLLEAGUE: The Rules Committee plans to meet during the week of June 5th to grant a rule for the National Defense Authorization Act (H.R. 1530) which is scheduled for floor consideration during the week of June 12th.

The Rules Committee expects to report the traditional structured rule making in order only amendments pre-filed with our Committee. Members who wish to offer amendments to the bill should submit 55 copies of their amendments, together with a brief explanation, to the Rules Committee office at H-312 of the Capitol, no later than 5 p.m. on Tuesday, June 6th.

Amendments should be drafted to the amendment in the nature of a substitute recommended by the National Security Committee. Copies of the Committee substitute will be available for examination by Members and staff in the offices of the Committee at 2120 Rayburn House Office Building. Members are requested to use the Office of Legislative Counsel to draft their amendments.

If Members or their staff have any questions regarding this procedure, they should contact David Lonie of our staff at Extension 5-7985. We appreciate the cooperation of all Members in submitting their amendments by the 5 p.m., June 6th deadline in properly drafted form.

Sincerely,

GERALD B. SOLOMON,
Chairman.

ANNOUNCEMENT REGARDING ADDITIONAL TIME FOR DEBATE ON AMENDMENTS TO H.R. 1561, THE AMERICAN OVERSEAS INTERESTS ACT OF 1995

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I want my colleagues to be absolutely clear why we are providing additional time after the recess to consider H.R. 1561 the American Overseas Interests Act. It is because so many amendments are still pending and because our colleagues on the other side of the aisle requested additional time for them.

The rule accompanying H.R. 1561 provided for 2 hours of general debate and 10 for amendments that were preprinted in the RECORD. Any remaining amendments would be considered under a 10-minute time limit, with all debate to conclude by 2:30 this afternoon.

As of last night—100 amendments had been filed—58 by Republicans and 42 Democrats. When the Committee rose yesterday, we had consumed 9 of the 10 hours of debate and had disposed of nine amendments—six Republican and three Democrat.

Of the 91 amendments remaining—51 are Republican and 39 are Democratic amendments. It is to accommodate those Members with remaining amendments that we are proposing an additional 6 hours of debate when we return from the recess.

Reports that we yanked H.R. 1561 because the bill is in trouble are just plain wrong. We are acting to provide more time to consider this very important measure that deals with our foreign policy agencies and programs.

Mr. BERMAN. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. BERMAN. Mr. Speaker, I thank the gentleman for yielding, and I think it makes sense. We have a large number of amendments pending, and I think it makes sense to have some modicum of debate. Am I to assume that the committee will be recommending to the Committee on Rules when we come back in a week-and-a-half a time limit on these amendments, or will it be staying under the 5-minute rule?

Mr. GILMAN. I will yield to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. I will say to my good friend, the gentleman from California, that we have already reported a rule about an hour ago which does provide for 6 hours of additional time under the 5-minute rule, yes.

Mr. BERMAN. So essentially there is no time limit on any individual amendment.

Mr. SOLOMON. I would just say to the chairman of the Committee on International Relations that if there were going to be any time limitations on amendments, it would have to be negotiated between both sides of the aisle. That is to be expected.

Mr. BERMAN. Mr. Speaker, if the gentleman will yield for one further question, is the plan to bring this rule to the floor on Wednesday, June 7?

Mr. GILMAN. That is correct.

Mr. BERMAN. Is it the plan to then move, assuming that rule passes, to the 6 hours remaining of debate on Wednesday, June 7?

Mr. GILMAN. It is my understanding we would be able to then move to consider the 6 hours of remaining debate.

Mr. BERMAN. Are the amendments limited to the amendments that have been printed in the RECORD as of today?

Mr. GILMAN. That is my understanding. Only the amendments that have been printed in the RECORD as of yesterday.

Mr. BERMAN. Does it include a managers' amendment?

Mr. GILMAN. Yes it would be included.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent to proceed out of order for 1 minute in order to question the distinguished majority leader about the schedule for next week.

Mr. Speaker, I yield to the distinguished majority leader to ask about the schedule for next week and the week after.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, let me predicate my remarks about the coming schedule by making a few observations about the American Overseas Interests Act that we have had under consideration, and to provide some explanation for why we are holding the bill over to the week following.

□ 1145

I have to say, Mr. Speaker, that without being too poetic, that it is bemusing how confusing it has been for so many people that a purely logistical decision, made out of consideration for the work requirements of the House and the desire to have full participation by the Members, has been written up in the newspapers as something that is completely different than in fact what it was.

Therefore, out of regard for this lack of understanding, let me just make these points. On this bill, we have 100 amendments filed. We considered nine amendments in 9 hours. Ninety-one were left to be considered, many to be en bloc. That is over 25 Members that have amendments left to be considered in the bill. By the time we finished last night we had only 35 minutes left under the existing rule. Those 25 Members deserve regard, Members from both sides of the aisle, on the bill.

We had thought yesterday at the time the decision was made that we would do not only the conference for Medicare Select, but that for the budget as well today. I was not prepared to take as much as 3½ hours away from our Members who might otherwise have had that time available for this bill. For that reason, I made the decision to hold the bill over, and to in fact, because time was available, increase the time available for those amendments, this done wholly in the spirit of our desire to include as many Members as possible on every bill as we can.

In addition to that, Mr. Speaker, we made a decision to add from those amendments already printed in the RECORD the option, placed in the hands of the committee chairman, to have a chairman's amendment insofar as he may find an opportunity available to improve his bill. There was no consideration given to a doubt about the vote outcome. It was all done out of concern for the logistics of the House's business with this bill and other bills, and a desire to improve the participation opportunities for all our Members on both sides of the aisle.

Having said that, Mr. Speaker, let me just say that the House will stand in adjournment through Monday, June 5. On Tuesday, June 6, the House will meet at 12 o'clock in a pro forma session. There will be no recorded votes on Tuesday. On Wednesday, June 7, the House will meet at 12 o'clock for legislative business. We plan to take up a rule governing further consideration of H.R. 1561, the American Overseas Interests Act of 1995, and then complete consideration of that legislation and pass it that day. We then hope to complete three hatchery bills under rules previously adopted by the House. These bills are H.R. 614, the New London National Fish Hatchery Conveyance; H.R. 584, the Fairport National Fish Hatchery Conveyance; and H.R. 535, the Corning National Fish Hatchery Conveyance.

The House will meet at 10 o'clock a.m. on Thursday, June 8. It is our hope to have Members on their way home, Mr. Speaker, on Thursday, June 8, it is our hope to have the Members on their way home to their families and their districts by 6 o'clock p.m. on that Thursday.

The House will not be in session on Friday, June 9.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman. I want to again note that we have these three fish hatchery bills. I know the gentleman's great interest in fishing, and I know that he wants these fish to be hatched as much as I do, so we are all looking forward to getting these three bills passed next week or the week after next.

Mr. ARMEY. If the gentleman will continue to yield, Mr. Speaker, I thank the gentleman for his observation. I guess we cannot catch them and kiss them if we do not hatch them.

Mr. GEPHARDT. That is right. I know the gentleman is interested in doing that. Maybe the gentleman and I can figure out how to catch and throw back some of these fish.

Mr. Speaker, let me just simply report what the gentleman said, so Members who may not have been paying as close attention as they might will understand this. As I get it, we will not expect votes on Monday, Tuesday, or Friday of the week we get back from the Memorial Day recess.

Mr. ARMEY. That is right.

Mr. GEPHARDT. I understand the gentleman will be asking unanimous consent that the Committee on National Security will be allowed to file the Defense authorization bill during the recess. Would the gentleman tell us when he expects that important bill to be considered by the House?

Mr. ARMEY. If the gentleman will yield further, we would hope to begin consideration the week following the week ending on June 9.

Mr. GEPHARDT. Mr. Speaker, I thank the gentleman, and wish him a prosperous, effective, and successful district work period.

Mr. ARMEY. I thank the gentleman, Mr. Speaker. I wish the same for him and all the Members of his party.

ADJOURNMENT OF THE HOUSE FROM THURSDAY, MAY 25, 1995, TO TUESDAY, JUNE 6, 1995, OR UNTIL NOON ON THE SECOND DAY AFTER MEMBERS ARE NOTIFIED TO REASSEMBLE, AND RECESS OR ADJOURNMENT OF THE SENATE ON THURSDAY, MAY 25, 1995, FRIDAY, MAY 26, 1995, OR SATURDAY, MAY 27, 1995, TO MONDAY, JUNE 5, 1995, OR UNTIL NOON ON THE SECOND DAY AFTER MEMBERS ARE NOTIFIED TO REASSEMBLE

Mr. ARMEY. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 72) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 72

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, May 25, 1995, it stand adjourned until noon on Tuesday, June 6, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, May 25, 1995, Friday, May 26, 1995, or Saturday, May 27, 1995, pursuant to a motion made by the Majority Leader or his designee, in accordance with this resolution, it stand recessed or adjourned until 10 a.m. on Monday, June 5, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS OF CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. ARMEY. Mr. Speaker, I offer a privileged resolution (H. Res. 157) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 157

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Government Reform and Oversight: Mr. HASTERT of Illinois, to rank following Mr. BURTON of Indiana.

Committee on Resources: Mr. ENSIGN of Nevada.

Committee on Small Business: Mr. LATOURETTE of Ohio.

Committee on Commerce: Mr. DEAL of Georgia, to rank following Mr. COX of California.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER AND THE MINORITY LEADER TO ACCEPT RESIGNATIONS AND TO MAKE APPOINTMENTS AUTHORIZED BY LAW OR BY THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, June 6, 1995, the Speaker, and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore (Mr. SHAYS). Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, JUNE 7, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, June 6, 1995, it adjourn to meet at noon on Wednesday, June 7, 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 7, 1995

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, June 7, 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SECOND ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business.

To the Congress of the United States:

I am pleased to forward my second annual report on the state of small business, and to report that small businesses are doing exceptionally well. Business starts and incorporations were up in 1993, the year covered in this report. Failures and bankruptcies were down. Six times as many jobs were created as in the previous year, primarily in industries historically dominated by small businesses.

Small businesses are a critical part of our economy. They employ almost 60 percent of the work force, contribute 54 percent of sales, account for roughly 40 percent of gross domestic product, and are responsible for 50 percent of private sector output. More than 600,000 new firms have been created annually over the past decade, and over much of this period, small firms generated many of the Nation's new jobs. As this report documents, entrepreneurial small businesses are also strong innovators, producing twice as many significant innovations as their larger counterparts.

In short, a great deal of our Nation's economic activity comes from the record number of entrepreneurs living the American Dream. Our job in Government is to make sure that conditions are right for that dynamic activity to continue and to grow.

And we are taking important steps. Maintaining a strong economy while continuing to lower the Federal budget deficit may be the most important step we in Government can take. A lower deficit means that more savings can go into new plant and equipment and that interest rates will be lower. It means that more small businesses can get the financing they need to get started.

We are finally bringing the Federal deficit under control. In 1992 the deficit was $290 billion. By 1994, the deficit was $203 billion; we project that it will fall to $193 billion in 1995.

Deficit reduction matters. We have been enjoying the lowest combined rate of unemployment and inflation in 25 years. Gross domestic product has increased, as have housing starts. New business incorporations continue to climb. We want to continue bringing the deficit down in a way that protects our economic recovery, pays attention to the needs of people, and empowers small business men and women.

CAPITAL FORMATION

One area on which we have focused attention is increasing the availability of capital to new and small enterprises, especially the dynamic firms that keep us competitive and contribute so much to economic growth.

Bank regulatory policies are being revised to encourage lending to small firms. Included in the Credit Availability Program that we introduced in 1993 are revised banking regulatory policies concerning some small business loans and permission for financial institutions to create "character loans."

New legislation supported by my Administration and enacted in September 1994, the Reigle Community Development and Regulatory Improvement Act of 1994, establishes a Community Development Financial Institutions Fund for community development banks, amends banking and securities laws to encourage the creation of a secondary market for small business loans, and reduces the regulatory burden for financial institutions by changing or eliminating 50 banking regulations.

Under the Small Business Administration Reauthorization and Amendments Act of 1994, the Small Business Administration (SBA) is authorized to increase the number of guaranteed small business loans for the next 3 years. The budget proposed for the SBA will encourage private funds to be directed to the small businesses that most need access to capital. While continuing cost-cutting efforts, the plan proposes to fund new loan and venture capital authority for SBA's credit and investment programs. Changes in the SBA's 7(a) guaranteed loan program will increase the amount of private sector lending leveraged for every dollar of taxpayer funds invested in the program.

Through the Small Business Investment Company (SBIC) program, a group of new venture capital firms are expected to make available several billion dollars in equity financing for startups and growing firms. The SBIC program will continue to grow as regulations promulgated in the past year facilitate financing with a newly created participating equity security instrument.

And the Securities and Exchange Commission's simplified filing and registration requirements for small firm securities have helped encourage new entries by small firms into capital markets.

We are recommending other changes that will help make more capital available to small firms. In reauthorizing Superfund, my Administration seeks to limit lender liability for Superfund remediation costs, which have had an adverse effect on lending to small businesses. Interagency teams have been examining additional cost-effective ways to expand the availability of small business financing, such as new options for expanding equity investments in small firms and improvements to existing microlending efforts.

We've also recognized that we can help small business people increase their available capital through tax reductions and incentives. We increased by 75 percent, from $10,000 to $17,500, the amount a small business can deduct as expenses for equipment purchases. Tax incentives in the 1993 Budget Reconciliation Act are having their effect, encouraging long-term investment in small firms. And the empowerment zone program offers significant tax incentives—a 20 percent wage credit, $20,000 in expensing, and tax-exempt facility bonds—for firms within the zones.

REGULATION AND PAPERWORK

But increasing the availability of capital to small firms is only part of the battle. We also have to make sure that Government doesn't get in the way. And we're making progress in our efforts to create a smaller, smarter, less costly and more effective Government that is closer to home—closer to the small businesses and citizens it serves.

In the first round of our reinventing Government initiative—the National Performance Review—we asked Government professionals for their best ideas on how to create a better Government with less red tape. One recommendation was that Federal agency compliance with the Regulatory Flexibility Act—that requires agencies to examine proposed and existing regulations for their effects on small entities—be subject to judicial review. In other words, they said we need to put teeth in the legislation requiring Federal agencies to pay attention to small business concerns when they write regulations. That proposal has been under debate in the Congress.

Federal agencies are already considering and implementing specific ways to streamline regulations and make paperwork easier for small businesses to manage. For example, the Environmental Protection Agency (EPA) responded to small business owners and advocates who said that the agency's toxic release inventory rule was especially costly and burdensome. In November 1994, the EPA announced a final rule that will make it easier for small businesses to report small amounts of toxic releases.

And SBA has slashed the small business loan form for loans under $100,000 from an inch-thick stack to a single page. The SBA is also piloting a new electronic loan application that will involve no paperwork, but will allow business owners to concentrate on the business at hand—building a successful operation.

When businesses are unable to succeed, no one is served by a process that entangles small business owners in an endless jumble of paperwork. Sweeping changes made to bankruptcy laws in the past year will help small businesses reorganize. Small firms with less than $2.5 million in debt may utilize a streamlined reorganization process that is less expensive and more timely.

My Executive order on Regulatory Review provides a process for more rational regulation, and we've been listening to the concerns of small firms through a Regulatory Reform Forum for Small Business. Five sector-specific groups have made specific proposals for regulatory relief. These groups have said that a comprehensive, multiagency strategy, with better public involvement, is probably the most cost-effective way to improve both the quality of regulations and compliance with them. The key is to make sure that Government serves small business and the American people, not the other way around.

ELECTRONIC COMMERCE AND GOVERNMENT PROCUREMENT

The reinventing Government initiative also called for expanded use of electronic marketing and commerce, and we have made great strides in providing information about Government programs electronically. These methods will increase small business access to markets.

Another area that has been sorely in need of reform is the Government procurement process. In October 1994, I signed into law the Federal Acquisition Streamlining Act, which will change the way the Government does business. The law modifies more than 225 provisions of procurement law to reduce paperwork burdens, improve efficiency, save the taxpayers money, establish a Federal acquisition computer network, increase opportunities for women-owned and small disadvantaged businesses, and generally make Government acquisition of commercial products easier. This report documents how small businesses are doing under the old system; my hope is that opportunities for small business success will be even greater once these reforms are in effect.

HUMAN RESOURCES

Beyond encouraging an economic environment that supports small business success, opening doors to capital resources, buying more of our goods and services from small firms, and getting out of small business' way, I believe we in Government have a responsibility to ask whether we are doing enough to ensure a healthy and adequately prepared work force.

I remain committed to seeking a way to provide health insurance coverage for all Americans. As this report clearly shows, the number of uninsured Americans is too high—and it's growing. Millions of those citizens are in working families. And the sad fact is that many of those workers are in small businesses, which have seen their premiums and deductibles soar. We must make sure that self-employed people and small businesses can buy insurance at more affordable rates—whether through voluntary purchasing pools or some other mechanism.

We also ought to be able to ensure that our citizens are adequately provided for when they reach the end of their working years. Here too, small firms have been at a disadvantage. Our proposed pension legislation exempted most small plans from compliance and reporting increases.

And while our industries restructure and move from an age of heavy industry to an information age that demands new skills and new flexibility, we need to make sure that our work force has the skills and tools to compete. That is why I proposed the Middle Class Bill of Rights, which would provide a tax deduction for all education and training after high school; foster more saving and personal responsibility by permitting people to establish an individual retirement account and withdraw from it tax-free for the cost of education, health care, first-time house buying, or the care of a parent; and offer to those laid off or working for a very low wage, a voucher worth $2,000 a year to get the skills they need to improve their lives.

INTERNATIONAL TRADE

We also want to empower small businesses to succeed in a global economy. One of the greatest challenges in the next century will be our international competition. Ninety-six percent of all exporting firms are small firms with fewer than 500 employees, but only 10 percent of small firms export; therefore the potential for increasing small firm exports is significant. I believe the North American Free Trade Agreement and the General Agreement of Tariffs and Trade will benefit small firms interested in expanding into international markets in this hemisphere and beyond.

Lending to small exporters is being eased through reforms in the Export-Import Bank's Working Capital Guarantee Program. New one-stop export shops are moving in the right direction to assist small firms by providing access to export programs of the Department of Commerce, Export-Import Bank, and Small Business Administration all under one roof.

HEARING FROM SMALL BUSINESS

Small businesses are too important to our economy for their concerns not to be heard. That is why I have given the SBA a seat on the National Economic Council and invited the SBA Administrator in to Cabinet meetings.

Over the past 2 years, my Administration has been asking questions of small business owners and listening to the answers—seeking advice and guidance from a diverse audience of business leaders to determine the most critical problems and devise solutions that work.

This year presents a special opportunity for small business persons to make their concerns known at the White House Conference on Small Business, set to convene in Washington in June 1995. In State conferences leading up to the national conference, small business owners have been frank about their concerns. I look forward to hearing their small business action agenda.

I firmly believe that we need to keep looking to our citizens and small businesses for innovative solutions. They have shown they have the ingenuity and creative power to make our economy grow; we just need to let them do it.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 25, 1995.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 1-minute requests.

MEDICARE

(Mr. PORTMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTMAN. Mr. Speaker, after hearing the debate on MediGap this morning, I am here today to make a plea on Medicare. Let us stop the demogoguery—let us roll up our sleeves and deal with the problem. The Medicare trustees have just reported to us that if we do nothing to save the system, the part A trust fund, the heart of the program starts to go broke next year and is bankrupt entirely in 7 short years—not unanticipated by those who have been following it closely—but sobering nonetheless.

Let us deal with it—and the sooner the better. The new CBO Director told us the obvious in recent testimony: "Any delay will require dramatic cuts and program changes in the future." If we start to reform the system now, I believe we can accomplish the twin goals of saving the program from bankruptcy and improving it through private sector innovation, expanded choice and cracking down on fraud. We can do it because, as President Clinton told the AARP in 1993, "Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid, and a reduction in the rate of growth." Let us act now in a bipartisan manner before the problem gets out of hand.

The Medicare trustee report itself stated, "these programs are too important to be politicized and [we] urge that a highly professional, nonpartisan approach continue to be followed."

DON'T LET REPUBLICANS SLAM THE DOOR SHUT ON STAFFORD LOANS

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I rise to speak in opposition to the Republican budget proposal as it specifically relates to higher education. Yesterday, I talked about cuts in our elementary and secondary education funds that will hurt our children in public schools. Today, I am going to talk about the House proposal that will increase college costs for 4.5 million college students by eliminating the in-school interest subsidy on Stafford loans. Families who rely on Stafford student loans would pay up to $3,000 more for the cost of a college education.

These extra costs could put a college education out of reach for many young people in my district. I have a picture here of a young lady, Yuroba Harris. Yuroba is an honor student at the University of Houston. In order to earn extra money for books and tuition, she works in my district office part time, serving the constituents of the 29th District in Houston, TX.

Elimination of the in-school interest subsidy could put college out of reach for a lot of young people like Yuroba and other middle-class and poor young people all over my district. There is an old proverb: Give a person a fish and they will eat today. Teach them to fish and they will eat for a lifetime. Let us not cut education. Let us make sure they can eat for a lifetime.

ACCOMPLISHMENTS OF AMERICA'S FOREIGN AID PROGRAM

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. CHABOT. Mr. Speaker, we have been debating the foreign aid bill for the last few days and we have heard a lot of criticisms about foreign aid programs. Some are justified and some are not, but undoubtedly some good things have been accomplished. I would like to include in the RECORD, following my remarks, a recent Cincinnati Post guest column written by my friend, Dan Radford, executive secretary-treasurer of the Cincinnati AFL–CIO Labor Council, who has had a very productive working relationship with the U.S. Information Agency.

Working under a grant from USIA, the AFL–CIO's Free Trade Union Institute has worked closely with trade union leaders from Ukraine and Kazakhstan. A delegation from those former Soviet States recently visited Cincinnati to get some positive exposure to our political and economic system, with the local labor council serving as host.

It is my hope that as we move toward a more streamlined and productive foreign policy apparatus, we will be able to work with groups like this and continue in a more efficient way to provide the means for such positive dialog.

I include the Radford article in the RECORD at this time as a valuable contribution to the discussion.

The text of the article is as follows:

LABOR UNIONS HELP NURTURE DEMOCRACIES IN EASTERN EUROPE

(By V. Daniel Radford)

Semyon Karikov and Gennady Nikitin, trade union leaders from Ukraine and Kazakhstan, visited our city recently to learn about the role institutions like unions play in the community and in our system of government. Their visit was made possible by the AFL–CIO's Free Trade Union Institute under a grant from the U.S. Information Agency. We at the Cincinnati AFL–CIO Labor Council served as their local hosts. I had already been on several educational exchange trips to Romania, Slovakia, and the Czech Republic under the same FTUI/USIA program.

Why are these exchanges important, and why should our government support these types of activities? Simply put, because it is in our direct interest to help the countries of Eastern Europe to build institutions—like unions—that bring the rule of law and economic stability to their countries.

Educational exchanges can assist in this process. During their visit, for example, Karikov and Nikitin met with county and city officials from both political parties, with union leaders and rank and file members, and with community political activists. They were given an overview of labor's role in protecting workplace rights and in expressing the voice of workers in politics and economics of a democratic society. They can take these lessons about involvement back to their unions and communities at home.

While Semyon and Gennedy visited our city, we learned something too, about how hard life is in the countries of the former Soviet Union. Workers labor in dangerous conditions with no safety equipment and return home to eat their meager meals in the dark and cold because there is no heat or electricity. At times they go weeks and sometimes months without pay; they continue working just to keep their jobs.

Workers in Eastern Europe are still struggling for democracy. In Ukraine and Kazakhstan democracies are not established, and the rule of law doesn't exist. In Ukraine, for example, a man summoned to the police station for questioning was tried, convicted, and carted away to prison on the spot. In both countries, the so-called ex-communists have teamed up with former security officers and mafia-like criminal elements to dominate many aspects of society.

So, for humanitarian reasons alone, the U.S. should remain engaged in helping those who seek to build democracy in Eastern Europe.

It is in our own interest as well: the lack of stability in Ukraine, Kazakhstan, and other countries in the former Soviet Union directly threatens the United States. Organized crime groups in Russia alone are roughly ten times larger than the American Mafia. According to FBI Director Louis Freeh "these same crime groups also pose a significant and direct threat to the United States * * * (they) are engaged in a wide range of criminal activities, including complex tax and health care fraud schemes, extortion, money laundering, and drug trafficking."

An even more ominous threat, Secretary of Defense William Perry recently warned, "are (the) still more than 20,000 nuclear weapons in four countries of the former Soviet Union; Russia, Ukraine, Kazakhstan, and Belarus." He points out that these weapons "could be reconstituted into a threat or that some of them could find a way to rogue regimes."

A growing web of international organized criminals who can control—and sell—sizable stockpiles of nuclear weapons: it's a crisis waiting to happen.

Only a firm, stable government and economy can keep these weapons and criminals under control. Democracy with worker participation can help stabilize nations like Kazakhstan and the Ukraine.

As we have witnessed with Solidarity in Poland, unions have been key in advancing the spread of democracy in the region. And, as we see here at home, unions have a crucial balancing voice in a market economy. During my FTUI visits, I saw Eastern European unions taking steps toward greater political and community involvement, pushing for free elections, a free press, and an understanding and control of economic forces. I think our educational exchanges helped move this process along.

It's fair to ask ourselves if in this time of cost cutting, we can afford programs like the one that brought Semyon and Gennady here. In light of the potential serious threats the U.S. and rest of the world faces, and because of the benefits we all can gain from an exchange of ideas, we should consider whether we can afford not to.

□ 1200

PERMISSION FOR COMMITTEE ON NATIONAL SECURITY TO FILE A REPORT ON H.R. 1530, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. DORNAN. Mr. Speaker, I ask unanimous consent that the Committee on National Security be allowed during the Memorial Day district work period to file a report on the bill (H.R. 1530) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1996, and for other purposes.

The SPEAKER pro tempore (Mr. BURTON of Indiana). Is there objection to the request of the gentleman from California?

Mr. WISE. Mr. Speaker, reserving the right to object, I will not object, and I would simply observe that this was cleared with the minority. We appreciate that.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE VALUE OF EDUCATION

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, I do not think anyone can dispute the fact that education is one of the keys to success.

All one needs to do is look around and see that the leaders in every walk of life are generally educated people.

Mr. Speaker, so many of our immigrants came here with no education and not much else either.

But they worked hard and sacrificed so that their children could have an education and reap the harvest of the bountiful opportunities in their wonderful new country.

As a result, each succeeding generation did better and we as a country enjoyed the fruits of that harvest.

Sadly, as hard as it was for the first Americans, it is not that easy anymore—costs are up and the economy is down.

Mr. Speaker, I believe the price of freedom is a well-educated people, and our Founding Fathers thought so too when they created a public school system to educate every young person in our country.

Now, as today's leaders, we should realize in a modern world that K through 12 is not enough to keep us competitive.

If this is true, and I think most would agree, then why is the leadership on the other side of the aisle—who incidentally are both college professors and know the value of education—leading us away from a full education commitment in a way that will allow only the very rich of this country to be educated?

EXCERPT FROM "PRISONERS OF THE JAPANESE"

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, I have been slowly going through an incredible book by a fine Australian author named Gavan Daws. The title of the book is "Prisoners of the Japanese." I have to return it this week to the Library of Congress, so I secured a copy from William Morrow Publishing in New York.

I would like to read a paragraph from the young publicist Justin Loeber and why I want to do an hour on this book and the broader theme of the unbelievably savage and brutal sadistic medieval torture of our POW's by Japan under its warlords.

Young Justin Loeber writes to me: "On a wider scale, this book, 'Prisoners of the Japanese,' is a story of compassion for the elderly. After reading Mr. Gavan Daws' book, I now have more patience for that old person who is standing in line at the post office—the person that has a limp or bad eyesight and moves a little slower than the rest of us. This person could have been tortured by the Japanese. Also, this book has taught me to commemorate Memorial Day as it should be, not at the mall celebrating the greatest sale of the year, but honoring those people who fought for our country. I"—this is Mr. Loeber—"will be going with Gavan Daws to the 50th reunion of the survivors of Bataan and Corregidor in Braintree, MA, over this Memorial Day weekend."

Mr. Speaker, I will do an hour on this later.

BE RELEVANT, MR. PRESIDENT

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, just a few weeks ago the President insisted in a press conference that he was relevant. Mr. Speaker, it is time for him to prove his relevance.

As a freshman Member of this House, I was under the assumption that the President and the two Houses of Congress worked together diligently when legislation would affect the very future of our country and future generations. Saving our country from bankruptcy is just such an issue. Yet where is the President on this issue?

Last week President Clinton indicated to New Hampshire radio interviewers he would offer a plan to balance the budget in either 7 or 10 years. But insisting on remaining irrelevant, this week Mr. Clinton backed away from yet another campaign pledge and said he would not offer a plan to balance the budget and save the next generation.

Mr. Speaker, I believe the President is attempting to play politics with a very important issue. I hope he will reconsider his political stance and join the freshmen and other Members of this body as we attempt to give a future to our children that includes the ability to leave them the family farm and not simply the mortgage.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

LET'S BE TRUTHFUL ABOUT MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. EHLERS] is recognized for 5 minutes.

Mr. EHLERS. Mr. Speaker, those in this Chamber who know me know that I am a person who values integrity. You also know that when I speak on the floor and discuss issues, I try to be as factual as possible; perhaps that is my scientific background, my scientific training coming to the fore.

But I have to confess that I was upset this morning. I have been upset over the past several weeks at the attempt of the other side of the aisle to beat upon the theme—and I really mean the word beat and beat and beat again—to beat upon the theme that somehow the Republicans are trying to cut taxes by $300 billion and they are trying to cut Medicare by $300 billion to pay for the tax cut.

That is absolute nonsense. It is a falsehood. It is a lie. Those who are uttering this lie day after day in this Chamber should be ashamed of themselves, and I call upon them to stop with their falsehoods.

First of all, their numbers are not correct. They have simply arbitrarily picked them as $300 billion each to try to make them match, but the numbers are not exactly that. This is used to try to mislead the public.

Furthermore, this is not tit-for-tat. The tax cuts are not for the rich, as you hear over and over again, $300 billion in cuts for Medicare to pay for $300 billion in tax cuts for the rich. I happen to think that allowing parents of children to keep $500 more of their money for every child they have, regardless of the income of the parents, is not a tax cut for the rich. Absolutely not.

If you try to analyze the income breakdown of the tax break that was in the tax bill passed by the Republicans, you can verify that only a small percentage of the amount of money will go to the rich. Frankly, it is the rich who pay the most taxes, so anytime you have a tax cut, they are going to get a substantial portion of it back. But it is not a tit-for-tat, and the numbers used on the floor are not accurate.

Furthermore, the statement that we are cutting Medicare by $300 billion to provide money for the tax cuts for the rich is nonsense, because we are not cutting Medicare. Medicare will increase under the Republican proposal that has been adopted. It may not increase at the incredible 10.5-percent rate that it has been increasing at, but that is nearly three times the amount of increase in the private sector health care cost.

We cannot as a Nation continue to pay 2 or 3 times the rate of increase for those on Medicare that we do in the private sector. Clearly there is something wrong with Medicare if costs are going up that rapidly.

The proposal is to try to make Medicare run more efficiently. Our proposal is to try to preserve Medicare, it is to try to protect Medicare, to make sure that it is there for the people who need it.

If we do not take action to cut the rising rate of cost, there will not be any money left in Medicare after the year 2002. It will be bankrupt and people will not have the medical coverage they have come to depend upon.

That is the problem we are trying to address. It is a problem that has to be addressed in a bipartisan fashion by this House, by the Senate, and by the President.

I am very disappointed that in our attempt to begin addressing that issue, the other side of the aisle, including the President, is not addressing the problem with us. They are not sitting down with us and trying to cooperate, but they are rather getting on their high horse, or standing on their soapbox, and saying "cuts, cuts, cuts" when we are not cutting, we are only trying to make it more efficient and more responsive to the needs of the people.

As I said at the beginning, I am a person of integrity. I try to be honest, and I have tried to be honest in this statement.

I truly hope that the other side of the aisle, everyone involved in this Chamber, the Senate, and the White House, will get together with us and say, "Look, we have a serious problem with Medicare." The President's own nominees on the trust fund board have said we have a problem with Medicare. Everyone agrees we have a problem with Medicare. Let us sit down as people of good will and say we have a problem. Let us work together to solve it.

My plea is that we all get together and solve this problem so in fact we can preserve, protect and repair the Medicare system so that we will meet the needs of the elderly, not just now and not just in the year 2002 but for all time.

CALL FOR ABOLITION OF DEPARTMENT OF ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. HOKE] is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, I have a number of things I wanted to discuss with the House today, first of all with respect to the Department of Energy.

Mr. Speaker, as a part of our ongoing effort to both balance the budget and give our children and our grandchildren a better future and to turn back the tide of taxation without representation, which is one of the things that the patriot founders of this country shed their blood for, we have to examine every single program and weed out those that do not provide a vital national service.

By that measure, the Department of Energy should and must be abolished. Under the Clinton administration, the Department failed to adequately meet the minimum requirements of maintaining the operational readiness of our nuclear weapons stockpile. Instead, it appears to have become more of a travel service to satisfy the Secretary of the Energy's wanderlust. Evidence of that failure can be found by simply examining Energy Secretary Hazel O'Leary's schedule. Last Wednesday, May 17 she traveled to Paris in order to give the welcoming speech at an international energy conference on Monday, May 22. Then she went to Baku, Azerbaijan, to give the keynote speech at an oil and gas conference. Today Ms. O'Leary is in Florence, Italy, for a luncheon and a dinner banquet at a conference on geothermal energy.

While these world travels are indeed very exciting, it would be interesting to know just how much they cost. I understand that Secretary O'Leary has transferred at least $100,000 from other travel accounts, including accounts used by scientists and technicians in the Department's nuclear safeguards and security program, to pay for this globe trotting.

That is the gist of this, that is the essence of this, not so much that we want to micromanage the Secretary's travel schedule but that we are very concerned that money is being taken from other accounts, particularly the accounts that have to do with the safety, security, oversight, and general management of the nuclear weapons that she is charged with being the steward of to pay for this travel.

Indeed, it is my understanding that a number of offices involved in maintaining the safety, performance, and reliability of our nuclear weapons will run out of funds by July, 3 months before the end of the fiscal year, because of the Secretary's personal travel demands. They will run out of travel funds from those accounts.

While Secretary O'Leary's commitment to personally attend these international alternative and traditional energy conferences may be commendable, I find it very difficult to conceive that her attendance in exotic locales is more important than safeguarding our nuclear deterrent.

For that reason I have sent letters to the chairmen of House Commerce, National Security, and Government Reform and Oversight committees asking them to initiate investigations into the Secretarty's prodigious travel. Here is a copy of the Secretary of Energy's travel schedule for the period that I was describing.

STUDENT LOAN PROGRAM

Mr. Speaker, I want to speak next with respect to the comments of the gentleman from Texas regarding the Student Loan Program.

I have followed this as a member of the Committee on the Budget very closely and I have frankly been astonished at the response of the minority in this case. The issue is whether or not we should subsidize, that is, pay for the interest on student loans during the period of time that a student is in school Or should that money, the interest on that loan, be capitalized and added to the principal amount of the loan at the beginning of the loan period immediately following graduation; I think it is maybe 3 months following graduation.

The amount of money that that costs the Treasury is significant. There is no question about it. The additional amount of money that it costs each student is not particularly great. It amounts to about $40 per month.

But here is why I am astonished by the minority's arguments. If you look at the earnings potential for a college graduate versus a high school graduate in this country, what you find out is that on average over the period of a person's lifetime, a college graduate will earn about $14,000 more per year on average for the entire period of their working career. If you take a 42- to 43-year period as the period that you are going to be working and you figure that the money will have some value as well, time value of money, that means that a college graduate stands to earn, on average, about $1 million more than a high school graduate.

My question is this: Why should the high school graduates be subsidizing with their tax money, why should they be working to pay for this interest subsidy during the period that the college graduate is going to school?

□ 1215

It does not really make any sense to me because our proposal does not eliminate student loans. To the contrary, it increases the funding for student loans. What it does say is that we will subsidize during the period of the loan while they are going to school, we will actually pay that as an additional loan, but we will not forgive it. It will not be a freebie, it will be capitalized and added as principal at the beginning of the period.

I just cannot understand why Democrats want people who are going to make a million dollars more on average over their lifetimes to be subsidized by hardworking people who go to high school. It does not make sense, it does not make economic sense, does not make any kind of fiscal sense.

MISSING CHILDREN'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. RAMSTAD] is recognized for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, today marks the twelfth annual commemoration of Missing Children's Day. Today we remember the thousands of children reported missing, pray for their safe return, and hope that 1995 will be a safer year for America's children.

I believe this year will be safer for children in this country because of a bill that became law at the end of last year—the Jacob Wetterling Crimes Against Children Registration Act. This new law requires those who prey on children, child abductors, molesters, who are convicted, to register their whereabouts with law enforcement for 10 years after their release from prison or parole.

The bill was named, Mr. Speaker, after a very special young boy from Minnesota, Jacob Wetterling, who was abducted from a small community in Minnesota in 1989. Jacob Wetterling was the motivating factor behind my introduction of the Wetterling bill in 1991. Thanks to the bipartisan support here in the House and the Senate and the President's signature, this became law.

Jacob Wetterling is also the reason his family, Patty and Jerry Wetterling, started the Jacob Wetterling Foundation, which is an organization dedicated to preventing abductions and finding missing children. Jacob and the thousands of children who are missing provide us with thousands of reasons to keep fighting for America's kids.

Mr. Speaker, it is alarming when you think of the statistics. The average child abductor commits 177 of these heinous acts before being apprehended the first time. The children of America and the parents of America need and deserve this type of protection afforded under the Jacob Wetterling law, and I applaud the Federal Bureau of Investigation and the Justice Department for getting this system, this national registration system of convicted child abductors up and running.

The second element of that law, Mr. Speaker, is the community notification provision, a very, very important provision so that when these dangerous predators are released back into the community, child care centers, residents, police departments, and schools will know of their whereabouts. Because of the high level of recidivism on the part of these criminals it is essential that we have this type of community notification. After all, people in a neighborhood deserve to know when a convicted pedophile is released back into their community.

I hope, Mr. Speaker, that my colleagues will join me in wearing a white ribbon today as I am and send this message to American missing children. Particularly I send this message to Jacob Wetterling. You are always in our thoughts and prayers, we love you and we will never, ever stop looking for you.

"PRISONERS OF THE JAPANESE"

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. DORNAN. Mr. Speaker, I am certainly glad there is a friend in the Speaker's chair as Speaker pro tempore today so I do not have to worry about whether or not I am taking an hour away from someone's getaway Thursday afternoon, a friend in the gentleman from Indiana [Mr. BURTON], who understands and loves history. I was just showing the gentleman some of the pictures in the book that I am about to discuss at length in this historical special order, the book titled "Prisoners of the Japanese." And the gentleman and I were just discussing up there on that lofty perch I believe the most important in any legislative body in all of history or anywhere in the world today, and he said to remind people that everything I will be talking about for the next hour also pertains to Cuba. Cuba at this moment is committing under an evil dictator, Fidel Castro, ghastly human rights atrocities in their prisons, up to and including in some cases, and you and I have heard the testimony firsthand from Armando Valladares, in some cases equally as savage as what I am going to read about the Japanese warlords and what they did all over the South Pacific through Burma, into Indonesia, what they did to Chinese prisoners, Russian prisoners, American, Australian, and British prisoners.

Mr. Speaker, we are told over and over by all of the cable outlets in this country that about 1 to 1½ million people watch the proceedings of this Chamber, and sometimes if it has been a slow or mundane legislative day the ratings actually go up if there is a special order of quality on the House floor.

Because of that million-plus audience and because our Galleries are filled with students today I want to give a warning that if any parent is home and they have a child 11 years of age or under, and I will explain in a moment why I am going to put the cutoff at 11 and under, I could recommend that they ask them to go outside and play or busy themselves in some other part of the house. If there is any parent in the Gallery with a child of 11 years of age or younger, I would suggest that they leave the Chamber, because I had nightmares the last two nights reading this book, and I am in my sixties. The reason I would say 12 years of age and up can handle it is for the simple reason that I was in the 11th grade when the Second World War ended and I went to movie theaters where the newsreels were there whether you wanted them or not, and I saw the newsreels of the Nazi atrocities, all through occupied Europe, and I remember specifically having painful thoughts, if not nightmares, at film of the British taking a double camp, Bergen-Belsen, and finding so many bodies of tortured human beings, most of them Jewish, that they used bulldozers to build mass graves and then pushed the bodies like cordwood into these mass graves. It was black-and-white film. They showed the women camp commandants and guards, brutal-looking, every one of them excessively overweight, stocky, tough, cruel faces. And the British soldiers, typical young "tommies" in their late teens or early twenties, made these Nazi, SS women guards in the women's camp carry these emaciated bodies over their shoulders. They would not let them drag them. That gave them that little bit of dignity, these last remains of these terribly abused and tortured human beings, they would put the bodies over their shoulders but still contemptuously throw them into the pits. I saw that at 12 years of age. Therefore, I think 12-year-olds should be able to handle pictures of what happens to babies taken out of their mothers' wombs and killed, or killed in the womb. I have always used as an example if I could handle that at 12, then why do we hide in the abortion debate in this country the photographic evidence of the evil fruits of abortion, and I believe that in this memorial weekend that 12 years of age and up is sufficient to handle the horror that I am about to read.

So my daughter, Robin, is watching, all three of her children, Kevin, Colin, and Erin should go outside, but my older grandchildren back here I would expect to watch this speech. I hope they have been informed.

I read in my 1 minute, Mr. Speaker, a beautiful letter from a publicist at William Morrow & Co., great publishing house, and he put his heart into this letter. He did not have a clue that I would read this to the whole Nation, but it so touched me what he said that I want to read it for a second time today to set the scene for the horror that I am about to discuss.

Justin Loeber writes to me as of yesterday:

"Dear Congressman Dornan:

"Thank you for your request for Gavan Daws'"—he is an Australian—"book entitled, 'Prisoners of the Japanese.'' This is the only book that documents the Japanese atrocities of World War II. Mr. Daws' primary purpose for writing this book is to pressure the Japanese Government to acknowledge and apologize to the POW's for their horror" inflicted upon them "and being that the 50th anniversary of 'VJ' day is coming up, will the POW's" of the Pacific campaign "finally get their due? Since most Americans think that WWII ended on 'VE' Day"—on the 8th of this month, May 8, the 9th for Russians, the 7th was the day that General Jodl signed the unconditional-surrender document, and by the way I looked up in my encyclopedia and reminded myself that Jodl was hung 1 year and 5 months later on October 16, 1946, 1 of 11 hung as a result of the Nuremberg trials of the top leadership of the "Hitler gang." Eisenhower would not go to the signing ceremony, he was so offended by what he saw at Buchenwald and Dachau when we had overrun those camps a few weeks before.

But that was 50 years ago this month, and as Mr. Loeber says, most Americans think that was the end of the war.

But the war ending on V–E Day, ending the Holocaust that Japan had brought to the Pacific, is probably the biggest secret in history, particularly for our young students, I might add. Gavan took over 10 years to research his book. He lives in Hawaii, but coincidentally is on the east coast right now. I spoke to him from the Cloakroom yesterday. He will be here until June 2. He will be on the Charlie Rose Show tonight. I did a show with him, the Blanquita Collins Show out of Virginia that goes to about 12 States. He was a fabulous, fascinating guest. And the Washington Times is doing a feature story for this month and People magazine will have a story in July. "However; its people like you," Mr. Congressman, "who can actually pressure our Government to ask for the POW apology—by August 15, 1995 ('VJ' Day)."

Actually, Justin, V–J Day was September 2 on the deck of the *Missouri* when General MacArthur in that stunning voice of his asked General "Skinny" Wainwright to step forward. He had himself survived 3½ years of brutal Japanese captivity, and he accepted the instrument of surrender from the Japanese. There is a big plaque on the deck of the "Big Mo" that is now mothballed up in Puget Sound in the State of Washington.

Here is the paragraph I read earlier, Mr. Speaker.

"On a wider scale, this is a story of compassion for the elderly. After reading Gavan's book, I now have more patience for that old person who is standing in line at the Post Office—the person that has a limp" or whose eyesight is dim "and moves a little slower than the rest of us. This person could have been tortured by the Japanese. Also, this book has taught me to commemorate Memorial Day as it should be—not at the mall celebrating the greatest sale of the year, but honoring those people who fought for our country."

□ 1230

"I will be going with Gavan Daws to the 50th reunion of the survivors of Bataan and Corregidor in Braintree, MA, over Memorial Day."

Now, I am hoping, Mr. Speaker, I can rearrange my schedule, it does not look easy, to go up there.

I told you about the 3½ hours that I spent with a Bataan death march survivor and Army officer, named Eugene Holmes, the colonel that Clinton had so viciously and manipulatively used to dodge the draft, and for 3½ hours, with our colleague, JAY DICKEY's son, who is in law school at the University of Arkansas, we listened to some of these horrible stories.

I remember when this bright, young law student walked outside with me. He said, "Congressman, I am indebted to you for letting me drive you and bring you to Colonel Holmes's house. I never heard stories like this in all of my education."

The one I remember, a simple one, far less horrific, I am about to read, was a young West Pointer who was caught with one cigarette in a camp on the island of Mindanao after they moved them down from Luzon. They were working in fields there. He was caught with a cigarette. The brutal Japanese guard, unusually tall for a Japanese at that time, 6 foot 1, called all the assembled prisoners out, all of them wearing nothing more than what would be called a thong bathing suit, all of them skinny, sunburned, ulcers and sores all over them.

He told this young West Pointer to hold his hands in the air. He said, "When you drop your arms, you will die." He lasted for about 3 hours, and as his arms slowly came down, this Japanese lieutenant shot him in the face.

I looked across. I could see the tears in the eyes of Congressman JAY DICKEY's son. I think his name is Tim. There were tears in my eyes. As many times as Irene Holmes had heard this story, there were tears in her eyes. She said that Colonel Holmes does not plan to write a book on the Bataan death march that he survived or his 3½ years in captivity, and even does not talk about it much.

Most of the veterans, I guess, are going to take their stories of brutality to their graves with them, and that is why taking the oral histories by so many in Australia, his native country, in Britain, and from our Americans, and from Chinese, the service that Gavan Daws has done is powerful.

Now, what started me to read this book, I took it out of the library 4 months ago, had not gotten around to it with the rush of events with the 100-day contract and so forth, was this cover story building up to Memorial Day of last Sunday in this fantastic Washington Times newspaper. I will do a commercial for them, Mr. Speaker. Everybody in the country can get a national edition of this Washington Times. You want to get the unadulterated, top-notch reporting of our time on Whitewater, on four people in the administration under indictment who are under special prosecutor investigation, including the Clintons themselves, you will get the unexpurgated, unliberal-manipulated truth in the Washington Times.

Here is the front-page story, last Sunday. There are Japanese heroes on this, a handful only, unfortunately. "Japanese doctor lectures as penance for the horrors that he inflicted on war prisoners. Tokyo. As a young army physician during Japan's occupation of northeast China in World War II, Dr. Kim Yuasa says he honed his surgical skills on healthy Chinese prisoners. 'I would remove the appendix. Then we would amputate both arms and then both legs.'"

If the prisoner would come to, Mr. Speaker, imagine what he would think about God in heaven and his fate in life, looking down at his torso, his arms and legs gone, his body stitched up, wondering how long he had to live, wondering what his family was doing at that moment and why God had consigned him to this lonely death far from his home with nobody knowing or to pray for him at the moment that his soul goes to God.

Dr. Yuasa said at his press conference in Tokyo, he had the guts to do this. Their duma, Mr. Speaker, their congress, does not want this discussed. It is censored. It is bottled up. Talk about extremist groups. I guess liberals would want to call them right-wing groups, extremist groups in China, excuse me, they have them, too, in Japan, will threaten to kill people that come forward to tell the stories of the atrocities of the Japanese warlords.

You know, Mr. Speaker, for 2 decades in this House I have tried to give dignity to the German people and the German nation by always using the words "Nazi" or "Gestapo" or "Hitler gang" or "the forces of evil that had taken over Germany," so as not to blame a whole nation, particularly the generations born since then, and I also adopt the same policy with the nation of Japan because not having a Nazi party as such, Bushito warriors were not known as much as the SS or the Gestapo, the only way I could do it was to always say the warlords of Japan and Tojo and his warlords, Tojo's gang. And now I am going back to something I have not done in 50 years in saying the Japanese or Japan, because this Nation refuses to apologize for this. They will not even discuss it, the formal people in the government, and, therefore, that relieves me of my obligation of sensitivity to say the warlords, so in reading this article in the book and its title "Prisoners of the Japanese," I will not say the warlords of Japan, because it is time for the nation of Japan to try and seek the dignity it has denied itself for over 50 years.

There are heroes in Japan. This man who committed these ghastly atrocities is such a hero for publicly doing penance. That is in Shinto philosophy, Confucianism, Buddhism, it is certainly the core of Judaism and Christianity and Islam to make amends for your sins.

Sometimes the prisoners were shot, Dr. Ken Yuasa says. "We would shoot them, and then we would practice removing the bullets from them, keeping them alive to train on their internal organs. Typically, surgeons would cut and cut until their patients stopped breathing; sometimes without anesthesia. I dutifully carried out these operations as duty to the emperor," Dr. Yuasa, now 78 said. "There was no conscience in us to tell us these were inhuman things. Today he travels Japan, lecturing to anyone who will listen. Beyond his personal act of public penance, he wants the nation of Japan to admit some of history's most grotesque atrocities. Fifty years after the end of World War II, Japan's "parliament," our brother legislators there, in the Diet, they refuse to issue an apology for the brutal conquest of much of East Asia.

Most Japanese politicians do not even believe Japan did anything wrong. To varying degrees, they believe Japan waged a type of holy war to liberate China from the white man. Japanese politicians rarely say so publicly, because international outrage inevitably forces them from office, but they answer to fringe nationalist groups violently opposed to any official show of contrition.

Dr. Yuasa spent the war attached to Japan's infamous Unit 731. The unit, among other things, used live prisoners as guinea pigs, thousands of them, in an attempt to develop the ultimate biological weapon. If they had known about Ebola in Africa, they would have had Ebola, using it. They used plague, anthrax, bubonic plague, infected thousands of people with it. At the unit's headquarters near Harbin, a captured area of China, Manchuria, Lt. Gen. Shiro Ishii considered human experimentation crucial in gaining a decisive edge over weak-willed adversaries in the West, according to accounts from survivors and witnesses, pieced together by honorable Japanese and western historians. These accounts show that Ishii instructed thousands of doctors, thousands of scientists and technicians, to inject American, Australian, British, Chinese, and Russian prisoners of war with tetanus, anthrax, bubonic plague, and every other germ that they could cultivate.

Between 3,000 and 12,000 prisoners, euphemistically referred to as logs, like a log of wood that you could burn on the fire, the Japanese word is maruta; when they entered the compound, none ever emerged alive save for a handful liberated at the war's end, and I have never heard of that handful, Mr. Speaker, and I am going to research this to find out where those people, if any, are alive today to give firsthand testimony.

Here is a captured picture in the Washington Times that is from Gavan Daws's book of emaciation studies, where they would starve prisoners to death and photograph them until their eventual demise.

The author told me there is another book out that I have the Library of Congress researching now, called "Unit 731," by Peter Williams and Peter Wallace, two British authors that researched it. I will be back to do another hour on that.

This has to be a one-man crusade. I am going to get the Japanese Diet, their congress, to face up to these atrocities.

By the way, when I first came to Congress in 1977, I knew all about Unit 731. I went up to Fort Meade. I went to the Army Chemical Corps. I am sorry to say I was lied to, either lied to or stupid people told me the records were destroyed or no longer existed that we got from General Ishii and brought back to this country, letting all of these war criminals go from Unit 731 at the very same moment we are hanging, properly, for crimes for genocide and crimes against humanity, the perpetrators of Hitler's war in Europe.

It says that one technician who traveled with the doctor, Yoshio Shinozuka, joined Unit 731 as a 16-year-old, so he is only 66 years old today. We ought to have him over here to address Members of this distinguished body.

Using a special incubator developed by Ishii, he cultivated germs to cause amoebic dysentery and typhus. "During a skirmish with Soviet troops on the Mongolian border in 1939, we dumped three drums of these germs into the river," although he would be 72 today, because this is 1939, he is 16. "We dumped three drums of these germs into the river to contaminate the entire water supply, Mr. Shanizuka, now 72 years of age, said last week. Although some Japanese soldiers also got sick, the experiment apparently convinced Japanese officials, all the way up to Hirohito." That is why I did not want George Bush or anybody going to his funeral. Goodbye, das vidanya, good riddance, Hirohito.

The effect of this germ warfare and the project began to expand dramatically. Apart from germ warfare, Unit 731 devised a series of exotic experiments to improve the chance of survival for Japanese soldiers in combat.

So the researchers pumped prisoners full of horse blood in an attempt to develop a blood substitute. They all died. They deliberately inflicted women prisoners with syphilis to discover ways to halt the epidemic of venereal disease among frontline troops.

A little footnote here: thousands of Korean women, teenagers, kidnaped and used as prostitutes for the Japanese Army, all the way down to Java and Sumatra, all over into Burma, into Thailand, young Korean teenagers used as prostitutes, called "comfort women," no official apology, Mr.

Speaker, from the Japanese Diet, their congress, to Korea. These women have bought airfare tickets over to Japan and Tokyo and demonstrated in the street in front of the Diet, without an apology. Those, being teenagers, would be in their sixties today.

They baked prisoners to death in dehydration chambers, starved prisoners on limited diets on research on nutrition; to test artillery shells riddled with anthrax and gangrene, scientists would tie prisoners to stakes, shielding their heads and backs while leaving their legs and buttocks exposed to exploding bombs. I guess, with the language barrier, these poor God-forsaken prisoners could not say, "Why are you doing this to me? What kind of a hell hole have I discovered myself in here?"

Some of the Chinese prisoners could probably speak Japanese. What would they say?

Then they treated the infected shrapnel wounds and then cooly recorded every detail that ended up here in Maryland.

In the days ahead, as the victims slowly succumbed to infection, often writhing in pain, some prisoners survived the germ injections only to be subjected to the frostbite experiment.

□ 1245

The prisoner's limbs were dipped in water over and over and exposed to sub-zero temperatures. I am told limbs made a hollow thud when hit with sticks. Prisoners languished, some of them conscious, as doctors amputated blackened, decaying limbs to keep them alive for only more experimentation, all in an attempt to discover the optimal treatment for frostbite. Unlike Nazi counterpart Josef Mengele, who experimented on twins as though he were some demon from hell, Ishii escaped being labeled a war criminal. He retired in Japan on a comfortable pension. Many of his subordinates became key officials in Japan's military community. Dr. Haisato Yoshimura, director of Unit 731's frostbite atrocity experiments, became president of Kyoto Medical College and an advisor to Japan's expedition to Antarctica.

Years ago I watched a documentary on Japan's Antarctic expedition. I looked at photographs of it a year ago, January, when I was down in Antarctica, and I was thinking what a tremendous scientific effort they have made. Little did I know they had a Dr. Mengele, war criminal, leading their Antarctic expedition.

Most members of Unit 731 are either dead or senile. If they are senile, I hope they walk into the ocean, as did Mengele in a beach community in Brazil to take his own life and throw himself back in God's face. But the unit is still alive. These ex-killers and scientists were doing penance. It is still alive, the mentality of it, in Japan, though Dr. Yuasa and Mr. Shinozuka find themselves unwelcomed in Japan's parliament and constantly harassed by Japan's ubiquitous nationalists. The reception in Japanese schools is much warmer, and that is the hope for Japan, the decent young citizens in Japan will listen to these men.

Now, I took Daws' book, "Prisoners of the Japanese," and I went to the index, and I looked up Unit 731, and I want to read a couple of references from this book so that people will understand the political atrocity that was going to be perpetrated on American citizens in our own National Air and Space Museum, the most visited museum in the world. Martin Harwood, you deserve to resign. That you were going to portray the exhibit of the fuselage of the Enola Gay that dropped the atomic weapon on Hiroshima, that you were going to portray this as a racist war against a noble people defending their homeland. I brought up Unit 731 to his face with SAM JOHNSON sitting at one elbow, and JOE MCDADE and Tom Lewis of Florida, combat veteran from the air war over there.

I wish BEN GILMAN had been there, who was saved by landing at Iwo Jima as a young gunner on B-29's. But it was SAM JOHNSON who put Harwood away when he asked him directly, "Would you, Dr. Harwood, have dropped the bomb?"

He says, "I would have followed orders."

"Would you have dropped it?"

"No, I wouldn't have."

SAM JOHNSON put his hand in his face, and he says, "Well, I would have, and that's the difference between you and me."

Thanks to the election of November 8, SAM JOHNSON is now on the board of directors of the Smithsonian Museum.

But listen to these few references to 731: The first time it comes up in the book, he writes:

"In Manchuria, at Pingfan," and that is a name that should ring down through the pages of history, with all the horror of Auschwitz, Dachau, Bergen Belsen, Buchenwald, Kelmo, Treblinka and Mydamit, it should have the same ring, and nobody has ever heard of it in this country: Pingfan, outside the city of Harbin, the epidemic prevention and water supply unit of the coumintang army—how is that for a euphemism? The epidemic prevention of water supply unit, Unit 731, had a compound of 150 buildings, thousands of scientists. In our old block, row block, they did experiments on human beings. The Kem Pai Kai brought them prisoners for guinea pigs, men, women and children, Asians and Caucasians. They were called maruta, meaning logs of wood. They were infected with cholera, typhoid, plague, syphilis, anthrax. Others were cut up alive to see what happened in the successive stages of hemorrhagic fever. Others had their blood siphoned off, replaced with horses' blood. Others were shot, burned with flame throwers, blown up with shrapnel, left to develop gas gangrene, bombarded with lethal doses of X-rays, whirled to death in giant centrifuges, subject to high pressure in field chambers until their eyes popped out from their sockets, electrocuted, dehydrated, frozen, and boiled alive.

Two prisoners were put on a diet of water and biscuits, worked nonstop, circling in the compound, loaded with 20 kilograms of sandbags on their backs until they dropped dead. One lasted 2 months longer than the other, and all this research into malnutrition was done so that the Japanese army would be stronger in its conquest.

Our old block at Kingfan, where the Japanese kept killing human experimental subjects under scientifically controlled conditions, but the book of starvation could have been written on the bodies of prisoners in Japanese camps anywhere.

And then Daws goes on to document throughout the whole Pacific theater how this set the standard for all Japanese camps.

One or two more references, and then I will come back to this floor next month with Marshall Williams' book on just unit—this unit alone.

According to Japanese figures, of the 50,000 prisoners that they shipped, 10,800 died at sea, more than any other American battle. Americans that had survived 3 years of imprisonment, survived the Bataan death march, from Camp O'Donnell, Cabana Twan, they were sent off to ships without any markings on them and sunk by friendly fire. What a sad tragedy those were. The POW transports were not part of Unit 731. They were not control laboratories for experiments on suffocation, starvation and dehydration. With the nationality of the prisoners a deliberate variable, still in the way men of different nationalities behaved in the holes, there were observable differences for their sick experiments.

299: Short of verifiable and verified facts and conceding that neither Unit 731 nor anyone else set up those prisoner transports as controlled experiments, it does appear that POWs of all nationalities were subjected to essentially the same dreadful stresses in the holes that they were doing scientifically at 731.

Now we are coming up on the 50th anniversary of these following events. In the history of Japan, the invincible Japan, as far back as their Sun God, this was the first time that commoners had ever heard the voice of their emperor. This is August 15, 50 years ago. He is saying the war is lost and they are surrendering, and the first words of this first emperor to speak directly to his people were about catastrophic humiliation. The unconquerable Japanese empire had been terminally crushed in war, forced into abject surrender. The voice of the Son of Heaven went out into the poisoned air of Japan, out by shortwave to his empire in ruins, and World War II was over.

Not quite, Mr. Speaker, my colleagues. For months the Japanese army at Osaka had been killing drowned American airmen, airmen like our BEN GILMAN, poisoning them, shooting them, chopping their heads off. After the emperor spoke, the last five were taken out to a military cemetery. The was is over now. How would you like to be their parents? Mercifully, their parents probably never knew this. Three were shot, two were beheaded the same day. Hours after the peace had begun, Japanese officers at Fukuoka on Kyusu took their samurai swords and chopped to death 16 American airmen. The war is over, and this is being done, the squad commander brought his girlfriend along to watch.

On the Celebes Islands in Indonesia; for our high school students, that is the island that looks like a big octopus—well after the war was over, 2 weeks later, two Australian airmen were strangled to death, and it was 12 days after the emperor's broadcast on August 22 that the Japanese at Ranau on Borneo killed the last 30 of their surviving prisoners. Meanwhile, in Manchuria, at Unit 731's laboratories at Pingfan, near Harbin, the Japanese machinegunned to death 600 Chinese and Manchurian laborers that kept up these 150 buildings from hell and killed all human experimental subjects, the logs. They were gassed to death with toxic chemicals, poisoned with potassium cyanide in their food. Their bodies were stuffed, one after another, in incinerators—does that not conjure up the Nazis' sick death camps in Poland—or dumped in a pit in the courtyard and burned. Then the bones were sunk in the river nearby, all the laboratory specimens, too. A huge charnel heap of tortured and infected and vivisected human flesh that they kept was so big that it would not burn.

The Japanese general in charge of Unit 731, soon to run a medical school, the man directly responsible from start to finish for 6 years of hell, wanted all his staff and families to commit suicide. They were issued poison. Of course, he was not about to take poison himself, and neither did hardly any of his people. Instead they bailed out of Pingfan at top speed, about 2,000 of them. I wonder how many hundreds are left alive in Japan today. The parting gesture of Unit 731 was to turn thousands of infected rats loose on this world.

Final reference: Imagine their congress not apologizing for this and us letting them get away from it after the way we groveled properly the Germans' face into the dirt with Nuremberg war trials, creating a gulf of communication block between the fathers and the sons of Germany. Every time I rode in Germany in the late 1950's, early 1960's, I would look at the back of my cabdriver or somebody, and I would think, "Would you have guarded a camp?" It was a serious judgment that we put on a whole people in Germany, and Japan escapes all of this. Why?

Now here is the thing that broke my heart because I have always held MacArthur in high regard and considered him a hero. Daws makes the case it was MacArthur at the top. It was his reasoning that said Ishii should be spared a war criminal trial. There was another class of Japanese that MacArthur did not want to see tried. All the people who ran Unit 731 at Pingfan. In fact, he made sure they were never brought to court. I am going to have to check this out, Mr. speaker. You hate to have your boyhood hero demeaned in your eyes. If ever there were Japanese war criminals, these were the ones. Their lethal medical experiments on living prisoners were atrocities as morally disgusting as anything in the 20th century, but the American military had a use for advanced research in biological and chemical warfare.

So they cut a deal with General Ishii Shiro, immunity in return for all of his evil records. For General MacArthur, the lives and deaths of the logs, the maruta, those thousands of suffering, poisoned prisoners' bodies, appeared to be worth nothing legally, morally, or humanely. The only nation to bring any Japanese from Unit 731 to trial was the Soviet Union. The Russians convicted 12, from a lieutenant general down to a private, but no death penalty. Well, how could they, with what was going on in their gulag camps and torture? Two years for the private, 25 to the general, plus a loud public accusation that Ishii and the rest of the morally guilty were safe in hiding, which was true. Immediately after Tojo was hanged, December of 1948—what took us 2 years longer to hang him than the 11 with Martin Bormann maybe still on the loose than the 12 that we gave the death penalty to in Europe?

Mr. Speaker, I will terminate this horror story still hidden by the Japanese congress, their Diet. I will never look at them the same way again. I will never travel to Japan with the same frame of mind that I have in the last few trips until I see some decent apology to these prisoners.

Look at this picture of this New Zealand handsome young fighter pilot, a P-40 "Kitty Hawk" pilot, having his head cut off. Look at this handsome, tall man standing here. He probably died in the camps.

The prisoners of Germany, American POW's, this is so totally separate from the horror of killing 6 million Jews and 5 million other people in Hitler's death camps, but of our prisoners, less than 1 percent died in the German camps, but in the Japanese camps over a third of our American prisoners died.

□ 1300

"Daws' book, Prisoners of the Japanese, POW's of World War II in the Pacific, is a searing," this is from the Washington Post, "462-page indictment of the particular and gratuitous savagery that Japan," notice they do not say warloads, "inflicted on more than 140,000 allied prisoners of war who were starved to skeletons, worked to death as slaves, if they weren't first hacked apart, burned alive, or dissected alive as guinea pigs for experimentation in germ warfare and medical sadism." That is by Ken Ringle.

Mr. Speaker, there is a debate that goes on in the medical community now over what should be done with the evil fruits of all the German experimentation, the Angel of Auschwitz, Dr. Mengele, I do not know why we do not call him the Demon of Auschwitz, all of those medical experiments. There are some things in there that medical science could profit from. But theologians and ethicists in Israel say you cannot get any good out of this medical experimentation, even if it would save lives in the future, because so many people died horribly to extract it. So it stays bottled up in the archives of the United States of America.

But the other horrible experimentation, under Tojo and Hirohito in Japan, it is also locked up somewhere. But it has disappeared, unlike the German Nazi evil experimentation. It is somewhere. And I think that if Simon Wiesenthal is correct, that no war criminal from Nazi Germany anywhere in the world should know 1 minute of sound sleep at night, the same should pertain to these Japanese war criminals.

Everybody who hears the sound of my voice who is going to give a second of decent thought on Memorial Day to the 50th anniversary of the Memorial Day between victory in Europe and victory over Japan, should ask their local bookstore and library to get Mr. Daws' book, "Prisoners of the Japanese," and read about the worse atrocities, that cannot be forgiven because nobody has said we are sorry or asked for forgiveness or an apology.

That is my gruesome contribution to the heroes of World War II.

One of these sleazy semi-pornographic street papers, in reference to my Presidential quest, said, Mr. Speaker, that I was a perennial son. That was supposed to be an insult.

If that means I am a perennial son of my father, who won three wound chevrons in World War I, two of them for mustard gas, a poison gas, that was the beginning of this century's introduction to this type of nightmarish demonic horror, then, yes, I am a perennial son to him and to every World War

II veteran that I looked up to as young Greek Gods when I was 12 years of age and all the Army nurses with them, including the ones that suffered this type of captivity in the Philippine conquest that were taken prisoner at Corregidor.

Mr. Speaker, have a nice Memorial Day. Mrs. SCHROEDER, about to speak, have a nice Memorial Day. I know this touches your heart. Remember these people when we were young kids that we looked up to, our World War II veterans. It brings tears to everybody's eyes to see the handful of remaining World War I veterans walking down the street. Well, 50 years plus 4½ years in imprisonment, 6 for the British, 3½ for our Wake Island survivors, there are a few alive, they will be up in Braintree, MA, the Bataan Death March survivors. And 10 years from now, at the 60th anniversary, they will be marching at the head of parades, in wheelchairs, on crutches, helped along by the younger veterans from Vietnam or from Mogadishu or God knows where else we will have to send young men and now women to die for liberty.

I hope people on this Memorial Day and next Armistice Day and on V-J Day, which you can celebrate twice, August 15, the cessation of hostilities, September 2, the deck, remember what I read, that people were being murdered and beheaded and slaughtered before the day they surrendered on that deck of the *Missouri*. I am going to find out why our U.S. Army and our chemical warfare departments used this evil, satanic, ill-gotten, bloody scientific knowledge and did not bring these men to the justice that we did Hitler's gang.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 72. Concurrent resolution providing for an adjournment of the two Houses.

REGARDING THE ETHICS PROCESS IN THE HOUSE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 60 minutes as the designee of the minority leader.

Mrs. SCHROEDER. I thank the Speaker very much for yielding to me.

Mr. Speaker, I take the floor really rather sadly, because as we get ready to go home for Memorial Day break, I want to talk a bit about a letter that a group of us feel we have been forced to sign, and I think we would like to talk a bit about why we feel that we were forced to sign this letter. We certainly hope something is going to be done about this letter when we come back.

This letter was addressed to both NANCY JOHNSON and JIM MCDERMOTT, care of the Committee on Ethics, and it is about the issue of the pending matters in front of the Committee on Ethics that appear, according to news printed stores, to be in deadlock.

You know, we started this year with the big check, the big check that we saw from Rupert Murdoch going to the Speaker for $4.5 million. And then, all of a sudden the Speaker said oh, no, no, no, we tore up that deal, and it is only going to be $1, and he would not sign the contract until there was some agreement with the Committee on Ethics about this.

Well, we still have not heard anything from the Committee on Ethics that this has been approved, and yet today we saw announcements that he was going off on a 35 city tour come August break, sponsored, I assume, by the same company that is doing the book. And there are an awful lot of issues around that.

Congressman DOGGETT and I are going to talk a bit about this, because I think one of the real resources we have in this House is the gentleman from Texas, who I believe was not only on the supreme court, but was head of the Committee on Ethics.

Mr. DOGGETT. If the gentlewoman will yield, I do approach this whole issue from a little different perspective from some of my colleagues who have been here for a longer time, coming here new, having at the beginning of this year just finished up a 6-year period on the Texas Supreme Court, chairing its Ethics Task Force, wanting to be sure that this process is fair to the Speaker or to anyone else who might be accused in this body of ethical lapse, ethical wrongdoing.

I have not participated in any of the earlier letters or the press conferences, because it had been my hope that this ethics process, which is set up to be a nonpartisan and I think has been nonpartisan in the past, would operate, would provide due process.

Yet almost from the outset, the response to the complaints that have been filed there from the Speaker has been one of attempting, instead of really providing a reasonable defense, has been one of attacking the accuser, even to the point of intimidation, of saying well, we will pass legislation here that would require anyone who complains about ethics to pay the attorney's fees of the person against whom the complaint is made.

That seems to me to be the kind of special legislation that serves to intimidate, rather than to clarify and to ensure that this House meets the highest ethical standards that I think this Nation has a right to demand.

Then, leaving and entrusting this responsibility to the Committee on Ethics, we were first told they were just too busy, because they had their contract on America and they did not have time to look at the contract with Rupert Murdoch; that there was not time enough to pass the contract and consider that other contract, that $4.5 million book deal that was looming out there. They did not have time to consider that.

So we waited through the 100 days for the contract to be passed, and justice was really delayed. Then the congressional recess came along. Well, we are taking a little vacation. We do not have time to look at these very serious ethical charges against the Speaker over the book deal because of the fact that we are on recess. So justice was again delayed.

Now apparently justice is going to be delayed through another congressional recess with the chair of the committee saying that it will be sometime after Memorial Day, and I would inquire of the gentlewoman, apparently there is some discussion in the Washington Post that there is a deadlock and the goal may be justice delayed, justice denied by never giving us an answer on these very serious charges that we wanted the Speaker to have due process. But process is due now to respond to these charges, is it not?

Mrs. SCHROEDER. I thank the gentleman for his insight on this, because you are fresher from the outside, having dealt with these issues in other forums. I must say to those of us who have more gray hair and have been around this is puzzling, because for those of us on the inside, we have no idea whether this is justice denied or delayed, or is this justice totally deadlocked.

If it is totally deadlocked, and again we do not know, because all of these hearings are in secret and we only know what we read in the paper, if it is totally deadlocked, how do we move this off dead center? How does anything go forward? Does this then become a way that our ethics rules mean nothing if there is real deadlock? Does deadlock give you the right to go ahead and do anything you want to then?

So I am a little perplexed.

Mr. DOGGETT. May I inquire of the gentlewoman, since I am new to this body, concerning the way these matters have been handled in this House before? This is not the first Speaker against whom charges have been made, nor is it the first Member of this House against whom charges have been made. When those kind of events have happened in the past, might you inform the House today and the American people about how the House has assured that there would not be a biased investigation?

The Speaker charges bias, he says these are all politically motivated charges. Can you tell us what the best way is to get at those charges and determine whether they are blessed or whether they represent a selling of public office?

Mrs. SCHROEDER. The gentleman from Texas makes a very good point. Obviously, the Committee on Ethics is half and half of each party. No matter what the makeup on this floor is, it is half and half.

There have been some serious charges, as we all know, and we are not happy about them, but there have been serious charges in the past against major and senior Members around here, and everyone I remember, from the late 1970's on, ended up getting an outside counsel, because the idea was we needed to get it out of here.

I think if you flipped it and we stopped talking about how personal it was here, if you moved it from under this dome and took it to the other end of Pennsylvania Avenue and said that the President had some problems with his Cabinet or himself and he said he would let his own people decide that, that would not work. So they get outside counsel, too. In every prior case I remember getting outside, independent counsel when there has been someone of the gravitas of the Speaker.

I would also think that everybody always says these motives are politically driven, or whatever. I do not know if they are or are not. It would seem to me if you are so sure they were that politically motivated and there was nothing to them, you would be more happy to get an outside counsel, because that would then clear the air once and for all.

Mr. DOGGETT. If the gentlewoman will yield, if the real concern, the real motivation were to get away from politics and really get to the bottom and find out if public office has been sold, whether it was for $4.5 million or whatever the amount involved, whether there had been abuse of public office, whether there had been a violation of the ethics standards that the American people have every right to demand that this body, all the Members of this body, Democrat and Republican alike, abide by, would not the best way to get to the bottom of that be to get someone, not a Member of this body, not owing allegiance to either party, but to get to the bottom of it, just as quickly as possible, and someone, of course, who would have the power not to take little snippets over the press or to take little sound bites over television, snidely attacking one's critics, but rather could put people under oath, ask them to raise their hand, ask them to place a hand on the Bible, and put them under oath, so we can know the truth, so that their veracity can be tested and get to the very bottom of the charges and determine whether they were justified or not.

Mrs. SCHROEDER. I totally agree with the gentleman from Texas. I am very glad that he is saying that, because that to me just seems to be the way to solve this once and for all. It has been the way we have traditionally solved it over and over again. There certainly is enough to do in this body without having all of these other issues swirling around and giving this place a taint. Certainly politicians do not need any additional taint.

So it seems to me that it would be very logical to get it out of here, so we could get on with the normal business of what is going on. But I must also say one of the things that I am troubled by and the gentleman kind of touched it, was that anyone who asked the questions we are asking gets attacked. That really puzzles me. Like we are not allowed to even speak about this. Free speech is now gone on this issue, that if you stand up and ask a question such as our distinguished whip has, there were implications that I read in some of the press clips today that there must have been something terribly wrong with the whip, that maybe he needed counseling or maybe he was psychologically fixated or whatever.

☐ 1315

I do not think he is psychologically fixated. He is an officer of this House, trying to retain some dignity and ethical standards and have people look outside. So I suppose we are going to be accused of something tomorrow.

Mr. DOGGETT. Down in Texas, it is said that, if you do not have the facts on your side on a case, you argue the law. And if you do not have the law on your side either, then you attack the attorney or the complainant on the other side. That seems to be what is occurring here: That lacking the facts to support a position, to defend a position in public, lacking the law, since the ethical standards are set out for all Members in this regard, that instead of relying on the law or the facts, that the Speaker chooses to attack those that complain against him.

Mrs. SCHROEDER. That is right. And I would like to engage with some more colloquy with the gentleman from Texas.

Let me go back to this letter that he gentleman from Texas and I and other Members signed today, because I think it is important that we have the record very clear, what it is that we have put in there.

This is going toward the city tour that was being written up. We asked, No. 1, whether the ethics committee had approved the book deal as the Speaker said that they would before he did anything and, if not, then how can they organize these tours before they made that decision? We thought that was a very important issue.

No. 2, we were asking who pays for this tour. A 36-city tour is very, very expensive. Is it funded out of his advance. What is going on? We were told he was only going to get a dollar. I do not think a dollar is going get you to 36 cities. Do you know what? He has got another book. If you can figure out how to do 36 cities on one dollar, boy, has he got a book there.

Mr. DOGGETT. There are airlines down where I come from that advertise peanuts fares, that you can actually fly around the country for peanuts or you can take somebody else along. But you are going to get a dollar and you can fly to 35 cities around the country.

Mrs. SCHROEDER. Nobody has got that kind of fare. You cannot even buy a bag of peanuts most places for much less than a dollar. That is a real question that we have.

People will also answer, but he is doing it on his break, so what is your problem? The problem is, Members of Congress are not allowed to take corporate sponsors and have them do their vacation and are not allowed to do those kinds of tours without having some kind of an ethics signing off saying it is okay.

We are also asking questions about, are there any conflicts of interest? Who is paying for the tour and is there any conflict of interest vis-a-vis legislation in front of this body, because we understand, if it is Mr. Murdoch, Mr. Murdoch has some very, very important interests in this body on the telecommunications issues and many others.

And then we are also asking, what other kinds of activities will he be doing on this tour? My understanding is under the rules you cannot have someone else pay for your travel around America to do political events So that if the gentleman from Texas were to come to my State to speak at universities, for example, and they paid your fare to give your speech, you could not do a fund raiser for me or anything else because then the universities would be underwriting that. So we asked those kind of questions, too.

We went on to ask for more details to find out what is happening. It is very frustrating to have your constituents asking you these questions and all you can say is, well, I may be a Member but we are not allowed in. It is all in secret. We only know that we read in the paper, and we are very troubled by these things, too.

I wanted to ask the gentleman from Texas about what he can make out of all of this. I know he got so frustrated he signed a letter, too.

Mr. DOGGETT. Well, it is a very serious matter that we talk about. It is disturbing to not have action, to see justice delayed. But as I look over some of the news reports about this tour, on a lighter note, it sounds like one of these, a concert tour, the notion that Rupert Murdoch and the Speaker together have this joint venture and that this will be the biggest thing since the Eagles went on tour. I know they packed a whole stadium down in Austin, TX. I want to be sure that Austin gets included. I am sure you want Boulder and Denver included on the tour, especially if questions will be permitted so that the people these can ask questions about all this.

I do not know whether they will put out T shirts for the Speaker—Murdoch tour on not, so that everyone can share and know all the sites where this tour is being conducted. But it is a mighty strange thing to right in the middle of what is supposed to be a district work period to have, I guess, some major publishing company of Mr. Murdoch finance this 35-city tour with T shirts and promotions and whatever else might be involved, unless and lest anyone think as well that we lack humor in this or that we lack bipartisanship, I am wondering if the gentlewoman is familiar with today's New York Daily News.

Today's New York Daily News quotes Kevin Phillips, a Republican political analyst, who says, "You have to wonder whether Gingrich is"——

PARLIAMENTARY INQUIRIES

Mr. PORTER. Mr. Speaker, I have a parliamentary inquiry.

Mrs. SCHROEDER. Mr. Speaker, I yield to the gentleman from Illinois [Mr. PORTER] for a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BURTON of Indiana). The gentleman will state it.

Mr. PORTER. Mr. Speaker, I would inquire as to whether this discussion is within the rules of the House or outside the rules of the House?

The SPEAKER pro tempore. Members should not engage in debate concerning matters that may be pending in the Committee on Standards of Official Conduct.

Mr. DOGGETT. Mr. Speaker, I have a parliamentary inquiry.

Mrs. SCHROEDER. Mr. Speaker, I yield to the gentleman from Texas [Mr. DOGGETT] for a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOGGETT. In March of this year, Speaker GINGRICH announced that under the speech and debate clause applying to this Congress that Members were free to speak on any subject at any time. I am wondering if that pronouncement does not control in a situation that applies to the Speaker as well.

The SPEAKER pro tempore. The "Speech and debate" clause does not apply with respect to the subject of the parliamentary inquiry just asked by the gentleman from Illinois.

The Chair will again state that Members should not engage in debate concerning matters that may be pending in the Committee on Standards of Official Conduct.

Mr. DOGGETT. One aspect that we have not discussed thus far in the course of this colloquy about this very serious matter with reference to Mr. Murdoch are the interests that Mr. Murdoch has pending here in Congress and has had pending during this session of the Congress.

The gentlewoman will recall that there was a special provision passed here with regard to taxes, with regard to health insurance for the self-employed. And while that bill had a very important and salutary purpose, to try to help those who are self-employed with the cost of health insurance, since this Congress is doing little or nothing about the health needs of American citizens, there was a provision tacked into it to pay for that provision that concerned various deals with minority broadcasters. I am wondering if the gentlewoman recalls that there were 19 business transactions around this country that were encompassed by that provision. And when it went out of this House, the very body that we are speaking in, and over to the Senate, all 19 of those deals were disapproved.

Mrs. SCHROEDER. Yes. I am aware of that. The gentleman makes a very good point, because that was one of the many issues that made us all wonder what was happening.

As I recall, and let me ask the gentleman from Texas if this is right, when we went out of here, our assumption was in that bill it was totally clean, that we voted for a totally clean bill, and this body had made the decision there should be no special tax breaks vis-a-vis affirmative action deals that had been done like they had been done in the past, where people were really enriched that really were not benefiting by that. And then we were very surprised when it came back.

Mr. DOGGETT. Surprised, indeed. Because though there were 19 transactions that were disapproved, when it came back from conference committee, there was one deal that was approved and that one deal was for Mr. Rupert Murdoch. I guess just a coincidence perhaps with what had been going on in the dealings with Mr. Murdoch having been involved in book deals with the Saudis, with book deals with Margaret Thatcher, with book deals with the daughter of Deng Xiaoping in China, just a coincidence that one of the many deals that he would benefit from that are the subject of action in this House and this Congress of the United States at the same time that all of these concerns were raised about a book deal in this House, that he is the only one in the whole country who gets his special deal cut out.

Does the gentlewoman remember the debate about that measure here on the floor of the House and the fact that when you say surprise, surprise indeed, because there was never one word mentioned. And again, had it not been for careful journalism, we would never have known it was even in there, because it did not say Rupert Murdoch. It simply changed a date in the bill, tucked away a hidden provision in secret, done in secret, never mentioned on the floor of this House, to benefit Rupert Murdoch and no one else.

Mrs. SCHROEDER. The gentleman remembers it very well. And I also remember the very distinguished Senator who had put it in who believes in those programs. He was very candid. He said I believe in these programs, that is why I have put this special thing in. Being totally surprised it was the only one that survived and said it survived because she heard there had been someone pressuring for it besides herself that had much more prominence.

I want to ask the gentleman from Texas, I am still not sure what was just said to us. I guess we are not allowed to talk about anything in front of the blank committee. Can we say the word?

PARLIAMENTARY INQUIRIES

Mrs. SCHROEDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Mrs. SCHROEDER. Can we say "ethics committee" on the floor? Can we say the words "ethics committee" on the floor? Can we say the name of committee?

The SPEAKER pro tempore. It is the mention of the conduct that may be under consideration within that committee that is questionable.

Mrs. SCHROEDER. So we can say "ethics committee" on the floor?

I have another parliamentary inquiry. Can we put the content of our letter to the committee in the RECORD at this point?

The SPEAKER pro tempore. The Chair is not aware of the content of that letter.

Mrs. SCHROEDER. So the Chair would have to preapprove. How would I make a motion? Would I ask unanimous consent for the Chair to read the letter?

The SPEAKER pro tempore. The content of the letter would be judged on the same basis as the conduct of speech on the floor of the House.

Mrs. SCHROEDER. So how would I make my unanimous-consent request then? I would ask unanimous-consent to put in the RECORD the letter that we have drafted, but you are telling me it is subject to approval of the Chair?

The SPEAKER pro tempore. The response that was made earlier stated quite clearly, Members should not engage in debate concerning matters that may be pending in the Committee on Standards of Official Conduct. And the letter would have to meet the same requirement; that is, if the letter addresses conduct of another Member.

Mrs. SCHROEDER. Mr. Speaker, if I may go one step further. I am still a little confused, because there is no way the gentleman from Texas and I can discuss conduct or anything going on in the committee because it is all quiet, it is all silent, and we are not allowed in. What the Chair is saying is, this would be about anything going to the committee.

Clearly, we cannot discuss discussions that we are not party to, we have not seen, and we are not allowed to participate in, even as an audience or as a passive listener.

□ 1330

I am perplexed. Are these new rules?

The SPEAKER pro tempore (Mr. BURTON of Indiana). The Chair will read from an annotation of clause 1 of rule XIV:

> Members should refrain from references in debate to the official conduct of other Members where such conduct is not under consideration in the House by way of a report of the Committee on Standards of Official Conduct, or as a question of privilege of the House.

Mrs. SCHROEDER. I thank the Chair.

Mr. DOGGETT. Mr. Speaker, if I might make a related parliamentary inquiry, because I referred to it generally earlier, but I would like to be sure that the Speaker is clear about the nature of my inquiry, about the rights of Members on this floor, on March 8, right here, the Speaker, the gentleman from Georgia, NEWT GINGRICH, said, and I quote:

> The fact is Members of the House are allowed to say virtually anything on the House floor, routinely do. It is protected, and has been for 200 years. It is written into the Constitution under the speech and debate clause.

My inquiry to the Chair is whether the Speaker's pronouncement controls in the discussion that the gentlewoman from Colorado and I are having, and that others may choose to have about the Speaker, or was the Speaker just mistaken in his constitutional analysis?

The SPEAKER pro tempore (Mr. BURTON of Indiana). The Chair is unaware that the Speaker has ever uttered those pronouncements from the chair in the House of Representatives.

Mr. DOGGETT. I think they were just across the hall here in the Rayburn Room, Mr. Speaker. I am sure the Chair is aware that the Speaker, the gentleman from Georgia, until very recently gave daily pronouncements there. This is a transcript, verbatim. I would not misquote the Speaker. I would be glad to provide the Chair, in connection with my parliamentary inquiry, his commitment to freedom of expression, which surely must apply to discussion of his own conduct.

The SPEAKER pro tempore. The Chair has relied on past rulings and statements from the Chair regarding parliamentary inquiries and not on statements outside the Chamber.

Mr. DOGGETT. I thank the Chair.

Mrs. SCHROEDER. A parliamentary inquiry, Mr. Speaker. So the only thing we can look to are statements said inside the Chamber about Members' rights to discuss these issues?

The SPEAKER pro tempore. Decorum in debate is governed by rule XIV, and there are countless annotations under that rule in the House Rules Manual. Those are the sources on which the Chair has to rely.

Mrs. SCHROEDER. Further parliamentary inquiry, Mr. Speaker. Where would the gentleman and I go to be able to have this discussion? Are we allowed to have this discussion anywhere? The gentleman and I, as I understand, are not allowed to go to the committee, because we are not members. Is that correct?

The SPEAKER pro tempore. The Chair, unfortunately, cannot treat that as a parliamentary inquiry.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, I must say to the gentleman, I am perplexed, because apparently we cannot talk about an entity that oversees the rules that supposedly govern us, but we cannot go there and we cannot talk abut it. I am a little troubled by what we have just learned.

Mr. DOGGETT. It does seem to be peculiar, Mr. Speaker, because one would hope and one would think that we could rely on the official pronouncements of the Speaker of the House concerning the right of Members, that he says has been protected for 200 years under the U.S. Constitution, to discuss matters, and that those matters ought to apply to him as well as to other people. In compliance with the ruling of the Chair, I would hope that the gentlewoman might discuss with me a little bit this whole question of freedom of expression.

I certainly do not want to leave the topic of Mr. Murdoch, because that is clearly not covered by the Chair's rulings. I think that needs to be explored further, given the nature of the letter that has been submitted today.

Mr. Speaker, I would ask the gentlewoman, is it not truly vital to this institution that we be able to engage in discussions, in debate and colloquy, about the standards of conduct that people express? I know, I heard many people say last year, before I ever came to this body, they were not content with business as usual, that they wanted real change here; that they wanted constructive change, that they wanted Members of this Congress, certainly the Speaker of the House, to abide by the same ethical standards that they expected of the people that they went to church with and went to temple with, that they should have to meet those standards.

If we cannot debate that here on the floor of the House, and we cannot go into the secret committee meeting that the public does not get a chance to observe, how can we really fulfill that responsibility that the American people have said "Change business as usual"?

Mrs. SCHROEDER. I stand here shaking my head with the gentleman from Texas, because I do not know. I must say, I am very troubled by this. I have never, never wanted to violate the rules of the House. I have never heard of this type of thing coming out, saying "Oh, no, no, you cannot do that."

I remember when I was studying law, they used to have these things called the star chamber and things like that in England, and that was one of the things that our forefathers and foremothers came over to say "We are not going to do that."

I thought the speech and debate clause was in the Constitution, and it said on the House floor we could all engage in speech and debate about issues. However, I would certainly think issues governing the body that we are part of would be very important. It would almost be like saying to doctors, or to lawyers, "You cannot talk about the ethics procedure governing lawyers or doctors." I hope they do, and I hope they as a profession are out there policing themselves.

Mr. Speaker, I would like to ask the gentleman from Texas [Mr. DOGGETT], did he have those kinds of laws when he was on the Supreme Court and when he was in the ethics—what kind of laws did he have about people being able to discuss issues?

Mr. DOGGETT. To be candid with the gentlewoman, Mr. Speaker, there has been a tendency across this country for people to protect their own. One of the concerns that I had about our process in Texas was that it was not open enough. Our commission, the task force that I headed, actually recommended that the process be opened up more in Texas, because people would lose confidence in their judiciary, in the impartiality of their judiciary, if they could not see the process transpiring. There may be some situations with a frivolous complaint, where it is appropriate initially to evaluate it in secrecy. I do not say secrecy has no place.

However, with matters of this type dragging on for months without due process, it seems to me that the public is entitled to know a little more, and surely the Members of this House ought to be able to come here in front of the American people and have a legitimate debate, given the history of this country and its commitment to freedom of expression, given the pronouncement of the Speaker himself right here in this building on March 8 that Members of Congress could say anything, and that they usually do about these matters; an intelligent, an incisive discussion of how it is that we can assure the highest ethical standards, which are demanded of the Speaker and demanded of me and the gentlewoman from Colorado and of every Member of this House.

Mrs. SCHROEDER. I am totally agreeing with the gentleman. I am very saddened, because I always remember the things about Caesar's wife and so forth; if you are in public office, you are held to a higher standard. Therefore, I think it is incumbent upon all of us to engage in that, and to have a little sunshine.

Government is not a fungus, it can thrive in sunshine. What we are saying, we cannot even get into that. I almost feel like it is deja vu. I am back to where I came. When I joined this body 22 years ago this was going on in the committee I was assigned to. It was all closed. Nothing ever went on in public. All sorts of things transpired. I remember a young freshman and myself would try to sit in on those Members, and they would call the Sergeant at Arms and threaten to drag us out, and all sorts of things. We got all that kind of opened up, and now I see things closing back down in a limited fashion. I do not think that is what the American people wanted to see here.

However, I want to ask the gentleman from Texas, Mr. Speaker, let us just think about this. I guess we have committed a great faux pas, and I know there are going to be people here tracking us for the next 10 days. We did not know we could not come here and have this discussion. What do you think you are going to be called, partisan, fixated? What do you think you are going to be called the next 10 days?

Mr. DOGGETT. It is hard to guess. I know some were supposed to need to see their analysts just for having the audacity to make ethical complaints. I do find all this—I am still trying to learn the rules here as a brand new Member, not having been a part of the system that existed.

If those are the rules, it seems to me we need, if within these very restrictive rulings it is permissible to do so, to look at those rules, to look at the way the ethics process is done here, and see whether we are really fulfilling our responsibility to the American people to assure the highest ethical standards.

I suppose if there is not another opportunity to do that, and we are precluded from doing that here, perhaps in the midst of this tour that is going to take place that we have written about today, this tour that is like a rock star tour to go gallivanting around the country, 35 or 36 different cities in your State I am sure, and in mine, that perhaps we could go out and talk with the American people ourselves during the course of that tour and ask them for their thoughts as to whether they think their elected representatives, Democrat and Republican alike, ought to be able to stand there on the floor of the House, ought to be empowered by the voters across this country to stand here on the floor of the House and at least be able to discuss the ethics of the Speaker of the House, the third most powerful person in the entire country, and who may think he is even more powerful than being No. 3.

Mrs. SCHROEDER. Mr. Speaker, the gentleman has just thought of the perfect symbol for this tour. How about a gag, with the 35 cities, and we could have a gag. I think we have had a gag order. I guess we cannot talk about some of the issues that drove us to sit down and write this letter.

Mr. Speaker, we laugh about this, but I find it very sad, because we go around the world and talk about how great our country is and how wonderful it is, and we believe in free speech, and we believe that we are all big enough to be able to deal with these issues in the open, and we are finding, I guess, some backsliding on that; that anybody who asks questions gets called some names, or that all sorts of innuendo was made. I do not know how we are going to be able to police ourselves if that continues on.

Mr. DOGGETT. If the gentlewoman will continue to yield, I do not want to call names, but I do think, and I want to comply with the ruling of the Chair, I think it is within the ruling that we do have to go back and take up one name, and that is Mr. Rupert Murdoch. I am not talking about the $4.5 million book deal. I am talking about Mr. Murdoch and his legislative interest here.

We have talked about the fact that of all the people in the world, he is the one that got the special hidden tax break, the tax break this House was never told about. He made tens of millions of dollars that were at stake there. That has already happened this year. That is one gift that he has already gotten, with all the influence that he has with the Speaker and other Members of the House, is this special tax break, corporate welfare.

Mrs. SCHROEDER. The gentleman is absolutely correct. As the gentleman also knows, about telecommunications——

Mr. DOGGETT. I wanted to inquire of the gentlewoman about that.

Mrs. SCHROEDER. I can hardly get through the building where my office is for all the high-priced lobbyists.

Mr. DOGGETT. Is it true there are more telecommunication lobbyists here than there are Members?

Mrs. SCHROEDER. I think there are. You can tell them because they have better shoes. They have much better shoes.

Mr. DOGGETT. Is not one of those key issues in the telecommunications bill, which I believe is being marked up, perhaps, even as we speak for consideration there in the Committee on Commerce, one of the real issues about those foreign shoes that are there, about whether or not the media of America are going to be owned, foreign ownership, by people like Rupert Murdoch?

Mrs. SCHROEDER. That is exactly right. Let us face it. There are two things going on here that we understand he has a great interest in. No. 1, we understand that he has been talking about maybe being able to buy the Corporation for Public Broadcasting, or some of the programming, or whatever. I am not too sure I want him owning Big Bird. Big Bird was one of the few things that was on for my kids. That has been at least in the process as an interest, that he was interested in.

He has not come and talked to me. I am way low on the totem pole. My average campaign contribution is 50 bucks. Murdoch does not bother with poor white trash like me.

The other thing that I understand that he is very interested in is the foreign ownership issues. We have not allowed foreign ownership of our communications, because we felt it was very, very important for national defense, for a lot of things. They are trying to change that, along with maybe other things that I am sure he has an interest in. When you get to be that big a guy, with that much money, megabucks and gigabucks all over the place, I am sure there are a lot of other interests that you and I do not know about, also. It just looks like a conflict, shall we say.

Mr. DOGGETT. On the same day that the letter is filed that we are now, apparently, going to be denied an opportunity to talk about with one committee of this House, another committee of this House is there marking up a telecommunications bill, deciding whether Rupert Murdoch and other foreign interests can come in and can take over the media outlets which report what it is we can and cannot say on the floor of this House.

That is one very big interest, in addition to the great tax break that he got, that the gentleman from Australia has at stake here. In between signing book deals, there is the matter of a few tens of millions here, and then I guess with the telecommunications, we are not talking about tens of millions or hundreds of millions, we are talking about billions and billions of dollars that are at stake. That is why all these hundreds of lobbyists are around here, is that not correct?

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Mrs. SCHROEDER. The gentleman is absolutely right. The very puzzling thing is there are areas where you know you should not go, the black areas and the white areas. Then there is this big gray area. When you look at this, if these lobbyists want to give you money, it must be in the open, it must be recorded, they must file it at the Federal Election Commission so you can see it. But the issue is can they give it to you in another way so it is way beyond the limits, like could they fund a tour for the gentleman from Texas of 35 cities, setting up public relations for him everywhere he goes. It would be worth zillions of dollars. Who knows what that is worth?

But obviously they would be way beyond a campaign limit, and could that possibly influence the gentleman? We do not know those issues. But those are the things that are out there and those are the things that trouble an awful lot of us here.

We hear, well, people have not talked about this before. Maybe no one has been quite this creative, who knows? But I do not like it. I am frustrated by it.

Mr. DOGGETT. I would ask the gentlewoman, there may be some people, and I am sure that was a concern with this letter, who view themselves as little more than a butler for the super-rich, the kind of people who go around with a tray saying, "Here, Jeeves," or "Here, whoever it might be," and for whom $4.5 million is little more than a good tip.

When you have something at stake, and the gentlewoman mentioned the Public Broadcasting System, the only really quality children's programming in this country, and yet there are people right there in the well of the House who stood up and attacked it as socialist television, who criticized the Big Bird lobby, and yet are there not some of those super-rich from other parts of the world who if they can take over the Public Broadcasting System and can run it as a giant commercial enterprise instead of a truly publicly supported television system like we have in Texas and a public radio network, a national radio network that is public, that all the people have a chance to participate in without commercial enterprise, should that happen, would $4.5 million for a book deal not be little more than a good tip?

Mrs. SCHROEDER. The gentleman makes a very interesting point. As you know the gentlewoman, I think, a couple of weeks ago was called a socialist by a Member on the other side of the aisle, and I said to them, "You can call me whatever you want. I believe in free speech. It doesn't bother me." But the interesting thing is I thought he was for socialism of the rich. Socialism of the rich is a whole new concept but that is kind of what we are seeing. How do we give these benefits to the rich who already have more than they should ever have?

But I think the gentleman from Texas and I have probably been gagged and shut up and we probably cannot talk about too much more or they are going to put us away.

Mr. DOGGETT. I suspect that that is rather true. I know the gentlewoman shares my commitment to a truly free enterprise system. But that free enterprise system relying on private capital, relying on the hard work of millions of American families who have made this the greatest country in the world, that can be perverted when people get special favors here and they say they are for free enterprise and against socialism, but they do not really want free enterprise. They are willing to pay out substantial amounts of money to those who would peddle influence in the most sacred institution of this country, who would pay out millions of dollars because they have billions and trillions at stake.

That is the kind of thing that motivates a letter to say, let's not delay justice. The American people demand justice. They demand justice even if it involves a person who says he is the third most important person in this entire country.

I thank the gentlewoman.

Mrs. SCHROEDER. I thank the gentleman from Texas. I just want to end this by saying, the gentleman that preceded us in this well was talking about many of our veterans. It is Memorial Day that we are breaking for. I must say they gave their lives for this wonderful, great Government and not for the best Government money can buy. All we want to make sure is that we are not finding a new way for people to be able to buy this Government.

We get frustrated with this Government, sometimes this Government makes us absolutely nuts, but I must say overall I will take this Government against any other one in the world. I am going to do everything I can to make sure everybody has a fair chance, everybody has a fair shot, and that we do not surrender to new clever ways that lobbyists find to get their time.

Mr. Speaker, I am now going to turn the podium over to my distinguished colleague, the gentleman from Colorado [Mr. SKAGGS].

I wish everyone also a happy Memorial Day.

The SPEAKER pro tempore (Mr. BURTON of Indiana). The gentleman from Colorado may control the balance of the hour designated by the leadership.

CONSTITUTIONAL RIGHTS OVERSIGHT ACT

Mr. SKAGGS. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, today, I am pleased to join Mr. SCHIFF, my colleagues from New Mexico and a former district attorney, in introducing a bill to safeguard our constitutional rights as we fight terrorism.

The tragic bombings in Oklahoma City, 2 years earlier in New York City, awakened all of us to the fact that America is not immune to terrrorist acts. This has quite appropriately prompted the President and many Members of Congress to suggest additional steps to prevent terrorism and to make punishment for terrorist acts swifter and more certain. It is essential for Congress to see that we are doing all we should do to prevent the horror and tragedy of another Oklahoma City.

But talk about stepped-up counterterrorism efforts has also raised among the public the concern that law enforcement agencies may slip over proper constitutional boundaries in combating terrorism, that their actions to keep us safe may sometimes collide with the Constitution's wise restraints that keep us free.

The bill we are introducing today, the Constitutional Rights Oversight Act, responds to these concerns.

The bill would establish a top-level inspector general for counterterrorism activities to head a new independent office, to be responsible for ensuring that Federal counterterrorism activities comply with constitutional standards.

The most important feature of the new inspector general will be the cross-cutting scope of the authority of this office. Unlike the existing inspectors general of various departments, this new IG will have oversight authority for many different agencies. The new IG will review the counterterrorism activities of agencies as diverse as the Immigration and Naturalization Service, the Federal Bureau of Investigation, and the Bureau of Alcohol, Tobacco and Firearms.

In short, this new inspector general will have the authority not simply to review the actions of a Department, but to watch the counterterrorism activities of all agencies, to assure their adherence to the Constitution and their full respect for constitutional rights.

Besides the power to review, the new inspector general would have the power to act, in two significant ways.

First, agencies would be required to keep this new inspector general informed of requests for judicial or administrative authorization for searches wiretaps, and similar surveillance activities. The new inspector general would be kept similarly informed about deportation actions related to the right against terrorism.

In connection with all these proceedings, the new inspector general could make suggestions, or oppose the requested authorizations, to the extent appropriate in order to protect constitutional rights.

Second, the new IG would receive public complaints about alleged or potential violations of constitutional rights. Upon receiving these complaints, the IG could require relevant agencies to respond.

Finally, the new IG will be responsible for submitting periodic reports to the President and the Congress concerning the observance of constitutional requirements, and the protection of constitutional rights, in connection with Federal counterterrorism activities, and to make suggestions for improvements.

But just as important as these particular powers I think will be the restraining effect of the mere existence of this new IG. The requirements for immediate constitutional accountability that the office would impose on counterterrorism, investigations should serve to deter any tendency a Government official might have to be casual about constitutional safeguards.

Mr. Speaker, the American public has a very real stake in being protected from terrorism. It also has a high stake in seeing that the Government doesn't cut constitutional corner in providing that protection. We do not need to trade our constitutionally protected rights, including the rights to privacy, free assembly, and free speech, for enhanced protection from terrorists. If we should make that mistake, terrorism will have achieved a victory.

As with all other law enforcement efforts in our country, in fighting terrorism the Government must balance the need for security with the rights of the people. Sadly, our history provides several examples of the Federal Government compromising basic constitutional rights to thwart perceived national security threats.

The FBI's clandestine COINTELPRO Program provides but one stark example of such governmental arrogance. In the name of national security, then-Director J. Edgar Hoover presiding over a program of unauthorized surveillance and harassment of those who legitimately protested government policies. Given this history, there are serious concerns in the country about giving expanded investigative powers to Federal authorities.

We are introducing the Constitutional Rights Oversight Act to help ensure that protection of civil liberties is part of the counterterrorism debate. The House should consider this measure as part of any counterterrorism legislation that comes to the floor. By its enactment, Congress can demonstrate our commitment to protecting both public safety and personal freedom and will provide the right response to the public's fears both of violence and of Government abuse of civil rights. A nation which so reveres its constitution deserves no less from its Government.

MEDICARE AND THE FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. SHAYS] is recognized for 20 minutes.

RECOGNIZING OUR VETERANS

Mr. SHAYS. I thank the Speaker. I know the Speaker has appointments he has to make. I appreciate his willingness to stay and be here for these special orders, and also to thank those that are working on behalf of the House so that we have this opportunity.

I do not often seek the opportunity to address the House in a special order, but I do so today to talk about our Federal budget and what we as the Budget Committee have done to try to get our financial house in order.

But I first want to say that as I listened to the gentleman from California [Mr. DORNAN] in talking about the atrocities that took place with Americans under captivity by the Japanese during World War II, I just could not help but think how important it is that that story be told, as gruesome as it is, and that the families of those men know that we will not be silenced in making sure that the truth be told.

When I think of Memorial Day and the men and women who gave their life to this great country, I know, as someone who never served in the armed forces, that when I look at the flag behind me, that the flag means a great deal to me obviously as a Member of Congress and as an American citizen. But to someone who fought in battle, the American flag means something more than we could ever imagine. When they think of the American flag, they think of the soldiers, their friends, their comrades, their brothers who died in battle. They think of the people, the families they contacted to let them know about how their brother or sister or son or grandson died in battle.

And when I think of Memorial Day, and when I think of how blessed we are as American citizens for their ultimate sacrifice, I also think of the families. I think of the mothers who held their sons, who never will be able to hold their sons again. I think of the fathers that went and saw their sons or their daughters playing baseball or go to a dance, or be there when their children were sad and needed a reassuring arm, and I think of what those parents have to live with.

I also think of the brothers and sisters who lost their brothers or sisters and the memories that they have. I think of the precious children who were denied the opportunity to have their father or their mother, particularly their fathers in the case of World War II, come to their baseball games, come to their schools, see them get married.

So as a Member of Congress, I just count my blessings every day, absolutely every day, for the opportunity I have to serve here.

When I listened to the debate that was taking place and the comment made by the Speaker and the ruling made by the Speaker, I thought of an experience that happened to me a bit earlier when I brought a complaint against a chairman of a committee after he had been indicted, and I wanted to do just what these two Members had done. I wanted to share my complaint and my letter, and I was ruled out of order.

I did not like it at the time, but I began to think about it and I began to realize, first, the rule that you invoked, Mr. Speaker, has existed for over 70 years. And part of the reason for that rule is that in this Chamber it is important that a Member who is being accused of something have the opportunity to be present and to defend themselves.

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I also realize that you did not make up a new ruling, you just enforced a ruling that was enforced on me under Democrats, a rule that was in their rules for as long as we can remember and we just continued their rule.

So, as disappointed as I was when I was not able to submit my letter, I realize that in this Chamber we work with each other, we deal with each other and we have to be fair to each other. There is nothing to prevent me, as I ultimately did, to just speak directly to the public but not in this Chamber.

With regard to what we are trying to do in this Chamber, last year in an election we established what we thought would be a very important dialogue with the American people, we established a concept that said we were going to make a contract with the American people, and we had 8 things that we wanted to do on opening day and we had 10 things that we wanted to do during the course of the first 100 days.

What was memorable about that for me was when I was up for reelection and I met with an editorial board they said how could you have signed such a document, and the question I answered this way by asking a question, I asked: What do you think of what the majority party, then the Democrats, were going to do on the opening day; what did you think about the 10 things they were going to do in the first 100 days; what did you think about their plan and their contract with the American people? And I just waited for the answer. Obviously there was not a contract with the American public, there was no sense of what they wanted to do on the first day, the 8 reforms we wanted to do and the 10 major pieces of legislation in the first 100 days. And I think I take extraordinarily pride in the fact that when we were up for election as the minority party we came forward with a plan, and it did not criticize Democrats, it did not criticize the President, we said we want to change this place. We want to downsize Government, we want to have open rules, we want to pass legislation which I helped author saying Congress should abide by the same laws that we impose on the private sector. The first bill that passed that Chamber, signed by the President, it was bipartisan. But we came forward with a plan, and one of the parts to that plan was a balanced budget amendment.

Over 300 Members voted for a balanced budget amendment. But last week we did something more important. We voted to balance the budget, and to my left I have a chart which describes what we intend to do and what we will be doing. The red line is the spending that seems to go parallel with the bottom line which is revenues; they never meet. As long as I have been a Member of Congress we have had deficits. In fact, when I was a State legislator and I watched Congress in the State legislature, we have to balance our budgets, but in Congress we have not. And when I was in the State legislature I kept waiting for Congress to get its financial House in order. Thirteen years I waited and then I had an opportunity to serve in Congress, and I worked and waited for an opportunity to finally vote on a budget that would get us balanced. And that is what we do. We slowed the growth in spending; spending still goes up on the average in the aggregate and it ultimately meets the growth of revenues in the 7th year.

We are going to spend more money each year on the aggregate in our Government. We are just slowing the growth, and what we are trying to do is end deficit spending. There are some young people in this audience who may not know that if we do not succeed in slowing the growth in spending, by the time the young people are adults they will be paying 70 percent of every dollar they earn in taxes to the Federal Government to help pay for the debt that is taking place today. And what is starting to happen in our dialog is we are having the elderly say you cannot do this, and we have the young who are not aware of what we need to do, and hopefully during the course of the next few months we will have an open dialog, young and old, talking about what we need to do. We need to slow the growth in revenue, and that is what we are going to do and that is what we voted to do last week.

The second chart shows spending in three ways. The yellow is the national debt, the interest that we pay each year on the national debt. we pay $235 billion of interest payments on the national debt. That could go for housing, it could go for our military, it could go for our schools, it could go for a whole host of other things if past generations had not deficit spent, but they have. We have just such a large debt that our interest is now 15.4 percent of our budget.

Only about a third of our budget is domestic spending and defense spending, what we call discretionary spending. There is foreign aid in here. I vote on one-third of the budget as a Member of Congress; as a Member of Congress I do not vote on anything over here in the blue. All of that is entitlement. These are Social Security, Medicare, Medicaid and other entitlements, food stamps, agricultural subsidies. They are an automatic pilot, they just keep happening and happening and happening.

But I vote on this, what is in the pink, what is discretionary spending, and what we are looking to do is actually have real cuts in discretionary spending. We are going to try to slow the growth of entitlements but still allow entitlements to grow, and we are going to try to keep down the interest payments that we are making every year.

Half of the budget is on automatic pilot.

I am happy to yield to the gentleman fro Michigan [Mr. EHLERS].

Mr. EHLERS. I would like to thank the gentleman for yielding, and I rise to comment on the charts and to compliment the gentleman for what he has done.

I had two town meetings last weekend and I used charts similar to those the gentleman is using, and I deeply appreciate the work the gentleman has put into this. I have found that in my town meetings by the use of the charts the gentleman is displaying the public was fully understanding of the problems that we are trying to address, recognized the importance of them, and are able to get past all of the rhetoric they have heard from those who are trying to make political hay out of the problems of Medicare and the problems of balancing the budget.

I simply want to commend the gentleman and I hope many people hear his message, and I certainly thank the gentleman for preparing these charts, and I find them a valuable educational tool.

Mr. SHAYS. That was a nice treat, and I thank the gentleman from Michigan and thank him for his work in trying to get this story out. The bottom line is what we want to do is slow the growth in Government spending and get our financial house in order so future generations will not have so much debt.

In particular, what I have singled out as a focus is the amount of money we spend on Medicare and Medicaid. You cannot see it very easily, but it amounts to about 17 percent of our entire Federal budget. It is equal to all domestic spending. Medicare and Medicaid are equal to everything we spend in the legislative branch, everything we spend in the judicial branch, everything we spend in the executive branch under the President of the United States, all the various departments and agencies, all of their grants are equal to 16.7 percent or $256 billion. Medicare and Medicaid are greater than that amount. The difference is Medicare and Medicaid are growing at alarming rates and we need to find a way to slow that growth.

Defense spending is equal basically to discretionary spending. But a third of the budget is what we vote on in the House.

Some people say to us well, why did not Gramm-Rudman make a difference? The reason is Gramm-Rudman only focused in on the pink part of that pie, only on discretionary spending. It did not focus at all on entitlements.

What we have done in defense spending is to have a basic level playing field. It is not going to go up; it is not basically going to go down. Discretionary domestic spending is going to go down, and foreign aid is going to go down.

Then we come to Medicaid. Medicaid is health care for the poor. It is also health care for poor elderly as it relates to nursing care, and it is going up. Medicaid spending is going to go up by about 36 percent in the next 7 years. We are not cutting Medicaid; we are allowing it to grow.

Some Members of Congress say we are cutting Medicaid and/or we are cutting Medicare. We are cutting them if you use this definition, if it costs $100 million to run a program this year and the next year to run the same program with the same level of service, not changing the program, it costs $105 million and we appropriate $103 million, in my home, in business, that is a $3 million increase.

Congress, the White House, the press in Washington, and only in Washington, they call that a $2 billion cut. Medicare is going to go up by 36 percent in the next 7 years. We are going to spend $324 billion more in the next 7 years than we spent in the last 7 years.

Now admittedly we are not going to allow it to grow as quickly, but the important point, when you look at this, is to recognize that Medicare is going to go up, Medicaid is going to go up in terms of what we will spend in the next 7 years by 36 percent more than the growth in the population.

What is happening to Medicare? Medicare is actually having an extraordinary challenge facing us. The challenge that faces us with Medicare, and it is Medicare part A, that is Medicare that goes for hospitals, Medicare part B is what goes for health care services, Medicare part A is starting to go bankrupt next year. In other words it is going to take in less money than it spends out, but it still has money in the trust fund. Ultimately in 7 years Medicare part A goes bankrupt, it literally runs out of money. In other words, in the seventh year there will be a $7 billion deficit in the trust fund. The trust fund will have run out of money.

What we are looking to do with Medicare is to save it. We are looking to improve the service. We are looking to preserve Medicare. We are looking to save it. And this is not a report done by Republicans or Democrats in Congress, this is a report given to us by the trustees of the Medicare system. It is going bankrupt unless we save it, and that is what our objective is.

The way we save it is to slow the growth in Medicare, by slowing the growth in Medicare so that it does not grow at over 10 percent a year, but grows approximately 5 percent a year.

If we allow Medicare to grow each year, in other words spend more, not cut, grow, and spend more, we are going to allow it to grow by 45 percent in the next 7 years. Only in Washington is a growth in spending of 45 percent called a cut, only in Washington.

And unfortunately we are hearing people saying we want to cut Medicare. No, we want it to grow; we want it to grow at 45 percent. We just want to make sure when it grows it does not bankrupt the rest of the country. So it will go from $178 to $259 billion.

What that means is that we want to spend $659 billion more in the next 7 years than we spent in the last 7 years. We want to spend that amount of money.

What will we spend, almost $1.6 trillion as opposed to $925 billion in the past 7 years.

I think the most important statistic though is the one that shows what we do per beneficiary. We want to spend $4,116 per beneficiary instead of $6,000 and have it grow to $6,361 in the seventh year. We are going to spend 45 percent more in Medicare. We are going to allow it to grow, and the increase per beneficiary is 32 percent. Only in Washington would an increase per beneficiary of 32 percent, 32.1 percent be called a cut, only in Washington. I do not know anywhere else where when you spend even more money you call it a cut. We are going to spend 45 percent more total in Medicare and 32 percent more in the next 7 years per beneficiary.

Which gets me to the last point that I want to make. If we do not control the growth in Medicare and Medicaid, we are doomed. We are already to balance the budget in the next 7 years going to see foreign aid go down 5.4 percent more a year. We are already going to see domestic discretionary spending go down 1.6 percent a year, that is a cut, that is a cut any way you look at it. We are going to spend less dollars in the next year. Defense spending goes up one-half percent, and there are some, and I am one, who would like it not to be as high. The challenge we have in defense spending is we are $150 billion oversubscribed in defense. We have to find a way to reduce defense spending $150 billion in the next 7 years just to stay within this number. And how do we get oversubscribed? Because Congress and the White House kept pushing off the procurement of certain defense systems to the sixth year and we were working on 5-year budgets so the full cost of these programs never truly showed up.

We are going to have a difficult time staying within this number, only because we are oversubscribed in defense.

But what is happening in Social Security? It is going up 5.1 percent. What is happening in Medicare? It is going up 5.5 percent. What is happening in the Medicaid? It is going to go up 4.5 percent a year? What is happening in other elements? They are going to go up 3.9 percent.

Recognize this is the growth in spending and this is half of the Federal budget. It is going to grow. Sadly, the interest payments we make are going to go up about 1 percent a year, but before we passed our budget they were going to go up 5 percent a year.

So we have slowed the growth of interest payments, we have slowed the growth of defense, we are actually making real cuts in foreign aid and domestic spending.

□ 1415

And I have to say this in conclusion about domestic spending, there are some cuts I do not want to make in domestic spending. I mean, there probably is not any Member of Congress who likes every part of our budget, but if we take the logic, "I do not like 10 percent of the budget, I am voting against it," that is just going to duplicate what has happened during the last 10 years. We can always find something we do not like in the budget.

What do I like in this budget? I like the fact that we are getting a handle on Government spending. I like the fact that we are slowing the growth of entitlement programs. I like the fact that we are saving Medicare from bankruptcy. I like the fact that for the first time in my 20 years in public life I got to vote for a budget that gets us balanced.

Admittedly, it is going to take us 7 years, but we are doing it, and I am proud to be part of that effort.

I will just conclude by saying ultimately what we do is going to have to be worked out with the President of the United States. He has to sign this legislation. I am hopeful he will finally weigh in on trying to find ways to save Medicare. I do not mean that sarcastically. I just mean it as openly as I can, because right now there is no plan coming out of the administration. But ultimately we need to pass a budget that gets us balanced in the next 7 years. We need to do it for the people who are in this country today, and we need to do it for our children and for our children's children, and for our children's children's children.

We have simply got to wake up and do it, and in the process of our plan, we are going to spend more on health care for the elderly, more on health care for the poor. We are going to spend more on some of our entitlement programs, But we are going to reduce spending in a whole host of areas.

Farmers are going to feel the reductions. People in urban areas are going to feel the reductions. People in rural areas are going to feel the reductions. We are all going to be part of this effort. We are going to save this country. We are going to save this country so it can be the great Nation it has been for so long.

And, Mr. Speaker, I really thank your kindness in staying. I know you needed to go. I appreciate the time you have afforded me.

AGENTS OF INFLUENCE

The SPEAKER pro tempore (Mr. BURTON of Indiana). Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, Japanese auto companies enjoy a 25-percent share of our American automotive market. By contrast, our auto firms have only a 1.5-percent share of Japan's market. In fact, all foreign automotive companies, including the European, the Asian, only have a 4-percent, 4-percent share of Japan's market.

This is because of the insurmountable, unfair trade barriers Japan erects to protect its home market from any kind of foreign import that would really give competition to Japan's home market suppliers.

What does that mean to our country? It means that last year we, again, for the 10th time in this past decade had a $66 billion trade deficit with Japan, and over half of it in the automotive arena. For each billion dollars of deficit, that translates into 20,000 more jobs we could have right here at home.

In fact, when you think about it, if we could have auto trade equity with Japan, we could build 100 more companies in this country each employing 5,000 people in an industry that pays its people a living wage.

America also fails to stand tall in the ongoing United States-Japan trade standoff because of the influence exercised by lobbyists here in this city by Japanese industry throughout the corridors of power. What do I mean? This past week, the Washington Post revealed that one of our most prominent and influential political writers and columnists and broadcasters, George Will, that we have all seen on television, in the newspapers is married to a lobbyist for foreign interests who earns almost $200,000 a year working for, are you ready for this, Japan's automobile manufacturers' association, the chief lobbying group for Japan's interest in this country and around the world.

Mr. Will has been writing columns and has been on television fulminating against the Clinton administration's actions against Japan's automakers, but he fails to mention that his wife's lucrative affiliation with these companies is providing very adequate income for his family. Astoundingly, when this connection was revealed, his response to this conflict of interest is, "Well, it's just too silly." That is what he is quoted in this article as saying.

The article says his wife's firm is paid $200 an hour to deal with reporters, to follow legislation, to place advertising, issue press releases and draft articles for newspapers with such titles as "Selling Cars this Japan: It Isn't About Access" or "Fixing the Outcome of Trade with Japan is a Dangerous Way to do Business," castigating the approach that the Government of the United States is taking on behalf of the people of the United States.

The article says her firm also sought to arrange for the industries, Japan's industries' top Washington lobbyists to meet, guess who, the Chicago Tribune editorial board, she tried to place an opinion piece in the Washington Times, and drafted letters to the New York Times and Detroit Free Press.

What does Mr. Will say about all this? He says, "Well, to me, it is beyond boring. I don't understand the whole mentality."

Well, as one Member of Congress, I do not think it is silly. I do not think it is boring. I understand what influencing opinion is all about. I think it is a question of agents of influence who operate in ways that influence our press, press who are supposed to be objective and factual, and as one professor says in this article who is an associate dean of Columbia University's Journalism School, he says, the same kind of conflict questions that apply here also apply to extended families. The fact Mr. Will does not see a problem shows he just does not get it.

Mr. Speaker, I ask the Clinton administration to hang tough for America and the American people.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. MEYERS of Kansas (at the request of Mr. ARMEY) for May 23, 24, and 25, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. DORNAN) to revise and extend his remarks and include extraneous material:)

Mr. HOKE, for 5 minutes, today.

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. MARTINEZ, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. RAMSTAD, for 5 minutes, today.

(The following Member (at the request of Mr. SKAGGS) to revise and extend his remarks and include extraneous material:)

Mr. FATTAH, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today, at her own request.

ADJOURNMENT

Ms. KAPTUR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. SHAYS). Pursuant to the provisions of House Concurrent Resolution 72, 104th Congress, the House stands adjourned until noon on Tuesday, June 6, 1995.

Thereupon, at 2 o'clock and 22 minutes p.m., pursuant to House Concurrent Resolution 72, the House adjourned until Tuesday, June 6, 1995, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

911. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to repeal various reporting requirements of the Department of Defense, and for other purposes; to the Committee on National Security.

912. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend chapter 47 and 49 of title 10, United States Code, and chapter 15 of title 37, United States Code, to improve the quality and efficiency of the military justice system; to the Committee on National Security.

913. A letter from the Secretary, Department of the Treasury, transmitting the annual report on the operations of the Exchange Stabilization Fund [ESF] for fiscal year 1994, pursuant to 31 U.S.C. 5302(c)(2); to the Committee on Banking and Financial Services.

914. A letter from the Executive Director, Oversight Board, Resolution Trust Corporation, transmitting a report on the status of various savings associations, pursuant to 12 U.S.C. 1441a(k); to the Committee on Banking and Financial Services.

915. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 95-21: Transfer of $3.0 Million in fiscal year 1995 Economic Support Funds to the Peacekeeping Operations Account to Support African Peacekeeping Efforts in Liberia, pursuant to section 610(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

916. A letter from the Secretary of State, transmitting a letter expressing his concerns with regard to H.R. 1561, the American Overseas Interests Act; to the Committee on International Relations.

917. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's report pursuant to section 1352 of title 31 U.S.C. for the period from October 1, 1994 through March 31, 1995, pursuant to Public Law 101-121, section 319(a)(1) (103 Stat. 753); to the Committee on Government Reform and Oversight.

918. A letter from the Chairman, Federal Maritime Commission, transmitting the semiannual report on activities of the inspector general for the period October 1, 1994 through March 31, 1995, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Reform and Oversight.

919. A letter from the Chairman, Railroad Retirement Board, transmitting the annual report under the Federal Managers' Financial Integrity Act for 1994, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

920. A letter from the Secretary, Department of the Interior, transmitting the biennial report on the quality of water in the Colorado River Basin (Progress Report No. 17, January 1995), pursuant to 43 U.S.C. 1596; to the Committee on Resources.

921. A letter from the Secretary, Department of Transportation, transmitting a report on the study of the feasibility of constructing, in accordance with standards applicable to Interstate System highways, a 4-lane highway connecting Interstate Route 65 and Interstate Route 10 in the vicinity of Pensacola, FL, pursuant to Public Law 102-240, section 1086(b) (105 Stat. 2022); to the Committee on Transportation and Infrastructure.

922. A letter from the Administrator, General Services Administration, transmitting informational copies of 12 lease prospectuses for fiscal year 1996, pursuant to 40 U.S.C. 606(a); to the Committee on Transportation and Infrastructure.

923. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the termination of Servicemen's Group Life Insurance when premiums are not paid; to the Committee on Veterans' Affairs.

924. A letter from the Secretary, Department of Energy, transmitting the 1995 Baseline Environmental Management Report, pursuant to Public Law 103-160, section 3153(b) (107 Stat. 1950); jointly, to the Committees on National Security and Commerce.

925. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled, the "American Community Partnerships Act"; jointly, to the Committees on Banking and Financial Services and Ways and Means.

926. A letter from the General Counsel, Department of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the Coastal Zone Management Act of 1972, as amended, for fiscal years 1996 through 2000, and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Resources and Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSS: Committee on Rules. House Resolution 156. Resolution providing for further consideration of the bill (H.R. 1561) to consolidate the foreign affairs agencies of the United States; to authorize appropriations for the Department of State and related agencies for fiscal years 1996 and 1997; to responsibly reduce the authorizations of appropriations for United States foreign assistance programs for fiscal years 1996 and 1997, and for other purposes (Rept. 104-130). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as followed:

By Mr. DEFAZIO (for himself, Mr. BILBRAY, Mr. METCALF, Mr. ROHRABACHER, and Mr. SENSENBRENNER):

H.R. 1709. A bill to amend the Military Selective Service Act to suspend the registration requirement and the activities of civilian local boards, civilian appeal boards, and similar local agencies of the Selective Service System, except during national emergencies, and to require the Director of Selective Service to prepare a report regarding the development of a viable standby registration program for use only during national emergencies; to the Committee on National Security.

By Mr. HYDE (for himself, Mr. MCCOLLUM, Mr. SMITH of Texas, Mr. GEKAS, Mr. CANADY, Mr. HOKE, and Mr. BONO):

H.R. 1710. A bill to combat terrorism; to the Committee on the Judiciary.

By Mr. BACHUS:

H.R. 1711. A bill to improve the administration of the Fair Debt Collection Practices Act; to the Committee on Banking and Financial Services.

By Mr. COLLINS of Georgia (for himself and Mr. KINGSTON):

H.R. 1712. A bill to amend the Harmonized Tariff Schedule of the United States with respect to imports of civil aircraft; to the Committee on Ways and Means.

By Mr. COOLEY (for himself, Mr. YOUNG of Alaska, Mr. HANSEN, Mr. ROBERTS, Mr. HERGER, Mr. DOOLITTLE, Mr. STUMP, Mr. CALVERT, Mr. EMERSON, Mr. HAYWORTH, Mr. TAYLOR of North Carolina, Mr. NETHERCUTT, Mr. SHADEGG, Mr. LEWIS of California, Mr. RIGGS, Mr. BUNN of Oregon, Mr. SKEEN, Mr. STOCKMAN, Mr. HUNTER, Mr. BREWSTER, Mrs. CUBIN, Mr. RADANOVICH, Mr. CREMEANS, Mr. CRAPO, Mr. HEFLEY, Mr. ALLARD, and Mrs. VUCANOVICH):

H.R. 1713. A bill to provide for uniform management of livestock grazing on Federal land, and for other purposes; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DOOLEY:

H.R. 1714. A bill to amend the Endangered Species Act of 1973 to require that species which are being considered for listing under that act or are currently listed under that act are expeditiously reviewed for listing or continued listing, respectively, and for other purposes; to the Committee on Resources.

By Mr. GOODLING (for himself, Mr. FAZIO of California, Mr. BALLENGER, Mr. ANDREWS, Mr. FAWELL, Mr. STENHOLM, Mr. HOEKSTRA, Mrs. THURMAN, Mr. FUNDERBURK, and Mr. DOOLEY):

H.R. 1715. A bill respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act; to the Committee on Economic and Educational Opportunities.

By Mr. HERGER (for himself, Mr. DOOLITTLE, Mr. COOLEY, and Mr. INGLIS of South Carolina):

H.R. 1716. A bill to direct the Secretary of Agriculture to assure that the operations of the Forest Service are free of racial, sexual, and ethnic discrimination, and for other purposes; to the Committee on Agriculture.

By Mr. LAFALCE:

H.R. 1717. A bill to establish minimum standards of fair conduct in franchise sales and franchise business relationships, and for other purposes; to the Committee on the Judiciary.

By Mr. KANJORSKI:

H.R. 1718. A bill to designate U.S. courthouse located at 197 South Main Street in Wilkes-Barre, PA, as the "Max Rosenn United States Courthouse"; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY:

H.R. 1719. A bill to amend the Food Security Act of 1985 to limit farm program payments to producers who earn less than $100,000 annually from off-farm sources; to the Committee on Agriculture.

By Mr. MCKEON:

H.R. 1720. A bill to amend the Higher Education Act of 1965 to provide for the cessation of Federal sponsorship of two Government sponsored enterprises, and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mrs. MINK of Hawaii:

H.R. 1721. A bill to amend the Public Health Service Act to provide for programs regarding ovarian cancer; to the Committee on Commerce.

H.R. 1722. A bill to amend the act of March 3, 1931—known as the Davis-Bacon Act—to require that contract work covered by the act which requires licensing be performed by a person who is so licensed; to the Committee on Economic and Educational Opportunities.

H.R. 1723. A bill to amend the National Labor Relations Act to require the National Labor Relations Board to assert jurisdiction in a labor dispute which occurs on Johnston Atoll, an unincorporated territory of the United States; to the Committee on Economic and Educational Opportunities.

H.R. 1724. A bill to amend title 5, United States Code, to provide that any Federal employee serving under a temporary appointment who has completed at least 1 year of service in such position within the preceding 2 years shall be eligible for the Government's health benefits program, and for other purposes; to the Committee on Government Reform and Oversight.

H.R. 1725. A bill to amend the Radiation Exposure Compensation Act to remove the requirement that exposure resulting in stomach cancer occur before age 30, and for other purposes; to the Committee on the Judiciary.

H.R. 1726. A bill to amend title 10, United States Code, to extend eligibility to use the military health care system and commissary stores to an unremarried former spouse of a member of the uniformed services if the member performed at least 20 years of service which is creditable in determining the member's eligibility for retired pay and the former spouse was married to the member for a period of a least 17 years; to the Committee on National Security.

H.R. 1727. A bill to amend title 10, United States Code, to expand eligibility for commissary benefits for persons qualified for certain retired pay but under age 60; to the Committee on National Security.

H.R. 1728. A bill to direct the Secretary of the Interior to undertake the necessary feasibility studies regarding the establishment of certain new units of the National Park System in the State of Hawaii; to the Committee on Resources.

H.R. 1729. A bill to amend the Internal Revenue Code of 1986 to provide that providers rather than purchasers of funeral services shall be treated as the owners of certain preneed funeral trusts; to the Committee on Ways and Means.

H.R. 1730. A bill to amend the Internal Revenue Code of 1986 to provide that individuals who are required to leave their employment because of certain medical or family reasons will not be denied unemployment compensation when they are ready to return to work; to the Committee on Ways and Means.

H.R. 1731. A bill to provide for a Federal program of insurance against the risk of catastrophic earthquakes, volcanic eruptions, and hurricanes, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MOORHEAD (for himself and Mrs. SCHROEDER):

H.R. 1732. A bill to amend chapter 30 of title 35, United States Code, to afford third parties an opportunity for greater participation in reexamination proceedings before the Patent and Trademark Office, and for other purposes; to the Committee on the Judiciary.

H.R. 1733. A bill to amend title 35, United States Code, to provide for early publication of patent applications, to provide provisional rights for the period of time between early publication and patent grant, and to provide a prior art effect for published applications; to the Committee on the Judiciary.

By Mr. MOORHEAD (for himself, Mr. COBLE, and Mr. BONO):

H.R. 1734. A bill to reauthorize the National Film Preservation Board, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MORAN (for himself, Mr. SERRANO, Mr. ACKERMAN, Mr. SCOTT, Mr. COYNE, Mr. UNDERWOOD, Mr. MASCARA, Mr. MILLER of California, Mr. RICHARDSON, Mr. ANDREWS, Mr. THORNTON, Mr. HILLIARD, Mr. DELLUMS, Mr. PETE GEREN of Texas, Mr. HASTINGS of Florida, Mr. PETERSON of Florida, Ms. LOFGREN, Mrs. MALONEY, Mr. MCDERMOTT, Mr. BENTSEN, Mr. FAZIO of California, Mr. WOLF, Mrs. MORELLA, Mr. DAVIS, Mr. GEKAS, and Mr. NETHERCUTT):

H.R. 1735. A bill to amend the Public Health Service Act with respect to research regarding the health of children; to the Committee of Commerce.

By Mrs. MORELLA (for herself, Mrs. LOWEY, Mrs. JOHNSON of Connecticut, Ms. NORTON, Ms. SLAUGHTER, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. KENNELLY, Mrs. SCHROEDER, Mrs. MINK of Hawaii, Ms. PELOSI, Ms. WOOLSEY, Mrs. MALONEY, Ms. MCKINNEY, Ms. LOFGREN, Ms. VELAZQUEZ, Ms. JACKSON-LEE, and Miss COLLINS of Michigan):

H.R. 1736. A bill to amend various acts to establish offices of women's health within certain agencies, and for other purposes; to the Committee on Commerce.

By Mrs. SEASTRAND (for herself, Mr. BAKER of California, Mr. BILBRAY, Mr. CALVERT, Mr. DOOLITTLE, Mr. HERGER, Mr. HUNTER, Mr. MOORHEAD, Mr. POMBO, Mr. RADANOVICH, Mr. RIGGS, Mr. ROHRABACHER, Mr. SKEEN, Mr. MCKEON, Mr. HORN, and Mr. GALLEGLY):

H.R. 1737. A bill to encourage the development of the commercial space industry by establishing State-run spaceports, and for other purposes; to the Committee on Science, and in addition to the Committees on Transportation and Infrastructure, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SKAGGS (for himself and Mr. SCHIFF):

H.R. 1738. A bill to further the protection of constitutional rights in connection with the conduct of Federal counterterrorism activities; to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STEARNS:

H.R. 1739. A bill to establish the Bipartisan Commission on the Future of Medicare to make findings and issue recommendations on the future of the Medicare Program; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOLEY (for himself, Mr. HANCOCK, Mr. BAKER of California, Mr. ROHRABACHER, Mr. ROYCE, Mr. BILBRAY, Mr. DOOLITTLE, Mr. EWING, Mr. STUMP, Mr. YOUNG of Alaska, Mrs. CHENOWETH, Mrs. MEYERS of Kansas, Mr. SAXTON, Mr. CHRYSLER, Mr. WILSON, Mr. MCKEON, Mr. CALVERT, Mr. KLUG, Mr. BAKER of Louisiana, and Mr. METCALF):

H.J. Res. 93. Joint resolution proposing an amendment to the Constitution of the United States to provide that no person born in the United States will be a U.S. citizen unless a parent is a U.S. citizen, is lawfully in the United States, or has a lawful immigration status at the time of the birth; to the Committee on the Judiciary.

By Mr. ARMEY:

H. Con. Res. 72. Concurrent resolution providing for the adjournment of the two Houses; considered and agreed to.

By Mr. HUTCHINSON (for himself, Mr. MONTGOMERY, and Mr. EDWARDS):

H. Con. Res. 73. Concurrent resolution recognizing and commending American airmen held as prisoners of war at the Buchenwald concentration camp during World War II for their service, bravery, and fortitude; to the Committee on Government Reform and Oversight.

By Mr. ARMEY:

H. Res. 157. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Mr. BEREUTER (for himself, Mr. BERMAN, Mr. GILMAN, Mr. HAMILTON, Mr. LEACH, and Mr. ROHRABACHER):

H. Res. 158. Resolution congratulating the people of Mongolia on the fifth anniversary of the first democratic multiparty elections held in Mongolia on July 29, 1990; to the Committee on International Relations.

By Mrs. MINK of Hawaii (for herself and Mr. ABERCROMBIE):

H. Res. 159. Resolution honoring the contributions of Father Joseph Damien de Veuster for his service to humanity, and for other purposes; to the Committee on Commerce.

By Mr. WARD (for himself, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BALDACCI, Mr. BECERRA, Mr. BENTSEN, Mr. BERMAN, Mr. BONIOR, Mr. BROWN of Ohio, Mr. CONYERS, Mr. DEFAZIO, Ms. DELAURO, Mr. DEUTSCH, Mr. DOGGETT, Mr. DOYLE, Mr. EDWARDS, Mr. EVANS, Mr. FARR, Mr. FATTAH, Mr. FAZIO of California, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEPHARDT, Mr. PETE GEREN of Texas, Mr. HALL of Ohio, Mr. HAYES, Mr. HEFNER, Mr. HILLIARD, Mr. HINCHEY, Mr. HOLDEN, Mr. HOYER, Ms. JACKSON-LEE, Mr. JACOBS, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KENNEDY of Massachusetts, Mr. KILDEE, Mr. LAFALCE, Mr. LANTOS, Mr. LEVIN, Mr. LEWIS of Georgia, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY, Mr. MASCARA, Mr. MATSUI, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. MEEHAN, Mr. MENENDEZ, Mr. MFUME, Mr. MILLER of California, Mr. MINGE, Mr. MOAKLEY, Mr. MURTHA, Mr. NEAL of Massachusetts, Mr. OBERSTAR, Mr. OBEY, Mr. OLVER, Mr. OWENS, Mr. PAYNE of Virginia, Mr. POMEROY, Mr. RANGEL, Mr. RICHARDSON, Ms. RIVERS, Mr. ROEMER, Mr. SABO, Mrs. SCHROEDER, Mr. SERRANO, Mr. SKAGGS, Ms. SLAUGHTER, Mr. SPRATT, Mr. STARK, Mr. TUCKER, Mr. VOLKMER, Ms. WATERS, Mr. WAXMAN, Mr. WYNN, and Mr. YATES):

H. Res. 160. Resolution providing for the consideration of the bill (H.R. 1535) to amend the Internal Revenue Code of 1986 to revise the tax rules on expiration, to modify the basis rules for nonresident aliens becoming citizens or residents, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

101. The SPEAKER presented a memorial of the Senate of the Commonwealth of Pennsylvania, relative to the 911th Airlift Wing facility; to the Committee on National Security.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. EDWARDS introduced a bill (H.R. 1740) for the relief of Michael Patrick McNamara and Thomas Parnell McNamara, Jr.; which was referred to the Committee on Government Reform and Oversight.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Mr. BAKER of Louisiana, Mrs. FOWLER, Mr. TAYLOR of North Carolina, Mr. GEKAS, and Mr. GOSS.

H.R. 246: Mr. SMITH of Texas.

H.R. 354: Mr. BONILLA.

H.R. 359: Mr. DICKEY.

H.R. 436: Mr. BUYER.

H.R. 499: Mr. VOLKMER.

H.R. 534: Mr. HUTCHINSON, Mr. COX, Mr. EVANS, Mr. BARCIA of Michigan, Mr. PALLONE, Ms. DUNN of Washington, Mr. WILLIAMS, Mrs. SCHROEDER, Mr. MATSUI, Mr. SABO, Mr. BROWN of Ohio, and Mr. FATTAH.

H.R. 703: Mr. SANDERS, Mr. WATT of North Carolina, and Mr. STARK.

H.R. 789: Mr. NUSSLE.

H.R. 820: Mr. BORSKI, Mr. MENENDEZ, Mr. MCDADE, Mr. GREENWOOD, and Mr. INGLIS of South Carolina.

H.R. 835: Mr. BISHOP, Ms. VELAZQUEZ, and Mr. SOLOMON.

H.R. 864: Mr. CARDIN, Mr. NEAL of Massachusetts, Mr. WELLER, Mr. MATSUI, Mr. PETE GEREN of Texas, Mr. QUILLEN, Mr. STENHOLM, Mr. HASTINGS of Florida, Mr. RADANOVICH, and Mr. FARR.

H.R. 878: Mr. MILLER of California, Mr. NEY, Mr. FARR, Mr. MARTINEZ, and Mrs. THURMAN.

H.R. 892: Mr. BAKER of California.

H.R. 895: Mr. FORBES.

H.R. 896: Mr. ANDREWS.

H.R. 899: Mr. JEFFERSON, Mrs. CUBIN, Mr. FAWELL, and Mr. FOLEY.

H.R. 922: Mr. SMITH of New Jersey, Mr. LEWIS of Georgia, and Mr. ACKERMAN.

H.R. 958: Mr. FATTAH, Mr. HINCHEY, Mr. CLEMENT, and Mr. MCHALE.

H.R. 972: Mr. BROWN of California.

H.R. 983: Mr. NADLER, Mr. FILNER, Mr. LUTHER, Mr. PETERSON of Minnesota, Ms. MCKINNEY, Mr. FLAKE, and Ms. ROYBAL-ALLARD.

H.R. 1010: Mr. MCCRERY, Mr. STEARNS, Mr. WAXMAN, Ms. BROWN of Florida, Mr. YATES, Mr. FOX, and Mr. ACKERMAN.

H.R. 1033: Mr. WELLER and Mr. BRYANT of Tennessee.

H.R. 1073: Mr. VOLKMER and Mr. SABO.

H.R. 1114: Mr. CHRYSLER.

H.R. 1148: Mrs. JOHNSON of Connecticut.

H.R. 1149: Mrs. JOHNSON of Connecticut.

H.R. 1172: Mr. HASTINGS of Florida, Mr. COSTELLO, and Mr. FATTAH.

H.R. 1189: Ms. WOOLSEY and Mr. PALLONE.

H.R. 1192: Mr. PALLONE and Mr. MCNULTY.

H.R. 1193: Mr. PALLONE and Mr. MCNULTY.

H.R. 1299: Mr. FATTAH.

H.R. 1381: Mr. HASTINGS of Florida, Mr. ROMERO-BARCELO, and Mr. THOMPSON.

H.R. 1535: Mr. OBEY, Mr. MOAKLEY, Mr. SKAGGS, Mr. BECERRA, and Mr. BROWN of Ohio.

H.R. 1540: Mr. EMERSON, Mr. GALLEGLY, Ms. LOFGREN, Mr. CLEMENT, Mr. JACOBS, Mr. SOLOMON, Mr. BRYANT of Tennessee, Mr. BEREUTER, Mr. DORNAN, and Mr. BUNNING of Kentucky.

H.R. 1541: Mr. LANTOS.

H.R. 1546: Mr. HILLIARD, Mr. ACKERMAN, Mr. SERRANO, Mr. HASTINGS of Florida, Mr. HINCHEY, and Mr. THOMPSON.

H.R. 1547: Mrs. MALONEY.

H.R. 1614: Ms. RIVERS, Mr. EVANS, Mr. LUTHER, and Mr. STUPAK.

H.R. 1627: Mr. FUNDERBURK, Mr. PICKETT, Mr. BARR, Mr. FAZIO of California, Mr. COLLINS of Georgia, Mr. SOLOMON, Mr. GEKAS, Mr. BONO, Mr. JONES, Mr. BAKER, of California, Mr. GUTKNECHT, Mr. SISISKY, Mr. KLUG, Mr. GALLEGLY, Mr. JACOBS, and Mr. BURTON of Indiana.

H.R. 1660: Mr. FROST, Mr. CANADY, Mrs. KENNELLY, and Mr. HOLDEN.

H.J. Res. 79: Ms. MCCARTHY and Mrs. KENNELLY.

H. Con. Res. 50: Mr. DOOLITTLE.

H. Res. 21: Mr. BILIRAKIS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 571: Mr. SCHUMER, Mr. BARRETT of Wisconsin, and Mr. TORRICELLI.

PETITIONS, ETC.

Under clause 1 of rule XXII,

22. The SPEAKER presented a petition of the Legislature of Rockland County, NY, relative to condemning the attack on the Alfred P. Murrah Federal Building in Oklahoma City; which was referred to the Committee on the Judiciary.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 4 by Mr. BRYANT on House Resolution 127: Harold L. Volkmer, John W. Olver, Lynn C. Woolsey, Barney Frank, Lynn N. Rivers, Peter A. DeFazio, David Minge, Marcy Kaptur, Sidney R. Yates, John Lewis, John Baldacci, and Martin T. Meehan.

SENATE—*Thursday, May 25, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, our source of spiritual, intellectual, and physical strength, we thank You for a good night's rest after an intensely busy yesterday, filled with many votes in a long and demanding agenda. Now, You have replenished our wells of energy and given us a fresh new day in which we have the privilege of serving You. Lord, it's great to be alive.

Lord, grant the Senators more than the courage of their convictions. Rather, give them convictions that arise from Your gift of courage. May this indomitable courage be rooted in profound times of listening to You that result in a relentless commitment to truth that is expressed in convictions that cannot be compromised.

We trust You to guide them so that all they say and decide is in keeping with Your will. We ask for Your wisdom in the crucial matter to be voted on today. Lord, take command of their minds and their thinking, speak Your truth through their speaking, and then give them clarity for hard choices. Help them to live this day to the fullest. In Your holy name. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

SECOND SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1995—CONFERENCE REPORT

The PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to vote on the conference report to accompany H.R. 1158, which the clerk will report.

The assistant legislative clerk read as follows:

The conference report to accompany H.R. 1158, an act making emergency supplemental appropriations for additional disaster assistance, and making rescissions for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the conference report.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER (Mr. COVERDELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—61

Abraham
Ashcroft
Bennett
Bond
Boxer
Brown
Burns
Byrd
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Reid
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—38

Akaka
Baucus
Biden
Bingaman
Bradley
Breaux
Bryan
Bumpers
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Mikulski

So the conference report was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent to proceed for 2 minutes on this rescissions package.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I merely wanted to say, in conclusion of this process on the rescissions package, I am very hopeful that the President will sign this bill. If he does not sign this bill, of course, there are problems relating particularly to the supplemental appropriations that are included in this bill.

We have worked long and hard on this. I want to take this occasion to thank my colleague from the Democratic side of the aisle, Senator BYRD, the ranking member of the full committee; each of subcommittee chairs and each of the subcommittee ranking members, and the extraordinary staff that we have on both sides that have worked together very carefully.

Mr. President, I cannot predict what will happen. There have been discussions between the Republican leadership of the House and the Senate with the White House wondering if there might be a better way to achieve a common goal that the President has and we have. I make no predictions.

I must say, I am terribly disappointed we had so few Democrats support this measure today, because I can say one thing: If there is a revision or if there is a new package that comes down the track, we will not have enough votes on this side to pass it. I, therefore, would urge that the White House take a very careful view of the politics of getting any other package passed, even one that we might be able to agree to.

I thank my colleagues on the committee, both the Republicans and Democrats, for having brought us to a conclusion at this point on the rescissions conference report.

Mr. LAUTENBERG. Mr. President, I voted against the bill before the Senate today because of its misplaced priorities: cuts in education, cuts in training, cuts in housing, but no cuts in programs which do not address critical needs or waste tax dollars.

Mr. President, President Clinton has shown real leadership by drawing a line in the sand and standing up for important investments in our future. The President has repeatedly made it clear that he wants to work with the Congress to reduce spending, but that it is his responsibility to protect important investments in our future. The President does not want to pile up a stack of veto messages. He wants to work with the Congress to move legislation that will help the American people. He saw gridlock in the last Congress and does not want to repeat the experience.

Despite his efforts to cooperate, the House of Representatives crafted a bill to cut programs which the President found unacceptable. The Senate, after a great deal of effort, came up with a deficit reduction bill which every Member voted for and which the President said he could sign. In conference with the House of Representatives, however,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

it changed again. Almost 85 percent of the funding for priorities important to the President was eliminated. That was done, in many cases, without Democratic members of the Appropriations Committee having access to the decisionmaking process. I support the President's decision to veto this bill, and have voted against it.

Mr. President, rather than force a useless confrontation, we can and should have revised this legislation and passed it. Everyone agrees that the disaster relief in this bill is important. Everyone agrees that the aid to Oklahoma in this bill is critical. Everyone agrees that the aid to Jordan in this bill protects our national self-interest. And everyone agrees that we can and should cut some of the funding appropriated for certain programs last year.

It was irresponsible for the Republican majority, in a fit of partisan political pique, to simply refuse to revise this legislation and get it passed. Yet the most ardent budget cutters claimed they were too busy to save the American taxpayers a mere $10 billion or so in what they see as unnecessary and wasteful spending. That, Mr. President, is ridiculous. If we had worked with the administration, we could have quickly adopted legislation to give people the aid they need and the reductions in overall spending they want.

Mr. President, I voted for the initial Senate version of this bill, a bill which more closely met my own priorities, especially when compared to the House measure. I was not entirely satisfied with the Senate bill. We cut billions from housing programs, but we did not touch a penny of military spending. We cut billions from education and training programs, but we did not touch wasteful subsidies which go to wealthy and corporate agricultural interests. We cut millions for dozens of important, productive, and efficient programs, but we did not look for the waste and mismanagement which permeates too many of our programs. That situation did not get better in conference. We cut $1.4 billion in job training funds and another $831 million in education. Look at the specifics: $65 million for adult job training, gone; $67 million for displaced workers, gone; $12.5 million for school to work programs, gone; $236 million for the Safe and Drug Free Schools Program, gone; $91 million for vocational and adult education, gone. Those programs represent an investment in our future, and those cuts make that future a little darker.

So, Mr. President, I oppose this conference report. I still believe the Government can play a role in improving the lives of the American people. I accept and embrace the need to reduce the deficit and get control over spending, but I believe we can do that while still addressing the needs we face as a nation.

Given that, Mr. President, I voted against this bill and will support the President's veto. I hope our colleagues will quickly move to put together a bill which meets our obligations to reduce overall Federal spending while preserving programs that help people.

Mr. PELL. Mr. President, I voted for the original rescissions bill because the reductions were reasonable and because we had restored 80 percent of the education cuts that were contained in the House bill. I fervently hoped that the Senate position on education would prevail in the House-Senate conference. Unfortunately, it did not. As a result there are drastic cuts in several important Federal education programs, such as safe and drug free schools, dropout prevention, and education reform. Because of this, I cannot support the conference report.

Mrs. FEINSTEIN. Mr. President, I rise today in support of this emergency disaster supplemental conference report. We are faced with a difficult decision: Parts of the Nation, including California, desperately need the emergency disaster funds contained in this bill, yet many of the cuts in this legislation, such as the Safe and Drug Free Schools Program and the Summer Youth Employment Program, will harm many of those very people we are intending to help the most.

However, emergency spending is just that, and American families affected by natural disasters cannot wait for us in Washington to get our acts together to begin providing relief. Since the beginning of this year, there have been seven new disaster declarations, including two floods in California, flooding in South Dakota, tornadoes in Alabama, the great tragedy of Oklahoma City, and flooding in Louisiana and Mississippi. FEMA has also undertaken preliminary damage assessments in Tennessee and Kentucky as a result of the tremendous rain and hail storms that recently swept through that area, and in South Dakota as a result of flooding.

Also, and more recently, the specter of the Mississippi River's recent cresting and the snowpacks melting in California reinforces the urgency for this timely assistance. I note with trepidation and concern that tornado season in the South and Midwest, and hurricane season in the Gulf and East Coast States will both soon be here.

In addition to this year's disasters, this funding will also go to continue or closeout the disaster assistance accounts in 40 other States for over 280 separate Federal disaster assistance obligations.

I understand President Clinton has said he will veto this bill. I welcome the recent comments by Chairman HATFIELD and Chairman LIVINGSTON which would indicate at the very least a willingness to work toward providing this needed relief. I urge the administration and the leadership of both parties to work together toward a speedy resolution of the impasse we will soon face.

I fully support efforts to cut spending and reduce the deficit and look forward to working with my colleagues in the future toward that end. However, there are other vehicles for deficit reduction; we spent most of this week on the fiscal year 1996 budget resolution. Very soon we will also begin considering the fiscal year 1996 appropriations bills. I respectfully submit to my colleagues that these are the proper vehicles for controlling spending and deficit reduction and I pledge to work with them at the appropriate time to make those difficult decisions.

Let me reiterate that this is a national disaster relief bill. Now is the time for the Congress to come through for Americans who have been affected by national disasters. Let us not allow this obligation to get mired down in partisan bickering over which programs to cut and when to cut them. We will have the opportunity to make these cuts later; this emergency assistance, however, cannot wait.

I urge my colleagues to pass this conference report and to work with the administration toward formulating a disaster assistance bill that can both pass the Congress and be signed by the President.

Mr. LEAHY. Mr. President, today the Senate passed the conference report on the emergency supplemental and rescission bill. Some of the cuts in the report were well deserved. The emergency relief for California and Oklahoma is certainly much needed. But you do not buy a horse because it has two good legs, and I will not vote for a rescission bill whose cuts have such a lopsided affect on low- and middle-income Americans. There is a better way to cut spending.

Last month I supported the Senate in overwhelmingly passing a rescission bill that, while far from perfect, put the emphasis of cuts where it should be, on pork not the poor. The Senate bill included cuts to earmarked courthouse construction, American subsidized broadcasting to Europe—a hard program to support when public broadcasting at home is being cut, and unused funding for transportation projects.

The House cuts had a much different focus, a focus that unfortunately the conference report has adopted. The conference package cuts $319 million from low-income fuel assistance pro grams, $113 million—five times the Senate level of cuts—to low-income education programs, and $1.5 billion more than the Senate proposed in cuts to assisted housing programs. Affordable housing took the biggest cut, with the conference report rescinding $7 billion from Department of Housing and Urban Development—30 percent of this year's budget.

These cuts are not equitable, they are not fair to working American families, they are not the cuts the Senate voted for on April 6. I hope that there will be an opportunity to return the focus of this rescission bill to the programs that the Senate bill targeted. The disaster victims need the assistance the supplemental will provide. Let us get it to them without making victims of middle-class American families.

Mr. DORGAN. Mr. President, regrettably, I do not support the conference agreement before us today. While it cuts this year's funding by $16.4 billion, and adds new spending for the California earthquake, other disasters and the Oklahoma City catastrophe, it misses the target on some very fundamental issues. I support cutting spending and reducing the deficit. But the cuts in this bill are in the wrong programs and in the wrong amounts.

Mr. President, I voted for this bill when it originally passed the Senate. I did so because immediately before final passage a carefully crafted bipartisan amendment by Senators DOLE and DASCHLE was adopted to restore some money for certain critical health, education, and training programs that had been deeply cut in the bill.

Unfortunately, Mr. President, the Dole-Daschle amendment was gutted by the conferees. This bill now rescinds $813 million in education funding, almost three times the amount that was included in the original Senate bill. It cuts education reform programs, it cuts student loan programs, and it cuts money to keep schools safe and kids off of drugs. That is simply unacceptable. What could be a higher national priority than investing in our kids? How can we say on the one hand that drugs in our schools have reached epidemic proportions, and on the other hand cut funding for the Safe and Drug Free Schools Program? These cuts just do not meet the commonsense test, and I think most Americans will agree.

Equally disturbing to me is the amount of funding that was cut from training programs. These cuts total $1.4 billion. The bill makes deep cuts in the Youth Job Training Program, the Youth Unemployment Program, and the School-to-Work Program. These are programs that help disadvantaged kids obtain the skills they will need to move into the work force and become productive citizens.

How can we in good conscience support big cuts in programs for children from struggling families in order to pay for tax cuts for the wealthy? I do not think average Americans support these reductions. I think they would prefer that we close corporate tax loopholes rather than eliminate the helping hand low-income youth might need to have a brighter future. I think they would rather have us spend $1 billion on youth training programs than $50 billion on star wars. I think the average American family would rather have us spend money to keep poor seniors from freezing in the winter than paying for some Member's pork project.

There also appears to be a hidden agenda in this bill. Rather than earmarking all the spending cuts in the bill for deficit reduction, there are $50 billion in long-term savings that are not set aside for that purpose. The motive of Republican tax cut proponents is clear. They want that money to finance a big tax cut package for the affluent.

Because I think this conference agreement establishes the wrong set of spending priorities and does not use all the savings for deficit reduction, I am pleased that the President has threatened to veto it. We start over, we can produce a better product.

The President has sent us his guidelines for a package of cuts he will support. His proposal has deeper spending cuts than are contained in this bill. But his priorities are different. He would restore money for education, training, health, veterans and poor pregnant women. And he would pay for spending on these programs by cutting funding for Federal buildings, government travel, and highway projects.

The President wants us to continue to invest in people, not pork. I happen to share that view. Investing in our people, especially in kids who are at risk of falling through the cracks of the social safety net, is the value system I want to represent, and those are the values I believe most Americans support.

Ms. MIKULSKI. Mr. President, I rise in opposition to the Conference Report on H.R. 1158. While I am a strong supporter of deficit reduction, I am opposed to the precedent of requiring large budget cuts in order to pay for emergency disaster relief. In addition, I believe this bill undermines programs which make the investments in our Nation's future. In addition, my own State of Maryland suffers a disproportionate share of the rescissions which will have a negative impact on Maryland's economy. For these reasons, I am opposed to this bill.

The conference report made a very deep cut in funding for the consolidation of the Food and Drug Administration facilities in Montgomery County, MD. The conferees' decision to rescind $228 million will delay the consolidation of FDA facilities which are in desperate need of modernization. I believe that modernizing the FDA is a national priority that is vital to protecting public health and safety and improving the regulatory capability of this agency.

This conference report also makes significant cuts in the VA/HUD Subcommittee budget in order to pay for disaster funding for Northridge, CA and Oklahoma City. It is wrong to require programs within the jurisdiction of single appropriations subcommittee to bear the costs of funding national disasters. Funding assistance for national disasters is a national responsibility requiring everyone to contribute.

During the Senate's consideration of H.R. 1158, I offered an amendment that would have made an across-the-board cut in discretionary spending to pay for disaster relief in a more equitable manner. Unfortunately, this amendment was defeated.

As the flood waters once again rise throughout the Midwest, we are reminded of the need to establish a rainy day fund to prepay the costs of disaster relief. Our failure to establish such a fund is costing VA-HUD programs $8.5 billion—over 10 percent of all the funds appropriated for VA-HUD programs in FY 1995.

The conference agreement also nearly triples the Senate-passed rescissions for education programs and doubles the amount of funding rescinded for national service. These programs represent the kind of strategic investments that I believe we have to make if we are to prepare future generations for the 21st century.

While the conferees did recognize the value and need of moving forward with this project in the future, I will continue to fight for FDA consolidation despite the rescission contained in this bill.

For these reasons, Mr. President, I am opposed to the conference report to H.R. 1158.

CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 13, which the clerk will report

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The Senate proceeded to consider the concurrent resolution.

AMENDMENT NO. 1168

(Purpose: To allow the shift of up to $1 billion from wasteful bureaucratic overhead and wasteful procurement in the military budget for use in strengthening enforcement of immigration laws)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of Senator LAUTENBERG and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. LAUTENBERG, proposes an amendment numbered 1168.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 68, add at the end of line 12 the following: "In addition, paragraph (1)(B) of this section shall not apply to legislation that proposes to eliminate up to $1,000,000,000 from wasteful bureaucratic overhead and wasteful procurement in the military budget, and to apply the resulting savings for use in strengthening enforcement of immigration laws.".

Mr. LAUTENBERG. Mr. President, this amendment would allow the shift of up to $1 billion from wasteful bureaucratic overhead and procurement in the military budget, for use in fighting illegal immigration.

Let me take a moment and explain why the amendment is needed.

Mr. President, this budget resolution proposes to reestablish a so-called firewall that will give special protection to the military budget—protection not provided to any other program in the entire Government. Under this provision, a majority of the Senate would be blocked from shifting funds from the military budget for use in meeting domestic needs here at home. The only way to waive the prohibition would be to obtain a supermajority of 60 votes.

Mr. President, I strongly object to this supermajority vote requirement. In my view, if a majority of the Senate thinks it's more important to address a particular domestic problem than to spend more money on the Pentagon bureaucracy, or on an outdated weapon system, a majority ought to have that right.

Unfortunately, the Senate seems determined to establish a firewall for the military budget. And so it seems inevitable that the firewall will indeed be erected. However, I am hopeful that my colleagues will agree to reasonable exceptions to allow the transfer of funds for particularly compelling purposes.

The premise of my amendment, Mr. President, is that fighting illegal immigration is one such compelling purpose.

Mr. President, illegal immigration is rampant in this country. Some estimates show that 300,000 illegal immigrants come to this country each year. Despite its past admirable work, the Immigration and Naturalization Service is woefully understaffed and underfunded.

We need more border patrol agents to stop illegal immigration and other INS officials to help deport those who are living in this country illegally.

Mr. President, illegal immigration is a major problem. Ask State and local officials from California, Texas, Florida, New York, and New Jersey about the toll that illegal immigration takes on their economies and local services.

Mr. President, at a minimum a majority of the Senate ought to be free to provide up to $1 billion into fighting illegal immigration, if we can identify savings from military spending that the Senate agrees is wasteful.

I urge my colleagues to support the amendment.

Mr. EXON. Mr. President, this amendment will allow the transfer of up to $1 billion from the wasteful bureaucratic overhead and wasteful procurement in the military budget for use in strengthening enforcement of the immigration laws without the 60-vote point of order that would otherwise apply to such transfer.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, this amendment exempts legislation, which would transfer $1 billion from defense to immigration, from the point of order for breaching the nondefense firewall.

This amendment is not germane and is subject to a point of order. Therefore, I make a point of order, Mr. President.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I understand there are about 54 amendments, but only about 30 will require rollcall votes. I thought maybe we would do 20 today and 10 tomorrow—whatever is left tomorrow—and still try to accommodate the President on the antiterrorism bill. But it is going to be very difficult to do that. As long as he understands why we cannot do it, I assume he will not hold me responsible. We do not want to do all these today, we have so many.

Mr. DOMENICI. Mr. President, pursuant to an agreement I had made with the minority, I withdraw my point of order at this point. Therefore, we will be voting up or down on the Lautenberg amendment, which is what I indicated a moment ago.

Mr. EXON. Have the yeas and nays been ordered? I ask for the yeas and nays, if they have not been ordered.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1168, offered by the Senator from New Jersey [Mr. LAUTENBERG]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The result was announced—yeas 31, nays 68, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—31

Akaka
Baucus
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Daschle
Dodd
Feingold
Feinstein
Ford
Graham
Harkin
Hatfield
Hollings
Kennedy
Kerry
Kohl
Lautenberg
Levin
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—68

Abraham
Ashcroft
Bennett
Biden
Bingaman
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Dorgan
Exon
Faircloth
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Murray
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mikulski

So the amendment (No. 1168) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1169

(Purpose: To allow the shift of up to $2 billion from wasteful bureaucratic overhead and wasteful procurement in the military budget for use in addressing the problem of domestic violence)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. LAUTENBERG, for himself and Mr. WELLSTONE, proposes an amendment numbered 1169.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 68, add at the end of line 12 the following: "In addition, paragraph (1)(B) of this section shall not apply to legislation that proposes to eliminate up to $2,000,000,000 from wasteful bureaucratic overhead and wasteful procurement in the military budget, and to apply the resulting savings for use in addressing the problem of domestic violence."

Mr. LAUTENBERG. Mr. President, this amendment would allow the shift of up to $2 billion from wasteful bureaucratic overhead and procurement in the military budget, for use in addressing the problem of domestic violence.

Mr. President, this budget resolution proposes to reestablish a so-called firewall that will give special protection to the military budget—protection not provided to any other program in the entire Government. Under this provision, a majority of the Senate would be blocked from shifting funds from the military budget for use in meeting domestic needs here at home. The only way to waive the prohibition would be to obtain a supermajority of 60 votes.

This supermajority vote requirement, in my view, is wrong. As I see it, if a majority of the Senate believes it's more important to address a particular domestic problem than to lavish more money on the Pentagon bureaucracy, or on an unnecessary weapons system, a majority ought to have that right.

Unfortunately, the Senate seems determined to establish a firewall for the military budget. And so it seems inevitable that the firewall will indeed be erected. However, I am hopeful that my colleagues will agree to reasonable exceptions to allow the transfer of funds for particularly compelling purposes.

Mr. President, fighting domestic violence deserves to be a very high priority.

Mr. President, every 12 seconds, a woman is battered in the United States. Each year, over 4,000 women are killed by their abusers.

Mr. President, domestic violence has reached crisis proportions. And we have got to do—it is critical that we do everything possible to respond.

Mr. President, I know that many of my Republican colleagues do not believe that there is any waste in the Pentagon budget. I think they are wrong. But even if they are not yet convinced, I hope they will support the amendment. Under my proposal, it will be up to the Senate to decide whether any particular item of military spending is wasteful. That is a judgment that a majority of Senators should be allowed to make in the future. Also, the amendment limits transfers to $2 billion, which represents less than 1 percent of the military budget.

So, Mr. President, this amendment poses this question to my colleagues: Whose side are you on? Do you want to support wasteful bureaucratic overhead at the Pentagon? Or do you want to stand with America's women, and support the fight against domestic violence?

I think it is an easy choice. And I hope my colleagues agree.

Mr. EXON. Mr. President, this amendment would allow the transfer of up to $2 billion from the wasteful bureaucratic overhead and wasteful procurement in the military budget for use in addressing the problems of domestic violence without the 60 vote point of order that would otherwise apply to such a transfer.

Mr. DOMENICI. Mr. President, I have a little different interpretation. So I would like to state it. This legislation would transfer $2 billion out of the Department of Defense. We have no assurance what it would be used for, but it would be transferred out of Defense.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 26, nays 73, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—26

Akaka
Biden
Boxer
Bradley
Daschle
Dodd
Feingold
Feinstein
Harkin
Hatfield
Jeffords
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murray
Pell
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—73

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Dorgan
Exon
Faircloth
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mikulski

So the amendment (No. 1169) was rejected.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 1170

(Purpose: Expressing the sense of the Senate regarding the nutritional health of children)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of Senator LEAHY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. LEAHY, for himself, Mr. HARKIN, and Mr. BAUCUS, proposes an amendment numbered 1170.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE NUTRITIONAL HEALTH OF CHILDREN.

(a) FINDINGS.—Congress finds that—

(1) Federal nutrition programs, such as the school lunch program, the school breakfast program, the special supplemental nutrition program for women, infants, and children (referred to in this section as "WIC"), the child and adult care food program and others, are important to the health and well-being of children;

(2) participation in Federal nutrition programs is voluntary on the part of States, and the programs are administered and operated by every State;

(3) a major factor that led to the creation of the school lunch program was that a number of the recruits for the United States armed forces in World War II failed physical examinations due to problems related to inadequate nutrition;

(4)(A) WIC has proven to be extremely valuable in promoting the health of newborn babies and children; and

(B) each dollar invested in the prenatal component of WIC has been shown to save up to $3.50 in medicaid costs related to medical problems that arise in the first 90 days after the birth of an infant;

(5) the requirement that infant formula be purchased under a competitive bidding system under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) saved $1,000,000,000 in fiscal year 1994 and enabled States to allow 1,600,000 women, infants, and children to participate in WIC at no additional cost to taxpayers; and

(6) a balanced Federal budget will provide economic benefits to children alive today and to future generations of Americans.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumptions that—

(1) schools should continue to serve lunches that meet minimum nutritional requirements based on tested nutritional research;

(2) the content of WIC food packages for infants, children, and pregnant and postpartum women should continue to be based on scientific evidence;

(3) the competitive bidding system for infant formula under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) should be maintained;

(4) foods of minimum nutritional value should not be sold in competition with school lunches in the school cafeterias during lunch hours;

(5) some reductions in nutrition program spending can be made without compromising the nutritional well-being of program recipients;

(6) in complying with the reconciliation instructions in section 6 of this resolution, the Committee on Agriculture, Nutrition, and Forestry of the Senate should take this section into account; and

(7) Congress should continue to move toward fully funding the WIC program.

Mr. LEAHY. Mr. President, I think this has wide bipartisan support. Basically this says we will continue the nutrition guidelines that this Senate has voted for many times, feeding programs, and will require competitive bidding in the sale of infant formula on WIC programs.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment, No. 1170.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 206 Leg.]

YEAS—99

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NOT VOTING—1

Mikulski

So the amendment (No. 1170) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1171

(Purpose: To express the sense of the Senate that Federal funding of law enforcement programs should be maintained, Federal funding for the violent crime reduction trust fund should not be reduced, and for other purposes)

Mr. EXON. Mr. President, in behalf of Senator LEAHY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. LEAHY, proposes an amendment numbered 1171.

The amendment is as follows:

At the end of title III of the resolution, add the following new section:

SEC. . SENSE OF THE SENATE ON MAINTAINING FEDERAL FUNDING FOR LAW ENFORCEMENT.

(a) FINDINGS.—The Senate finds that—

(1) Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security;

(2) law enforcement officers deserve our appreciation and support;

(3) law enforcement officers and agencies are under increasing attacks, both to their physical safety and to their reputations;

(4) on April 7, 1995, the Senate passed S.J. Res. 32 in which the Senate recognizes the debt of gratitude the Nation owes to the men and women who daily serve the American people as law enforcement officers and the integrity, honesty, dedication, and sacrifice of our Federal, State, and local law enforcement officers;

(5) the Nation's sense of domestic tranquility has been shaken by explosions at the World Trade Center in New York and the Murrah Federal Building in Oklahoma City and by the fear of violent crime in our cities, towns, and rural areas across the Nation;

(6) Federal, State, and local law enforcement efforts need increased financial commitment from the Federal Government and not the reduction of such commitment to law enforcement if law enforcement officers are to carry out their efforts to combat violent crime; and

(7) on April 5, 1995, and May 18, 1995, the House of Representatives has nonetheless voted to reduce $5,000,000,000 from the Violent Crime Reduction Trust Fund in order to provide for tax cuts in both H.R. 1215 and H. Con. Res. 67.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts should be maintained and funding for the Violent Crime Reduction Trust Fund should not be reduced by $5,000,000,000 as the bill and resolution passed by the House of Representatives would require.

Mr. EXON. Mr. President, this amendment by Senator LEAHY was explained in some detail but not fully during our limited debate.

Simply stated, this amendment corrects the House money removed from the antiterrorism and violent crime trust fund to be used for a tax cut. In light of the Oklahoma bombing and the increased terrorist threat, this amendment says we should put back the money that was taken out by the House.

Mr. LEAHY. Mr. President, I have discussed this with the managers. I know their concern in moving forward. I do not think anybody is going to oppose this, and I would accept a voice vote.

Mr. DOMENICI. I thank the Senator. This is in the Senate package, and actually we will accept it without a rollcall vote.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 1171) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I wish to thank—I am sure I would be joined by my colleague—Senator LEAHY for his offer. We are moving much faster than we had anticipated because we are cooperating.

AMENDMENT NO. 1172

(Purpose: To provide for additional Medicare payment safeguards)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. HARKIN, proposes an amendment numbered 1172.

The amendment is as follows:

On page 77, between lines 3 and 4, insert the following:

SEC. . MEDICARE SAFEGUARDS COMPLIANCE INITIATIVE.

(a) ADJUSTMENTS.—

(1) IN GENERAL.—For purposes of points of order under the Congressional Budget and Impoundment Control Act of 1974 and concurrent resolutions on the budget—

(A) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each out-year;

(B) the allocations to the Committees on Appropriations of the Senate and House of Representatives under sections 302(a) and 602(a) of that Act;

(C) the levels for the major functional categories that are appropriate and the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget; and

(D) the maximum deficit amount under section 601(a)(1) of that Act (and that amount as cumulatively adjusted) for the current fiscal year,

shall be adjusted to reflect the amount of additional new budget authority or additional outlays (as defined in paragraph (2)) reported by the Committees on Appropriations of the Senate and the House of Representatives in appropriation Acts (or by the committee of conference on such legislation) for the Health Care Financing Administration medicare payment safeguards programs (as compared to the base level of $396,300,000 for new budget authority) that the Congressional Budget Office has determined will result in a return on investment to the Government of at least 4 dollars for each dollar invested.

(2) ADDITIONAL AMOUNTS.—As used in this section, the term "additional new budget authority" or "additional outlays" (as the case

may be) means, for any fiscal year, budget authority in excess of $396,300,000 for payment safeguards, but shall not exceed—

(A) for fiscal year 1996, $50,000,000 in new budget authority and $50,000,000 in outlays;

(B) for fiscal year 1997, $55,000,000 in new budget authority and $55,000,000 in outlays;

(C) for fiscal year 1998, $60,000,000 in new budget authority and $60,000,000 in outlays;

(D) for fiscal year 1999, $65,000,000 in new budget authority and $65,000,000 in outlays;

(E) for fiscal year 2000, $70,000,000 in new budget authority and $70,000,000 in outlays;

(F) for fiscal year 2001, $75,000,000 in new budget authority and $75,000,000 in outlays; and

(G) for fiscal year 2002, $75,000,000 in new budget authority and $75,000,000 in outlays;

(b) REVISED LIMITS, ALLOCATIONS, LEVELS, AND AGGREGATES.—Upon reporting of legislation pursuant to paragraph (1), and again upon the submission of the conference report on such legislation in either House (if a conference report is submitted), the chairman of the Committees on the Budget of the Senate and the House of Representatives shall file with their respective Houses appropriately revised—

(1) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each out-year;

(2) the allocations to the Committees on Appropriations of the Senate and the House of Representatives under sections 302(a) and 602(a) of that Act; and

(3) the levels for the appropriate major functional categories that are appropriate and the appropriate budgetary aggregates in the most recently agreed to concurrent resolutions on the budget;

to carry out this subsection. These revised discretionary spending limits, allocations, functional levels, and aggregates shall be considered for purposes of congressional enforcement under that Act as the discretionary spending limits, allocations, functional levels, and aggregates.

(c) REPORTING REVISED ALLOCATIONS.—The Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

(d) APPLICATION OF SECTION.—This section shall not apply to any additional budget authority or additional outlays unless—

(1) in the Senate, the chairman of the Budget Committee certifies, based on the information from the Congressional Budget Office, the General Accounting Office, the Health Care Financing Administration (as well as any other sources deemed relevant), that such budget authority or outlays will not increase the total of the Federal budget deficits over the next 5 years; and

(2) any funds made available pursuant to such budget authority or outlays are available only for the purpose of carrying out Health Care Financing Administration payment safeguards.

Mr. EXON. Mr. President, the General Accounting Office and the Health and Human Services inspectors general have found Medicare losses in billions of dollars every year because of the inadequate payment safeguards like audits and computer checks. Every dollar of investment in payment of safeguards saves $11 according to the GAO.

In order to increase efforts to cut Medicare waste, the amendment provides an exclusion from the domestic discretionary caps only for increases above current spending levels for Medicare payment safeguards. This would occur only if the CBO finds that they will provide at least a 4-to-1 return on investment. A limit is set at $50 million in fiscal year 1996, rising to $100 million in fiscal 2002.

It cannot be used as a loophole to provide for any other kind of additional spending.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I believe we should turn this amendment down. This once again increases spending for a special purpose. We denied that for the IRS as to others taking it off budget.

That is essentially what this would do.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the amendment of the Senator from Iowa. On this question, the yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 63, nays 36, as follows:

[Rollcall Vote No. 207 Leg.]

YEAS—63

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Brown
Bumpers
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feingold
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—36

Akaka
Biden
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1172) was agreed to.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 1173

(Purpose: Sense of the Senate regarding the need to enact long-term care reforms to achieve lasting deficit reduction)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of Senator FEINGOLD.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. FEINGOLD, for himself, Mr. GRAHAM, Mr. WELLSTONE, and Mr. SIMON, proposes an amendment numbered 1173.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, insert the following new section:

SEC. . NEED TO ENACT LONG TERM HEALTH CARE REFORM.

It is the Sense of the Senate that the 104th Congress should enact fundamental long-term health care reform that emphasizes cost-effective, consumer oriented, and consumer-directed home and community-based care that builds upon existing family supports and achieves deficit reduction by helping elderly and disabled individuals remain in their own homes and communities.

Mr. EXON. Mr. President, Senator FEINGOLD's amendment requests the sense of the Senate that the 104th Congress should enact fundamental long-term health care reform that emphasizes cost-effective home and community-based care and achieves deficit reduction by helping elderly and disabled individuals remain in their homes and communities.

I believe this amendment has possibly been agreed to and possibly could be handled by a voice vote.

Mr. DOMENICI. Mr. President, our priority in this budget is ensuring the short- and long-term solvency of Medicare, not necessarily restructuring the entire health care system. But I am willing to accept the amendment.

Mr. EXON. Mr. President, I thank the majority and I thank Senator FEINGOLD.

I ask that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1173) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1174

(Purpose: To express the sense of the Senate regarding losses to Medicare and Medicaid and other health programs due to disease and disability caused by tobacco products)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of Senator HARKIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. HARKIN, for himself and Mr. LAUTENBERG, proposes an amendment numbered 1174.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING LOSSES CAUSED BY USE OF TOBACCO PRODUCTS.

(a) FINDINGS.—The Senate finds that—

(1) the Centers for Disease Control and Prevention estimates that tobacco products impose a $20,000,000,000 cost per year on Federal health programs like medicare and medicaid through tobacco-related illnesses;

(2) tobacco products are unlike any other product legally offered for sale because even when used an intended they cause death and disease; and

(3) States such as Florida, Mississippi, Minnesota, and West Virginia are currently taking action to recover State costs associated with tobacco-related illnesses.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any proposal by the Committee on Finance of the Senate to reduce Federal spending on medicare and medicaid as required by Senate Concurrent Resolution 13 should include a proposal to recover from tobacco companies a portion of the costs their products impose on American taxpayers and Federal health program including medicare and medicaid.

Mr. EXON. Mr. President, a brief summary of the amendment offered by the Senator from Iowa would indicate that it is the sense of the Senate that any proposal by the Finance Committee to reduce spending on Medicare and Medicaid should include a proposal to recover from the tobacco companies a portion of the cost of their products imposed on Medicare and Medicaid and other Federal health programs. The Center for Disease and Prevention estimates that products sold by tobacco companies impose $200 billion a year on Medicare and Medicaid and other Federal health programs through tobacco-related illnesses.

The adoption of this amendment would put the Senate on record in support of the efforts to have tobacco companies pay a portion of the costs of their products imposed on American taxpayers and the Medicare and Medicaid Programs.

Mr. DOMENICI. Mr. President, I am just going to make a statement, then I will yield the floor.

Mr. President, I say to Senator EXON, I have been kind of patient in letting him just read what any Senator has to say. It is getting more and more like a speech. It was supposed to be a little brief statement of purpose.

I hope we can kind of work together and keep it to a statement of purpose in the future, or we will have to have somebody debate the issue on each one for an equal amount of time, and we do not want to do that.

I yield the floor.

Mr. FORD. Mr. President, this is a $140 billion tax increase. Therefore, on behalf of myself, Senator ROBB, Senator HOLLINGS, Senator HELMS, Senator MCCONNELL, Senator FAIRCLOTH, Senator COVERDELL, Senator THOMPSON, Senator WARNER, Senator FRIST, and Senator THURMOND, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky [Mr. FORD] to table the amendment of the Senator from Iowa [Mr. HARKIN]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 208 Leg.]

YEAS—68

Abraham
Ashcroft
Bennett
Bingaman
Bond
Breaux
Brown
Bumpers
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Exon
Faircloth
Ford
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—31

Akaka
Baucus
Biden
Boxer
Bradley
Bryan
Byrd
Chafee
Conrad
Dorgan
Feingold
Feinstein
Graham
Harkin
Hatfield
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Moseley-Braun
Murray
Pell
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1174) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, let me remind my colleagues that we do have 10 minutes—1 minute for the explanation, 9 minutes for the vote. I want to accommodate everybody, but if we are going to finish this at a reasonable time, we are going to have to stick to the 9 minutes. I just give that alert to people. Nobody wants to miss a vote. I do not want anybody to miss a vote. Some people would like to be out of here late tonight or early tomorrow.

AMENDMENT NO. 1175

(Purpose: To restore funding to Medicare)

Mr. EXON. Mr. President, on behalf of Senator JOHNSTON, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. JOHNSTON, for himself, Mr. BIDEN, Mr. REID, Mr. SARBANES, Ms. MIKULSKI and Mr. BREAUX, proposes an amendment numbered 1175.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, delete lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues and/or increases funding for the Medicare trust fund not to exceed the following amounts:

"(1) with respect to fiscal year 1996, $12,000,000,000 in outlays;

"(2) with respect to fiscal year 1997, $22,000,000,000 in outlays;

"(3) with respect to fiscal year 1998, $24,000,000,000 in outlays;

"(4) with respect to fiscal year 1999, $28,000,000,000 in outlays;

"(5) with respect to fiscal year 2000, $28,000,000,000 in outlays;

"(6) with respect to fiscal year 2001, $28,000,000,000 in outlays;

"(7) with respect to fiscal year 2002, $28,000,000,000 in outlays provided that, if CBO scores this surplus differently, then the numbers provided above shall be increased or decreased proportionally.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974; budgetary aggregates; and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d)."

Mr. EXON. Mr. President, Senator JOHNSTON's amendment would allow the $170 billion fiscal dividend to be used for either a tax cut or restoring cuts in Medicare.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. This will be one of those amendments where a big portion of the reserve fund will be spent. I do not think we ought to do that. I think we ought to leave it as it came out of the committee, as a reserve. It is subject to a point of order for the same reasons and subject to the same provisions of the Budget Act. I raise the point of order against the amendment.

Mr. EXON. Pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the act for consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 42, nays 57, as follows:

[Rollcall Vote No. 209 Leg.]

YEAS—42

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—57

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mikulski

The PRESIDING OFFICER. On this question, the yeas are 42, the nays are 57. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1176

(Purpose: To restore funding for our national parks by using amounts set aside for a tax cut)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. REID, proposes an amendment numbered 1176.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $1,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on our national parks system by restoring funding for rehabilitation, restoration, and park maintenance.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (a).".

Mr. EXON. Mr. President, a brief description of Senator REID's amendment, which would restore $1 billion in funding to the National Park System to alleviate the devastating more than $2 billion backlog of needs.

These funds would be drawn from the $170 billion fiscal dividend.

Mr. DOMENICI. Mr. President, this is another effort to divert the reserve fund. There is no assurance how the money would be used, regardless of what the resolution says.

I raise a point of order, subject to a point of order on the Budget Act.

Mr. EXON. Mr. President, as previously stated on numerous occasions, I move to waive the Budget Act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 46, nays 53, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mikulski

The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The point of order is sustained. The amendment falls.

The Senator from Nebraska.

AMENDMENT NO. 1177

(Purpose: To restore funding for water infrastructure grants)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of Mr. SARBANES, for himself, Senators LIEBERMAN, MIKULSKI, and KERRY, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SARBANES, for himself, Mr. LIEBERMAN, Ms. MIKULSKI, and Mr. KERRY, proposes an amendment numbered 1177.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the revenue and spending aggregates may be revised and other appropriate budgetary allocations, aggregates, and levels may be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues, and legislation that will provide $10,805,000,000 to the Environmental Protection Agency to administer federal grants for water infrastructure programs in the following manner:

"(1) with respect to fiscal year 1996, $962,000,000 in budget authority and 42,000,000 in outlays;

"(2) with respect to fiscal year 1997, $1,962,000,000 in budget authority and $346,000,000 in outlays;

"(3) with respect to fiscal year 1998, $2,462,000,000 in budget authority and $920,000,000 in outlays;

"(4) with respect to fiscal year 1999, $2,962,000,000 in budget authority and $1,679,000,000 in outlays;

"(5) with respect to fiscal year 2000, $2,962,000,000 in budget authority and $2,291,000,000 in outlays;

"(6) with respect to fiscal year 2001, $2,962,000,000 in budget authority and $2,679,000,000 in outlays; and

"(7) with respect to fiscal year 2002, $2,962,000,000 in budget authority and $2,798,000,000 in outlays.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974; discretionary spending under section 201(a) of this resolution; and budgetary aggregates and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction calculated under subsection (d)."

Mr. SARBANES. Mr. President, the budget resolution we are debating today assumes that Federal grants for sewage treatment construction and safe drinking water infrastructure would be phased out over the next 3 years. If approved, this proposal would end the Federal Government's 20-year commitment to assist cities and towns in cleaning up our Nation's waters. My amendment would restore these funds—funds which are absolutely vital to State and local Government's efforts to meet water quality standards under the Clean Water Act.

Since 1972—when we passed into law the Clean Water Act—Congress has provided grants to States to help local governments meet water quality standards. These Federal dollars are used to capitalize what are known as State revolving funds or loan programs. Under these revolving funds, States provide low-interest construction loans to cities and towns to construct and improve wastewater treatment facilities. These grants have been a centerpiece in our efforts to reduce point source water pollution—the pollution that comes from sewer pipes and industrial wastewater pipes. They have also been instrumental in once again making many of the rivers, lakes, and estuaries in this country fishable and swimmable.

In my home State of Maryland, these moneys, together with millions of dollars in State funds, have been a key to efforts to improve water quality and restore living resources in the Chesapeake Bay—the largest estuary in the United States and Maryland's most valuable resource. We still have a long way to go, however, before the water quality of the bay is sufficient to sustain viable populations of many fish, shellfish, and bird species. Maryland has been counting on its State revolving fund as one of its primary mechanisms for reaching the water quality goals that it and the other Chesapeake Bay Agreement signatories made for the bay. In Maryland, the State revolving fund is used to upgrade treatment facilities, correct failing septic systems, retrofit urban areas with stormwater management facilities, and restore degraded stream systems impacted from stormwater runoff from developed and agricultural areas. All of these improvements have a direct impact on the water quality of the Chesapeake Bay and its living resources.

This budget resolution eliminates grants to State revolving funds. it phases them out over the next 3 years, leaving State and local governments on their own to come up with the funds for adequate wastewater infrastructure and setting back our efforts to clean up the approximately 40 percent of the Nation's water bodies that are still impaired. Even the rewrite of the Clean Water Act that passed the House last week—which in my judgment would gut some of the most important clean water programs provided for in current law—continues funding for sewage treatment State revolving funds through the year 2000.

The burden of this budget proposal places on State and local governments is staggering. EPA estimates that over $137 billion are still needed to achieve waste treatment objectives nationwide. The State of Maryland estimates that its water infrastructure needs over the next 5 years are nearly 10 times the proposed funding level in the budget resolution.

This proposed cut would also adversely impact the labor market, eliminating approximately 100,000 construction related jobs over 5 years, and an additional 200,000 jobs over the next 20 years. It would also jeopardize U.S. commitments to the environmental provisions of bilateral agreements that call for investment in water infrastructure in the United States-Mexico border area.

Mr. President, water pollution is an interstate problem that demands a Federal response. Water from six States flows into the Chesapeake Bay. Even if Maryland had the resources to complete construction of all needed wastewater infrastructure, the Chesapeake Bay cleanup efforts will only be successful if similar investments are made in the five other States in the Chesapeake Bay watershed. Without Federal assistance, however, it is unlikely that the upstream States will make a substantial investment in the water quality of the bay. The Congress understood the interstate dynamic of pollution in 1972 when a bipartisan majority passed the Clean Water Act and began funding waste treatment infrastructure. We seem to have forgotten this lesson.

This budget resolution also phases out on the same schedule all Federal funding for grants to assist local governments in improving drinking water quality. Municipalities need significant resources to comply with drinking water standards to prevent the serious adverse health effects that can and do occur from drinking water contamination. In 1993—just 2 years ago—100 people died and over 400,000 fell ill from a bacteria outbreak in the public water supply in Milwaukee, WI. The Congress appropriated money last year for the very first time to prevent problems like this from happening in the future. Mr. President, I remind my colleagues that we appropriated these funds to save the lives of Americans; to prevent illness and disease. This is not pork. This is not a make-work public work project. It is an investment in the health of Americans and in a clean environment.

Mr. President, balancing the budget should not, and need not, come at the expense of human health or a clean environment. The amendment I offer today is deficit neutral and will restore water infrastructure grants, including money for the clean water, and drinking water State revolving loan funds for the next 7 years at 1995 levels. I urge my colleagues' support for this amendment to continue this country's investment in clean water and safe drinking water.

I ask unanimous consent that a letter from the Maryland Department of the Environment be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARYLAND DEPARTMENT
OF THE ENVIRONMENT,
Baltimore, MD, May 19, 1995.

Hon. PAUL S. SARBANES,
Senate Office Building,
Washington, DC.

DEAR SENATOR SARBANES: This letter is to bring an urgent matter to your attention and to request your immediate assistance in amending the Senate Budget Resolution in order to continue the State Revolving Loan Fund authorizations through the year 2000, as opposed to the current language which phases out the program in three years.

This environmental financing mechanism is the largest and only source of funds, other than some very small State grant programs, now available to local governments struggling to meet the demands of providing adequate infrastructure and protecting surface and groundwater resources.

In addition, the State of Maryland faces the special challenge of working to restore the Chesapeake Bay and its tributaries together with its neighboring jurisdictions and the federal government. Without this funding mechanism, Maryland will not be able to fulfill its commitment to reduce pollution to the Bay by the year 2000, as agreed to by the signatories of the Chesapeake Bay Agreement.

Maryland has been particularly aggressive in establishing and maximizing its Revolving Loan Fund by leveraging federal and state funds through the sale of revenue bonds. However, as described below, the needs will continue to exceed the availability of funds for many years to come.

The 1994 Annual Needs Survey conducted by the Maryland Department of the Environment documents $1.26 billion in wastewater projects needed to: correct areas of failing septic systems; eliminate excess inflow and infiltration into sanitary collection systems; upgrade treatment facilities to meet water pollution control standards; and accommodate planned development in designated growth areas across the State.

The Survey also identified over $30 million in projects to retrofit existing urban areas with stormwater quality management facilities and to restore degraded stream systems impacted by stormwater runoff from developed and agricultural areas. These types of projects can be financed through the Maryland Revolving Loan Fund.

In addition, the Department estimates that there is a need for over $500 million to remediate existing municipal landfills, in order to restore and protect water quality, which is also fundable through the Revolving Loan Fund.

This represents a total need of about $1.8 billion for water quality improvements in the State. The Senate Resolution proposes a total of $3.5 billion nationally over the next three years, after which no appropriations are provided. Of this amount, Maryland would receive $76 million over the three years, assuming an allocation of 2.1867%. Fully leveraging these federal grants and state match will generate approximately $180 million for loans to local governments. Even when the portion of the program now revolving is added, only another $24 million is generated over this three year period. Thus our needs are nearly ten times the proposed funding level in the Senate Resolution.

Not to extend the authorization of the federal revolving loan funds through the year 2000 could be the single most devastating setback to federal, state and local efforts to achieve the restoration of the Chesapeake Bay, which has become the national model for improving water quality under the Clean Water Act.

I think we would agree that this is a critical issue requiring your immediate intervention. Please let me know what additional support I can provide to assist you with the amendment.

Sincerely,

JANE T. NISHIDA,
Secretary.

Mr. KERRY. Mr. President, I am pleased to cosponsor, with my friend and colleague Senator SARBANES, an amendment to Senate Concurrent Resolution 13, the congressional budget resolution, which would restore funding for clean water and safe drinking water State revolving funds [SRF's], the low-interest loan programs that assist local communities to provide quality water to their residents.

Mr. President, there are many things in this budget resolution before us that I find absolutely amazing. Ranking right up there at the top of the list of bad ideas is a provision to eliminate the Federal low-interest revolving loan program which helps communities finance important water infrastructure projects. This provision in the Republican budget proposal cuts one of the very important Federal programs which helps local communities meet their financial obligations to safeguard our citizens' water.

Our amendment would restore the water infrastructure revolving fund accounts to the 1995 levels of $2.96 billion annually through 1996–2002. In addition, our amendment is deficit neutral in that it provides funding by allocating money from section 204 of the budget resolution's surplus allowance.

I find it extremely ironic that the Republican leadership would allow a provision which totally eliminates assistance to local communities when just weeks ago the Congress passed and the President signed into law a bill which would require such assistance in future legislation. As we all know, the unfunded mandates legislation requires the Federal Government to fund 100 percent of certain requirements for local and State governments to meet Federal safeguards in areas such as water or air quality beginning on January 1, 1996. However, at the same time, this bill would phase out the very Federal assistance that the Federal Government has provided for over two decades.

While I would have liked to see certain changes in the unfunded mandates legislation and while I offered and supported amendments to improve the bill, I voted for the final version specifically because I have always believed and continue to believe in a strong Federal-State-local Government partnership. Have we forgotten so quickly the concerns we heard expressed from towns and cities across this country? I have not. I remember the concerned conversations I had with dozens of concerned local officials and the letters I received from hundreds of concerned citizens about the need for assistance from the Federal Government. That is why I am supporting this amendment today.

Why is Federal assistance still needed in this area? Americans have come to expect a certain level of protection in the water they drink, the air they breathe and the food they eat. Polls show that the vast majority of Americans believe that the appropriate role of the Federal Government is to provide the necessary safeguards to maintain the public health and safety standards to which they have become accustomed during their lifetimes.

With approximately 40 percent of our Nation's water sources still impaired, we must continue our commitment to water pollution prevention and abatement. As we seek to balance the budget, we must be mindful not to hastily eliminate the public infrastructure investments that for too long have been short-changed in the recent budget proposals.

In 1972, a bipartisan Congress passed and a Republican President signed into law the original Clean Water Act, the comprehensive measure to protect and restore the quality of water in our Nation's rivers, lakes, and streams. Since then, the water infrastructure program has been an important component of a well-balanced effort to help local communities reduce pollution from sewage and industrial wastewaters. In addition, the Safe Drinking Water Act provides a similar program to protect the Nation's ground waters from which we get the water that flows from our taps.

The Environmental Protection Agency estimates that outstanding water infrastructure needs total over $135 billion nationwide. Phasing out the SRF Programs over the next 3 years will leave many local towns and cities stranded in their financial pursuits.

In my home State of Massachusetts, even with the assistance provided by the Federal Government over the years, the cost of meeting the water quality standards has placed and continues to place an extraordinary burden on many families and communities. Many Massachusetts residents currently pay water and sewer bills that exceed their property taxes. Companies are considering moving their activities out of State and lower income families worry about paying the ever-increasing water bills.

Ratepayers in the greater Boston area must shoulder the burden of a $5.2 billion water infrastructure construction project, with only minimal assistance from the Federal Government. However, it is not just large cities such as Boston or Baltimore or San Diego that need assistance. Small- and medium-sized towns across the country borrow funds from the State revolving fund to upgrade septic systems and build wastewater treatment and stormwater management facilities. In Massachusetts, communities across the State—Fall River, Gloucester, New Bedford, South Essex, Lynn, to name just a few—have mounting water rates because of their water projects, and need the assistance available from the revolving funds. I hope my colleagues will support this amendment because it is setting the right priorities for this country by investing in our local communities to help them to do the long-term planning that is vital to sustained economic growth and prosperity.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, on behalf of Senator SARBANES and the other cosponsors I previously announced, I propose this amendment to restore water infrastructure grants to assist the State and local governments in meeting clean water and drinking water standards.

As the amendment draws the funding from the $170 billion fiscal dividend, it would not increase the deficit.

Mr. DOMENICI. Mr. President, this is, I hope, the last in a series of amendments that attempts to spend the dividend. I do not know how much dividend there will be left if we would have spent all of it as requested by Democratic amendments. But, in addition, we have no assurance that if this were granted, it would be spent in the manner suggested.

It is subject to a point of order under the Budget Act, and I make the point of order.

Mr. EXON. Mr. President, I move to waive the Budget Act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 211 Leg.]

YEAS—43

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Harkin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—56

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mikulski

The PRESIDING OFFICER. The yeas are 43, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to. The point of order is sustained.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I wonder if I might just ask the Senate if I could have 1 minute as if in morning business for a completely unrelated matter.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 852 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I ask unanimous consent that I might have 1 minute, as the Senator from New Mexico, as if in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ABSENCE OF SENATOR MIKULSKI

Mr. FORD. Mr. President, the distinguished Senator from Maryland [Ms. MIKULSKI] asked me to inform her colleagues that she is necessarily absent today because of a special event in the Mikulski family.

Today, her niece, Val, and her nephew, Jimmy, are receiving their college degrees from Johns Hopkins University in Baltimore.

In addition, I would like my colleagues to know that Senator MIKULSKI is giving the commencement address at Johns Hopkins as well. She is also being honored by the university with an honorary doctorate for her outstanding life in public service, her commitment to strengthening higher education, and her work on behalf of the university.

On behalf of all my colleagues, I extend the Senate's congratulations to the family on this very happy day. And we know that the Senator and her family are very proud of the accomplishments of Val and Jimmy.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

AMENDMENT NO. 1178

(Purpose: To express the sense of the Senate regarding mandatory major assumptions under Function 270: Energy)

Mr. EXON. Mr. President, on behalf of Senator BAUCUS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. BAUCUS, for himself, Mr. DORGAN, Mr. PRESSLER, Mr. ROBB, Mr. WARNER, Mr. FORD, Mr. HARKIN, Mr. HEFLIN, Mr. HOLLINGS, Mr. WELLSTONE, and Mr. EXON, proposes an amendment numbered 1178:

The amendment is as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING MANDATORY MAJOR ASSUMPTIONS UNDER FUNCTION 270: ENERGY.

It is the sense of the Senate that within the mandatory major assumptions under budget function 270, none of the power marketing administrations within the 48 contiguous States will be sold, and any savings that were assumed would be realized from the sale of those power marketing administrations will be realized through cost reductions in other programs within the Department of Energy.

Mr. DORGAN. Mr. President, the budget resolution assumes $1.6 billion from the sale of unnamed power marketing administrations, and I have cosponsored this amendment to express the Senate's view that savings should be sought from other Department of Energy spending rather than from sale of the PMA's.

Some in Congress and the executive branch have tried for years to sell off parts or all of the public power generation, transmission and marketing system that we built in the middle of this century to bring affordable power to rural areas and many small cities.

From the standpoint of our responsibilities to the public purse, such proposals are penny-wise but pound foolish. For a one-time gain in sale of assets, some propose selling off a system that has generated about $50 billion in power revenues, a system that has paid its way on time and with interest.

In addition to net power revenues that come to the Treasury, the $21.6 billion that was invested to build the PMA's is being repaid by the power customers in the same way most of us repay our home mortgages. The system has paid off more than $5 billion of the initial investment, and $9 billion in interest.

But, for me, the worst part about selling the PMA's would be the effect on rural America. The PMA's were built so our farms and small towns would have assess to dependable, affordable electricity. That promise has been fulfilled.

However, the sale of the PMA's would cancel the mortgage, so to speak, upon which the PMA's and their customers have been faithfully making payments for years. It would add debt to the system and force substantial power rate increases across rural America. I have received estimates that customers in my State would see rate increases averaging 24 percent.

In a budget resolution that would cut taxes to the most wealthy in this country, the provision for PMA sales would impose a kind of back-door tax increase upon rural America.

The sale of PMA's is foolish from a public policy standpoint, and it is unfair and hurtful to rural America. This body should voice its opposition to such a proposal by voting for this amendment.

Mr. MCCAIN. Mr. President, the amendment offered by the Senator from South Dakota would state the sense-of-the-Senate that none of the Power Market Administrations [PMA] should be sold and that the savings assumed from these sales should be taken from elsewhere in the Department of Energy's budget. I intend to vote against this amendment, and I would like to take a brief moment to explain why.

Many people have offered their interpretations of last November's elections. The theme which reoccurs in almost all of these analyses is the desire of the American people to have a smaller and more efficient government. The budget before us lays out a road map which attempts to accomplish that goal.

My colleagues are well aware that the assumptions included in the budget resolution are not binding. The authorization committees can set their own priorities as to how to meet the budget outlined in the resolution. We should not follow the advice of this sense-of-the-Senate amendment that urges the authorizing committee to refrain from exploring all of the available budget options.

The Power Marketing Administration sells power generated at Federal water projects to millions of Americans across the Nation. The power generated by these facilities is essential to many small and rural communities throughout my home State of Arizona.

We should of course be very careful not to enter into any agreement which would result in unfair rate increases to the many people served by these systems, or that would result in the inefficient operation of these facilities.

Nevertheless, the committee should be allowed to at least examine the issue. Several ideas have been discussed on how to down size the Federal Government in relation to the PMA's either through sale, lease, or management contracts.

The budget resolution suggests that existing customers could be given the first option to buy the PMA's. Under this scenario, it may be possible for users to operate these facilities more efficiently than the Federal Government and actually reduce power rates. These and other ideas could and should be discussed to determine if it is possible to resolve this issue in a manner which will meet the public interest.

Mr. President, I feel it would be inappropriate and an abdication of our responsibility to not even examine if and how we can reduce the size of the Government by exploring opportunities to provide power in a more efficient and cost effective manner.

Mr. EXON. Mr. President, the amendment that I have just offered proposes a sense of the Senate that the budget resolution not include language to sell the power marketing administrations except for Alaska; that offsetting revenue be found in the Department of Energy programs.

This amendment recognizes that the production marketing associations contribute an annual $240 million a year in revenue to the Treasury while providing affordable, reliable power to 32 rural States. The PMA's are a vital part of this Nation's infrastructure and should not be sold to net an estimated $165 million.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the budget resolution scales back on the President's proposals to sell PMA's.

We reduce the savings in the President's budget by two-thirds or $2.9 billion. Our assumption can be accomplished by dropping the sale of the western PMA's from the President's budget. We also assume that existing customers get a preferential right to purchase the PMA's. I think there are some Senators who know which PMA's were in neither proposal.

I wish to move to table the amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 64, as follows:

[Rollcall Vote No. 212 Leg.]

YEAS—35

Abraham
Ashcroft
Bennett
Bond
Chafee
Coats
Cohen
Craig
D'Amato
DeWine
Domenici
Faircloth
Feingold
Glenn
Gorton
Gramm
Grams
Gregg
Helms
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lugar
Mack
McCain
McConnell
Moynihan
Roth
Santorum
Simpson
Smith
Snowe
Thompson

NAYS—64

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Cochran
Conrad
Coverdell
Daschle
Dodd
Dole
Dorgan
Exon
Feinstein
Ford
Frist
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Hutchison
Inhofe
Inouye
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Moseley-Braun
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Sarbanes
Shelby
Simon
Specter
Stevens
Thomas
Thurmond
Warner
Wellstone

NOT VOTING—1

Mikulski

So the motion to table the amendment (No. 1178) was rejected.

Mr. EXON. Mr. President, the yeas and nays have been ordered on the underlying amendment.

In view of the vote on the motion to table, I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, the yeas and nays are vitiated.

The question is on agreeing to the amendment.

The amendment (No. 1178) was agreed to.

Mr. EXON. Mr. President, unless it was previously ordered, I ask unanimous consent that Senators WELLSTONE, MOSELEY-BRAUN, and EXON be included as cosponsors of the amendment that was just agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I say to all Senators we are making great progress. There has been great progress on both sides.

We have two amendments that I think we have tentatively agreed to accept by voice vote.

AMENDMENT NO. 1179

(Purpose: To express the sense of the Senate regarding reducing overhead expenses in the Department of Defense)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. LEVIN, for himself, and Mr. SIMON, proposes an amendment numbered 1179.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . DEFENSE OVERHEAD.

(a) FINDINGS.—The Senate finds that—

(1) the major discretionary assumptions in this concurrent budget resolution include 15 percent reduction in overhead for programs of nondefense agencies that remain funded in the budget and whose funding is not interconnected with receipts dedicated to a program;

(2) the Committee Report (104–82) on this concurrent budget resolution states that "this assumption would not reduce funding for the programmatic activities of agencies."

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Committees on Armed Services and Appropriations should make a reduction of at least three percent in overhead for Fiscal Year 1996 programs of defense agencies, and should do so in a manner so as not to reduce funding for the programmatic activities of these agencies.

Mr. EXON. This is the Levin-Simon amendment. The budget resolution assumes the 15 percent reduction in overhead for nondefense agencies. The Levin-Simon amendment is a sense-of-the-Senate resolution which calls on the Senate Armed Services Committee and the Appropriations Committee to make at least a 3-percent reduction in overhead in defense agencies without reducing programmatic activities. I believe that, after a lot of discussion, this can be accepted by a voice vote.

Mr. DOMENICI. Mr. President, this is a sense of the Senate, and it in no way cuts the dollar amount of defense. Defense receives the exact amount of money as prescribed in the budget resolution. I have agreed to accept it and see how it works out.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1179) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1180

(Purpose: To express the sense of the Senate regarding the essential air service program of the Department of Transportation)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BAUCUS, for himself, Mr. INOUYE, Mr. BRYAN, Mr. SIMON, Mr. ROCKEFELLER, Mr. BUMPERS, Mr. STEVENS and Mr. EXON, proposes an amendment numbered 1180.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) FINDINGS.—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive to the maximum extent possible a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

Mr. EXON. Mr. President, this is another amendment that I believe we have worked out with the cooperation between both sides. This amendment is a sense-of-the-Senate amendment by Senator BAUCUS on essential air service, which I believe can be accepted by the managers.

Mr. EXON. We have agreed to this and I urge its adoption.

Mr. DOMENICI. Mr. President, I ask unanimous consent to add Senator STEVENS as an original cosponsor. He was part of working this amendment out.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I ask unanimous consent that I be added as a cosponsor if I am not already one.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1180) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1181

(Purpose: To express the sense of the Senate regarding funding for the National Railroad Passenger Corporation)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. EXON], for Mr. BAUCUS, proposes an amendment numbered 1181.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING FUNDING FOR NATIONAL RAILROAD PASSENGER CORPORATION.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the following: that Congress should redirect revenues resulting from the ½ cent of the excise tax rate directed by the amendments made by the Omnibus Budget Reconciliation Act of 1993 for fiscal years 1996 through 1999 to the account under subsection (e) of section 9503 of the Internal Revenue Code of 1986 to a new account under such section for grants to the National Railroad Passenger Corporation for operating expenses and capital improvements incurred by the Corporation.

Mr. EXON. Mr. President, this amendment is the next one on our list. It is a sense-of-the-Senate amendment by Senator BAUCUS on Amtrak.

Mr. DOMENICI. Mr. President, I will oppose this amendment on a couple of bases. One is that a half cent of the gasoline tax would be transferred from the highway fund to a special new fund called the Amtrak trust fund. I believe we ought not do business that way. I urge that this amendment be tabled.

I therefore move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 213 Leg.]

YEAS—50

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
Dole
Domenici
Faircloth
Frist
Glenn
Gorton

Graham
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hollings
Hutchison
Inhofe
Johnston
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Packwood
Pressler
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—49

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Bryan
Bumpers
Burns
Byrd
Chafee
Cohen
Conrad
Daschle
DeWine
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Harkin
Hatfield
Heflin
Inouye
Jeffords
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Murray
Nickles
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Simon
Snowe
Specter
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1181) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHELBY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

AMENDMENT NO. 1182

Mr. DOMENICI. Mr. President, I send an amendment to the desk on behalf of Senator GRAMS and Senator ABRAHAM and ask for its immediate consideration. Senator LIEBERMAN is also an original cosponsor.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mr. GRAMS, for himself, Mr. ABRAHAM and Mr. LIEBERMAN, proposes an amendment numbered 1182.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 73, line 2, strike "may be reduced" and insert "shall be reduced".

On page 73, line 2, strike "may be revised" and insert "shall be revised".

On page 74, line 12, strike "may" and insert "shall".

On page 74, line 13, strike "may" and insert "shall".

On page 74, line 21, strike "may" and insert "shall".

On page 74, line 16, insert the following before the period, "by providing family tax relief and incentives to stimulate savings, investment, job creation, and economic growth."

Mr. LIEBERMAN. Mr. President, I support this amendment because I believe that at least a substantial part of the fiscal dividend in the budget before us is set aside for family tax relief, incentives to stimulate savings, investment, job creation, and economic growth.

Getting our fiscal house in order by balancing the budget represents a significant investment in our economic future. At the same time, I very much believe that providing family tax relief and savings and investment incentives is a significant investment in our collective and individual futures as well.

The budget will inevitably require some painful adjustments. If we are asking the American people to make some of these adjustments, to share in this sacrifice, there should also be a light at the end of the tunnel. We should provide much-needed tax relief to the working families of this country, and tax incentives to the businesses of this country so that people will continue to have jobs at which they can work.

As I understand it, the family tax relief envisioned by this amendment could embrace not only a middle-class child credit but a deduction for college and vocational training, much like the $10,000 education deduction proposed earlier this year by President Clinton. In my travels across Connecticut, I have found that the level of anxiety among parents over how to pay for the higher education of their children is very high. Even those parents who have scrupulously saved over the years are wondering how they can ever foot education bills that run up to hundreds of thousands of dollars. And it is important to point out that while an education deduction will make it easier for families to invest in the future of their children, an education deduction also represents a collective investment in the future of this country.

We are all aware of two additional facts. First, savings and investment are critical to our future economic well-being, and second, we are not doing enough of either. At present, our budget deficit eats up our national savings by borrowing from our national savings pool to pay for our current spending. Our national savings rate, which has been hovering between 3 and 4 percent of national income is not only historically low for us but three to four times lower than competitor countries such as Japan. This is a national crisis which the balanced budget before us attempts to address.

That is one side of the equation. The other side is to jump start savings and investment in this country by providing tax incentives for savings and investment. Short of a complete overhaul of the Tax Code, along the lines of the thoughtful proposal that has been put forth by Senators NUNN and DOMENICI, I believe we should act now to reverse the downward savings trend in this country.

The initiatives outlined above, combined with a steady path toward a balanced budget, will take us up to a higher plateau of savings and investment which will translate into new jobs and new growth in this country. I encourage my colleagues to support this amendment.

Mr. DOMENICI. Mr. President, the amendment states that once balance is achieved and certified by the Congressional Budget Office, a reserve fund is provided to the Finance Committee for reduced revenues.

If the Finance Committee reports a tax bill, it would include provisions for family tax relief and to stimulate savings and investment.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 214 Leg.]

YEAS—54

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Inouye
Jeffords
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Nickles
Packwood
Pell
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Pryor
Reid

Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone

NOT VOTING—1

Mikulski

So the amendment (No. 1182) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1183

(Purpose: To propose a substitute)

Mr. EXON. Mr. President, on behalf of Senator CONRAD, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. CONRAD, for himself, Mr. REID, Mr. GRAHAM, Mr. SIMON, Mr. DORGAN, Mr. KOHL, Mr. FEINGOLD, Mr. BRYAN, Mr. BINGAMAN, Mr. ROBB, and Mr. BYRD, proposes an amendment numbered 1183.

(The text of the amendment appears in today's RECORD under "Amendments Submitted.")

Mr. EXON. Mr. President, this amendment received some debate, although limited. I think most Members of this body understand the proposal very, very well. I do not have enough time to explain it in great detail.

Let me try to sum up very briefly. The fair share alternative offered by Senator CONRAD and others makes some very hard and necessary choices in the whole area of budget fairness. The Republican plan makes the wrong choices.

This alternative gives us a plan that asks everyone to contribute. The fair share plan balances the budget by the year 2004 without counting the surpluses in the Social Security trust fund and achieves more deficit reduction in 2002 than the Republican plan.

The fair share plan freezes discretionary spending but restores $190 billion in public investment. The fair share plan restores funding to Medicare, Medicaid, student loans, and other high priorities. It rejects the tax cut targeted to wealthy and instead asks them to contribute by limiting the growth of tax loopholes that benefit the wealthy.

The alternative does not balance the budget on the backs of the middle class, children, college students, and our elders.

FINALLY, A "REAL" BALANCED BUDGET

Mr. HOLLINGS. Mr. President, I rise today to applaud my colleague and friend, Senator CONRAD, for his work in constructing this amendment. As I learned in 1980 and again in 1985, it is not an easy task. But the Senator from North Dakota should be commended for his courage and resolve to focus his budget alternative on three bedrock principles that are essential if we really want to do the job.

First, the Conrad alternative would comply with section 13301 of the Congressional Budget Act and would balance the budget without counting the surpluses in the Social Security trust fund. We've heard a lot of talk in the last few days about how the Republican budget resolution would balance the budget in 7 years, but the hard facts tell otherwise. Again, I would invite my colleagues to turn to page 7 of the Republican resolution where the deficit for fiscal year 2002 is listed as $113.5 billion. In contrast, the Conrad amendment is designed not only to talk the talk, but to walk the walk. Under this proposal by the year 2004, the Federal budget, excluding Social Security, would be in balance.

Second, the Conrad approach recognizes that the Federal budget cannot be balanced through spending cuts alone. If we want a balanced budget, we have to have a balanced approach. No one relishes the idea of raising taxes, but the simple fact is that we could eliminate all spending on non-defense discretionary programs and the budget would still be out of whack. Instead of facing this budget reality, the Republican resolution plays Santa Claus, promising $170 billion in tax cuts that will be written in stone out of a economic dividend that may never materialize.

Finally, the Conrad amendment protects programs that are crucial to our Nation's well-being. The Republican strategy is an alarming permutation of a justification that we heard during Vietnam—that we had to burn the village in order to save it. Mr. President, that line was wrong then and it is wrong now. Programs such as education and biomedical research are crucial investments in our Nation's future; drastic cuts in such programs are penny wise and pound foolish.

While the Conrad approach offers a far more honest and realistic approach to balancing the budget, it is not a perfect plan. Specifically, I am concerned that the $170 billion economic dividend, which Senator CONRAD puts towards deficit reduction, may never materialize and that the elimination of tax loopholes may fall short of its $228 billion target. A far more certain and equitable alternative, I believe, would rely on a comprehensive 5 percent value added tax that would be earmarked specifically for deficit and debt reduction. Such an approach would reap additional benefits in encouraging national savings over consumption and in improving our international trade position through a border neutral tax.

While we may differ on some of the specifics, let me again applaud the efforts of Senator CONRAD for his willingness to stop the gamesmanship of the past few days and to propose the first real balanced budget that we have seen.

Mr. DODD. Mr. President, as we approach final passage of the fiscal 1996 budget resolution, I want to take a few moments to outline my views and concerns on this historic vote.

CONRAD ALTERNATIVE

This morning I voted to support Senator CONRAD'S Fair Share Balanced Budget Plan offered as a substitute to the majority's resolution. While this plan is far from perfect, it represents a fairer, more honest approach to fiscal discipline than the underlying budget resolution.

The Fair Share plan would balance the budget by 2004 without counting the Social Security trust fund in the calculation. In other words, it would not use the Social Security surpluses to mask the true size of the deficit, as the majority's resolution would do. It would produce $16 billion more in deficit reduction in 2002 than does the Republican plan.

The plan would freeze non-defense discretionary spending, instead of cutting it $190 billion below a freeze, as the Republican resolution would do. As a result, this alternative would save critical investments such as education, technology, medical research, and important environmental clean-up efforts from far more severe cuts.

The alternative would also lessen the severity of the Republicans' cuts in Medicare, Medicaid, nutrition and veterans benefits. The plan would fully fund student loans.

The alternative wisely contains no tax cuts. As I have said previously, I do not believe that now is the time to cut taxes. Revenue reductions only serve to make the hole we must dig ourselves out of that much deeper. Tax cuts skewed toward the affluent, as are those passed by the House, are especially difficult to justify.

Finally, the Fair Share plan would cap the rate of growth for tax loopholes that benefit corporations and the wealthy. It would therefore ensure that all segments of society, including the most affluent, sacrifice to attain a balanced budget. This stands in stark contrast to the Republican plan.

I do not support every element of this alternative, but I believe it makes an important statement: There are other, fairer routes to a balanced budget than the one offered by our Republican colleagues.

FISCAL 1996 RESOLUTION

Mr. President, in my view, the underlying resolution is fundamentally flawed. It treats our people not as assets to be developed, but as items in a spending cut process. It burns the bridges that ordinary Americans use, or hope to use, to cross over to a better life for themselves and their families. And it requires the middle-class and the less affluent to clean-up from the fiscal train wreck of the 1980's. I would remind my colleagues that our budget would be in balance if we were not required to pay interest on the debt accumulated solely during the Reagan/Bush era.

In an effort to lessen its adverse impact, I have supported numerous amendments to restore funding for vital Federal investments such as health care, education, and the environment. The cost of all of these amendments has been fully offset from other sources. I regret that few of these amendments have passed, but I am pleased that we were able to achieve bipartisan cooperation in restoring funding for the National Institutes of Health and partial restoration for student loans. I offered and cosponsored a number of amendments that would have restored greater funding for our critical investment in education. They, unfortunately, failed.

CONCLUSION

Mr. President, the American middle-class is collapsing around us. A report just released by the Casey Foundation states that today, nearly a third of all men between the ages of 25 and 34 don't earn enough to support a family of 4 above the poverty level. That's about two and a half times the number from 25 years ago.

There was a time when blue collar workers formed the bedrock of the middle-class. High-wage jobs for people without years of advanced education were plentiful, and a high school education was a passport to a healthy future. That time is gone.

The United States now has the largest gap between rich and poor of any industrialized nation in the world. The richest 1 percent of American families now own 40 percent of our Nation's wealth, whereas in Britain—our closest rival—the top 1 percent own just 18 percent of the wealth.

If we care about restoring opportunity and security to our people, then we've got to do better by them. If we want them to obtain the best jobs that the new economy has to offer, then they'll need the best education, job training, and health care that this country has to offer.

American politics is about change, Mr. President. But it is not about this kind of change. This debate should be about how we build a stronger and a richer America, not just fiscally, as important as that is, but economically and socially and morally, as well. Using this standard, this resolution fails.

In the days ahead, it is my sincere hope that we can work cooperatively together to put our fiscal house in order without jeopardizing our neighborhoods, our communities, and our future in the process. We can do better, and we must.

GETTING PRIORITIES RIGHT

Mr. DORGAN. Mr. President, I rise in support of the alternative budget proposed by my colleague from North Dakota, Senator CONRAD.

I have cosponsored this alternative because a budget debate is about priorities. The Republican budget resolution has its priorities all wrong. And the CONRAD alternative, which I helped put together, gets our priorities right.

Mr. President, the problem with the Republican budget resolution is that it hits middle America in the stomach. It tells the elderly, most of whom live on fixed incomes, to absorb $256 billion in Medicare cuts. This budget asks the poor to suffer $175 billion in Medicaid cuts. It requires students from middle-income families to pay interest on their loans during their schooling, a total hit of $14 billion. And it would cut food and farm programs by $46 billion.

As I have mentioned on the floor before, what is truly galling about the Republican budget is that it would use this hit to middle-income Americans to pay for $170 billion in tax cuts primarily for the wealthy. Tax cuts are irresponsible when we are trying to cut the budget deficit. And the budget passed by the House is even worse. It takes $350 billion from programs that people depend on and then uses that money to pay for tax cuts that would overwhelmingly benefit the rich.

Our alternative is a sharp contrast to the Republican budget. My colleague from North Dakota and I are interested in very different priorities.

While achieving more deficit reduction than the Republican plan, we would restore much of the funding for a few key domestic programs that the GOP budget would cut. We would add back $100 billion for Medicare. We would restore $50 billion for Medicaid. We would provide $24 billion more for food and farm programs. And we would soften the blow to our Nation's students by $14 billion. All of these programs would still be cut, but not nearly so much under our alternative as under the Republican budget.

To pay for our changes, we simply would ask the wealthy and big corporations to give up some of their tax breaks, get out of the corporate welfare wagon, and help the rest of us pull toward a balanced budget.

We would require the Finance Committee to close $228 billion in tax loopholes for the wealthy and for big business. Foreign corporations that try to avoid taxes here could expect a crackdown under the Conrad budget. Multinational firms that try to hide their income from the IRS would have a far more difficult time. Billionaires who renounce their citizenship and retire to tax havens abroad would have to pay the taxes the rest of us have to pay.

We have chosen these tax changes carefully. We would not touch the home mortgage interest deduction, the deduction for State and local taxes, or the deduction for charitable giving. These are provisions that millions of Americans depend on. We would also insist that any reduction in tax preferences target those who earn over $140,000 a year.

Also, Mr. President, let me emphasize that we would use the $170 billion fiscal dividend for deficit reduction, not for tax cuts for the wealthy. That is what the American people want us to do—reduce the deficit first.

And reduce it we do. This alternative budget would balance the budget (without counting the Social Security trust fund surplus) in the year 2004, two years earlier than the Republican budget would do so. We achieve more deficit reduction than the majority's budget by the year 2002.

Mr. President, there you have it. I will vote for this alternative because it does more to reduce the deficit and it shares the pain fairly. It asks all Americans to pay their fair share, and that is the right way to cut the deficit.

Thank you Mr. President. I yield the floor.

Mr. BINGAMAN. Mr. President, the Republicans, in particular Representative KASICH and Senator DOMENICI, deserve credit for focusing the attention of Congress on the great need to balance the Federal budget. The ever-growing national debt is a weight on the growth of the economy. Merely paying the interest on the debt costs taxpayers hundreds of billions of dollars each year and limits the Government's ability to act effectively. I strongly support balancing the budget at the earliest possible date, and I realize that a lot of sacrifices will need to be made in order to reach a balanced budget.

The Republican budget leaders in both the Senate and the House were brave enough to submit plans that call for a great deal of fiscal restraint and some hard choices. For that we should commend them.

But, unfortunately for a lot of Americans and a lot of New Mexicans, the choices the Republicans have asked us to make are the wrong choices. With their eyes firmly fixed on providing tax loopholes to the rich and to providing an unspecified tax cut, the Republicans in Congress are forced to balance the budget in an unbalanced way.

I am sure in coming weeks I will be criticized for not voting for the Republican budget. People will say I did not support a balanced budget. But the truth is that today I will be recorderd as having voted in favor of a balanced budget, the very same day the Republican budget passed. But the balanced budget I voted for—the Democratic alternative budget I helped craft—is a budget just as strict fiscally as the Republican budget, but fairer to seniors, students and working families.

The Republican budget, in my view, is anti-working families, anti-seniors, anti-future, and anti-New Mexico. In contrast, the Fair Share Plan—formulated by my colleague from North Dakota, Senator CONRAD, myself and a small group of Democratic Senators—does the following:

I. ACHIEVES EVEN GREATER FISCAL DISCIPLINE THAN THE REPUBLICAN PLAN

A. Balances the budget (on a unified basis) by 2002, just as the Republican plan does.

B. Achieves total on-budget balance (that is, without using Social Security surpluses) by 2004, or 2 years before the Republican plan does.

II. PROTECTS CRITICAL INVESTMENTS IN OUR FUTURE COMPETITIVENESS

A. Restores non-defense discretionary spending to a hard freeze, providing almost $200 billion more than the Republican plan for critical investments in: First, education and training, second, infrastructure, third, research & development, and fourth, other areas that will boost our economic competitiveness in the 21st century.

B. Freezes defense spending to the same extent as the Republican plan.

III. REDUCES THE BURDEN ON MIDDLE CLASS FAMILIES

A. Protects middle class seniors by restoring $150 billion from the Republican cuts in Medicare and Medicaid benefits.

B. Restores to middle class college students and their families the full $14 billion that Republicans propose to cut from student loans and other mandatory education accounts.

C. Reverses the Republican plan's cut in the earned income tax credit for lower-middle class and poor working families, by restoring $60 billion of the Republican proposal on income assistance programs.

D. Only cuts $22 billion from family farm and nutrition assistance programs, $24 billion less than the Republican proposal.

E. Restores half of the Republican $10 billion cuts in veterans benefits.

IV. ASKS THE WEALTHY TO PAY SOME FAIR SHARE OF THE BURDEN OF BALANCING THE BUDGET

A. Rejects the Republican $170 billion reserve for tax cuts that will mostly benefit wealthy taxpayers.

B. Asks big corporations and wealthy taxpayers (couples making over $140,000 per year, e.g.) to pay some share of the deficit reduction burden, by closing tax loopholes and by just limiting the growth in tax breaks and tax preferences for corporations and these wealthy taxpayers to inflation plus one percent (CPI + 1 percent).

V. BRINGS ALL, AND NOT JUST SOME, OF THE COMPONENTS OF FEDERAL EXPENDITURES UNDER CONTROL

A. The Republican budget proposal limits Federal direct spending to less than a 25-percent increase over the next 7 years, but allows Federal tax expenditures in the form of loopholes, tax preferences, and tax breaks to increase by almost 50 percent over the next 7 years.

B. The Fair Share Budget corrects this imbalance by limiting direct spending to just over 25-percent increase (cutting over $1 trillion in spending and interest over the next 7 years), but also by slowing the growth of Federal tax breaks and tax preferences to a 35-percent increase over the same period. The alternative budget requires the cutting of just 5.7 percent of a projected $4 trillion of tax expenditures over the 7 years, and limits the cuts only to wealthy corporations and wealthy taxpayers (couples earning over $140,000, e.g.).

VI. IS NOT ABOUT RAISING ANYBODY'S TAXES

A. Tax preferences or tax entitlements are one of the fastest growing categories of Federal spending. The Fair Share Balanced Budget resolution does not reduce these entitlements. It only slows their growth to inflation plus 1 percent.

B. The Republicans cannot have it both ways. They cannot claim, on the one hand, that the Fair Share Budget's proposed slow-down in the growth of tax entitlements for the wealthy constitutes a tax increase, but, on the other hand, claim that their slow-down in the growth of the earned income tax credit [EITC] (which is also a tax expenditure) is not a tax increase. If they claim that the Fair Share Budget includes a tax increase on the rich and big corporations, they must also admit that the Republican budget plan includes a tax increase on lower-middle class and poor working families.

While not perfect, this Democratic alternative plan achieves the goal of a balanced Federal budget without asking America's working families, seniors and students to bear all of the burden. But the Republican budget does not ask the wealthiest corporations and the wealthiest Americans to contribute one dime to balance the budget. Moreover, in order to secure a $170 billion reserve for tax cuts to benefit mostly wealthy people, the Republican budget trades away investments in our future—in education, infrastructure, and research and development—investments in our children.

Remember that the main reason given for eliminating the deficit is that we are doing it for our children. But, if we free our children from the burden of the Federal deficit by depriving them of the education and training that they will need to compete and succeed in the global and technologically driven economy of the next century, then we have not been responsible.

Education programs, for example, are especially important to New Mexico. My State has the third highest rate of children living in poverty of any State in the Nation. More than one in four children in New Mexico live in families with incomes below the poverty line. One-third of the students in New Mexico's schools have limited proficiency in English. Its school-age population has grown tremendously, and a 12-percent increase in New Mexico's population of school-age children is projected over the next 7 years. The Republican budget will cut programs for New Mexico's schools by about 30 percent over the next seven years; that translates into tens of millions of dollars that New Mexico's schools will have to do without as they struggle with these special problems.

By cutting programs to help the children of working families go to college by nearly a third, which is being proposed by the GOP, tens of thousands of New Mexico's students could lose the opportunity to go to college. That would be devastating to their futures and to the future of our State. In New Mexico, most higher education students receive Federal financial aid, including 33,000 students who receive Pell Grants.

I do not believe that America will be well-served by the Republican budget, nor do I feel that most Americans would agree with the specific proposals contained within it. And that is why I am proud to have cosponsored the fair share balanced budget alternative and to vote for it today.

In conclusion, I want to remind the Senate that the passage of any budget resolution today is only the beginning of a long process that will determine the priorities of our Government. The budget is only a framework for the appropriations committees to work with as they spend the summer determining specific spending levels for agencies and programs.

Throughout this process, I pledge to continue to fight for proper funding for programs that will contribute to providing educational opportunities for our children, meet the health care needs of our senior citizens, and reward work and encourage innovation in the marketplace.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, 2 years ago, we passed the largest tax increase in American history. This will be the second largest tax increase in American history. I do not think we ought to adopt it.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 60, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—39

Akaka
Biden
Bingaman
Boxer
Bradley
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Feingold
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Sarbanes
Simon

NAYS—60

Abraham
Ashcroft
Baucus
Bennett
Bond
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NOT VOTING—1

Mikulski

So the amendment (No. 1183) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to say to the Senate, I apologize for the delay I caused. I thought I voted before I left.

PROVIDING FOR AN ADJOURNMENT OF THE TWO HOUSES

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the adjournment resolution, House Concurrent Resolution 72.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Providing for an adjournment of the two Houses.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 72) was agreed to.

The concurrent resolution is as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, May 25, 1995, it stand adjourned until noon on Tuesday, June 6, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, May 25, 1995, Friday, May 26, 1995, or Saturday, May 27, 1995, pursuant to a motion made by the Majority Leader or his designee, in accordance with this resolution, it stand recessed or adjourned until 10 a.m. on Monday, June 5, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

AMENDMENT NO. 1184

(Purpose: To eliminate section 207 of the budget resolution)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, Mr. PELL, and Mr. KENNEDY, proposes an amendment numbered 1184.

The amendment is as follows:

Strike section 207 in its entirety.

Mr. SIMON. Mr. President, a little-noticed provision of the budget resolution will make it more likely that student loan cuts will come out of the pockets of students, rather than banks, bureaucrats, and other middlemen. Section 207 changes the way the loan costs are scored in the budget by requiring administrative costs—such as collection expenses—to be counted on a long-term—accrual—basis, rather than on a cash basis over the 5-year budget window. While this may sound like a reasonable change, it is accomplished in a manner that is inconsistent and biased.

Section 207 is not applied consistently to all loan programs. Instead, it targets student loans in particular. Furthermore, this type of end-run around the Budget Act is not appropriate on a budget resolution.

Section 207 is biased. There are a number of problems with the way that loans are scored in the budget. Section 207 only fixes one of them, skewing the scoring against direct student loans. This makes it more difficult to achieve savings without eliminating the in-school interest exemption or increasing fees and other student costs. A complete reform of the budget scoring rules for loan programs would consider:

Cost-of-funds. The most significant item that overstates the cost of direct lending is the discount rate that is currently used. The interest rates that students pay vary annually, and the subsidized rates that the Federal Government promises to banks vary each quarter. A Council of Economic Advisors memorandum of April 30, 1993, points out that "a multiple year loan with an interest rate that resets each year should be treated for pricing purposes as having a maturity of one year," meaning that a short-term rate should be used. But CBO and OMB assume that the Government's cost-of-funds is a higher, long-term rate, the 10-year bond. This makes direct lending appear much more costly than it really is. Indeed, in a February 8, 1993, letter, GAO pointed out that using shorter term interest rates would have more than doubled the direct loan savings.

Tax-exempt bonds. Many student loan secondary markets use tax-exempt bonds, costing the Federal Treasury an estimated $2.3 billion over 5 years. This cost is not considered when the Congressional Budget Office determines how much direct lending saves, or how much the guarantee program costs.

Taxpayer bailouts. When guaranty agencies agree to share the risk under FFEL by paying a larger portion on defaulted loans, they are using money that belongs to the Federal Government—so the Federal Government is essentially sharing with itself. Furthermore, when any agency can't pay its share, the Federal Government steps in. These costs aren't currently considered.

I would hope that the chairman would reconsider this provision prior to conference.

Mr. EXON. Mr. President, this amendment simply strikes section 207 in order to keep all of our options open to avoid imposing costs on college students and their families.

The amendment has no cost impact. The amendment strikes budget scoring rules in the budget resolution that single out a particular program.

This amendment will allow committees of jurisdiction to look at these issues in a comprehensive manner. First, last, and always, this amendment protects students.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I have a slightly different impression. The Simon amendment would strike language in the resolution that corrects a bias against guaranteed student loans.

If adopted, the Simon amendment would favor the Clinton administration policies for direct Government student lending. The budget resolution does not do that.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—56

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1184) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. GORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1185

(Purpose: To reduce military spending by $100 to reduce the deficit)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. HARKIN, proposes an amendment numbered 1185.

The amendment is as follows:

On page 5, line 17, decrease the amount by $100.

On page 6, line 3, decrease the amount by $100.

On page 6, line 16, decrease the amount by $100.

On page 7, line 3, decrease the amount by $100.

On page 7, line 15, decrease the amount by $100.

On page 8, line 1, decrease the amount by $100.

On page 8, line 10, decrease the amount by $100.

On page 9, line 14, decrease the amount by $100.

On page 11, line 7, decrease the amount by $100.

On page 11, line 8, decrease the amount by $100.

On page 66, line 10, decrease the amount by $100.

On page 66, line 11, decrease the amount by $100.

Mr. EXON. Mr. President, this amendment would simply reduce the defense budget by $100. Let me repeat that. This amendment would simply reduce the defense budget by $100 in fiscal year 1996. The savings is applied to the deficit reduction.

Mr. President, I reserve the balance of my 30 seconds.

Mr. DOMENICI. If I were you, I would, too.

Mr. President, the sponsor of the amendment is here. I am willing to accept this amendment without a vote. Would the Senator agree to that?

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

Mr. DOMENICI. Mr. President, this amendment is ludicrous on its face. We will spend more than $100 printing the cost of this amendment and wasting time of this Senate.

AMENDMENT NO. 1186 TO AMENDMENT NO. 1185

(Purpose: To reduce swine research spending by $100 to reduce the deficit)

Mr. DOMENICI. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. CRAIG, proposes an amendment numbered 1186 to amendment No. 1185.

The amendment is as follows:

In lieu of the matter proposed, insert the following:

On page 5, line 17, decrease the amount by 0.

On page 6, line 3, decrease the amount by 0.

On page 6, line 16, decrease the amount by 0.

On page 7, line 3, decrease the amount by 0.

On page 7, line 15, decrease the amount by 0.

On page 8, line 1, decrease the amount by 0.

On page 9, line 14, decrease the amount by 0.

On page 11, line 7, decrease the amount by 0.

On page 11, line 8, decrease the amount by 0.

On page 66, line 10, decrease the amount by 0.

On page 66, line 11, decrease the amount by 0.

It is the sense of the Congress that the functional levels assume that the swine research be reduced by $100.00.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HARKIN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Iowa cannot reserve the right to object.

Is there an objection to the dispensing of the quorum?

Without objection, it is so ordered.

Mr. EXON. Mr. President, we are at a critical moment here. I would suggest that if the Senator from Iowa wishes to take $100 out of defense, the second degree-amendment, as I understand it, would take $100 out of swine research.

I would suggest to both sides, why do we not agree to sensibly take $100 out of defense and $100 out of the swine program, and move the Senate ahead.

Mr. DOLE. Or just raise $100.

Mr. EXON. I will pay it myself.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the call of the quorum be rescinded.

Mr. STEVENS. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard. The clerk will continue to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, the Senator from Nebraska made a suggestion a few moments ago that is now being seriously considered. I would simply ask, since we are moving so rapidly, and since we are near completing this in the next 2 hours if we hang on, I would just suggest once again that we have a voice vote on the proposition that we take $100 out of the defense budget and $100 out of the swine research facility in Iowa.

I suggest that be agreed to on a voice vote. I would like to know. We will put it in proper form if we can get approval of it on both sides.

Informally, I would ask if anyone would object if the Senator would put it in written form, what I have just orally stated?

Mr. HARKIN addressed the Chair.

Mr. DOLE. Mr. President, there is no debate.

The PRESIDING OFFICER. Under the regular order, the question is on the amendment.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I wonder for purposes of trying to move ahead with the budget, if the Senator might agree, and we will agree to take the two amendments, the one pending and the amendment to it, set it aside without prejudice and let us move ahead with some of the other amendments?

Mr. EXON. We agree. I think that is a good suggestion.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The Senator from Nebraska.

AMENDMENT NO. 1187

(Purpose: To eliminate the firewall between defense and nondefense discretionary accounts)

Mr. EXON. Mr. President, I send an amendment to the desk for Senators SIMON and BUMPERS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, and Mr. BUMPERS, proposes an amendment numbered 1187.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 65, strike lines 13 through 18 and insert "$477,820,000,000 in new budget authority and $526,943,000,000 in outlays;".

On page 65, strike lines 20 through 25 and insert "$466,192,000,000 in new budget authority and $506,943,000,000 in outlays;".

On page 66, strike lines 2 through 7 and insert "$479,568,000,000 in new budget authority and $499,961,000,000 in outlays;".

On page 66, strike lines 9 through 14 and insert "$477,485,000,000 in new budget authority and $502,571,000,000 in outlays;".

On page 66, strike lines 16 through 21 and insert "$492,177,000,000 in new budget authority and $511,761,000,000 in outlays;".

On page 66, strike beginning with line 23 through line 3, page 67, and insert "$496,098,000,000 in new budget authority and $517,258,000,000 in outlays; and".

On page 67, strike lines 5 through 10 and insert "$495,498,000,000 in new budget authority and $518,160,000,000 in outlays.".

On page 67, line 22, strike "sum of the defense and nondefense".

Mr. EXON. Mr. President, the Simon-Bumpers amendment eliminates the resolution's provision that establishes a firewall between defense and nondefense discretionary accounts. The amendment does not change the levels of budget authority and outlays, and does not add a single cent to the deficit.

The amendment simply assures that Congress maintains flexibility to respond to changing spending priorities in a prudent, fiscally sound way. That sort of flexibility is particularly important in light of the vast uncertainties concerning the Nation's domestic and military commitments in the years ahead.

As we debate the Nation's priorities within the overall constraints of the balanced budget, we should not bind ourselves needlessly to subcategories within the discretionary caps. Removing the firewall is a vital step in achieving the necessary flexibility.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, while this does not change the numbers, it permits the defense moneys and the nondefense moneys to be fungible and move back and forth between the two.

The Budget Committee said we should not do that for the next 7 years. I believe they are right.

I move to table the amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, let me indicate we have lost about 10 or 15 minutes here. I would ask the clerk: At the end of the time we will turn in the scorecard.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

The yeas and nays are ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 65, nays 33, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—65

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—33

Akaka
Biden
Boxer
Bradley
Breaux
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Feingold
Harkin
Hatfield
Hollings
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—2

Kassebaum
Mikulski

So the motion to lay on the table the amendment (No. 1187) was agreed to.

Mr. DOMENICI. Mr. President, might I suggest that Senators ought to take heed of this now. What we are going to do, there are three more amendments from that side that we are ready to take up. Senator EXON is going to explain each of the three. I will have a brief explanation. Then everybody ought to stay here because we are going to vote on them one after another. We are not going to have an explanation at the end of each one. So three explanations, three amendments, and vote on those three amendments in sequence and immediately upon completing one go to another, no time interval for explanations.

Mr. EXON. I would just simply add then we will go on with the process that had been established by the majority leader for 10 minutes and 10 minutes only thereafter. That does not mean——

Mr. SIMON. Nine minutes.

Mr. EXON. Nine minutes thereafter. That does not mean we are going to change.

Mr. DOMENICI. Oh, no.

Mr. EXON. Anything other than to maybe expedite things for just a moment.

Mr. DOMENICI. Right.

Mr. EXON. We are getting very close.

Mr. DOMENICI. Right.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 1188

(Purpose: To express the sense of the Senate regarding the inclusion of reductions in Medicare spending in the concurrent resolution on the budget for fiscal year 1996)

Mr. EXON. The first of the three amendments that have just been suggested by the Budget Committee chairman I send to the desk in behalf of Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 1188.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE SPENDING.

(a) FINDINGS.—Congress finds that—

(1) Medicare protection is as important as Social Security protection in guaranteeing retirement security and is truly a part of Social Security;

(2) senior citizens have contributed throughout their working lives to Medicare in the expectation of health insurance protection when they retire;

(3) because of gaps in Medicare coverage, senior citizens already spend more than one dollar in five of their limited incomes to purchase the health care that they need;

(4) low and moderate-income senior citizens will suffer most from Medicare cuts, since 83 percent of all Medicare spending is for older Americans with annual incomes below $25,000 and two-thirds is for those with annual incomes below $15,000;

(5) at the present time, Medicare only pays 68 percent of what the private sector pays for comparable physicians' services and 69 percent of what the private sector pays for comparable hospital care;

(6) piecemeal, budget-driven cuts in Medicare will only shift costs from the Federal budget to the family budgets of senior citizens and working Americans;

(7) deep cuts in Medicare could damage the quality of American medicine, by endangering hospitals and other health care institutions that depend on Medicare, including rural hospitals, inner-city hospitals, and academic health centers;

(8) deep cuts in Medicare will make essential health care less available to millions of uninsured Americans, by endangering the financial stability of hospitals providing such care; and

(9) cuts in Medicare benefits should not be used to pay for tax cuts for the wealthy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this concurrent resolution assume that reductions in projected Medicare spending included in the reconciliation bill for fiscal year 1996 should not increase medical costs such as premiums, deductibles, and coinsurance or diminish access to health care for senior citizens, and further, that major reductions in projected Medicare spending should not be enacted by the Congress except in the context of a broad, bipartisan health reform plan that will not—

(1) increase costs or reduce access to care for senior citizens;

(2) shift costs to working Americans; or

(3) damage the quality of American medicine.

Mr. EXON. Mr. President, Senator KENNEDY's amendment urges that any reductions in Medicare should not increase premiums, deductibles and coinsurance for senior citizens and that Medicare reductions should not be enacted except as part of a broader health reform.

I send a second amendment to the desk.

Mr. DOLE. Could I have an explanation of the one we just did, an explanation of the first Kennedy amendment?

Mr. EXON. I thought we were going to do it in sequence.

Go ahead.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. We interpret the Kennedy amendment to propose that we hold Medicare reform hostage until we have a national health care reform package. But I am going to move to table it at the appropriate time in any event.

AMENDMENT NO. 1189

(Purpose: To restore $28,000,000,000 in outlays over seven years to reduce by $22,000,000,000 the discretionary cuts proposed in elementary and secondary education programs and reduce the reconciliation instructions to the Committee on Labor and Human Resources (primarily affecting student loans) by $6 billion by closing corporate tax loopholes)

Mr. EXON. Mr. President, I send an amendment to the desk, a second amendment, offered by Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, for himself, Mr. DODD, Mr. SIMON, and Mr. PELL, proposes an amendment numbered 1189.

The amendment is as follows:

On page 3, line 10, increase the amount by $5,100,000,000.

On page 3, line 11, increase the amount by $3,400,000,000.

On page 3, line 12, increase the amount by $3,600,000,000.

On page 3, line 13, increase the amount by $3,800,000,000.

On page 3, line 14, increase the amount by $4,000,000,000.

On page 3, line 15, increase the amount by $4,000,000,000.

On page 3, line 16, increase the amount by $4,100,000,000.

On page 3, line 20, increase the amount by $5,100,000,000.

On page 3, line 21, increase the amount by $3,400,000,000.

On page 3, line 22, increase the amount by $3,600,000,000.

On page 3, line 23, increase the amount by $3,800,000,000.

On page 3, line 24, increase the amount by $4,000,000,000.

On page 3, line 25, increase the amount by $4,000,000,000.

On page 4, line 1, increase the amount by $4,100,000,000.

On page 4, line 18, increase the amount by $5,100,000,000.

On page 4, line 19, increase the amount by $3,400,000,000.

On page 4, line 20, increase the amount by $3,600,000,000.

On page 4, line 21, increase the amount by $3,800,000,000.

On page 4, line 22, increase the amount by $4,000,000,000.

On page 4, line 23, increase the amount by $4,000,000,000.

On page 4, line 24, increase the amount by $4,100,000,000.

On page 5, line 4, increase the amount by $5,100,000,000.

On page 5, line 5, increase the amount by $3,400,000,000.

On page 5, line 6, increase the amount by $3,600,000,000.

On page 5, line 7, increase the amount by $3,800,000,000.

On page 5, line 8, increase the amount by $4,000,000,000.

On page 5, line 9, increase the amount by $4,000,000,000.

On page 5, line 10, increase the amount by $4,100,000,000.

On page 5, line 17, increase the amount by $28,300,000,000.

On page 5, line 18, increase the amount by $3,800,000,000.

On page 5, line 19, increase the amount by $3,600,000,000.

On page 5, line 20, increase the amount by $3,800,000,000.

On page 5, line 21, increase the amount by $4,000,000,000.

On page 5, line 22, increase the amount by $4,000,000,000.

On page 5, line 23, increase the amount by $4,100,000,000.

On page 6, line 16, increase the amount by $5,100,000,000.

On page 6, line 17, increase the amount by $3,400,000,000.

On page 6, line 18, increase the amount by $3,600,000,000.

On page 6, line 19, increase the amount by $3,800,000,000.

On page 6, line 20, increase the amount by $4,000,000,000.

On page 6, line 21, increase the amount by $4,000,000,000.

On page 6, line 22, increase the amount by $4,100,000,000.

On page 31, line 12, increase the amount by $28,300,000,000.

On page 31, line 20, increase the amount by $3,800,000,000.

On page 32, line 3, increase the amount by $3,600,000,000.

On page 32, line 11, increase the amount by $3,800,000,000.

On page 32, line 19, increase the amount by $4,000,000,000.

On page 33, line 2, increase the amount by $4,000,000,000.

On page 33, line 10, increase the amount by $4,100,000,000.

On page 31, line 13, increase the amount by $5,100,000,000.

On page 31, line 21, increase the amount by $3,400,000,000.

On page 32, line 4, increase the amount by $3,600,000,000.

On page 32, line 12, increase the amount by $3,800,000,000.

On page 32, line 20, increase the amount by $4,000,000,000.

On page 33, line 3, increase the amount by $4,000,000,000.

On page 33, line 11, increase the amount by $4,100,000,000.

On page 64, line 9, decrease the amount by $1,100,000,000.

On page 64, line 10, decrease the amount by $4,600,000,000.

On page 64, line 11, decrease the amount by $6,000,000,000.

On page 65, line 17, increase the amount by $26,700,000,000.

On page 65, line 18, increase the amount by $4,000,000,000.

On page 65, line 24, increase the amount by $3,400,000,000.

On page 65, line 25, increase the amount by $3,000,000,000.

On page 66, line 6, increase the amount by $3,000,000,000.

On page 66, line 7, increase the amount by $3,000,000,000.

On page 66, line 13, increase the amount by $3,000,000,000.

On page 66, line 14, increase the amount by $3,000,000,000.

On page 66, line 20, increase the amount by $3,000,000,000.

On page 66, line 21, increase the amount by $3,000,000,000.

On page 67, line 2, increase the amount by $3,000,000,000.

On page 67, line 3, increase the amount by $3,000,000,000.

On page 67, line 9, increase the amount by $3,000,000,000.

On page 67, line 10, increase the amount by $3,000,000,000.

Mr. EXON. Mr. President, Senator KENNEDY's amendment would restore $28 billion over the budget period for education, $6 billion to student loan accounts, $22 billion to restore funding to elementary and secondary education programs.

Mr. DOMENICI. Mr. President, this increases taxes $22 billion and provides for the expenditure thereof without any assurance it will be spent that way under budget law.

AMENDMENT NO. 1190

(Purpose: To add $8,871,091,316 in budget authority and $6,770,659,752 in outlays to Function 500 over 7 years to restore funding to the Pell Grant Program by closing tax loopholes)

Mr. EXON. Mr. President, I send a third amendment by Senator KENNEDY to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, for himself and Mr. PELL, proposes an amendment numbered 1190.

The amendment is as follows:

On page 3, line 10, increase the amount by $13,049,296.

On page 3, line 11, increase the amount by $137,045,490.

On page 3, line 12, increase the amount by $503,890,941.

On page 3, line 13, increase the amount by $902,889,932.

On page 3, line 14, increase the amount by $1,300,174,427.

On page 3, line 15, increase the amount by $1,729,683,671.

On page 3, line 16, increase the amount by $2,183,925,995.

On page 3, line 20, increase the amount by $13,049,296.

On page 3, line 21, increase the amount by $137,045,490.

On page 3, line 22, increase the amount by $503,890,941.

On page 3, line 23, increase the amount by $902,889,932.

On page 3, line 24, increase the amount by $1,300,174,427.

On page 3, line 25, increase the amount by $1,729,683,671.

On page 4, line 1, increase the amount by $2,183,925,995.

On page 4, line 18, increase the amount by $13,049,296.

On page 4, line 19, increase the amount by $137,045,490.

On page 4, line 20, increase the amount by $503,890,941.

On page 4, line 21, increase the amount by $902,889,932.

On page 4, line 22, increase the amount by $1,300,174,427.

On page 4, line 23, increase the amount by $1,729,683,671.

On page 4, line 24, increase the amount by $2,183,925,995.

On page 5, line 4, increase the amount by $13,049,296.

On page 5, line 5, increase the amount by $137,045,490.

On page 5, line 6, increase the amount by $503,890,941.

On page 5, line 7, increase the amount by $902,889,932.

On page 5, line 8, increase the amount by $1,300,174,427.

On page 5, line 9, increase the amount by $1,729,683,671.

On page 5, line 10, increase the amount by $2,183,925,995.

On page 5, line 17, increase the amount by $65,246,479.

On page 5, line 18, increase the amount by $430,766,179.

On page 5, line 19, increase the amount by $832,941,958.

On page 5, line 20, increase the amount by $1,222,899,409.

On page 5, line 21, increase the amount by $1,648,270,247.

On page 5, line 22, increase the amount by $2,097,874,450.

On page 5, line 23, increase the amount by $2,573,092,594.

On page 6, line 16, increase the amount by $13,049,296.

On page 6, line 17, increase the amount by $137,045,490.

On page 6, line 18, increase the amount by $503,890,941.

On page 6, line 19, increase the amount by $902,889,932.

On page 6, line 20, increase the amount by $1,300,174,427.

On page 6, line 21, increase the amount by $1,729,683,671.

On page 6, line 22, increase the amount by $2,183,925,995.

On page 31, line 12, increase the amount by $65,246,479.

On page 31, line 13, increase the amount by $13,049,296.

On page 31, line 20, increase the amount by $430,766,179.

On page 31, line 21, increase the amount by $137,045,490.

On page 32, line 3, increase the amount by $832,941,958.

On page 32, line 4, increase the amount by $503,890,941.

On page 32, line 11, increase the amount by $1,222,899,409.

On page 32, line 12, increase the amount by $902,889,932.

On page 32, line 19, increase the amount by $1,648,270,247.

On page 32, line 20, increase the amount by $1,300,174,427.

On page 33, line 2, increase the amount by $2,097,874,450.

On page 33, line 3, increase the amount by $1,729,683,671.

On page 33, line 10, increase the amount by $2,573,092,594.

On page 33, line 11, increase the amount by $2,183,925,995.

On page 65, line 17, increase the amount by $65,246,479.

On page 65, line 18, increase the amount by $13,049,296.

On page 65, line 24, increase the amount by $430,766,179.

On page 65, line 25, increase the amount by $137,045,490.

On page 66, line 6, increase the amount by $832,941,958.

On page 66, line 7, increase the amount by $503,890,941.

On page 66, line 13, increase the amount by $1,222,899,409.

On page 66, line 14, increase the amount by $902,889,932.

On page 66, line 20, increase the amount by $1,648,270,247.

On page 66, line 21, increase the amount by $1,300,174,427.

On page 67, line 2, increase the amount by $2,097,874,450.

On page 67, line 3, increase the amount by $1,729,683,671.

On page 67, line 9, increase the amount by $2,573,092,594.

On page 67, line 10, increase the amount by $2,183,925,995.

Mr. EXON. Mr. President, this amendment is about something that we all know a great deal and have generally supported very well, Pell grants. This amendment, also sponsored by Senator PELL, would restore $8.8 billion over the budget period to protect the value of Pell grants against inflation and increasing college enrollments. Under the pending budget proposal, the Pell grants would decline in value by 40 percent over the next 7 years.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, again, we are going to raise taxes by $8.8 billion to spend that amount of money. I believe we have held firm on that heretofore, and I hope we do so again.

Mr. EXON. Mr. President, I ask unanimous consent that it be in order that all three amendments be ordered to be for a rollcall vote.

Mr. DOMENICI. Mr. President, I do not waive a right to table the amendments, do I, with that?

Mr. EXON. No, the Senator does not.

Mr. DOMENICI. Fine. I have no objection.

The PRESIDING OFFICER. Is there objection. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I think we have a way to dispose of Harkin-McCain. I would add that as a fourth effort and move to table the underlying amendment—that will take care of both of them—and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Reserving the right to object to make sure we understand that——

Mr. DOLE. I have cleared it with Senator HARKIN.

Mr. EXON. I believe what the majority leader just said has been agreed to by Senator HARKIN, but I do want to check with him. As I understand it, you on that side will offer a tabling motion.

Mr. DOLE. I just did it.

Mr. EXON. The Senator just did it.

Mr. DOLE. To table both of them.

Mr. EXON. And that will be the fourth of the series of votes that we have just scheduled.

Mr. DOLE. Right.

Mr. HARKIN. That is a motion to table Harkin.

Mr. DOLE. Yes.

Mr. EXON. Anyone may reserve the right to offer a motion to table.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, were the yeas and nays ordered on the three amendments?

The PRESIDING OFFICER. They have not been ordered.

Mrs. BOXER. Reserving the right to object, is this the Harkin amendment?

The PRESIDING OFFICER. There is a request pending.

Mr. BYRD. Mr. President, was the request granted that the yeas and nays will be in order on all three?

The PRESIDING OFFICER. That request has been agreed to.

Mr. BYRD. I ask for the yeas and nays on all three.

The PRESIDING OFFICER. Is there a sufficient?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I move to table the first Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1188

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—58

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—41

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NOT VOTING—1

Mikulski

So the motion to table the amendment (No. 1188) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to table the second Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1189

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1189, offered by the Senator from Massachusetts [Mr. KENNEDY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 219 Leg.]

YEAS—54

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—45

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1189) was agreed to.

Mr. DOMENICI. Mr. President, is the pending business the third pending amendment?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1190

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER (Mr. ABRAHAM). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 220 Leg.]

YEAS—55

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—44

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1190) was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1185

The PRESIDING OFFICER. The question is now on agreeing to the motion to table amendment No. 1185. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 26, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—73

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
D'Amato
DeWine
Dodd
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Kassebaum
Kempthorne
Kerry
Kyl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Reid
Robb
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—26

Boxer
Bradley
Breaux
Bumpers
Conrad
Craig
Daschle
Dorgan
Feingold
Grassley
Harkin
Hollings
Johnston
Kennedy
Kerrey
Kohl
Lautenberg
Levin
Moseley-Braun
Murray
Pell
Pryor
Rockefeller
Simon
Snowe
Wellstone

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1185) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I ask unanimous consent—and I have talked to Senator DOMENICI about this—that we might recognize the Senator from California very briefly for a unanimous consent request that I think will be approved.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, thank you very much.

CHANGE OF VOTE

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to change my vote on rollcall No. 220, amendment numbered 1190, from a "yea" to a "nay." It will not make a difference in the vote count.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 1191

(Purpose: To express the sense of the Senate regarding the priority that should be given to renewable energy and energy efficiency research, development, and demonstration activities)

Mr. EXON. Mr. President, I have an amendment submitted by Senator BINGAMAN and Senator JEFFORDS that expresses the sense of the Senate on renewable energy and energy efficiency technologies and research development and demonstration activities in these areas, and our priority within the Federal Energy Research Program. Cosponsors of this amendment are Mrs. MURRAY, Mr. HARKIN, and Mr LEAHY. I think it has been cleared on both sides.

Mr. DOMENICI. Mr. President, we have no objection. We accept the amendment.

Mr. EXON. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BINGAMAN, for himself, Mr. JEFFORDS, Mrs. MURRAY, Mr. HARKIN, and Mr. LEAHY, proposes an amendment numbered 1191.

The amendment is as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE PRIORITY THAT SHOULD BE GIVEN TO RENEWABLE ENERGY AND ENERGY EFFICIENCY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.

(a) FINDINGS.—Congress finds that—

(1) section 1202 of the Energy Policy Act of 1992 (106 Stat. 2956), which passed the Senate 93 to 3 and was signed into law by President Bush in 1992, amended section 6 of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (42 U.S.C. 12005) to direct the Secretary of Energy to conduct a 5-year program to commercialize renewable energy and energy efficiency technologies;

(2) poll after poll shows that the American people overwhelmingly believe that renewable energy and energy efficiency technologies should be the highest priority of Federal research, development, and demonstration activities;

(3) renewable technologies (such as wind, photovoltaic, solar thermal, geothermal, and biomass technology) have made significant progress toward increased reliability and decreased cost;

(4) energy efficient technologies in the building, industrial, transportation, and utility sectors have saved more than 3 trillion dollars for industries, consumers, and the Federal Government over the past 20 years while creating jobs, improving the competitiveness of the economy, making housing more affordable, and reducing the emissions of environmentally damaging pollutants;

(5) the renewable energy and energy efficiency technology programs feature private sector cost shares that are among the highest of Federal energy research and development programs;

(6) according to the Energy Information Administration, the United States currently imports more than 50 percent of its oil, representing $46,000,000,000, or approximately 40 percent, of the $116,000,000,000 total United States merchandise deficit in 1993; and

(7) renewable energy and energy efficiency technologies represent potential inroads for American companies into export markets for energy products and services estimated at least $225,000,000,000 over the next 25 years.

(b) SENSE OF SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumption that renewable energy and energy efficiency technology research, development, and demonstration activities should be given priority among the Federal energy research programs.

The PRESIDING OFFICER. Without objection, the amendment (No. 1191) is agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. At the suggestion of the majority leader, we have engaged in taking three amendments in a row and explaining them in advance, and then voting on them one after another so that there is no time lost. Senator EXON is going to offer three amendments, all three Bradley amendments. We know what they are.

I ask unanimous consent that it be in order now for the managers to explain each of the three in sequence and thereafter, when the explanations are completed, each of the amendments be voted in sequence and that time for each amendment be 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EXON. Mr. President, I thank my colleague for the explanation.

AMENDMENT NO. 1192

(Purpose: To establish a process to identify and control tax expenditures by setting a target for cuts)

Mr. EXON. I send an amendment to the desk, the No. 1 Bradley amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, for himself and Mr. DASCHLE, proposes an amendment numbered 1192.

The amendment is as follows:

On page 79, between lines 3 and 4, insert the following:

SEC. . IDENTIFICATION AND CONTROL OF TAX EXPENDITURES.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on such a resolution) that does not include—

(1) appropriate levels for the budget year and planning levels for each of the 6 fiscal years following the budget year for the total

amount, if any, tax expenditures should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and

(2) tax expenditures for each major functional category, based on the allocations of the total levels set forth in the resolution.

(b) CBO.—The Director of the Congressional Budget Office shall include alternatives for allocating tax expenditures in accordance with national priorities as required by section 202(f)(1) of the Congressional Budget Act of 1974.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

Mr. BRADLEY. Mr. President, this amendment makes a very simple point: we can spend money just as easily through the Tax Code as we can through the appropriations process or through the creation of mandatory spending programs.

The amendment that I have offered would simply require that in our annual budget process we establish targets for reducing tax loopholes—just as we do for all other types of spending. Those targets would be enforced through a separate line in our budget reconciliation instructions for reductions in tax loopholes. We already do this for other entitlement programs. There is no reason not to do so for tax loopholes. The Senate would pass a budget resolution asking the Finance Committee to reduce tax loopholes, for example, by $10 billion a year or $20 billion or whatever the Senate decides is prudent. It would be up to the Finance Committee to meet those targets through the reconciliation process.

This separate tax expenditure target would not replace our current revenue targets. Instead, it would simply ensure that the committee take at least the specified amount from tax loopholes. In other words, we would ensure that the committee would not raise the targeted amount from rate increases.

I think we should be honest about the hundreds of billions of dollars that we spend each year through tax loopholes. Spending is spending, whether it comes in the form of a government check or in the form of a special exception from the tax rates that apply to everyone else.

Tax expenditures are a large and rapidly growing form of spending by the Federal Government. According to the Budget Committee, in 1996, tax expenditures will cost over $480 billion; left unchecked, we will spend roughly $4 trillion on tax expenditures between now and 2002. In 1986, we dramatically scaled back these loopholes. However, since that time, they have grown at an astronomical rate. At a time when we are properly talking about other spending cuts, I do not believe that tax expenditures should be off the table.

Tax expenditures or tax loopholes allow some taxpayers to lower their taxes and leave the rest of us paying higher taxes than we otherwise would pay. By requiring that Congress establish specific targets for tax loopholes as part of the budget reconciliation process, this amendment simply places tax loopholes under the same budgetary scrutiny as all other spending programs.

Tax loopholes do not, as some would say, simply allow people to keep more of what they have earned. Rather, they give the few a special exception from the rules that oblige everyone to share in the responsibility of the national defense and protecting the young, the aged, and the infirm.

Mr. President, in the face of a Federal debt rapidly approaching $5 trillion, we cannot afford to be timid. Our children's way of life is dependent upon our acting on the Federal deficit today and tomorrow and every year thereafter until we restore fiscal sanity to our budget. We cannot wait until we grow our way out of the debt. And we should not and cannot wait until deficits start drifting up in the latter half of this decade before we do something.

The Congressional Budget Office tells us that by 2004 the national debt held by the public will rise to roughly $6 trillion. At that time, the national debt will equal almost 55 percent of our gross domestic product. By 2004, interest payments on that debt will be approximately $334 billion, or over 3 percent of our gross domestic product. One recent report stated that these interest payments will cost each of today's children over $130,000 in extra taxes over the course of their lifetime. Our national debt is nothing less than a mortgage on our Nation's, and our children's, future.

Mr. President, let us not kid ourselves. As we have seen from this week's debate, addressing our burgeoning debt will not be easy. If it was, we would have done it years ago. Instead, it will require a very thoughtful, and sometimes difficult, debate over our Nation's priorities and what sacrifices we are willing to make in order to balance the budget. This means that we are going to have to take a hard look at what we spend the taxpayers' money on. And that means all of our spending programs—tax expenditures included.

The purpose of this amendment is simply to try to draw the Senate's attention to the very targeted spending we do through the Tax Code—spending that is not subject to the annual appropriations process; spending that is not subject to the executive order capping the growth of mandatory spending; spending that is rarely ever debated on the floor of the Senate once it becomes part of the Tax Code. The preferential deductions or credits or depreciation schedules or timing rules that we provide through the Tax Code are simply entitlement programs under another guise. Many of them make sense, Mr. President. And I would be the first to admit that. Many, however, probably could not stand the light of day if we had to vote on them as direct spending programs.

Given our critical need for deficit reduction, tax spending should not be treated any better or worse then other programs. It should not be protected any more than Social Security payments or crop price support payments or Medicare payments or welfare payments.

What am I really talking about? I am talking about provisions that allow wealthy Americans to renounce their citizenship in order to avoid paying their fair share of U.S. taxes. That is already in the Tax Code. I am talking about letting wealthy taxpayers rent their homes for 2 weeks a year without having to report any income. That is already in the Tax Code. I am talking about providing production subsidies in excess of the dollars invested for the production of lead, uranium and asbestos—three poisons on which we spend millions of dollars each year just trying to clean up. That is already in the code. I am talking about tax credits for clean-fuel vehicles, cancellation of indebtedness income for farmers or real estate developers, special amortization periods for timber companies' reforestation efforts, industrial development bonds for airports or docks, special treatment of capital construction funds for shipping companies, et cetera, et cetera.

Mr. President, let me be clear that this bill does not pinpoint specific programs and I am not suggested that we eliminate all tax expenditures. In fact, I support many of them. Instead, I am simply suggesting that we subject them to the same level of scrutiny as all other entitlement programs.

If we are serious about deficit reduction—and for our Nation's future I sincerely hope that we are—then every segment of spending will have to be examined. We cannot do it fairly through discretionary spending cuts alone. Indeed, that is an area of the budget that is shrinking in terms of gross national product. Likewise, we cannot do it fairly through entitlement cuts alone. In order to achieve equitable, lasting deficit reduction, we will need to consider tax loopholes as well.

Mr. DASCHLE. Mr. President, for nearly a decade now, one of our primary tasks has been to leash the burgeoning budget deficit and keep it under control. As my colleagues well know, the process of reducing the deficit is a painstaking one, during which every item of direct spending is scrutinized. Even entitlements are today facing the budget ax—for example, this budget resolution envisions $256 billion in Medicare cuts alone.

This scrutiny, however, is reserved for direct spending items. Yet, one of our largest areas of spending in the Federal budget is tax expenditures—exclusions, exemptions, deductions, credits, preferential rates, and deferrals of tax liability. While, at the margin, we can debate exactly what constitutes a tax expenditure, these items will drain about $480 billion from Federal revenues this year.

Let me make it clear that I do not support a massive elimination of tax expenditures without regard to merit. However, this very large and important part of Federal spending—for, clearly, that is what it is—deserves the same scrutiny as direct spending.

Currently, tax expenditures receive only minimal attention on an annual basis. Nowhere is this information incorporated in the budget process in a meaningful way—a way that spurs action to limit this form of spending. There are no targets for tax expenditures called for in the budget resolution, and there is nothing to force members to view tax expenditures by budget function, comparing aggregate spending in any given area through both direct spending and tax expenditures.

The Bradley amendment would require the annual budget resolution to set forth the total amount, if any, by which tax expenditures should be increased or decreased. The resolution would have to include such totals both for the upcoming fiscal year and, for planning purposes, for the following 6 fiscal years. additionally, the total level of tax expenditures for the upcoming fiscal year would need to be broken out among the major functional categories. The budget resolution would be subject to a point of order if it failed to include the information on tax expenditures that is required by the Bradley amendment.

I applaud Senator BRADLEY for his continued leadership on this very important issue, and I urge my colleagues to join me in supporting his amendment.

Mr. EXON. Very briefly, this Bradley amendment requires Congress to set targets for reduction in tax expenditures similar to targets it set for mandatory spending in our budget resolution instructions.

Mr. DOMENICI. Mr. President, this is going to be subject to a point of order. It establishes a whole new process in treating budget resolutions and tax bills, and I do not believe we ought to be doing it here on the floor. When it is appropriate, I will raise the point of order.

AMENDMENT NO. 1193

(Purpose: To restore cuts in Medicare and NIH by raising the tobacco tax by $1 a pack)

Mr. EXON. Mr. President, I submit the second Bradley amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, proposes an amendment numbered 1193.

The amendment is as follows:

At the end of title III, add the following new section:

SEC. —. SENSE OF THE SENATE REGARDING OFFSETTING NIH AND MEDICARE CUTS WITH TOBACCO TAX REVENUES.

(a) TOBACCO TAX.—It is the sense of the Senate that the Senate Committee on Finance, in meeting the committee's revenue instruction under section 6, will increase the Federal tax on cigarettes by $1.00 a pack, tax smokeless tobacco products at the same rate as cigarettes, and increase the tax on all other tobacco products by a factor of 5.1667 and that the resulting revenues will be allocated as provided in subsection (b).

(b) USE OF REVENUES.—The revenues resulting from the taxes provided in subsection (a) shall be allocated as follows:

(1) 90 percent of the revenues ($75,900,000,000) to offset medicare cuts, reducing the total amount of cuts by 30 percent.

(2) 9.4 percent of the revenues ($7,900,000,000) to offset the entire reduction to the NIH budget.

(3) 0.6 percent of the revenues, $530,000,000 to assist tobacco farmers and communities in converting to new crops.

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues $12.5 billion in fiscal year 1996, $61.8 billion for the period of fiscal years 1996 through 2000, and $84.3 billion for the period of fiscal years 1996 through 2002.".

On page 3, line 10, increase the amount by $12.5 billion.

On page 3, line 11, increase the amount by $12.8 billion.

On page 3, line 12, increase the amount by $12.5 billion.

On page 3, line 13, increase the amount by $12.2 billion.

On page 3, line 14, increase the amount by $11.8 billion.

On page 3, line 15, increase the amount by $11.4 billion.

On page 3, line 16, increase the amount by $11.1 billion.

On page 3, line 20, increase the amount by $12.5 billion.

On page 3, line 21, increase the amount by $12.8 billion.

On page 3, line 22, increase the amount by $12.5 billion.

On page 3, line 23, increase the amount by $12.2 billion.

On page 3, line 24, increase the amount by $11.8 billion.

On page 3, line 25, increase the amount by $11.4 billion.

On page 3, line 26, increase the amount by $11.1 billion.

On page 4, line 18, increase the amount by $12.5 billion.

On page 4, line 19, increase the amount by $12.8 billion.

On page 4, line 20, increase the amount by $12.5 billion.

On page 4, line 21, increase the amount by $12.2 billion.

On page 4, line 22, increase the amount by $11.8 billion.

On page 4, line 23, increase the amount by $11.4 billion.

On page 4, line 24, increase the amount by $11.1 billion.

On page 5, line 4, increase the amount by $12.5 billion.

On page 5, line 5, increase the amount by $12.8 billion.

On page 5, line 6, increase the amount by $12.5 billion.

On page 5, line 7, increase the amount by $12.2 billion.

On page 5, line 8, increase the amount by $11.8 billion.

On page 5, line 9, increase the amount by $11.4 billion.

On page 5, line 10, increase the amount by $11.1 billion.

On page 5, line 17, increase the amount by $12.5 billion.

On page 5, line 18, increase the amount by $12.8 billion.

On page 5, line 19, increase the amount by $12.5 billion.

On page 5, line 20, increase the amount by $12.2 billion.

On page 5, line 21, increase the amount by $11.8 billion.

On page 5, line 22, increase the amount by $11.4 billion.

On page 5, line 23, increase the amount by $11.1 billion.

On page 6, line 3, increase the amount by $12.5 billion.

On page 6, line 4, increase the amount by $12.8 billion.

On page 6, line 5, increase the amount by $12.5 billion.

On page 6, line 6, increase the amount by $12.2 billion.

On page 6, line 7, increase the amount by $11.8 billion.

On page 6, line 8, increase the amount by $11.4 billion.

On page 6, line 9, increase the amount by $11.1 billion.

On page 6, line 16, increase the amount by $12.5 billion.

On page 6, line 17, increase the amount by $12.8 billion.

On page 6, line 18, increase the amount by $12.5 billion.

On page 6, line 19, increase the amount by $12.2 billion.

On page 6, line 20, increase the amount by $11.8 billion.

On page 6, line 21, increase the amount by $11.4 billion.

On page 6, line 22, increase the amount by $11.1 billion.

On page 7, line 3, increase the amount by $12.5 billion.

On page 7, line 4, increase the amount by $12.8 billion.

On page 7, line 5, increase the amount by $12.5 billion.

On page 7, line 6, increase the amount by $12.2 billion.

On page 7, line 7, increase the amount by $11.8 billion.

On page 7, line 8, increase the amount by $11.4 billion.

On page 7, line 9, increase the amount by $11.1 billion.

On page 22, line 8, increase the amount by $0.08 billion.

On page 22, line 9, increase the amount by $0.08 billion.

On page 22, line 16, increase the amount by $0.08 billion.

On page 22, line 17, increase the amount by $0.08 billion.

On page 22, line 24, increase the amount by $0.08 billion.

On page 22, line 25, increase the amount by $0.08 billion.

On page 23, line 7, increase the amount by $0.08 billion.

On page 23, line 8, increase the amount by $0.08 billion.

On page 23, line 15, increase the amount by $0.08 billion.

On page 23, line 16, increase the amount by $0.08 billion.

On page 23, line 23, increase the amount by $0.08 billion.

On page 23, line 24, increase the amount by $0.08 billion.

On page 24, line 7, increase the amount by $0.08 billion.

On page 24, line 8, increase the amount by $0.08 billion.

On page 33, line 19, increase the amount by $1.13 billion.

On page 33, line 20, increase the amount by $1.13 billion.

On page 34, line 2, increase the amount by $1.13 billion.

On page 34, line 3, increase the amount by $1.13 billion.

On page 34, line 9, increase the amount by $1.13 billion.

On page 34, line 10, increase the amount by $1.13 billion.

On page 34, line 16, increase the amount by $1.13 billion.

On page 34, line 17, increase the amount by $1.13 billion.

On page 34, line 23, increase the amount by $1.13 billion.

On page 34, line 24, increase the amount by $1.13 billion.

On page 35, line 5, increase the amount by $1.13 billion.

On page 35, line 6, increase the amount by $1.13 billion.

On page 35, line 12, increase the amount by $1.13 billion.

On page 35, line 13, increase the amount by $1.13 billion.

On page 35, line 20, increase the amount by $11.3 billion.

On page 35, line 21, increase the amount by $11.3 billion.

On page 36, line 2, increase the amount by $11.6 billion.

On page 36, line 3, increase the amount by $11.6 billion.

On page 36, line 9, increase the amount by $11.3 billion.

On page 36, line 10, increase the amount by $11.3 billion.

On page 36, line 16, increase the amount by $11.0 billion.

On page 36, line 17, increase the amount by $11.0 billion.

On page 36, line 23, increase the amount by $10.6 billion.

On page 36, line 24, increase the amount by $10.6 billion.

On page 37, line 5, increase the amount by $10.2 billion.

On page 37, line 6, increase the amount by $10.2 billion.

On page 37, line 12, increase the amount by $9.9 billion.

On page 37, line 13, increase the amount by $9.9 billion.

On page 65, line 17, increase the amount by $1.2 billion.

On page 65, line 18, increase the amount by $1.2 billion.

On page 65, line 24, increase the amount by $1.2 billion.

On page 65, line 25, increase the amount by $1.2 billion.

On page 66, line 6, increase the amount by $1.2 billion.

On page 66, line 7, increase the amount by $1.2 billion.

On page 66, line 13, increase the amount by $1.2 billion.

On page 66, line 14, increase the amount by $1.2 billion.

On page 66, line 20, increase the amount by $1.2 billion.

On page 66, line 21, increase the amount by $1.2 billion.

On page 67, line 2, increase the amount by $1.2 billion.

On page 67, line 3, increase the amount by $1.2 billion.

On page 67, line 9, increase the amount by $1.2 billion.

On page 67, line 10, increase the amount by $1.2 billion.

AMENDMENT NO. 1193

Mr. BRADLEY. Mr. President, this amendment would eliminate 30 percent of the proposed Medicare cuts and the entire cut to the NIH budget. These cuts would be offset with revenues generated by increasing the tobacco tax.

Mr. President, my amendment presents a win-win-win situation. It will improve not one, not two, but three threats to our national health. First, it dampens the incredibly harsh blow which the proposed budget will deal to our Nation's oldest citizens. Second, it ensures that the NIH will be able to continue its current efforts to develop life-saving technologies. And finally, it will encourage our citizens—particularly our children and teenagers—to avoid the addiction, sickness, and death which result from tobacco use.

The first national health threat which my amendment seeks to improve involves the proposed Medicare cuts. We are all aware that the budget resolution would reduce spending for the Medicare program by $256 billion over 7 years. This means that seniors will have to find an average of $3,447 more dollars to pay for their health care over the next 7 years. In my home State of New Jersey, seniors will have to come up with an additional $932 in the year 2002 alone just to pay for the additional Medicare costs which this budget imposes on them. For many seniors across the country, these new costs will be extremely difficult to bear. In 1992, the median income of seniors in this country was only about $17,000 a year, and over 20 percent of this income already goes for health-related costs. For the millions of seniors across the country who live on fixed incomes, finding an additional $3,447 over 7 years will mean having to give up something else which is important to them. It is estimated that there are already nearly 8 million seniors nationwide who are forced to choose each month between paying for their medications and paying for food. I can't help wondering how many millions more seniors will be faced with this horrible choice once the proposed cuts go into place.

Increased financial burdens on seniors is only one of the negative consequences which will result from the proposed Medicare cuts. Along with having to pay more, seniors will likely find that their ability to choose their own doctor restricted—perhaps not explicitly, but because financial limitations leave them with no choice but to join a managed care plan. Also, doctors, hospitals, and other providers are all likely to face reduced payments. They already receive far lower payments from Medicare than from private insurers, and if Medicare rates are reduced much further some may find that they can no longer afford to take Medicare patients. Those which do keep taking Medicare will be forced to shift even more costs onto their privately insured patients, creating a hidden tax on employers and individuals.

Mr. President, the proposed Medicare cuts are bad news for seniors; they are bad news for health care providers; and they are bad news for employers and individuals nationwide. My amendment will make this bad news a little better. It does this by offsetting 30 percent of the proposed Medicare cuts with revenues generated by increasing the Federal tax on tobacco products. This means that $76 billion will be restored to the Medicare Program. It reduces the amount of additional money which each senior must find from $3,447 to $2,413 over 7 years. I understand that $2,413 is still an enormous amount of money for anyone on a fixed income to part with. But $2,413 is at least better than $3,447.

Mr. President, Medicare cuts are just one of the national health threats which my amendment seeks to improve. The second threat is the proposal, contained in this resolution, to cut the budget of the National Institutes of Health by 10 percent next year and then freeze it through the year 2002.

Mr. President, cutting the NIH budget is shortsighted policy at its worst. NIH-funded research impacts the lives of millions of Americans every day. Technologies and drugs developed with NIH funds not only improve Americans' quality of life; they also save lives. Without the basic research which is funded by the NIH, in a few years the private sector will have limited fundamental research upon which to base its own efforts. The result will be a dramatic slowdown in the development of life-improving and life-saving technologies. I have no way of knowing which of us in this room, or which of our loved ones, could benefit in the future from technologies which NIH is developing today. But I do know that we owe it to all present and future Americans to ensure that their access to these technologies is not limited due to shortsighted budget cutting.

For those who are not convinced that NIH's role in improving and saving lives warrants restoring its budget, let me make one final point: Much of NIH research reduces health care spending. For example, the NIH recently estimated that approximately $4.3 billion invested in NIH research had the potential to realize annual savings of between $9.3 and $13.6 billion. This translates into a 200- to 300-percent annual return. I challenge my colleagues to find any type of Federal spending which provides an annual return of at least 200 percent. Given that payoff, we can't afford to not invest in the NIH.

My amendment recognizes these immense benefits generated by NIH, and seeks to ensure that this research can continue at its present level into the future. To do this, the amendment restores the entire $7.9 million which the Republican resolution cuts from the NIH budget.

Finally, Mr. President, this amendment addresses the national health threat created by tobacco use. It seeks to encourage our citizens—particularly our children and teenagers—to avoid the addiction, sickness, and death which results from using tobacco.

Mr. President, I have been on this floor many times talking about the dangers of tobacco use. I have repeatedly stated that tobacco use kills well over 400,000 Americans every year—more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides, and AIDS combined. Furthermore, secondhand tobacco smoke will cause tens of thousands of additional deaths. This year, one out of every five Americans who dies will die from tobacco use.

But of all the sad stories which can be told about the impact of tobacco use in this country, perhaps the saddest is the alarming rate at which children and teenagers are being hooked on tobacco products. Over 90 percent of new users of tobacco in this country are teenagers or younger. The tobacco companies know children and teenagers are easy targets, so they specifically aim their advertising at them. And their efforts are succeeding. Every 30 seconds, a child or teenager in the United States smokes for the first time.

In addition to the enormous human costs of tobacco use—the addition, suffering, and death which could have been avoided—tobacco contributes substantially to health care costs every year. According to the Centers for Disease Control and Prevention, health care expenditures caused directly by smoking totaled $50 billion in 1993, and $22 billion of those costs were paid by Government funds.

My amendment seeks to reduce both the human and the economic costs created by tobacco use. It does this by increasing the Federal excise tax on most tobacco products by a factor of five, which translates to an increase of $1 per pack of cigarettes. In addition, my amendment would tax smokeless tobacco products at the same price as cigarettes, in order to eliminate cost incentives for people to switch from cigarettes to smokeless. By raising the Federal excise tax on tobacco, we can discourage people—especially children—from starting the tobacco habit, and we can encourage others to quit. Conservative estimates predict that a 10-percent increase in the price of cigarettes will reduce overall smoking by about 4 percent. And for kids, who are more price sensitive than adults, the impact is even greater.

The benefits of such decreased demand cannot be overstated. First, and most importantly, thousands of lives will be saved and the unnecessary suffering will be avoided. In addition, both public and private health insurers will save billions of dollars each year, due to reduced costs for treating tobacco-related diseases. Finally, the increased tax will yield $84 billion in Federal revenues over 7 years. Over half a billion of this amount will be used to help tobacco farmers convert to other crops. The rest of the money will go to help decrease the national health threats posed by the drastic Medicare cuts and by the reduction in the NIH budget. These revenues will enable the entire cut to the NIH budget to be offset, and the proposed Medicare cuts to be decreased by 30 percent.

Some persons may question whether it is appropriate to ask smokers to absorb part of the blow which the proposed budget designates for seniors and providers. My response to that question is an unequivocal "yes." According to a former Secretary of the Department of Health, Education, and Welfare, tobacco use is the largest single drain on the Medicare trust fund. This is the trust fund which is predicted to go insolvent in 2002. It strikes me as quite appropriate to ask persons who choose to use tobacco to help offset some of the costs of their choice. And it strikes me as quite inappropriate to ask other persons—such as nonsmoking seniors and providers—to accept reductions at the same time that they are forced to help pay for the costs of other people's unhealthy choices.

By discouraging tobacco use, decreasing Medicare cuts, and restoring the NIH budget to its current level, my amendment presents a win-win-win situation. Our children and teenagers win, because they will be discouraged from starting down the road of addiction, sickness, and death caused by tobacco use. Health insurers and employees win, because health costs for tobacco-related diseases will be reduced. Health care providers and employers win, because this amendment will reduce payment cuts and cost-shifting. Seniors win, because the amendment will reduce the financial strains and the concerns about quality and access which will result from steep Medicare cuts. And we all win, as the NIH will be able to continue its current efforts to develop lifesaving technologies. For the sake of all these affected Americans, I urge my colleagues to support this amendment.

Mr. EXON. This Bradley amendment is to offset NIH and Medicare cuts with tobacco tax revenues.

The Bradley amendment raises tobacco tax $1 per pack of cigarettes. It also taxes smokeless tobacco products at a similar rate.

The revenues from the increased tax are used to restore $76 billion in Medicare cuts, restore the entire cut in the National Institutes of Health budget, $7.9 billion, without the Hatfield discretionary reduction, and assist tobacco farmers in converting to other crops, $500 million.

Mr. FORD. Mr. President, is it in order to announce that the Senator is going to table this now, make a motion to table now, or wait until the vote comes?

Mr. DOMENICI. Wait until the vote comes.

Mr. FORD. I thank the Senator.

Mr. DOMENICI. Mr. President, I just remind the Senate that even though this sense-of-the-Senate resolution talks about all these good things, essentially you raise a tax and then it is up to the Senate and the Congress to decide what they would do with it. Senator FORD will move to table that.

AMENDMENT NO. 1194

Mr. EXON. Mr. President, I send to the desk on behalf of Senator BRADLEY the third Bradley amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, proposes an amendment numbered 1194.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX RATES AND TAX LOOPHOLES.

(a) FINDINGS.—The Senate finds that—

(1) lower tax rates lead to increased economic activity and increased economic opportunity;

(2) lower tax rates lead to a more efficient economy, with less tax avoidance and investment patterns that rely on competitive market returns and not advantages produced by tax law;

(3) the tax code still retains billions of dollars worth of special tax breaks which are available to only limited groups of taxpayers and investors;

(4) federal policy should encourage the development of fully competitive markets and not create unique advantages for individual investors, companies or industries.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Congress should, to the maximum extent practicable, remove tax loopholes;

(2) the Congress should use the savings from the closing of special interest tax loopholes to reduce tax rates broadly for all classes of taxpayers.

Mr. EXON. Mr. President, this amendment is a sense of the Senate that Congress should remove tax loopholes and use savings to reduce the rates for individual taxpayers.

Mr. DOMENICI. From what we gather, in order to reduce tax rates 1 percent, you would have to raise $100 billion from things like the home mortgage deduction and the like. I will move to table that also.

Mr. EXON. Mr. President, I ask for the yeas and nays on the three amendments that we have just discussed.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays on all three?

Mr. BYRD. I ask that it be in order to order the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I make the point of order this amendment is not germane under the Budget Act and it should fall.

Mr. EXON. Mr. President, I move to waive the Budget Act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion to waive. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 44, nays 56, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—44

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Inouye
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Stevens
Wellstone

NAYS—56

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 56. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected. The amendment is not restrictive. The point of order is sustained.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1193

Mr. FORD. Mr. President, this is a tax increase of some 1,100 percent. On that basis, and on behalf of myself, Senators ROBB, HOLLINGS, NUNN, THURMOND, HELMS, MCCONNELL, FAIRCLOTH, COVERDELL, THOMPSON, WARNER, and FRIST, I move to table this amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1193, offered by the Senator from New Jersey [Mr. BRADLEY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 62, nays 38, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—62

Abraham
Akaka
Ashcroft
Baucus
Bond
Breaux
Brown
Burns
Byrd
Campbell
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Rockefeller
Roth
Santorum
Shelby
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—38

Bennett
Biden
Bingaman
Boxer
Bradley
Bryan
Bumpers
Chafee
Cohen
Feingold
Feinstein
Glenn
Graham
Harkin
Hatch
Hatfield
Jeffords
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Sarbanes
Simon
Simpson
Snowe
Specter
Wellstone

So the motion to lay on the table the amendment (No. 1193) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. THOMPSON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1194

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced— yeas 53, nays 47, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—53

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
Dodd
Domenici
Faircloth
Frist
Gorton
Graham
Gramm
Grams
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McConnell
Mikulski
Murkowski
Packwood
Pressler
Pryor
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—47

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bumpers
Byrd
Cohen
Conrad
Daschle
DeWine
Dole
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Grassley
Harkin
Hutchison
Inouye
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
McCain
Moseley-Braun
Moynihan
Murray
Nickles
Nunn
Pell
Reid
Robb
Rockefeller
Simon
Snowe
Specter
Wellstone

So the motion to lay on the table the amendment (No. 1194) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I believe we have reached consensus to take the next three up. I will leave it to the explanation of the chairman of the Budget Committee.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to put three measures up now in the same manner we have done. Then, I would inform the Senate, we have only four amendments left after that. So we are getting there.

The measures will be Senator DORGAN on the motion to recommit; Senator WELLSTONE on veterans and tax loopholes; and Senator WELLSTONE on defense.

If my colleague will explain them, we will stack the votes by unanimous consent.

Mr. EXON. For the information of all Senators, the Senator summed it up very well.

Mr. BYRD. Mr. President, may we have order? There is not order in the Senate yet, and we are about to hear a very important explanation as to what these next three votes are all about.

The PRESIDING OFFICER. The Senate will come to order.

Mr. EXON. Mr. President, the chairman of the Budget Committee has outlined this. Just let me summarize so all understand where we are. We are moving very well. At the outside, we have six or seven amendments left. At the inside, I think it might be as low as five that will require that many more votes, of course.

Following the pattern that has just been set, after this pattern of three, then we would try to bundle the last three in the same fashion. So I certainly ask unanimous consent it now be in order to offer those three, as agreed to by the chairman of the Budget Committee. I will proceed at this time to offer those three with brief explanations.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO RECOMMIT

Mr. EXON. Mr. President, I send a motion to the desk on behalf of the Senator from North Dakota, Mr. DORGAN. It is a motion to recommit.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota, Mr. DORGAN, moves to recommit Senate Concurrent Resolution 13 to the Committee on the Budget with instructions.

Mr. EXON. Mr. President, I ask unanimous consent that reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion is as follows:

The Senator from North Dakota [Mr. DORGAN] moves to recommit Senate Concurrent Resolution 13 to the Committee on the Budget with instructions to report to the Senate, within 3 days (not to include any day the Senate is not in session), a revised concurrent resolution on the budget for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001 and 2002 that provides (in compliance with Section 13301(a)(2) of the Budget Enforcement Act of 1990) for a budget surplus in fiscal year 2002 without counting the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Mr. DORGAN. Mr. President, I rise to move that the Senate send the budget resolution back to the Budget Committee. I do this because I would like to see the Committee report a new budget that is truly and honestly balanced in 2002.

As my colleagues know, although the resolution before the Senate is described as a balanced budget resolution, it actually is not balanced. On page 7 of the resolution, it says that the actual deficit will be $114 billion dollars in the year 2002.

Why is there this confusion? Because those who claim this budget is balanced are using the surplus in the Social Security System to mask the size of the budget deficit.

That is bad policy. It is bad accounting. And it goes against budget law.

Camouflaging the budget deficit in this way is bad policy because we intended that Social Security surplus to be used for another important purpose. In 1983, with the Social Security changes we made that year, Congress decided to build up the Social Security trust fund so that we could meet the retirement claims of the baby boom generation in the 2010's and 2020's. We were trying to force the Nation to save for that time. To use the surplus for other purposes contradicts the intent of the 1983 law—a law that enjoyed bipartisan support.

It is also bad policy because it breaks faith with the American people. We have assured America's workers that the payroll tax that they pay is going into a trust fund and will be used for trust fund purposes only. Well, we break that promise if we count the Social Security surplus as reducing the deficit.

If using the Social Security trust fund surplus is bad policy, it is even worse accounting. If you take over a trillion dollars in the next decade, put it in the Social Security trust fund, and also count that as deficit reduction, you are making one dollar do two things. Double-entry accounting does not mean using the same dollar twice. In my view, that kind of bookkeeping is better described as book cooking.

Last, the use of the Social Security surplus to mask the size of the budget deficit goes against the law. Section 13301 of the Budget Enforcement Act of 1990, which is similar to provisions that I had offered in the House, forbids the Congress from including the Social Security surplus in the budget resolution.

However, the report accompanying this budget says, on page 6, that the budget will be in surplus in 2002. The only way this budget balances in that year is by using the Social Security trust fund surplus. The law says you cannot do that.

Now, Mr. President, my colleagues on the Republican side of the aisle will say that my motion requires them to find additional further deficit cuts in order to balance the budget. They are right. It does.

My Republican colleagues will ask where my deficit reduction plan is. Well, I will remind my colleagues that I submitted over $800 billion in deficit reduction recommendations to the Budget Committee. If you put the Domenici budget and the options that I recommended together, and we do not set up a slush fund for tax cuts, then you can balance the budget in 2002 without using the Social Security trust fund surplus.

I do not like the Domenici budget because I think its priorities are wrong. That is why I have supported a Democratic alternative that achieved greater deficit reduction than the Republican plan. And it did so without making deep cuts in Medicare and student loans or by doling out billions in tax cuts to the wealthiest in this country. However, the Senate defeated that amendment, so the pending budget resolution is the Domenici plan.

Let me repeat my point. I hope I will not hear anyone say that I have not offered a plan to do this. If you put my recommendations together with the Domenici recommendations, you are able to meet my motion's requirements.

So in closing, I would hope that my colleagues would support honest budgeting. I hope they will stand up for making good policy, for using accurate accounting principles and for following the law.

I hope my colleagues will support my motion, and I yield the floor.

Mr. EXON. Mr. President, I wish to add Senator HOLLINGS as a cosponsor of this amendment—this Dorgan-Hollings motion—which is to recommit, and this motion would recommit the budget resolution to the Budget Committee with instructions to report back a budget that is balanced in the fiscal year 2002 according to section 301 of the Budget Enforcement Act of 1990.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina is added as a cosponsor.

Mr. DOMENICI. Mr. President, as a matter of inquiry, why did the clerk read that amendment? We have not been reading the amendments.

The PRESIDING OFFICER. It was a motion to recommit.

Mr. DOMENICI. Mr. President, and fellow Senators, this is a motion to recommit. This budget resolution before us complies with the law. The resolution is presented to Congress just as every other budget resolution has been presented, and just as the President presents budgets to us. I see no reason to recommit.

AMENDMENT NO. 1195

(Purpose: To restore $74 million in FY 1996 spending for veterans programs by reducing spending for tax expenditures.)

Mr. EXON. Mr. President, I send an amendment to the desk in behalf of Senator WELLSTONE, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1195.

The amendment is as follows:

On page 64, line 24, decrease the amount by $74,000,000.

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues by $74,000,000 in fiscal year 1996."

At the end of title III, insert the following:

SEC. . SENSE-OF-THE-SENATE REGARDING TAX EXPENDITURES.

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

SEC. . SENSE OF THE SENATE REGARDING THE DELIVERY OF VETERANS' SERVICES.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution relating to Veterans' Programs include the assumption that the delivery of veterans' services will continue to be improved, including further progress in the timely delivery of such services.

Mr. WELLSTONE. Mr. President, the amendment I am proposing is simple and straightforward, but vital to Minnesota veterans and veterans around the country. It calls for using $74 million in fiscal year 1996 funds earmarked for tax expenditures—in plain English, tax breaks, loopholes, and even give-aways to oil and tobacco companies, and other corporate behemoths—to restore projected cuts in VA spending that would have damaging, if not devastating effects, on timely delivery of important services to veterans.

According to the VA, if these cuts should occur there would be a sharp rise in claims backlogs and delays in resolving veterans' claims for benefits, increases in already excessive time lags in providing disabled veterans with vocational rehabilitation and employment services, and an inability to provide veterans with timely education benefits earned under the GI bill. For this to happen to those who have served our Nation bravely and without question while corporate welfare remains untouched would be unconscionable and clearly unacceptable to the American people.

Mr. President, while I deplore the damage that would be done to service for our veterans in each of these areas, I would like to focus particularly on the potential negative impact on the timely processing of veterans claims.

In the countless meetings I have had with Minnesota veterans over the last 4 years the issue of unacceptably long delays in VA claims processing has consistently been at or near the top of their list of priority concerns. As a consequence, it has been and continues to be a major concern of mine. In 1993, I introduced a bill to improve and streamline VA's system of processing and adjudicating claims which was particularly aimed at reducing delays which had then reached crisis proportions.

Fortunately, as a result of the leadership of Secretary of Veterans Affairs, Jessie Brown, the VA has made progress recently in reducing backlogs in processing veterans claims for compensation. At the end of 1993 the VA had an overall backlog of 575,000 claims which is expected to be reduced by the end of this year to 400,000 claims—a decline of over 30 percent. Similarly the average time for a VA regional office to process an original claim dropped from 212 days in May 1994 to 166 days in March 1995, a decline of about 22 percent in just 10 months. And I'm pleased to note that the St. Paul, MN VA Regional Office has made significant gains over the past 18 months, reducing claims backlogs from approximately 7,500 to 5,000 and average claims processing times from 214 days to 122 days.

I would like to see the St. Paul VA Regional Office and others like it around the country given the support they need from Congress to continue to improve timeliness—to improve services for veterans. I hope to see the St. Paul office process claims in under 100 days on average. That's a worthy goal. What I don't want to see is Congress cutting funding for claims processing at a time when it is needed most to continue improving services and when it can only nullify the gains the VA has made in this area.

Unfortunately, the progress the VA has made in addressing this difficult and complex problem is being seriously imperiled by the estimated $74 million cut in funding for the operating budget of the VA's Veterans Benefit Administration in fiscal year 1996. In fact, it would reverse the recent progress that has been made in this area, with the VA estimating that if the cut is implemented the claims backlog would revert to over 500,000 cases and average claims processing times would soar to over 1 year.

Mr. President, there is much more to this issue than the cold statistics I've cited. There are sometimes enormous human costs too—cost that I can only describe as heart rending. About 18 months ago we distributed a questionnaire to Minnesotans to elicit their views about the backlogs in the veterans claims and adjudication process. I found and still find many of the comments received with the questionnaire to be terribly disturbing and I want to share a few of these with you. One veteran, for example, stressed that the issue of backlogs was a crucial one "because it sometimes leads to the death of a veteran by suicide over frustration and injustices suffered." In other words, this veteran believes that some veterans are committing suicide because they are so frustrated by waiting long periods of time for their claim to be resolved. In a similar vein, a county veterans service officer lamented that some "veterans * * * die before their claims have been adjudicated," and a VA psychologist reported that "veterans are losing their homes, selling personal belongings, and committing suicide while waiting * * * for their claims to be adjudicated." This is what I was told a year and a half ago by people who work every day with the VA adjudication system. Since then, as I have said, timeliness has improved at local VA regional offices. So, the last thing we should do is cause the backlogs to increase and reverse the trend of progress, re-creating the crisis from which we are just emerging.

In addition to the personal trauma, excessive delays in processing veterans claims represent a breach of faith with our veterans who while serving in our Armed Forces are led to believe they will receive fair and timely compensation if they incur a service-connected disability. Should this cut be implemented, we would be moving in precisely the wrong direction in terms of improving timeliness. We all know that justice deferred is justice denied. Let us not do anything to make the adjudication system any slower or to add to the claims backlog.

Mr. President, permit me to quote from an eloquent letter recently sent by the National Commander of the American Legion to Chairman DOMENICI, copies of which all of my colleagues should have received:

> Mr. Chairman, reducing General Operating Expenses (GOE) within the Veterans Benefits Administration will seriously handicap VA's ability to reduce the extraordinary backlog in veterans claims and appeals cases. VA has made some improvements in this area over the past year. To reduce GOE funding will setback all of the progress VA had made and further delay benefit decisions for veterans and their dependents. A significant part of the problem that has existed in the processing of claims was caused by budget-related staff reductions.

I could not agree more. If the budget cuts are implemented we will be taking a giant step backward, canceling the progress that has been made and returning to a situation wholly unacceptable to our veterans, their families, and to all Americans.

I urge my colleagues to support this amendment, thereby keeping faith with the men and women who have served this country faithfully and ensuring that welfare for corporations doesn't come at the expense of the welfare of our veterans.

Mr. EXON. Mr. President, this amendment would restore projected cuts of $74 million in the Department of Veterans Affairs funding for the fiscal year 1996 that would have damaging effects on the timely delivery of important service to veterans, including processing of veterans' compensation claims, providing disabled veterans with vocational rehabilitation and employment services, and further education benefits earned under the GI bill. It would urge the Finance Committee to cut excessive and unnecessary tax expenditures of $74 million for fiscal year 1996.

Mr. DOMENICI. I have no explanation.

AMENDMENT NO. 1138

(Purpose: To reduce FY 1996 defense spending by $10 billion and apply the savings to deficit reduction)

Mr. EXON. Mr. President, I can sum up very briefly the amendment number 1138 which is at the desk. This amendment would reduce defense spending by $10 billion in fiscal 1996 budget authority and $5 billion in outlays.

It expresses the sense of the Senate that such reductions should come from low-priority defense programs, and should, to the maximum extent possible, preserve funding for programs and activities which directly affect force readiness, or the quality of life of service members and their families. The savings would be used solely to reduce the deficit.

Mr. DOMENICI. Mr. President, the Wellstone amendment cuts $10 billion from defense. I think that is enough said.

Mr. EXON. I ask unanimously that the motion and the two amendments have rollcall votes. I ask that that be in order.

The PRESIDING OFFICER. Will the Senator send up the second amendment?

Mr. EXON. I call up the motion and the two amendments for a vote.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1138.

The amendment is as follows:

On page 5, line 17, decrease the amount by $10,000,000,000.

On page 6, line 16, decrease the amount by $5,000,000,000.

On page 7, line 15, decrease the amount by $5,000,000,000.

On page 11, line 7, decrease the amount by $10,000,000,000.

On page 11, line 8, decrease the amount by $5,000,000,000.

On page 65, line 14, decrease the amount by $10,000,000,000.

On page 65, line 15, decrease the amount by $5,000,000,000.

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE REGARDING DEFENSE SPENDING.

It is the sense of the Senate that in reducing defense spending by the amount provided for in this amendment, Congress shall focus on low-priority programs, and to the maximum extend possible should preserve funding for any programs and activities that directly affect force readiness or the quality of life for service members and their families.

Mr. WELLSTONE. Mr. President, today I am offering an amendment as part of a series designed to highlight clearly my budget priorities, as opposed to those provided for in the pending budget resolution. While I believe our Nation must be kept free and secure, and I do not overlook the many risks we face, I am deeply troubled that of all the huge spending cuts in this budget, none come from the military budget. That must change. Defense, like everything else, must bear its share of the deficit reduction burden. This amendment is designed to begin to address that problem, at least for the coming year.

Even with the ethnic and nationalist conflicts that have spawned terrible human tragedies in Bosnia, Somalia, the Middle East, the former Soviet Union, Haiti, and elsewhere, requiring increased peacekeeping and other forms of assistance from the United States, we can and should scale back our post-cold-war defense spending substantially. Likewise, continued concerns about the proliferation of chemical, biological, and nuclear weapons are real. But they require us to think in new and imaginative ways about the possibilities of using smart diplomacy rather than smart bombs, of placing a greater emphasis on multilateral efforts to keep the peace, of relying more on a strengthened United Nations, and other multilateral bodies like NATO, to maintain a safe, secure, and prosperous world.

Instead of this approach, what we have been too often from defense policymakers is bureaucratic inertia, a residual unilateralism, and a clinging to the cold war status quo. Despite huge cuts elsewhere in the budget, there are no cuts provided for in military spending. Defense spending continues to grow, even in the face of our new post-cold-war reality.

This budget provides for no cuts from huge and expensive weapons systems that are now obsolete. None from post-cold-war intelligence spending that should be curtailed. None from increased contributions from our allies, or burdensharing. None from the billions in wasteful spending that the Pentagon can't even account for, as widely reported recently by the Federal Government's own watchdogs, and in the press. In recent years, they've spent so much money over at the Department of Defense, with such sloppy bookkeeping, that they can no longer even keep track of it all. The other day a major Pentagon procurement and contracting official declared that he was giving up on even trying to account for it all. That speaks volumes about how much wasteful and unnecessary defense spending could still be wrung from this system. These reports reveal clearly that the Pentagon is still one of the largest sources of wasteful and unnecessary spending in the Federal Government.

The U.S. military needs will-trained and well-equipped forces tailored to the threats and risks of today. Excessively large forces that were based on war-fighting strategies of another era, or on implausible assumptions that the United States could be required to fight two regional wars of about the same size as the Persian Gulf, simultaneously, with no help from our allies, cannot be responsibly maintained at high levels of military readiness. The Pentagon's current budget projections, including elements of the much-touted Bottom-Up Review, too often fail to question these kinds of basic assumptions. And the result is wasteful and unnecessary weapons or delivery systems like the B-2 bomber, star wars, the C-17, the *Seawolf* submarine, the Trident missile, the Milstar satellite system, and a host of other low-priority post-cold-war programs, many of which are now obsolete. Under current budget constraints, we simply can no longer afford these, if ever we could. Scaling them back would save billions in the coming years. But we must have the courage to make these tough decisions now.

Mr. President, my amendment would require a modest cut of $10 billion from the military budget in 1996. That's only $10 billion out of a projected defense budget of over $260 billion. While many other Federal programs are being slashed by 30, 40, even 50 percent, or more, the defense budget cannot remain immune to budget pressures. The amendment would apply all of the savings from these account to deficit reduction. It is designed to: First, ensure that the modest cuts it provides for will be made in low-priority programs; second, protect the readiness of our forces, and third, preserve the living standards of service members and their families. Adopting this amendment would be a small but important step toward a more responsible Federal budget in which all sectors of society bear their fair share of deficit reduction. I urge my colleagues to support it. I yield the floor.

Mr. EXON. Mr. President, those are the three amendments that we have agreed to package in a form similar to that which we have had previously today.

I ask for the yeas and nays.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to have the yeas and nays on the motion to recommit and the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO RECOMMIT

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—40

Akaka
Baucus
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—60

Abraham
Ashcroft
Bennett
Biden
Bond
Bradley
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kerry
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

So the motion was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

CHANGE OF VOTE

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that my vote on the Grams amendment No. 1182 be changed from "yea" to "nay." This change will not affect the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

(The foregoing tally has been changed to reflect the above order.)

VOTE ON AMENDMENT NO. 1195

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1195. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 45, nays 55, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—45

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—55

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pell
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

So the amendment (No. 1195) was rejected.

VOTE ON AMENDMENT NO. 1138

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1138, the amendment offered by the Senator from Minnesota [Mr. WELLSTONE]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 12, nays 87, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—12

Boxer
Daschle
Feingold
Grassley
Harkin
Kennedy
Moseley-Braun
Moynihan
Murray
Pell
Simon
Wellstone

NAYS—87

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mikulski

So the amendment (No. 1138) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. GRAMM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, I am sorry to tell the Senate that we were down to three votes and now we are back up to four. As near as we can tell, we have four remaining votes. We have agreed to yield back a portion of the time that we previously agreed to for closing arguments after the votes are over and before final passage.

I suggest, and I think my colleague, the chairman of the committee and I have agreed that we will package the four remaining votes. If I understand it, there is one by Senator SNOWE, two by Senator WELLSTONE, and one for Senator BRADLEY. And we can do these in an expeditious matter and put the four together. If that is agreeable to the chairman of the committee it is agreeable on this side.

Mr. DOMENICI. So we understand, there are no amendments beyond these.

Mr. EXON. No amendments beyond these.

Mr. DOMENICI. Mr. President, could we agree we have no second-degree amendment to your amendment?

Mr. EXON. It may be a good idea to phrase it as a unanimous-consent, that there will be no more than the four amendments that have just been identified, and there would be no second-degree amendments.

Mr. DOMENICI. Mr. President, I think it was stated beautifully.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1136

(Purpose: To direct the Committee on Finance to further reduce the deficit by limiting or eliminating excessive and unnecessary tax expenditures)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1136.

The amendment is as follows:

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues $10,000,000,000 in fiscal year 1996, $50,000,000,000 for the period of fiscal years 1996 through 2000, and $70,000,000,000 for the period of fiscal yeas 1996 through 2002.".

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX EXPENDITURES.

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

Mr. WELLSTONE. Mr. President, today I am offering an amendment which would direct the Finance Committee to close $70 billion of narrowly focused tax breaks and loopholes over the next 7 years, and apply the savings solely to deficit reduction. This $70 billion figure is more than double the amount of savings from tax expenditures assumed in the House Budget Committee's budget resolution. Unfortunately, the Senate Budget Committee did not include any savings from tax expenditures in the budget resolution we are debating today. I believe that is a serious mistake, because unless it is changed it virtually ensures that powerful, well-heeled special interests who have fought so hard for so long to protect their special tax breaks could be held harmless under this budget.

We must take steps now to reduce the Federal budget deficit in a way that is fair, responsible, and that requires shared sacrifice. This amendment would help us along that path. The amendment requires the closing of $70 billion of special interest tax loopholes and other breaks which have received far too little scrutiny in this budget process. Senator BRADLEY, Senator FEINGOLD, and others have described in detail the problems posed by these huge tax breaks, and the savings which could be generated from these sources. Since a number of amendments have been defeated which would apply at least some of the savings generated by closing corporate loopholes and other tax breaks to other priority domestic programs, the time has now come to put to the test the proposition that at least some of these savings ought to be used exclusively for deficit reduction. That is why the savings generated by this amendment would be used exclusively to reduce the deficit.

When this budget resolution slashes funding for Medicare and Medicaid, when we are cutting education programs and student loans, when we are slashing Federal spending for veterans and farmers, when we are causing great pain for children and the most vulnerable in our society, it seems only fair that we should ask wealthy individuals and corporations to pay their fair share. That is why we should plug many of the narrowly focused tax breaks and loopholes which allow the privileged few to escape paying their fair share, forcing everyone else to pay higher taxes to make up the difference. It is a simple question of fairness.

Let me make a simple point here that is often overlooked. We can spend money just as easily through the tax code, through what are called tax expenditures, as we can through the normal appropriations process. Spending is spending, whether it comes in the form of a Government check or in the form of a tax break for some special purpose, like a subsidy, a credit, a deduction, or an accelerated depreciation for this type of investment or that. Some tax expenditures are justified, and should be retained. But some are special interest tax breaks that should be eliminated, or loopholes that should be plugged. These are what this amendment is design to go after.

These special interest tax expenditures are simply special exceptions to the normal rules, rules that oblige all of us to share the burden of citizenship by paying our taxes. All of these special tax breaks distort, to one degree or another, economic investment decisions, usually in favor of wealthy individuals and corporations with the highest paid lobbyists in Washington.

It is time to end these special interest tax breaks and close these tax loopholes. Various groups from all ideological perspectives—from the National Taxpayers Union and the CATO Institute to the Progressive Policy Institute to the Citizens for Tax Justice—have prepared lists of tax expenditures which they believe should be eliminated. Special interest tax breaks are simply a subcategory of the larger group of tax provisions called tax expenditures. The Congressional Joint Tax Committee has estimated that tax expenditures cost the U.S. Treasury over $420 billion every single year. And they also estimate that if we don't hold them in check, that amount will grow by $60 billion to over $485 billion by 1999. That's why tax breaks must be on the table along with other defense and domestic spending as we look for places to cut the deficit. But despite the logic of this approach, my colleagues on the other side of the aisle have refused to even consider the possibility of cutting tax breaks for wealthy corporate and other interests, making them bear their fair share of the deficit reduction burden. Instead, they have chosen to pursue the path of least political resistance, slashing programs for the broad middle class, the vulnerable elderly, and the poor.

Now, not all tax expenditures are bad. Not all should be eliminated. Some serve a real public purpose, such as providing incentives to investment, bolstering the nonprofit sector, encouraging charitable contributions, allowing people to deduct State and local taxes, and helping people to be able to afford to buy a home through the mortgage deduction. But some of them are simply tax dodges that can no longer be justified. At the very least, all of these should undergo the same scrutiny as other Federal spending, and should bear their fair share of deficit reduction.

It is only fair, since these special tax breaks for certain companies and industries force other companies and individuals to pay higher taxes to make up the difference. Some of these tax breaks allow privileged industries such as the oil and gas industry to avoid paying their fair share of taxes. All distort, to one degree or another, economic investment decisions, usually in favor of companies with the highest paid lobbyists in Washington. In many cases, doing away with these special tax breaks for certain industries would allow a more efficient allocation of economic resources.

I think it is a simple question of fairness. If Congress is really going to make the over $1.4 trillion in spending cuts and other policy changes that would have to be made to balance the Federal budget by 2002, then those on the other side of the aisle should make sure that wealthy interests in our society, those who have political clout, those who can hire high-priced lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks whom you and I represent. We should represent those who receive Social Security or Medicare or veterans benefits, and not just those special interests who can afford to pay high-priced hired guns to lobby for them.

I am amazed that many in the majority party have proposed, among other things, expanding corporate tax breaks at the very same time that they are slashing Government spending on programs for the poor, for children, for education, and for the most vulnerable in our society. They have proposed tax cuts for the wealthy which, according to the Treasury Department, would cost hundreds of billions of dollars, and at the same time they refuse to subject a broad range of new tax breaks to scrutiny in the budget process. And these are the ones who call themselves deficit hawks?

Some will charge that by closing tax loopholes and restricting special interest tax breaks we re somehow proposing to raise taxes. And they will say that over and over and over until some will begin to believe it. They are wrong. What they fail to understand is that even with the reforms of the mid-1980's, which closed many of the most egregious tax loopholes, the presence of the tax breaks in the current tax system forces middle class and working people to pay more in taxes than they otherwise would have to pay. While some are paying less then their fair share in taxes because of these special tax subsidies, others are being forced to pay more in taxes to make up the difference. Closing tax loopholes is not raising taxes. Of course, these subsidies are hidden in the tax code because it would be too hard to get the votes in Congress, in the full light of day, to directly subsidize these industries—especially under current budget constraints.

It is a simple matter of fairness. In our attempts to reduce the federal deficit, all sectors of our society must make some sacrifices. Specific industries and the wealthy are the ones who often benefit most from special interest tax breaks and loopholes. If we do not treat tax breaks the same as direct spending, the wealthy will avoid making any sacrifices as we cut spending programs for the middle class and the poor. Just because some special interest has the means to hire a high-priced tax lobbyist to get a special tax break written into legislation does not give them the right to avoid sharing in whatever sacrifices are necessary to reduce the budget deficit.

The General Accounting Office issued a report last year, and has issued several others on tax expenditures. It was titled "Tax Policy: Tax Expenditures Deserve More Scrutiny." I commend it to my colleagues' attention. It makes a compelling case for subjecting these tax expenditures to greater congressional scrutiny, just as direct spending is scrutinized. The GAO report reminds us that spending through special provisions in the tax code should be treated in the same way as other spending provisions.

At a time when we are talking about potentially huge spending cuts in meat inspections designed to insure against outbreaks of disease; or in higher education aid for middle class families; or in protection for our air, our lakes, and our land; or in highways; or in community development programs for states and localities; or in sewer and water projects for our big cities; or in safety net programs for vulnerable children; or to eliminate the school lunch program, we should be willing to weigh these cuts against special tax loopholes that could cost hundreds of billions each year. This amendment will have the Finance Committee close merely $70 billion worth of these special interest tax breaks and loopholes—a modest $10 billion per year for the next 7 years.

Under congressional budget rules, the details of which specific tax breaks to eliminate must be left to the Finance Committee. That is the way it should be. But even though I am not a tax lawyer, I have been able to identify a number of tax breaks for elimination, and loopholes which should be closed. For example, for much too long the oil and gas industry has enjoyed special tax breaks not available to other industries. These special tax loopholes include the ability to expense oil and gas exploration costs and the so-called Special Percentage Depletion Allowances. It is time to end these costly special tax privileges for a single industry. Why should the oil and gas industry receive special treatment in the tax code which is not available to other kinds of companies? Closing these special interest tax loopholes could save as much as $10.6 billion over 5 years.

Other tax loopholes which should be closed relate to the taxation of multinational corporations. Through complex accounting shell games involving their foreign subsidiaries, and by locating their plants overseas, multinational corporations can avoid paying most of their U.S. taxes. According to some estimates, closing these loopholes could save as much as $10 to $15 billion over 5 years. Still other special tax breaks allow Americans working overseas to receive their first $70,000 of income absolutely tax free, at a cost of $8.6 billion over 5 years. We should also close the loophole which allows billionaires to renounce their U.S. citizenship and avoid paying taxes on the value of property which increased while they were U.S. citizens. The savings from closing this loophole would be at least $1.7 billion over 5 years. Finally, we should stop the fancy stock swap loophole which allowed DuPont and Seagrams to avoid paying over $1.5 billion in taxes that would otherwise be due to the Treasury. And we should consider further scaling back, or eliminating outright, section 936 of the Internal Revenue Code designed to subsidize certain investments in Puerto Rico. That provision alone would generate an estimated $19.7 billion, according to the Congressional Budget Office. Eliminating these provisions alone would generate about $50 billion in savings over the next 5 years, with billions more to be saved from other sources.

As I have said, it is a simple question of tax fairness. If Congress is really serious about making the painful spending cuts and other policy changes that would have to be made under this budget resolution, than those on the other side of the aisle should join us in voting to make sure that wealthy interests in our society, those who have political clout, those who can hire high-priced lobbyists to make their case every day here in Washington, are asked to sacrifice at least as much as regular middle class folks whom you and I represent. Just because some special interest has the means to hire a high-priced tax lobbyist to get a special tax break written into legislation does not give them the right to avoid sharing in whatever sacrifices are necessary to reduce the budget deficit. In our efforts to shrink the Federal budget deficit, we just cannot let these special interest tax dodges continue.

Mr. President, I urge my colleagues to support the amendment.

Mr. EXON. Mr. President, this amendment would instruct the Senate Committee on Finance to report changes in the laws within its jurisdiction; to increase revenues by $10 billion in fiscal year 1996; $50 billion in the years 1996 through 2,000; and $70 billion for the year 1996 to the year 2000; to be generated by scaling back or eliminating outright a number of unnecessary, excessive or inefficient tax expenditures, including those which provide special tax treatment to a single taxpayer or a group of taxpayers.

The $70 billion goes to deficit reduction.

Mr. DOMENICI. Mr. President I want to respond. This is $130 billion tax increase. I move to table the amendment.

AMENDMENT NO. 1141

(Purpose: To express the sense of the Senate regarding low-priority domestic discretionary funding to be reduced in order to pay for partial restoration of funding for the National Institutes of Health)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. WELLSTONE, proposes an amendment numbered 1141.

The amendment is as follows:

At the end of title III, insert the following: "It is the sense of the Senate that the low-priority discretionary funds to be reduced in order to offset funds restored for programs and activities of the National Institutes of Health should come from eliminating low-priority Federal programs like the Space Station, and not from high-priority programs for education, food and nutrition for low-income children, anticrime efforts, veterans programs, job training, health care, infrastructure, and other such investment programs."

Mr. WELLSTONE. Mr. President, while I was an original cosponsor of the Hatfield amendment to restore critical funding to the National Institutes of Health, I would like to offer a sense of the Senate that would ensure that we do not jeopardize other valued programs in order to accomplish this goal. In the budget resolution, funding for the NIH would have been reduced by nearly $8 billion over 7 years. Such a reduction would have decimated the biomedical research effort of this country and could not be permitted. But the offsets necessary to restore funding to the NIH as proposed by Mr. HATFIELD should be taken from low-priority domestic discretionary programs like the Space Station, and not from high-priority programs like food and nutrition programs for low-income children, anticrime efforts, veterans programs infrastructure, and other such investment programs. Education, health care, and labor accounts have been protected by the Hatfield amendment but I include further protection for them in my amendment as well.

Mr. President, I want to take a moment to point out that the NIH serves as the focal point for health research in this country. It supports the work of over 50,000 scientists at over 1,700 institutions, as well as conducting biomedical and behavioral research and research training in its own facilities. The mission of the NIH is the pursuit of science "to expand fundamental knowledge about the nature and behavior of living systems, to apply that knowledge to extend the health of human lives, and to reduce the burdens resulting from disease and disability". To pursue this mission, which is one that is essential to the future of America, requires adequate financial resources, scientists, and infrastructure. The Hatfield amendment will assure that these functions will be able to continue to improve the lives of the American people.

What would the impact have been if the originally proposed reductions in NIH funding had been permitted to occur? The NIH is now able to fund about 24 percent of all research proposals submitted each year. A 5-percent budget cut would have resulted in an ability to fund between 12 and 18 percent of such proposals, according to Dr. Harold Varmus, Director of NIH. A 10-percent cut, as proposed in the Senate budget resolution, would have meant that fewer than 1 proposal in 10 submitted to the NIH would have received funding. In some areas, where funding is already tight, such as mental health, fewer than 1 proposal in 20 would have received funding. This would have clearly been a tragedy. With such a low rate of funding for research, clearly less and less research would have been performed.

Just as important, however, would have been the effect on the research work force. Young people considering a career in biomedical research are unlikely to choose to do so when they realize that they only have 1 chance in 10 or 20 to be funded to do their work. The loss of young, creative researchers, once it had occured, would taken decades to replace.

The NIH agenda for the coming years includes a focus on HIV/AIDS, breast cancer and other women's health issues, minority health, tuberculosis, brain disorders, gene therapy, drug design, and disease prevention, among other topics. Are these important national problems? Is progress being made through research? Let's look at some examples:

First, breast cancer continues to be the cancer most frequently diagnosed in the United States. In the decade of the 1990s, it is estimated that more than 1.5 million new cases of breast cancer will be diagnosed and nearly 500,000 American women will die of breast cancer. Recent research, however, has led to the discovery of a gene linked to breast cancer, and the development of more precise screening techniques to detect breast cancer. Between 1989 and 1992, the overall death rate for breast cancer in American women declined 4.7 percent—in large measure due to these and other associated breakthroughs. Vital and successful programs that must be continued.

Second, Parkinson's disease and other neurologic diseases are continuing to devastate the lives of sufferers and their families. Parkinson's disease currently afflicts over one million Americans, and I have seen its effects firsthand. Both my mother and father had Parkinson's disease, and its manifestations seemed incredibly cruel to me. My father was a writer, and at the very end of his life I remember seeing him in the study trying to type with his hand just shaking—he was unable to do it. Soon thereafter he was unable to walk, and was barely able to speak. At the time of his death, he was confined to bed, unable to communicate, and drained of the dignity with which he lived.

What is encouraging is that Parkinson's disease is on the threshold of substantial scientific breakthroughs. The new science of molecular biology has brought forth dramatic and exciting developments that have given Parkinson's patients new hope. Scientists are closer to discovering the cause—or causes—of this disease * * * tissue implants into the brain have been shown to replace the dopamine that is missing in the brain of afflicted patients * * * genetically engineered medication or even gene therapy might provide long-lasting, sustainable, side-effect-free improvements, or even a cure. Similar dramatic advances have occurred in the understanding and diagnosis of Alzheimer's disease. Restoring funding to the NIH, as accomplished by the Hatfield amendment, will help assure that these breakthroughs will be pursued, so that no person, and no family need to suffer as my parents, and my family did, with neurodegenerative diseases.

These are just two examples, and there are many others that illustrate the value of the biomedical research effort, and the tragedy and human suffering that would occur if it is not supported.

A little appreciated benefit of NIH work is a reduction of health care costs, by early diagnosis, more effective treatment, and disease prevention. For example, the NIH recently developed a vaccine against a common bacterial infection—Haemophilus influenzae type B—that afflicts children. When severe, this infection can cause meningitis, and result in mental retardation, at a great cost in suffering to the patient and family, and financially to society as well. The vaccine that was developed will prevent this illness. It is projected that this breakthrough alone will save Americans over $400 million a year.

Critics of the NIH note that funding has doubled in the past 10 years, and, therefore, claim that cuts could be made without harming programs. Although NIH's budget has increased almost every year, the available money has not grown as rapidly as the demand for it to conduct research, largely because of the opening up of so many new, promising fields of research in biomedical sciences over the past two decades. Between 1984 and 1993, for example, applications for research projects support increased 33 percent. The number of awards made during this time, however, fluctuated greatly from year to year. The result has been unpredictable variability, with a downward trend, in the fraction of projects submitted, that are awarded grants. In 1987, 34.8 percent of grants were funded, but this has steadily fallen to 25 percent in 1994 overall, and lower in some Institutes of the NIH.

In addition to the disastrous effects on investigators, cuts in the NIH budget of the magnitude proposed would have had an equally devastating effect on the Nation's medical schools. About half of NIH's extramural budget ends up in medical schools, directly to support research, and indirectly to help maintain the infrastructure necessary to carry out the research.

The Hatfield amendment will assure that medical schools have the resources they need to continue their efforts in research. I hope that my colleagues will also support my amendment to assure that low-priority discretionary funding is used to restore the critically needed funds to the National Institutes of Health.

Mr. EXON. Mr. President, this amendment expresses the sense of the Senate that low-priority domestic programs and activities of the Federal Government, including the space station, should be reduced in order to meet the requirement of the Hatfield National Institutes of Health amendment.

It ensures that the high-priority programs, including education, food and nutrition for low-income children, anticrime efforts, veterans programs, job training, health care, and other similar investments be protected.

Mr. DOMENICI. I am pleased to note that the tax loopholes that could be closed could include the interest deduction on home mortgage.

AMENDMENT NO. 1196

(Purpose: To propose a substitute)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BRADLEY, proposes an amendment numbered 1196.

(The text of the amendment appears under today's RECORD under "Amendments Submitted.")

Mr. BIDEN. Mr. President, we all know that years and years of Federal budget deficits are a real threat to the future of our economy.

We know that they cut into the private savings and investment we need to provide for a better future.

We know that they require us to borrow from other countries, increasing our exposure to the changeable winds of the global economy.

And, Mr. President, we know that those deficits contribute to the perception that Government does not work, that it cannot do its own job, that we cannot get our own House in order.

When I introduced my own balanced budget amendment over 10 years ago, and when I voted for the balanced budget amendment earlier this year, I did so in the conviction that regaining control of our Federal finances must be at the top of our priorities.

But I said when I cast my vote that, a crucial reason for my concern about the deficit is that its very real importance threatens to overwhelm our ability to make rational—and yes, compassionate—choices for the future of our country.

By its sheer size and seriousness, the Federal deficit is driving all other policy choices. It is dictating the terms of debate as we consider what we can do about crime, health care, welfare reform, our decaying infrastructure, military readiness, and the place of our country in a changing world.

Now, Mr. President, it is completely appropriate for us to subject every policy, every dollar we spend, to the strictest standards of cost effectiveness.

That should be our standard, no matter what shape our books are in.

But as I said when I voted for the balanced budget amendment, Mr. President, we must achieve that standard in a way that is fair, and that covers everything in the budget, including tax expenditures.

And, Mr. President, we must understand that a shortsighted focus on the bottom line, on simply cutting spending without a thought for its impact on the future, can threaten our future just as surely as continued deficits.

Mr. President, we must continue on the path we began 2 years ago toward lower and lower deficits—but we must also continue to commit our scarce resources where they can do the greatest good, for the greatest number of our citizens, over the long run.

Unfortunately, Mr. President, the Republican budget plan is not fair, and it fails to meet our obligation to invest in the future. Therefore, I cannot support it.

I regret that I cannot support that budget plan, that on paper—if a lot of heroic assumptions work out—aims at a zero deficit by the year 2002.

But the refusal to accept amendments—amendments, Mr. President, that would not have changed that zero-deficit goal of a balanced budget by the year 2002—has left us with a budget plan that is not fair and that sacrifices our future for shortsighted savings today.

And, I am sorry to say, Mr. President, it leaves us with a budget plan that puts the burden of deficit reduction on those who are least able to bear it. That unfairness, I believe, will have real economic costs that could be avoided by a more carefully considered path toward the balanced budget goal.

Let us remember, Mr. President, that the amendments that were rejected would not have increased the deficit—they would have continued the path toward a zero deficit—but they would have achieved that goal while maintaining our commitment to investments vital for the future of our economy and society.

I supported an amendment by Senator ROCKEFELLER to restore $100 billion in Medicare cuts, and I cosponsored Senator JOHNSTON's amendment to restore two-thirds of the Medicare cuts. These amendments would still have eliminated the deficit by 2002. But, instead of tax cuts—tax cuts not for the middle class but for those who do not need them—these amendments would have preserved Medicare for those seniors on fixed incomes.

Unfortunately, both Medicare amendments failed. And, the effect of the underlying Republican budget would be to increase the costs of Medicare for the average senior citizen by $900 in the year 2002. I believe this is neither desirable nor necessary to balance the Federal budget.

In the same way, Mr. President, the Republican budget plan cuts $21 billion from a program to reward work that President Ronald Reagan called the best anti-poverty, the best pro-family, the best job creation measure to come out of the Congress, the earned income tax credit.

Senator BRADLEY's attempt to restore that cut—to repeal that tax increase on the working poor—was defeated.

The Republican cuts in the earned income tax credit come with no thought about how they would affect the pressing need for real welfare reform.

Now we all agree, Mr. President, that the central question in welfare reform is how to get people off the dole and back to work. But by increasing the tax burden on low-income working families, the cuts in the earned income tax credit will make work less attractive for the very families that are at the greatest risk of falling into the welfare system.

The Republican budget says, "cut first," Mr. President, "and ask questions later."

The Republican budget is shortsighted in other ways, Mr. President. It makes education more expensive, and cuts away at crucial supports for the research programs that have—up to now—kept our country in the lead internationally in the most critical factor needed for future competitiveness—knowledge.

I cosponsored and supported amendments that would restore funding to student loan programs and to the funds available for medical and other research programs that could sustain our country's international leadership in the production of that knowledge.

In all of these areas—providing health care, promoting work over welfare, supporting education, and research—I voted for amendments to the Republican budget plan. These changes would have achieved the balanced budget goal we all seek, but without the unwise and unnecessary cuts that will weaken the foundations for stronger economic growth.

Those changes I supported, Mr. President, would have also assured that more Americans could participate in that future growth.

Those amendments would have achieved the same balanced budget goal as the Republican plan, but in a way that shared the sacrifice more fairly now, and would provide a fairer distribution of the future benefits from that sacrifice.

When I saw the many weaknesses in the Republican plan, Mr. President, I resolved to join with Senator BRADLEY in offering an alternative balanced budget plan that would achieve the benefits from eliminating deficits in ways that did not sacrifice fairness or the foundations of economic growth.

As I said, Mr. President, among my first concerns was the unwise and unnecessary cuts in Medicare that are the real cornerstone of the Republican budget plan. Without those cuts, there is no Republican plan for balancing the budget.

The Bradley-Biden amendment restores $175 billion of the Republican cuts in Medicare and Medicaid. Our plan would increase Medicare 8 percent annually over the next 7 years.

However, it is our hope that we can reduce the cost of Medicare in that time through comprehensive health care reform—not with arbitrary cuts like those proposed in the Republican budget.

By controlling the underlying growth in health care costs—which is the real cause of the increase in Medicare costs—comprehensive health care reform would be a benefit not only to Medicare recipients but to all Americans. And the offshoot is that down the road, we can save money in the Medicare Program—savings that we hope will not require cutting how much Medicare pays to doctors and hospitals, and even more importantly, savings that will not mean higher costs to senior citizens on fixed incomes.

The irony is that Republicans have been using the annual report of the Medicare Board of Trustees to justify their draconian cuts in Medicare. But, the Republicans are ignoring the Board's recommendation to Congress to save the Medicare system as part of a broad-based health care reform.

But beyond the fact that the Bradley-Biden plan would honor our country's commitment to provide health care for our elderly, there are other, more fundamental differences between our program and the Republican budget.

For example, we demand restraint in the growth of tax expenditures, among the fastest-growing reasons we continue to pile up deficits.

Now, Mr. President, this plan imposes a hard freeze on domestic spending—no increase in the dollars spent—and then cuts an additional $15 billion. And this plan cuts an additional $10 billion from the current projections for defense spending.

This is strong medicine for our persistent deficit disease.

Unfortunately, we now must take such dramatic—and painful—steps in those areas.

But in the name of fundamental fairness, Mr. President, how can we ask the children, the poor, the elderly, of our country to sacrifice without demanding that those who have prospered under the current system, and have continued to prosper as deficits have built up over the years, to participate in restoring balance to our country's finances?

Make no mistake, tax expenditures have the same effect on our deficits as any other kind of Federal program—they increase the gap between what we spend and what we take in. Why don't we examine them with the same critical accountant's eye that we must apply to defense spending, agricultural programs, education, health, and research?

Incredibly, Mr. President, the Republican plan refuses to touch this rapidly growing drain on the Treasury, choosing instead to permit what will be a $4 trillion entitlement program between now and the year 2002 to go untouched.

Let me repeat that Mr. President. Tax entitlements—exemptions, deductions, loopholes, call them what you will—will total $4 trillion between now and the year we seek to achieve a balanced budget.

In their search for ways to reduce Federal deficits, the Republicans have taken on spending for children, for the elderly, for the working poor, for education, for scientific and medical research. But they won't touch tax expenditures that will cost the Treasury three times what it will take to balance the budget over the next 7 years.

What Senator BRADLEY and I would do is subject those tax entitlements to the same scrutiny that we apply to the rest of the budget—no more sacrifice from that source than from others, but no less, either.

All told, we would cut only $197 billion over 7 years from that $400 billion—a 5-percent reduction over the 7 years.

Of course, not all tax deductions and exemptions have to be cut to achieve that modest goal. Our plan would not touch the home mortgage deduction, the deduction for State and local taxes, or the deduction for contributions to charities.

Let me repeat that before I hear that those worthwhile and necessary items are at risk under our plan. They are not. We do not need to touch them to achieve our balanced budget goal in the year 2002.

But we would slow the growth—not eliminate, but slow the growth—in such tax expenditures as the quick tax write-off for timber that will cost us $2.3 billion over the next 5 years.

I believe that most Americans would agree that such programs—programs that lose money from the Treasury as surely as any other—could share some of the restraint needed to restore balance to the Federal budget.

By cutting this and other tax breaks, we would save $197 billion that can be used to bring the Federal deficit to zero by the year 2002.

By refusing to take on the huge tax expenditure budget, Mr. President, the Republican plan must find its savings by raising Medicare premiums by $900, by adding $3,000 to the cost of a student loan, and by increasing taxes by $21 billion on working families.

These are cuts that the Bradley-Biden plan does not have to make, Mr. President, because it spreads the costs of deficit reduction more equitably, and thereby requires less sacrifice of those who can least afford it.

In addition to sharing the near-term sacrifice more evenly, this plan also builds a foundation for future economic growth that will be more widely shared, as well.

Our plan provides for full funding of student loans, and makes reckless cuts in our Nation's scientific and medical research unnecessary. It provides for prudent levels of investment in the equipment, the information, and the people who will lead our economy—and the world's economy—into the next century.

And, Mr. President, the Bradley-Biden plan permits—once a real deficit-reduction plan is in place and its benefits can be accurately predicted and scored by the Congressional Budget Office—it permits a $10,000 college tuition tax deduction for middle-class families.

It helps to underwrite our competitive future, and it helps to underwrite a key element of the American dream.

Mr. President, ours is a plan that would achieve the goal we all share—a balanced budget. But we should aspire to more, Mr. President—we should dream of a better future, and we should take the actions now that are needed to make that dream a reality.

Without continued support now for education, scientific and medical research, health care, public infrastructure, and other investments, we will be poorer in the long run, whatever shape our Federal finances are in.

The Bradley-Biden balanced budget plan not only achieves the mundane, but essential, goal of restoring balance to the Government's books. It makes the investments necessary to keep alive our faith in the future.

Mr. EXON. Mr. President, the Bradley amendment reduces defense spending by $5 billion; reduces nondefense discretionary by $15 billion more, than a hard freeze; restores $100 billion of the $256 billion Republican Medicare cut; $85 billion from a $1 a pack increase in the tobacco tax; restores $75 billion of the $175 billion Republican Medicaid cut; retains Republican agricultural cuts; restores funding of student loans; restores $60 billion of the $86 billion in income assistance cut by the Republican budget plan; reduces the tax loopholes for corporations and the wealthy by $197 billion.

If the fiscal dividend materializes, using $70 billion to restore a portion of the spending cuts from the Republican proposal; and lastly, uses the remaining $100 million of fiscal dividend, if available, to provide a middle-class tax cut.

Mr. DOMENICI. Mr. President, this proposes $282 billion in tax increases over 7 years. I think that is the record setter. It cuts outlays in the agricultural programs and others.

I believe it is pretty late to have a full budget before the Senate today. I move to table it.

AMENDMENT NO. 1197

(Purpose: To reduce the reconciliation instructions to the Committee on Labor and Human Resources (primarily affecting student loans) from $13,795,000,000 in outlays over 7 years, to $4,395,000,000 by closing tax loopholes)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SMITH). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Ms. SNOWE, for herself, Mr. SIMON, Mr. COHEN, Mr. CAMPBELL, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. DODD, Mr. WELLSTONE, Mr. HOLLINGS, Mr. KENNEDY, and Mr. HARKIN, proposes an amendment numbered 1197.

The amendment is as follows:

Close tax loopholes and corporate subsidies by the following amounts:

On page 3, line 10, increase the amount by $875,000,000.

On page 3, line 11, increase the amount by $1,100,000,000.

On page 3, line 12, increase the amount by $1,250,000,000.

On page 3, line 13, increase the amount by $1,400,000,000.

On page 3, line 14, increase the amount by $1,550,000,000.

On page 3, line 15, increase the amount by $1,550,000,000.

On page 3, line 16, increase the amount by $1,675,000,000.

On page 3, line 20, increase the amount by $875,000,000.

On page 3, line 21, increase the amount by $1,100,000,000.

On page 3, line 22, increase the amount by $1,250,000,000.

On page 3, line 23, increase the amount by $1,400,000,000.

On page 3, line 24, increase the amount by $1,550,000,000.

On page 3, line 25, increase the amount by $1,550,000,000.

On page 4, line 1, increase the amount by $1,675,000,000.

Restore cuts in student loans by the following amounts:

On page 5, line 17, increase the amount by $875,000,000.

On page 5, line 18, increase the amount by $1,100,000,000.

On page 5, line 19, increase the amount by $1,250,000,000.

On page 5, line 20, increase the amount by $1,400,000,000.

On page 5, line 21, increase the amount by $1,550,000,000.

On page 5, line 22, increase the amount by $1,550,000,000.

On page 5, line 23, increase the amount by $1,675,000,000.

On page 6, line 16, increase the amount by $875,000,000.

On page 6, line 17, increase the amount by $1,100,000,000.

On page 6, line 18, increase the amount by $1,250,000,000.

On page 6, line 19, increase the amount by $1,400,000,000.

On page 6, line 20, increase the amount by $1,550,000,000.

On page 6, line 21, increase the amount by $1,550,000,000.

On page 6, line 22, increase the amount by $1,675,000,000.

On page 31, line 12, increase the amount by $875,000,000.

On page 31, line 20, increase the amount by $1,100,000,000.

On page 32, line 3, increase the amount by $1,250,000,000.

On page 32, line 11, increase the amount by $1,400,000,000.

On page 32, line 19, increase the amount by $1,550,000,000.

On page 33, line 2, increase the amount by $1,550,000,000.

On page 33, line 10, increase the amount by $1,675,000,000.

On page 31, line 13, increase the amount by $875,000,000.

On page 31, line 21, increase the amount by $1,100,000,000.

On page 32, line 4, increase the amount by $1,250,000,000.

On page 32, line 12, increase the amount by $1,400,000,000.

On page 32, line 20, increase the amount by $1,550,000,000.

On page 33, line 3, increase the amount by $1,550,000,000.

On page 33, line 11, increase the amount by $1,675,000,000.

On page 64, strike beginning with line 7 through page 64 line 12, and insert the following:

"Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $266,000,000 in fiscal year 1996, $2,990,000,000 for the period of fiscal years 1996 through 2000, and $4,395,000,000 for the period of fiscal years 1996 through 2002."

At the appropriate place insert the following: The assumption underlying the functional totals include that "It is the sense of the Senate that cuts in student loan benefits should be minimized, and that the current exclusion of income of Foreign Sales Corporations should be eliminated."

Mr. SIMON. Mr. President, I was extremely happy to see that the Senate passed the Snowe-Simon amendment restoring $9.4 billion for the student loan program. The Senate has agreed to fund this amendment by closing corporate tax loopholes. I want to emphasize, however, that the specific loophole mentioned in the amendment was not binding in any way and was intended to serve only as one of many possible suggestions. Indeed, on the basis of the very persuasive arguments made by Senators MURRAY, KERRY, KENNEDY, and BIDEN about the high-tech industry in their States and in the nation, I have been persuaded to work with the Finance Committee to find a different tax loophole to use as a funding source.

Ms. SNOWE. I understand the concerns of my colleagues, as well. I too will work with the Finance Committee to find a source of revenue for the student loan program that best serves all the interests of my colleagues. I want to thank Senators MURRAY, KERRY, KENNEDY, and BIDEN for their help in restoring funding for the student loan program. And I especially thank my Republican cosponsors—Senators COHEN, KASSEBAUM, CAMPBELL, and JEFFORDS—for their help and assistance on this important amendment.

Mr. KENNEDY. Mr. President, I am delighted that the Senate returned to its tradition of bipartisan support for education to restore $9.4 billion to student loan accounts by an overwhelming majority. These funds provide vital support for the Nation's college students.

I also welcome the statement of my colleagues Senators SIMON and SNOWE concerning the offset and our willingness to work closely with members of the Committee on Finance to insure that the most appropriate offset is developed. Clearly, tax expenditures should bear their fair share of any serious effort to balance the budget.

Mr. ABRAHAM. Mr. President, while I strongly support the goal of the Snowe-Simon amendment to lessen the cuts in the education function, I cannot vote for this approach because it proposes to raise taxes.

Although the authors of this amendment claim that this will be accomplished by closing a tax loophole for foreign sales corporation, which I would support in the context of fundamental tax reform or overall tax reduction—as, indeed, I strongly favor closing many tax loopholes, and will work to so when a tax bill is under consideration—the practical legislative effect of this amendment would be to instruct the Senate Finance Committee to raise tax revenues by about $9.4 billion over 5 years through any means.

Mr. President, that could mean higher taxes on working families, the elderly or others whose economic future I care about. Out of the some $12 trillion we will spend under this budget, I believe that over the next 7 years, we can find the additional dollars to fully protect needy students by cutting corporate welfare and unnecessary spending. That is why I worked with Senator SNOWE yesterday on an amendment that would protect student loans by cutting spending.

Having said this, if this amendment should pass, I will support this budget resolution and strongly encourage the conferees on the budget to retain this resolution in student loan funding, but do so by cutting spending in other areas. Further, in my position as a member of the Senate Labor and Human Resources Committee I will work to ensure that the Guaranteed Student Loan Program is fully funded under any circumstances I yield the floor.

Mr. DOMENICI. Mr. President, this amendment reduces the reconciliation instruction to the Committee on Labor and Human Resources, primarily affecting student loans, from $13,795,000,000 in outlays over 7 years to $4,395,000,000 over the same period of time by closing tax loopholes.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I think I have a little time left. With regard to this, we favor the Snowe amendment and urge its support. It would restore funding needed for student loans.

Mr. President, I ask unanimous consent that it be in order at this point to ask for the yeas and nays on the four remaining amendments that have been outlined with one request for the yeas and nays, which I request at this juncture.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I move to table the first Wellstone amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me ask Members to stay right here because we are going to go as quickly as we can, hoping to do it in less time. We had an hour debate. We are going to ask consent, and I ask now unanimous consent to reduce that to 40 minutes instead of 1 hour on behalf of the managers on each side. Then we will have final passage of the budget and then we will move to the terrorism bill.

The PRESIDING OFFICER. The question is on the motion.

Mr. DOLE. Did we get the agreement on the 1 hour to 40 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1136

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1136.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI], is necessary absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 84, nays 15, as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—84

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Bradley
Breaux
Brown
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
DeWine
Dole
Domenici
Exon
Faircloth
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Murkowski
Murray
Nickles
Nunn
Packwood
Pressler
Pryor
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—15

Boxer
Bryan
Conrad
Dodd
Dorgan
Feingold
Feinstein
Harkin
Hollings
Kennedy
Moynihan
Pell
Reid
Simon
Wellstone

NOT VOTING—1

Mikulski

So the motion to table the amendment (No. 1136) was agreed to.

The PRESIDING OFFICER. The question now occurs on amendment No. 1141 offered by the Senator from Minnesota [Mr. WELLSTONE]. On this question, the yeas and nays have been ordered and the clerk will call the roll.

Mr. DOMENICI. Mr. President, I move to table the Wellstone amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1141

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the amendment of the Senator from Minnesota. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 81, nays 18, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—81

Abraham
Akaka
Ashcroft
Baucus
Bennett
Bingaman
Bond
Boxer
Breaux
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Murray
Nickles
Nunn
Packwood
Pressler
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—18

Biden
Bradley
Bryan
Bumpers
Conrad
Dorgan
Feingold
Harkin
Kennedy
Lautenberg
Levin
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Simon
Wellstone

NOT VOTING—1

Mikulski

So, the motion was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to table the Bradley amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1196

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1196, offered by the Senator from New Jersey [Mr. BRADLEY]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 13, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—86

Abraham
Akaka
Ashcroft
Baucus
Bennett
Bingaman
Bond
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Murray
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Robb
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—13

Biden
Boxer
Bradley
Kennedy
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Pell
Rockefeller
Simon

NOT VOTING—1

Mikulski

So the motion to lay on the table the amendment (No. 1196) was agreed to.

VOTE ON AMENDMENT NO. 1197

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1197 offered by the Senator from Maine [Ms. SNOWE].

The yeas and nays have been ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessary absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 32, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—67

Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Bryan
Bumpers
Byrd
Campbell
Chafee
Cochran
Cohen
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Snowe
Specter
Stevens
Warner
Wellstone

NAYS—32

Abraham
Ashcroft
Bond
Breaux
Brown
Burns
Coats
Coverdell
Craig
Dole
Faircloth
Gorton
Gramm
Grams
Gregg
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott

Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Smith
Thomas
Thompson
Thurmond

NOT VOTING—1

Mikulski

So the amendment (No. 1197) was agreed to.

Mr. SIMON. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. WARNER). The majority leader.

Mr. DOLE. Mr. President, we are going to have 40 minutes of debate now.

Mr. FORD. Mr. President, may we have order so we can understand?

Mr. DOLE. Forty minutes and then final passage. I think it would be helpful if all Members remain in their seats, or if they do not care to listen to final debate, then remove themselves from the Chamber. We hope to start the vote about quarter of 6, or 10 of 6. I think the first speaker will be the distinguished Senator from Nebraska, Senator EXON.

So I urge my colleagues to give the managers our attention here for the next 40 minutes.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself 10 minutes of the time allotted to our side.

Mr. DOMENICI. Mr. President, I think we should have order.

The PRESIDING OFFICER. The Chair respectfully asks all Senators to take their seats.

The Senator from Nebraska.

Mr. EXON. Mr. President, as we reach closure——

Mr. DOMENICI. Mr. President, I make my request again. I think we should have order in the Senate.

The PRESIDING OFFICER. The Senator's point is well taken. The Chair requests all Senators to cease conversation.

The Senator from Nebraska.

Mr. EXON. Mr. President, as we come to the closure of debate on this very, very important budget matter, I want to start out my closing remarks by taking a moment to thank the Budget Committee staffs, the majority staff and the minority staff, for what I think was a truly wonderful job. It takes a lot of hard work and they performed it so very, very well, whether in the minority or majority. I think we all recognize that while we have fractious debates from time to time, our staffs do a particularly outstanding job in working together.

Senators on this side of the aisle are certainly most grateful for the contribution of our minority staff and also the important role and relationship we have had with the Senators on that side, headed by my good friend, Senator DOMENICI, and his excellent staff. I guess few realize the truly monumental task and the intricate time demands and the details—the daunting task, if you will, of budgeting. It was much tougher this year than it was in previous years, when we were obviously more restrained about our expenditures.

I want to take a moment if I can, then, just to run through some names here that I shall be forever indebted to. I think the Senate will be as a whole. The American people should know it was an able staff headed by my chief of staff, Bill Dauster, whom everyone recognizes is one of the true experts on our budget. I thank Bill for all he has done. And the excellent staff he has assembled to work with.

I want to thank: deputy chief of staff Jerry Slominski; analyst for Transportation and Justice Andy Blocker; analyst for Veterans and Commerce Kelly Dimock; special assistant to the ranking member Tony Dresden; analyst for government, community and regional development Meg Duncan; general counsel Jodi Grant; senior analyst for Energy and environment Matt Greenwald; LBJ fellow Nancy Harris; senior analyst for income security, social security and Medicaid Joan Huffer; chief economist Jim Klumpner; staff assistant Nell Mays; director of budget review and analysis and analyst for Mecdicare Sue Nelson; presidential management intern Susan Ross; and assistant director for revenue and natural resources David Williams, and the others who played key roles in our budget staff.

Mr. President, let me take a few minutes, if I can, to sum up the feelings this Senator has after a lot of work and effort by a lot of people.

I come down to the final debate on the 1996 budget resolution with a lot of thoughts and with a lot of appreciation for all the help I have had. I was just thinking the other day, though, that this will be my 17th budget that I have debated in the U.S. Senate. I voted for some good, creditable budgets, like the one in 1993 that provided nearly $500 billion in deficit reduction. I voted against others that I believed were fiscally unsound and were not in the best interests of our great Nation. Each of those budgets was important, but perhaps none as important as this one at this particular time.

As Nebraska draws me closer to home, I think more about the country I want to leave my fellow citizens. I think about their day-to-day struggle for a better life. I think about their grandchildren and the uncertainties they face, I think about how I want to leave them a country with shoulders broad enough to build a family and a future on.

This Republican budget may convey that legacy to some, but not to this fiscally conservative Nebraskan. It is a budget that makes a devil's bargain over tax cuts at a time when we should be appealing to our better angels. We should make sure we balance the budget before we make a real or phony commitment to the politically popular promise of a tax cut.

It is a budget that takes away unfairly from our seniors, children, and least fortunate, but disproportionately and unfairly lines the pockets of the wealthiest among us.

It is a budget that keeps the most affluent fling first class, but puts rural America in a tail spin.

It is a budget that turns a blind eye to working Americans who play by the rules.

In the final analysis, it is a budget I cannot support.

I know what a tough task my good friend, the chairman of the Budget Committee, has had. I salute him for the masterful job he has done. And he has my condolences for the job that lies ahead that will require the wisdom of Solomon and the patience of Job.

We may disagree on the shape of this budget. But the Senator from New Mexico and I truly believe, both of us, in balancing the budget. For us, and many of our colleagues on both sides of the aisle, this is not an abstraction. We want to make a decisive attack on our country's budget crisis.

I wanted a bipartisan balanced budget where all of us would share, and share equally, in the painful decisions and sacrifices that are necessary to bring the budget into balance. I wanted a balanced budget that was driven by fairness.

On many occasions, before and during this debate, I offered the olive branch to my colleagues on the other side of the aisle. In spite of the heated rhetoric, I thought that cooler heads could prevail. I offered compromise and reason. I offered unity instead of division. I thought we could fine tune this budget and redistribute the cuts within its framework. I thought that we could work together to produce a balanced budget that most Republicans and Democrats could support.

But the past 50 hours have proven me wrong. The Republicans froze us out of the process, basically. We were persona non grata as far as they were concerned. I didn't expect my Republican colleagues to accept all of our amendments. But they did not give serious consideration to barely any of the constructive and reasonable amendments we offered. And none, and I repeat none of the amendments I supported would have kept us from balancing the budget by the year 2002, which is the central element, I think in the plan offered by the majority.

The Republican majority put a fence around their budget. We were blocked at every turn. We were rebuffed on each critical amendment. It was "No" to softening cuts on Medicare. It was "No" to the earned income tax credit. It was "No" to education. It was "No" to rural America. It was "No" to fairness. It was "No" to shared sacrifice.

Mr. President, this is not a budget for all seasons, and is certainly lacking in reason. This is not a budget for all Americans. This is not a budget of shared sacrifices. This is not a budget on which our fellow citizens in Nebraska, or elsewhere can build a better life. This is a budget that I cannot support.

Where do we go from here? To something workable and more constructive? Given the budget presented us by the House, and this one concocted in the Senate, we go to conference with little hope of a final budget that will have any semblance of bipartisan support.

It follows that the reconciliation bill and the appropriations measures will be so bound in advance by this unworkable budget that the end product will also be devoid of any real semblance of bipartisan support.

There are those who seemingly have reveled in the charges that the President is "irrelevant" in the budget considerations. They will find out how "irrelevant" he really is should he veto—and, in my opinion, properly so—the end product of all of this partisanship.

Beginning now, and up to the point of a possible veto, I will be working with my President and my colleagues on both sides of the aisle to attempt to fashion a workable bipartisan compromise that will not be painless, but will be fair to all Americans and, most importantly, to America.

I reserve the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have a few Senators who requested time. Maybe I will do that before I give my closing remarks. Senator GRAMM asked for some time, and I will give him 2 minutes. Senator ROBB, who is not here, asked for 2 minutes, and I am going to give him 2 minutes. And Senator NUNN asked for 3 minutes; I am going to give him time. Then I will get back to my time.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized to speak for 2 minutes.

Mr. GRAMM. Mr. President, there are many things to praise in this budget, and I want to begin by praising the man who made it happen, and his name is PETE DOMENICI.

I think he has provided great leadership in the Senate, and given the numbers we had to work with, given the disposition of our Members, I do not think anybody can have anything to say about PETE DOMENICI other than to give him the credit he is due.

But I want all my colleagues to understand exactly where we are as we pass this budget. With the adoption of the Snowe amendment, this budget now before the Senate spends $184 billion over the 7-year period, more on nondefense programs than the budget that was adopted in the House. That is $184 billion worth of additional nondefense program spending that is going to have to be taken out in conference, if we are going to have any opportunity to have a real cut in taxes for working families, and if we are going to have any real opportunity to provide incentives for growth.

I want my colleagues to know that I am going to vote for this budget. I want to urge every person in the Senate who wants to balance the Federal budget to vote for this budget, and I hope we get a sound vote.

But I want my colleagues to understand that unless we cut this excessive spending out, unless we let working families keep more of what they earn, unless we provide incentives for growth, and unless we balance the budget while doing those things in the final product that will come out of the House Senate conference, I am not going to vote for that budget. I believe we can do these things.

Our House colleagues have shown us that it can be done. And I am hopeful, when we go to conference with the House, that we will look at our mandate from the election, we will look at what our colleagues in the House did, we will take heart and leadership from them, and that we will come back with a budget that is balanced over a 7-year period, that lets working families keep more of what they earn, and that provides incentives for people to work, save, and invest. That is what I favor.

I believe that is what the American people favor. And by passing this budget today, we have an opportunity to begin to make that happen.

I yield the floor.

Mr. DOMENICI. I yield 3 minutes to Senator NUNN.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, first I want to commend my friend from New Mexico, Senator DOMENICI, and my friend from Nebraska, Senator EXON, for handling the management of this bill under very difficult circumstances. I have been in that place many times, and I know how difficult it is and what a challenge it is.

Second, I would like to commend the Senator from New Mexico, Senator DOMENICI, for real leadership in putting on the table for all of us to both contemplate, vote on, and study in the future, and the American people to contemplate, all the untouchables that have not been in budget resolutions before.

This is first time that I have seen all elements of spending on the table except Social Security. It is my view that will have to be on the table at some point in the future. But that one is not on the table today.

I disagree with a number of the priorities in this resolution, and I have voted differently from my friend from New Mexico on a number of amendments because I do believe that we have not earned any tax dividend at this point. I do not believe we ought to have a tax dividend until we really get the budget under control. I think that is essential, and that is a priority. And I think that is what the American people want.

I think moving to reduce taxes before we get spending under control, and before we really earn the dividend, is kind of like going on the wagon by starting off chug-a-lugging a bottle of whiskey. I do not think that is the way to proceed. However, having said that, I do think this budget is in the right direction. I think it moves in the right direction.

I am going to vote for it for that reason, because it does move in the right direction. And moving in the right direction in terms of tackling entitlements, in terms of restraining growth and spending in those programs that have been clearly out of control, as difficult as that is going to be to do, I think the direction is enormously important. It is important for our children. It is important for our grandchildren. It is important for our economy. It is important to increase savings, and thereby investment and productivity, and thereby the real income of the American people over a period of time.

Finally, I think that this direction is enormously important for the credibility of this Congress and the credibility of our Federal Government.

So I commend my friend from New Mexico for real leadership, and I will vote for the final passage of this resolution.

Like the Senator from Texas, I will be watching the conference very closely, perhaps from a slightly different perspective.

Mr. President, again, I rise today to announce my support for the fiscal year 1996 budget resolution. I commend my good friends, Senator PETE DOMENICI and Senator JIM EXON, the chairman and ranking member of the Senate Budget Committee, for their floor management of this bill. Having been a member of the Senate Budget Committee and having worked with Senator DOMENICI on a 10-year balanced budget plan in our Center for Strategic and International Studies [CSIS] "Strengthening of America Commission," I know how daunting a task it is to produce a plan to reach a balanced unified budget by 2002. I know that my friend PETE DOMENICI had to make many difficult decisions and fall back on many of his own priorities to forge a majority coalition on this bill. This type of leadership is often given sufficient recognition or praise.

I have followed this debate closely. This is a historic moment. This resolution marks the first time the Senate Budget Committee has reported a budget resolution that in my view deals with all the elements on the spending side of the budget that must be addressed to have any hope of balancing the budget. I commend my friend from New Mexico for the courage and the leadership he has exhibited in crafting this resolution.

The most significant improvement over past attempts to balance the budget is the Senate Budget Committee's inclusion of recommendations to restrain significantly the projected growth of Federal mandatory or entitlement spending, which now represents 50 cents of every dollar the Federal Government spends.

For years, Congress and the executive branch have tried to achieve a balanced budget by cutting the defense and domestic discretionary programs that are appropriated by the Congress and signed by the President, and by raising taxes. At the same time these budget efforts time after time allowed the mandatory or entitlement programs, which are on autopilot, to grow faster than inflation, faster than discretionary programs were being cut, and faster than taxes could be raised.

In the 1990 budget summit, half the savings came from cutting the defense budget. While large defense savings were possible due to the end of the cold war—and those savings which were made are still contributing to deficit reduction today—that kind of historic opportunity is a one-shot deal. That agreement predictably did not balance the budget because defense represented at that time 24 percent of the overall budget. As a result of that agreement, defense is only 18 percent of the budget today, and under this resolution it will fall to 14 percent by the end of the century.

Over half the deficit reduction in the 1993 reconciliation bill came from tax increases. Once again, reductions in the growth of entitlements contributed only a small portion of the deficit reduction. Tax increases and defense cuts will never balance the budget as long as the entitlement programs remain unrestrained.

These previous attempts, because they failed to address the largest and fastest growing part of the budget, were virtually doomed to fail. In my mind, our previous attempts to balance the budget without seriously addressing the out of control growth of spending in entitlement programs were analogous to Bonnie and Clyde robbing parking meters.

Mr. President, this budget resolution finally goes where the money is. Fifty percent of the deficit reduction in this plan comes from reducing the projected growth in spending—not the actual spending levels—in entitlement programs. Compared to CBO's baseline projections, it provides spending reductions totaling $1.3 trillion over the 7-year period ending in 2002. These reductions are achieved through reductions in two principal areas: entitlements and nondefense discretionary programs.

This resolution recommends that entitlement spending growth be reduced by $650 billion, that nondefense discretionary spending be reduced $350 billion, and defense will be reduced by another $100 billion below CBO's baseline. Due to these reduced Federal expenditures, it is estimated that interest payments on the debt will be lessened by $200 billion.

Mr. President, over the last few days, many of my colleagues have attempted to amend the resolution to correct what they believed to be flaws in this proposal. I share many of their concerns, and, if I had my way, I would make a number of changes, including:

First, holding the defense budget stable over this period rather than having it continue to decline as called for in both this resolution and President Clinton's budget;

Second, setting a goal of balancing the budget without using the surpluses from the Social Security Trust Fund, even if it takes 10 years rather than 7.

Third, reducing some of the cuts from projected growth in the Medicare and Medicaid programs to make the required reforms more achievable and sustainable;

Fourth, reducing the proposed cuts in Federal education programs to acknowledge that human capital is our most precious resource;

Fifth, restoring some of the proposed reductions in the Earned Income Tax Credit, which is essential in helping low-income working people and in making work more attractive than welfare;

Sixth, mitigating to some extent the proposed cuts to agriculture and veterans programs; and

Seventh, keeping the National Service program alive and viable. This program is proving to be both an important and efficient way of delivering human services, and it is also serving as a catalyst for community service by thousands of American young people.

Mr. President, I will continue to fight to address these priorities as this process continues and we debate the specific details in the reconciliation legislation that will carry out this plan. I also believe that tax expenditures should not be exempt from review as we legislate in the summer and fall. Balancing the budget requires shared sacrifice, and as we cut spending we should also review revenue-losing tax breaks which may not be justified. For these reasons I supported the Conrad alternative to the Committee-reported budget resolution.

Notwithstanding these reservations, I will vote for the Domenici budget resolution. We will debate the details for months to come, and we could vote and debate forever in search of a perfect solution, but the general direction required is clear. If there was an easy way to balance the budget without cutting spending on popular programs, we would have done it long ago. But that is simply not possible. This plan gives the American people a realistic look at what it takes to balance the budget with spending cuts alone.

I believe this resolution points us in the right direction. Mr. President, most of this debate has focused on specific elements of this plan, but what sometimes gets lost in the debate is the fact that the status quo is not painless either—in fact it is not even sustainable. We simply cannot continue to pile $200 to $300 billion in additional debt each year on our children and grandchildren.

I also hope that I will also be able to support the conference report, but that depends on its content. I consider the House's action in beginning a $1.2 trillion budget cutting exercise by reducing taxes by over $300 billion over 7 years to be fiscally irresponsible. I am pleased that more than two-thirds of my colleagues voted to overwhelmingly defeat this tax cut in the Gramm amendment, which have made the tax cuts contained in the House passed Contract With America part of this resolution. The House approach is like an alcoholic promising to go on the wagon right after gulping one last bottle of whiskey.

In this resolution, there is a reserve fund that makes the fiscal dividend resulting from enactment of a balanced budget plan available for tax cuts. This dividend was the focus of most of the proposed amendments to this resolution. In my view, the Senate should have adopted the Feingold amendment, which would have applied that dividend to deficit reduction and given us a cushion that would allow us to balance the budget even if the economy does not perform as well as CBO has projected.

The budget resolution contains an invitation to use this fiscal dividend for tax reductions rather than applying it to deficit reduction. I oppose this part of the resolution and I voted against the amendment which strengthened this invitation from may to shall. The Senate will address this question again before any such tax cut passes. If the Senate is unwilling to apply this fiscal dividend to the deficit then I prefer using the dividend to ease the most severe impacts of the spending reductions Medicare, education, and programs for low-income working people, rather than for tax cuts. My votes on several amendments reflect this. But my first choice was to take a more conservative approach by applying the fiscal dividend to deficit reduction as proposed by the fiscally responsible path in the Feingold amendment.

This budget resolution is tough medicine, and it will be very difficult to carry out some of the reductions called for. I suspect the reductions in the growth rate of spending in Medicaid and Medicare, education, agriculture and other areas that are required if we are to balance the budget will generate more and more opposition from substantial segments of America before the cuts are passed by Congress, and certainly before they are fully implemented. There is also a probability that in cutting projected spending by over $1 trillion dollars in a 7-year period Congress will inadvertently make some serious errors which will have to be corrected. For these reasons, I believe that reducing taxes by the amount produced in the fiscal dividend would be inequitable and premature until the spending cuts and restraints have been locked in.

I would remind all of my colleagues who believe, as I do, that we should be balancing the budget without using the Social Security surplus, that leaving the fiscal dividend alone and applying it to deficit reduction, as we would have done if the Feingold amendment had been adopted, would also help move us toward the goal of a real balanced budget. Balancing only the unified budget by continuing to borrow the Social Security surplus simply postpones the day of pain when the general fund must repay the Social Security Trust Fund.

The budget resolution before us balances the budget in 2002, including the Social Security surplus. But without that surplus, the deficit in 2002 would still be about $100 billion. While the exact size of the fiscal dividend would depend on what savings and enforcement provisions were enacted in a reconciliation bill, CBO's previous estimate of the fiscal dividend in 2002 was about $50 billion. If we had applied that to deficit reduction, we could have cut the deficit in 2002, excluding Social Security, in half, from about $100 billion to $50 billion.

Today, the general fund already owes the Social Security Trust Fund $500 billion. By 2002, when we finally get the budget back in balance including using these Social Security surpluses, the general fund will owe the Social Security Trust Fund $1.1 trillion. When the baby boom generation starts retiring around the year 2015, just 20 years from today, we will owe the Social Security trust fund about $3 trillion.

We all know that Congress and the President have to face up to the Social Security problem. We all know the Social Security system is not going to be the same for those who are in their 20s, 30s, and 40s today as it is for people who are already retired and receiving Social Security benefits today. It cannot be. And the longer we avoid facing up to that problem, the worse the problem is going to be. Balancing the budget without the continued use of the Social Security surplus to finance other Government spending is an absolute necessary first step in that effort. Unfortunately, this budget resolution does not meet that test or even have that goal.

Mr. President, in closing, I want to congratulate Senator DOMENICI for his leadership on this budget resolution. This budget resolution is but the first step of a long and difficult journey, but we are headed in the right direction—the direction that will bring our budget into balance.

Mr. EXON. Mr. President, I yield 2 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. I thank my colleague.

I want to say that, as I look at the Senator from New Mexico and the Senator from Nebraska, I want to say my friend from New Mexico, the chairman of the committee, if I could get his attention, that I think the Senator from New Mexico and the Senator from Nebraska really are a model for this U.S. Senate. You can disagree without being disagreeable. I think we have had a tough and important debate, and I congratulate both of them on it.

I want to say that, from my perspective as a Senator from California who ran because I wanted to fight for the people of California, that this budget as it comes before us now is the broadest retreat on the American dream that I have ever seen in my time as an adult.

I will say that we tried to change this budget. We at every chance said that the tax cuts should go to the middle class, not to the wealthy. We offered broad restorations to education. We tried to make this better. We tried to ease the pain on the seniors, on the students. And I say to my friends on both sides of the aisle that if ever we were here to fight for anyone, should it not be the children? Should it not be the elderly? Should it not be the hard-working middle-class families who will have a tax increase, those who earn $28,000 a year and less?

So this budget turns its back on those people while maintaining tax loopholes, keeping military spending harmless and, frankly again, retreating from the American dream that I was so fortunate to be a part of in my lifetime.

I hope as this process continues we will have enough votes to turn back some of these priorities. I hope we will bring common sense to the debate in the days that lie ahead.

I will be voting against this budget. If it does anything, it shows the difference between the parties. I think that is good for this country, to see the differences between the parties.

I wish to thank my colleague and again the committee chairman for working with me, although we have disagreed many times. I think the staff on both sides have just been extraordinary as well as the chairman and the ranking member.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield 2 minutes to Senator D'AMATO from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I am proud to support this budget. Senator DOMENICI and the Budget Committee deserve to be commended. Senator DOMENICI's plan, for the first time, meets what the American people have been asking for—responsible and courageous leadership.

It is not easy to balance the budget. It is not easy to cut those programs, yes, that the people want and get used to. It is not easy to tackle Medicare. But let me tell you something. We were not elected and sent here to do things the easy way. That program will be bankrupt. We owe it to today's seniors and those in the future to protect it, preserve it, to strengthen it. We owe it to our children in the future to give them the opportunities we have had. Unless we achieve a balanced budget and cut spending, that will not be the legacy we leave to them.

There are those who preach fear and divisiveness. I have heard talk already about how this is going to help the wealthy. It seems to me, when we balance the budget and reduce interest costs that make it possible for people to have jobs and opportunity, we are helping America.

I do not believe that the administration or my Democratic friends for the most part have given the kind of leadership that this Nation needs. Criticize, create fear, create doubt, turn their backs on their own reports, a report that this administration came down with, which indicated that Medicare would run out of funds within the next 6 or 7 years.

We have an obligation to move boldly. We are. It is the right time, and it is about time, and I hope we can pass this budget overwhelmingly. I support it.

I commend Senator DOMENICI and all who have worked with him to bring us to this point.

Mr. DOMENICI. I thank the Senator from New York. I yield 2 minutes to Senator ROBB.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. DOMENICI. Senator ROBB would like 2 minutes on my time.

I yield 2 minutes.

Mr. ROBB. Mr. President, if the Senator from New Mexico will yield 2 minutes, I would be very pleased.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. Mr. President, I thank the Chair, and I thank the chairman and the ranking member of the Budget Committee for their leadership and the long, hard work that brought us to this particular point.

If this were a budget and not a budget resolution, Mr. President, I might take a different course of action. I happen to believe that most of the choices, most of the priorities that we establish in terms of guidelines as to how we get to our destination are not the priorities that I would embrace and, indeed, I have voted with my Democratic colleagues on a number of occasions to try to change those priorities. But we did not prevail.

I believe that Republicans were wrong in 1993, when they felt as strongly as they did about deficit reduction, not to try to assist President Clinton and Democrats. And feeling as strongly as I do about the importance of deficit reduction, I believe it would be wrong for me not to assist with the heavy lifting.

Mr. President, the lifting is going to be very, very heavy. I do not think many of the Members who may be fully supportive of this resolution have considered all of the implications that are ultimately going to have to be considered when making the tough individual choices about cutting specific programs or cutting tax expenditures, raising revenues, whatever the case may be. But I am prepared to assist in that effort. I think it is important that, to the extent we can, we engage in this most important task on a bipartisan basis.

So, Mr. President, I will be pleased to vote for this resolution, notwithstanding significant differences with respect to the distribution of the burden and the pain and a very significant difference with respect to whether or not we ought to have any tax cuts in this measure at this time.

Nonetheless, I applaud the leadership for moving us to this point, for setting a very clear and important goal. I am embracing the destination and not the road as to how we get there, and I am going to work to try to make some course directions as we move down that road.

Mr. President, I thank the Chair. I thank the ranking member as well as the chairman of the Budget Committee for their hard work, and I yield the floor.

Mr. DOMENICI. I thank the Senator for the remarks. And I thank the Senator for the support with the vote today.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have no ill will at all toward some of the Democrats, some of my closest friends and associates, but I have tried to conduct this matter with a sense of dedication but still in good humor. I just want to say that if there are any Republicans who wish to vote against the budget, I will be glad to yield them time if they come to the Senate as quickly as possible.

I yield 2 minutes to my colleague from Rhode Island.

Mr. DOMENICI. I regret to tell the Senator he will have to do it all himself.

Mr. EXON. I so anticipated.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, the fiscal year 1996 budget resolution marks the beginning of the end of an era. There can be no avoiding of the fact that the resolution in many ways lays out a plan for the effective dismantlement of progressive government as we have come to know and benefit from for half a century.

This I believe is a lamentable turn of events in my view, all the more so because I believe we could bring the Federal budget under control by less extreme and less destructive means.

When I came to the Senate in 1961, the political climate was keyed to national circumstances far different from those prevailing today. Most of us had vivid memories, first, of the era of active, interventionist government that resulted from the economic stresses of the 1930's; and second, of the dominant role of the Federal Government in the successful prosecution of our role in World War II, a role which was to continue through the cold war era.

From that basis of a dominant Federal role in opposition to foreign tyranny, there was a natural evolution to the historic role of the Federal Government in greatly expanding our national commitment to social justice at home. This found expression in the civil rights revolution of the 1960's, and in a host of other fields, including health, education, welfare, occupational safety, and environmental protection to name only a few.

To be sure, there were excesses and mistakes that were committed in the name of an activist central government, and their elimination is one of the benefits of the current swing of the pendulum of history back in the direction of less government and less intervention.

But as one who has been privileged to serve here during this remarkable cycle, I want to record the view that there is much that we have done over the past four decades that has made our country a better place, and those accomplishments should not be rejected in a willy-nilly rush to diminish the role of government.

Unfortunately, the budget resolution lays the groundwork for just such an evisceration of progressive government and I, therefore, cannot support it.

I am appalled at the implications of drastic cuts in the international affairs account, presaging a trend to isolationism and withdrawal from a half century of activist leadership in world affairs. This resolution envisions a progressive phasing back of assessed contributions for United Nations peacekeeping, as well as drastic cuts in foreign aid. These are radical and regressive changes and I reject them.

I am likewise dismayed at the assumed reduction in Federal spending for education by as much as $32 billion over 7 years. This would place at risk or threaten curtailment of a number of worthy programs which have evolved over the past 30 years to assert a Federal interest in this most basic area of public investment. So these cuts too are not acceptable.

I deeply regret also the assumptions underlying this resolution which would curtail the National Endowment for the Arts and Humanities, the Corporation for Public Broadcasting, and AMTRAK, while at the same time threatening to turn back the clock of post-Watergate reform by abolishing the Presidential campaign financing system. I hope the Senate amendment restoring the funding for this system will prevail.

These are but a few of the programs now in jeopardy in which I have a special interest. In combination with other provisions which likewise cancel out or curtail major elements of the Federal commitment to social justice—provisions such as the Medicare cutbacks and the cut in funding for the earned income tax credit—they serve to demonstrate how negative and regressive this resolution truly is.

The pity is, Mr. President, that much of this programmatic slaughter may be needless. The fact is that it was ordained by a commitment to suspect goals which were dictated by political expediency rather than national selection, namely, the idea that the Federal budget must be brought into exact balance, and the corollary idea that it must be brought into balance in the arbitrary time frame of 7 years.

With all due respect to the leadership of my own party, I must simply say that in my view these goals are specious and should not be the driving force for this sweeping revision of Federal policy.

When I opposed the balanced budget amendment to the Constitution earlier this year, I took the position that the Federal budget is not supposed to be in perpetual balance, but that, as John Maynard Keynes wisely noted, it should remain a flexible instrument of national economic policy, registering a surplus in good times and engaging in stimulative spending in downtimes.

The resolution before us puts us on an inflexible course, both in terms of achieving absolute balance and doing so by a certain date. It makes no allowance for all of the unforeseen contingencies, including natural disasters, international emergencies, or economic recessions, that might require us at some point in the next 7 years, to engage in unexpected spending and thus not meet the goal so confidently embraced.

And even if the magical goal were somehow to be reached, there is a respectable body of opinion that warns that the deliberate withdrawal of $1.3 trillion in Federal spending in the arbitrary timeframe of 7 years could wreak havoc with the economy.

It seems to me that the far wiser course would be to continue a vigorous but more reasoned program of deficit reduction that would not rule out revenue increases and certainly would not exempt defense from further budget cuts. I would generally avoid tax cuts, although I must say that I continue to believe that a more liberal treatment of capital gains would have a beneficial effect in promoting economic growth.

Further, it seems to me that we ought to substitute flexible and rational measures of deficit control for the arbitrary goals which I believe have been too hastily accepted as a basis for a wholesale change of approach of Government. One useful measure is the ratio between the annual deficit and gross domestic product. Just as any prudent household should limit debt in proportion to income, it would make sense for the Federal Government to do likewise with respect to its annual deficit.

For the present, we must act on the basis of goals and assumptions that, while widely accepted, may not be valid. To my mind, the budget resolution takes us in the wrong direction and does so for the wrong reasons. I hope the time will come when others will see the matter in the same light.

OPPOSITION TO CHANGES IN THE EARNED INCOME TAX CREDIT—A TAX INCREASE ON WORKING FAMILIES

Ms. MIKULSKI. Mr. President, I rise today to speak in opposition to the proposed cut in the earned income tax credit [EITC].

The other day I spoke about this budget, its attacks on Medicare and how it affects senior citizens and their families. Today, I rise to speak about how the reduction in the earned income tax credit will affect their families and their children.

Today, I want to speak about how this is also a fight for the children and grandchildren of the senior citizens who are hit by cuts in Medicare.

In 1993 we dramatically increased the earned income tax credit, which cut taxes for middle and lower income families.

We cut taxes for parents working hard to stay out of poverty and off welfare. The first step to welfare reform is to make work pay. The EITC helps us to make work pay.

If this budget resolution passes we will increase taxes on millions of working parents. What do we say to these mothers and fathers? What do we say to any working family making less than $28,000 a year?

Who is affected? A mother who makes ends meet by waiting on tables. A mother who counts on every tip, every nickel and quarter left on the lunch counter. A mother who can make ends meet because of the earned income tax credit.

A father who lost a good-paying factory job and lost a piece of the American dream. A father who works a second job just to support his children, but still makes less than $28,000.

This budget cuts taxes for the wealthy by taking $21 billion from the EITC and the families who use it. This budget cut will hit over 12 million taxpayers, 199,000 in Maryland alone. For those Marylanders making $28,000, they will pay $1,500 in taxes if the EITC is cut.

This is not welfare reform. We cannot tell people to get off welfare and then cut what they will get in a paying job, and cut their Medicaid.

We cannot tell a mother on welfare to take a low-paying job that will be even lower paying if we cut this program. We must reward people who work.

It is time that we returned to the bipartisan spirit of this tax break. Let us return to the support that had President Reagan praise the EITC as, "the best antipoverty and pro-family" measure to ever come out of Congress.

When I spoke the other day on another occasion, I reminded the audience of First Lady Eleanor Roosevelt and how she explained that this is "no ordinary time." This is no ordinary time. It is a time to fight for these families who have worked hard and have earned a break.

Mr. FEINGOLD. Mr. President, I reluctantly voted against the budget resolution, but I do believe it does represent a serious, and significant statement on my highest priority: deficit reduction.

My own 82-point plan reduces the deficit further and faster than this budget resolution does, and I cosponsored and voted for an alternative on the floor of the Senate that reduces the deficit more and achieves true balance sooner than the budget resolution. Nevertheless, the budget resolution does achieve significant deficit reduction, and if nothing else, it clearly demonstrates that we do not need to change our Constitution in order to balance the Federal books.

The purpose of a budget resolution is to establish the boundaries within which we formulate the details of the Federal budget. The most significant flaw in this resolution is that those boundaries effectively preclude us from going after three sacred cows: tax cuts, tax loopholes, and the defense budget.

If those three areas had been left on the table, we could have taken a much more balanced approach to deficit reduction, lessening the severity of the cuts to those on Medicare and Medicaid, farmers, students, veterans, and others, while also eliminating the deficit by the year 2000, not 2002 or 2004 or 2008.

There were some bright points to the resolution. One important improvement the Senate resolution makes to the one passed by the House is the elimination of what has been called the crown jewel of the Contract With America: the fiscally irresponsible $350 billion tax cut. In a resounding, bipartisan vote of 69 to 31, the Senate rejected an amendment to implement that reckless policy.

There are also a number of provisions assumed in the resolution that rightly slate outdated, wasteful, or low priority programs for cuts or elimination.

I was particularly pleased to see the Helium program terminated under this budget resolution. I introduced legislation on the first day of the 104th Congress to kill the national helium program, and this budget resolution is an important step in eliminating this vestige of the 1920's.

Though the broad budget outlines established by this resolution are skewed, I very much hope we will approach the details of the budget with the kind of bipartisan spirit demonstrated by the strong, bipartisan vote defeating the reckless House Republican tax cuts.

If the Senate takes that approach to the specific budget bills, and especially the reconciliation legislation that will determine how cuts are made to Medicare and Medicaid, we may be able to fashion a sensible budget that achieves the significant deficit reduction envisioned in the resolution without harming the most vulnerable.

AMENDMENT NO. 1150

Mr. SARBANES. Mr. President, I rise today to express my deep regret that the amendment offered by Senators ROTH and LIEBERMAN seeking to protect one of the last pristine wilderness areas of this Nation, the Arctic National Wildlife Refuge [ANWR], was defeated.

In 1980, the 96th Congress approved the Alaska National Interest Land Conservation Act. This important law, which set aside over a million acres of Federal land for national parks, wildlife refuges, and other conservation areas, prohibited oil and gas development in 1.5 million acres of ANWR's coastal plain, leaving the fate of this land in the hands of future Congresses.

Since 1980, the Congress has vigorously and consistently expressed its opposition to oil and gas leasing in the biological heart of the Arctic Refuge. This area on the coastal plain of ANWR, often referred to as the "American Serengeti," is home to about 165 different species of animals. It is the calving ground for the Porcupine Caribou herd, the denning area for the

Beaufort Sea polar bear population, and the nesting habitat for a variety of waterfowl and shorebirds, including snow geese, tundra swans and black brant.

There is little doubt that extensive development of this sensitive wilderness area would have a negative impact on the vast wildlife resources located there. A 1987 report prepared by the Department of the Interior and submitted to the Congress stated that oil development in ANWR would result in long-term changes in the wilderness environment, wildlife habitat, and Native subsistence hunting opportunities.

In my view, it is critical that we as a nation do not allow the destruction of one of our last remaining unprotected ecosystems. The Republican budget proposal recommends that the Federal Government lease 8 percent of ANWR for oil and gas development. While this backdoor assault on the Arctic Refuge claims to affect only a small portion of the wilderness area, oil development activity will affect the entire coastal plain. In addition, the expectations for oil and gas finds are excessive. The 1987 Interior Department report found there to be only a one in five chance of finding an economically viable oil field on the coastal plain.

Wilderness areas constitute only 2 percent of all land in the United States. If we fail to protect the integrity of the Arctic Refuge now, its wealth of natural beauty and treasures will be lost to future generations. This is too precious a resource to squander.

AMENDMENT NO. 1166

Mr. LAUTENBERG. Mr. President, this amendment was submitted on behalf of myself, Senators ROCKEFELLER, MURRAY, HARKIN, WELLSTONE, REID, DASCHLE, and MIKULSKI.

The Senate considered this amendment yesterday. Mr. President, this amendment could not be more simple. It closes the "Ex-Patriots" billionaires tax loophole and takes the money and restores some of the drastic cuts in veterans programs contained in this resolution. I call this amendment—take from "ex-patriots and give to American patriots."

This is the same amendment that I offered in committee. While this amendment failed on a tie 11 to 11 vote, it did enjoy bi-partisan support. The distinguished junior Senator from Maine [Senator SNOWE] voted for my amendment.

Mr. President, we have now all heard about this so-called "Benedict Arnold" tax loophole. This loophole allows billionaires and multi-millionaires who have made their fortunes in this country to renounce their citizenship and avoid paying Federal taxes like estate taxes and flee to some Caribbean island with their money.

This is no minor loophole. It costs the Treasury more than $3 billion over 10 years. And as a recent story in Fortune Magazine showed, wealthy individuals deliberately look at using this loophole to avoid paying taxes.

My amendment will close this loophole. And it will take the proceeds and put them into restoring the massive cuts in veterans programs contained in the Republican budget.

This Republican budget cuts discretionary spending on veterans programs by a whopping $26 billion over the next 7 years. But this is only discretionary spending on items like VA hospitals and outpatient clinics.

This budget also cuts veterans' entitlement programs by $10 billion over 7 years. That is a $36 billion slap in the face to our Nation's veterans.

What kind of reward is this for our Nation's veterans? Isn't it ironic that on the 50th anniversary of V-E Day, we are destroying the VA system for those heros who saved us from Fascism?

The Republican budget will force cuts in veterans' pensions, payments to those with service-connected disabilities, the GI bill, and numerous other health and benefit programs.

My amendment will help alleviate some of these cuts. It will not restore all of the funding but it will make a start in trying to cushion the coming blow.

Mr. President, the men and women who have put their lives on the line for this country deserve better. They deserve to be treated with respect.

Their benefits should not be cut while we are providing tax cuts for the rich. The Republican budget represents the wrong priorities.

Mr. President, I want to deal with one issue up front. Republicans may argue that we passed an amendment in the Budget Committee to close the Benedict Arnold tax loophole.

The fact is we did not. We passed a nonbinding sense-of-the-Senate amendment concerning this issue. However, we did not change any numbers in the resolution to force the Finance Committee to in fact close this loophole.

So the Finance Committee can do as it wishes regarding this tax loophole. It will not be required to do this in any way. So if Republican say that they already voted to get rid of the loophole, they are not shooting straight with the American people.

This amendment again poses the same question to the Senate as other amendments. The question is, "Whose side are you on?"

Are you on the side of billionaires who revoke their citizenship to avoid paying taxes? Or are you on the side of our Nation's veterans—the men and women who have fought for their country—who have laid their lives on the line to defend freedom?

I stand firmly with American Patriots not ex-patriots.

I hope my colleagues will do the same. The veterans of our country deserve much better than the cuts contained in this Republican budget.

(The following statement was inadvertently omitted from the RECORD of May 24, and appears here at the request of Mr. ROCKEFELLER.

AMENDMENT NO. 1166

Mr. ROCKEFELLER. Mr. President, I join with my colleagues, Senators LAUTENBERG, DASCHLE, MIKULSKI, WELLSTONE, MURRAY, HARKIN, and REID, in cosponsoring an amendment to the budget resolution, Senate Concurrent Resolution 13.

This amendment—known as the "Ex-Patriots to Patriots" amendment—would assume the repeal of the tax loophole that enables U.S. citizens to renounce their citizenship to avoid paying U.S. taxes. This would generate $3.633 billion in revenues for the Treasury over 10 years, from 1995 to 2005. Our amendment would restore funds from this revenue—$1.7 billion over the 7 years covered by the resolution—to Function 700, veterans programs, so as to offset some of the $15.4 billion in reductions contained in the budget resolution.

Mr. President, emigration and expatriation are fundamental rights of all Americans. They are guaranteed by the American Constitution and international human rights laws. Expatriation to avoid taxation is permitted by the Internal Revenue Code of 1986.

We believe this provision in the Tax Code should be repealed for several reasons. First, it is unfair to all Americans who work hard every day to support their families and who pay taxes to support their country. It offends our sense of justice that some of the wealthiest Americans—who can afford to pay taxes, whose fortunes blossomed in the freedom and bounty of our Nation—can take such a drastic measure to avoid paying their fair share. Second, at a time when we are all committed to reducing the Federal deficit, the Treasury losses significant revenue because of the actions of the approximately 25 individuals a year who choose expatriation to take advantage of this tax loophole. And finally, if these funds were available, they could be targeted toward needed programs and services which are in jeopardy—and which benefit far more than 25 people.

Mr. President, the matter of this "Ex-Patriots" tax loophole has come before the Senate earlier in this session of Congress and is on the table again. We passed the "Ex-Patriots" provision as part of the small business health care deduction bill in March, but it was dropped in the House-Senate conference in April. Later, the Senate voted again to repeal this tax loophole, this time by a vote of 96-4 in a sense-of-the-Senate resolution. And on May 15, Senate Concurrent Resolution 13, as passed by the Budget Committee, does repeal this tax loophole for wealthy Americans. However, it does not go far enough, it does not target any of the revenue for veterans' programs.

On May 11, Senate LAUTENBERG wisely linked the two issues—repeal of the expatriates' tax break and restoration and funding to America's true patriots—in Budget Committee action. The tie vote of 11–11 demonstrated the bipartisan support for changing the tax code and helping maintain veterans' programs. Our amendment links the repeal of the tax loophole for expatriates to the restoration of funds for America's true patriots—her veterans. It does so because approximately $15 billion in reductions for veterans programs—including health care services for service-connected veterans and poor veterans—are on the chopping block. As ranking minority member of the Senate Committee on Veterans' Affairs, I believe the patriotism demonstrated by the men and women who have worn our country's uniform—those who put themselves in harm's way, those whose lives have been irrevocably changed by injuries sustained in the line of duty, those who lost comrades in the heat of battle—speaks for itself. The repeal of the expatriates' tax loophole makes sense, and our veterans deserve no less.

Let us remember once again, in this 50th anniversary year of the end of World War II, the persons who enlisted in service to their country when tyranny threatened to obliterate peace and prosperity for generations to come. Science fiction writers and filmmakers have conjured up images of the unimaginable—what the world would have been like had our soldiers and sailors not made the world safe for democracy, safe for their children and grandchildren. Thankfully, many of these men and women are alive and well. But while many have their memories, their honor, and their dignity, they may not have their health or the material wealth with which to purchase the care they need.

Mr. President, I want my colleagues to understand some of the ways the underlying budget resolution, as reported by the Budget Committee, will affect the people who use the VA health care system. Under the resolution, VA would be forced to operate at a level below current services. In human terms, almost 150,000 eligible veterans would be denied inpatient and outpatient care in 1996 alone, and almost 1 million veterans would be denied care in 2002. In terms of VA's capacity to provide a full range of health care services nationwide, the equivalent of 5 VA hospitals would have to be shut down in 1996, and 35 VA hospitals would have to close their doors in 2002. In the first year of implementation, 8,200 VA health care professionals would lose their jobs, and by the end of this 7-year period, 53,000 VA medical facility employees would lose theirs.

Another equally disturbing effect of the Budget Committee's action would be the cut in VA research programs of $15 million and 142 FTEE. This amounts to 10 percent of all VA research projects, or 150 fewer medical research projects each year. VA research is geared toward some of the special illnesses and disabilities which affect veterans, among them blindness, posttraumatic stress, and spinal cord injury. These and other subjects of VA research endeavors—everything from Alzheimer's disease to heart disease to women's health—also benefit the general population by finding the causes of disease and aiding in developing the best diagnostic, treatment, and preventive methods. Today's research results are tomorrow's cures. By eliminating the opportunity for our Nation's medical professionals—VA research is conducted by VA clinicians and researchers and also by those from our Nation's medical schools which are affiliated with VA medical centers—we cut off a source of knowledge that is crucial to the health of our Nation's citizens.

Last, Mr. President, under the resolution, VA's construction program would be affected beyond repair. In fact, the program would be decimated. This program, which upgrades and maintains VA's $25 billion physical plant infrastructure, should cease to exist. All 200 pending projects, totaling $3.4 billion, would have to be canceled. These are not new projects, new hospitals, or new buildings. These are essential modernization projects. They are essential because 65 percent of VA medical centers, or 114 hospitals, are at least 30 years old. And 73 percent of VA hospital, domiciliary, and nursing home beds, that is more than 74,000 beds, do not comply with patient privacy standards. In this day and age, no hospital should have more than two beds per room, congregate bathing facilities, or inadequate space. If we suspend all work on these projects, VA's plans to upgrade its patient environment will never be realized.

Mr. President, because this amendment is budget neutral, there is every reason why we should use these new funds to minimize the negative impact on veterans' programs of the Budget Resolution. The link between the two, thoughtfully and rightfully, proposed by Senator Lautenberg should be adopted by the full Senate. It is within our power to do so, and it is the right to do. As ranking minority member of the Veterans Affairs Committee, I urge my colleagues to support our amendment.

(The following statement was inadvertently omitted from the RECORD of May 24, and appears here at the request of Ms. MIKULSKI.)

AMENDMENT NO. 1166

Ms. MIKULSKI. Mr. President, I rise in support of the amendment offered by Senators LAUTENBERG and ROCKEFELLER that would partially restore funding for VA programs by closing the ex-patriot tax loophole.

The ex-patriot tax loophole is a provision of the Internal Revenue Code of 1986 that allows billionaires to renounce their citizenship and avoid paying Federal taxes. By closing this loophole, an additional $3.6 billion will be added to the Treasury between 1995 and 2005. I think it is appropriate, Mr. President, that we apply the revenues generated by closing the ex-patriot loophole to help restore funding for veterans programs.

In supporting the Lautenberg/Rockefeller amendment, I rise in defense of the GI Joe generation—the World War II generation—our fathers who fought on the battlefront overseas and our mothers who fought on the homefront here in our communities.

Those wonderful Rosie the Riveters who kept the United States of America running while the men fought for democracy around the world.

These are the women—the Rosies—who made sure that not only the schools and businesses operated, but that we built airplanes, mobilized our defenses.

Mr. President, these are the men who fought from the shores of Normandy to Iwo Jima. America's veterans fought to save Americans; they fought to save Western civilization; and they fought to save the very principles that this country was founded upon.

And when the war was over, the GI Joe generation went back home to raise their families and contribute to the greatest prosperity that this country has ever known.

Mr. President, we would not be here as a nation today, we would not be a superpower today, if it had not been for the GI Joe generation.

We just commemorated V–E Day. In a few months we will commemorate V–J Day and the end of World War II. And now, here we are on the eve of Memorial Day.

And, how are we remembering these gallant men and women? With our thanks, with our commitment, with our compassion?

No, Mr. President. With this budget resolution, we are telling the GI Joe generation that promises made are not promises kept. We are telling these brave men and women that we intend to cut VA medical care by more than $5.5 billion over the next 7 years.

What we are telling our mothers and our fathers is that we are going to close 35 VA medical centers and that we are canceling 200 medical construction projects needed to bring existing facilities up to current health delivery standards.

Mr. President, this budget resolution will force the VA to eliminate 53,000 full-time jobs including physicians, nurses, lab technicians, x-ray technicians, and mental health counselors.

Treatment will be denied to over 1 million patients, including deep reductions in patient visits for primary care, acute medical and psychiatric care, treatment for the chronically mentally ill, post-traumatic stress disorder, cardiovascular disease, and extended care.

In addition, this budget resolution adds insult to the injury we would inflict on our veterans. By forcing the elimination of almost 1,000 VA jobs in benefit services, the VA claims backlog will increase from 500,000 to over 1 million claims. Having served on the front lines, we will now ask our veterans to stand in line for 2 to 4 years in order to receive their benefits.

Finally, this budget resolution would limit future benefits for disabilities to those resulting directly from a veteran's performance of military duty, would phase in higher veteran prescription copayments, and increase the amount a servicemember must contribute in order to be eligible for benefits under the Montgomery G.I. bill.

Mr. President, we have gone from the New Deal and the Fair Deal—to the raw deal in this budget. I urge my colleagues to honor our veterans this Memorial Day with more than parades, plaques, and platitudes. Let us honor the GI Joe generation with our gratitude and our commitment. Let us stand and fight for them, the way they fought for us.

I urge my colleagues to vote for the Lautenberg-Rockefeller amendment.

AMENDMENT NO. 1179

Mr. McCAIN. Mr. President, earlier today, the Senate adopted an amendment, numbered 1179, proposed by Senator LEVIN, to express the sense of the Senate that overhead expenses of defense agencies should be reduced in fiscal year 1996 by at least 3 percent. I supported that amendment.

With the serious and continuing decline in the defense budget, it is imperative that every defense dollar be spent wisely. Cutting back on overhead expenses by 3 percent, or even more, is necessary to ensure that more of our scarce defense resources will be available for high-priority military requirements. Because the level of defense spending provided in the fiscal year 1996 budget resolution is, in my view, seriously inadequate to meet our national security needs, I supported the amendment to minimize low-priority and wasteful administrative expenses of the Department of Defense and defense agencies.

However, because of the rather vague language of the amendment, there may be some confusion as to its intent. Let me state my understanding of the content of the amendment.

The amendment merely expresses the sense of the Senate that unnecessary overhead costs be reduced by 3 percent this fiscal year. The amendment makes no change whatsoever in the functional totals for National Defense, function 050, nor does it reduce the total amount of discretionary spending available for defense in fiscal year 1996.

It is my understanding that, since the amendment did not explicitly reduce either the defense functional totals or the discretionary spending cap for defense, savings achievable by reducing overhead expenses will remain available for defense programs. Certainly, this understanding was central to my support for the amendment.

I will work to reduce the overhead expenses of all defense agencies and departments, as I will do for all Federal agencies. Unnecessary expenditures of taxpayer dollars, in whatever account, should be eliminated. However, any savings from reduced overhead, in DOD may, under this amendment, be reallocated to other defense programs. In my view, such savings must be used to fund force modernization, readiness, and quality of life programs which are inadequately funded under the Clinton adminsitration defense budget proposals incorporated into this resolution.

Mr. LEVIN. Mr. President. I cannot support Senate Concurrent Resolution 13, the congressional budget resolution which has been presented to the Senate by the Republican majority. That budget proposal which the Senate will likely approve today, has been described by our Republican colleagues as balanced in the year 2002 although it will not be. It relies heavily on surpluses in the Social Security trust funds to achieve balance. In fact, in 2002, there will remain, under the terms of the budget before us, a more than $113 billion deficit, masked by the use of the Social Security trust funds. This is one crucial reason that I supported the Conrad substitute which would have reduced the deficit even farther than the Republican budget by 2002 and which is truly balanced, without the use of Social Security funds, by the year 2004.

The Republican proposed budget resolution before us is unbalanced in another important way. The budget blueprint penalizes middle-income working families, reduces our investment in education, and penalizes our senior citizens, in order to provide for a tax reduction which will benefit mostly the wealthiest of Americans. The budget before us has its priorities wrong. It is simply a question of fairness.

The Conrad substitute and the Bradley substitute, each while not the budget in every respect that I would have crafted, reflected a more equitable set of priorities than the Republican budget.

One of the most inequitable aspects of the Republican proposal before us is that to pay for tax cuts which will principally benefit the most well off among us, it raises taxes on working families. The proposal to cut back the earned income tax credit for working families making less than $28,000 per year would, for instance, raise taxes by $354 on a single parent with two children making only $8,840 a year. That is minimum wage.

The earned income tax credit has a long history of bipartisan support. President Reagan called the EITC, "The best anti-poverty, the best profamily, the best job creation measure to come out of the Congress." The EITC has played an important role in providing incentives to keep people working who are struggling to get on the lowest rungs of America's economic ladder and to stay off the welfare roles.

The budget resolution before us aims a $21 billion tax increase at the working families. In Michigan, this means a $457 million tax hike over 7 years on nearly 316,000 hard-working taxpayers making less than $28,000 a year. Over the next 7 years, they will pay an average of nearly $1,500 more.

While working families making less than $28,000 pay more, there is no effort in this budget to control the growth of corporate tax deductions, no effort to restrain the growing tax breaks for the largest and wealthiest among us.

The Republican budget also hits our senior citizens very hard. Medicare would be cut by $256 billion, by far the largest Medicare cut in history. It is the most vulnerable who are hit hardest. Nearly 83 percent of Medicare benefits go to beneficiaries with incomes less than $25,000. Two-thirds are below $15,000. Only 3 percent go to individuals or couples with incomes in excess of $50,000.

I supported the Rockefeller amendment which would have restored $100 billion for Medicare to the budget, without changing the target date for a balanced budget, and without increasing the deficit, by cutting funds the Republicans have earmarked for a tax cut for the wealthiest among us. The Rockefeller amendment was also defeated on a near party line vote.

Another $175 billion, under the Republican budget, is cut from Medicaid. Many people don't realize that 70 percent of Medicaid costs are long-term care for the elderly and the disabled. Many middle-income elderly wind up relying on Medicaid for nursing home and other care after their resources are expended.

The Conrad substitute, which I supported, provided more funds for Medicare and Medicaid, reduced the deficit by more than the Republican budget does by 2002, and would have balanced the budget honestly without using the Social Security trust fund to mask the real deficit.

Another way in which the Republican priorities are wrong is that in order to pay for a tax increase for the most well-off among us, they have cut funding for college loans and educational improvement. This is perhaps the most short-sighted aspect of their budget proposal. Investment in the education of our children is investment in America's future. There are few ways to better and more efficiently spend our dollars than educating America's future generations.

The Republican budget before us would increase college loan costs for four million students each year, by eliminating the in-school interest subsidy. The average student could pay $2,000–$3,000 more for his or her education and an additional 1 million college students could lose their financial aid or have their aid drastically reduced under the plan to freeze Pell grants.

I supported the Harkin-Hollings amendment which would have used funds which the Republicans have reserved for a tax cut for wealthier Americans to restore $40 billion in funds for affordable student loans and for better schools. That amendment which was rejected on a near party line vote would have provided the additional funding to invest in the education of our children without adding to the deficit or changing the target date for a balanced budget. The Conrad substitute which I also supported would include more funding for education and would balance the budget without using funds from the Social Security trust fund as the Republican budget does.

The majority also made clear their intentions when they rejected the Boxer amendment on Wednesday. That amendment, which I supported, would have assured that any tax cut be targeted to middle-income people. The Boxer amendment was defeated on a near party line vote.

Mr. President, the issue before us is not whether the Federal budget should be balanced in years ahead. The issue is how we do that. What are the priorities and who bears the burden. I believe that the priorities in the budget which our Republican colleagues have proposed are wrong. They place the burden squarely on the backs of the elderly, students in school, and working families, while cutting taxes for the most well off. That budget is simply not fair. And, Mr. President, it fails to get the job done. It continues to use the Social Security trust fund to hide the real deficit.

I have supported many amendments aimed at improving the budget resolution, making it more fair, without affecting the deficit reduction. Virtually all were rejected by the Republican majority along nearly straight party lines. I cannot support the resolution before us.

THE BUDGET RESOLUTION AND THE AGRICULTURE BUDGET

Mr. WELLSTONE. Mr. President, I would like today to make a very simple point. It is a point that I and other of my colleagues have been making over the course of recent weeks since the "Chairman's Mark" of this fiscal year 1996 budget resolution was issued. My point is this. The cuts to the agriculture category of spending in this budget resolution will cause significant harm—harm both to rural America and to low-income Americans throughout the country. That is why I have been voting for a number of amendments to reduce the size of the cuts to agriculture spending in this resolution.

As my colleagues know, the resolution proposes dramatic cuts to the agriculture category of the Federal budget. It proposes cuts of $28 billion over 5 years to the agriculture category, and suggests cuts of $45 billion over 7 years.

Mr. President, these cuts will seriously reduce farm income, and they will damage our rural economy. They will drive down agricultural land values, and they will diminish conservation benefits that are important to our quality of life—both in the present and in the future. Reductions of this magnitude will take from $380 to $400 million from farmers in my State over just 5 years. Furthermore, if we pass cuts this dramatic, we will devastate nutrition programs such as food stamps, the WIC Program, and the Child Adult Care Feeding Program.

Cuts to nutrition programs are contained in the same budget category as cuts to farm programs. As a result, it is clear that reductions as drastic as those in this resolution—$28 billion over 5 years, to be found by the Agriculture Committee—will pit struggling farmers against low- and moderate-income families for increasingly scarce Federal dollars.

We all support Federal deficit reduction. Every farmer knows the value of lower interest rates, which would be one result of Federal fiscal responsibility. Indeed American agriculture and rural America have contributed a heavy share to deficit reduction. They will continue to do their share to reduce the deficit, and they will do so willingly.

But why must this budget impose the most pain on those for whom it will be most difficult to bear? Why are we not cutting more unneeded military and corporate-welfare spending? Why are we not eliminating lucrative tax breaks for special interests? Why are we, in fact, considering a tax cut for wealthy Americans? This resolution makes the wrong choices and takes our country in the wrong direction.

Mr. President, now is not the time to abandon rural America or the nutritional needs of struggling families. I share with the President and the Secretary of Agriculture a desire to have a real debate on a real 1995 farm bill—not just a budget-cutting exercise. There are exciting prospects for rural America, and we are at a crucial historic moment for the social and economic health of our rural communities. We cannot simply slash and burn in such an important area of Federal policy and the Federal budget.

Mr. BYRD. Mr. President, as I pointed out in my remarks earlier this week, this is not the first budget resolution to project a balanced budget. In fact, it is the fifth budget resolution to do so. The budget resolutions of 1980, 1981, 1982, and 1991 also purported to balance the Federal budget. The latest of these prior budget resolutions, 1991, was passed by both Houses of Congress after the 1990 Budget Summit was completed. That budget resolution conference report (101–820) purported to balance the Federal budget over a five-year period without using the Social Security surplus. In fact, for the fifth year of that budget resolution—fiscal year 1995—the 1991 budget resolution conference report showed a surplus of $20.5 billion without using the Social Security surplus.

As has been noted repeatedly during the debate on the pending budget resolution, it does not balance the budget even at the end of seven years without using the Social Security surplus. In other words, the budget resolution before the Senate purports to balance the Federal budget in the year 2002 and, in fact, shows a surplus in that year of $1.3 billion, but only does so by using the Social Security surplus to mask the true deficit. The committee report on page 5 states that if one does not use the Social Security surplus to mask the deficit, there will in fact be a deficit of $113.5 billion in the year 2002.

As I also noted in my earlier remarks, all of the previous efforts to achieve a balanced Federal budget, while being undertaken based on the best information available at the time of passage of the budget resolutions that purported to balance the budget, nevertheless failed to do so. This is because human beings cannot accurately predict the future and, therefore, cannot accurately project inflation, interest rates, revenues, etc., for a period of even one year, much less for a period of five years or seven years, as the pending budget resolution attempts to do.

Having said that, however, I again applaud the chairman of the Budget Committee, Senator DOMENICI, for his efforts to reduce the Federal deficit by as much as $1 trillion over the next seven years.

I do not agree in a number of areas with the specific proposals contained in the pending budget resolution. For example, the budget resolution proposed by the Budget Committee would not make any cuts in military spending over the next seven years, but would cut non-military discretionary spending by $190 billion below a freeze, or $300 billion below the amounts contained in the President's budget. This amounts to an overall non-military discretionary spending cut of almost one-third. Further, the existing hold-harmless provisions under the Budget Enforcement Act would be eliminated, thereby jeopardizing even the reduced funding levels for non-military discretionary spending contained in the resolution. Additionally, emergency spending in the future, in order to be exempt from the discretionary caps, would require 60 votes in the Senate.

For these reasons, plus the fact that this resolution would take a so-called "fiscal dividend" of $170 billion and apply that phantom dividend toward a massive tax cut for the wealthy, I shall vote against the pending budget resolution.

In doing so, however, I am not unaware of the fact that we must continue our efforts to achieve a balanced budget just as quickly as is prudently possible. But, we must do so in a way that is fair and in a way that does not negatively impact on the overall economy.

I believe that the alternative budget by the Senator from North Dakota [Mr. CONRAD] which I cosponsored, laid out a far superior blueprint for balancing the Federal budget by the year 2002 (if one uses the Social Security surplus to offset the deficit), and by 2004 without using the Social Security surplus.

Under the Conrad amendment, which I was pleased to co-sponsor and for which I voted, non-military discretionary spending would be frozen over seven years. This would have amounted to an increase of $190 billion above the committee-reported budget resolution. Medicare would have been reduced by $156 billion, or $100 billion less than under the committee-reported resolution. No tax cut would have been provided for under the Conrad amendment, rather $228 billion in additional revenues would have been achieved through the closing or tax loopholes for the wealthy and big corporations. Four trillion dollars was projected to be spent on tax preferences over the next seven years. The Conrad amendment would have limited the growth in such preferences by $228 billion, or 5.7 percent. In other words, even under the Conrad amendment, tax preferences would have still grown at the rate of inflation plus one percent.

For all of these reasons, the Conrad amendment was, in my view, a far more rational, fair, and even-handed approach toward balancing the Federal budget. It would have removed many of the deficiencies in the committee-reported budget resolution by restoring funding for investments in the nation's future through discretionary spending on physical and human infrastructure, and it would have been far less devastating to the nation's elderly and those who could least afford to take cuts necessary to balance the Federal budget. Rather, it required those who are the wealthiest in our nation to pay their fair share.

Finally, the Conrad alternative budget proposal proved the point that I have made repeatedly during debate on the constitutional balanced budget amendment—namely, that Congress does not need a constitutional amendment to enable it to balance the Federal budget. Rather, as I have pointed out, the Conrad amendment did all that is humanly possible in attempting to balance the Federal budget based on the best information available at this time in a fair, responsible, and even-handed way.

It is for these reasons that I voted for the Conrad "Fair Share Balanced Budget Proposal" and why I shall vote against the committee-reported budget resolution.

FUNCTION 150

Mr. McCONNELL. Mr. President—

> Once upon a time the oceans were moats around our bastions. Once upon a time it was a miracle to travel round the world in 90 days. Now it is done in as many hours. Once upon a time we were a comfortably isolated land. Now we are unavoidably the leader and the reliance of freemen throughout this free world. We cannot escape from our prestige nor from its hazard * * * There is no longer such a thing as isolated security.

In 1949, when the distinguished chairman of the Foreign Relations Committee, Senator Arthur Vandenberg, made these remarks he was urging his colleagues to ratify NATO. He made his case before a reluctant Senate, one weary of the costs of war in blood and treasure. But, Vandenberg understood that the defense of our Nation and the conduct of its foreign policy were the unique responsibilities of the Federal Government. He persuaded his colleagues not only to support NATO, but pay the costs of containment spelled out in the Truman Doctrine and the Marshall Plan.

Senator Vandenberg was not indifferent to his colleagues caution. He took note of their objections—he understood that many of President Truman's initiatives, and NATO in particular, were considered by some a sharp departure from our historic foreign policy of non-entanglement in the affairs of others.

Senator Vandenberg was a Republican who closely cooperated with a Democratic President and his administration. That bipartisan cooperation secured the foundation for treaties and alliances that continue to guard our interests to this day. That cooperation rebuilt Europe yielding trade, prosperity, and stability.

Today, the challenge is to rebuild Armenia and Ukraine, not Belgium and France. Our challenge is to include Poland and the Czech Republic and other nations in a new European security alliance.

Our challenge is a choice much like that faced by the Senate in 1949—to provide the resources to support American resolve, to secure American interests.

Today, the choice is to advance democracy and free markets or retreat in our fight against the threats of international terrorism, nuclear proliferation, crime, and narcotics. Today, we win exports, jobs, and partners in peace or we lose to ethnic genocide, trade wars, terrorists, and tyrants.

I am not so naive as to believe the choices we face are simple and stark. In some ways, if the choices were crystal clear, absolutely obvious, support for foreign aid and our global role would be much stronger. But it is the murky ambiguities of this day and age that give rise to both confusion and a general apathy about our place in the world. And, it is that confusion that risks our isolation.

In his State of the Union Address in January 1945, President Roosevelt issued a sharp warning to the Nation. "Let us not forget that the retreat to isolationism a quarter of a century ago was started not by a direct attack against international cooperation but against the alleged imperfections of the peace."

Every one of us has been critical of the imperfections of foreign aid. Every Member has expressed opposition to waste, fraud, and abuses. A majority could identify programs, embassies, and consulates which could be shut down.

But, the costs of these imperfections should not be our international leadership. We must not pay the permanent price of retreat from the world, because we were troubled by the inefficiencies or problems in our foreign aid program.

Foreign aid must be fixed. It must more clearly serve our national political, economic, and security interests. The public must understand exactly what we do with the 1 percent of the Federal budget foreign aid expends.

Like many of my colleagues, I hear from constituents who are uncertain about why we have a foreign aid program at all. To each of them, I offer my firm commitment that we will reduce spending by eliminating unnecessary programs, consolidating responsibilities, and assuring we only spend our spare resources where we can achieve concrete results.

I believe foreign aid is an important tool essential to maintaining our leadership around the globe. We cannot preserve, let alone promote, our interests for free.

And, why should that matter. First, we are a compassionate nation by tradition; in fact it is one of our finest traditions as exemplified by the outpouring of support for Oklahomans. But for the moment let's set aside altruistic motives—set aside what I like to call the CNN syndrome—where they broadcast a famine, funds will naturally follow.

Effective foreign assistance serves our interests. Let me review what I think we lose by the cuts proposed in the budget resolution.

First and foremost, the budget resolution assumes we will cut nearly $800 million from the trade promotion activities. Programs at the Export Import Bank, OPIC, and the Trade Development Agency are not lining the pockets of foreigners. These are programs which directly affect American jobs and exports.

Over the past 2 years Ex-Im has supported over $32 billion in exports and 300,000 jobs. In key sectors, such as power, telecommunications, and major construction, Ex-Im financed accounts for close to 30 percent of all new sales to developing countries and 15 percent of all U.S. production. In high growth developing markets, Ex-Im is financing anywhere from 10 to 40 percent of all U.S. capital goods.

That is why the Coalition for Employment through Exports is supporting an increase in the Function 150 account—a Coalition that is a broad based organization of exporters, labor unions, and State governors enjoying substantial bipartisan support. That is why I have heard from bankers and businessmen across the country supporting an increase in the Function 150 account. They understand that this is about American jobs, American exports, American income.

But there are other constituents who are concerned about the budget resolution cuts. The resolution assumes all aid to Eastern Europe and the Baltic nations will be zeroed out. Let me tell you what that means for just one country—Poland. After considerable effort by Congress, I think the administration has turned the corner and made the commitment to expand NATO. Poland is clearly first in line of the potential entrants. Just as the point where we are likely to make this offer, we zero out military assistance and training key to the effective integration of their forces.

Criteria under consideration for admission to NATO is civilian control of the armed services and transparency of the defense budget. Here too, we would be cutting off parliamentary exchanges, expanded IMET and democratization initiatives key to meeting these admission standards.

The budget resolution also assumes we will cut our program to the NIS from nearly $800 to $100 million. Just at the point when we are finally shifting emphasis from Russia to the other republics, we gut the program. Armenia and Ukraine are important partners in the region. Millions of Americans trace their roots to these countries—nations which deserve our support as they struggle down the perilous road of economic and political reforms. For the benefit of some of my colleagues who may not know about this constituency, let me offer a few statistics drawn up by the census bureau. Central and Eastern Europeans constitute: 18 percent of Pennsylvanians; 17 percent of New Jersey; 12 percent of Ohio; 18 percent of Connecticut; 15 percent of Illinois; 11 percent of Massachusetts; and nearly 2 million Californians.

Which one of us wants to apologize to our children for a nuclear catastrophe because we failed to help Ukraine safeguard its aging Chernobyl reactors? Which one of us wants to answer to the American Armenian with a grandmother in Yerevan who has not had heat or light for months? Which one will shrug their shoulders at the market opportunities to a region of hundreds of millions of people?

And, let's not forget Russia. With over 5,000 organized criminal enterprises with tentacles reaching our shores and access to nuclear material, do we really want to terminate the FBI's joint training and investigation efforts?

Mr. President, the budget resolution decimates support for these new republics and that is why many of us have heard from local, State, and national organizations representing Americans of European descent who support increasing the level of the 150 account to guarantee adequate funding for foreign aid programs. The Central and Eastern European Coalition which includes the Armenian Assembly, the Estonian World Council, the Lithuanian American Community, the Polish American Congress, the Ukrainian Congress Committee, the Ukrainian National Association, the Joint Baltic American National Committee, the U.S. Baltic Foundation, the Hungarian American Coalition, the Czecho-Slovak Council of America, the National Federation of Hungarian Americans, and several other groups all support this amendment.

I have only highlighted some of my specific concerns about the assumptions included in the budget resolution. I did not mention the fact that it assumes a cutoff of assistance to Greece and Turkey. I did not detail the devastating impact it will have on development assistance, peacekeeping, and the National Endowment for Democracy. I did not review country by country the consequence of terminating international lending to the world's poorest countries. I have only highlighted my concerns—concerns shared by many of our constituents. I hoped that this discussion would help all of us understand that this is not a debate about giving away tax dollars to foreigners or pouring our money down rat holes.

Our constituents recognize, as I do, that the budget resolution before the Senate will leave this President, the next President, our Nation and citizens with virtually no options except military intervention. In the last decade foreign aid has already suffered a 40-percent reduction. The reductions in the budget resolution, to an account that already represents only 1 percent of our spending, amounts to eliminating foreign aid.

I think that is a mistake which jeopardizes our interests. Eliminating foreign aid does not eliminate crises and needs. Eliminating foreign aid will not constrain a President from addressing these reqirements—from carrying out his policies, from serving our national interests.

Eliminating foreign aid will simply transfer the burden directly to the Pentagon. The costs DOD assumed for taking care of Cuban and Haitian refugees at Guantanamo will become routine, not rare. We can support private voluntary organizations carrying out feeding missions in Rwanda or we can deploy our National Guard. We can help train the military in Mexico to interdict narcotics, or we can drain the Pentagon's accounts to patrol our borders intercepting drug flights. We can fund the FBI's work with their Russian counterpart's to combat criminal organizations engaged in smuggling chemical, biological, and nuclear material, or the Pentagon can pay a price to manage the threat.

Crisis prevention costs less than crisis.

Much has been made by the administration of the isolationist symptoms twitching in this body. And there certainly are Members, Senators who I have a deep respect for who believe the United States should withdraw from the world stage.

But, I do not believe we have that option any more. The world is no longer conveniently divided into cold war camps. Our friends and allies, the emerging democracies, all turn to the sole remaining superpower for leadership and support. A time when the international landscape is troubled and confused is precisely the wrong time to withdraw. It is precisely the wrong time to create a vacuum for the Saddam Husseins and other ambitious tyrants to fill. We can pay a small price now to secure American interests or we will surely pay an enormous cost later.

Mr. President, Senator SARBANES and I had intended to offer an amendment to increase the level of the function 150 account. We were supported in this effort by Senators HATFIELD, LEAHY, and other members of the Foreign Operations Subcommittee and Foreign Relations Committee who were concerned about the budget resolution's impact.

We had worked hard to achieve a bipartisan base of support for an amendment to raise the level of resources for function 150. Unfortunately, these efforts were undercut by comments made by Secretary Christopher before the Subcommittee on Foreign Operations. The Secretary made clear he was concerned about the level of resources the Congress might make available. Nonetheless, when I asked him, as I had asked the Administrator for A.I.D. and other members of the Clinton administration, to work to secure congressional support to increase the account, he declined. He made it absolutely clear to all of us that the administration intended to sit on the sidelines as the resolution was debated.

I believe this reluctance directly affected our support for an amendment.

many Members I spoke with commented that if it isn't important enough to the President and the State Department to work to improve the resolution, why should I go out on a limb to increase foreign aid?

Ironically, just yesterday the President decided to lash out and threaten to veto the House bill which authorizes priorities and policies related to foreign assistance spending. The President is a day late and is attacking a bill that the budget process leaves billions of dollars short.

He refused to weigh in at the time that the crucial battle was being fought—the administration simply did not show up to participate in a bipartisan effort to secure adequate funds to administer our Nation's foreign affairs.

On other occasions in the course of our history similar mistakes have been made. By the time Gen. J.E.B. Stuart showed up at Gettysburg, General Lee had not only lost the battle, but ultimately the war. Stuart had wandered Pennsylvania aimlessly, leaving his commander blind to the strength and the position of Union troops.

This week, we saw aimless wandering not in the hills of Pennsylvania, but down the Avenue. Many of my colleagues understood the importance of the budget battle—understood it has significant implications for our long-term national interests. But the critical support for an effort to save the 150 account failed to arrive in time.

TRANSPORTATION CUTS

Mr. EXON. Mr. President the Senate proposal before us reduces transportation spending significantly more than the House. The difference between the Senate and the House is primarily attributable to unrealistic savings associated with privatizing certain air traffic control functions of the FAA. Beginning in 1997, the Senate assumes that this proposal will achieve savings of $3.675 billion a year.

The feasibility of the Senate Republican's air traffic control privatization proposal is highly suspect because it asks users to pay twice. Not only will users continue to pay the Federal Government, via the ticket tax, but users will have to pay an additional tax to the new private entity.

While the Republican plan may help reduce the deficit, it is clearly not fair. Asking users to continue to pay the ticket tax to help reduce the deficit and then asking them to pay an additional tax to pay for an air traffic control service they already receive is asking too much and has little chance of succeeding.

Given the fact that the Senate Republican's FAA proposal is totally unrealistic, the Department of transportation would then be forced to virtually eliminate new highway, Transit, and Airport Improvement Grant funding in fiscal year 1997 to even get close to achieving its Senate fiscal year 1997 budget

In addition, deep cuts of 20 percent or more in Coast Guard and FAA operations would be required to actually make the cuts proposed in Senate budget for fiscal year 1997.

We should not jeopardize the safety and viability of the Nation's transportation system with unrealistic budget assumptions. Let's have a more realistic budget for transportation, a budget that won't put vital transportation functions at risk.

PRIVATIZATION OF AIR TRAFFIC CONTROL

Mr. HOLLINGS. Mr. President, for 50 hours, we have debated the real impacts of the Republican budget proposal. I have talked at length about the Republican budget, and I won't restate my objections here. I do, however, want to point out the folly of one part of this plan.

All too often around here, someone hears an idea and runs with it. Buried in this budget is an assumption that the air traffic control services now provided by the Federal Aviation Administration will be privatized. The savings, through the year 2000, are projected to be $14.7 billion. The assumption raises many serious concerns, not the least of which are the potential impacts on safety, the traveling public, the airline industry, and travel and tourism.

Travel and tourism is the largest service export of the United States, producing a $22 billion export surplus. The industry employs six million Americans, and generates a $99.2 billion payroll. Travel and tourism is dependent on a U.S. aviation industry that over the last 5 years has lost $13 billion. We have seen carriers like Eastern Airlines and Pan American Airways, which paved the way for international aviation in the world, shut their doors. In reviewing the Domenici budget, and in particular the assumption to privatize air traffic control, it is important to bear in mind the tourism industry's importance to our economy and the airlines' current financial morass.

No matter what, we know that air traffic control services and the other FAA safety programs must continue. Someone will have to pay for those services. Right now, the users pay money into an airport and airway trust fund. It is a dedicated fund. The users pay approximately $6 billion per year into the trust fund.

Under the Domenici assumption, Federal spending for the FAA would be cut by a total of $14.7 billion, or $3.7 billion per year. We can cut the Federal Government's outlays for the FAA, but the need for the services does not end. This is not one of those unneeded services or programs that ceases as soon as Federal funding stops. Air traffic control services will need to be provided and paid for no matter what happens under the Budget resolution. Yet, Senate Concurrent Resolution 13 asks the users to continue to pay $6 billion to the Federal Government, but then calls for air traffic control services to be privatized. As a result, the Federal Government will not use the trust fund for those services, and the users must pay again for them. Essentially, the users will get double billed. We could solve the deficit very quickly if we charged every industry twice for the service provided by the Government, or simply continued to charge them for services that the Federal Government would no longer provide.

Over the last year, there has been a prolonged battle over the future of the FAA. The administration came up with a proposal to split up the FAA into a successor FAA and a Government corporation for air traffic control, which I and many others oppose. The plan was never proposed as a way to save money, but rather as a way to modernize the system and to maintain the current safety standards of the system. The Secretary of Transportation did not state that he expected huge savings from the breakup; instead he expected a more effective organization. The commercial aviation industry, initially thought to favor the air traffic control corporation, ultimately concluded that it could not endorse the Secretary's program. The general aviation sector also said no. So has Congress.

Now we get an assumption to privatize a key element of the FAA in this budget plan. What are we talking about? There are many privatization options that I can think of, but all of them would wreak havoc with the world's safest air transportation system. For example, do we really want to create a Postal Service for the air traffic control system? I get mad when letters are misplaced, but to think of misplacing aircraft is something else.

Should we consider contracting out these services to a private group? Do you really want your air traffic control system being run by the lowest bidder? In the alternative, we could auction off the system to the highest bidder, gaining lots of revenue for the Federal Government. Stop and think about those two possibilities. Consider the winner of the auction—the winning bidder would need to recoup its investment, operate and modernize the system, and earn a return on the investment. Doing a little shorthand math, let's say the air traffic control system is worth $15 billion, and using the Domenici assumption of $14.7 billion, it would cost another $15 billion to modernize and operate the system. The company also would want at least a 10 percent return on the investment. Congress would have created a winning formula for helping the aviation industry—a $30–$35 billion increase in costs. Remember, the industry lost $13 billion over the last 5 years. An industry further weakened could result in safety problems.

In addition, the winner of the auction would then be running a monopoly. Do we really want to have a complete laissez-faire attitude toward safety? Let's stop and think about this for a minute: a monopoly would need to be regulated—fees for air traffic control services would need oversight and safety functions would need monitoring. Are we really willing to tell the traveling public that the Government is no longer responsible for aviation safety? This proposal to privatize does not create efficiencies or facilitate competition for air traffic control services. It merely turns over to a private entity the function of providing those services. That corporation would have no incentives to make the system efficient—it would be a monopoly.

We could avoid the monopoly situation by creating competing air traffic control systems, so that New York could have its own system, Chicago another, and so on. Of course, small communities might have trouble paying for high quality air traffic control services. So they would either have to sacrifice safety by providing inferior services or close down their airports for lack of services. The free market can be counted on to eliminate inefficiencies, but our constituents can't be blamed for not applauding such results.

Let's begin by understanding that the air traffic control system is the heart of the safety network that the Government provides to people who fly. Admittedly, the system is not perfect, but most agree that it is by far the best in the world. Comparisons to other countries that have privatized air traffic control services are irrelevant and ridiculous. These countries—New Zealand, Switzerland, and Germany—combined probably have less air traffic than Atlanta. Our system is much more complex, much more integrated. Privatization of the air traffic control system is opposed by the vast majority of aviation industry experts.

The General Aviation Manufacturers Association [GAMA] recently wrote to me and reminded me that the Office of Technology Assessment in 1988 stated that "the ATC function is inextricably linked with aviation safety and is a central component of an integrated FAA safety system." The GAMA letter went on to say that the Aviation Safety Commission, appointed by President Reagan, "stressed that the Federal Government must continue to play the central role in ensuring safe operation of the U.S. aviation system." The GAMA letter included the following quotation from that Commission's report: "Since the Commission is not inclined to gamble in sorting out conflicting assertions about whether safety regulatory functions can be separated organizationally from air traffic control and facilities operations activities, the Commission cannot endorse the proposition that the air traffic control function should be privatized." The Senate Budget Committee's assumptions take that gamble.

We do not want to put the safety of the national air transportation system at risk. Ask the controllers who toil throughout the country if they want to privatize. Those folks work hard to make sure that all of us get home safely. They oppose privatization and seek meaningful reform.

I look forward to working with my colleagues on meaningful reform—not privatization or corporatization of air traffic control services. The process should proceed with caution before we assume in this or any budget that we should destroy the safest air traffic control system in the world.

FOOD AND NUTRITION PROGRAMS FOR CHILDREN

Mr. WELLSTONE. Mr. President, on March 29 of this year, the Senate unanimously adopted a resolution I offered opposing any measure that would increase the number of hungry or homeless children. Now, less than 2 months later, here we are considering a budget resolution that would drastically cut funding for important nutrition programs, including the Food Stamp Program and the Child and Adult Care Food Program. The cut would be $20 billion over 5 years in these programs.

This budget represents a massive setback in fighting hunger in this country. We do know the following about who is hungry in this country:

In 1991, FRAC's Community Childhood Hunger Identification Project estimated that there are 5.5 million children under 12 years of age who are hungry in the United States.

The group Second Harvest estimated that in 1993, the emergency food programs served 10,798,375 children.

The U.S. Council on Mayor's Status Report on Hunger and Homelessness in America's Cities: 1994 found that 64 percent of the persons receiving food assistance were from families with children.

A Tufts University Center on Hunger, Poverty and Nutrition Policy Study estimated that 12 million children were hungry in the United States in 1991.

A Carnegie Foundation study found that 68 percent of public school teachers in 1987 reported that undernourished children/youths are a problem in school.

There is a serious problem with hunger in this country—particularly for children. Our reaction should be outrage, but instead we are responding by cutting the most important nutritional program this country has. These two programs are critical supports to children's nutrition.

The Child and Adult Care Food Program [CACFP] is designed to ensure that children up to age 12 enrolled in child care centers, family care centers, before-and-after school programs, as well as Head Start centers receive nutritious meals. In 1994 the program cost about $1.3 billion and served slightly more than two million children. The budget proposal will cut at least $1.9 billion over 5 years and $3.21 billion over 7 years. This is the only program that is easily accessible to family day care centers, the majority of day care providers in this country. The CACFP is the single biggest incentive for family day care providers to become licensed or registered.

The chairman's assumption is that the savings will come from targeting lower income children through census tract eligibility. I worry how such a strategy will work in Minnesota, where rural districts can be rich or poor depending upon a very small number of people. The alternative that these homes will have is to means test each family monthly, an appalling paperwork morass for such small operations. We are afraid these homes may go back underground by leaving the program.

An even larger concern is the impact of this budget resolution on the Food Stamps Program. Food Stamps is the program that feeds the hungry in this country.

Who are the people on Food Stamps? Well, we know that over half of Food Stamp recipients are children. Some 13 million children received benefits in 1992. Families with children received 81.9 percent of food stamp benefits. Elderly and disabled households received 12.9 percent of food stamp benefits. The program targets the population in need very well with 56 percent of food stamps benefits going to households with gross incomes below half of the poverty line and 76 percent are at or below the poverty level. So you see, most of the people we will be cutting off or restricting benefits to will be the most vulnerable, the poorest in our society. And yet again we are making poor children pay. Over half of these benefits go to poor children, but that is the program we pick to slash.

The Food Stamp Program works. A recent overview of the literature indicated there is considerable evidence that the Food Stamp Program is an important factor in helping low-income households have better nutrition intakes. Participants have a higher level of recommended dietary allowances than do eligible nonparticipants. Under-nutrition has serious health consequences and is associated with an array of medical problems including longer healing of wounds and injuries, susceptibility to disease and extended recovery time when contracted. In children, under-nutrition is associated with cognitive deficits and impaired development.

This is a temporary program for the majority of recipients. Half of all food stamp recipients leave the program within 6 months and two-thirds leave within 1 year. This is not a dependency-producing subsidy, a point of great concern to many.

Yet the program does this with very little money. In 1994, the program provided an average benefit of $69 per person per month, or 76 cents per person per meal. The maximum benefit—received by less than 23 percent of households—is $368 for a family of four or $1.06 per person per meal. All food assistance programs represent only 2.4 percent of Federal outlays and this percentage is expected to decline slightly in the future as a share of total spending.

This is not to say that the Food Stamps Program does not have its problems. There is evidence of fraud and waste, yet one estimate is that the amount of money saved by fraud will only make up 0.1 percent of the savings the House welfare reform bill intends to gain by cutting the food program. I certainly agree with those who would like to reduce fraud through reasonable means. Those who waste these benefits or who fraudulently use them are wasting taxpayers' money. I am afraid that the desire to cut this program is too strongly influenced by a run-away desire to correct this wrong-doing, with little examination of the consequences to those in need.

People will go without because of the reductions proposed in this resolution, and we need to recognize that. These cuts are massive, and will dramatically reduce the money available to feed hungry people. Given the very real possibility that this body will pass a welfare reform bill which ends the AFDC entitlement, food stamps will be the only program with entitlement status that will cushion our poor families against recessions. We are shortsighted in taking food from those who need it to pay for tax cut primarily for wealthy people and corporations.

I urge my colleagues to oppose these unwise reductions, and to support amendments to restore critically needed food assistance to children and others who rely on these programs.

Mr. DOLE. Mr. President, I yield to Senator GRAMS.

Mr. GRAMS. Thank you, Mr. President. I appreciate the time and effort the majority leader has put into this bill.

Mr. President, during my campaign for the Senate, I promised the people of Minnesota I will do everything that I can do to get government off their backs and out of their back pockets. I told them my fight for them was to turn legislation like my families first plan, and its $500 per child tax credit and economic growth incentives, into law. I believe that this tax credit should be available starting next year for all children under age 18. Today, I am pleased that the U.S. Senate has taken the first step to provide families with the tax relief they want and deserve. The budget resolution reported out of the Budget Committee included a substantial fiscal dividend which may have been used for family tax relief. The Grams-Abraham amendment guarantees that the dividend will be used for family tax relief. Mr. Leader, I would like you to clarify the phrase "tax relief."

Mr. DOLE. I thank the Senator for his inquiry. While the phrase "family tax relief" is not specific, my interpretation is that the phrase could include a $500 per child family tax credit. It is of course up to the Finance Committee to determine exactly how the fiscal dividend will be given back to Americans in the form of tax cuts. But I can assure you that as a senior member of the Finance Committee and its former chairman, and a majority leader, when the Finance Committee determines how to provide specific tax cuts, I will be there fighting for tax credits for children, such as that provided by the $500 per child credit. We should provide tax credits for families that adopt children, expanded IRA's for homemakers, estate tax relief for family businesses, and other benefits targeted to the family.

The amendment also calls for the fiscal dividend to be used for tax incentives for savings and investment, job creation and economic growth. I would work to ensure that, as a result of the Grams-Abraham amendment, we cut the capital gains tax to stimulate economic growth and create jobs.

Mr. GRAMS. Also, on behalf of Senator HUTCHISON, I would like to ask if spousal IRA's would be included in the definition of "family tax relief"?

Mr. DOLE. Mr. President, I would say while the specifics of family tax relief and incentives to increase savings and investment will be determined by the Finance Committee, expanded spousal IRA's would certainly be considered in the context of providing family tax relief.

Mr. ABRAHAM. Would the majority leader yield for another question?

Mr. DOLE. Certainly.

Mr. ABRAHAM. Like the Senator from Minnesota, I also campaigned on a platform that emphasized tax relief for all Americans including the $500 per child family tax credit, and savings and investment incentives such as estate tax reform for family-owned businesses. The fiscal dividend included in the budget resolution will provide approximately $79 billion in tax relief over the next 5 years. Now, our amendment directs the Committee on Finance to use this dividend for family tax relief and incentives to stimulate savings, investment, job creation, and economic growth. By including these directions, I believe we have substantially improved the Senate's position when entering into negotiations with the House over tax cuts. Is it the majority leader's intention to work for additional tax cuts in the budget resolution conference to ensure that the largest possible family and pro-growth cuts are enacted this year?

Mr. DOLE. I thank the Senator for the question. Let me indicate as I have before, I have always said that balancing the budget is my first priority. But we can balance the budget and cut taxes too. The Senate budget resolution will ensure that we do both. Any fiscal dividend that results from enacting balanced budget legislation will be returned to the American people in the form of reduced taxes. There are significant differences between the House and Senate budget resolutions, and I will encourage the Senate conferees to increase the deficit reduction achieved in this budget to the maximum extent possible. If we achieve even more savings, then I will fight to ensure that further tax cuts are provided to the American people.

Let me just say to both my colleagues from Minnesota and Michigan that I appreciate their willingness throughout the last several days to try to come to some agreement that would provide the relief that they were seeking. This does not quite reach everything they wanted, but I commend them for their efforts.

I think this is a very significant amendment that was adopted today on the floor, with bipartisan support, I might add. And it was due to the efforts of the Senator from Minnesota [Mr. GRAMS], and the Senator from Michigan [Mr. ABRAHAM].

If I can say one word that would follow the statement of the Senator from Delaware on the antiterrorism bill, I thank Senator HATCH and Senator BIDEN for their willingness to try to pass this bill. I urge my colleagues, particularly on this side of the aisle, to help us enter into some time agreements to make it possible. It might be—and it may not happen—that we can reach a time agreement on a number of amendments and not be in very long tomorrow. We will have a couple of votes, and we will take it up the day we are back. I promised we would take up telecommunications on that day. Without an agreement, I do not have any idea how long it will take if we bring up or continue on this bill when we come back on June 5.

I will be working with Senators DASCHLE and BIDEN and HATCH. We promised the President we would bring this up before the Memorial Day recess, and we have done that now. We have not completed action, but we have had a little debate. Had we been able to start on this last night, we may have been able to finish it tonight or tomorrow. It may not be possible to do that now. I know colleagues have other commitments starting early afternoon tomorrow, and some have them in the morning. I hope that on both sides we can have the cooperation of our colleagues working with the chairman of the committee, Senator HATCH, and the ranking Democratic member, Senator BIDEN.

Mr. BIDEN. While the majority leader is still on the floor, I can say for the minority that I am confident we can agree on time agreements on all of the amendments I am aware of thus far. We are continuing to hotline this to see if there are any amendments other than the ones that I am aware of.

I doubt whether we can get an agreement on a final passage time. But I would suggest that if we can get narrowed down time agreements tomorrow on each of the amendments, we should do all we can to lock it in. I thank the leader for honoring his commitment to bring this up. It was a bit beyond his control, having 50 some votes in the last 2 days. To the best of my knowledge, the House has not acted on this at all. Even if we passed a bill tonight, we are not in a position to be able to send it to the President or even go to conference. I do not think there is any damage done by not doing that.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

IMPACT STATEMENTS ON FUNDING FOR THE NIH

Mr. SPECTER. Mr. President, on May 18 of this year, the Appropriations Subcommittee on Health, Human Services, Education and Labor held a hearing on the funding for the National Institutes of Health, and at that time a request was made by the representatives of the various units of the NIH to submit impact statements as to what the budget reductions would do. A good bit of this information was used by me in my statement on an amendment offered by Senator HATFIELD.

I ask unanimous consent that the RECORD contain these impact statements.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A GUIDE TO THE IMPACT STATEMENTS ABOUT NIH BUDGET REDUCTIONS

The National Institutes of Health (NIH) has identified 15 specific areas of research that would be severely affected by the cuts recommended by the Senate Budget Committee. These are only a representative sampling of the many research activities that would be significantly slowed, halted, or never started due to the proposed reductions. The effects are likely to be especially dramatic and long-lasting for several reasons:

NIH now funds less than one in four grant applications, so that any reduction in support would affect only those investigators already judged by expert peer reviewers to be among the best in the nation.

It is in the nature of medical research to find that the most important discoveries are made in unexpected places. If funding is reduced to what are deemed bare essentials, much of the best research may be eliminated because it is not obviously connected to immediate medical goals.

Over 80 percent of the NIH budget supports research at many colleges, universities, medical schools, and institutes in every state in the country. These awards are essential not only for generating new knowledge; they also improve the quality of medical care and training, help to recruit new biomedical scientists, and strengthen educational programs. A major reduction in funding will undermine these important aspects of American life; the effect will be felt for many years. Bright, young people, recognizing that the future for biomedical research has dimmed, would pursue other career options.

The research that NIH supports in the areas discussed in our samples is different from the kind of work conducted at biotechnology and pharmaceutical firms, where a commercial product is the central goal. Without the basic knowledge generated by NIH-sponsored investigators, our international leadership in the industrial sector will be threatened.

IMPACT STATEMENTS FROM THE NATIONAL INSTITUTES OF HEALTH

Alcoholism.
Alzheimer's Disease.
Anti-Cocaine Agent.
Blinding Diseases.
Breast Cancer.
Cancer Vaccines.
Conquering Genetic Diseases (mapping the human genome).
New and Re-emerging Infectious Diseases.
The Obesity Gene.
Otitis Media (a serious childhood infection).
Parkinson's Disease.
Prostate Cancer.
Sexually Transmitted Diseases.
Sickle Cell Disease.
Stem Cell Research.
Stroke.
Vaccines to Prevent Stomach Ulcers and Stomach Cancer.

IMPACT OF NIH BUDGET CUTS ON PEOPLE'S HEALTH

Alcoholism: Naltrexone, the first medication approved for treating alcoholism in forty years, is a major step forward.

The Promise: Researchers supported by the National Institutes of Health (NIH) have shown that naltrexone, an opiate-blocker used for treating heroin addiction, is an effective treatment for alcohol addiction. The combination of naltrexone and skilled counseling resulted in alcohol-dependent people staying sober twice as long as placebo-treated patients. Even if naltrexone-treated alcoholics drank, they rarely "binged."

The Next Steps: Naltrexone is the first medication approved for the treatment of alcoholism in forty years. However, that approval is only for three months of use in any patient. Further research is needed to make this treatment more effective and to exploit what insights it may provide into underlying biological and behavioral mechanisms. NIH is currently studying naltrexone's longer-term use, side effects, and most importantly, how naltrexone—an opiate blocker—reduces alcohol craving.

Improved technologies are also aiding in the study of alcohol addiction. New brain imaging systems can actually show what alcohol craving looks like, including blood flow changes. Computer-aided design of new drugs to treat alcoholism has begun, using recently discovered information on how alcohol affects the surface of nerve cells. And investigators are narrowing in on the genes which account for inherited vulnerability to alcoholism.

Effects of a Budget Cut: The clinical trials of the longer-term use of naltrexone would have to be curtailed or not initiated. Other promising leads in alcoholism research would either have to be delayed or dropped.

Alcohol kills over 100,000 Americans every year. Some 20 to 40 percent of adult hospital beds in large urban hospitals are occupied by people being treated for alcohol-caused organ damage. Alcoholism and alcohol abuse costs the Nation about $100 billion every year in medical costs, social costs, and loss of productivity. Slowing advances in the treatment of alcoholism could cost tens of billions of dollars.

Comment: Alcohol addiction is the number one drug problem in the United States. New treatments to help alcohol-dependent people stay sober are showing positive results, and the biological roots of alcoholism are being uncovered.

Alzheimer's Disease: Delaying or preventing the onset of symptoms and loss of mental capacity.

The Promise: Just in the last year, scientists working with support from the National Institutes of Health (NIH) have: discovered a gene that is a major risk factor for Alzheimer's disease and found ways to detect early changes in the brain (by combining brain imaging and genetic analysis) before obvious symptoms of Alzheimer's develop

The Next Steps: Now scientists are ready to conduct critical studies to find the direct role played by genes in Alzheimer's disease so that they can find ways to prevent the disease or at least delay the loss of mental capacity that devastates the patients and their families.

Effects of a Budget Cut: NIH's ability to continue these studies on Alzheimer's disease depends on maintaining a network of scientists, patients, and research institutions. A budget cut would cripple this network, delaying the translation of research advances to the next step—effective treatments.

Today, there is no effective treatment for Alzheimer's disease, which affects 4 million Americans. If no treatment is developed, by the year 2050, there will be over 14 million people affected by some form of dementia requiring care and institutionalization.

Comment: No family is immune from Alzheimer's disease—that became clear earlier this year when former President Reagan chose to reveal his diagnosis.

Total national cost to care for patients with Alzheimer's disease is about $100 billion annually. If we don't find ways to delay, prevent or treat the disease, our health care system will be overwhelmed early in the 21st Century. The total NIH budget—for all diseases—is a small fraction of those health care costs and a small price to pay for the hope that Alzheimer's disease can be conquered.

Anti-cocaine Agent: To help combat the escalating epidemic of cocaine use, including "crack" cocaine.

The Promise: Because of breakthroughs in brain and immunology research in the last five years, scientists supported by the National Institutes of Health (NIH) are on the threshold of providing an effective anti-cocaine medication or "cocaine blocker".

In the last two years, scientists have: identified the major sites (receptors) where cocaine works on the brain; discovered how cocaine works on the brain; and uncovered 4 biological targets at which to aim medication development, with more than 12 compounds in the pipeline

The Next Steps: Medical scientists are now ready to study more closely the new, candidate compounds and select the most promising for tests in patients.

Effects of a Budget Cut: A reduction in the budget would freeze this program in its infancy, shut down the pipeline of new candidate medications, and preclude testing in patients of even the most promising drugs. It would delay by at least 5 years the development of an effective anti-cocaine agent.

Currently there is no way to treat cocaine overdose and there are no medications available to treat cocaine addiction. Large numbers of people die of overdose, and the Nation pays dearly for the violence, family disruption, and health care costs that result from growing cocaine use.

Comment: The single most important need in this Nation's battle against drug abuse and addiction is an effective anti-cocaine medication. Today we have none. Research is desperately needed to develop a useful drug to help us control the cocaine epidemic.

Blindness: Finding ways to treat eye diseases causing blindness.

The Promise: Scientists have recently identified a gene related to glaucoma in young people. This discovery provides great opportunities for early diagnosis and treatment of a disease that is the second leading cause of blindness in this country.

Other scientists have developed micro-surgical techniques in animals to "rescue" degenerated macular cells—cells in the part of the eye that allows the clearest, sharpest vision. If this surgical "rescue" proves successful in humans, it would be a major breakthrough in treating macular degeneration, the leading cause of blindness of people over age 60.

The Next Steps: Scientists supported by the National Institutes of Health (NIH) are now ready to capitalize on the genetic discovery relating to glaucoma in young people by developing ways to identify at-risk patients early so that effective treatment can be begun.

Other scientists supported by the NIH are set to apply microsurgical techniques for macular cell "rescue" in humans. Advances are desperately needed in macular degeneration, a disease for which, in most cases, no treatment currently exists.

Effects of a Budget Cut: Budget reductions would slow scientists' ability to move these two promising early findings into larger scale studies involving humans.

Comment: Blindness from glaucoma is estimated to cost the U.S. more than $1.5 billion annually in Social Security benefits, lost tax revenues, and health care expenditures. Macular degeneration, which affects one of ten Americans over age 60, will become an increasingly important national health problem as the U.S. population ages. We need to continue this potentially sight-saving research.

Breast Cancer: Gene discoveries promise clinical advances.

The Promise: Scientists are on the verge of major clinical advances in breast cancer, thanks to long-awaited gene discoveries made in the last year. BRCA1, a breast cancer susceptibility gene, has been isolated and characterized, and scientists are closing in on other breast cancer genes, including BRCA2. Such breast cancer genes—when inherited in a mutated form—can cause breast cancers that strike early and afflict many women in the same family through generations.

These gene discoveries will permit the development of diagnostic tests to identify women who are at risk and will speed research to develop effective methods of prevention, early detection, and treatment.

The Next Steps: Scientists are eager to take the next steps:

Determine the role BRCA1 and BRCA2 genes play in converting a normal breast cell into a cancer cell;

Develop cost-effective, accurate diagnostic tests to identify those women at risk in order to intervene early;

Establish genetic counseling services to help women who believe—from family history—they are at risk make informed decisions and cope with the emotional trauma; and

Continue research to fully understand all the mutations involved in breast cancer including those involved in the spread of the disease (metastasis) in order to improve our ability to prevent, diagnose, and treat this disease.

Effects of a Budget Cut: A budget cut would slow or even curtail the enormous promise of these gene discoveries at the very time women are anticipating the real possibility of changing the previously depressing outcomes of breast cancer.

Comment: 182,000 women will be diagnosed as having breast cancer in 1995 and 46,000 women will die of breast cancer. Five to ten percent of these woman will be classified as genetically prone to early onset familial breast cancer through BRCA1 and related genes. A diagnosis of breast cancer is most dreaded by American women. The widespread publicity attendant on the discovery of these breast cancer genes has led to optimism that this disease may be prevented or cured. The women's health movement would be devastated if this research is curtailed.

Cancer Vaccines: Strengthening the body's own natural defense against diseases that have already developed.

The Promise: Just a month ago, medical scientists working with the National Institutes of Health (NIH) reported that they had reversed the course of disease in a 43-year-old woman dying of multiple myeloma, a type of blood cancer that is nearly always fatal. They accomplished this by immunizing a healthy bone marrow donor against the cancer and then transferring the immunity to the sick woman through a bone marrow transplant. Two years later, she is free of detectable cancer.

Long-term follow-up of cancer patients receiving immunotherapy shows that this approach can bring dramatic response in melanoma and kidney cancer. In addition, last year, scientists identified a gene for one of the principal proteins that elicits natural immunity against melanoma. Potentially, this gene or its corresponding protein, could be used to produce a melanoma vaccine.

The Next Steps: In the next few years, this and other "vaccine" approaches to curing cancer need to be tested. Eight different vaccines for breast cancer and 13 for skin cancer (melanoma) are in early stages of testing in patients. If these efforts offer promise, they could someday be applied to other cancers such as prostate, colon, and lung cancer.

Effects of a Budget Cut: A budget cut would curtail or slow the testing of the 21 cancer "vaccines" already being used in patients. The entire "vaccine" approach to cancer treatment would be held back—an approach that offers hope for the thousands of cancer patients who die every year despite treatment with surgery, radiation and chemotherapy.

Comment: The American public desperately needs new ways to treat cancer. Today many people are cured of cancer through surgery, radiation, and the drugs—thanks to research supported for many years by the NIH—but 550,000 die of cancer each year and are counting on these vital research advances.

Conquering Genetic Diseases: Jump-started by mapping the human genome.

The Promise: Creating detailed maps of the human genome and understanding the make-up of the estimated 100,000 human genes will certainly speed the discovery of the approximately 5,000 genes that cause human disease.

Discovery of diseased genes will dramatically improve our ability to develop tests for individuals who are at risk for the diseases, and enhance early treatment.

Scientists supported by the National Institutes of Health (NIH) have already:

A full year ahead of schedule, created a detailed genetic map of the human genome (this provides landmarks along the chromosomes, a powerful tool aiding scientists in search of disease genes);

Nearly completed a physical map of the human genome (this provides even more information for the gene-hunters); and

Discovered 42 disease genes, including those for early onset breast cancer, hereditary colon cancer, polycystic kidney disease, and Huntington's disease.

The Next Steps: Mapping alone will greatly increase the number of disease genes isolated. In addition, scientists are now ready to begin "sequencing"—analyzing the chemical makeup of the genes—a year ahead of schedule. The entire sequencing project is expected to be completed by 2005 and tremendously speed the discovery of disease genes and new avenues for diagnosis, prevention and treatment.

Effects of a Budget Cut: A reduction in resources will mean that large-scale gene "sequencing" will not be started and the project will not be completed by 2005, because funds are needed to improve sequencing technology.

Scientists are on the brink of finding genes for prostate cancer, diabetes, familial Alzheimer's, obesity, schizophrenia and manic depression. A cut in funding will delay these discoveries.

Comment: If the U.S. fails to follow through, Japan, Britain and Germany are poised to finish the project themselves and they will be first to reap the health and economic benefits. The hopes of many patients and families will be dashed.

New and Re-Emerging Infectious Diseases: Changes in microbes and our environment, overuse of antibiotics, and increasing global travel present new challenges.

The Promise: One of the triumphs of the twentieth century is the conquest and control of many infectious diseases. This conquest was a result of research on vaccines, antibiotics, and the basic properties of microbes (much of it conducted by the National Institutes of Health). But in the past 15 years, new and re-emerging microbes and antibiotic-resistant organisms have eroded that victory.

The National Institutes of Health (NIH) is establishing a "New and Re-emerging Infectious Disease Initiative." This initiative addresses the threat of new microbes (such as Ebola virus and HIV), re-emerging infectious diseases (such as cholera and hantavirus), and drug-resistant strains of previously treatable infections (such as tuberculosis and streptococcus). The focal point of this initiative will be the development of vaccines, the most cost-effective and dependable method to combat new and re-emerging infectious diseases, particularly in light of increasing resistance to virtually all of the currently available antibiotics.

The NIH is uniquely positioned to launch this initiative because of its many infectious disease research collaborations with the

World Health Organization, the Centers for Disease Control, the Agency for International Development and many individual nations. All of these collaborations assist in the attempt to identify and to control outbreaks of emerging and re-emerging microbes.

Additionally the NIH has established:

Seven U.S. university-based programs working in countries where tropical diseases are common;

Three tropical medicine research centers located in Colombia, Brazil and the Philippines;

Four tropical disease research units at U.S. academic medical centers;

An intramural Center for International Disease Research which is focused on parasitic diseases; and

Eight Regional Primate Research Centers across the U.S. Non-human primates are the natural reservoirs of many emerging diseases. These primate centers facilitate the rapid identification, study, and containment of these threats to our Nation's health.

Effects of a Budget Cut: A budget cut would curtail or significantly slow all of these efforts, both the launching of the "New and Re-emerging Infectious Diseases Initiative" and the continuation of NIH's network of national and international tropical, parasitic and primate research centers. International collaborations are especially vulnerable to budget cuts, but the ongoing crisis concerning the Ebola virus demonstrates the obvious need for sustained, stable funding.

The seriousness of this challenge cannot be overstated. Events of the past year have demonstrated our increasing vulnerability to infectious diseases that may rapidly assume epidemic proportions. Many new and re-emerging microbes threaten our Nation's health. Vaccine development, continued international collaboration, and rapid identification of new strains are our best hope for the future.

Comment: The "antibiotic holiday" is over. We need a sustained strategic approach to new and re-emerging infectious diseases.

The Obesity Gene: Revolutionary advance providing hope for reducing obesity and its complications.

The Promise: Last year, scientists supported by the National Institutes of Health (NIH) discovered a gene in mice related to a protein that regulates body weight. A very similar "obesity gene" was also found in humans.

This finding has great potential for developing a totally new kind of agent for regulating body weight in humans. Over 50 million Americans are obese, and the number of obese adults has increased by one third in just one decade. An effective new obesity treatment could also combat the serious complications of obesity—heart disease, diabetes, stroke and cancer.

The current economic costs of the obesity epidemic are estimated at almost $70 billion annually, to which can be added an estimated $33 billion spent each year on weight reduction products and services, for a total of $100 billion annually. Thus, the potential economic impact of the obesity gene discovery is tremendous.

The Next Steps: To capitalize on this important discovery, scientists supported by NIH now need to:

Study the protein made by the obesity gene to understand how the gene acts on the body and prepare an experimental form of the protein to learn its biological activity;

Conduct tests of the effects of the protein on obese and normal animals; and

Initiate clinical studies in humans to determine the potential of the gene product in obesity prevention or treatment.

Effects of a Budget Cut: Decreases in the budget would mean that NIH could fund fewer new research grants, thus slowing the basic, early research steps that scientists are eager to begin. Human studies would be put off into the future, awaiting the results of basic research.

Comment: The discovery of the obesity gene was met with great interest by the scientific community and the public. Research should push on to bring the public the benefits of this advance.

Otitis Media: A serious childhood infection in need of a better solution.

The Promise: Scientists funded by the National Institutes of Health (NIH) have recently been successful in developing a candidate vaccine to combat otitis media (oh-TIGHT-iss MEE-dee-ah), a bacterial or viral infection of the middle ear common in young children ages 3 months to 3 years.

Further development and testing of this candidate vaccine would offer hope that children might be spared the severe pain and sometimes serious side-effects of these middle ear infections. A useful vaccine could also significantly reduce the estimated health care costs of this disease—$1 billion annually.

The Next Steps: Having developed a promising candidate vaccine, scientists are now ready to progress into the testing phase, initially in animals and later in children, looking first at safety and in later stages for clinical effectiveness.

Effects of a Budget Cut: It is estimated that a reduction in the budget at this time would delay development of a clinically useful vaccine by three years.

Comment: Otitis media is the major reason cited for taking a young child to the emergency room or to a physician's office and is the most frequent reason that doctors prescribe antibiotics for children. The disease causes little children and their families great distress. Each year of delay in the development of a vaccine costs the country $1 billion in health care bills. Securing a vaccine to fight otitis media would reduce this toll on children, their families and the health care system.

Parkinson's Disease: New treatments for degenerating nerve cells.

The Promise: Parkinson's disease is caused by the degeneration of the cells that make dopamine, a chemical messenger in the brain. Lack of dopamine produces tremor, rigidity, gait abnormalities, and often changes in behavior. Replacement of the missing neurotransmitter, dopamine, with L-dopa has a limited effect and undesirable side effects.

Researchers supported by the National Institutes of Health (NIH) have discovered a drug, deprenyl, which delays the need for L-dopa therapy in Parkinson's disease patients, thereby significantly improving their quality of life. In addition, possible surgical intervention and other new treatment developments—including growth factors—are on the horizon.

The Next Steps: Scientists are ready to:

Develop new drugs with fewer side effects, building on deprenyl;

Evaluate surgery that restores brain functions impaired by the disease and surgical methods to implant dopamine-producing cells;

Assess whether a recently discovered growth factor can restore function by protecting dopamine-producing cells; and

Develop new methods, using biotechnology and genetic engineering, to deliver treatments to the targeted cells.

Effects of a Budget Cut: Budget cuts would slow the basic and applied research that has led to the first real progress against Parkinson's in forty years. Clinical trials of promising treatments would have to be delayed and the momentum created by the discovery of deprenyl would be lost.

A budget cut would diminish the hopes of the approximately 500,000 Americans—one percent of those over 50—who suffer from Parkinson's disease. The economic burden of Parkinson's disease, currently estimated at $6 billion per year, will only increase as the U.S. population ages.

Prostate Cancer: New discoveries may lead to clinical advances.

The Promise: Clinical advances in prostate cancer have been slow in coming, but recent new discoveries offer hope:

Some useful animal models of the disease have been found;

The drug finasteride (Proscar), which is useful in controlling a non-cancerous prostate condition that may be a precursor to prostate cancer, could offer a way to prevent the cancer;

Male sex hormones have been shown to exert a strong influence on the prostate, and new reports indicate that mutations occur in receptor genes for male sex hormones when prostate cancer worsens; and

Chemical markers—such as the prostate specific antigen (or PSA)—show promise for diagnosing prostate cancer.

The Next Steps: NIH-supported scientists have recently begun studies of:

The role of oncogenes (cancer-causing genes) and suppressor (cancer-blocking) genes in transforming a normal prostate cell into a malignant cancer cell that can be spread throughout the body;

The roles of the male hormone (androgen) and its receptor in the transition of prostate cancers from hormone sensitivity to hormone resistance;

Hormone treatment in combination with surgery in an attempt to develop better therapy;

The drug finasteride (Proscar) to prevent prostate cancer in human trials; and

Diagnosis of prostate cancer using a blood test to detect prostate specific antigen (PSA) in combination with ultrasound.

Effects of a Budget Cut: A budget cut would curtail or significantly slow all of these studies. This will, in turn, inhibit development of new and improved methods of prevention, early diagnosis and treatment for this very serious disease.

Comment: Prostate cancer, although it receives less attention than breast cancer, is a significant public health problem. New, promising leads should be followed so as to have an impact on this disease. This year 244,000 American men will be diagnosed with prostate cancer. Some 40,400 deaths will occur this year as a result of metastatic disease (the spread of cancer throughout the body) due to prostate cancer.

Sexually Transmitted Diseases: Topical microbicides for women could reduce the spread of HIV [the AIDS virus] and other sexually transmitted diseases.

The Promise: Scientists supported by the National Institutes of Health (NIH) are researching safe, effective "topical microbicides" which may be applied by women to block the transmission of sexually transmitted diseases (STDs). Currently several promising topical microbicides are being evaluated that kill the infectious microbes that cause HIV and other STDs. The successful development of these products will enable women to take control of their own reproductive health and significantly reduce the incidence of STDS, including HIV.

The Next Steps: Evaluation of these promising topical agents requires clinical trials to prove that a proposed microbicide is both safe and effective. Development of better microbicide products based on the results of these trials, as well as further basic research in the laboratory is also a part of the overall research program.

Effects of a Budget Cut: A budget cut would significantly impair the ability of the NIH to move these products from the laboratory into clinical trials. This would result in a delay in making safe and effective topical microbicides available to women, and thereby diminish any impact on the current epidemic of STDs and HIV. The significant cost savings and the reduction in illness and death associated with STDs and HIV will be severely delayed and possibly lost entirely.

Comment: A sexually transmitted disease, including HIV, is acquired each year by an estimated 12 million Americans—a disproportionate number of whom are women. Adolescents and young adults under 25 account for 63 percent of these cases. STDs account for over $6 billion in health care costs alone. Up to forty percent of women with certain forms of STDs become infertile. STDs contribute excessively to illnesses, deaths, and health care costs among women as well as among newborns, who can be infected before or during birth.

Topical microbicides would greatly increase the empowerment of women in the prevention of all sexually transmitted diseases, including AIDS.

Sickle Cell Disease: The first effective treatment nearly ready for wide application

The Promise: People who suffer the painful, debilitating effects of sickle cell disease, an inherited blood disorder that primarily affects African-Americans, can now look forward to a better quality of life.

After many years of research investment, scientists supported by the National Institutes of Health (HIH) this year developed the first effective treatment for the disease.

A drug—hydroxyurea (hy-DROX-ee-urEE-ah)—relieves the pain and reduces by half the number of episodes or "crises" afflicting people with sickle cell disease.

The drug was also proven to reduce the number of blood transfusions and hospitalizations for sickle cell "crises", which are estimated to cost about $350 million annually.

The Next Steps: Having proven success in treating adults with sickle cell disease, medical scientists are now ready to test the drug in children. The challenge is to test whether the drug is as effective in children as in adults, and whether the drug harms growing children.

Additional clinical studies are needed to find the optimal dosage, consider long-term effects of the drug, and look at combination therapy to improve treatment further.

Effects of a Budget Cut: A reduction in funding would put a hold on the availability of this promising treatment for children, because the needed clinical studies would be slowed. This would prolong the suffering of both the children and their families. The likely reduction in health care costs would not materialize.

Comment: Thanks to 20 years of research investment, tens of thousands of adults who suffer from the excruciating pain of sickle cell disease now have hope for relief. We cannot turn our backs on children who might also benefit from treatment.

STEM CELL RESEARCH: A revolutionary approach to a variety of diseases

The Promise: Bone marrow transplantation and gene therapy are currently being used to treat disease, but their utility is limited by the availability of blood stem cells.

Scientists are beginning to understand and harness the incredible promise of stem cells—cells that give rise to all the different cells found in blood. These stem cells may make ideal "universal donor cells" because they maintain the capability for cell division and can accept genes from other cells.

Recently, scientists have learned how better to isolate these cells, not only from bone marrow, but also from umbilical and peripheral blood. They have also learned how to increase the number of stem cells produced in animal models and in human volunteers.

There is great hope that stem cells can be used to:

Improve the prospects for people—such as those with aplastic anemia, a serious blood disorder—waiting for suitable bone marrow donors; the goal is to perform transplants from sources other than bone marrow, perhaps from blood itself;

Re-populate blood cells necessarily killed off when cancer patients undergo life-saving chemotherapy; and

Advance human gene therapy for patients with genetic disorders, AIDS and cancer.

The Next Steps: Scientists supported by the National Institutes of Health (NIH) are eager to move quickly to:

Search for sources of stem cells and test their usefulness for patients;

Explore potential for using stem cells for gene therapy;

Continue basic research to better understand how blood is formed; and

Create special facilities needed to isolate and grow stem cells under sterile conditions so they can be used in patients.

Effects of a Budget Cut: A budget reduction would mean that the research—both basic and clinical—would move more slowly and the clinical payoffs would be significantly delayed. A delay would deny the great potential of this revolutionary approach.

Stroke: Preventing stroke and limiting brain damage.

The Promise: Research supported by the National Institutes of Health (NIH) has recently provided important new advances and insights:

Surgery to open blocked arteries in the neck can prevent stroke or stroke death;

Aspirin can protect against stroke in certain patients; and

New treatments to protect brain cells from damage during stroke are emerging from animals studies.

The Next Steps: Further research could show how to prevent more strokes, limit brain damage when stroke occurs, and help people regain normal life after a stroke.

Scientists are ready to begin new studies in patients to:

Compare drug treatment and surgical approaches to episodes of bleeding within the brain;

Learn more about differences in stroke and in optimal treatment for stroke in different racial groups; and

Refine ways to reduce the occurrence and severity of brain bleeding in low birth weight infants.

Effects of a Budget Cut: A reduction in the budget would come just as scientists are poised to take a new approach by aggressively treating acute stroke to prevent brain damage.

Basic research would be curtained just as promising new opportunities are coming to light, such as the effects of vitamin supplements, clot-dissolving medications, and agents such as calcium channel blockers to protect brain cells.

Comment: Research has brought us a dramatic decline in stroke death in the U.S. in the last 25 years, but stroke is still the third leading cause of death. Every year, over 500,000 Americans experience a stroke and many are left disabled, costing more than $25 billion annually for medical treatment, rehabilitation, long-term care, and lost wages. These numbers and costs will only increase as the U.S. population ages.

Additional research—capitalizing on scientific opportunities—can help us learn how to prevent stroke and limit its damage when it does occur.

VACCINES TO PREVENT STOMACH ULCERS AND STOMACH CANCER

The Promise: Tremendous opportunity now exists for scientists supported by the National Institutes of Health (NIH) to develop a vaccine to prevent gastric (stomach) ulcer and to create the possibility of preventing stomach cancer.

This opportunity flows from the recent discovery that stomach ulcers are caused by a bacterium, H. pylori (pie-LOR-ee), and that recurrence of ulcers can be prevented with a simple antibiotic treatment. This finding can save an estimated $400–$800 million annually by preventing ulcer recurrence alone.

It is also known that H. pylori is strongly linked to stomach cancer, one of the leading causes of cancer death throughout the world. Today only about 18 percent of patients survive stomach cancer in the U.S., where there are 23,000 cases per year.

The Next Steps: Scientists are now ready to:

Isolate the genes from the bacterium in order to develop a vaccine;

Study how the bacterium might cause cancer; and

Follow up on preliminary evidence that other types of H. pylori may cause other intestinal cancers such as liver cancer.

Effects of a Budget Cut: A reduction in the budget would impede scientists' ability to pursue the many steps needed to develop a vaccine against H. pylori, conduct critical human trials on ulcer prevention, and understand more fully the role of the bacterium in various cancers and how to prevent them.

A budget reduction would diminish the number of scientists working on this important problem. Cuts would delay by years the development of a simple vaccine that might bring life-long protection from some of the most deadly cancers.

Comment: Recent understanding that stomach ulcers, and probably stomach cancers, are caused by a bacterium offers tremendous opportunity to develop a protective vaccine. We should not turn our backs on this opportunity to have a major impact on a serious public health problem.

Schizophrenia: Identifying the genetic factors involved in the onset of Schizophrenia.

The Promise: In the past few months, NIH-supported scientists reported and subsequently verified that a specific gene located on chromosome 6 is one trigger to the expression, or onset, of schizophrenia. While more than one gene is likely to have a role in causing this complex disease, this finding is of major importance to researchers seeking to develop more effective methods to diagnose, treat, and even prevent schizophrenia.

The Next Steps: For the first time, because of advanced genetic research and the possibility of locating the family of genes that underlay the vulnerability to schizophrenia, it may be ultimately possible to prevent a mental illness. This concept was virtually unthinkable 5 years ago. Having located a single gene loci associated with schizophrenia, it is vital that we pursue this lead aggressively to search for other relevant genes. In this manner, the complexity of this disease will be delineated and heretofore unknown approaches to treatment and prevention will be elucidated.

Effects of a Budget Cut: A budget cut at this time would have the effect of extending by years efforts to devise and apply molecular genetic strategies to the prevention of schizophrenia.

Comment: Schizophrenia, the most devastating mental illness, affects approximately 2 million Americans annually. Although there is no known single cause, scientists believe that genetic factors produce a vulnerability that may be triggered by environmental factors. Most currently available medications are only palliative and have severe side effects. In addition to the distress and disability caused by schizophrenia, the financial cost to society is great: treatment costs alone exceed $7 billion per year, and social costs are estimated to be $20 billion annually.

CHANGE OF VOTE

Mr. NUNN. Mr. President, on rollcall 229 I voted no. It was my intention to vote yes. It was a tabling motion.

Therefore I ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. CRAIG. Mr. President, I rise in strong support of Senate concurrent resolution 13, the fiscal year 1996 congressional budget resolution.

I want to commend the hard work undertaken, and the excellent results obtained, by the chairman of the Budget Committee, the senior Senator from New Mexico [Mr. DOMENICI]. We all know that his expertise in budget matters is unequalled and that he has great respect within this body and without as an opponent of deficit spending. I also appreciate how he has sought to work with and accommodate Senators with a wide variety of concerns.

This budget is not perfect; but then, no document produced by a committee—or a Senate—ever is. It is a good budget. More importantly, it is an essential budget, because it is a balanced budget.

My perfect budget would have included instructions for tax relief that is pro-family, pro-saving, pro-investment, and pro-economic growth.

We had a chance to vote on such a package yesterday, in the amendment offered by Senator GRAMM of Texas. That amendment was similar to the Contract With America tax relief bill passed by the House of Representatives. It was also similar to the Coats-Grams-Craig bill, S. 568, the first bill—the Family, Investment, Retirement, Savings, and Tax Fairness Act.

I'm disappointed that the Gramm amendment was not adopted. But I applaud Senator DOMENICI for designating a "fiscal dividend" reserve fund that takes the additional deficit reduction and surpluses expected under this budget, which will come from an improved economy and lower interest rates, and dedicates them to tax relief.

Senators have spent much time these last few days debating over this and many other budget priorities. This is what should happen when we consider a budget resolution. But this budget fulfills what is, by far, the single most important priority:

It sets us firmly on a course toward a balanced budget by the year 2002.

For most of our Nation's history, the moral imperative to balance the budget was considered part of what has been called our "unwritten constitution"—those traditions so firmly imbedded in the American system, like political parties and the actual operation of the electoral college that they have the status of virtual constitutional status. For more than 60 years now, and especially over the last 30 years, this balanced budget rule has been repealed.

Because Congresses and Presidents did not have to set priorities, every item of spending has been treated like a priority. To qualify, an item needs only some well-intentioned supporters. We all know what has happened as a result:

The sum total of these individually pleasant programs exceeds the capacity or the willingness of the American people to pay for all of them.

Without a binding requirement, or at least an extraordinary commitment, to balance the budget, there is no constituency to limit spending to the amount the American people are willing or able to pay in taxes.

This dynamic has become a systemic problem, a fundamental flaw, in how our Government operates. It has led us to the point where the Government has saddled its citizens with almost $5 trillion in debt. It has put the economic security of every American on a collision course with catastrophe.

This isn't just one Senator or one political party talking. The realization is bipartisan. The status quo is the least tolerable alternative. The experts agree:

The General Accounting Office's 1992 report, entitled Prompt Action Necessary to Avert Long-Term Damage to the Economy, said, "[I]naction is not a sustainable policy. * * * [T]he Nation cannot continue on the current path."

The Bipartisan Entitlement Commission's Final Report, issued in January of this year, said, "The present trend is not sustainable."

DRI/McGraw-Hill, one of the world's leading economic forecasting firms, in testimony before the Senate Budget Committee in January, said, "[T]he current economic strength is not sustainable. * * * A balanced budget would be a major boost to the long-term growth of the U.S. economy."

This is the year, and this is the budget, in which Congress finally makes that extraordinary commitment necessary to balance the budget.

By definition, an extraordinary commitment is not permanent. That's why we still will need to return to, and pass, the balanced budget amendment to the U.S. Constitution.

When we debated that amendment on the floor of the Senate earlier this year, opponents said, "You don't need a constitutional amendment; all you need is the political will." They also raised the taunt, "Where's your plan? Show us which way you'll balance the budget."

Well, the first Republican Congress in 40 years is showing the professional skeptics in Washington, DC, and the people across America that it has the will and the way.

This budget resolution is a blueprint for hope, full of promise for current and future generations. This budget is the one that will restore opportunity and growth. This is the budget for America's future.

My colleagues know, and it is important to remind others watching, that a budget resolution is just a blueprint. The details will be filled in during the coming weeks and months by the Appropriations Committee and the various authorizing committees. I, for one, look forward to carrying this process forward within my assignments on the Agriculture, Energy, and Veterans Affairs Committees.

There's been plenty of blame to go around for not balancing the budget. That blame has extended, for years, to both political parties and both the legislative and executive branches of Government. With today's vote, we will see if the solution is bipartisan, as it should be and as I hope it is.

In the coming weeks, we will see if the President is willing to become part of the solution. I was sad to see the President become a conscientious objector to the war on deficit spending when he submitted his official budget this past February.

The law said the President had to submit a budget, so he did. But that budget dodged responsibility, dodged deficit reduction, and declared unconditional surrender to bigger deficits and more debt as far as the eye could see. In contrast, the budget before us today enlists, fights, and promises to win the war on the deficit.

The President still will have the chance to choose whether to be a fiscal freedom fighter or a member of the status quo resistance. Congress will give him that chance in the coming weeks as we send him 13 appropriations bills and a budget reconciliation bill. Those bills, taken all together, will enact into law a 7-year plan that finally, in fiscal year 2002, for the first time in 33 years, and only the second time in 42 years, will balance the budget.

It's very tempting to make the perfect into the enemy of the very good. And probably not one Senator thinks this budget is perfect. Many of my colleagues on the other side of the aisle have come to the floor to say how much they are for balancing the budget. Then they add that one little word, those three little letters, that cause so much mischief in this town: "B-U-T." We keep hearing, "I'm for a balanced budget, but * * *."

Maybe they think 7 years is too soon. Or too late. Or they say it's not really balanced unless you don't count Social Security. Or they want to take interest savings that aren't officially counted yet and use that for more social spending. Or they don't want to rescue and reform a Medicare System that is on the verge of bankruptcy. Or they demand the cart come before the horse and they want Medicare to be completely overhauled before we assume in a budget blueprint that it's going to be overhauled. Or they do want to reform Medicare, but not without the Federal Government taking over everybody's health care, or the list goes on.

The easy thing is to vote no and say you wished someone had given you something on which to vote yes. There are always excuses available, if you want to say you're for a balanced budget but you want to vote against the real balanced budget.

Mr. President, the only balanced budget that counts is the one that passes, the one that can be translated into binding law as the budget process continues this summer.

A balanced budget is not an abstract goal or a political sound bite. It's an absolute necessity.

The vote that counts today is a "yes" vote on final passage of Senate Concurrent Resolution 13. I'm proud to cast that vote. I'm proud of the Budget Committee for writing a fair, reasonable, balanced budget resolution. I expect to be proud of the Senate when the vote is complete, and I believe the American people will feel the same way.

Mr. President, I spoke briefly on Monday about what I consider the top ten reasons why the budget must be balanced, as it will be under this resolution. I would like to reiterate some of those points now, and expand on why this conclusion is inescapable.

THE TOP TEN REASONS TO PASS SENATE CONCURRENT RESOLUTION 13 AND BALANCE THE BUDGET

10. THE WILL OF THE PEOPLE

A vote for the balanced budget resolution is the vote consistent with the will of the American people that the Federal Government get its house in order: 70 percent in some polls, 80 percent-plus in others.

9. REASONABLE GLIDEPATH

Under this budget resolution, overall spending still increases 3 percent a year through 2002, compared with the current rate of 5.4 percent a year.

The real dividend comes after a successful glidepath to balance. After fiscal year 2002, all it takes to keep the budget balanced is to match future spending growth to revenue growth. That would again allow more than 5.2 percent a year growth in spending after 2002, based on CBO projections.

It is critical to keep in mind: balancing the budget will be easier now than it will be later.

In the mid-1980's, a glidepath comparable to that in Senate Concurrent Resolution 13 would have produced a balanced budget within 2 to 4 years. Now, it will take 7 years. The longer we wait, the harder it will get to balance the budget ever. Anyone who has any experience with debt accumulation understands why. Anyone who understands the explosive growth in Federal programs under current trends understands why.

This year, fiscal year 1995,

The $175 billion Federal budget deficit is 11.4 percent of total outlays, 12.9 percent of revenues, and 2.5 percent of gross domestic product.

Total revenues are enough to cover all entitlement spending plus interest payments plus 68 percent of discretionary spending, in other words, enough to cover 88.5 percent of outlays.

Total Federal outlays are 21.8 percent of GDP.

According to the Bipartisan Commission on Entitlement and Tax Reform, under current trends, by the year 2030:

The deficit will be almost 50 percent of outlays and almost 19 percent of GDP.

"Projected spending for Medicare, Medicaid, Social Security, and Federal employee retirement programs alone will consume all tax revenues collected by the Federal Government." That is, revenues will cover barely 50 percent of all outlays.

Total Federal outlays could exceed 37 percent of the economy.

This is why a number of us have said during this debate that this is not only our best chance of passing a balanced budget—it may be our last.

8. PRESERVING FLEXIBILITY TO ADDRESS PRIORITIES

Families and businesses understand that, if you have discipline in the short term, if you forego instant gratification, you will have more later, more money and more options.

The increasing share of the Federal budget consumed by interest payments on the debt means a decreasing share which Congress controls, ever-higher taxes, or both.

More debt means more interest payments on that debt. Interest costs squeeze other spending priorities and threaten to swallow the options of our kids and grandchildren.

Already, by fiscal year 1994, net interest payments were five and one-half times as much as outlays for all education, job training, and employment programs combined.

GAO's 1992 report found that, if current policies continue, Congress may be forced to enact one-half trillion dollars in deficit reduction each year just to hold annual deficits to a constant 3 percent of GDP.

According to the Bipartisan Commission on Entitlement and Tax Reform:

If current trends continue, by the year 2030 net interest payments will consume 30 percent of the Federal budget—double the rate of today.

Under current trends, net interest payments on the Federal debt will more than triple as a percentage of GDP. Net interest is currently 3.3 percent of GDP and is projected at more than 10 percent of GDP by 2030.

Beyond the deficit reduction already built into this budget resolution, CBO has acknowledged a possible $170 billion "reserve fund," or "Domenici dividend," in debt service savings and increased revenues from economic growth. This could result in an additional $170 billion in deficit reduction and surpluses over 7 years, which frees up more money for other budget priorities, such as tax relief.

DRI/McGraw-Hill went even further, saying that, by 2002, half of all the $1 trillion in spending restraint necessary to balance the budget could come from interest savings alone.

7. STOPPING THE REGRESSIVE/OVERSEAS TRANSFER OF WEALTH

Interest on the Federal debt is largely a transfer from middle-income taxpayers to large institutions, wealthy individuals and foreign investors.

In fiscal year 1994, 22.8 percent, $44.5 billion, of the interest on debt held by the public was paid to foreign investors. Also in fiscal year 1994, 33.9 percent—$62.6 billion—of the dollars borrowed from the public came from overseas.

Interest on the Federal debt is actually the biggest foreign aid program in history. In fact, these payments amount to more than twice the amount spent on everything in the international affairs budget function, $17.1 billion in fiscal year 1994, $18.9 billion in fiscal year 1995.

I do not mean to imply here that there is anything wrong with being wealthy, a lender, or investor. To the contrary, these persons supply the capital that creates jobs, raises living standards, and legitimately finances the Government in time of war or dire emergency.

But it is unfair to taxpayers, and bad for the entire economy, for wealth to be arbitrarily and artificially redistributed through interest payments on a growing and excessive debt that has been accumulated over the decades, merely because spending and borrowing was the course of least political resistance.

This actually was one of the reasons why the original Jeffersonian Republicans were so opposed to Government indebtedness. The Republicans, representing them, as now, farmers, merchants, and other working Americans, did not want to see the fruits of their labors taxed excessively to pay interest to the monied class, represented by the big-government Federalists.

6. INTEREST RATES AND INVESTMENT

Lower interest rates and greater economic growth, of course, do not benefit only the Federal budget, but all Americans.

In an appendix to its April "Analysis of the President's Budgetary Proposals," CBO discussed the drop in interest rates that could result from balancing the budget, noting:

> Good arguments exist for * * * a range of from 100 to 200 basis points. A drop of that magnitude from CBO's baseline forecast would leave real long-term rates at between 1 and 2 percent—lower than they have been since the 1950's—and real short-term rates close to zero * * * (R)eal short-term interest rates have already been as low as zero.
>
> One widely used model, developed by Data Resources, Inc. (DRI), predicts an exceptionally large drop in interest rates as the deficit falls, nearly 400 basis points * * *.

We know what these interest-rate drops mean to American families: buying a house, buying a car, or financing a college education would be more affordable than today, by hundreds and even thousands of dollars.

DRI/McGraw-Hill says that balancing the budget could result in nonresidential investment increasing 4 to 5 percent by 2002, over what it would be with today's $200 billion annual deficits.

5. ECONOMIC GROWTH

Balancing the budget means preserving, in the near term and especially for our children, the American dream of economic opportunity. The damage being done by the borrow-and-spend status quo must be stopped. A study by the Federal Reserve Bank of New York showed that America lost 5 percent growth in GNP—and 3.75 million jobs—from 1978–89 because of deficit and debt. DRI/McGraw-Hill estimates that balancing the budget by fiscal year 2002 would raise real gross national product by about 2.5 percent. That means putting about $1,000 a year into the average household's pockets, at today's prices, by 2005.

The U.S. Chamber of Commerce has cited a Laurence H. Meyer & Associates study showing that economic output would rise between 1 to 1.6 percent within 5 years after balancing the budget.

Even the Congressional Budget Office, using a more cautious model, projects a GNP in 2002 that is 0.8 percent—almost 1 percent—higher than in its baseline projections.

The idea that balanced budgets produce economic growth is not a new one. More than 160 years ago, President Andrew Jackson said:

> Once the budget is balanced and the debts paid off, our population will be relieved from a considerable portion of its present burdens and will find not only new motives to patriotic affection, but additional means for the display of individual enterprise.

4. LOWER TAXES

Balancing the budget and keeping it balanced will remove pressure for future tax increases. Since every dollar borrowed today has to be repaid eventually, with interest, the status quo promises ruinous levels of taxation in the future.

According to the National Taxpayers Union Foundation, for every year in which the Federal Government runs a $200 billion deficit, the average child of today will pay $5,000 in additional taxes over his or her lifetime. The status quo and the Clinton budget show deficits that large and larger for as long as the eye can see.

President Clinton's fiscal year 1995 budget included a section on "generational accounting." It projected that failure to change current trends will force generations to face a lifetime net tax rate of 82 percent to pay off the current generation's bills, counting taxes at all levels of government.

3. PROTECTING SENIORS

The debt is the threat to Social Security, Medicare, and the economic security of seniors on fixed incomes.

Gross interest payments on debt are the second largest single spending item for the Federal Government, and under the status quo or the President's budget, would overtake Social Security within a few years.

Growing interest payments crowd out other spending, regardless of whether an item is off-budget or on-budget or financed through a trust fund. When the Government faces the need to make good on its obligations, its ability to do so is going to be affected by the total debt load it is carrying.

More debt and a bigger chunk of the budget going for interest payments ultimately threatens the Government's ability to pay for anything else.

This becomes more obvious and more true when we remember that, under current trends: Medicare goes into deficit in 1996 and runs out of money in 2002; and Social Security taxes no longer cover benefits in 2013, the system goes into deficit in 2019, and it runs out of money in 2029.

2. JOBS

DRI/McGraw-Hill projects that balancing the Federal budget can create 2.5 million new jobs by 2002.

The last Federal balanced budget was in 1969. According to Investor's Business Daily, unemployment from 1970–1990 averaged 6.7 percent as compared to the post-war period as a whole which was 5.7 percent. In the first three decades of this century, before deficit spending was the rule and not the exception, unemployment averaged 4.5 percent.

1. OUR CHILDREN

The future for our children and grandchildren depends on the future of the economy.

The General Accounting Office, in its 1992 report, showed gains in standard of living of between 7 percent and 36 percent in 2020 resulting from balanced Federal budgets. More recent economic and budget developments would still keep projections well within this range.

In fact, remembering the late 1970's, there's every reason to believe that the borrow-and-spend trends of the status quo and the President's budget would provoke a return of high interest rates and make GAO's "no action" scenario positively optimistic.

We all have become familiar with Thomas Jefferson's admonition in this regard:

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.

Now is the time to act on that principle, by passing Senate Congressional Resolution 13, the balanced budget resolution.

Mr. BRADLEY. Mr. President, I would like to preface my remarks by commending Senator DOMENICI for his efforts to help tame the Federal Government's runaway deficits.

As you know, Mr. President, under 12 years of Republican administrations, the Federal debt quintupled. In 1980, when Republicans took over both the White House and the Senate, the Federal debt stood at about $800 billion. After 12 years of Republican leadership, the debt stood at roughly $4 trillion. If it were not for the almost $200 billion in interest that we pay each and every year on the debt that was amassed under successive Republican administrations, we would already have a balanced budget. In 1993, in order to begin to tackle the problems posed by this mountain of debt, Congress passed the largest deficit reduction passage in history. We did this without a single Republican joining in the effort.

Time and time again, I have stated that we cannot gain control over the Government's fiscal crisis with gimmicks. No amendment to the Constitution will ever balance the budget. No rosy projections about economic growth and supply-side impacts will balance the budget. Only strong and consistent leadership will balance the budget. If we want to restore the Federal Government to fiscal sanity, we cannot abrogate our leadership responsibilities or refuse to join the debate for fear of the political consequences of tough decisions. Instead, we must act decisively to continue to move toward a balanced budget.

We could adopt a "scorched earth" approach to balancing the budget, slashing and burning everything which gets in our way. But what good have we done for our children if we reduce their debt burden but deny them a decent education and adequate health care? How much have we improved our workers' ability to compete in the world economy if we deny them the funding necessary to improve their skills?

Presenting numbers which add up to a balanced budget is one thing; deciding how to reach those numbers is an altogether different task. It is in deciding how to reach those numbers—deciding what our priorities really are—that we reveal who we are as individuals and what we stand for as a nation. So, Mr. President, while I am pleased that the proposed budget resolution moves us toward a balanced budget, I am concerned about the means used to achieve this end.

Mr. President, the Republicans' choices distort the principle of shared sacrifice. They have balanced the budget on the backs of children, students, families, and seniors. They have chosen to cut programs for those most in need in our society, while asking little or nothing of large corporations and the wealthy.

Mr. President, no matter how the Republicans phrase their assault on Medicare, it's just that—an assault. Their cuts will force millions of seniors to suffer drastically reduced benefits, a much lower quality of care, and significantly higher medical bills. We desperately need Medicare reform, but we cannot simply let seniors free-fall until these reforms take place.

The Republicans' Medicare cuts mean that, on average, seniors will have to find an additional $3,447 to pay for their health care over the next 7 years. For the majority of seniors, this will be no easy task. In 1992, the median income of seniors in this country was only about $17,000 a year, and about a quarter of elderly households had incomes under $10,000. These seniors already spend more than $1 of every $5 on medical care. For the millions of seniors across the country who live on fixed incomes, finding an additional $3,447 will mean sacrificing something else which is important to them. It has been stated that each month millions of American seniors are forced to choose between food and necessary medication. I can't help wondering how many more will be faced with this horrible choice once the proposed cuts are put into place.

In addition to higher costs, seniors are likely to have fewer choices. In many cases, financial limitations will leave them with no choice but to join a managed care plan. Doctors, hospitals, and others providers are all likely to face even lower reimbursement rates. As a result, many health care providers may no longer be able to afford to accept Medicare patients. Those that can will be forced to shift even more costs onto their privately insured patients, creating a hidden tax on employers and individuals.

Mr. President, that's just Medicare. This budget proposal also cuts Medicaid by $175 billion. Again, I think it is important that we all understand exactly who these cuts will affect. Medicaid now insures about one of every four American children. It helps to pay for roughly one of every three births in this country. It also provides aid to over three-fifths of the people who need long-term care services, either in nursing homes or at home. Most elderly recipients of Medicaid are people who spent their whole lives as members of the middle class. But when faced with nursing home costs averaging almost $40,000 a year, it doesn't take long for their entire life's savings to disappear. Once they reach this point, these people have nowhere else to turn. Thankfully, Medicaid has been there to provide a safety net for them.

This resolution caps Federal Medicaid spending at an average annual growth rate of 5 percent. We all know that Medicaid spending is expected to grow faster than that in the future. By setting a 5-percent cap, the Federal Government is essentially saying to the States: "It's all your problem now. We can't figure out how to deal with the growing number of uninsured and the rising costs of health care, so you do it. We wash our hands of any responsibility to help you deal with these critical needs." But, if we are honest with ourselves, we must admit that States can't cope with these problems alone.

So, Mr. President, let me tell you what is expected to happen once these proposed Medicaid cuts go into effect. By the year 2002, the number of uninsured children in America is predicted to rise by more than 6 million. By that same year, there will be an additional 3 million persons who need, but will not receive assistance with, the costs of long-term care. These individuals will not be able to obtain nursing home care, despite the fact that they will need more care than their family and friends will be able to provide. For those individuals who will be able to enter and remain in nursing homes the picture will not be much brighter. Medicaid now pays significantly less than the private sector for long-term care. When Medicaid cuts these payments even further—as it will have to do in response to the budget cuts—nursing homes will have to do even more with less. This means that staff will be stretched even thinner, and each resident will receive even less personal attention. The proposed cuts will mean that the quality of life of nursing home residents will deteriorate even further.

There is no doubt that Medicare and Medicaid have taken the brunt of the proposed cuts. But they are not the only examples of shortsighted cuts contained in this budget proposal. Consider the cuts to the earned income tax credit and education funding. The EITC provides tax relief to lower income working families. By proposing to cut the EITC, this budget deals a strong blow to the working families. While I strongly believe that sacrifice is needed to balance the budget, I have to ask: Is it fair to ask working families to make a sacrifice of this magnitude at the same time the Republican budget proposals contemplate tax cuts for corporations and the wealthiest Americans?

At the same time, this budget significantly cuts funding for student loans. We all recognize that we must balance the budget so that our citizens will be able to compete successfully in the next century. While I agree with the need to prepare for increased global competition, it is difficult to understand how we will become more competitive without the skills and knowledge that an education provides.

At the same time that this budget makes drastic cuts in critical programs, it completely ignores the billions of dollars we spend each year on special-interest tax loopholes. The tax code provides special exceptions that will total over $480 billion in 1996, more than double the entire Federal deficit and nearly one-quarter of total Federal spending. Because many of these tax code provisions single out narrow subclasses for benefit, the rest of us must pay more in taxes.

Balancing the budget will not be easy. It will require significant sacrifices. However, how can we argue that we are fairly balancing the budget when we raise taxes on working families and make dramatic cuts in Medicare, Medicaid, and education, yet continue to spend billions each year in tax pork?

Mr. President, to help correct many of the problems contained in the Republican budget proposal, I have offered a substitute balanced budget proposal. In fact, under my proposal, the Federal Government would have a significant budget surplus by the year 2002.

The main difference between the proposals the Republicans and I have offered is in the priorities that they set. I believe that our Nation's future success will depend on the choices we make today. To ensure this success, I believe that our priorities must be placed on our children. The most important step we can take to build a better life for our children will be to balance the budget, which my proposal would do. However, in our efforts to put the budget in balance over the long run, we cannot ignore the needs of our children today. Therefore, my proposal would fully fund the education and child nutrition programs cut under the Republican proposal.

At the same time we are attempting to create a better future for our children, we cannot ignore the legitimate needs of older citizens today. To ensure that the elderly and the least well off in our society are not forced to bear the bulk of the sacrifices that balancing the budget will require, my proposal restores $100 billion in Medicare funding and replaces $75 billion in Medicaid cuts.

I would also repeal the Republican tax increase on those families that are trying to work their way out of poverty. Although we need to balance the Federal budget, it would be shortsighted to do so on the backs of America's working and middle-class families. In the face of declining real wages and Republican proposals to cut important aid programs, more and more American families are facing increasingly tough times. These are working families who need every penny of the wages they earn just to make ends meet. We simply should not tax these families into poverty by cutting the EITC.

My budget would pay for these changes by reducing defense spending by just $5 billion below the current baseline, cutting $15 billion in wasteful, pork-barrel spending, eliminating $46 billion in unnecessary agriculture subsidies, and raising the tobacco tax by $1 per pack to restore much of the funds lost in the Republican Medicare cuts.

I would also close $197 billion in special-interest tax loopholes. My budget explicitly provides that individual tax rates will not be raised and that the deductions for mortgage interest, charitable contributions, and State and local taxes will not be affected. Instead, these savings will be realized by simply slowing the rate of growth in special-interest loopholes enjoyed by corporations and the very wealthy. Left unchanged, between now and the year 2002, the Federal Government will spend roughly $4 trillion on tax subsidies; my proposal would affect less than 5 percent of this amount.

Rather than reducing the deficit by singling out children, working families, and the elderly for especially harsh treatment, I would offset a portion of these potential cuts by setting specific targets for eliminating tax loopholes. I believe that this approach would allow us to balance the needs of the many with the desires of the few.

Mr. President, I expect that some will attempt to mischaracterize my efforts to close special interest tax loopholes as a tax increase. If there was a special tax credit for Members of Congress, and we closed that loophole, no one would claim that we were raising taxes. However, when we attempt to close tax loopholes for the oil and gas industry, the agricultural industry, or other industries, we hear the champions of these special interests claim that we are trying to raise taxes.

Tax loopholes give some individuals and corporations a special exception from the rules that oblige everyone to share in the responsibility of our national defense and protecting the young, the aged, and the infirm. The only way to let everyone keep more of what they have earned is to minimize these tax expenditures so that we can reduce the burden of the national debt and bring down tax rates fairly, for everyone.

Finally, if, by balancing the budget, we realize additional savings, my budget provides that these savings may be used to provide a middle-class tax cut. This tax cut would not be available until after we have achieved the savings necessary to put us on a path toward a balanced budget. It is my strongest hope that we will have these savings in order to provide much needed tax relief to working families in New Jersey and across the country.

Frankly, Mr. President, I do not expect my budget proposal to pass. By asking the Defense Department, the tobacco industry, agribusiness, and other special interests to share in the burdens of balancing the budget, my proposal takes a small bite out of a number of sacred cows. As a result, I anticipate that my budget proposal will raise a good deal of organized opposition. Unfortunately, unlike defense, tobacco, and the wealthy, most Americans cannot afford high-paid lobbyists to protect their interests. So, in all likelihood, my budget proposal will be defeated, average Americans will be left bearing the burden of balancing the budget, and special interests will continue to enjoy all of their same benefits at the expense of the rest of us.

Mr. President, fundamentally, my budget proposal is about setting priorities. There's no serious disagreement between Democrats and Republicans on the need to balance the budget. In fact, my proposal would reduce the deficit by even more than the Republican proposal. However, the real question that my proposal raises is how we should balance the budget. Either we can balance the budget by raising taxes on working families and cutting needed assistance for children and the elderly—as the Republican proposal would do—or we can spread the burden for balancing the budget more fairly—as my proposal would do.

I am very pleased that our Republican colleagues have chosen to join the fight to eliminate budget deficits. Again, I commend Senator DOMENICI for introducing a budget resolution which seeks to achieve that goal. At the same time, however, I have serious concerns about many of the specific proposals contained in this budget. I am deeply concerned for our Nation's children, families, and seniors. And, I am concerned that many of the cuts in the Republican budget proposal are necessary because of a refusal to simply slow the rate of growth in special interest loopholes.

Mr. President, America needs a balanced budget. But it deserves a much better balanced budget than that proposed by our Republican colleagues. The budget I have proposed will balance the budget without losing sight of the obligations we have as a nation to our children, families, and seniors.

Mr. LIEBERMAN. Mr. President, today, by voting for the amendment offered by Senator CONRAD, I voted to balance the Federal budget by the year 2002. I was pleased to work with Senator CONRAD in recent days on his amendment, and I am particularly pleased that it restored funds for education, economic growth, job training, and environmental protection. Senator CONRAD's amendment would have balanced the budget by making tough choices: it drastically slowed the increase in spending on Medicare and Medicaid; it froze discretionary spending, meaning no real growth in spending over the next 7 years; it closed tax loopholes and eliminated wasteful subsidies.

I did not agree with every detail of this amendment, but it came closest to my priorities in terms of what we need to preserve and what we need to reduce or get rid of to reach the goal of a balanced budget. It balanced the budget without harming our Nation's defense or reducing our fight against crime. It did so without slashing Government's commitment to helping businesses create jobs, helping children receive a good education, and helping protect our environment from pollution.

I am sorry that the amendment did not pass, but I do not regret my decision to support it, because I believe achieving a balanced budget is essential if we are to keep our economy strong and keep hope for a brighter future alive for our children.

After careful consideration of the budget offered by Senator DOMENICI, I decided to vote against it. I have great admiration for what he has done: he brought a serious balanced budget to the floor and shaped a historic debate over the direction of our country. Senator DOMENICI deserves much credit for putting us on the path toward a balanced budget.

But I concluded the path his budget takes to achieve that goal is too strewn with policies that I do not support. The worthy end does not justify the harsh means. I decided to oppose the Budget Committee's budget because it: reduces government's key role in promoting education, research, technology, and trade promotion, all of which are crucial to our children's economic future; turns back the clock on environmental protection, threatening to foul our waters and beaches and pollute our lands; and increases the tax burden on working families by canceling the expansion of the earned income tax credit.

I could not reconcile the Budget Committee's balanced budget with the steps taken to achieve that balance. If there were no other way to achieve a balanced budget, I would have had no choice. But the Conrad Amendment proved that there is a better way.

One final point: this has been, for the most part, a sober, substantive debate over a serious, precedent-setting budget resolution. But too much politics was being played by both parties. Unfortunately, some Democrats used this occasion too frivolously by simply sniping at the Budget Committee's plan for short-term, partisan gain. As a consequence, they have helped reinforce an image of our party as reflexively committed to spending and the status quo. I also regret that the leadership of the Republican party failed to reach out to those of us on the other side of the aisle who share a genuine commitment to a balanced budget to fashion a budget that could have won substantial bipartisan support. By acting alone, I believe they have gone too far.

This is the first step of a long process, however, and I hope we can begin to work together so that, in the end, we can pass a bipartisan balanced budget.

THE BUDGET RESOLUTION

Mr. KERRY. Mr. President, America has three deficits—not one. And we have to address all three if we are to solve our fiscal and social problems. We have to cut the budget and reduce the fiscal deficit, but, as I have said before, we also have an investment deficit and a spiritual deficit that require our collective commitment to retool and rebuild our communities, our politics, and our culture for the next century.

This budget, Mr. President, is wrongheaded and misdirected in concept as well as in substance. It is at best myopic and at worst destructive.

I have come, once again, to the floor to talk about the three American deficits, not one about a commonsense approach to the budget and about fair cuts. These things seem to have eluded my friends on the other side of the aisle, and I submit that this budget proposal, Mr. President, proves it.

I have to say, first, I think the American people are looking for an honest, truthful budget that tells them what really is being cut and who will bear the burden.

Mr. President, we all want to eliminate the deficit. It is bankrupting this country, but to cut Medicare and break a generational compact with American mothers and fathers who are retired and struggling to make ends meet in order to pay for tax cuts for the wealthiest among us is not the way to do it.

I was both troubled and in a way amused to see, Mr. President, that the Republican cuts in Medicare actually take "choice" in health care away from senior citizens. They will not be able to chose their own doctors. That is exactly what my friends on the other side complained about last year when they rejected the President's health care plan because working Americans would not have a choice of doctors.

And now, here they are doing what they said was wrong for workers last year, but in their minds is apparently right for senior citizens this year.

Mr. President, this is the height of hypocrisy. We saw television commercials that played on those fears, and here we are today with those same Republicans doing what they claimed a year ago was dead wrong.

If that is not a flip-flop on the fundamental issue of health care reform, then I don't now what is.

Let me say a few things about Medicare, Mr. President.

Medicare was a Democratic compact and I—for one—will not trade it for an ill-conceived attempt to score political points.

It is a bedrock program that provides adequate health care to one out of every seven Americans—that's 38.3 million people—38.3 million Americans who worked hard, played by the rules, and made plans based on our contract with them, and we won't break it.

Without these benefits many if not most of our seniors would have limited access to adequate care, and in many cases no treatment at all.

Mr. President, when it comes to Medicare, turning our back on our commitment to the elderly and disabled by asking them to pay almost $900 more per year in premiums, $1200 for home health services, and $100 more per year to meet their deductible may be what the Republicans think they need to do to keep their promise to protect the wealthiest and the strongest in this society, but it is not part of the Democratic commitment to protect average, hard-working Americans.

That is not to say that Medicare doesn't need to be fixed, but this is not how we ought to fix it.

Mr. President, I find it very interesting that the proposed cuts in the Medicare program under this Republican plan virtually equal the total amount the Republicans have budgeted for a tax cut for the wealthy.

They have to break a promise to millions of Americans who live on fixed incomes and have made careful plans based on our commitment to them to achieve their goal.

It is absolutely outrageous. It is fundamentally unfair. And it's just plain wrong.

We need to fix the system, Mr. President, but fixing it does not mean using it to balance the budget or win some ideological points.

The system is, indeed, costly. This year's estimated Medicare expenditures will be 10.4 percent higher than last year. But that is not the function of government largesse. It is the function of a number of factors: including a rapidly aging population resulting in more beneficiaries, increases in the costs of medical procedures, inefficiencies in the utilization of medical services, and the costs of new technologies for increased medical care.

For all these reasons, Mr. President, Democrats supported comprehensive health care reform last year, and my colleagues on the other side took a walk on it; and now I am amazed to hear my colleagues demanding that the Democrats should take the lead on the budget and do something about health care costs.

We did, and they said no. Now it is time for them—now that they are in the majority—to stand and deliver.

The truth is that the President's proposals to accomplish this last year were shot down by the Republicans without their offering even a single alternative—and despite all the publicity of the Contract With America, it has not produced even the beginnings of a broad health care reform proposal, much less a comprehensive plan this year.

Mr. President, it has been my belief that we must gain control over the increases in Medicare costs. But it should be done in the context of comprehensive reform of our health care system, not by willy-nilly cutting benefits to the elderly.

The problem with Medicare is nothing new. It has been articulated by the trustees, and by every responsible government official. For this reason, Mr. President, when this latest political effort to trade Medicare for tax cuts is over, I anticipate that this Congress, Republicans and Democrats, will support a broad range of bi-partisan reforms that will make the Medicare trust fund solvent—just as we did for Social Security in 1981.

I do not support dumping those problems on the States, or thoughtlessly cutting eligibility for these programs or the services they finance for the elderly.

And I am not for cutting reimbursement rates to providers so deeply that they leave the program, go out of business, or simply shift costs to individuals who pay for their care directly or with private insurance.

Mr. President, I will support only thoughtfully-devised approaches designed to address these six basic reforms to Medicare: eliminate unneeded care and treatment; put a stop to paying for ineffective treatments; increase inefficiency of the entire medical care delivery system; emphasize preventive rather than remedial care; emphasize outpatient rather than inpatient care; and implement financial reforms that build-in disincentives to excessive use of medical services without inhibiting needed preventive care.

Any plan that addresses these six basic areas will represent the kind of comprehensive reform we need.

But, Mr. President, we must approach reform intelligently and compassionately with a deep and abiding regard for the promises we've made to elderly Americans who have reached the age of 65 and have planned on Medicare benefits.

Medicare needs to be fixed—not raided.

Having said that Mr. President, I believe that Medicare is hardly the only problem with this proposed budget.

I have said on this floor, and I will say it again, that we face an enormous fiscal deficit and I am prepared to make the cuts necessary to reduce the deficit and avoid bankrupting our children and grandchildren, if they pass the fairness test and the common sense tests.

But I want to discuss how this budget fails to address the two other American deficits.

Yes, we face a growing fiscal deficit, but we also face a growing investment deficit and a growing spiritual deficit, and this budget is wrongheaded in not understanding or appreciating the significance and interrelation of the three American deficits that are ruining this nation.

As much as we need to reduce the fiscal deficit we also need to increase living standards, create jobs, educate our children and our workforce, and preserve and protect the quality of life that generations of Americans have come to expect.

I believe the budget debate should focus on attacking all three of these deficits:

The first is the fiscal deficit. The national debt has more than tripled since 1979 and will soon top $5 billion. Just the interest payments on the debt affect every other budget decision we can make. We know that.

We know that if we let this continue, we will be crowding out all the other choices we can make: how much we can spend on national defense and on essential social programs like drug treatment and prevention.

The second deficit is the investment deficit. We need to find ways to invest in our infrastructure as well as in our people. A nation that does not invest is a nation that has given up hope for the future. We are not such a nation.

And let me tell you, we are a nation that has always found a way to build and grow—re-tool and re-invest in education, in business, in the arts and sciences, in our culture and in our families. We need to remove unnecessary regulations so business can create jobs while, at the same time, we maintain the health and safety of every American.

The third deficit is the spiritual deficit. Values, my friends, do not come from laws and speeches. They come from families, teachers, and churches.

There are millions of young Americans today who no longer have significant contact with any of these sources.

If this country is going to have children having children; if families are going to continue to erode—then our ability to reach these kids is essential. If that means investing in community organizations with a track record of success, then we should do it.

So, I submit that this budget debate needs to go beyond the political rhetoric about our fiscal deficit. We all agree that we need to downsize and streamline government, but we must not lose sight of our obligation to reinvest in our people and in our nation to keep both strong.

Mr. President, let me quote from an editorial on this budget debate in the Washington Post on Tuesday by E.J. Dionne. I think he asks an important question that must be addressed.

He asks, "Will Democrats be bold enough to question the Republicans' core assumptions about government? The issue in this debate," he said, "should not be whether to reduce the deficit, but how that can be done in ways that will increase living standards and average wages, which have been dropping for two decades."

Now, Mr. President, I am challenging those core assumptions of the Republicans because I believe they are shortsighted and wrong. And I believe that we will not be in an economic position to increase living standards until we have a budget that addresses the three American deficits simultaneously.

In fact, Mr. President, I submit that if we pass this budget we will dramatically increase our investment and our spiritual deficits because we will not have committed ourselves to creating opportunities and jobs. We will not have committed to preserving the fundamental structural integrity of our nation—whether it's our roads, railroads, and bridges, or our values and our belief in citizenship and in the concept of community.

This budget, Mr. President, is, therefore, wrong-headed, misdirected. It doesn't make any sense. It fails the common sense test. It fails the fairness test.

This budget disinvests in people and makes us less competitive.

It cuts Medicare by $256 billion; it cuts student aid by $14 billion; it terminates AMTRAK by the year 2000—terminates it.

Do you know that we are 34th in the world in our commitment to our rail system which industry and commerce rely on. We are behind Ecuador and just ahead of Bangladesh. And the Republicans now want to cut all support for the railroads.

The proposed budget decimates environmental programs and cuts all the crime prevention programs we passed last year.

It cuts $34 billion from food and nutrition programs.

It cuts unemployment compensation, SSI, and other programs under the jurisdiction of the Finance Committee by $66 billion.

But this so called revolution doesn't stop there. It disinvests in our infrastructure by cutting $3 billion for airports, highways and school improvements.

It disinvests in job training for young people by cutting $272 million. It disinvests in summer jobs for kids by cutting $871 million. It even disinvests in safe drinking water with a $1.3 billion cut in grants to the states to keep our water clean.

These are not just draconian cuts that go to the heart of our ability to address the three deficits we face. They are the symbol, Mr. President, of a wrong-headed political philosophy that does not represent the mainstream of America.

So, I submit that this budget is fundamentally flawed in its concept and is designed simply to achieve the political goals of a minority of anti-government zealots who are blind to the real needs of this nation. They cut what we need and keep what we don't.

Let me conclude by saying, Mr. President, that I am emphatically for a balanced budget. I voted for the Bradley and Conrad alternative budgets because, though they are not perfect, they better protect Medicare, Medicaid, education, and other critical government services and they make better choices than the Republican leadership's budget.

What the Bradley and Conrad alternatives prove is that we can balance the budget in less than ten years without increasing income tax rates for lower- and middle-income Americans. They prove in somewhat different ways that we can balance the budget without pillaging or eliminating key government services on which tens of millions of Americans depend and which are critical to keeping our nation competitive and our people healthy, happy, and safe.

Both of these alternatives balance the budget in a fairer fashion than the Republican leadership in both the House and the Senate has tried to persuade the American people is possible.

Mr. President, until my Republican colleagues understand that this budget is about people and their future and the future of our nation, and that there are three deficits we face as a nation—until they change their core assumptions about what we must preserve as well as what we must cut, then they will have failed, as the majority party, to legislate in the best interest of the people who have entrusted them with the fundamental process of this democracy. As I oppose this Budget Resolution, I commit to continue working to place us on a different course that will permit us to realize our potential as a nation.

AMENDMENT NO. 1150

OIL AND GAS LEASING IN THE ARCTIC NATIONAL WILDLIFE REFUGE

Mr. KERRY. Yesterday the Senate voted on an amendment sponsored by Senator ROTH which removed from the budget all savings attributable to enactment of legislation to open the Arctic National Wildlife Refuge (ANWR) to oil and gas leasing. The Arctic Refuge is often referred to as America's Serengeti because of its outstanding wildlife, beauty and recreation opportunities. ANWR serves as the staging area for thousands of migratory birds, denning habitat for polar bears, and calving grounds for the 160,000 member Porcupine Caribou Herd. Moreover, the Refuge plays an integral part in the lives of the Gwich'in people, whose members depend upon the seasonal migrations of the caribou for both survival and cultural identity. The biological heart of this pristine wilderness is the 1.5 million acre coastal plain.

The fate of ANWR has been the subject of a complex and highly contested debate for more than a decade. That is why I am deeply saddened that the Budget Committee would use this back door approach via the budget process to try to open one of the Nation's last great wilderness areas to oil drilling.

Under current law, receipts generated from assets sales and leases cannot be used for deficit reduction. I fear using the anticipated $1.4 billion proceeds from opening ANWR to drilling for deficit reduction may signal the beginning of a "fire sale" of natural resources such as the ANWR. For many Americans, trading the Arctic Refuge wilderness for a one-time budget reduction, and the possibility but only the possibility of finding oil, is simply not worth it. The environmental costs of opening the Refuge to leasing are not worth the estimated benefits, especially when the oil—estimated to supply only a 200 days supply of oil for the nation—is not needed because small gains in energy conservation could provide both more energy and more job creation than developing all of the potential for oil available in ANWR. It is very ironic that, while taking the first step towards opening up ANWR for exploration for petroleum, this budget will cut funding for energy conservation programs that could decrease our dependence on petroleum and create more U.S. jobs. A national energy efficiency program would create, on average, ten times the number of jobs that might be produced from Arctic Refuge drilling.

All Americans have a stake in our national wildlife refuges and parks. The Arctic National Wildlife Refuge is the crown jewel of the National Wildlife Refuge System. The Refuge is a wilderness area unique not only in the United States but in the world. The words of the renowned naturalist, George Schaller, say it all:

> Based on my experience, I conclude that the Arctic National Wildlife Refuge in all its magnificent diversity, from mountain range to coastal plain, is unique and irreplaceable not just on a national basis, but also on an international basis. It is sometimes thought that there are still many remote and untouched wilderness areas in which the earth's biological diversity will be protected . . . Most remote ecosystems, both inside and outside reserves, are rapidly being modified. The Refuge has remained a rare exception. It represents one of the last and true large wilderness areas left on earth, an area unspoiled, its biological systems intact. Our civilization will be measured by what we leave behind. The Refuge was established not for economic value but as a statement of our nation's vision. There are certain places on earth that are so unique that they must be preserved without compromise . . . Such places include the Virunga Volcanoes with its mountain gorillas, the Serengeti plains, the Chang Tang of Tibet—and the Arctic National Wildlife Refuge.

Mr. President, I voted for the Roth amendment primarily because I believe it is unconscionable to allow the degradation of the "biological heart" of the only complete arctic ecosystem protected in North America without a thorough and substantive debate undertaken in full view of the American public. I terribly regret a majority of the Senate did not vote the same way and that we moved one step closer to what I believe is an unacceptable outcome.

Mr. EXON. Mr. President, I yield 2 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair. I thank the ranking member.

I wish to commend the chairman of the Budget Committee and commend the ranking member for really an exceptional effort. The chairman of the Budget Committee has been truly dedicated to balancing the budget and deficit reduction for as long as I have been a Member of this body, and I wish to pay respect to that commitment.

The goal is absolutely right. This is precisely what we must do for the country's future. I think all of us who have worked on the budget understand that we must rein in the growth of entitlements, we must look at freezing defense spending and domestic discretionary spending if we are going to have a chance to do what is the right economic policy for this Nation's future. It will mean a better future for America if we achieve a balanced budget.

Mr. President, I do not believe the specifics that we have in this plan are yet a fair sharing of the burden of deficit reduction.

It seems to me that the middle-class children and the elderly have been ordered into the front lines, but the wealthiest among us have been ushered to the sidelines. More than that, they have been put at the head of the line for additional tax preferences, tax breaks, and tax loopholes.

Mr. President, I do not think that is right. A group of us offered an alternative. We called it the fair share plan because we think it had a more equitable distribution of the burden of reaching a balanced budget, and we reached a balanced budget in the year 2004 without counting the Social Security surpluses. We had more deficit reduction in the year 2002 than the plan we will vote on momentarily.

But perhaps the most interesting irony is that as part of our plan, we proposed closing tax preferences and tax loopholes. Yesterday, the other side said that was a tax increase. But interestingly enough, the last vote that we had on an amendment offered by a Republican Senator was to do precisely what we advocated.

The Senator from Maine offered an amendment to restore funding to education priorities and do it by closing tax preferences and tax loopholes. I am glad they have put it on the table. It got 67 votes, when that was the last amendment adopted because that is precisely what direction we ought to take to reach a fair conclusion when we vote on reconciliation. I hope we do that, Mr. President. I hope we do that.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BIDEN. Will the Senator yield me 2 minutes?

Mr. EXON. I yield 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BIDEN. Mr. President, we have reached an important point in dealing with the budget deficit. The Senator from New Mexico has proposed a deficit reduction budget that is real. The Senator from Nebraska and the Senator from the State of North Dakota and Senator BRADLEY and I, although they are different plans, have introduced proposals that are real, genuine reductions in working on a balanced budget and moving to a balanced budget within 7 years.

But there is a big difference here. I believe the one we are about to vote on is simply not fair. We can get there from here fairly. There is a fundamental difference in the approach taken by Senator BRADLEY and myself and the Senator from North Dakota, and others, and the Republican proposal, and that is, we put a lot less burden on the elderly, a lot less burden, or no burden, on college loans, a lot less burden on middle-class folks. We increase the burden on other elements of society. The point is, we do look at and do play a major part in dealing with closing tax loopholes.

It is a big difference. It is a fundamental difference, but this is only the first round of the fight. This is a budget resolution that does not mean a darn thing other than as it guides us. It is not a law. It does not change anything. The President does not get to veto it or sign it. We now get into the hard stuff, the hard part.

I am confident that as the American people understand the commitment on both sides to move to a balanced budget, they are going to be able to begin to weigh what the real costs are, and they are going to make a judgment whether or not cutting Medicare and Medicaid by $400 billion is a better way to go than closing $176 billion worth of tax loopholes. They are going to make those basic judgments. I think we will be back at it again. I compliment the managers of the bill for their diligent effort.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI. I yield 1 minute to Senator THURMOND.

The PRESIDING OFFICER. The President pro tempore of the U.S. Senate is recognized.

Mr. THURMOND. Mr. President, we have the greatest nation in the world. It has given us more freedom, more justice, more opportunity and more hope than any nation has given its people in the history of the world. If we are going to keep it free, though, and enjoy freedom and democracy, we have to do at least two things: We have to keep a defense that is strong to protect us from our enemies. And the other thing is, we have to take steps to handle our finances correctly. We have not balanced this budget but once in 32 years, eight times in 64 years. We cannot keep on like this.

I want to commend Senator DOMENICI, the chairman, for the great job he has done. I also commend the able Senator from Nebraska for how he has handled this bill on the floor. In addition I commend Senator DOLE, for the leadership he provides.

Mr. President, we must take steps to take care of our finances. If we do that, and protect our defense, we can continue as the greatest nation in the world. I hope we will take a step tonight toward putting our fiscal house in order, and pass this Budget Resolution. I thank the chair and yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, it is my understanding both the distinguished minority leader and the majority leader each have 5 minutes of the allotted 40 minutes. How much time is remaining?

The PRESIDING OFFICER. There are 9 minutes left for the Senator from New Mexico and 2 minutes left for the Senator from Nebraska.

Mr. DOLE. I wonder if I might inquire of the Democratic leader, will he speak following the Senator from New Mexico?

Mr. EXON. Mr. President, the order, I thought, was I would speak, Senator DOMENICI would speak, Senator DASCHLE, and then Senator DOLE. That is what we tentatively agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 4½ minutes so the Senator from Kansas can make the final remarks on our side.

Mr. President, there are so many people to thank. I do not believe I am going to try to thank them name by name, because I am going to forget some. But I must say, there are 11 Senators that I must thank very personally and very specifically.

Senator DOLE, on January 6, assigned the Budget Committee and I was its chairman. As I looked at the Senators that were assigned and the Senators that were left from previous years, I wondered how would I get 12 Senators to vote together.

Maybe to those on the outside they would not understand this, but let me just read off the names as I thank them individually and share with our leader how difficult and daunting I thought the chore was on January 6:

Senator GRASSLEY, Senator NICKLES, Senator GRAMM of Texas, Senator BOND, Senator LOTT, Senator BROWN, Senator GREGG, Senator GORTON, Senator SNOWE, Senator ABRAHAM, and Senator FRIST. That is a very diverse group of Republican Senators.

But let me say to the American people, a very significant event is going to occur tonight when we vote on this balanced budget. And as it is recorded and as we look back on it, while many deserve credit, none deserve the credit more than these 11 Senators who joined with me in producing what I am absolutely convinced is a fair budget, is a good budget and will, indeed, protect today and tomorrow. It is a budget for today and a budget for tomorrow.

The tomorrow part is shown right here behind me. I am not going to go through each one. Here are five little children and a set of twins.

Mr. President, if you look at those big numbers on each of these including—let us pick whatever you want, Sam and Nicholas. You can guess about how old they are. You see that $151,000. Mr. President, I say to my fellow Senators that $151,000 is what those children will pay out of their income to pay the interest on the national debt if we were to adopt the President's budget and stay at current law.

Mr. President, I say to my fellow Senators, we can talk all we want about who this budget helps and who it hurts. But I want to tell you, for one thing, you cannot continue to do that to our children or there will be no America, there will be no future. For what will young people have to work for if they work for us to pay our interest on our debts which we adult leaders refuse to pay?

Frankly, what we are saying today is a very simple vision. For the first time in 25 years, the grown-up leadership of America is going to say we are going to pay our own bills. If we want to give citizens of the United States benefits, if we want to have programs that we herald across America, we are going to pay for them or we are not going to have them. That is what this budget says, 7 years from now, not tomorrow, for some would say, is it not too quick?

How quick is too quick? Twenty-five years in deficit and 7 more in deficit—that is 32, I say to my friend. When is it enough? Mr. President, let me suggest that Senator EXON has been a marvelous ranking member, and I thank him, his great staff and my great staff. But I do not believe it is fair to say that there was no room for cooperation. It is now many, many days since we put forth a comprehensive budget that everyone that has looked at it says not only is it fair, but it is filled with integrity. It is honest, it has no smoke and mirrors, and, if implemented, its probability for a balance is very, very high. We cannot do much better for our people than to produce that.

Now, frankly, I have not seen any real serious effort to try to address the issues that we put before the Budget Committee or here on the floor. Frankly, in the committee they have an argument. The first couple of days they did not know enough about it. Even after they found out about it, the amendments all went to spending more money but taking it out of the reserve fund.

I close today saying to my fellow Americans—young, old, seniors, military men—you all ought to be proud of the Senate tonight because we will vote about 56 or 57 strong to preserve today and make sure that we are strong and powerful in the future and that our children live in a land of opportunity.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. How much time remains?

The PRESIDING OFFICER. Four and a half minutes to the Senator from New Mexico, 2 minutes to the Senator from Nebraska.

Mr. DASCHLE. I will use additional leader time, if I must, to accommodate whatever time is required for my remarks.

Mr. President, let me begin by commending the distinguished chairman of the Budget Committee and the ranking member for what I consider to be an outstanding job. They have led this

Senate in the last several days in a very good-faith effort, and I applaud their work, and I applaud the staff, especially, for what has been an extraordinarily arduous and extremely meaningful project for which we can all be very proud.

Let me also say there is absolutely no disagreement with what the chairman said about those children. There is no disagreement about how concerned we are about the debt they are incurring. There is no disagreement whatsoever about their futures and how important it is that we address this budget. The only disagreement is how we got the interest amounts that were designated under each picture. The amounts those children have to pay, in large measure, were run up in the Reagan and Bush administration years, and everyone understands that.

The question now is: How do we get out of it? Because for the last couple of years, that is what this administration has given us the opportunity to do—to begin making the downpayment on a balanced Federal budget.

So this debate is about priorities. It is not about goals. Everyone understands the importance of the goal. We agree on the need for a balanced budget. We agree on the need for a date certain by which the budget should be balanced. We agree on the tough choices that have to be made.

We offered over 50 amendments to this budget resolution and not one—not one, Mr. President—would have increased the debt. Not $1. Only one moved back the date, because it was honest, because it did what we said a couple of months ago we had to do, and that was to exclude Social Security. In fact, this budget resolution does not bring about a balanced Federal budget by the year 2002 as touted. On page 7, on line 21, it shows that we will still have a $113 billion debt, money borrowed from the Social Security trust fund to make the budget appear balanced.

Whether or not Social Security is included, let me reiterate that this debate is about priorities. This debate is about what is important. With or without Social Security, we agree on the goal.

When it comes to those priorities, this budget resolution, in the opinion of most Senators on this side of the aisle, is fundamentally flawed. We have many substantive disagreements, but most of them boil down to one core difference—the Republican majority has insisted on tax cuts for the wealthiest 1 million Americans, and they have made that the highest priority above everything else. As a result, this budget takes the side of the privileged few. It virtually abandons ordinary Americans, families, students, veterans, seniors, and children. It demands deep sacrifice from America's middle class, while it showers tax cuts on the elite.

We knew the Republicans had the votes to pass this resolution. That was never in doubt. What Democrats have tried to do is to reveal the truth about this budget and to try as best we can to improve it.

Without increasing the debt, Mr. President, our priority was to ensure that millions of older Americans have access to health care, by taking $100 billion in tax cuts for the most prosperous among us and investing in the health of senior citizens. The Republicans said "no."

Without increasing the debt, we tried to help millions of young Americans by investing $40 billion in education and averting the largest educational cuts in our Nation's history. The Republicans said "no."

Without increasing the debt, we tried to assist 12 million working Americans by repealing a $21 billion tax increase by slightly reducing the huge tax breaks going to the 1 million wealthiest among us. The Republicans said "no."

Without increasing the debt, we tried to invest a small part of the tax cuts in science, technology and research. The Republicans said "no."

We tried to use the tax cuts to reduce the deficit. The Republicans said "no."

With our amendments—and without increasing the debt—we tried to help seniors, to lower the heavy burden on students, to attempt to be fair to veterans and to farmers and to small businessmen and to families, to reduce the deficit. And on virtually every occasion, the Republicans said "no."

We even tried to ensure that the middle class would be the beneficiaries if we had a tax cut, and that 90 percent of the benefit would not go to the 10 percent of us who are the most well-to-do. And again, the Republicans said "no."

Time after time, amendment after amendment, the wealthy won and the middle class lost.

Fairness and equal sacrifice were great goals, but they were lost to the higher Republican priority—a tax cut we simply cannot afford.

This budget is fundamentally flawed, Mr. President. It does not strengthen America; it weakens it. It does not bring us together; it moves us apart.

The "haves" will have more and the rest will have less.

It is not what the American people would have as their priorities, not when you put tax cuts for the privileged ahead of seniors, students, families and deficit reduction.

But this is a long process. It is only the beginning. Today is the easy part. When the American people understand whose side this budget is on, I believe they will demand that we change it. By the time the committees confront the hard choices in reconciliation, the public will understand who is sacrificing and who is benefitting. This budget will be altered, or it will not become law.

Democrats remain committed to balancing the budget. We remain open to working with Republicans to fashion a bipartisan budget. But it must be a budget that asks equal sacrifice and does not exclude the privileged few.

It must be a budget that invests in America, even as we reduce spending, a budget that pulls Americans together, rather than divide us. We can do that, Mr. President. It is not beyond our reach. And the American people expect no less.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, like most Senators, I have lost track of the meetings I have attended. But a few years back, I was in a meeting that I will never forget.

These people were not presidents or prime ministers. They did not run big businesses. In fact, most of them did not even have a job.

Who were they? They were high school seniors—100 of them—one boy and one girl from each State.

The reason why I will never forget that day is because of what they taught me—and what they should teach all of us.

Sometime during our meeting, one young man stood up and said, "Senator, it seems like every group of Americans is represented in Washington. Everyone has somebody who speaks for them." "But who speaks for us?" He asked me, "Who speaks for the future?"

It was a good question then. And it is a good question now.

And for far too long, the answer has been that "No one speaks for the future." Instead, we have piled deficit upon deficit, mortgaging our children's future for the temporary convenience of the present.

But today, the Senate will make a statement, and we will make history in the process.

We will finally begin to unpile the deficits. We will finally begin to speak for the future. And we will do it with one word—leadership.

Harry Truman was right when he said:

> Where there is no leadership, society stands still. Progress occurs when courageous leaders seize the opportunity to change things for the better.

And let us be frank. When it comes to reducing the deficit, Congress has stood still—frozen in place year after year after year, as our debt grew bigger and bigger and bigger.

But in November 1994, Americans voted to change all that. For the first time in 40 years, they gave control of Congress to the Republican Party. And with that control came a responsibility.

A responsibility to do what we promised—a responsibility to act courageously—a responsibility to change things for the better.

And under the leadership of Senator DOMENICI that is exactly what we have done. We have accepted the responsibility of leadership. We have made the tough choices. We have put a plan on the table that will result in a balanced budget within 7 years.

This budget is based on the underlying principle that we simply cannot go on spending our children's money.

In fulfilling that principle, those bureaucracies and programs counting on their usual big spending increases must learn to make do with less—$961 billion less over the next 7 years, to be exact.

And we begin right here in Congress, as this budget reduces legislative branch spending by some $200 million.

Those who are used to more and more power flowing to Washington, DC, will have to adjust to a new tide, where power is carried back to the States and to the people.

And we will have to learn how to make do without the Department of Commerce, and its more than 140 Federal departments, agencies, and programs. This Senator is confident that we will do just fine, thank you.

And despite the rhetoric coming out of the White House, this budget also recognizes that Government has certain responsibilities.

Responsibilities like taking the steps necessary to preserve, improve, and protect Medicare, which three of the President's Cabinet members tell us will go bankrupt in 7 years if we do nothing. We do this by slowing the growth rate of Medicare—while still allowing Medicare spending to increase by $1.6 trillion.

This budget also recognizes that there are those in need who depend on Government programs, and who often have nowhere else to turn.

Therefore, it provides for an additional $36 billion in spending for Medicaid.

It increases funding for the Women/Infant/Children Program by $2 billion.

It increases funding for food stamps, for aid to families with dependent children, for supplemental security income, and for the earned income tax credit.

Is the budget perfect? Of course not. Some of us would have reduced spending in other programs than the ones chosen. Some of us would have increased spending in others. And some of us—including this Senator—would have dedicated more funds to reducing the tax burden on Americans.

But make no mistake about it, this budget does provide tax relief.

The $170 billion fund this budget creates must and will be devoted to tax reductions that will help America's families, stimulate savings, increase investment, create jobs, and promote economic growth.

Family tax credits, spousal IRA's, estate tax relief for family businesses, and a capital gains rate reduction are some of the actions I will promote as Senate majority leader, and as a member of the Finance Committee.

Additionally, it's no secret that when the House and Senate return from conference on our respective budgets, we are likely to return with a budget that will dedicate even more funds to tax relief.

Mr. President, when Republicans drew up our plan to reach a balanced budget, we also drew a line in the sand.

And we said that those who are serious about balancing the budget will cross that line and work with us, or propose an alternative.

And those who are not serious will stay on the other side of the line and offer no leadership. I regret to say that President Clinton has never come close to crossing that line.

While he says we have the wrong plan, he never comes close to saying what the right plan is—except one that gave America $200 to $300 billion deficits well into the next century, and that would have added $1.2 trillion to our debt in the next 5 years.

Thankfully, that plan was defeated by a vote of 99–0.

Instead of leadership, the President offers fear. And he casts his net far and wide. Seniors, children, the so-called middle class, the needy, farmers, students, the list goes on and on. Each day, the President tells them they should be afraid of our budget, they should be afraid of Republicans.

Let me again quote the words of Harry Truman. Truman said:

> America was not built on fear. America was built on courage, on imagination, and an unbeatable determination to do the job at hand.

So, Mr. President, we will win this vote today. We will take our budget to conference. We will work with the Republican majority in the House. And we will return with a plan that will balance the budget in 7 years. We will do it with the help of the American people—people who have always exhibited courage, imagination, and an unbeatable determination to do the job at hand.

I conclude where I began. With speaking for the future. And I conclude not by quoting Harry Truman, but by quoting another President.

> Somewhere at this very moment, another child is born in America. Let it be our cause to give that child a happy home, a healthy family, a hopeful future. Let it be our cause to see that child reach the fullest of their God-given abilities.

Those words were spoken by Bill Clinton in 1992, as he accepted his party's nomination for President.

And with passage of this budget, Republicans will turn those words into action. Because somewhere at this very moment, another child is born in America.

And that child comes into the world already owing $18,500 as his or her share of the national debt.

That child comes into the world with the knowledge that he or she will pay $163,300 in taxes during his working life just to pay off interest on the debt. That child comes into a world facing a future of fewer jobs, fewer opportunities, and higher interest rates.

Today, with this vote, we begin to change that child's world for better.

Today, we begin to speak for all the children born today and in the days to come.

Today, we begin to speak for the future.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar No. 115, the House budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

> A concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that all after the resolving clause be stricken and the text of Senate Concurrent Resolution 13, as amended, be substituted in lieu thereof, and that the Senate amendment be adopted, and that all time on the resolution be yielded back.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is now on agreeing to the concurrent resolution.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

CHANGE OF VOTE

Mr. HATFIELD. On rollcall vote No. 231, I voted "no." It was my intention to vote "yea." Therefore, I ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote. This has been cleared by the two leaders.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Maryland [Ms. MIKULSKI] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—57

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—42

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Mikulski

So the concurrent resolution (H. Con. Res. 67), as amended, was agreed to.

(The text of the concurrent resolution will be printed in a future edition of the RECORD.)

(Applause.)

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate insist on its amendment and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

MORNING BUSINESS

Mr. DOLE. I want to ask that there be a period for the transaction of routine morning business for about the next 10 minutes or so. There are a couple of people who want to speak. Then we will turn to the terrorism bill.

Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with Members permitted to speak for not more than 5 minutes each, and that at 6:45 the Senate then turn to the consideration of Calendar No. 192, S. 735, the antiterrorism bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 856 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

HEARINGS ON TERRORISM

Mr. SPECTER. Mr. President, the Subcommittee on Terrorism of the Judiciary Committee was scheduled to have hearings on terrorism today.

Those hearings could not be held because the Senate was in session continuously from 9 a.m. with rollcall votes of 9 minutes. So those hearings had to be postponed. They are going to be held on Thursday, June 8.

A good many people came from substantial distances. I expressed our regrets that we could not hold the hearing. But it was not possible to do so. But I did tell them that the statements which had been submitted would be put in the RECORD at this time so that their prepared statements could at least be read by Members of the Senate or those interested in reading them.

At this time, I ask unanimous consent that the statement of attorney John W. DeCamp, the statement of Mr. Norman Olson, the statement of Mr. Leroy Crenshaw, and the statement of the Militia of Montana be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Memorandum from: Senator John W. DeCamp, Atty.

To: Sub Committee on Terrorism, U.S. Senator Judiciary Committee.

Re: Testimony to Committee.

To paraphrase an old saying. . . . "Five months ago I couldn't spell 'Militia' and now I represent one."

It was five months ago I agreed to PROVIDE LEGAL ASSISTANCE TO the leaders of the Montana Militia on a dozen felonies. Why? I felt the felony charges involved open and shut first amendment issues of freedom of speech, assembly and right to petition Government issues, and have learned a wealth of information since that time—particularly in light of the Oklahoma bombing and the anti-militia movement.

Before I go too much further, let me give brief background on myself and let me answer the first questions that press and your staff asked of me.

Question: Are you a white supremacist?

My wife is Vietnamese—one of the Boatpeople. Our four home made AMERASIAN children are the four most beautiful and talented mixed race children on the planet. My business partner is African-American. My Comptroller is Indian from Bombay & my legal associates over the years have been mostly Jewish. You make your own conclusions.

Question: Are these militias dangerous?

Absolutely yes, and absolutely no.

First, the media and MOST OF US have made the same fundamental error ("Cat Bagging" I call it) as was made during the McCarthy Era, during the Vietnam War Protest Movement, and during Watergate.

That is, we lump all the Militias, the So Called Patriot groups, and Tax Protesters and Free Men & Survivalist Groups together as identical cats and then put them all into one bag.

Second, we SELECT An individual or entity that is simply off the spectrum in their beliefs, one not tethered to reality and attribute those horrible characteristics to all the militias. In short, we "demonize" them. Quickly, they are all labeled as white supremacist, racist, anti-government, paranoid revolutionaries fixing to blow up the world.

The truth is that there is as much diversity among these groups as there is among religious groups. As a young boy, I remember sitting in the front pew and hearing the Priest in my small town of 1,800 people explain why the Protestants were all going to hell. And, on Monday morning at school my best friend, a Protestant kid named Jimmy, would explain to me that his preacher had told him the same thing about us Catholics the day before.

It has been my observation that many of these groups—particularly the ones I considered not tethered to reality—are a bit like the Priest and the Preacher * * *. That is, much of their effort is devoted to explaining to their members why the other group are not real patriots, or why Bo Gritz or John Trochman are really C.I.A. agents.

In truth, most of the militia groups—Montana Militia, Oklahoma Militia, New Hampshire Militia—could be classified as middle of the road among hard conservatives. What do I mean?

Ten, twenty and thirty years ago they are the individuals who were clamoring for "Law and Order.'

I suppose it is ironic, some might say poetic, that what many of them sought, "Law and Order" has now come to pass in a FORM they deem to be excess * * * that is too much oppressive law and abuse of the Constitution. And "order" has become what they fear to be "a new world order." And thru speaking out, they want everyone to know this attitude on their part and their fears and concerns.

But are they dangerous?

They are a political movement. All political movements are dangerous to some other political movement they run counter to.

That is how our system of government evolves * * * thru political conflict and wars fought with words instead of bullets and fought in the press and from the bully pulpit instead of on the battlefield.

Ultimately, that is the only truly distinguishing feature separating our 200-year-old political system from all others that went before it. Namely, the ability thru verbal conflict and battle for our system to reverse itself (revolution) and go in an opposite direction without the necessity of a violent revolution.

But are they physically dangerous or a threat to our Government or our Constitution?

You judge * * * but do it on the facts, not on innuendo or the words of the natural enemies of these militias, namely, other political groups opposed to their philosophy.

To the best of my knowledge, there are no reported incidents of any significance of militias being involved in any of the following:

1. Drive by shootings.
2. The drug trade.
3. Use of children for pornography, pedophilia & drug couriers.
4. Gang wars.
5. Auto theft.
6. Murder, rape, robbery, trafficking in illegal arms.

If militias are involved in these somebody is not reporting them. And I doubt that.

For benefit of those who might differ with me on this, I would point out that in each of the incidents you might be familiar with, Gordon Kahl, Radny Weaver, Waco, the events were initiated by the Government in an attempt to serve usually misdemeanor warrants on contested tax matters using overwhelming force and what in hindsight seems rather poor judgement.

In short, an analysis by you will show that the militias themselves have been the victim of violence rather than the perpetrator or initiator.

As an example to prove my point, I challenge this committee to examine the most notorious & deadly event in American history involving U.S. marshals * * * namely, the Gordon Kahl shoot-out 12 years ago in which about a half-dozen marshals were shot, and Kahl escaped resulting in the largest manhunt in American history.

Have the courage to OBJECTIVELY examine this event—same with Waco—, and you will begin to understand the origins of the militia movement, their disenchantment and fear of law enforcement and Government.

Whether you believe Kahl was the most notorious and crazy tax protester in American History or whether you believe he was a martyr responsible for triggering the militia movement, it is only by understanding this case in depth that you can understand the origins of the Militia movement.

Question: Are you, John DeCamp, a member of a militia?

Sure, about twenty-five years ago I was a member. We called it the United States Army. We had training sessions and exercises in a place called Vietnam. I was an Infantry Captain there specially assigned to a man named Bill Colby. Bill subsequently became my friend, Godfather, advisor and Legal Associate on a case or two. Bill was the individual who insisted I write the book, the Franklin Coverup—which book resulted in some of the Militias asking me to represent them. You may remember Bill as the former head of a group called the C.I.A., Central Intelligence Agency.

So, since Colby told me to write my book the Franklin Cover-up; and since the book resulted in my representing the Montana militia and being here today, I suppose I'm here because of the C.I.A. just kidding. . . .

My Militia leader, a chap named McNamara, told us in Vietnam that we were winning; that our government was sincere . . . and a lot of other nice things that inspired us to get our heads blown off. Then a couple weeks ago, I understand Mr. McNamara told the world that he was only "funnin" us when he told us those things during the war. McNamara said that he or our other leader Lyndon knew all along that they were lying to us.

That is the about the same thing those war protesters were saying twenty-five years ago. But twenty-five years ago Mr. McNamara and Lyndon said the war protesters were lying and Mr. McNamara and Lyndon tried to suspend their right to criticize or question government. Lyndon tried to beat their heads in, lock them up and shut them up using government agencies. Now, I get a little gun-shy when I see the Government taking the same approach to the Militias today. Instead of raiding them, threatening them, indicting them for what they say and believe, let's keep open minds and listen to their arguments the same as any other political debate.

Who knows, we might discover that "truth lies somewhere in the middle" as it frequently does in all things in life.

There is no proof at this point, nor any indication of proof, that the militias themselves—unlike Vietnam war protesters—have blown up any buildings, media and political innuendo to the contrary notwithstanding.

Question: How should government treat the militias?

The same as any other political movement or group. Give them the full benefit of the First Amendment. Let the war be fought in the press and with words. The legitimate ones will survive and maybe evolve. In open debate, any crazies will self-destruct.

The only real danger from the militias is if you try to suspend pieces of the Constitution to shut them up or destroy them.

For God's sake . . . for America's sake . . . don't rip off a corner of our Constitution to address a crisis or threat that has yet to be proven to even exist.

Three times in my short life, I have watched panic set in with Government Leaders. Those three times are: McCarthyism, Vietnam war protest movement, Watergate.

Each time, government reacted by trying to suspend our Fundamental First Amendment Rights.

McCarthyism: I remember * * * teachers taking loyalty oaths * * * neighbors questioning and accusing their neighbor or competitor of being a Communist. J. Edgar being given free reign to suspend the Constitution. And everybody was paranoid about their neighbor.

Vietnam war protesters: I sure remember that. First reaction was to try to shut them up. That simply resulted in violence.

Watergate: My hero Dick Nixon panicked and for his own security also tried to rip off a corner of the Constitution and shut up his critics. That resulted in a brutal First Amendment "caning."

But, in each case, it was not the Government which saved the Constitution for the people; rather it was the free and unfettered press using their First Amendment which saved the Constitution from the Government abuse.

That First Amendment—and the free press and robust and wild and wooly free speech it promotes—is our ultimate check and balance to preserve the Constitution.

Whether it is Edward R. Murrow exposing McCarthy as a Charlatan; or the New York Times daring to print the Pentagon Papers; or, God Forbid, the Washington Post taking on Nixon and the entire government in Watergate, it has been the press operating under the First Amendment that has saved our Constitution and Americans from Government abuse rather than the Government saving our Constitution from press or American citizen abuse.

So what ever you do, don't overreact and trade pieces of our Constitution for an instant solution to some perceived but unproved problem.

Let me conclude by simply saying this: the best way to understand the militias, their motives, their agenda, their danger or their benefit to America is to understand their origins.

And, you can only understand their origins if you will as a governing body publicly, openly and thoroughly examine Waco and Gordon Kahl and Randy Weaver.

This is what we ask of you. An open, public, above-board Senate examination of those events that will help re-establish, no matter the outcome of that objective examination, trust and credibility in our Government agencies when they speak.

(From The Alanson Armory: Wolverines, May 24, 1995)

TESTIMONY OF MR. NORMAN OLSON

Thank you for the opportunity to testify today. The following statement will attempt to answer the question of the legitimacy and the need of the citizen militia.

Not only does the Constitution specifically allow the formation of a Federal army, it also recognizes the inherent right of the people to form militia. Further, it recognizes that the citizen and his personal armaments are the foundation of the militia. The arming of the militia is not left to the state but to the citizen. However, should the state choose to arm its citizen militia, it is free to do (bearing in mind that the Constitution is not a document limiting the citizen, but rather limiting the power of government). But should the state fail to arm its citizen militia, the right of the people to keep and bear arms becomes the source of the guarantee that the state will not be found defenseless in the presence of a threat to its security. It makes no sense whatsoever to look at the Constitution of the United States or that of any state for permission to form a citizen militia since logically, the power to permit is also the power to deny. If brought to its logical conclusion in this case, government may deny the citizen the right to form a militia. If this were to happen, the state would assert itself as the principle of the contract making the people the agents. Liberty then would depend on the state's grant of liberty. Such a concept is foreign to American thought.

While the Second Amendment to the U.S. Constitution acknowledges the existence of state militia and recognizes their necessity for the security of a free state; and, while it also recognizes that the right of the people to keep and bear arms shall not be infringed, the Second Amendment is not the source of the right to form a militia nor to keep and bear arms. Those rights existed in the states prior to the formation of the federal union. In fact, the right to form militia and to keep and bear arms existed from antiquity. The enumeration of those rights in the Constitution only underscores their natural occurrence and importance.

According to the Tenth Amendment, ultimate power over the militia is not delegated to the Federal government by the Constitution nor to the states, but resides with the people. Consequently, the power of the militia remains in the hands of the people. Again, the fundamental function of the militia in society remains with the people. Therefore, the Second Amendment recognizes that the militia's existence and the security of the state rests ultimately in the people who volunteer their persons to constitute the militia and their arms to supply its firepower. The primary defense of the state rests with the citizen militia bearing its own arms. Fundamentally, it is not the state that defends the people, but the people who defend the state.

The second line of defense of the state consists in the statutory organization known as the National Guard. Whereas the National

Guard is solely the creation of statutory law, the militia derives its existence from the inherent inalienable rights which existed before the Constitution and whose importance are such that they merited specific recognition in that document. While the National Guard came into existence as a result of legislative activity, the militia existed before there was a nation or a constitutional form of government. The militia consisting of people owning and bearing personal weapons is the very authority out of which the United States Constitution grew. This point must be emphasized. Neither the citizen's militia nor the citizen's private arsenal can be an appropriate subject for federal regulation. It was the armed militia of the American colonies whose own efforts ultimately led to the establishment of the United States of America! While some say that the right to keep and bear arms is granted to Americans by the Constitution, just the opposite is true. The Federal Government itself is the child of the armed citizen. We the people are the parent of the child we call government. You, Senators, are part of the child that We The People gave life to. The increasing amount of Federal encroachment into our lives indicates the need for parental corrective action. In short, the Federal government needs a good spanking to make it behave.

One other important point needs to be made. Since the Constitution is the limiting document upon the government, the government cannot become greater than the granting power, that is the servant cannot become greater than his master. Therefore, should the Chief Executive or other branch of government, or all branches together act to suspend the Constitution under a rule of martial law, all power granted to government would be canceled and defer back to the granting power, the people. Martial law shall not be possible in this country as long as the people recognize the Bill of Rights as inalienable.

Since the power of self defense and the defense of the state is ultimately vested in the people, there is no possible way that a Governor or the Chief Executive of the United States, or any legislative body can "outlaw" the citizen militia for to do so would rob inherent power from the people. If that were to happen, our entire form of government would cease.

Historically, we have found that the Governor's militia, that is the National Guard, is intended to reduce the need for the citizen militia. Simply, if the National Guard did it's job in securing the state, the citizen militia would not emerge. That it has emerged so dramatically seems to indicate that the people do not feel secure. Simply stated, the growing threat of centralized Federal government is frightening America, hence the emergence of the citizen militia. When government is given back to the people at the lowest level, the citizen militia will return to its natural place, resident within the body of the people. Civil war and revolution can be avoided by re-investing governing power to the people.

To summarize: Citizen militia are historic lawful entities predating constitutions. Such militia are "grandfathered" into the very system of government they created. The Constitution grants no right to form militia, but merely recognize the existing natural right of all people to defend and protect themselves. The governments created out of well armed and free people are to be constantly obedient to the people. Any attempt to take the means of freedom from the people is an act of rebellion against the people.

In order to resist a rebellious and disobedient government, the citizen militia must not be connected in any way with that government lest the body politic loose its fearful countenance as the only sure threat to a government bent on converting free people into slaves.

Testimony of Leroy Crenshaw Before the Senate Committee on the Judiciary, May 25, 1995

Good Morning Chairman Hatch and Distinguished Members of this Committee.

My name is Leroy Crenshaw, and I would request that this Committee accept my prepared statement as a part of the record of these proceedings.

I was born and raised in the beautiful State of Alabama, and I now live and teach school in the great State of Massachusetts. I have a faithful and supporting wife and we have raised six fine children.

We all feel privileged to have been born in these times when the promise of our forefathers has begun to spread to all races, colors, and creeds, of our countrymen. Ironically however, these times have evolved all too soon into conflicts between my countrymen of all races and the officers of their government. For many of my friends who are not Black Americans, these times have brought circumstances into their lives that have no memorable precedent. For me and my wife, we see emerging official conduct that is all too reminiscent of earlier days of "us" and "them" that Black Americans have known as their daily diet since our country began. We welcome our white brethren to our sides in this time of burgeoning oppression.

During recent times, we ordinary Americans have experienced repeated episodes of authoritarian confrontation provoked and executed by our federal government. We have witnessed with horror as each of our individual rights, as enumerated in the first Ten Amendments to our Constitution, has fallen to attack by our federal government at the highest levels. We have repeatedly attempted redress through our courts, through our elected Representatives and Senators, and through pleading with the agencies of our government, all to no avail after a consistent pattern of restatement of our issues into "non-issues", in order to avoid dealing with the substance of our complaints.

We have witnessed our federal Government make itself a party to the collapse of our banking and Savings and Loan institutions.

We have witnessed our Government commit our young men to foreign military adventurism upon false premise, and upon an usurped authority.

We have all been victims of federal incursion into our private financial affairs to the point of our right invasion of the sanctity of our family domain, under the guise of routing out fraud by us working Americans.

We have witnessed out right and provable lies told to the records of our federal courts by the judges appointed to these high positions.

We have witnessed our own President disclaim our Bill of Rights as "radical" liberties to be granted to ordinary people.

We have witnessed one Vice President (Quayle), along with at least one Attorney General (Barr), attempt to convince us to abandon our right to jury trials in all criminal cases and an civil case in excess of twenty dollars (1990–1991).

We have discovered that the CIA, the Department of Justice, and the DEA, along with other agencies of government have worked in concert to engage and profiteer from drug trafficking.

We have witnessed the compromise of the sovereignty of our state governments by federal funding schemes that always contain a myriad of control strings.

We have witnessed our community controlled school systems invaded by "better idea" federally funded concepts that offer no rational solutions, except mind conditioning of our young into "interdependent" concepts that scorn the virtue of self reliance and fundamental education.

We have witnessed repeated instances when officers of our federal government, acting under color of federal law, have committed multiple crimes against us, in the form of actual violence, and in the form of 'white collar' extortion, theft, embezzlement, and provable fraud.

We have witnessed the consistent official forgiving of these crimes without any authority under our Constitution to grant these officers any reprieve for their offenses against our laws and our Constitution.

We have studied our Law, and we have found there our fundamental rights still stated to be "protected".

We also have found within our Constitution, the prescription for dealing with these perversions to our security that trouble us so much.

We find in the First Amendment to the Constitution that the Congress shall pass no law abridging our right "peaceably to assemble, and to petition the government for a redress of grievances.", but Congress has passed such laws.

We find the Second Amendment constitutionally prescribed protection of our individual duty to take arms if need be in defense of our Constitution, to be under attack by our own Congressmen.

We find in the Fourth Amendment, our protection of our right to be secure in our homes from official threats against our persons, our papers, and our effects, against searches and seizures upon non-existent or warrantless incursions into our private domains, but we know of repeated incidents of just such incursions into the homes of persons who are later found to be completely innocent of any wrongdoing, and some of such persons have died as a result.

We find in the Fifth amendment that none of us is to be deprived of our life, without due process of law, but we know now of many unarguably innocent people who have been killed by our federal officers who knew of the innocence of their victims before their killing acts.

We find in the Fifth Amendment that none of us is to be deprived of our liberty without due process of law, but we know that many of us have been imprisoned upon trumped up charges that are ultimately shown to have been knowingly brought upon fraudulent grounds.

We find in the Fifth Amendment that none of us is to be deprived of our property without due process of law, but we know that many of us has had his cash, possessions, and future means of earning a living, seized without any opportunity to oppose such seizure before the fact.

We find in the Fifth Amendment that each of us is entitle to obtain "just compensation" as payment from our government before our property of any sort is taken for public purposes, but our government is depriving us of that which is ours upon a daily basis without any payment what so ever.

For all the above findings, the officers of our government are acting in clear repugnance to our Constitution. Those in government who control the course of redress within our institutions know that we have suffered these crimes under our Constitution. Yet, they do nothing, and these facts constitute a condition of officials acting in insurrection and rebellion against our Constitution, as meant in section 3 of the Fourteenth Amendment.

We all know that should our government fail to immediately purge itself of such manner of conduct, that we each are empowered by Section 4 of the Fourteenth Amendment to suppress any such manner of insurrection and rebellion—at the expense of our National Treasury.

Now let us all understand:

That we the people have always had, and still possess, the right, the duty, and the power, to "effect [our] Safety and Happiness."

That, "Prudence . . . will dictate that Governments long established [such as ours] should not be changed for light and transient causes; and . . . all [our] experience has shown, that mankind is more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which [we] are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce [us] under absolute Despotism, it is [our] right, it is our duty, to throw off such government [or usurping officers within], and to provide new Guards for [our] future security."

"Such has been the patient sufferance of [my countrymen]; and such is now the necessity which constrains [us] to alter [our present state of oppression]." To this end, we have commenced to keep and bear our Arms upon common respect and allegiance to the defense of our Constitution, and to those long suffering public servants of our government who are compelled to remain silent while a small arrogant elitist sect wield powers never granted to them by us, and destroy our nation.

My humble message to this panel is that we know you and your counterparts in the House of Representatives are aware of these problems, and your sworn duty to suppress those federal officials acting against us. We urge you to do your duty. We shall not fail to do ours.

Thank you all for your kind attention.

LEROY CRENSHAW,
Springfield, MA, May 25, 1995.
Hon. ROBERT GOLDBERG,
Subcommittee on Terrorism, Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I come before this subcommittee on terrorism to state my views, establish for the record the basic concepts behind the Militia movement, and for all American's who are unable to receive justice from a system that is bogged down in red tape and corruption.

First, I speak for myself. My dealings with the Internal Revenue Service [IRS] began at a time when I was personally involved with two deaths in my immediate family. One was our daughter, the other was my wife's mother. The IRS claimed we owed an additional $1,000.00 to $2,000.00 in taxes. This figure skyrocketed from that level to $12,000.00 after application of penalties and fines. Upon advice of the federal judge who heard our case, we paid nothing pending a class action suit against the tax shelter. The IRS subsequently closed down the tax shelter, and all participants who were assessed additional taxes, fines, and penalties, by the IRS for their good faith money management. As I said, at that time I was under stress, having just lost two loved ones, and so we paid the $12,000.00. We were given forms to complete that we were told would allow the debt to be forgiven. However, nothing has come of this assurance to date. The forms were returned to the IRS, and we made several telephone calls on this matter only to be told that no one knew anything about this. Justice has not been served in our matter, and I petition this chamber to launch an investigation and return to myself and every other individual that has been targeted by the IRS any and all moneys that have been taken under duress and threat of prosecution.

Another case is that of *Thomas M. Read* v. *The United States of America, et al.* This case went to the U.S. Supreme Court upon dismissals all along the way (Supreme Court Docket No. 92-1952). Thomas Read, and his wife Sandy, had been hounded for six and one-half years by corrupted federal court appointees in the Northern California bankruptcy system. Neither Read, nor his wife, has any connection to any bankruptcy—except by the fraudulent and false claims lodged under Connecticut law against them. In October of 1986, Read underwent a two week jury trail, and he and his wife were found to have been completely innocent of the allegations lodged against them. It was a jury trial, and the jury determined that the plaintiff, a bankruptcy trustee, was guilty of knowingly inducing the Reads into a fraud, a tort offense under Connecticut law. But the trustee ran to his bankruptcy judge in California, and sought and received a "Permanent Injunction" against the Reads from ever acting upon their judgment upon the issues he (the trustee) had brought to trial in Connecticut Superior Court. The case had not been removed to federal jurisdiction—because a prior federal action brought against the Reads had resulted in an abstention by the federal courts of exercise of federal jurisdiction over this case, and also because the time limitations for removal to federal jurisdiction had long since expired. Mr. Read was not aware of the corruption that existed in the Northern California bankruptcy system, and filed an appeal to the Bankruptcy Appellate Panel for the U.S. Court of Appeals for the Ninth Circuit. That court misstated facts, and proceeded to proclaim bankruptcy trustees immune from personal liability upon the false premise that they possessed "derived judicial immunity" (This case was mentioned in Rodney Stitch's Book Defrauding America, pp. 109 and 110), even though these trustees do not function in a judicial capacity. The Reads had already suffered a $346,000.00 loss resulting from the years of fraudulent suit, and ultimately suffered a complete financial collapse, in 1989.

Since that time, Mr. Read has been railed upon by our federal courts when he has stated the facts of this case. The fact remains, a jury determined that court appointees did conceive and work in concert to perpetrate a fraud upon the Reads. If our government, in order to serve the public, must commit acts constituting torts against ordinary citizens and protect its appointed federal actors, then the government assumes the burden of justly compensating the damaged parties under the Fifth Amendment Taking Clause. In this case, and many others, it did not.

Finally we come to the militia movement. Because of all of the above incidents, and many more, the citizens of this country have become disenchanted, skeptical, and suspicious, of our federal government on all levels. I, myself, am not a member of any militia, but having been involved in a dispute with the government in the form of the IRS, and having seen many friends who have become involved in incidents that were not of their making or choosing, I have come to realize that we must force our elected officials to do our bidding because they refuse to respond to us. I must conclude that, since there is so much corruption in government, and there seems to be no way that the "good guys" can be differentiated from the "bad guys", by the government, then, we have to eliminate the "bad guys" ourselves. I am here to advise you that the American people are waking up, and these awakening Americans are seeing the truth of our times. They are seeing many of you, and many of your colleagues, lie and deceive us without even a thought of remorse.

The militia movement started because the majority of the politicians are not telling the truth and the people have no redress for their grievances. The politicians are liars and the news media are purveyors of these lies as if they were the truth. The militia movement is comprised of ordinary every day people who love their country and the way of life that is slowly being sucked away by government officers acting upon an usurped authority. You were all put in office by people who are in the militia, who are teachers, like myself, and who are more likely than ever to be unemployed individuals due to unconstitutional laws passed by this Congress, and Executive Orders signed into law that should never see the light of day.

Certain actions by the ATF, CIA, IRS, and other federal agencies have brought attention to themselves and their "Jack booted thugs" by the few who need to be eliminated from the ranks of federal government. There is no justice if the ones who shoot nursing mothers and dogs, and little children in the back, later get promoted instead of prosecuted. Case in point is Special Agent Potts. Let's get some justice for the American people by putting this murdered (Potts) in jail. We don't want him promoted, we want him, and others of his ilk, out of office, with NO benefits, NO retirement, and NO chance of ever later acquiring them. If a public officer dishonors his oath to defend and protect the Constitution, that officer should relinquish any rights he or she thought that were theirs, but instead it is the people of America who end up relinquishing their individual rights. That IS a crime. People who break the law need to be punished, that includes politicians, judges, trustees, or anyone who has acted in violation of the public trust.

The terrorism that has been perpetrated against America, has been against all Americans. How dare they insinuate that loyal Americans would stoop to hurt other Americans. Yet, individuals in the person of Ms. Janet Reno, have the nerve to sit there and act indignant about charges spoken against her on the Waco massacre. Make no mistake, it was a massacre, and I doubt if the truth will ever be told because of the corruption and graft that permeates the entire justice system. These harsh words, but not nearly as harsh as the reality that American citizens endure each day.

There is today in America, a resurgence of loyalty and if you are not corrupt, if you work for the people, and if you uphold the Constitution, you have nothing to fear from anyone, much less a militia movement. Unfortunately, payoffs, underhanded money deals, corruption and illegal use of the power of office is the rule rather than the exception. Some believe that the only terrorism instigated in this country today, has been at the hands of government officials. I don't see the people of this country putting up concrete barriers around their homes. This country was founded on the premise that the government worked for the people, not the other way around. If we are being denied access to our "elected officials" what is the next step? The saying "A guilty mind needs no accuser" applies here! Only the guilty flee, when no one pursues.

If Larry Nichols and Terry Reed are wrong in their accusations of massive drug trafficking against Mr. Clinton, let's put them in jail after a fair trial. But, if as we all suspect, they are truthful, let's put Mr. Clinton on the line, Impeach and prosecute and do not under any circumstance allow him to grant immunity or to pardon anyone. Is this too much to ask? I ask all of you, how many members of Congress as well as judges, etc., would remain in office of forced to be held accountable to the laws of the ordinary man.

As a black man born and raised in Alabama, I've been subjected to things most Americans only read about in History books. Now, today, in this country, land of the free home of the brave, white Americans are beginning to be subjected to the same types of discrimination and random acts of violence that are really not targeted at any one group, but at all Americans who love their country and are trying to get rid of the corruption and graft that lines our courtrooms and legal professions. The few bad apples do spoil it for the "good guys" every time.

Sincerely,

LEROY CRENSHAW.

EXCERPT FROM HEARING BEFORE THE SUBCOMMITTEE ON ECONOMIC AND COMMERCIAL LAW OF THE COMMITTEE ON THE JUDICIARY, NOVEMBER 6, 1991

Hamilton described another bankruptcy-related killing, in which attorney John Scott was murdered as his charges of bankruptcy corruption started to threaten the established racketeering enterprise and the involved federal judges, trustees and law firms. Someone killed Scott near Austin, Texas.

GIVING THEMSELVES IMMUNITY FROM THEIR CRIMES

Federal judges of the Ninth Circuit held that the private trustees, including embezzler Charles Duck, who committed the nation's worst Chapter 11 corruption, were officers of the court, and were therefore immune from liability. Federal judges, therefore, held that a citizen has no claim against an officer of the court (i.e., trustee, attorney, judge, or one of their employees) arising from the criminal acts of that federal official, even though the acts are criminal and inflict enormous harm upon an innocent person. They held in effect that officers of the court could inflict any type of outrage upon the public, and the public has no remedy.

One of the many people victimized by the judicial corruption was Thomas Read of Connecticut. Read had not sought relief in Chapter 11, but was affected by Charles Duck, and the federal judges seeking to protect the admitted embezzler. Read obtained a Connecticut judgment against Duck. Bankruptcy Judge Alan Jaroslovsky of Santa Rosa, who had protected Duck's criminal activities, issued an injunction forever barring Read from enforcing the judgment. Read argued that the injunctive order exceeded the judge's authority. Read filed an appeal with the Ninth Circuit Bankruptcy Appellate Panel (composed of Chapter 11 judges. The appellate panel rendered a published decision:

"Federal judges, seeking to protect these criminal acts and themselves, have rendered decisions holding that "judicial immunity not only protects judges against suit from acts done within their jurisdiction, but also spreads outward to shield related public servants, including trustees in bankruptcy."

"This circuit has adopted a . . . rationale stating that a trustee or an official acting under the authority of the bankruptcy judge is entitled to derived judicial immunity because he is performing an integral part of the judicial process. . . . a trustee, who obtains court approval for actions under the supervision of the bankruptcy judge, is entitled to derived immunity.

"It is well settled that the trustee in bankruptcy is an officer of the appointing court. Courts other than the appointing court have no jurisdiction to entertain suits against the trustee, without leave from the appointing court, for acts done in an official capacity and within his authority as an officer of the court. . . . It is . . . axiomatic that the Trustee, 'as a trustee in bankruptcy [and] as an official acting under the authority of the bankruptcy judge, is entitled to derived judicial immunity because he is performing an integral part of the judicial process.'

"Sound policy also mandates immunizing the trustee. The possibility that we would hold trustees personally liable for judgments rendered against them in their representative capacity would invariably lessen the vigor with which trustees pursue their obligations. Immunity is essential because, as Judge Learned Hand noted, "to submit all officials, the innocent as well as the guilty, to the burden of a trial and to the inevitable danger of its outcome, would dampen the ardor of all but the most resolute, or the most irresponsible, in the unflinching discharge of their duties. . . . Accordingly, we hold that the trustee [Charles Duck], acting under the authority of the court, is entitled to derived judicial immunity."

As the judicial involvement in the Chapter 11 corruption surfaced, the Ninth Circuit Court of Appeals rendered a judgment[103] protecting judges against responsibility for their criminal acts. The Ninth Circuit rendered the decision holding that regardless of any criminal conduct committed against the public or an individual by a judge or person acting on his behalf, such as a trustee, the public had no remedy against the judges, or anyone acting with the judges. The need for these self-protective and unconstitutional decisions is rapidly increasing as federal judges are heavily implicated in some of the worst criminal activities ever exposed in the history of the United States. Worse judicial corruption has yet to be described.

Justices of the U.S. Supreme Court enlarged upon the protection against their own criminal acts (and they may need this protection shortly). The Supreme Court Justices held in *Stump* v. *Sparkman*[104] that a judge could deliberately commit unlawful, unconstitutional, and corrupt acts upon a citizen, destroy personal and property rights, and be immune from financial liability. This decision was repeatedly stated by U.S. District Judge Marilyn Patel, San Francisco, as I sought relief against California and federal judges.

The Constitution and statutes disagree with judge-made law, .federal civil rights statutes and constitutional rights to seek relief clearly do not provide immunity to federal judges when they violate clear and settled civil and constitutional rights, or against corrupt or criminal acts, and who inflict harm upon any member of the American public.

In *Stump* v. *Sparkman* the judge entered into a conspiracy, ordering a young girl permanently sterilized. The Supreme Court held that the girl had no remedy against the judge, as the public's welfare requires that a judge be free to exercise his duties without fear of the consequences. That is a farce, and the public's welfare isn't protected by protecting crooked judges.

APPEARANCE BEFORE THE SENATE SUBCOMMITTEE ON ANTI-TERRORISM, MAY 25, 1995

Not only is it a pleasure to have this opportunity to define for you and America who and what the militia is, what they stand for and why all Americans have the constitutional obligation to participate in patriotic or militia groups, but it is also saddening that this opportunity arose out of the Oklahoma tragedy.

Contrary to popular opinion, the Militia Of Montana does not base its existence upon the legal definition of militia. The foundation for the right to exist is clearly a First Amendment issue, freedom of speech and freedom of assembly, as a private organization. At this time there are approximately ten million American citizens participating in patriot/militia activities in all fifty states, with the numbers growing steadily every day.

The Militia Of Montana, created by a few loyal American citizens, has become a national "guide-post" for newly founded patriot groups.

Why people need to participate in militia/patriot organizations and activities is best shown in the Declaration of Independence. It is too lengthy to read at this time, however it speaks for itself and for American patriots. We would like to request that this document be entered into the permanent record at this time, as a partial support document to our statements.

The Declaration of Independence gives excellent insight and explanation as to why individuals go to extreme measures when flagrant injustices continue by "out of control", oppressive public servants. This same restrictive oppression is once again rearing its ugly head, only this time in America.

The following are just a few examples as to why American citizens are becoming more and more involved in militia/patriot organizations:

The high Office of the Presidency has turned into a position of a Dictator through the abusive use of Executive Orders and Directives. This must be stopped. The Senate and the House of Representatives have been stripped of their power and authority and act only as mouth pieces for "public policy". When the President over rules the Congress by Executive Order, Senators and Representatives wonder why their constituents are so upset.

When government corruption, fraud, deception and secret government theft has not been tried and adjudicated, Senators and Representatives wonder why their constituents are so upset.

When government plans and authorizes the assassination of 87 Americans in their home and church, or directs the sniper to kill a mother while holding her infant in her arms and then awards those responsible with a job promotion, Senators and Representatives wonder why their constituents are so upset.

When government takes private property from American Citizens to protect the kangaroo rat, Senators and Representatives wonder why their constituents are so upset.

When government law enforcers, dressed like local gang members in total black, bust down your door, often the wrong door, Senators and Representatives wonder why their constituents are so upset.

When the President, Senate and House of Representatives infringed upon the Second Amendment, are attempting to infringe upon the Fourth Amendment (H.R. 666) and are now, through these hearings, contemplating on infringing upon the First Amendment, Senators and Representatives wonder why their constituents are so upset.

When private interest groups like "The World Government of World Citizens" can sell their own stamps and their own passports to their own members and the government allows and accepts them as valid, contrary to the law, Senators and Representatives wonder why their constituents are so upset.

When government allows our military to be ordered and controlled by foreigners, Senators and Representatives wonder why their constituents are so upset.

When government allows foreign armies (some of whom are using them to kill their own citizens) to train in our land, Senators and Representatives wonder why their constituents are so upset.

When government allows the military to label patriots as the enemy, Senators and Representatives wonder why their constituents are so upset.

When government defines human beings as a biological resource under ecosystem management, Senators and Representatives wonder why their constituents are so upset.

When government sends billions of dollars in aid to foreign countries while there are millions of homeless and starving Americans, Senators and Representatives wonder why their constituents are so upset.

When government forces Americans to work over five months to pay their income taxes alone, Senators and Representatives wonder why their constituents are so upset.

When government refuses to hold hearings on government sanctioned abuses, Senators and Representatives wonder why their constituents are so upset.

When government tampers with and destroys evidence needed to solve a crime, Senators and Representatives wonder why their constituents are so upset.

When government now considers the very idea of infringing upon the people's rights of freedom of speech, assembly and the right to redress, Senators and Representatives wonder why their constituents are so upset.

"The Law perverted and the police powers of the state perverted along with it!! The law not only turns from its proper-purpose, but made to follow a totally contrary purpose, the law becomes the weapon of every kind of greed.

Instead of checking crime the law itself becomes guilty of the evils it is supposed to pursue.

Since this is now true, it is a grave and serious fact. Moral duty to my fellow man requires us to call these facts to the attention of our fellow citizens."

These were the words of a French Patriot, Frederick Bastiat, in 1884 as he watched his nation move into Socialism and an oppressive police state.

These are identical concerns echoed today by the militia/patriot groups and organizations. These groups and organizations represent lawyers, doctors, soldiers and laborers.

Militia/patriot organizations are not terroristic, aggressive or offensive in structure or design. We have, and presently deplore and denounce the senseless act of violence that took place in Oklahoma. We have and will continue to assist in any manner to apprehend all persons that may have planned or carried out that deed. At whatever level they may hide.

Militia/patriot groups are only aggressive in our means by which we educate a docile American public. Our singular mandate, which is public and overt, is the preservation of the Constitution of the United States (a Republic), as it was founded and the Sovereignty of this great nation.

Ladies and Gentlemen of the Senate and House of Representatives the people would like to know where and when it will end? Will it end with America turning into a Socialist Republic (which we all know is the end result of a Democracy)? Or, will you do your duty to fulfill your oath which all of you took to defend this country from all enemies foreign and domestic?

If you decide to fulfill your oath the first thing you must do is stop relying upon rumor and gossip. Do not rely upon the press or other organizations which have their own agendas. Rely upon your own investigations.

As one example, we would like to refer you to the Congressional Record of the 92d Congress, First Session, Vol. 117, No. 189, Monday, December 6, 1971, House of Representatives. Congressman John R. Rarick (D-La.) exposed the Anti-Defamation League's (ADL) vast world-wide spy network. According to Congressman Rarick the ADL provides information to the press which accepts it as truth. Congressman Rarick also stated the ADL uses its information "to suppress free speech and discussion and to influence public thought and sentiment of an unsuspecting citizenry."

Lo and behold what do we now have? Legislation that will suppress freedom of speech and discussion.

In 1983 the Department of Justice (DOJ) paid the ADL $20,000 in taxpayers' money to produce a report on so-called "hate groups". The DOJ refused to publish the report because it was so sensationalized that the DOJ could not consider it credible. The ADL went ahead with it's own copyright and published the report anyway, feeding it to the press. The DOJ forced the ADL to relinquish the copyright. Now the ADL is once again feeding the press lies, rumor and gossip which the press accepts as gospel.

The press then takes this mis-information, rumor and gossip, sensationalizes it to spin a tale until it grows and grows so out of proportion that the press starts scrambling to create a better story than the other guy. Law enforcement, military and government officials then pick up on it believing in a literal "feeding-frenzy" of the press. This has become a story that had lost control and those who do not investigate it for themselves are totally irresponsible, especially law makers.

As we are now witnessing, Americans are questioning the press. This is evidenced by the phenomenal growth of the patriot/militia movement.

As this patriotic awareness expands, millions of Americans will expect a new view from a more responsive government. A new re-birth of responsibility from a government that has strayed from it's "job-description" as mandated by the Constitution. A government created by the people and for the people. Not the limited few.

May God be with all America as he watches over the shoulders of you who write her laws. A nation can survive it's fools and even the ambitious. But it cannot survive treason from within.

America has nothing to fear from patriots maintaining "vigilance." She should, however, fear those that would "outlaw" vigilance.

WACO AND RUBY RIDGE INQUIRIES

Mr. SPECTER. Mr. President, I had been looking for some time to talk on my own inquiries into the events at Waco and Ruby Ridge, but since the leader has scheduled the terrorism bill to come up and has limited the opening statements in morning business to 5 minutes, it is my intention to try to be the lead speaker tomorrow. That will fit into some of my opening comments on terrorism. I will present the findings of my preliminary inquiry at that time.

I thank the Chair and yield the floor.

CONCLUSION OF MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPREHENSIVE TERRORISM PREVENTION ACT

The PRESIDING OFFICER. The clerk will report S. 735 by title.

The legislative clerk read as follows:

A bill (S. 735) to prevent and punish acts of terrorism, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1199

Mr. HATCH. Mr. President, I send an amendment in the nature of a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. DOLE, for himself, Mr. HATCH, Mr. NICKLES, Mr. INHOFE, Mr. GRAMM, and Mr. BROWN, proposes an amendment numbered 1199.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HATCH. Mr. President, today the Senate begins consideration of the Dole-Hatch Comprehensive Terrorism Prevention Act of 1995. This amendment has within it one of the most important pieces of criminal law in this country's history, and that is the Dole-Specter-Hatch habeas corpus reform bill. That is only one part of it, but that is the one part that will make a difference with regard to the Oklahoma City bombing.

This legislation represents a landmark bipartisan effort to address the issue of grave national importance; that is, the prevention and punishment of acts of domestic and international terrorism.

This legislation adds important tools to the Government's fight against terrorism and does so in a temperate manner that is protective of civil liberties. In short, I believe that this bill is the most comprehensive antiterrorism bill ever considered in the Senate.

This legislation increases the penalties for acts of foreign and domestic terrorism, including the use of weapons of mass destruction, attacks on officials and employees of the United States, and conspiracy to commit terrorist acts.

It gives the President enhanced tools to use his foreign policy powers to combat terrorism overseas, and it gives those of our citizens harmed by terrorist acts of outlaw states the right to sue their attackers in our own courts of law.

Our bill provides a constitutional mechanism to the Government to deport aliens suspected of engaging in terrorist activity without divulging our national security secrets.

It also includes a provision that constitutionally limits the ability of foreign terrorist organizations to raise funds within the United States.

Our bill also provides measured enhancements to the authority of Federal law enforcement to investigate terrorist threats and acts. In addition to giving law enforcement the legal tools they need to do the job, our bill also authorizes increased resources for law enforcement to carry out its mission. The bill provides for $1.8 billion over 5 years for an enhanced antiterrorism effort at both the Federal and the State level.

The bill also implements the convention on the marking of plastic explosives. It requires that the makers of plastic explosives make the explosives detectable.

Finally, the bill appropriately reforms habeas corpus, as I mentioned before.

The Specter-Hatch habeas corpus bill will correct some of the deficiencies in criminal law that exist today. It will stop the frivolous appeals that have been driving people nuts throughout this country and subjecting victims and families of victims to unnecessary pain for year after year after year.

Habeas corpus allows those convicted of brutal crimes, including terrorism, to delay the just imposition of punishment for years. And this will correct that while still preserving and protecting the constitutional rights of those who are accused.

Several points, however, should be addressed. I have long opposed the unchecked expansion of Federal authority and will continue to do so. Still, the Federal Government does have a legitimate role to play in our national life and in law enforcement. In particular, the Federal Government has an obligation to protect all of our citizens from serious criminal threats emanating from abroad or those that involve the national interest. Over 140 years ago, Abraham Lincoln had this to say about the role of Government.

The legitimate object of Government is—

> . . . to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves. If some men will kill, it is a common object with peaceful and just men to prevent it.

Similarly, it is the responsibility of the Federal Government to assist the States in meeting those threats that none alone can adequately meet. The terrorist threat, whether posed by foreign entities or domestic interests, meets this test.

We must, nevertheless, remember that our response to terrorism carries with it the grave risk of impinging on the rights of free speech, assembly, petition for the redress of grievances, and the right to keep and bear arms. We cannot allow this to happen. It would be cruel irony if, in response to the acts of evil and misguided men hostile to our Government, we stifled true debate on the proper role of Government.

Nor shall we exchange our precious Constitution which has protected us for over 200 years for false promises of "increased security." For as Ben Franklin said:

> Those who would give up essential liberty to purchase temporary safety deserve neither liberty nor safety.

Mr. President, the legislation the Senate begins consideration of today enhances our safety without sacrificing the liberty of American citizens. Each of the provisions in the bill strikes a careful balance between necessary vigilance against a terrorist threat and the preservation of our cherished freedom. Several of the provisions deserve special mention.

First, I would like to briefly discuss the Alien Terrorist Removal Act. I firmly believe it is time to give our law enforcement and courts the tools they need to quickly remove alien terrorists from within our midst without jeopardizing, for example, national security or the lives of law enforcement personnel.

This provision in this bill provides the Justice Department with a mechanism to do this. It allows for a special deportation hearing and in camera, ex parte review by a special panel of Federal judges when the disclosure in open court of Government evidence would pose a threat to national security.

It is entirely within the power of Congress to establish special adjudicatory proceedings and to specify the procedural rights of aliens involved in terrorist acts. As the Supreme Court noted over 10 years ago, "control over matters of immigration is a sovereign prerogative, largely within the control of the Executive and the Legislature." [*Landon* v. *Plasencia*, 459 U.S. 21, 34–35 (1982).] So long as the procedures established by Congress are essentially fair, they satisfy the requirement of Due Process.

Moreover, we have the power as well to distinguish between classes of aliens and accord separate procedures to different classes. Congress has plenary power over immigration and naturalization. The legitimate distinction between aliens and citizens justifies and permits both separate procedures for aliens and the congressional determination that not all aliens should be treated alike. [*Mathews* v. *Diaz*, 426 U.S. 67 (1976).]

Mr. President, sound policy dictates that we take steps to ensure that we deport alien terrorists without disclosing to them and their partners our national security secrets. The success of our counter-terrorism efforts depends on the effective use of classified information used to infiltrate foreign terrorist groups. We cannot afford to turn over these secrets in open court, jeopardizing both the future success of these programs and the lives of those who carry them out.

Some raise heart-felt concerns about the precedence of this provision. I believe their opposition is sincere, and I respect their views. Yet, these special proceedings are not criminal proceedings for which the alien will be incarcerated. Rather, the result will simply be the removal of these aliens from U.S. soil—that is all.

Americans are a fair people. Our Nation has always emphasized that its procedures be just and fair. And the procedures in this bill are in keeping with that tradition. The special court would have to determine that:

First, the alien in question was an alien terrorist;

Second, that an ordinary deportation hearing would pose a security risk; and

Third, that the threat by the alien's physical presence is grave and immediate.

The alien would be provided with counsel, given all information which would not pose a risk if disclosed, would be provided with a summary of the evidence, and would have the right of appeal. Still, in our effort to be fair, we must not provide to terrorists and to their supporters abroad the informational means to wreak more havoc on our society. This provision is an appropriate means to ensure that we do not.

Second, this bill includes provisions making it a crime to knowingly provide material support to the terrorist functions of foreign groups designated by a presidential finding to be engaged in terrorist activities.

I am sensitive to the concerns of some that this provision impinges on freedoms protected by the first amendment. I have worked hard to ensure that this provision will not violate the Constitution or place inappropriate restrictions on cherished first amendment freedoms. In fact, we have made significant changes to the original version of this measure proposed by the Clinton administration. For example, we have subjected the executive branch's designation of a group as an international terrorist group to judicial review. In addition, we have removed troubling licensing requirements that were in the original bill submitted by the administration.

Nothing in the Dole-Hatch version of this provision prohibits the free exercise of religion or speech, or impinges on the freedom of association. Moreover, nothing in the Constitution provides the right to engage in violence against fellow citizens. Aiding and financing terrorist bombings is not constitutionally protected activity. Additionally, I have to believe that honest donors to any organization would want to know if their contributions were being used for such scurrilous purposes.

And finally, Mr. President, I would like to address an issue which has inappropriately overshadowed all of the other fine provisions of this legislation—the inclusion of the Specter-Hatch habeas corpus reform in this bill. Some have stated that the inclusion of habeas reform in this bill is political opportunism. Mr. President, nothing could be further from the truth. The plain truth is, habeas corpus reform is entirely germane to this legislation. The President has asked for this reform. And the American people are demanding it.

Let me just read this letter that is shown here on this particular chart. It is dated May 10, 1995. It is to the Honorable Bill Clinton, the President of the United States. Let me just read one paragraph.

I ask unanimous consent that the full text of the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 10, 1995.

Hon. BILL CLINTON,
The President of the United States,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: As a bi-partisan group of Attorneys General from our respective states, we would like to express our support for your efforts to bring the American people together in a common expression of support for those who have suffered from the tragic events in Oklahoma City. We also appreciate your clear expression of support for the rule of law, at a time when these acts of lawlessness have brought about such human tragedy.

In this regard, your comments on CBS' 60 Minutes program regarding the need for the reform of federal habeas corpus procedures is most appropriate. In our own states, we continue to experience endless appeals and continuous delay. We believe that such abuse of the criminal justice system produces a disrespect for the law, and serves to undermine deterrence.

This is particularly true with respect to the enforcement of the death penalty. As the Powell Committee Report noted:

"The relatively small number of executions as well as the delay in cases where an execution has occurred makes clear that the present system of collateral review operates to frustrate the law of the 37 states."

This accurately describes the current status of capital punishment in the states and unfortunately portends a similar fortune for the recently enacted death penalty provisions of Title VI of the Violent Crime Control and Law Enforcement Act of 1994. Motions under current Title 28 U.S.C. §2255 will produce the same morass of endless delay and procedural manipulation that the states have encountered under Title 28 U.S.C. §2254. Thus, if we are to have an effective death penalty on the state and federal levels, legislative action is necessary.

In this regard, expedited consideration of such legislation in the context of the anti-terrorism bill is entirely appropriate. Unless habeas corpus reform is enacted, capital sentences for such acts of senseless violence will face endless legal obstacles. This will undermine the credibility of the sanctions, and the expression of our level of opprobrium as a nation for acts of terrorism.

It is our belief that S. 623, the Habeas Corpus Reform Act of 1995, is the appropriate vehicle to bring about an effective and enforceable death penalty with respect to both state and federal levels of jurisdiction. The enactment of these provisions is essential to our states, and critical to Federal anti-terrorism legislation, if the maximum sanctions our society has to offer will have real meaning.

We again, offer our support for your efforts to lead the nation out of the abyss of a terrible tragedy. We also offer our commitment to help deliver legislation to the American people that will provide an enforceable death penalty for the most heinous crimes against our citizens. Thank you again for your consideration.

Sincerely,

W.A. DREW EDMONDSON, Attorney General of Oklahoma; DANIEL E. LUNGREN, Attorney General of California; JEFF SESSIONS, Attorney General of Alabama; ERNEST D. PREATE, JR., Attorney General of Pennsylvania; DAN MORALES, Attorney General of Texas; GALE A. NORTON, Attorney General of Colorado, JOSEPH P. MAZUREK; Attorney General of Montana, DON STENBERG, Attorney General of Nebraska; RICHARD P. IEYOUB, Attorney General of Louisiana; GRANT WOODS, Attorney General of Arizona; ALAN G. LANCE, Attorney General of Idaho; MIKE MOORE, Attorney General of Mississippi.

Mr. HATCH. Let me emphasize this one paragraph right here.

This is from, I might add, a bipartisan group of attorneys general from respective States, both Democrats and Republicans. This is what they say in this paragraph:

> It is our belief that S. 623, the Habeas Corpus Reform Act of 1995, is the appropriate vehicle to bring about an effective and enforceable death penalty with respect to both State and Federal levels of jurisdiction. The enactment of these provisions is essential to our states, and critical to Federal anti-terrorism legislation, if the maximum sanction our society has to offer will have real meaning.

This is signed by W.A. Drew Edmondson, Democrat Attorney General of Oklahoma; Daniel E. Lungren, Republican Attorney General of California; Jeff Sessions, Attorney General of Alabama, Ernest D. Preate, Jr., Attorney General of Pennsylvania; Dan Morales, Attorney General of Texas, who also is a Democrat; Gale A. Norton, Attorney General of Colorado; Joseph P. Mazurek, Attorney General of Montana; Don Stenberg, Attorney General of Nebraska; Richard P. Ieyoub, Attorney General of Louisiana; Grant Woods, Attorney General of Arizona; Alan G. Lance, Attorney General of Idaho; and Mike Moore, Attorney General of Mississippi, who is also a Democrat.

So this is a bipartisan group of attorneys general. And I believe most attorneys general are in agreement that habeas corpus reform is absolutely essential if we are going to solve some of the problems that exists in the terrorist area.

President Clinton, on "60 Minutes" right after the Oklahoma bombing, or shortly after, had this to say:

> I do believe the habeas corpus provision of the Federal law which permit these appeals sometimes to be delayed seven, eight, nine years should be changed. I have advocated that. . . .
>
> I hope the Congress will pass—a reform of the Habeas Corpus provisions because it should not take eight or nine years and three trips to the Supreme Court to finalize whether a person in fact was properly convicted or not.

The President's instincts were right at that time and they are right today.

Now, let me just say one other thing, so people understand the rule of law is being mocked in our society.

This chart shows the number of inmates on death row versus the actual executions. These are people who have been convicted of heinous crimes, have been proven to be guilty of the murders involved. There were 2,976 as of January 1995. Since 1977, almost 20 years ago, 18 years ago, there are only 281 who have had to suffer the punishment. In 20 years, only 281 have had to face the punishment that they were assessed by their respective juries and the States. And in almost every one of those cases there have been habeas appeals one right after the other.

For those who think habeas corpus reform is not appropriate, let them listen to those victims of the Oklahoma bombing who called me yesterday, who lost their wives, their children, members of their family, and who said, "Please pass your habeas corpus reform," Senator SPECTER's and your habeas corpus reform.

I spoke with several family members of victims of the Oklahoma City bombing. They held a press conference yesterday and said this is the only thing we could do to prevent even further suffering by these people.

I have to say, under our habeas corpus reform provisions, under those provisions, people's rights will be protected. There will be a full right of appeal all the way up the State courts, from the lowest court to the Supreme Court of the State. There will be a full right of appeal all the way up the Federal courts, from Federal court to district court to the Supreme Court of the United States, and their rights will be protected. But that is all they are going to have, unless they can show newly discovered evidence of innocence or unless the Supreme Court applies retroactively future cases to these problems.

So, rather than exploiting the devastation of Oklahoma City, I believe that by including this provision in the antiterrorism legislation, we are protecting the families of victims.

Mr. President, I ask unanimous consent that a series of letters from the victims in this matter be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF OKLAHOMA,
May 24, 1995.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN HATCH: On April 19, 1995, each of us lost a dear member of our family in the devastating bombing that occurred in downtown Oklahoma City. Our families and many other families will never recover from this tragedy.

When the blast occurred, Oklahoma City was helped by experienced and skilled professionals. Our state placed the care of our victims and family members in their hands and they responded with all of the expertise that we expected. Their jobs were performed efficiently and with tremendous ability.

Now, we find that we must place our faith in the abilities of prosecutors and lawmakers and hope they can repair the appeals process so that it takes not a moment longer than is required by the Constitution. As ordinary citizens we are unable to fully understand all of the legal implications that are found within the Dole-Hatch-Specter habeas corpus provision in Senate Bill 735. We believe that Oklahoma Attorney General Drew Edmondson is acting in our behalf by trying to change the laws so that criminals may be brought to justice quickly. This measure must not be weakened.

President Clinton made a promise to the victim's families during his visit at the Oklahoma City Memorial Service. Please help him keep his promise to use and see that this bill is passed.

Dan McKinney Diane Leonard; Glenn A. Seidl; Carolyn Tamplé; Connie Williams; Nicole N. Williams; Wanda L. Fincher; Alice Maroney-Denison; Cliff Davis.

STATE OF OKLAHOMA,
May 24, 1995.

My sister Kathy Seidl and myself both work downtown at the Alfred P. Murrah building. She worded for Secret Service, I work for GSA. On April 19th my sister's life along with many others was taken away. I'll never be able to forget the sound or the terrible feeling of death that was in the air that day. My first thought was to try to find my sister. When I reached the 9th floor I knew there was no way she would have survived the explosion, my only hope was that she stayed home that day. But unfortunately she didn't. Now the only way I can focus my anger, loneliness and the piece of my heart that is now empty, is to try to get the Hatch/Spector bill passed. Mr. Clinton promised swift justice to the persons responsible for this crime. We need to have change. We need your support and help to bring change.

Sincerely,

CLIFFORD DAVIS.

STATE OF OKLAHOMA,
May 24, 1995.

DEAR SENATOR: My name is Diane Leonard. My husband, Secret Service Agent Donald R. Leonard, was murdered along with 167 innocent people in the bombing of the Alfred P. Murrah Federal Building on April 19, 1995. The employees in this building were abiding by and upholding the laws of this country. We now need your support, not only for the families of this tragedy, but for all American families who have lost loved ones at the hands of murderers. Please lend all your support to seeing that the habeas reform contained in the Hatch-Specter bill is passed as expeditiously as possible.

We have been promised justice, but we feel justice will not be accomplished until the verdict of a jury is carried out.

Please help us in this effort.

Sincerely,

DIANE LEONARD.

STATE OF OKLAHOMA,
May 24, 1995.

MEDIA ADVISORY FROM DREW EDMONDSON, ATTORNEY GENERAL OF OKLAHOMA

Victims of the Murrah Building bombing who have family members scheduled to be represented at this news conference are Kathy Lynn Seidl, 39, investigative assistant, Secret Service; Scott Williams, 24, who had made a delivery to the day care center April 19; Mickey Maroney, 50, special agent, Secret Service; Don Leonard, 50, special agent, Secret Service; Linda McKinney, office manager, Secret Service; Shelly Turner Bland, 25, Drug Enforcement Administration; and Sonja Sanders, Federal Employees Credit Union.

STATE OF OKLAHOMA,
May 24, 1995.

TO JUDGE MIKVA: My name is Dan McKinney, my wife (Linda McKinney) office manager for the secret service was murdered on April 19, 1995. Please accept my heartfelt gratitude for you and your staffs effort in trying to pass the Dole, Hatch, Spector, Habeas Reform Bill. Criminals have been allowed too much time in appealing their sentences. Lets give them fair opportunity but not ten to twenty years to live and waste taxpayers dollars. Attorney General Drew Edmondson and his staff are working and speaking for us here in Oklahoma. They are doing a wonderful job and we stand behind them 100%. Please let everyone involved in this bill know that it is past time to quit catering to the criminal faction. We want America to know Oklahoma is tired of this attitude. Thank you for your help in this matter.

Respectfully,

DAN MCKINNEY.

STATE OF OKLAHOMA,
May 24, 1995.

DEAR SENATOR: My name is Glenn Seidl, my wife Kathy Seidl was murdered along with 167 innocent people in the bombing of the Alfred P. Murrah building April 19th, 1995. The habeas corpus reform bill presented by Hatch-Specter as I understand will shorten the appeals process. We need change, my family wants justice. Here in Oklahoma we have a man on death row. This man committed several brutal murders. Roger Dale Stafford has been on death row for 17 years. This is not right. When the remains of the Murrah building was imploded May 23rd there was some relief. When the people responsible for this terrible act are found guilty and executed, our families can begin a very important step of the healing process.

Thank you,

GLENN SEIDL.

STATE OF OKLAHOMA,
May 24, 1995.

DEAR SENATOR: My name is Alice Maroney-Denison. My father, Mickey B. Maroney, was murdered in the Oklahoma City bombing on April 19th. On that day my life fell apart. You see my father was my life and in one second he was gone. I didn't get to say goodbye or I love you. I did get to see a war zone in downtown Oklahoma City and a federal building that was blown apart. You might have seen it on T.V. but you didn't feel the glass on your feet or the pain in your heart like I did.

I'm telling you this because I need your help. I need your support in passing Habeas reform. The murderers who committed this crime should be executed as soon as possible, not in 15–20 years. My father will not get to live another 15–20 years so why should the convicted?

I cannot put all of my feelings about my father on paper, but I can tell you one thing, I loved him with all of my heart. Please help me by supporting this reform. Thank you.

God Bless,

ALICE MARONEY-DENISON.

STATE OF OKLAHOMA,
May 24, 1995.

My name is Nicole Williams. My wonderful husband Scott Williams was murdered along with 167 other individuals in the bombing of the Alfred P. Murrah Building on April 19, 1995.

We as family and friends of the ones who died ask that you would please pass Senate Bill 623 presented by Hatch and Specter. We don't want to see the individuals who committed this horrible crime to sit in prison for 15–20 years, I am 8 months pregnant and my husband Scott did not have a chance to even see his child!

Just as the President said, we want this to be swift and quick so that we can start the healing process.

We will be eternally grateful.

Thank you,

NICOLE WILLIAMS.

STATE OF OKLAHOMA,
May 24, 1995.

SENATOR: My 24 year old son, Scott Williams, was murdered along with 166 other innocent victims in the Oklahoma City Murrah Building bombing. On behalf of my son, and the others who lost their voices on April 19, 1995, because of this senseless tragedy, I urge you to help enact much needed reform of habeas corpus.

Those who are brought to trial and convicted must be punished to the full extent of the law. It is certainly my hope that the death penalty will be carried out as soon as possible in this case. My son and the other victims surely deserve no less.

Sincerely,

CONNIE WILLIAMS.

State of Oklahoma,
May 24, 1995.

Senator: I am the mother-in-law of Scott Williams, one of the victims in the Oklahoma City bombing. We would ask you to please pass Senate Bill 623 the Hatch and Spector bill. We feel that if you are sentenced to die, it should be as swift as our President said. Our loved ones did not have ten to twenty years to prepare for their deaths. So please see to it that the people who commit these crimes are given swift justice.

Thank you for your help,
Carolyn Templin.

State of Oklahoma,
May 24, 1995.

Senator: My sister, Kathy Seidl, was murdered on April 19, 1995 at the federal building in Oklahoma City.

Our family is afraid that the people responsible for this act will be allowed to sit in federal prison for many long years before execution takes place.

Kathy wasn't allowed to say goodbye to her family or to share any more of her wonderful presence with us. If the murderers are sitting in federal prison for 10-20 years they will be given the right to visit with their families and to say their goodbyes. How does this give justice to us?

We would like to see that habeas corpus reform presented by Hatch-Spector is adopted. We thank you and are eternally grateful for your support of habeas corpus reform.

Sincerely,
Wanda Fincher.

State of Oklahoma,
May 24, 1995.

Dear Senator Feinstein: My name is Dan McKinney. I lost my wife (Linda McKinney), my niece (Shelly (Turner) Bland) in the bombing of the Alfred P. Murrah building on April 19, 1995. My wife was the office manager for the Secret Service here in Oklahoma City. She and my niece have never hurt anyone. I am very angry at the perpetrators of this heinous crime. I'm sorry that it has taken such a tragedy to bring forth the effort to try to get a change in our appeals system. But I want my voice to have a vote in the strongest bill we can possibly pass to keep these animal from reaching old age before they have to account for their total disregard for our judicial system, but most of all human life. We, the survivor's of the victims of the bombing want the nation to know, we are fed up. We want justice to be fair, but we want it to be swift for all parties that are found guilty. Please support the strongest habeas reform bill presented by Specter-Hatch that we can get. No more living off the taxpayers for ten to twenty years.

Thank you for your support,
Dan McKinney.

State of Oklahoma,
May 24, 1995.

My sister Kathy Seidl and myself both work downtown at the Alfred P. Murrah building. She worked for Secret Service, I work for GSA. On April 19th my sisters life along with many others was taken away. I'll never be able to forget the sound or the terrible feeling of death that was in the air that day. My first thought was to try to find my sister. When I reached the 9th floor I knew there was no way she would have survived the explosion, my only hope was that she stayed home that day. But unfortunately she didn't. Now the only way I can focus my anger, loneliness and the piece of my heart that is now empty, is to try to get the Hatch/Spector bill passed. Mr. Clinton promised swift justice to the persons responsible for this crime. We need to have change. We need your support and help to bring change.

Sincerely,
Clifford Davis.

State of Oklahoma,
May 24, 1995.

Dear Senator: My name is Diane Leonard. My husband, Secret Service Agent Donald R. Leonard, was murdered along with 167 innocent people in the bombing of the Alfred P. Murrah Federal Building on April 19, 1995. The employees in this building were abiding by and upholding the laws of this country. We now need your support, not only for the families of this tragedy, but for all American families who have lost loved ones at the hands of murderers. Please lend all your support to seeing that the habeas reform contained in the Hatch-Specter bill is passed as expeditiously as possible.

We have been promised justice, but we feel justice will not be accomplished until the verdict of a jury is carried out.

Please help us in this effort.

Sincerely,
Diane Leonard.

Mr. HATCH. Let me just read one of them to the folks who are listening. This is dated May 24, yesterday:

> Dear Chairman Hatch: On April 19, 1995, each of us lost a dear member of our family in the devastating bombing that occurred in downtown Oklahoma City. Our families and many other families will never recover from this tragedy.
>
> When the blast occurred, Oklahoma City was helped by experienced and skilled professionals. Our state placed the care of our victims and family members in their hands and they responded with all of the expertise that we expected. Their jobs were performed efficiently and with tremendous ability.
>
> Now, we find that we must place our faith in the abilities of prosecutors and lawmakers and hope they can repair the appeals process so that it takes not a moment longer than is required by the Constitution. As ordinary citizens we are unable to fully understand all of the legal implications that are found within the Dole-Hatch-Specter habeas corpus provision in Senate Bill 735. We believe that Oklahoma Attorney General Drew Edmondson is acting in our behalf by trying to change the laws so that criminals may be brought to justice quickly. This measure must not be weakened.
>
> President Clinton made a promise to the victims' families during his visit at the Oklahoma City Memorial Service. Please help him keep his promise to us and see that this bill is passed.

Again, we will put all these letters into the Record. I wish I had time to read them all.

By including this provision in the anti-terrorism legislation we are protecting the families of the victims. Comprehensive habeas corpus reform is the only legislation Congress can pass as part of the terrorism bill that will have a direct effect on the Oklahoma City bombing case. It is the one thing Congress can pass now to ensure that President Clinton's promise of "swift" justice is kept.

President Clinton recognized this fact during his April 23, 1995, appearance on the television program 60 Minutes, when, in response to a question about whether those responsible would actually be executed without the adoption of habeas corpus reform, he said:

> I do believe the habeas corpus provisions of the federal law which permit these appeals sometimes to be delayed seven, eight, nine years should be changed. I have advocated that. * * * I hope the Congress will pass a * * * reform of the habeas corpus provisions because it should not take eight or nine years and three trips to the Supreme Court to finalize whether a person in fact was properly convicted or not.

In one case in Utah, a heinous crime, where the murderers murdered people but before they did, tortured them, rammed pencils through their eardrums, poured Drano down their throats. One person survived who will never be the same. They were sentenced to death. In one of those cases it took 18 years, 28 appeals, all the way up through the State courts, all the way up through the Federal courts, before the sentence could be carried out. And in every one of those appeals the victims had to be there and had to go through the complete process one more time. It is time to get some reason into this system.

The claim that habeas corpus reform is tangential or unrelated to fighting terrorism is ludicrous. We can be confident that those responsible for the bombing in Oklahoma will be brought to justice. The American people do not want to witness the spectacle of these terrorists abusing our judicial system, and delaying the imposition of a just sentence, by filing appeal after meritless appeal; frivolous appeal after frivolous appeal. A system which permits such a result does not provide justice to the victims of terrorism, and must be changed.

Although most capital cases are State cases, and the State of Oklahoma could still prosecute this case, the habeas reform proposal in this bill would apply to federal death penalty cases as well. It would directly affect the Government's prosecution of the Oklahoma bombing case.

First, it would place a one year limit for the filing of a habeas petition on all death row inmates—state and federal inmates.

Second, it would limit condemned killers convicted in state and Federal court to one habeas corpus petition. In contrast, under current law, there is currently no limit to the number of petitions he or she may file.

Third, it requires the Federal courts, once a petition is filed, to complete judicial action within a specified time period.

Therefore, if the Federal Government prosecutes this case and the death penalty is sought and imposed, the execution of sentence could take as little as one year if our proposal passes. This stands in stark contrast to the 8 to 10 years of delay we are so used to under the current system.

Last week, 13 state attorneys general, including Oklahoma Democrat Drew Edmondson, sent a bipartisan letter to President Clinton that I read into the RECORD, supporting the incorporation of comprehensive habeas corpus reform in the anti-terrorism bill.

President Clinton vowed that justice in the wake of the Oklahoma tragedy would be "swift, certain, and severe." We must help President Clinton keep this promise to the families of those who were murdered in Oklahoma City by passing comprehensive habeas corpus reform.

As I have stated, the Comprehensive Terrorism Prevention Act of 1995 provides for numerous other needed improvements in the law to fight the scourge of terrorism, including the authorization of additional appropriations—nearly $1.6 billion—to law enforcement to beef up counter-terrorism efforts and increasing the maximum rewards permitted for information concerning international terrorism.

I would note that many of the provisions in this bill enjoy broad, bipartisan support and, in several cases, have passed the Senate on previous occasions.

In that regard I would like to pay special tribute to our former chairman and the current ranking minority member on the committee, Senator BIDEN. He has done an excellent job in working on these bipartisan provisions. And I want to pay tribute to the White House, to the Justice Department, and the General Counsel's office in the White House for working with us throughout this process. Working together, we have come to a broad, bipartisan consensus.

Indeed, we have worked closely with the administration during the development of this legislation, and many of the provisions in this bill have the administration's strong support. And the administration deserves a great deal of credit for having helped with that. In fact, we have taken a lot of provisions right out of the administration's bill and have tried to help them in every way, tried to cooperate with them in every way. And I believe we have done so and have strengthened this bill in many respects.

I would like to compliment the President and his Administration, particularly Attorney General Reno and FBI Director Freeh, and Deputy Attorney General Jamie Gorelick on their handling of the investigation of the Oklahoma City bombing and their work with us on this bill.

The people of the United States and around the world must know that terrorism is an issue that transcends politics and political parties. Our resolve in this matter must be clear: Our response to the terrorist threat, and to acts of terrorism, will be certain, swift, and unified.

Mr. President, ours is a free society. Our liberties, the openness of our institutions, and our freedom of movement are what make America a Nation we are willing to defend. These freedoms are cherished by virtually every American.

But this freedom is not without its costs. Since our society is so open, we are vulnerable to those who would take advantage of our liberty to inflict terror on us. The horrific events of last month in Oklahoma City tragically demonstrate the price we pay for our liberty. Indeed, anyone who would do such an act, and call it a defense of liberty, mocks that word.

We must now redouble our efforts to combat terrorism and to protect our citizens. A worthy first step is the enactment of these sound provisions to provide law enforcement with the tools to fight terrorism.

In closing, what is shocking to so many of us is the apparent fact that those responsible for the Oklahoma atrocity are U.S. citizens. To think that Americans could do this to one another. Yet, these killers are not true Americans—not in my book. Americans are the men, women and children who died under a sea of concrete and steel. Americans are the rescue workers, the volunteers, the law enforcement officials and investigators who are cleaning up the chaos in Oklahoma City.

The genuine Americans are the overwhelming majority who will forever reel at the senselessness and the horror of April 19, 1995. It falls on all Americans in heart and spirit to condemn that sort of political extremism and to take responsible steps to limit the prospect for its recurrence.

Can the Congress pass legislation which will guarantee an end to domestic and international terrorism? We cannot. Nevertheless, the Congress has a responsibility to minimize the prospect that something like this could ever happen again.

We must resolve that anarchistic radicalism, be it from the left or from the right, will not prevail in our freedom-loving democracy. The rule of law and popular government will prevail.

For these reasons I urge my colleagues to support the passage of this important legislation.

Mr. BIDEN. Mr. President, for the benefit of my colleagues who are still here and those who are still left standing after 20-some votes today, I will be mercifully short. I will take about 15 to 20 minutes to make this opening statement on the bill.

Today, to state the obvious, the Senate turns to consideration of the counterterrorism legislation. Earlier this year, I, along with Senator KOHL and Senator SPECTER, introduced the President's original counterterrorism bill which responded to our experience with the World Trade Tower Center bombings 2 years ago.

Since that time, our attention to the threat of terrorism has been heightened by the tragedy in Oklahoma City, which teaches that the threat of homegrown terrorism must be taken every bit as seriously as the threat of terrorism from abroad.

Before the two tragedies occurred—that is, Oklahoma City and the World Trade Tower—many in America had thought ourselves immune from the bombs and other mass killing devices that were employed elsewhere, in other parts of the world.

Americans enjoy freedoms unlike those of any other people in any other country on the planet. For decades, we have enjoyed those freedoms innocently and without fear here at home.

We have always understood that freedom brings certain risks. The challenge before the Senate now, as we consider this legislation, is to improve our responsiveness to the risk, to the threat of terrorism, without losing the very freedoms we hold dear, without allowing the terrorists to succeed by forcing us, in order to deal with them, to give up the very freedoms they do not cherish but we do.

Responding to this risk means standing against those who seek to destroy our democratic form of government, whether they come from the left or the right, from home or abroad. Incidents like Oklahoma City's bombing have no place in our free and democratic society, which allows full expression of all types of political views through legitimate means.

There is simply no excuse, ever, in this country for turning to violence in a society where all the airwaves are open, uncensored newspapers exist, regular and free elections of the people's representatives take place, and we have a first amendment that guarantees the right of the people to be ignorant as well as informed; to be stupid as well as bright; to say outrageous things as well as informed things. So there is no excuse to turn to anything but the airwaves to deal with that issue.

Mr. President, the Oklahoma City bombing and earlier bombing of the World Trade Center demonstrate clearly that the United States must respond seriously to those, whether foreign or domestic, who kill and seek to make their point through killings and mass killings of Americans.

These events demand that we examine our current laws and practices to ensure that we are doing everything that is necessary and appropriate to guard against the threat.

Mr. President, let me suggest that the overall point I wish to make at this juncture is that it is arguable by some that in other societies where there is no expression or outlet for one's frustration, anger, or cynicism, that they resort to physical force. If there is any country in the world where there is no justification to resort to physical force, it is this country. As I said, all you have to do is listen to some of the talk radio shows and some of the people that call in, and some of us on the floor—myself included—and you will know we even protect the right to be stupid and say crazy things. So there is certainly no need for anybody to suggest that they have to react to their frustration by the use of force.

But the events in New York City and, most recently, in Oklahoma City, demand that we examine our current laws and practices to ensure that we are doing everything that is necessary to appropriately guard against threat. We have to take strong action to counteract terrorism, both foreign and domestic.

There are steps we can take and should take, and the President has proposed a number of them in his bill. Of course, at the same time, we should not, in the heat of the moment, pass legislation that we and the American public will later regret. Our freedoms and our Constitution are simply too valuable to be put at risk in a hurried rush to respond to a terrible tragedy.

Those of us working on the President's proposal over the last month have done so with an eye to ensuring that all of our constitutional protections remain fully intact.

The President's original bill, introduced in February, laid out a core set of terrorist proposals. The Republican substitute bill, as the chairman of the committee has indicated, is built largely around these proposals.

I might add, humorously, it continues to be built. We just got the final copy of a bill that is 160 pages long. So I am assuming what I am about to say is accurate. It was accurate as of a few hours ago. But I am told there are additional changes made in the Republican bill. The Republican bill is comprised primarily of, as I understood it 2 hours ago, measures from the terrorism bill that Senator KOHL and SPECTER and myself introduced on behalf of the President in February. There are a few new proposals by the President, in the wake of the Oklahoma City bombing, and several proposals were added by Senator DOLE, plus habeas corpus provisions added by Senator HATCH and Senator DOLE.

We tried to reach agreement with Senator HATCH on many of the provisions of this bill, and I continue to believe that most all of us here can agree on the core terrorism provisions.

Unfortunately, in my view, the Republican substitute does not include several provisions sought by the President of the United States after the Oklahoma City bombing, which focused on domestic terrorism. While I agree that a few of the provisions in the President's bill need further work, several of those rejected by the Republican bill are reasonable and limited expansions of the law, which would greatly enhance our ability to fight terrorism without damaging our civil liberties. But for reasons that will be explained, I am certain, they were not included by the Republicans in their bill.

I expect that these needed provisions, which I will outline in a moment, will be offered as amendments to the Republican substitute, and I hope that all my colleagues will support their addition to the bill.

But, first, let me outline the key terrorism proposals from the President's bill that are contained in the Republican substitute. These provisions include the following: A new offense to assure Federal jurisdiction over all violent acts, violent acts which are motivated by international terrorism. This provision will cover gaps in current Federal law. For example, a terrorist who commits mass murder on a private or State-owned property may now be subject only to State court jurisdiction, not to Federal jurisdiction, not to the FBI, but the local police.

This new provision that the President had in his proposal, and the Republicans included, carries a new death penalty, complementing the terrorism death penalty in last year's crime bill. Parenthetically, I might note that the person or persons who get convicted of the World Trade Center bombing for having killed people cannot get the death penalty under Federal law. But the person or persons convicted in the Oklahoma City bombing will get the death penalty or can get the death penalty because of the crime bill we passed last year. Had we defeated the crime bill, there would be no death penalty for whomever is convicted in Oklahoma City.

The Republican bill will also implement an international treaty to require a detection agent to be added to plastic explosives. That was in the President's bill. It will enhance the Government's ability to obtain consumer credit report and hotel and motel vehicle records in foreign intelligence investigations. It does not change the law governing such information as it relates to domestic investigations.

It also gives the Government greater ability to exclude from entering into the United States those aliens who are involved in terrorist activity—a power the President does not now presently possess.

But, unfortunately, the Republicans dropped some very important provisions from the President's terrorism legislation. Among those provisions sought by the President that were dropped by the Republican substitute, and which will be subject to amendments to this bill, are two limited changes in wiretap authority. I believe that the two changes make sense.

As my friend from Utah and others would acknowledge, I suspect, I have not been one who has been very ready to limit civil liberties. I have jealously guarded the civil liberties of folks, and I have interfered with efforts to change—such as the exclusionary rule—change rules which may, in my view, limit the civil liberties and constitutional rights of Americans.

But I believe, notwithstanding my 23-year record here in the Senate on those issues, that we can change the wiretap law, giving the police more authority, without violating the civil liberties of Americans. The changes do not affect the basic requirement built into our present law to protect legitimate privacy interests or—put another way—the basic protections, including a requirement that the Government must show there is probable cause. And by must show I mean they have to go to a judge and say, "We want to do this, and we have probable cause to believe that a crime is being committed, or a crime has been committed, and we want you to give us authority to do a wiretap."

So the basic protections include a requirement that the Government must show there is probable cause to believe that a criminal violation occurred, and a current requirement that the Government must minimize the intrusion of the civil wiretap by turning the wire off whenever a conversation has nothing to do with the commission of a crime.

I want to make it clear. The extension of wiretap authority that I and Senator LIEBERMAN are going to seek, that the President wants, starts off with two basic requirements that are now in the Federal law: A, there has to be probable cause; and, B—most of my colleagues understandably do not realize this—under Federal law now, if a Federal court gives an FBI agent and the FBI authority, a warrant, to tap someone's phone, they must engage in minimization procedures.

So if they are to tap the phone because they think someone is engaged in racketeering, prostitution, or whatever—murder, anything—and the person picks up that phone and calls his daughter at school and starts talking about her latest lacrosse game, they must turn off the wiretap. They are not allowed to keep the wiretap on 24 hours a day. We do not change that. So the protections built in stay built in.

One of the changes, though, sought by the President but not included by my friend from Utah in his bill, is to allow emergency wiretaps which are now available in organized crime cases to be obtained for domestic terrorism offenses. Quite simply, if we can use this tool of emergency wiretaps against the Mafia, I do not understand why we ought not be able to use it against domestic terrorists. But for some reason, my friends on the Republican side have not included that in this bill. I hope it is an oversight, but I do not think it is. We will have an attempt to correct that.

The Republican substitute also does not include a provision on what is called a multipoint, or roving, wiretap. Let me take a moment to explain what these multipoint wiretaps are.

Right now, most wiretap orders identify both the person whom we want to listen in on, and a telephone number from which we expect that person to call. That is the line that they are allowed to go tap. Current law permits the Government to get a multipoint wiretap, allowing the Government to tap any line it sees the subject using when the Government can prove that the subject under surveillance is changing phones with the intent to thwart surveillance.

So the way it goes now is, let us say the FBI gets a wiretap on John Doe's home, and John Doe decides that phone may be tapped. So he does not use that phone. He always goes to the same phone booth on the corner. And he often makes calls from his mother's home. Well, if they can show a judge that John Doe is using those, and perhaps other phones with the intent to evade possible detection of what he says on his phone, they can get a multipoint tap. They can tap all three of those phones. But in order to do so, they have to prove that he is doing that with an intent to avoid, to thwart the surveillance.

Because of the proliferation of mobile telephones, the President wants to eliminate the intent requirement to allow the Government to obtain multipoint wiretaps where the subject may not know he is under surveillance but is, nonetheless, changing phones rapidly with the effect, if not the intent, of thwarting the surveillance. For some reason, my Republican friends do not include that in this bill. The President wants it. The FBI wants it. I think it makes sense. We are going to try to put it back in.

I have long shared the concern that wiretaps are an intrusive law enforcement tool. When Congress first gave the FBI authority to use wiretaps in criminal investigations, we placed special protections directly in the statute precisely to protect legitimate privacy interests. I will detail how these protections work in practice when we get to the amendment on this subject.

In my view, the changes sought by the President are limited and reasonable, and we should add those provisions back to the bill, the provisions deleted by the Republican proposal.

A second area the President has asked the Congress to address is that of adding so-called taggants to explosives. What are taggants? Taggants are microscopic particles that are added to the explosive during the manufacturing process. Those particles survive the explosion when that explosive is detonated, and can later be used, if necessary, to trace where and when the explosive materials were purchased.

That just seems to me to be a pretty logical thing to do. It does not affect the ability of the explosive to function. But, if it does function, some of these are like little pieces of microscopic plastic. The investigators can go in with, in effect, a magnet, pick up these particles from the dust of the explosion, identify through those particles where that explosive was purchased, when it was purchased, and when it was made. That gives them an investigative tool then to go trace, just like they trace a bullet in a gun. They shoot a gun; the bullet is in the wall. The investigator takes the bullet out of the wall and tries to trace the manufacturer of the gun, to trace the purchaser, to trace the owner, and so forth. This is the same principle. But for some reason, folks do not like that idea. The President seeks a study to identify the most effective and cost-efficient ways to tag explosives during the manufacturing process.

Then it gives the Secretary of the Treasury the authority to promulgate regulations requiring chemical manufacturers and other manufacturers to use taggants and to make the violation of that regulation, when they are promulgated, a violation of the law, a crime. The President's proposal also requires a study of whether fertilizers and other readily available materials can be used to build bombs that can be rendered inert.

I was at a conference with General Rose, a British general, who is in charge of the U.N. military force in Sarajevo, in Bosnia. We were meeting on the issue of Bosnia when the god-awful news came about Oklahoma City.

We immediately cut off our meeting, and we repaired to the television. As General Rose and I and others sat there watching the horror on the screen, General Rose, a British general, turned to me and said something that startled me. Just looking at the building, he said, "That's a fertilizer bomb." And I said, "I beg your pardon?" He said, "That bomb, that building was blown up by fertilizer."

And I thought, how in the Lord's name could he know that? And about 3 hours later on the television, investigators came on and said that it was a fertilizer bomb that caused this damage. So I asked him how did he know that? He said he could tell by the jagged way in which the building was ripped apart from his experience in Northern Ireland. And he said, you know what we did in England with this because the IRA was using these kinds of bombs? We reduced the amount of nitrogen in fertilizer and we added a requirement to fertilizer that an inert material—that is, something that will not affect the effectiveness of the fertilizer—an inert material can be added to fertilizer to make it impossible, or diminish the possibility that it can be used to blow up something.

Now, it seems to me that makes sense. Unless someone can prove to me that by adding this inert subject to the production of fertilizer, you are going to render the fertilizer useless for its purpose on the field, it seems to me we should do that.

The Republican substitute includes a study of taggants and whether or not fertilizer can be made inert, but it does not grant authority for regulations requiring taggants, and this is an issue that has already been the subject of significant study.

The Republicans rejected the President's request to move from the theoretical to the real and authorize the Secretary of the Treasury to require the inclusion of taggants in explosives. My question is why? Why? Why will they not include that?

Well, Senator FEINSTEIN and I will have an amendment to reinstate the President's language in his terrorism bill. In my view, it is time to act and require the ATF, the agency with expertise and jurisdiction over explosives, to gather the best information and promulgate the necessary regulations.

Finally, the Republican substitute does not include a proposal to allow the use of the military to assist in investigations of biological and chemical weapons. The President proposed a narrow exception to what is called the Posse Comitatus Act, a narrow exemption to permit law enforcement to use the unique expertise of the Defense Department in combating biological and chemical weapons in terrorism similar to what the law now permits with regard to nuclear material.

Right now, we can use the military in a domestic situation where nuclear material is involved, an exception to the Posse Comitatus Act. The Posse Comitatus Act, for people listening, is a fancy name, but it merely says we do not want the military having arrest power in the United States of America. The military is to fight enemies foreign, not domestic. And that is a good thing. We all agree with that. We are one of the countries in the world that does not have the military dictating the day-to-day operations of the country. I do not want to change that. But the military has the expertise on nuclear weapons, the military has the expertise on biological weapons and the expertise on chemical weapons, and it seems to me we should provide a similar exception for them to be able to be involved in domestic investigation where it affects biological agents and where it affects chemical agents, just as we do now allow them to be involved where it involves nuclear material.

Negotiations among interested parties on the Armed Services and the Judiciary Committees have occurred over the last few days, and we are nearing a bipartisan agreement on this, I hope. If, however, an agreement is not reached, the distinguished Senator from Georgia, Mr. NUNN, and I plan to offer a proposal to permit the use of the military in these limited circumstances of biological weapons and chemical weapons. We must be in a position to respond immediately should we ever, God forbid, have an event like that which occurred in the Tokyo subway. And to be ready to respond, we should avoid wasted duplication of setting up a new bureaucracy to be able to handle chemical and biological weapons, and we certainly should avoid any more delay. So we will have an amendment, if an agreement is not reached, to provide an additional exception to the Posse Comitatus Act as it relates to chemical agents and biological agents.

Now, habeas corpus. The distinguished Senator from Utah and I have been debating habeas corpus for as long as we have been here, and in his opening statement—I may be mistaken, but I would estimate 40 percent of his statement related to habeas corpus, or a large portion that I heard. And so he includes habeas corpus in this proposal.

Now, the President asked that this be kept, to use the parlance of the Senate, a clean bill; that we deal with terrorism.

Well, that is not going to happen. And although habeas corpus as explained by Senator HATCH has little to do with fighting terrorism, we are going to have to debate it anyway.

Now, the Republican provision to reform habeas corpus procedures would require Federal courts to defer to State court decisions even when the State court has made an incorrect decision on habeas corpus. This provision is what everyone around here knows as the full and fair rule. The need for habeas corpus reform is clear. All of us want to end the delay and abuse in habeas corpus and all of us have supported provisions in the past that would limit a prisoner's right to appeal, would allow a very narrow window in which a habeas corpus petition could be filed, and would place strict limits on when that petition had to be filed.

However, the Republican proposal goes much further. The standard proposed in the Republican substitute would direct a Federal court to defer to a State court decision as long as it is not unreasonable. In other words, if reasonable minds could disagree, the State court decision would stand in Federal court even if it is incorrect.

Now, this is a dressed up version of what is known around here as the full and fair rule. Reasonableness is a highly deferential standard, one never before used in habeas corpus. And current law permits Federal courts to make a merit-based decision and to correct harmful State court errors.

I believe we must reform habeas corpus, and I believe we can reform habeas corpus to adopt limits on the number of petitions and the time limits on the petitions such as those contained in the Republican substitute, but without stopping Federal courts from correcting serious State court errors in interpreting the United States Constitution.

In addition, the Republican substitute changes current law which mandates appointment of a lawyer in Federal habeas corpus cases to make such appointments discretionary, not mandatory. I support limiting a prisoner's right to petition. I support limiting prisoners to one habeas corpus petition and giving them a very short period within which it must be filed, but I cannot fathom why we would deny that same petitioner a lawyer at the same time. Such a step serves neither efficiency nor justice.

Now, I noted that the habeas corpus provision in the Republican bill is not directly related to terrorism in that it applies primarily to prisoners who are prosecuted in State courts.

It is particularly inappropriate, in my view, to work such a devastating change in the law on a bill which is designed for a very narrow purpose, for which the Senate is working to move quickly.

Now, when we get to the debate on habeas corpus, we will have what has become known around here as "dueling charts." I will show that the Biden habeas corpus provision would not allow those outrageous examples that the Senator uses where a petitioner sat on death row 2, 5, 10, 12, 18 years after having committed a heinous crime and avoiding the death penalty for that period as a consequence of filing petitions. We want to allow only one bite out of the apple.

But I want to make a point. My friend from Utah made an impassioned statement tonight about how it would be horrible if we find and convict the murderer, the man or woman, or men or women, who murdered those people in Oklahoma and that person was able to avoid execution by filing repetitive petitions.

Well, his proposal has nothing to do with that. So I will have an amendment that says: Limit their habeas corpus changes to Federal court matters.

For example, all the horror stories the Senator pointed out tonight, none of them have to do with somebody who has been tried in Federal court. If you have been tried in a Federal court—which this bill says, by the way, the terrorism bill says, the only purpose of it is to say you do these bad things, you go to a Federal court, you go to a Federal judge, you have the Federal FBI investigate you, you go to a Federal prison, you have a Federal executioner. That is the only reason for the bill. That is why we are doing it.

So if the Senator is as concerned as he appears to be about these exorbitant delays, let us apply it to Federal court.

Now, the reason I am going to offer that amendment is not that I think his idea as to how he wants to limit it in Federal court makes much sense, but just to prove that this is a sham. This has nothing to do with it.

I will have a chart tomorrow, or whenever we get to this, showing all the prisoners in Federal court sitting on death row who are filing Federal habeas petitions. What he is talking about is a need to remedy the State court problem. And I am willing to do that; I have been trying to do it for 10 years, but not on this bill.

Why are we getting into this debate on this bill? But I will leave that for another moment, another day, another hour to debate it, because we have debated it before.

Finally, the Republican substitute contains two very controversial provisions from the administration's proposal that I believe are troubling. The first is that it includes a provision that I must acknowledge the President's included, a provision to create new deportation procedures for aliens in the United States who are alleged to be terrorists.

In the administration's bill, the Government could, in some circumstances, use secret information, not disclosed to the defendant, not disclosed to the defendant's lawyers, in order to make a case.

We have never had such a procedure in history, to the best of my knowledge, in America, where someone can bring a charge against an individual, go into a Federal court, have the prosecutor meet alone with the judge and say:

"Judge, these are all the horrible things that the defendant did. We're not going to tell the defendant what evidence there is that he did these horrible things. We're not going to let the defendant know what that evidence is. We're not going to let the defendant's lawyer know what it is. We're not going to let the defendant's lawyer answer these questions. You and me judge"—me, the prosecutor; you, the judge—"let's deport him in a secret hearing, using secret evidence. Let's walk out of this courtroom, out of your chambers, walk out and say, 'OK, Smedlap, you're deported. We find you're a terrorist. You're out of here.' "

And Smedlap looks and says, "Hey, tell me who said I was a terrorist. How do you know that?" We say, "Oh, no, we can't tell you. We know you did it, and we can't tell you how we know "

Now I think that is about as un-American as it gets.

Now what we will hear is—and I think the President is dead wrong on this—but what we will hear is, "Well, look, these folks are not American citizens. They are not entitled to the same privileges as American citizens in a courtroom."

Well, that is technically true. But, my lord, I do not want to be part of anything that establishes that kind of Star Chamber proceeding. Technically, they may be right; philosophically, it is dead wrong.

But it is interesting, my Republican friends do not include taggants. They do not include additional wiretaps. But they include this. I mean, who, as my little daughter used to say, "Go fish." How can you figure that one out? I cannot, anyway.

Our judicial system generally requires that a defendant be given evidence that is to be used against him so that he can prepare a defense. Unseen, unheard evidence simply cannot be defended against and it creates the possibility of erroneous decisions.

The Republican substitute, unlike the prior version of the Republican bill, moves back toward allowing what the President wrongheadedly put in his bill, in my view.

The bill also includes a radically revised version of an administration proposal to bar fundraising within the United States for organizations which the Secretary of State designates as terrorists. The President's proposal guarded against first amendment concerns by allowing persons to send funds to designated organizations if it could be shown that the funds were going to a legitimate purpose, for humanitarian effort or for political advocacy only.

For example, the substitute bill revises this proposal. First, it changes the Presidential determination to one made by the Secretary of State and then subjects the determination to searching judicial review. While this addresses some of the first amendment concerns in the administration's proposal, it is also problematic because Presidential designations of this sort are not usually litigated in Federal court.

Second, the substitute eliminates any opportunity for persons to make donations for proper purposes, in my view increasing the first amendment concerns on that aspect of the bill.

In conclusion, Mr. President, let me say that I would have preferred to have come to this floor on a bill that was wholly bipartisan without controversial and irrelevant provisions, but the majority has not chosen to proceed that way. I would also, frankly, have preferred to have seen the bill we are considering in advance of the day we are considering the bill on the floor. But, in fairness to my Republican friends, they have been working hard to put it together to try to meet the deadline to get it in before the recess. But, nonetheless, it puts us in a difficult position.

Having received a final version of the bill at only about 6:30 tonight, I have not been able to review it carefully to see whether any of my concerns have already been addressed in the bill—maybe some of the things I have said now have been addressed by this new version—or whether or not additional concerns have been raised by the new bill.

It is my hope and belief that, with certain changes, the substitute offered today by my Republican friends can become a true pro-law-enforcement, pro-civil-liberties, counter-terrorism, bipartisan bill. It is my hope and belief that all Senators will listen to the director of the FBI, the Attorney General of the United States, the Secretary of the Treasury, and the President, and not to groups who believe violence, not voting, is the means to change the system—not that anyone is listening to anyone who is advocating violence, but those who do not think we should expand the ability of law enforcement to look more closely at those groups who believe violence and not voting is the means to change the system.

All Federal law enforcement is part of a team of brave men and women who protect the lives of all Americans from terrorist attacks. Let us stand with law enforcement as we consider this bill, and give them the tools that they badly need. Even as we protect our constitutional freedoms, we can make this legislation a truly effective tool in fighting terrorism, the threat that comes from distant shores as well as those that come from the American heartland. We have a duty to protect law-abiding Americans and that is what this bill must do.

In conclusion, I believe we can enter into a time agreement on most of the amendments that we will have and hopefully we can move quickly, after the recess, to finish and to complete this bill. Because, as I understand the majority leader, he is looking for a couple of amendments to be brought up tomorrow—whether that means one, two or five, I do not know—but several amendments tomorrow, which we are ready to do. We will give time agreements on those amendments and then we will move back to the bill when we come back.

Again, I thank my Republican colleague, the chairman of the committee, for the areas in which we have cooperated. I look forward to vigorous and substantive debate on those areas where we do not agree. But ultimately we will produce a bill.

I thank the Chair and thank my colleagues. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I thank my colleague, the ranking member on the committee. I have enjoyed his remarks this evening. Literally some of his concerns we have addressed in the bill, in the substitute that has been filed. We cannot address all of his concerns in the way he would like them to be addressed because of differences. But some have been, and I think he will be pleased with those.

We will continue to work with him to try to perfect this bill in the interests of everybody, including the administration.

As I understand it, Senator THURMOND would like to make a short statement, and also Senator DEWINE. I do not know if there is anybody else who does, but as soon as the last few statements are made, we will shut the Senate down.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today in strong support of the substitute amendment to S. 735, offered by the able chairman of the Judiciary Committee of the Senate, Senator HATCH, and others who joined on this matter. As an original cosponsor of this legislation and the substitute amendment, I believe it builds upon a solid foundation to assist law enforcement in their fight against terrorism.

We must send a clear message that the people of America will not tolerate cowardly acts of terrorism, in any fashion—whether their source is international or domestic. It is important that the Congress work closely with Federal law enforcement to provide the necessary tools and authority to prevent terrorism. I am ever mindful that an appropriate balance between individual rights guaranteed in the Constitution and the needs of law enforcement must be achieved as we meet our responsibility. The American people appropriately look to their Government to maintain a peaceable society but do not want law enforcement to stray into the private lives of law-abiding citizens. The balance is to provide reasonable authority to law enforcement to investigate and prevent terrorism while respecting the rights of the American people to form groups, gather, and engage in dialog even when that dialog involves harsh antigovernment rhetoric. The recent bombing in Oklahoma City compels us to address this issue.

Mr. President, it is my belief that this legislation will enhance law enforcement capabilities to combat terrorism while respecting our cherished rights under the Constitution. This bill contains provisions to increase penalties for conspiracies involving explosives and the unauthorized use of explosives. Additionally, our legislation will assist law enforcement in fighting international terrorism, including language to prohibit U.S. aid to countries that provide military equipment to terrorist nations. The United States must send a strong signal to our allies and adversaries that America's policy is one of zero tolerance for aiding terrorists.

Also, I am pleased that this legislation contains the much needed language on alien terrorist removal. These provisions create a new "terrorism court" made up of sitting district court judges appointed by the Chief Justice of the Supreme Court. This specialty court would have the authority to hear deportation cases involving alien terrorists and would ensure, through the use of a limited ex parte procedure, that the United States can expeditiously deport alien terrorists without disclosing national security secrets to them and their criminal associates.

There are other provisions to provide anti-terrorism assistance to Federal law enforcement agencies. Further, one of the most important sections of this legislation, which I will now address, is designed to curb the abuse of habeas corpus appeals.

Mr. President, for years, as both chairman and ranking member of the Senate Judiciary Committee, I have called for reform of habeas corpus appeals. The habeas appellate process has become little more than a stalling tactic used by death row inmates to avoid punishment for their crimes. I have authored and joined as an original cosponsor of legislation designed to curb the abuse of habeas corpus and to limit the intrusion of Federal courts in State court convictions.

Unfortunately, the present system of habeas corpus review has become a game of endless litigation where the question is no longer whether the defendant is innocent or guilty of murder, but whether a prisoner can persuade a Federal court to find some kind of technical error to unduly delay justice. As it stands, the habeas process provides the death row inmate with almost inexhaustible opportunities to avoid justice. This is simply wrong.

In my home State of South Carolina, there are over 60 prisoners on death row. I am informed that one has been on death row for 18 years. Two others were sentenced to death in 1980 for a murder they committed in 1977. These two men, half brothers went into a service station in Red Bank, S.C. and murdered Ralph Studemeyer as his son helplessly watched. One man stabbed Mr. Studemeyer and the other shot him. It was a brutal murder and although convicted and sentenced to death, these two murderers have been on death row for 15 years and continue to sit awaiting execution.

Mr. President, without adequate habeas reform, the murdering coward who exploded the bomb in Oklahoma City could avoid justice for many years as many are now doing who have been sentenced to death. President Clinton has called for habeas reform, and I urge my colleagues on the other side of the aisle to join us to ensure that justice becomes a certainty and not a mere probability.

The habeas reform provisions in this legislation will significantly reduce the delays in carrying out executions without unduly limiting the right of access to the Federal courts. This language will effectively reduce the filing of repetitive habeas corpus petitions which delays justice and undermines the deterrent value of the death penalty. Under our proposal, if adopted, death sentences will be carried out in most cases within 2 years of final State court action. This is in stark contrast to death sentences carried out in 1993 which, on average, were carried out over 9 years after the most recent sentencing date.

Mr. President, the current habeas system has robbed the State criminal justice system of any sense of finality and prolongs the pain and agony faced by the families of murder victims. Or habeas reform proposal is badly needed to restore public confidence and ensure accountability to America's criminal justice system.

Mr. President, while there is nothing we can do to alter the tragic bombing in Oklahoma City, the Congress should now adopt legislation to bolster our efforts to prevent heinous and cowardly acts of terrorism. The preamble to the U.S. Constitution clearly spells out the highest ideals of our system of government—one of which is to ensure domestic tranquility. The American people have a right to be safe in their homes and communities.

I urge my colleagues to support this legislation to provide valuable assistance to our Nation's law enforcement in their dedicated efforts to uphold law and order. I yield the floor.

Mr. DEWINE. Mr. President, I rise this evening in very strong support of the bill that we are considering tonight, the Comprehensive Terrorism Prevention Act of 1995.

This is a bill that truly will help the United States fight terrorism, while at the same time preserving basic constitutional rights and civil liberties.

Let me begin tonight by congratulating Senator DOLE, the majority leader, Senator HATCH, Senator THURMOND, who have worked so very, very hard on this bill. They have crafted a bill that will truly make a difference. They have crafted a bill that will help the United States as a country fight back, against terrorism.

This bill being brought to the floor tonight is in immediate response to the horror of Oklahoma City. But it is also this response to the realization that we all have, about what a very, very dangerous world we live in today. Some thought that with the ending of the cold war we would be living in a safer world. But we all know today that is simply not true. Whether the terrorism comes from our own shores or is international terrorism, it is still horrible and we still must fight back.

I would like to talk briefly tonight about one particular aspect of this bill. That has to do with the provisions in this bill that give local law enforcement the resources and the tools that they need to fight back. I am specifically talking about the provisions in the bill that give local law enforcement the resources to provide for 21st century technology.

I have talked, Mr. President, on this floor during the last several weeks on 6 or 7 different occasions about how very, very important it is, that local law enforcement throughout the country, where 95 percent of all criminal prosecution occurs, where 95 percent of all arrests occur, where 95 percent of all investigations occur, that the resources be driven down to those local communities and those local law enforcement officers so that they have the technology, the DNA, the automated fingerprints, the ballistics, the criminal record, so that they have those tools so they can fight back.

This bill takes a major provision of my crime bill—the crime bill, by the way, that is cosponsored by Senator HATCH as well as Senator THURMOND, Senator ASHCROFT—this bill takes a major provision of that bill and inserts it in this bill and provides $500 million that will go directly to local law enforcement to help them develop the data bases that they need, and that the FBI knows they need.

This will, Mr. President, make a difference. It will help the government solve crime. It will help to save lives. It will make a difference in fighting terrorism, and it will make a difference in fighting all kinds of crime.

Last year's crime bill, Mr. President, had a major provision that provided that very significant amount of money to the FBI to develop the national central data base—DNA, fingerprints, identification of individuals, ballistics.

When I traveled Ohio the last few months and talked to local law enforcement officers, one of things that they told me was that is all well and good, but if we cannot access that information, if we cannot get it, if we do not have the tools to bring it to law enforcement, it will not do any good.

Several months ago, I visited the FBI and spent a day with them and spent a day with their experts in all of these different high technical fields. That, I found, is what local law enforcement had told me the FBI confirmed. That is, their fear is that local law enforcement will not have the resources so that we all can develop this national data base.

This is a unique role for the Federal Government. When we talk, Mr. President, about anticrime bills, antiterrorism bills, we always should first focus on what can only the Federal Government do.

I submit, Mr. President, that the evidence is abundantly clear that it is only the Federal Government that can establish this national base throughout the country. Now, why is that? Let us pretend that we are the sheriffs in Lawrence county, Ohio, or the chief of police in Ironton.

Our ability to use these tools, to use these data bases, depends on three things.

Number one, we have to have the ability or the resources there, and we have to put the information in. We have to do a good job.

Number two, the FBI, of course, has to build up a national base, so we can access from a national point of view.

But the third thing that we sometimes miss is that my ability —if I am the chief of police or a police officer in Ironton—to get information is dependent not only on the local community, local police, local sheriff and local FBI, but also on tens of thousands of jurisdictions across the country, because we live in a very, very mobile society. People move around; criminals move around.

So what the Federal Government does and what we are doing in this bill—and again, I congratulate my colleague from Utah and Senator DOLE the majority leader, for having the wisdom to listen to local law enforcement, to listen to the FBI when they say this is what we need, and to set aside a provision of this bill and to take that $500 million and say it will go down to local law enforcement so that we can, as a country, develop this national data base. It will, in fact, Mr. President, make a very substantial difference.

What are we talking about? What practical applicability does all of this have? You know, I have said many times, Mr. President, that we debate in this Congress—in the Senate and in the House —on the national news media a lot of things regarding crime that really do not make a lot of difference. But giving local police officers the tools that they need makes a difference. It matters. It is important. This is what the provisions of this bill truly do.

What is the practical application? We have seen it on TV a lot in the last few in regard to DNA. One of the things that is sometimes missed is the fact that DNA can be used, and is used, every single day in this country to help clear from investigations innocent people, so that someone does not stay the focus of a criminal investigation. DNA can be used for that.

But the situation we have in this country today is that law enforcement officers throughout the country do not, as a rule, really have access to good DNA technology. The laboratories are not there. If the laboratories are there and they have access, there is waiting time. They have to pick only their top cases, only the highest priority cases.

This bill will help solve that problem by establishing the resources so we can have DNA laboratories and experts who can come into court and testify, no matter where that crime is committed.

How else does it help? Think how important it is if you are a police officer or a sheriff's deputy, and at 3 o'clock in the morning you are following a car and, for some reason, you make the determination you need to pull that car over, and you need to pull that car over on a dark road, away from civilization, away from people, and you do that. Is it not important that you know that when you run that license plate, that the information you get back on the ownership of that car is accurate? Is that not important? Is it not important, or would it not be important if you are a police officer and you had just arrested someone and you wanted to determine really who that person was, and you did not believe them when they told you who they were, if you could take that person back to your police cruiser and take his or her hand and put it up against a screen and have those prints electronically transmitted to a central data base, and within a matter of seconds know who that person really is? We have that technology today. It is not widespread because of the cost. But we have the ability to do that.

Would it not be important for our children, for possible victims of sexual abuse, to be able to start as a country what some States are just now beginning to do—that is, to develop a national data base, DNA data base of sex offenders? The sad truth is, Mr. President, that sex offenders have just about the highest repeat offender rate of any group of criminals. I think check forgers and those who pass bad checks probably have about the same number of recidivism. But it is a little different when we are dealing with a sex offender.

I think it is important that every sex offender who goes into prison gets their blood taken. It is constitutional. We can do it. We just have not put the resources behind it. We can take their blood and develop a national DNA data base of sex offenders. So when that person comes out—as most of them do—and if that person commits another offense—as many do, tragically—then we have that data base, and we have the ability to take any bodily fluid from the crime scene, anything, and match that up and make that DNA comparison. We will solve crimes, save lives, and we will convict sex offenders.

Mr. President, I could go on and on with example after example. This money is important. We talk a lot about what matters in crime and what does not matter. The money provided in this bill, the provision that Senator HATCH and Senator DOLE have put in, when they have listened to local law enforcement and to the FBI—these provisions are an integral part of this bill, a very important part of the bill. I congratulate them and thank them for putting it in the bill because it will truly make a difference.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I compliment the distinguished Senator from Ohio for an excellent statement and also the distinguished Senator from South Carolina. As usual, Senator THURMOND really covers these matters as well as they can be covered.

MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

HAPPY BIRTHDAY TO KITTY WILKA

Mr. DASCHLE. Mr. President, today I want to take a moment to wish Kathleen "Kitty" Wilka of Sioux Falls, South Dakota, a happy sixty-fifth birthday.

Mrs. Wilka was born Kathleen Kelly on May 25, 1930, in Larchwood, Iowa. On August 16, 1948, she married Bill Wilka, and, together, they have built a strong family of 12 children and, so far, 28 grandchildren. Their son Jeff has worked in my Sioux Falls office for many years.

On behalf of the entire Wilka family, as well as my wife, Linda, and my staff, I want to wish Kitty Wilka the happiest of birthdays.

RETIREMENT OF JAMES O. KING

Mr. FORD. Mr. President, throughout my career in public service, I have had the good fortune of having a number of bright, loyal, and hard working individuals on my staff. One such individual is James O. King, now serving as Democratic Staff Director of the Senate Rules Committee, who is retiring on June 7.

Jim has been a very good friend to me for many years. He worked with me back when I served as Governor of Kentucky, came with me to Washington as one of my Administrative Assistants, and was Staff Director of the Rules Committee for 8 years.

He has served the Commonwealth in a number of roles in public administration, including working under no less than five Kentucky governors. In addition, he served in a number of capacities in higher education in the Commonwealth, including Vice President for Administration and also Administrative Assistant to the President of the University of Kentucky.

It seemed that no matter what job title he held, Jim was always working in public service, always trying to give something back.

We here in the Senate have been recipients of some of the fruits of his labor. Jim was a key person in 1988 to help the Committee review Senate rules and procedures. Under his direction, the Rules Committee has addressed a number of major pieces of legislation including the motor-voter bill and campaign finance reform. And all the while, he was still keeping a eye on the "nuts and bolts" of the Senate operation.

Anyone who's ever come in contact with Jim knows that he loves Kentucky, its people and its way of life. And, from what I understand from reliable sources, he's already getting in the swing of retirement by posting some of the best golf scores he's had in recent years!

We're going to miss Jim on the Rules Committee. And I know I'm speaking for my staff, the Rules Committee staff, and the Senate as a whole, in thanking him for his good work and wishing him all the best for his retirement.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, on that November evening in 1972 when I learned I had been elected to the Senate, I made a commitment to myself that I would never fail to see a young person, or a group of young people, who wanted to see me. In the nearly 23 years since that election night, I have been inspired by an estimated 60,000 young people with whom I have visited.

Most of them have expressed concern about the enormous Federal debt that Congress has run up for coming generations to pay. Almost without exception the young people and I discuss the U.S. Constitution which forbids that any President spend even a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

Mr. President, I have been making these daily reports to the Senate since February 22, 1992. I began because I wanted to make it a matter of daily record the precise size of the Federal debt. As of yesterday, Wednesday, May 24, the Federal debt stood at $4,887,785,166,023.46—$18,554.12 for every man, woman, and child on a per capita basis.

MR. JEFFERSON WAS RIGHT: GOP BUDGET PROVES IT

Mr. HELMS. Mr. President, there has been a great deal of phony and highly partisan criticism of the Republican budget proposal—criticism which the liberal news media have hastened to circulate. However, polls show that the majority of American people are not misled, except those who insist that they are entitled to something for nothing.

To their credit, Republicans in Congress have delivered on their commitment to come forth with a budget to—First, balance the Federal budget in 7 years; second, cut Federal spending by $961 billion; third, eliminate 140 Federal departments, agencies, and programs; fourth, freeze salaries of Member's of Congress; and fifth, cut the Senate staff budget by 15 percent.

Mr. President, the American people obviously realize the dire financial straits into which our Nation has plunged as a result of decades of irresponsibility by those in charge of their Federal Government. But children understand the penalty for spending more money than they have in their piggy banks.

I have an example to share, a poignant letter from the sixth grade class of Swain County West Elementary School in Bryson City, NC:

DEAR SENATOR HELMS: Our teacher shared with us your letter which mentioned the Federal debt as of March 14, 1995, which was $4,846,819,443,348.28.

We are amazed to see how large the Federal debt is and understand that anything that is "free", the working people pay for. We don't have much, but our class sends this collection to you and ask that you put it in the fund to reduce the Federal debt. Our generation is going to have to reduce this debt and we would like to begin our part now. We really want to help our country and as sixth graders we understand that you can't leave it up to somebody else to take care of what we must begin now."

Mr. President, enclosed with this letter came a check for $44.75, emphasizing the obvious if these sixth graders in North Carolina can recognize the importance of balancing the federal budget, why can't Congress?

Needless to say, I greatly admire these young people and their teachers. Implicit in their letter is an obvious question: If politicians cannot live up to promises to balance the budget, the politicians perhaps should be called home to smell the coffee, if I may be permitted to mix a couple of metaphors.

Mr. President, it is difficult to remain silent amidst false charges by the President and various Senators of his party that the Republican budget will cripple Medicare, the health care system upon which so many of our elderly have been encouraged to depend. Contrary to the false prophets, the Republican budget allows Medicare spending to increase each year by 7.1 percent.

Mr. President, the American people should always have realized that there is no such thing as a free lunch. Thomas Jefferson said it best:

> To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude.

Mr. Jefferson also warned:

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequences as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.

Mr. President, that just about says it all, especially when one considers the moral injustice we are heaping upon our children and their children. This year Republicans made a promise to balance the budget. We should keep that promise. Balancing the Federal budget is simply a matter of doing what we were sent to Washington to do.

ERNEST K. KOPECKY

Mr. DASCHLE. Mr. President, Ernest K. Kopecky has served as construction manager for the Architect of the Capitol and the Congress of the United States for 17 years. He began his service in 1978 and will retire this year. His tireless and unselfish efforts have contributed to the completion of many construction projects in the Capitol and in other buildings in the congressional complex and in maintaining and preserving the structures that house the legislative and judicial branches of the U.S. Government.

Under Mr. Kopecky's direction, such notable and historically significant projects as the restoration of the pedestal for the Statue of Freedom that crowns the Dome of the Capitol building and restoration of the Bartholdi and Neptune fountains have been successfully completed.

As a dedicated public servant, Ernest Kopecky has set an example for others. His genuine concern for quality of work and efficiency of those he supervises, his willingness to assist others, and his reputation for responsive service have brought great credit to the Office of the Architect of the Capitol and reflect positively on his colleagues in that office.

I congratulate Mr. Kopecky on his distinguished career and wish him well in his retirement.

COMMERCIAL SPENT FUEL STORAGE

Mr. MURKOWSKI. Mr. President, dangerous nuclear leftovers from the cold war and the commercial spent fuel storage problem present the U.S. with two major environmental challenges. An explosion at the liquid high-level waste storage tanks at Hanford could result in a catastrophic nuclear accident, and electric utilities are running out of space for storage at commercial nuclear reactors. Although these are separate problems, the solutions are related. Unfortunately, President Clinton is AWOL (absent without leadership), and the DOE is playing legal games instead of taking responsibility for taking the commercial spent fuel by 1998. It's time for a comprehensive solution.

First, let's review the facts:

Thirty thousand tons of spent nuclear fuel is being temporarily stored at powerplants at 75 sites.

In less than 3 years, 23 reactors will run out of space in their spent fuel storage pools.

By 2010, a total of 78 reactors will have run out of space.

We've already spent 12 years and $4.2 billion to find permanent high-level repository and conduct site characterization at Yucca Mountain.

DOE will decide if Yucca Mountain is a suitable site for a permanent repository in 1998. If it is, DOE will file for license in 2001. DOE has told us that the odds of the site being suitable are about 80 percent. However, DOE has also indicated that the odds of getting a license for a permanent repository under our existing laws are about 50-50, and probably much worse. These odds are not good enough to bet the taxpayer's money on.

Still, the fact remains that, if after 3 to 6 years more work at Yucca Mountain, and a total expenditure of at least $9 billion on our nuclear waste disposal program, Yucca is either found not to be suitable or licensable, we have nowhere to turn. We currently have no contingency plan for waste storage. We will simply have to start over.

Meanwhile, the President and DOE are dragging their feet. DOE has recently issued a "Final Interpretation of Nuclear Waste Acceptance Issues," reaffirming its earlier position that its contracts with the utilities to take waste by 1998 are not enforceable in court. DOE has also asserted that it has no authority under existing law to site an interim repository. DOE has missed the point. While DOE is focusing on legal technicalities to avoid its obligations to the American people, we have had no suggestions from DOE regarding solutions to this problem.

Although we have been told that DOE is studying the issue, all we have heard from the administration is a refusal to support any pending legislation at this time. I have received no response to my letter to the President requesting that the administration engage on this issue in a meaningful way.

Finally, the State of Nevada and the Nevada congressional delegation remain opposed to the location of any nuclear waste facilities in their State.

It is time to take a comprehensive look at the problem based on two basic principles: First, the Government must meet its obligation to take spent fuel by 1998 or as soon thereafter as practical. The ratepayers have paid for it. They deserve performance, not excuses. Even if it is found to be suitable, Yucca Mountain will not be ready before 2010. Therefore, interim storage of spent fuel is needed. Although there is nothing unsafe about the storage of spent fuel at reactor sites, for reasons of both economics and safety, we must consolidate our 74 spent fuel storage sites into 1 or 2.

Second, the U.S. must continue efforts toward a permanent geological repository. While we can keep alternatives such as deep seabed disposal and transmutation alive (if Yucca is found unsuitable), our long-term goal remains geologic disposal.

This raises a more difficult question: Where do we locate central interim storage? I would suggest the best location for an interim storage facility would meet the following criteria:

Spent fuel should already be there.

There should be adequate land area.

The Federal Government should already own the land.

There should be transportation infrastructure.

There should be a security infrastructure.

A skilled work force familiar with handling nuclear materials should be available.

A nuclear safety/worker protection infrastructure should be in place.

The location(s) should be in general proximity to the Nation's reactors, i.e., one for the East and one for the West.

The new economic activity associated with spent fuel management may address concurrent job losses.

After all of these considerations are evaluated, the relative costs of the alternatives should be taken into acount.

Locations that meet the above criteria include some of our existing DOE weapons facilities. Geographically, the most likely candidates are Hanford and Savannah River. There are other important factors about Hanford, and Savannah River—each contain nuclear materials dramatically more dangerous than spent commercial fuel safety contained in dry casks. For example, Hanford has 61 million gallons of liquid high level wastes in 177 underground tanks—some of which have leaked or are leaking. Under certain conditions, one or more of these tanks could explode, resulting in a catastrophic nuclear accident. Also at Hanford are 4,300 metric tons of plutonium in various forms and locations, contaminated reprocessing facilities, corroding and possibly dangerous DOE nuclear fuels, and a contaminated plutonium finishing plant just to name a few. Savannah River has five closed reactors, two contaminated reprocessing facilities, and a variety of liquid and solid radioactive wastes.

Despite the very real environmental health and safety risks that exist at Hanford and Savannah River, fiscal pressures are forcing us to cut the overall cleanup budget even as we squander millions of dollars cleaning up low risk sites to comply with environmental regulations designed for a perfect world. As Ivan Selin, Chairman of the NRC, said last week, Prioritization of the cleanup at DOE sites, based on an assessment of risk to the public and the cleanup workers, isn't happening to the extent it should.

Finally, Hanford and Savannah River already have spent nuclear fuel. Not the safe, stable nuclear fuel found in commercial power reactors—but military fuel designed to be quickly reprocessed to make plutonium. When we abruptly shut down plutonium production, this military fuel was left in limbo. Today it sits, corroding, in pools at Hanford and Savannah River . . . 206 metric tons at Savannah River, and 2132 metric tons at Hanford.

To review the situation, we need one or two centralized, dry cask storage sites for spent commercial nuclear fuel, until Yucca Mountain or another permanent geologic repository is ready. We have spent military fuel at Hanford and Savannah River—along with a host of other environmental problems—that demand attention despite declining dollars and misplaced priorities dictated by current environmental statutes. Employment at Hanford and Savannah River is dropping. The local communities are feeling the economic pinch. the activity at Hanford and Savannah River is shifting from defense production to environmental restoration.

Hanford and Savannah River meet all the criteria listed earlier:

Spent fuel is already there.

There is adequate land area.

The Federal Government already owns the land.

There is transportation infrastructure.

There is security infrastructure.

There is an available, skilled work force that knows how to handle nuclear materials.

There is a nuclear safety/worker protection infrastructure in place.

Savannah River is conveniently located with respect to civilian power reactors in the east, and Hanford is convenient to reactors in the west.

The new economic activity associated with spent fuel management will help address economic declines in the area.

The new dry cask storage facilities may even help safely contain the more dangerous spent military fuel that exists at both sites.

Overall costs of transportation and storage would appear to be lower at these sites.

Therefore, I believe Hanford and Savannah River offer excellent sites for the temporary, dry cask storage of civilian spent nuclear fuel until a permanent geologic repository is available. At this point, I would like to make clear my support for continued progress toward a permanent geologic repository. Hanford and Savannah River already have defense nuclear waste and spent nuclear fuel from defense and research activities that is destined for the permanent geologic repository. This proposal is intended to hasten the day that those wastes, as well as the civilian spent fuel, are sent away from the sites for permanent disposal. I realize that at this time, nobody wants to store nuclear waste. Incentives must be offered. The communities near Hanford and Savannah

River will understandably ask, what's in it for us?

I would be prepared to pursue benefits for these communities if they are inclined to take spent commercial fuel on an interim basis only. First, I am working with several of my colleagues to develop legislation that will prioritize DOE cleanups in accordance with actual risks. That approach will result in Hanford and Savannah River being cleaned up faster, since many of the high-risk problems are located there. Second, I am encouraging the privatization of efforts to vitrify—or turn into glass—high-level liquid wastes at Hanford. This is the best way to stabilize the liquid tanks and make them safe.

Third, we are offering new construction and economic activity associated with the construction and operation of an interim, above ground, dry cask storage site. This will help address the job losses and economic declines associated with the end of defense-related activities at Hanford and Savannah River. Fourth, there are other arrangements, including financial incentives, that can be considered. Whether or not DOE continues to exist as a Cabinet-level agency, its functions and operations will be significantly scaled back. As the various DOE sites compete for the remaining missions, special consideration could be given to a site that hosts the interim storage facility. Other benefits to communities agreeing to host an interim storage site can also be discussed.

Finally, to provide assurances to the local communities of Richland/Pasco/Kennewick, WA; Aiken, SC; and Augusta, GA, that the interim dry cask storage sites are not intended to be permanent, work on Yucca Mountain will be continued. Remember, there is already spent nuclear fuel at these sites that is destined for a permanent geologic repository, when one is available. It is in the long-term interest of these facilities to participate in a program that will take care of the immediate problem so that the work on the permanent repository can go forward.

In addition to selecting a site, there are four elements that we should include in a legislative bill dealing with spent nuclear fuel. First, in order to construct a central interim storage facility in a timely manner, changes must be made in the Nuclear Waste Policy Act. These amendments should provide: that licensing of an interim storage facility can begin immediately; that the interim dry cask storage site can be constructed incrementally and that waste acceptance can begin as sections are completed; that the NRC will be the sole licensing authority; short-term renewable licenses to ease NRC rulemaking; and that DOE will be treated like a private licensee.

Second, to help ensure that the spent fuel can be moved from reactor sites to interim storage as soon as possible, a transportation system must be developed. Legislative changes would provide: that utilities are responsible for obtaining casks; that DOE will take title to fuel at reactor site; that DOE will be responsible for delivery; and a clear regulatory regime related to the transportation of spent fuel.

Third, to ensure that Yucca can be licensed, we should streamline licensing provisions, specifying repository performance standards.

Finally, fourth, a budgetary framework must be established that ensures that the money put into the Nuclear Waste Fund by the ratepayers is available to the program in amounts sufficient to achieve the first three goals in a timely and efficient way.

These draft proposals outline a workable and efficient interim storage program that would allow us to pursue the investigation of our permanent disposal options, including a full study of the Yucca Mountain site. However, one lesson we have learned is that we cannot put all of our eggs in one basket. We cannot solve every nuclear waste and spent fuel issue before this country in this Congress. However, we can set up the beginnings of a workable, integrated nuclear waste management system that will allow succeeding generations to apply new technologies to these problems.

In conclusion, I have given a basic outline of principles Congress must address if we are to solve these two major environmental problems. As chairman of the Committee on Energy and Natural Resources, I pledge to continue our goal of reaching a common sense and comprehensive solution. We'd like to do that with the help of President Clinton and his Department of Energy. So far, I have not seen sufficient indication they really want to be a part of any solution. Unfortunately, this issue is not one where America can be without leadership. I will look forward to working with all of those who have an interest and concerns to resolve what is undoubtedly one of America's most frightening problems, the management of waste left at DOE defense weapons facilities, while providing a legislative framework for DOE to meet its obligation to take possession of the Nation's civilian spent nuclear fuel.

FOREIGN OWNERSHIP OF TELECOMMUNICATIONS

Mr. BYRD. Mr. President, the distinguished Majority Leader has indicated that, when the Senate returns from the upcoming recess, it will take up S. 652, the "Telecommunications Competition and Deregulation Act of 1995." As my colleagues are aware, this is a very important piece of legislation dealing with many aspects of the complicated, fast-changing marketplace in telecommunications and the many competing commercial interests in that marketplace.

Of great interest is the international marketplace in telecommunications equipment and services, which is extremely lucrative, and is subject to many of the same kind of barriers to entry for American companies that we see in other business sectors. Currently, the US Trade Representative, Ambassador Mickey Kantor, has initiated a 301 case against the Japanese in the area of automobile parts, after years of frustration in trying to gain fair entry into the Japanese market—just as the Japanese have access into the American market, and the Senate has strongly endorsed this action. Similar problems exist in the telecommunications field, and the bill as reported from the Commerce Committee includes a provision to protect our telecommunications companies from unfair competition. The provision requires that reciprocity is needed in the international marketplace, and in adjusting the rules for foreign ownership of telecommunications services in the U.S., the host countries of those businesses seeking market access in the U.S. allow fair and reciprocal access to our telecommunications providers in those nations.

This is a case of fairness, and the Committee has wisely included needed leverage for the Administration to prod our trading partners into opening their markets.

Given the highly lucrative nature of the telecommunications marketplace, the stakes of gaining market access to foreign markets are high. It should be no surprise that securing effective market access to many foreign markets, including those of our allies, including France, Germany and Japan has been very difficult. Those markets remain essentially closed to our companies, dominated as they are by large monopolies favored by those governments. In fact, most European markets highly restrict competition in basic voice services and infrastructure. A study by the Economic Strategy Institute in December of 1994 found that "while the U.S. has encouraged competition in all telecommunication sectors except the local exchange, the overwhelming majority of nations have discouraged competition and maintained a public monopoly that has no incentive to become more efficient." U.S. firms, as a result of intense competition here in the U.S., provide the most advanced and efficient telecommunications services in the world, and could certainly compete effectively in other markets if given the chance of an open playing field. The same study found that "U.S. firms are blocked from the majority of lucrative international opportunities by foreign government regulations prohibiting or restricting U.S. participation and international regulations which intrinsically discriminate and overcharge U.S. firms and consumers."

This study found that the total loss in revenues to U.S. firms, as a result of foreign barriers is estimated to be over $100 billion per year between 1992 and the turn of the century. These are staggering sums.

Thus the administration has adopted an aggressive incentives-based strategy for foreign countries to open their telecommunications services markets to U.S. companies. First, as my colleagues are aware, the negotiations which led to the historic revision of the GATT agreement and which created the World Trade Organization were unable to conclude an agreement on telecommunications services. Thus, separate negotiations are underway in Geneva today to secure such an agreement, in the context of the Negotiating Group on Basic Telecommunications. In the absence of such an agreement, we must rely on our own laws to protect our companies and to provide leverage over foreign nations to open their markets. To forego our own national leverage would do a great disservice to American business and would be shortsighted—the result of which would be not only a setback to our strategy to open those markets, but pull the rug out from under our negotiators in Geneva to secure a favorable international agreement for open telecommunications markets. Indeed, tough U.S. reciprocity laws are clearly needed by our negotiators to gain an acceptable, effective, market opening agreement in Geneva in these so-called GATS [General Agreement on Trade in Services] negotiations.

Second, the bill as reported by the Commerce Committee supports a strategy to provide incentives for foreign country market opening by conditioning new access to the American market upon a showing of reciprocity in the markets of the petitioning foreign companies. Current law, that is section 310 of the Communications Act of 1934 provides that a foreign entity may not obtain a common carrier license itself, and may not own more than 25 percent of any corporation which owns or controls a common carrier license. This foreign ownership limitation has not been very effective and has not prevented foreign carriers from entering the U.S. market. The FCC has had the discretion of waiving this limitation if it finds that such action does not adversely affect the public interest. In addition, the law does not prevent some kinds of telecommunications businesses, such as operation and construction of modern fiber optic facilities or the resale of services in the U.S. by foreign carriers. Nevertheless, maintaining restrictions on foreign ownership is generally considered by U.S. industry to be useful as one way to raise the issue of unfair foreign competition and to maintain leverage abroad. Therefore the bill establishes a reciprocal market access standard as a condition for the waiver of Section 310(b). It states that the FCC may grant to an alien, foreign corporation or foreign government a common carrier license that would otherwise violate the restriction in Section 301(b) if the FCC finds that there are equivalent market opportunities for U.S. companies and citizens in the foreign country of origin of the corporation or government.

Even though Section 310 has not prevented access into our market, the existence of the section has been used by foreign countries as an excuse to deny U.S. companies access to their markets. The provision in S. 652, applying a reciprocity rule, makes it clear that our market will be open to others to the same extent that theirs are open to our investment. This is as it should be.

Given the importance of this provision, and the tremendous stakes involved in the future telecommunications markets worldwide, a number of issues regarding the provision have been raised, including the role of the President in reviewing FCC decisions, how the public interest standard should be applied, whether our negotiators should have wide authority to exercise leverage among telecommunications market segments, to what extent Congress should be informed and involved in the developing policies which effectively define the American public interest, the impacts of the legislation on the ongoing negotiations in Geneva for a multilateral agreement, what mechanisms are needed to ensure that promises for market access turn into reality by foreign nations—after the ink on an international agreement is dry—and several other matters.

In order to clarify and develop a fuller understanding of the ramifications of the provision of S. 652, I wrote Ambassador Kantor on April 3, 1995, soliciting his views in five areas: First, the impacts of the provision on the ongoing telecommunications negotiations in Geneva; second, the nature of foreign market behavior that would trigger action under the concept of reciprocity in the bill; third, the likely reactions of foreign governments to the provision; fourth, the most useful role that the United States Trade Representative can play in implementing the proposal in the bill; and, fifth, his suggestions for any changes which might strengthen the effectiveness of the provision. I received a very full reply from Ambassador Kantor on April 24, 1995, which I ask unanimous consent be printed in the RECORD at this point. I commend the Ambassador for his attention to this matter, and am sure that his reply will be useful to the Senate when the bill comes to the floor. I hope that the Senate will have a good debate on this particular provision, and hope that we will seize this historic opportunity to put into place effective reciprocity tools to truly open the world's economies to opportunities for American genius and labor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 3, 1995.

Ambassador MICKEY KANTOR,
U.S. Trade Representative,
Washington, DC.

DEAR MR. AMBASSADOR: The Senate will soon take up S. 652, the Telecommunications Competition and Deregulation Act of 1995, to promote competition in the telecommunications industry. I am writing to solicit your views on the revision of foreign ownership provisions, specifically the revision to Section 310(b) of the 1934 Communications Act.

As you may know, the Commerce Committee's reported bill would allow the FCC to waive current statutory limits on foreign investment in U.S. telecommunications services if the FCC finds that there are "equivalent market opportunities" for U.S. companies and citizens in the foreign country where the investor or corporation is situated.

I would like to have your assessment of the impact of this provision for both enhancing the prospects of U.S. penetration of foreign markets, and for foreign investment in American telecommunications companies and systems.

Specifically, what impacts and advantages can we anticipate will result from enactment of this provision on the ongoing negotiations in Geneva on Telecommunications which has been established under the GATT, to be incorporated into the General Agreement on Trade in Services?

Second, which markets in Asia and Europe are now closed to U.S. telecommunications services in such a way that action on the basis of the concept of Reciprocity in the Senate bill is likely? What timeframes for such action, if any, would you contemplate?

Third, what has been the position of nations whose markets are closed to U.S. telecommunications services in the way of justifying their lack of access, and what likely reactions can we anticipate from those nations as a result of this legislative provision?

What role do you think can be most usefully played by your office in effectively implementing the provision that has been recommended?

Lastly, in analyzing the legislation reported from the Senate Commerce Committee, do you have any suggestions as to how the provision might be strengthened to better serve the goal of opening foreign markets to U.S. telecommunications services and products?

Thank you for your attention to this matter.

Sincerely,

ROBERT C. BYRD.

THE U.S. TRADE REPRESENTATIVE,
Washington, DC, April 24, 1995.

Hon. ROBERT BYRD,
U.S. Senate,
Washington, DC.

DEAR SENATOR BYRD: This is to respond to your letter of April 3, 1995 regarding S. 652, the "Telecommunications Competition and Deregulation Act of 1995" and its proposed revision of Section 310(b) of the Communications Act of 1934. The Departments of Commerce, Justice, State and Treasury have concurred in this response to your letter.

The Administration and the U.S. telecommunications industry are united in their support for Congressional action to revise the foreign ownership rules under Section

310(b). As Vice President Gore indicated recently to our G-7 partners, the Administration seeks legislation to allow us to open further our common carrier telecommunications market to the firms of countries which open their markets to the American common carrier telecommunications industry. This would contribute greatly to the development of the Global Information Infrastructure (GII).

As you know, the U.S. leads efforts in the World Trade Organization (WTO) aimed at reaching a market-opening agreement on basic telecom services. The U.S. negotiating team—led by the USTR with representatives from the Departments of Commerce, Justice, State and the Federal Communications Commission—has successfully advanced U.S. objectives at the WTO talks.

I have attached detailed responses to each of your five questions. By amending the legislation as we suggest, the Congress would provide effective market-opening authority for both multilateral and bilateral negotiations on basic telecommuncations services.

We stand ready to work with you to develop legislation which can serve our shared interest in a stronger U.S. economy and the development of the Global Information Infrastructure. We would also be pleased to provide your staff with a briefing on the status of major telecom services markets in Asia, Europe and Latin America at their convenience.

Sincerely,

MICHAEL KANTOR.

Attachments.

1. Specifically, what impacts and advantages can we anticipate will result from enactment of this provision on the ongoing negotiations in Geneva on Telecommunications which have been established under the GATT, to be incorporated into the General Agreement on Trade in Services?

Answer: The U.S. maintains one of the world's most open and competitive markets. Our objective in this negotiation is to obtain firm commitments regarding similar levels of openness in the markets of other important trading partners.

Legislation providing the Government with effective market-opening authority with respect to Section 310(b) could have a powerful positive effect on these talks. Section 310(b) is regarded by foreign companies as a major barrier to market access in the United States. That perception is out of proportion to the actual effect of Section 310(b). Authority to remove this restraint through international negotiations or on the basis of similar levels of openness could lead in turn to the removal of ownership restrictions and monopoly barriers to U.S. companies in key markets abroad.

U.S. firms are successful global players in the common carrier telecommunications industry. Telecommunications companies in many major developed countries regard access to the U.S. market as a strategic imperative. Legislation providing the Government with effective market-opening authority is essential if we are to level the playing field for U.S. firms. This authority would greatly enhance the prospects for U.S. penetration of foreign markets—markets that now are sanctuaries for our companies' top competitors. At the same time, it would benefit the U.S. economy by greater openness to foreign investment in this growing sector.

2. Second, which markets in Asia and Europe are now closed to U.S. telecommunications services in such a way that action on the basis of the concept of reciprocity in the Senate bill is likely? What time frames for such action, if any, would you contemplate?

Answer: Most markets in Europe, Asia and elsewhere have monopoly arrangements which prohibit or restrict both foreign ownership of basic telecommunications infrastructure and provision of basic services. For example, most Member States of the European Union have voice telephone service monopolies, which they plan to maintain at least until 1998. The European Union and its Member States may introduce reciprocity provisions on foreign ownership in the absence of a successful conclusion to the WTO negotiations. In Japan and Canada, foreign ownership of firms that own telecommunications infrastructure is restricted to 33 percent.

Foreign governments remain cautious about allowing competition to firms which remain state-owned or controlled. In the past these companies have been regarded mainly as state-managed sources of employment and demand for domestic high tech goods.

Our key trading partners are much more likely to open their basic telecom services markets to U.S. companies in return for a balanced market-opening commitment by the U.S. which includes changes to the restrictions on common carrier radio licenses in Section 310(b). Unilateral action by the U.S. to eliminate these Section 310(b) provisions would forfeit leverage vis-a-vis these countries.

Effective market-opening legislation would reaffirm our commitment to the principles of private investment and competition and would allow us to challenge our key trade partners to embrace fully these principles.

The WTO negotiations have a deadline of April 30, 1996. We seek market-opening action within that time frame.

3. Third, what has been the position of nations whose markets are closed to U.S. telecommunications services in the way of justifying their lack of access, and what likely reactions can we anticipate from those nations as a result of their legislative provision?

Answer: Foreign markets are closed to U.S. firms, in varying degrees, mainly due to the worldwide heritage of natural monopoly in basic telecommunications services. The United States moved first to begin abandoning this approach over twenty years ago. The very successful American result in terms of increased information sector employment, fast-growing high-technology industries and better services to consumers and businesses has helped to motivate some key trading partners gradually to abandon monopoly as well. But progress has been incremental at best, with most markets only allowing competition in data and value-added services. Very few trading partners have taken steps to liberalize their basic infrastructure and voice telephone service markets. Even the United Kingdom, which now has one of the most liberal basic telecommunications services markets, still maintains a duopoly on facilities-based international services.

Some trade partners regard global market access as a strategic imperative for their companies. Since the United States represents about one-quarter of the world telcom services market, we can expect these nations will seek to obtain the benefit of any market-opening steps offered by the U.S. In this way, we hope to negotiate an exchange of market-opening commitments in the WTO productively with these trade partners.

Other significant trade partners which have inefficient telecommunications monopolies are faced with large unmet domestic demand for basic telecommunications services. Nonetheless, they remain cautious about allowing competition. The WOT negotiations offer an opportunity to harmonize and to expedite these parties' transition away from monopoly and towards reliance on private investment and competition.

4. Fourth, what role do you think can most usefully be played by your office in effectively implementing the proposal that has been recommended?

Answer: The Federal Communications Commission recently proposed to consider foreign market access in certain decisions affecting foreign-affiliated firms. The role of the Executive Branch as defined by statutory reform of Section 310(b) should conform with the view expressed below by the Executive Branch in its recent comments on the FCC's proposed rulemaking. In comments filed on April 11, 1995 by the Commerce Department's National Telecommunications and Information Administration on behalf of the Executive Branch, we stated,

"The Commission . . . has authority over the regulation of U.S.-based telecommunications carriers in interstate and foreign commerce, as well as concurrent authority with the Executive Branch to protect competition involving telecommunications carriers by enforcing certain provisions of the antitrust laws. In carrying out its regulatory responsibilities, the Commission may help effectuate the policy goals and initiatives of the Executive Branch and promote U.S. interests in dealing with foreign countries. Accordingly the Commission must accord great deference to the Executive Branch with respect to U.S. national security, foreign relations, the interpretation of international agreements, and trade (as well as direct investment as it relates to international trade policy). The Commission must also continue to take into account the Executive Branch's views and decisions with respect to antitrust and telecommunications and information policies."

The Administration plans to work with the Commission to establish a process to take the respective authorities of the Commission and Executive Branch agencies into account in making such determinations.

5. Lastly, in analyzing the legislation reported from the Senate Commerce Committee, do you have any suggestions as to how the provision might be strengthened to better serve the goal of opening foreign markets to U.S. telecommunications services and products?

Answer: First, the legislation should provide the Executive Branch with leverage to negotiate greater openness, in conformance with the view expressed by the Executive Branch in its recent comments on the FCC's proposed rulemaking. Otherwise, the legislation reported from the Senate Commerce Committee would make market access factors determinative, in a departure from the FCC's existing public interest standard. Under the existing public interest standard, the government can exercise discretion with respect to foreign investors from otherwise unfriendly nations.

Second, the bill should provide authority to conform with the obligations of a successful outcome in the WTO negotiations. This would require the U.S. to make any new market-opening commitments on a most-favored-nation (MFN) basis within the framework of the General Agreement on Trade in Services (GATS). In order to provide effective leverage in these talks, legislation to reform Section 310(b) should explicitly provide for the Government to take on such an obligation. If the WTO basic telecommunications services negotiations are not successful, the U.S. will take a most-favored-nation exception for basic telecommunications services under the GATS.

Third, the bill's market-segment-for-market-segment approach should be dropped to allow market opening generally balanced among telecommunications services markets.

Fourth and finally, the bill's "snapback" provision is a unilateral provision to remove negotiated benefits which would be unacceptable to us if proposed by other nations for themselves. It is unnecessary insofar as the FCC can already condition authorizations and reopen them if the conditions later are not met, consistent with U.S. international obligations.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT—PM 53

The PRESIDING OFFICER laid before the Senate the following messages from the President of the United States, together with an accompanying report; which was referred to the Committee on Small Business.

To the Congress of the United States:

I am pleased to forward my second annual report on the state of small business, and to report that small businesses are doing exceptionally well. Business starts and incorporations were up in 1993, the year covered in this report. Failures and bankruptcies were down. Six times as many jobs were created as in the previous year, primarily in industries historically dominated by small businesses.

Small businesses are a critical part of our economy. They employ almost 60 percent of the work force, contribute 54 percent of sales, account for roughly 40 percent of gross domestic product, and are responsible for 50 percent of private sector output. More than 600,000 new firms have been created annually over the past decade, and over much of this period, small firms generated many of the Nation's new jobs. As this report documents, entrepreneurial small businesses are also strong innovators, producing twice as many significant innovations as their larger counterparts.

In short, a great deal of our Nation's economic activity comes from the record number of entrepreneurs living the American Dream. Our job in Government is to make sure that conditions are right for that dynamic activity to continue and to grow.

And we are taking important steps. Maintaining a strong economy while continuing to lower the Federal budget deficit may be the most important step we in Government can take. A lower deficit means that more savings can go into new plant and equipment and that interest rates will be lower. It means that more small businesses can get the financing they need to get started.

We are finally bringing the Federal deficit under control. In 1992 the deficit was $290 billion. By 1994, the deficit was $203 billion; we project that it will fall to $193 billion in 1995.

Deficit reduction matters. We have been enjoying the lowest combined rate of unemployment and inflation in 25 years. Gross domestic product has increased, as have housing starts. New business incorporations continue to climb. We want to continue bringing the deficit down in a way that protects our economic recovery, pays attention to the needs of people, and empowers small business men and women.

CAPITAL FORMATION

One area on which we have focused attention is increasing the availability of capital to new and small enterprises, especially the dynamic firms that keep us competitive and contribute so much to economic growth.

Bank regulatory policies are being revised to encourage lending to small firms. Included in the Credit Availability Program that we introduced in 1993 are revised banking regulatory policies concerning some small business loans and permission for financial institutions to create "character loans."

New legislation supported by my Administration and enacted in September 1994, the Reigle Community Development and Regulatory Improvement Act of 1994, establishes a Community Development Financial Institutions Fund for community development banks, amends banking and securities laws to encourage the creation of a secondary market for small business loans, and reduces the regulatory burden for financial institutions by changing or eliminating 50 banking regulations.

Under the Small Business Administration Reauthorization and Amendments Act of 1994, the Small Business Administration (SBA) is authorized to increase the number of guaranteed small business loans for the next 3 years. The budget proposed for the SBA will encourage private funds to be directed to the small businesses that most need access to capital. While continuing cost-cutting efforts, the plan proposes to fund new loan and venture capital authority for SBA's credit and investment programs. Changes in the SBA's 7(a) guaranteed loan program will increase the amount of private sector lending leveraged for every dollar of taxpayer funds invested in the program.

Through the Small Business Investment Company (SBIC) program, a group of new venture capital firms are expected to make available several billion dollars in equity financing for startups and growing firms. The SBIC program will continue to grow as regulations promulgated in the past year facilitate financing with a newly created participating equity security instrument.

And the Securities and Exchange Commission's simplified filing and registration requirements for small firm securities have helped encourage new entries by small firms into capital markets.

We are recommending other changes that will help make more capital available to small firms. In reauthorizing Superfund, my Administration seeks to limit lender liability for Superfund remediation costs, which have had an adverse effect on lending to small businesses. Interagency teams have been examining additional cost-effective ways to expand the availability of small business financing, such as new options for expanding equity investments in small firms and improvements to existing microlending efforts.

We've also recognized that we can help small business people increase their available capital through tax reductions and incentives. We increased by 75 percent, from $10,000 to $17,500, the amount a small business can deduct as expenses for equipment purchases. Tax incentives in the 1993 Budget Reconciliation Act are having their effect, encouraging long-term investment in small firms. And the empowerment zone program offers significant tax incentives—a 20 percent wage credit, $20,000 in expensing, and tax-exempt facility bonds—for firms within the zones.

REGULATION AND PAPERWORK

But increasing the availability of capital to small firms is only part of the battle. We also have to make sure that Government doesn't get in the way. And we're making progress in our efforts to create a smaller, smarter, less costly and more effective Government that is closer to home—closer to the small businesses and citizens it serves.

In the first round of our reinventing Government initiative—the National Performance Review—we asked Government professionals for their best ideas on how to create a better Government with less red tape. One recommendation was that Federal agency compliance with the Regulatory Flexibility Act—that requires agencies to examine proposed and existing regulations for their effects on small entities—be subject to judicial review. In other words, they said we need to put teeth in the legislation requiring Federal agencies to pay attention to small business concerns when they write regulations. That proposal has been under debate in the Congress.

Federal agencies are already considering and implementing specific ways to streamline regulations and make paperwork easier for small businesses to manage. For example, the Environmental Protection Agency (EPA) responded to small business owners and advocates who said that the agency's toxic release inventory rule was especially costly and burdensome. In November 1994, the EPA announced a final rule that will make it easier for small businesses to report small amounts of toxic releases.

And SBA has slashed the small business loan form for loans under $100,000 from an inch-thick stack to a single page. The SBA is also piloting a new electronic loan application that will involve no paperwork, but will allow business owners to concentrate on the business at hand—building a successful operation.

When businesses are unable to succeed, no one is served by a process that entangles small business owners in an endless jumble of paperwork. Sweeping changes made to bankruptcy laws in the past year will help small businesses reorganize. Small firms with less than $2.5 million in debt may utilize a streamlined reorganization process that is less expensive and more timely.

My Executive order on Regulatory Review provides a process for more rational regulation, and we've been listening to the concerns of small firms through a Regulatory Reform Forum for Small Business. Five sector-specific groups have made specific proposals for regulatory relief. These groups have said that a comprehensive, multiagency strategy, with better public involvement, is probably the most cost-effective way to improve both the quality of regulations and compliance with them. The key is to make sure that Government serves small business and the American people, not the other way around.

ELECTRONIC COMMERCE AND GOVERNMENT PROCUREMENT

The reinventing Government initiative also called for expanded use of electronic marketing and commerce, and we have made great strides in providing information about Government programs electronically. These methods will increase small business access to markets.

Another area that has been sorely in need of reform is the Government procurement process. In October 1994, I signed into law the Federal Acquisition Streamlining Act, which will change the way the Government does business. The law modifies more than 225 provisions of procurement law to reduce paperwork burdens, improve efficiency, save the taxpayers money, establish a Federal acquisition computer network, increase opportunities for women-owned and small disadvantaged businesses, and generally make Government acquisition of commercial products easier. This report documents how small businesses are doing under the old system; my hope is that opportunities for small business success will be even greater once these reforms are in effect.

HUMAN RESOURCES

Beyond encouraging an economic environment that supports small business success, opening doors to capital resources, buying more of our goods and services from small firms, and getting out of small business' way, I believe we in Government have a responsibility to ask whether we are doing enough to ensure a healthy and adequately prepared work force.

I remain committed to seeking a way to provide health insurance coverage for all Americans. As this report clearly shows, the number of uninsured Americans is too high—and it's growing. Millions of those citizens are in working families. And the sad fact is that many of those workers are in small businesses, which have seen their premiums and deductibles soar. We must make sure that self-employed people and small businesses can buy insurance at more affordable rates—whether through voluntary purchasing pools or some other mechanism.

We also ought to be able to ensure that our citizens are adequately provided for when they reach the end of their working years. Here too, small firms have been at a disadvantage. Our proposed pension legislation exempted most small plans from compliance and reporting increases.

And while our industries restructure and move from an age of heavy industry to an information age that demands new skills and new flexibility, we need to make sure that our work force has the skills and tools to compete. That is why I proposed the Middle Class Bill of Rights, which would provide a tax deduction for all education and training after high school; foster more saving and personal responsibility by permitting people to establish an individual retirement account and withdraw from it tax-free for the cost of education, health care, first-time house buying, or the care of a parent; and offer to those laid off or working for a very low wage, a voucher worth $2,000 a year to get the skills they need to improve their lives.

INTERNATIONAL TRADE

We also want to empower small businesses to succeed in a global economy. One of the greatest challenges in the next century will be our international competition. Ninety-six percent of all exporting firms are small firms with fewer than 500 employees, but only 10 percent of small firms export; therefore the potential for increasing small firm exports is significant. I believe the North American Free Trade Agreement and the General Agreement on Tariffs and Trade will benefit small firms interested in expanding into international markets in this hemisphere and beyond.

Lending to small exporters is being eased through reforms in the Export-Import Bank's Working Capital Guarantee Program. New one-stop export shops are moving in the right direction to assist small firms by providing access to export programs of the Department of Commerce, Export-Import Bank, and Small Business Administration all under one roof.

HEARING FROM SMALL BUSINESS

Small businesses are too important to our economy for their concerns not to be heard. That is why I have given the SBA a seat on the National Economic Council and invited the SBA Administrator in to Cabinet meetings.

Over the past 2 years, my Administration has been asking questions of small business owners and listening to the answers—seeking advice and guidance from a diverse audience of business leaders to determine the most critical problems and devise solutions that work.

This year presents a special opportunity for small business persons to make their concerns known at the White House Conference on Small Business, set to convene in Washington in June 1995. In State conferences leading up to the national conference, small business owners have been frank about their concerns. I look forward to hearing their small business action agenda.

I firmly believe that we need to keep looking to our citizens and small businesses for innovative solutions. They have shown they have the ingenuity and creative power to make our economy grow; we just need to let them do it.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 25, 1995.*

MESSAGES FROM THE HOUSE

At 12:25 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 72. Concurrent resolution providing for an adjournment of the two Houses.

At 2:36 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 483) to amend title XVIII of the Social Security Act to permit Medicare Select policies to be offered in all States, and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. BLILEY, Mr. BILIRAKIS, Mr. HASTERT, Mr. ARCHER, Mr. THOMAS, Mrs. JOHNSON of Connecticut, Mr. DINGELL, Mr. WAXMAN, Mr. GIBBONS, and Mr. STARK as the managers of the conference on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 333. A bill to direct the Secretary of Energy to institute certain procedures in the performance of risk assessments in connection with environmental restoration activities, and for other purposes (Rept. No. 104–87).

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 291. A bill to reform the regulatory process, to make government more efficient and effective, and for other purposes (Rept. No. 104–88).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs:

Bruce A. Morrison, of Connecticut, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2000.

J. Timothy O'Neill, of Virginia, to be a Director of the Federal Housing Finance Board for the remainder of the term expiring February 27, 1997.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. ROTH, from the Committee on Governmental Affairs:

Ronna Lee Beck, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

John W. Carlin, of Kansas, to be Archivist of the United States.

G. Edward DeSeve, of Pennsylvania, to be Controller, Office of Federal Financial Management, Office of Management and Budget.

Linda Kay Davis, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Eric T. Washington, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Inez Smith Reid, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals for the term of fifteen years.

Robert F. Rider, of Delaware, to be a Governor of the United States Postal Service for the remainder of the term expiring December 8, 1995.

S. David Fineman, of Pennsylvania, to be a Governor of the United States Postal Service for the term expiring December 8, 2003.

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. THURMOND, from the Committee on Armed Services:

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

These nominations are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the Records of May 23, and 24, 1995 and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Records of May 23 and 24, 1995 at the end of the Senate proceedings).

In the Army there are 2,538 promotions to the grade of second lieutenant (list begins with Thomas H. Aarsen) Reference No. 406.

In the Marine Corps there are 5 promotions to the grade of second lieutenant (list begins with Christian R. Fitzpatrick) Reference No. 409.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON (for himself, Mr. FAIRCLOTH, Mr. BREAUX, Mr. PRESSLER, Mr. DORGAN, Mr. LOTT, Mr. DOLE, Mr. MURKOWSKI, and Mr. HEFLIN):

S. 851. A bill to amend the Federal Water Pollution Control Act to reform the wetlands regulatory program, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DOMENICI (for himself, Mr. CRAIG, Mr. BROWN, Mr. CAMPBELL, Mr. HATCH, Mr. BENNETT, Mr. BURNS, Mr. SIMPSON, Mr. THOMAS, Mr. KYL, Mr. PRESSLER, Mr. KEMPTHORNE, Mr. CONRAD, Mr. DORGAN, Mr. DOLE, and Mr. GRAMM):

S. 852. A bill to provide for uniform management of livestock grazing on Federal land, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GORTON (for himself, Mr. BURNS, Mr. MURKOWSKI, Mr. STEVENS, Mr. KEMPTHORNE, Mr. CRAIG, Mr. BAUCUS, Mr. PACKWOOD, and Mr. HATFIELD):

S. 853. A bill to amend title 28, United States Code, to divide the ninth judicial circuit of the United States into two circuits, and for other purposes; to the Committee on the Judiciary.

By Mr. LUGAR (for himself and Mr. LEAHY):

S. 854. A bill to amend the Food Security Act of 1985 to improve the agricultural resources conservation program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 855. A bill to amend title 10, United States Code, to revise the authorization for long-term leasing of military family housing to be constructed; to the Committee on Armed Services.

By Mr. JEFFORDS (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. PELL, Mr. SIMPSON, and Mr. DODD):

S. 856. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Acts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes; to the Committee on Labor and Human Resources.

By Ms. SNOWE:

S. 857. A bill to amend the Immigration and Nationality Act to provide waiver authority for the requirement to provide a written justification for the exact grounds for the denial of a visa, except in cases of intent to immigrate; to the Committee on the Judiciary.

By Ms. SNOWE:

S. 858. A bill to restrict intelligence sharing with the United Nations; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 859. A bill to establish terrorist lookout committees in each United States embassy; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. 860. A bill to require a General Accounting Office study of activities of the North/South Center in support of the North American Free Trade Agreement; to the Committee on Governmental Affairs.

By Ms. SNOWE:

S. 861. A bill to require a General Accounting Office study of duplication among certain international affairs grantees; to the Committee on Foreign Relations.

By Mr. HATFIELD:

S. 862. A bill to authorize the Administrator of the Small Business Administration to make urban university business initiative grants, and for other purposes; to the Committee on Small Business.

By Mr. GRASSLEY (for himself and Mr. CONRAD):

S. 863. A bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself and Mr. CONRAD):

S. 864. A bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes; to the Committee on Finance.

By Mr. BENNETT:

S. 865. A bill entitled the "Securities Act Amendment of 1995"; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE (for himself, Mr. KYL, and Mr. HATCH):

S. 866. A bill to reform prison litigation, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. AKAKA (for himself, Mr. INOUYE, Mr. DASCHLE, Mr. KENNEDY, Mr. SIMON, and Mr. MURKOWSKI):

S. Res. 125. A bill honoring the contributions of Father Joseph Damien de Veuster for his service to humanity, and for other purposes; considered and agreed to.

By Mr. MCCONNELL:

S. Res. 126. A resolution to amend the Senate gift rule; to the Committee on Rules and Administration.

By Ms. SNOWE:

S. Res. 127. A resolution to express the sense of the Senate on border crossing fees; to the Committee on the Judiciary.

By Ms. SNOWE:

S. Con. Res. 15. A concurrent resolution expressing the sense of Congress regarding the escalating costs of international peacekeeping activities; to the Committee on Foreign Relations.

By Ms. SNOWE:

S. Con. Res. 16. A concurrent resolution expressing the sense of Congress that the Russian Federation should be strongly condemned for its plan to provide nuclear technology to Iran, and that such nuclear transfer would make Russia ineligible under terms of the Freedom Support Act; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON (for himself, Mr. FAIRCLOTH, Mr. BREAUX, Mr. PRESSLER, Mr. DORGAN, Mr. LOTT, Mr. DOLE, Mr. MURKOWSKI, and Mr. HEFLIN)

S. 851. A bill to amend the Federal Water Pollution Control Act to reform the wetlands regulatory program, and for other purposes; to the Committee on Environment and Public Works.

THE WETLANDS REGULATORY REFORM ACT OF 1995

Mr. JOHNSTON. Mr. President, I am pleased today to introduce, along with several of my colleagues, the Wetlands Regulatory Reform Act of 1995. I am particularly pleased to have as the lead cosponsor Senator FAIRCLOTH, the chairman of the subcommittee of the Environment and Public Works Committee that has jurisdiction over wetlands. Our bill will reform the section 404 "wetlands" permitting program under the Clean Water Act by introducing balance, common sense, and reason to a Federal program that is causing unnecessary problems for my constituents—and I believe for many of our citizens around the Nation.

In the closing days of the last Congress, I introduced a wetlands bill, S. 2506, so that my colleagues and other interested persons could review the legislation and recommend improvements prior to reintroduction in the 104th Congress. I appreciate the efforts of those who took the time over the last few months to provide suggestions, many of which are reflected in the current bill.

Mr. President, the current section 404 regulatory program has been designed less by the elected representatives of the people than by officials of the Corps of Engineers and the Environmental Protection Agency and by Federal judges. In 1972, the Congress enacted the Federal Water Pollution Control Act. Section 404 of that Act prohibited "discharges of dredged or fill material" into "waters of the United States;" without a permit from the Secretary of the Army. At the time of passage, "waters of the United States" was thought to be limited to the navigable waters of the Nation.

From this narrow beginning has come a rigid regulatory program that is devaluing property and preventing the construction of housing, the extension of airport runways, the construction of roads—often on lands that rarely, if ever, have water on the surface but which, nevertheless, are viewed as "wetlands" within the definition of "waters of the United States". And I might add, Mr. President, that 75 percent of the land that is being regulated through the Section 404 program as "wetlands" or "waters of the United States" is privately-owned property.

I do not believe that we, in Congress, intended for the Section 404 program to become a rigid, broad Federal land use program that affects primarily privately-owned property. Yet, the evidence is clear to me that the Section 404 program has become just that. Therefore, Mr. President, I believe that the time has come for the Congress to reform this program to focus Federal regulatory authority on those wetlands that are truly important functioning wetlands, to ensure that our citizens can obtain permits through a reasonable process within a reasonable period of time, and to ensure that this program is not denying people the use of their property unless there is an overriding reason to do so.

Mr. President, the Wetlands Regulatory Reform Act of 1995 proposes several key changes to the current 404 program:

First, the bill provides a statutory definition of a jurisdictional wetland. This is, of course, the crucial threshold question: what wetlands are subject to Federal regulation? And yet, one can read the entire Clean Water Act without finding the answer to this question. Instead, the answer currently lies only in a manual prepared by the Corps of Engineers in 1987. I think it is high time that Congress make an explicit judgment on this matter and set forth a definition in the statute itself.

The definition in our bill is essentially this: there must be water on or above the surface of the ground for at least 21 consecutive days during the growing season. This is virtually the same as the definition in H.R. 961, which passed the House last week.

During the debate in the House, it was claimed by opponent of the bill that this definition excludes a huge portion of the wetlands that are currently regulated. However, the claims varied widely, and did not appear to be based on solid evidence. Although I think that these claims are exaggerated I want to make sure that our definition does not exclude wetlands that are truly important. Therefore, I intend to write to the Clinton administration to ask them to provide the best evidence available regarding the effect of our definition on the amount and nature of wetland regulated, both nationwide and in Louisiana.

Second, this legislation will require that Federal jurisdictional wetlands be classified into three categories: high, medium, and low valued wetlands, based on the relative wetlands functions present. Today, the Section 404 program regulates all wetlands equally rigidly, whether the wetland is a pristine, high-value wetland, a wet spot in a field, or a "wetland" in the middle of an industrial area. This treatment of wetlands defies logic and common sense.

My legislation will require the Corps of Engineers to classify wetlands based on their functions, and then regulate them accordingly. Class A, high-value, wetlands will be regulated under the current "sequencing" methodology, which first seeks to avoid adverse effects on wetlands, then attempts to minimize those adverse effects that cannot be avoided, and finally calls for mitigation of any adverse effects that cannot be avoided or minimized. Class B, medium-value, wetlands will be regulated under a balancing test, which does not require the avoidance step. Finally, Class C, low-value, wetlands will not be regulated by the Federal Government, but may be regulated by the State if they so choose.

Third, this legislation removes the dual agency implementation of this program, an aspect of the program that is particularly confusing and troublesome to our constituents. Today, the Army Corps of Engineers issues Section 404 permits, but the Environmental Protection Agency may veto the decision of the Corps to issue the permit. Although EPA actually exercises its veto power infrequently, I understand that veto is threatened often, causing undue delays and repeated multi-agency consultations. My legislation removes the EPA veto, and instead simply requires the Corps to consult with EPA before acting.

Similarly, current law allows the EPA to veto permit decisions made by State that have assumed responsibility for the section 404 program. Our bill makes two changes to this regime. First, the Corps, instead of the EPA, becomes responsible for overseeing States that have assumed responsibility for the program. This is done in order to consolidate responsibility in a single Federal agency. Second, the bill deletes the veto authority as an unnecessary interference with State administration of the program. If the Corps determines that the State is not implementing the program appropriately, the Corps has the authority, which my bill does not change, to withdraw approval of the State program and return the program to Federal hands. But as long as the State is in charge, its individual permit decisions should not be subject to veto from Washington.

Fourth, mitigation banking is authorized and encouraged by the bill as a sound means to return wetlands functions to the environment. There are a number of mitigation banking projects now around the Nation. The experience with these projects is proving that mitigation banking holds great promise as a means of restoring, enhancing, reclaiming, and even creating wetlands to offset the wetlands disturbances that are permitted under the section 404 program. Mitigation banking is the type of market driven mechanism that I believe we must incorporate in our national environmental laws if we are to achieve our national environmental goals.

Finally, this legislation will require that steps be taken to provide notice to our citizens regarding the location of Federal jurisdictional wetlands. Remarkably, Mr. President, the Federal Government is regulating over 100 million acres of land, over 75 million acres of which is privately owned, yet there are no maps posted to inform citizens about the location of these lands. Perhaps this would not be a problem if Federal jurisdictional wetlands were only swamps, marshes, bogs, and other such areas that are wet at the surface for a significant portion of the year, and therefore relatively easy for our citizens to identify. But land that is dry at the surface all year long can also be a Federal jurisdictional wetland.

Without maps and other notices, only the most highly trained technicians among our citizens can identify the subtle differences between lands that are not subject to the section 404 program and those that are. Thus, many people have bought land for home sites, only to find out later that they have bought a Federal jurisdictional wetland and cannot obtain a permit to build their house. We owe our citizens better than that.

My legislation will require the Corps of Engineers to immediately post notices about the section 404 program near the property records in the courthouses around the Nation, and to post maps of Federal jurisdictional wetlands as those maps become available, including the National Wetlands Inventory maps that are being developed by the National Biological Survey.

Mr. President, there are many other improvements of the current program in my legislation, including time limits on the issuance of section 404 permits, an administrative appeal process, and the designation of the Secretary of Agriculture to delineate wetlands on agricultural lands.

As I mentioned, our bill has virtually the same definition of wetland as the House-passed clean water bill, H.R. 961. Although there are several other comparable provisions in the two bills, our legislation varies from the House-passed bill in at least one important respect. Our legislation does not provide a mechanism for obtaining compensation from the Federal Government when private property is taken through the operation of the 404 program. I believe that the impact of the section 404 program on private property rights is a very important issue. However, I also believe that compensation is an extraordinarily complex and controversial issue that overarches all environmental regulations, not just those relating to wetlands. Thus, rather than attempting to resolve the compensation issue in this bill, we have chosen to include provisions in the legislation that will help ensure that the Section 404 Program does not result in takings of private property in the first place. Therefore, in addition to the many provisions of the bill that will make the wetlands program more balanced and rational, it also directs Federal officials to implement the program in a manner that minimizes the adverse effects on the use and value of privately-owned property.

I would be remiss if I did not comment on the recently-issued study of wetlands by the National Academy of Sciences. The report reaches several conclusions that are reflected in this legislation. Specifically, it recommends the consolidation of all wetlands regulatory functions into a single Federal agency, a change that is central to our legislation. It also recommends that regional variations in wetlands be taken into account, which our bill does.

Some have suggested that the NAS study recommends against a classification scheme such as is included in our bill, but I do not read it that way. The report states that:

> Some groups have suggested the creation of a national scheme that would designate wetlands of high, medium, or low value based on some general guidelines involving size, location, or some other factor *that does not require field evaluation*. It is not possible, however, to relate such categories in a reliable way to objective measures of wetlands functions, in part *because the relationships between categories and functions are variable* and in part because we still have insufficient knowledge of wetlands functions. (Emphasis added.)

I read the report to warn against nationwide classification schemes that do not take into account site-specific considerations, a point on which I heartily agree. That is why our classification process is initiated only in connection with the consideration of a permit application or upon a request for classification of a specific piece of property. The particular piece of property is classified after considering site-specific factors, such as the significance of the wetland "to the long-term conservation of the aquatic system of which the wetland is a part," and the "scarcity of functioning wetlands within the watershed or aquatic system." Thus, I do not see an inconsistency between the NAS report and our bill with respect to classification.

Even if the NAS study could be interpreted as expressing concern about any classification scheme for wetlands, I would suggest that those concerns should not be dispositive. Scientists and lawmakers necessarily approach matters differently. Scientists are in the business of achieving a more perfect state of knowledge, while lawmakers are in the business of drawing regulatory lines and allocating societal resources based on the information available. While a scientist might prefer to wait for more information before distinguishing among wetlands, Congress cannot wait because the present regulatory scheme, which makes no distinctions among wetlands, is so clearly ineffective at balancing wetlands protection against other policy considerations.

Mr. President, reforming the wetlands regulatory program will be one of my highest priorities in this Congress. I look forward to working with my colleagues and others in an effort to make the program work both for the environment and for our constituents.

Mr. BREAUX. Mr. President, I join with my colleague from Louisiana, Senator J. BENNETT JOHNSTON, in introducing legislation today which makes major reforms in Sec. 404 of the Federal Water Pollution Control Act, also known a the Clean Water Act.

We all know Sec. 404 to be the wetlands regulatory program which has caused so much controversy and so many problems. I have heard countless complaints that the program has been implemented in an excessive and restrictive manner for years, imposing unfair hardship on landowners, businesses and local governments.

It is long overdue that the Sec. 404 program be reformed. It is long overdue that the program be balanced, reasonable and fair. This bill attempts to achieve those objectives.

One of the major features of the bill is its wetlands classification system. I wholeheartedly endorse classifying and regulating wetlands by the their value and function.

All wetlands are not equal in value and function, yet for years they have been regulated that way. That way is wrong and we intend to change it.

We do not have a wetlands classification system in current law. To be fair and to strike balance and reason in wetlands regulation we must identify and regulate according to the very real differences in wetlands value and function.

For the first time, wetlands would be divided into three classes of critical significance, Class A, significant, Class B, and marginal value, Class C. Each class is defined to distinguish the different values and functions found in wetlands.

Classes A and B wetlands would be regulated because they provide the most valuable functions. A public interest test would have to be met when regulating these two classes. Class C wetlands would not be regulated because they are of marginal value.

Other major provisions of the bill include a definition of jurisdictional wetlands, expansion of wetlands regulatory exemptions and an expansion of regulated activities. Single agency program jurisdiction and administration by the Corps of Engineers is established.

Also included in the bill are exclusion of prior converted cropland from Sec. 404 regulation, USDA delineation of wetlands on agricultural land, and authorization of State permitting programs, and administrative appeals program and a mitigation banking program. Public information is required to be published about wetlands and their regulation at the Federal and local levels.

The bill's policies attempt to strike a very simple and sound premise in regulatory policy, that is, balance, reason and, most importantly, fairness shall prevail.

These policies attempt to balance respect for the environment with respect for property owners, in whose possession lies an estimated 75 percent of our wetlands in the lower 48 states.

In all that we do with regard to wetlands policy, we must always be mindful and respectful of the fact that most of our wetlands in the lower 48 States are privately owned.

Thank you, Mr. President, for this time to announce my support for and sponsorship of the Wetlands Regulatory Reform Act of 1995.

I hope the Senate can begin hearings on the legislation and hear solid testimony so that a final bill can be crafted.

Mr. PRESSLER. Mr. President, today I join Senator FAIRCLOTH and Senator JOHNSTON and others, in introducing legislation that addresses a major concern of landowners, farmers, businesses, and average citizens throughout the United States. The concern is wetlands.

Just last week, during consideration of the Clean Water Act, the House of Representatives passed major revisions to our Federal wetlands laws. It is now the Senate's turn to address this major issue. As Chairman of the Senate Subcommittee on Wetlands, Senator FAIRCLOTH will direct Senate efforts to bring much needed common sense to our Federal wetlands laws. Very few Federal issues are more critical to South Dakota property owners. Therefore, I look forward to working with Senator FAIRCLOTH in making sure reforms are adopted during this Congress.

Mr. President, current wetlands law is too broad. It is causing too many problems throughout the country. Congress has never passed a comprehensive law defining wetlands. Without such a definition, Federal agencies have been recklessly pursuing control over private property in the name of saving wetlands. The time to act has come.

Earlier this year, I introduced S. 352, The Comprehensive Wetlands Conservation and Management Act of 1995. A number of the provisions in my legislation already have been adopted by the House, as part of its reforms on wetlands. Also, I am pleased that most of S. 352 is incorporated in the bipartisan bill we are introducing today.

By introducing a bipartisan bill, one message is made clear: Meaningful wetlands reform must be adopted this year.

One issue I reserve the right to address during future Senate debate on wetlands reform is adequate compensation for private property owners. Whenever the Federal Government takes land away from private property owners, or significantly reduces the use of private property, compensation is in order. There is no compensation provision in the bill being introduced today. However, I intend to raise this issue during floor debate on this subject. Compensation to private property owners should be included in meaningful wetlands reform.

The primary purpose of today's legislation is to clearly define wetlands in law and regulation. What the Federal Government should, or should not be doing in this area needs to be clearly defined.

In addition, efforts must be made to ensure that any fine or penalty is in line with violations. Many violations are incidental and can be quickly repaired. Penalties should fit the crime. The bill we are introducing today would set that kind of standard.

The bill would require certain criteria to be met and verified before an area can be regulated as a wetland. Such an approach would be more reliable in identifying true wetlands. It would prevent field inspectors from mistakenly classifying as wetland dry, upland areas that drain effectively. It also would eliminate a major source of confusion and abuse caused by current regulations.

This bill also would give States and local governments the authority to tailor the wetlands regulatory program to their own special circumstances. This is greatly needed.

The bill also would clarify current agricultural exemptions and provide that the Secretary of Agriculture shall identify agricultural lands that are wetlands.

Mr. President, the time has come for the Senate to adopt wetlands reform. Only through the kind of commonsense and balanced approach proposed in this bill can the Nation's agricultural, business, environmental, and individual interests be properly addressed.

Mr. President, thousands of South Dakotans have written, called, or visited with me about the lack of definition of wetlands and the haphazard rules and regulatory overkill taken by the Federal Government. They rightly are concerned about the impact of the current system on their ability to run their farms and businesses. South Dakotans are law-abiding citizens who stand for fairness and balance in the enforcement of the law. South Dakotans are conscientious stewards of the land they have cared for and cultivated for generations. They believe the time has come for a fair, balanced approach that protests the environment as well as private property. I believe the bill we are introducing today responds to this call for fairness from South Dakota and across America.

Action on this issue is essential. I urge my colleagues to take a close look at this bill and join in supporting it.

By Mr. DOMENICI (for himself, Mr. CRAIG, Mr. BROWN, Mr. CAMPBELL, Mr. HATCH, Mr. BENNETT, Mr. BURNS, Mr. SIMPSON, Mr. THOMAS, Mr. KYL, Mr. PRESSLER, Mr. KEMPTHORNE, Mr. CONRAD, Mr. DORGAN, Mr. DOLE, and Mr. GRAMM):

S. 852. A bill to provide for uniform management of livestock grazing on Federal land, and for other purposes; to the Committee on Energy and Natural Resources.

THE LIVESTOCK GRAZING ACT OF 1995

Mr. DOMENICI. Mr. President, over the past several years, a series of legislative and administrative actions have haunted the Federal lands ranchers. A cloud has been hanging over their livelihoods. Today, with the introduction of the Livestock Grazing Act of 1995 [LGA], we intend to roll back that cloud.

In the wings, however, there awaits an onerous proposal that will jeopardize the very fabric of the Federal lands rancher's livelihood. On August 21, 1995, Secretary Babbitt's Rangeland Reform '94 proposal becomes final. Earlier this year, the Secretary agreed to provide a 6-month window of opportunity for Congress to deliberate over the concerns raised during the 2-year debate on the proposed rule. LGA is the product of that temporary stay; it is a product that will provide stability for ranchers across the West.

Many issues have been addressed in our bill. For example, issues such as public input into the management of our Federal lands; standards and guidelines that will reflect the diversity of the western rangelands; and incentive for permitees to contribute private dollars to betterment of our Federal lands; a fair method in gaining ownership and control of water rights; a subleasing provision that will help the elderly and family ranchers; and, a grazing fee formula that will generate more revenue for the American taxpayers.

There are many more aspects of this legislation, nevertheless, I am going to focus on the new grazing fee and the formula that will generate an increase in revenue to the Treasury.

Although the grazing fee does not affect the condition of our rangelands, I did make a commitment to increase the grazing fee during the October debate on Rangeland Reform '94. Today, through this legislation that pledge has been honored. LGA includes a grazing formula that will provide for a fair return for the utilization of our Federal lands.

In the past, the Federal lands grazing fee was based on a formula that was too complex and subject to many interpretations. A simpler and more understandable fee formula will help ensure a greater amount of stability to the Federal lands ranchers.

The LGA fee establishes a fee formula that is based on the gross value of production for cattle. Although this formula is based solely on the value of production for cattle, an adjustment has been made to take into consideration the differential in the production value between a cow and animals that are not as large. This adjustment will not increase the numbers of sheep and goats on the Federal lands, but will merely take into account the considerable differences between the cattle prices and the other two commodities.

This Gross Return Fee formula is based on the premise that the western Federal lands rancher should pay a fair percentage of gross production value that is gained by use of the Federal lands. Two key features of this formula are that the fee approximates the value of the forage from the gain in production value, and that it provides a fair return to the Federal Government for that forage.

Mr. President, this formula is simple. As I explained earlier, the current fee is convoluted. Establishing the grazing fee as a percentage of return will assure that livestock ranchers are assessed on the same basis of many other public lands users.se

As you may know, forage has no readily identifiable market value until it is converted into beef, wool, mutton, or some other salable animal product. Federal lands ranchers will—and have—willingly pay for the opportunity to utilize this forage on Federal lands to attain a gross value of livestock grazing on those lands. The Gross Return Fee recognizes the value of the end product by establishing the grazing fee as a percentage of this value.

The Gross Return Fee is critical to the continued viability of the western livestock industry. Ranchers are the family farmers of the West. The establishment of a fair and equitable grazing fee formula is critical to their survival.

Additionally, the rancher is key to the rural western economy. Every dollar a rancher spends yields an estimated $5 in economic activity throughout the West. This economic activity is critical to social fabric west, old or new.

In closing, Mr. President, the fee is only one component of this legislation. The other aspects of this bill will be addressed by the cosponsors of this legislation. Furthermore, a companion measure is currently ready for introduction in the House of Representatives. This will allow the Livestock Grazing Act of 1995 to be examined in full by both bodies of Congress. I look forward to moving this legislation through both Houses of Congress and removing the cloud that has been hanging over the Federal lands rancher.

Mr. CRAIG. Mr. President, I along with 14 of my colleagues am introducing the Livestock Grazing Act. This bill is intended to establish the policy guidelines for grazing of livestock on Federal lands in the Western States.

This bill is needed to resolve the ongoing debate over rangeland reform and the establishment of fees. I strongly believe the Congress must address this issue and resolve the ongoing debate over western rangeland management. We must assure that the extensive Federal lands in the West have a grazing policy that allows the families who depend on these lands to continue to use these lands to make their livelihoods.

We have crafted a bill that addresses the numerous issues that have arisen on grazing on the public lands. This bill is a product of extensive discussions with members of the grazing and academic community. It addresses both rangeland reform and the fee issue.

It is my intention to hold hearings in the Senate Energy and Natural Resources Subcommittee that I chair in the early summer and then to promptly move a bill. I am pleased that the other body has a similar schedule.

It is my intention to resolve this long-standing issue in a way that strengthens the economic base of the rural ranching West. I will work with my colleagues to assure that such a bill is passed into law.

Mr. BURNS. Mr. President, I rise today to support the introduction of the livestock grazing bill offered by Senator DOMENICI, myself, and others. This is a bill that will allow us to set the stage for the future grazing and land use access of the livestock industry. This is extremely important in the West, and in particular my State of Montana. This is a bill that will provide security and stability to the livestock producers—those people who live, and work 365 days a year, on or near the public lands.

For years there has been debate on the purpose and scope of the intent of the language that a grazing bill would offer. Many people have attempted to make this a single issue bill. This attempt may be the case, to those who, do nothing more than depend upon the farmer and rancher for the food and fiber they enjoy in their daily lives. But to the rancher, or anybody or any group this is the first step to creating some sense of stability for them on public lands. For the rancher, this is the first step they have seen, that will provide them with the security they need to operate their grazing permits with the sense of purpose and a future. The purpose of this bill is to provide a future for those hard-working men and women that provide the best and least expensive food supply to this Nation and the world.

Too many times the ability of these people to use the public lands has been threatened by forces who neither care about the vitality and well-being of the communities. People who have no idea of what the issue is. This is an issue of allowing producers and permit holders to use the land. For it is in this use that the land is made healthy, that our country thrives, and the public is provided an opportunity to put back something into the land.

In the recent past in my State of Montana this land use has been threatened by special interests. Interest groups with no understanding of what grazing and the livestock industry are all about. In a little known area, called the Bitterroot Forest, history was made by the stand that the permit holders made in defending their rights to use and graze public lands. However, this action cost the Federal Government thousands of dollars and strained the relations between the land use groups and the Government. All this action was brought on, due to the requirements of the land managers to complete certain environmental requirements. Requirements set forth under the provisions in the National Environmental Policy Act of 1969.

This case was developed as a result of the failure of the Federal Government of complete NEPA compliance on permit holders allotments. As a result, it threatened the ability of this particular group of ranchers to work, to graze cattle, and provide for their families. The permit holders, in this example and many more like it, were held hostage to the whims and of the special interest groups and the Federal courts. Held hostage by the very laws that were designed to protect them and their way of living. I find it ironic that those permit holders suffered financial loss and mental anguish. They were the only ones who did. All other interests including the Forest Service personnel who were charged to do the required work, did not lose a pay check.

Under the language in this bill we have provided for the security of the permit holders, and the health and future of the land. In this bill we continue to use the land management plans as a way to protect the land, and at the same time give the permit holders an opportunity to have access to the land for their use.

Mr. President, this bill is the first step to developing working arrangements between the Government and the people on the land. It is an opportunity to have all parties working together to set the standards for what is best for the land and the people of this country.

Mr. SIMPSON. Mr. President, I rise to express my support for the Livestock Grazing Act introduced by my colleague and good friend, Senator DOMENICI. He and his staff—especially Marron Lee—have done an outstanding job leading the charge for responsible grazing fee reform. I commend them for working so doggedly to produce the best bill possible.

Mr. President, I say "best bill possible" because there cannot be a perfect bill. With the number of diverse interests represented throughout our great American West, no legislation in this area will satisfy everyone. But truly, the widespread support for this bill has been impressive.

Of course, I have heard some rumblings of discontent from those wishing to modify specific portions of this legislation. I ask those individuals to work with us, to let us know your thoughts as this bill moves through the committee process. We will do our best to attend to your concerns. There are, however, certain things we must all bear in mind. First, this bill is by far better than the alternative of having no bill, and second, we must not turn this bill into a "Christmas wish list." Doing so could spell defeat for this legislation and, in turn, subject our western livestock industry to an uncertain future.

I am most pleased by a number of provisions contained in this legislation that will benefit the Wyoming ranching industry. I would like to quickly address a few of these.

First, the bill will allow ranchers to own, in proportion to their investment in the overall cost, title to improvements located on Federal lands. This is far more fair than the administration's regulations requiring ranchers to pay for the improvement, while ceding ownership with the Government. Mr. President, that alternative is wrongly conceived. It amounts simply to a form of tax on our ranchers, taking their scarce assets and transferring them to the Federal Government.

We also address the critical issue of water rights. The Western States are not blessed with the almost unlimited supply of water that our Eastern neighbors enjoy. Western water law was created to manage this precious resource. Much of this law predates the birth of many of our Western States and works very well without the help of the Federal Government, thank you. This legislation directs Federal agencies to respect established State water law.

This legislation, unlike the administration's regulations, will leave certain aspects of rangeland management in the hands of those who have been responsible stewards of the public lands for over 100 years—the permittees, lessees, and landowners. Additionally, the new resource and grazing advisory council structure will allow other interests representing recreation and the environment to be adequately represented in the management process.

Finally, this legislation addresses the ever-contentious fee issue. Recall that not too long ago, many in this distinguished body were concerned that the ranching community was not paying a fair price for the opportunity to graze livestock on the public lands. This legislation will fairly increase that fee but keep it short of levels that would quickly bankrupt many hard-working families.

Mr. President, our American ranching industry has been a unique way of life for well over 100 years. Through the enactment of responsible legislation we can ensure that this industry, while still facing a number of significant challenges, will at least have a chance to remain viable well into the next century.

Mr. DASCHLE. Mr. President, Americans rely on Federal lands for a wide variety of purposes. Among them is rangeland for livestock grazing. As we look to the future use of these lands, it is incumbent upon us to implement commonsense policies that allow ranchers to graze livestock on these public rangelands while managing them in a manner that is consistent with long-term, sustainable use.

During the last 2 years, debate has raged over the appropriate regulation of Federal grazing lands. Environmentalists and those ranchers who graze on private land have argued for a more realistic fee system, one that links the grazing fee to the private land lease rate. Some have advocated stronger stewardship requirements. Meanwhile, as grazing policy remains unresolved, we have seen cattle prices drop and too many ranchers teetering on the edge of financial viability.

There needs to be some fair and reasonable ground upon which agreement can be reached that ensures public confidence in the management and use of the Federal lands, while allowing ranchers the certainty that, by working hard and playing by the rules, the Federal lands will provide an opportunity to earn a decent living. In short, the time has come to conclude this long debate and establish realistic grazing standards once and for all.

Secretary Babbit's Rangeland Reform proposals have called attention to this important issue and, at the same time, generated considerable controversy. While an open discussion of grazing reform is needed, a rising tide of misunderstanding and distrust has hampered the development of a broadly supportable solution.

Today, Senator DOMENICI is introducing the Livestock Grazing Act, which is intended to provide much needed closure to this debate as well as certainty for the many ranchers who rely on the Federal lands for grazing. I commend Senator DOMENICI for investing the hard work and energy in meeting with the ranching community and fashioning a bill that enjoys their support. His bill represents an essential step in moving grazing reform to closure.

I support much of the Domenici bill. It provides a valuable framework for addressing the critical issues of the fee, range management, and oversight, and, ultimately, I expect it to provide the foundation for the development of a balanced and reasonable approach to stewardship that addresses legitimate concerns of all interested groups.

For example, I call attention to the provision in the bill that establishes separate management of the national grasslands under the Department of Agriculture. This initiative will help ensure that management of those lands is as sensitive as possible to the unique needs of ranchers.

Currently, grasslands are subjected to rules and procedures that make sense for large expanses of national forests but not necessarily for grazing. In South Dakota, most ranchers who graze cattle on Federal lands do so on Forest Service lands. Ranchers in my home State feel a separate management unit for grasslands will allow them to ranch better. This legislation will accomplish that important objective.

Congress' challenge is to strike a balance between the recognition of regional environmental differences and the need to ensure a basic level of environmental protection. It is to reform the grazing fee, without putting an untenable financial squeeze on hard-working ranchers. And it is to strike a balance between the desire to provide an opportunity for input into range management decisions from the general public and the recognition that these decision have special ramifications for the economic security of those using the land.

We have not yet achieved that balance. But I am optimistic that we can, and I will devote my energies to working with Senator DOMENICI and others toward that goal.

This is one of the reasons I have invited Secretary of Agriculture Dan Glickman to visit with South Dakota ranchers next week in Rapid City. I want Secretary Glickman to hear first hand how those whose livelihoods are affected by Federal land management policies feel about the grazing issue. Their experience must be part of the solution sought in this debate.

Senator DOMENICI has expressed a desire to move grazing reform legislation with bipartisan support. While some initial concern has been raised that the Livestock Grazing Act, as currently drafted, may not yet achieve the balance needed to ensure consideration of all legitimate interests in the management of the range, he has given Congress a solid place to start. I hope that, in the weeks to come, any contentious issues can be worked out to the mutual satisfaction of all interested parties, and that we can move to enact legislation with broad-based support.

My goal is to pass Federal grazing reform. I am confident this Congress can achieve that goal.

Mr. THOMAS. Mr. President, I rise today in strong support of the legislation introduced by Senator DOMENICI, the Livestock Grazing Act. This bill is a reasonable proposal that will allow livestock producers in the West to continue to operate on public lands and will protect the public range for multiple-use purposes.

Today, western livestock producers are encountering many challenges. In addition to struggling because of low market prices for many products and fighting losses from predators, livestock producers in the West are now faced with regulations proposed by Interior Secretary Bruce Babbitt that will put them out of business. Secretary Babbitt's so-called "Rangeland Reform '94" proposal to reform public land grazing practices is nothing but a thinly veiled attempt to end livestock grazing on these areas.

The people of Wyoming and the West rely on having access to public lands for their livelihood. Over the last 100 years, this process has worked well. Westerners were able to use these lands for multiple uses such as grazing, oil and gas exploration, and recreation and in turn provided the rest of the Nation with high quality food products and other commodities. Unfortunately, the Department of the Interior has now taken a number of actions that will destroy the concept of multiple use of public lands and will cost jobs and harm local economies across Wyoming and the West.

The Livestock Grazing Act is designed to reverse this disturbing trend. This legislation will provide western livestock producers with a lifeline to survive the Clinton administration's efforts to destroy their way of life. The measure is a reasonable attempt to solve the long-standing dispute over grazing fees on public lands and many other issues which have caused great discontent in Congress and across the country.

Let me focus on a few provisions in the bill which are particularly important to the people of my State. First, the legislation establishes a grazing fee formula that will be tied to market values. This is a fair and equitable approach to resolving the fee formula dispute and will end the unfair comparison between private and public fee rates on Federal lands.

Second, the legislation will provide permittees with the assurance that they will be allowed to graze a certain number of livestock on their allotment. For over 50 years, BLM grazing permittees have known they had a priority position for a specific number of Federal animal unit months [AUM's] on their allotments. These so-called preference levels are attached to the private lands of the lessee and influence the value of the privately owned base property. Preference levels are particularly important to folks in my State where there is a large amount of checkerboard land, which is commingled Federal and private property.

Unfortunately, Secretary Babbitt's "Rangeland Reform '94" proposal attempts to radically revised the concept of grazing preference by giving Federal agents the authority to determine the appropriate number of AUM's attached to a lease. The Secretary wants to set AUM's for permittees on an arbitrary basis at the whim of the local Federal officials. This would cause instability throughout western livestock communities and threaten the economic value of western family ranches. The Livestock Grazing Act would stop the Secretary's misguided efforts by codifying the concept of grazing preference and giving western ranchers the surety they need to continue operating on Federal lands.

Mr. President, these are just two examples of the important actions taken by Senator DOMENICI in this bill that support western livestock producers. The time has come for Congress to assert itself regarding the issue of grazing on public lands in the West and stop Secretary Babbitt's unending assault on western communities and our western way of life. Although the Clinton administration and Secretary Babbitt would like folks to believe ranchers in the West are simply welfare cowboys, nothing could be further from the truth. These people are not taking advantage of the Government, but simply trying to make a reasonable living and raise their families.

I strongly support the Livestock Grazing Act and hope that we can take quick action on this measure in order to allow western livestock producers to continue their important work.

Mr. DORGAN. Mr. President, the sponsor of this bill, the Senator from New Mexico, has made a sincere attempt to draft a good management plan for our western public lands, and I have agreed to cosponsor it.

Although I want to see changes in several areas of this bill, overall it is a good plan for responsible management of our huge public trust in the West, imposing reasonable rules for the grazing of livestock and rangeland improvement while safeguarding the natural environment.

Senator DOMENICI has indicated his intent to work with Senators of both parties toward a consensus on this legislation. I appreciate his flexibility, but I particularly appreciate the Senator's addition to his bill of title II, provisions I and others from the Northern Plains have submitted dealing specifically with the national grasslands.

In fact, the Grasslands provisions are the primary reason that I am cosponsoring this bill.

Let me explain. Except for the grasslands provisions, this bill deals exclusively with lands supervised by the Department of the Interior. In North Dakota, however, land managed by Interior amounts to about two townships out of a State of 46 million acres. On the other land, North Dakota is host to 1.2 million acres of the national grasslands, which are managed by the U.S. Forest Service of USDA.

The main purpose of the grasslands provisions is to give the Secretary of Agriculture more flexibility in shaping the administration of the Grasslands.

I have worked with the ranchers in North Dakota and with the Forest Service in recent years, searching for ways the Secretary of Agriculture and the Forest Service could reorder the bureaucratic framework under which the Grasslands are managed. The Forest Service has been cooperative in that search, but I finally had to conclude that the Forest Service and USDA are legally prevented from the kind of change I believe is needed.

In the 1970's the grasslands were joined by statute to the entire National Forest System, managed by the Forest Service. That means the grasslands are enmeshed in the mounds and reams of paper that prescribe the layers of procedure, planning, management, and so forth, for the national forests.

Let me note here that land ownership in the grasslands areas of my state is much different than what you find among most of the great expanses of Federal lands in the West.

Most of the grasslands were owned earlier in this century by private farmers and ranchers, but were abandoned or lost to debt, and taken over by the Federal Government. Today this is not a region of big ranches. It is an area of small, and mid-sized ranchers where land ownership is extensively interspersed among individual families, the Forest Service, the State of North Dakota, and the Bureau of Land Management.

The proper approach in management of such rangeland, it seems to me, must be a cooperative venture between the ranchers and the Forest Service, drawing upon the best expertise of range scientists, wildlife specialists, and others who can help maintain and improve conditions in the grasslands.

The main focus of such a cooperative venture must be how to best manage and nurture the grasslands so they remain healthy and productive for the benefit of future generations of people and wildlife.

Somehow, that focus is lost in the reams of Forest System rules and regulations and planning documents that are supposed to address the grasslands. In reading those documents you would hardly know that there are cows on the grasslands when, in fact, ranching is the main human activity there by a long shot.

So, the grasslands provisions of this bill give the Secretary important latitude in changing the administrative structure under which the grasslands are managed. The provisions essentially restate the intent of the 1937 Federal act that set aside the grasslands: A call for conscientious range management that would build and preserve a healthy grassland resource.

And, where soil conservation and general range health are considered, title II also tries to return grasslands management to a more cooperative venture between the Forest Service and our State-chartered grazing associations.

The grasslands provisions do not dictate a specific administrative structure the Secretary must adopt for the grasslands. So, to a large extent, those provisions of the bill speak mostly to what can happen for the grasslands under a new design of Forest Service management, and do not say specifically what must happen.

The grasslands provisions will, I believe, help harvest the expertise and enthusiasm of grasslands area residents, including ranchers, for better local input into managing this critical natural area in my State.

The provisions are certainly not a step back from responsible management and protection of the natural resources. All Federal environmental laws, including the National Environmental Protection Act, Endangered Species Act, Clean Water Act, still apply. If anything, the grasslands provisions will encourage better attention to the spirit of our environmental laws because more people who live in the grasslands region, particularly those with expertise in areas of conservation and grassland agriculture, will be participating in how the lands are managed.

This is the kind of approach to public lands management that the people of North Dakota want. I should note that the 1995 North Dakota Legislature unanimously recommended the change we have proposed in the grasslands law.

Finally, I ask unanimous consent to print the proposed grassland provisions here in the RECORD as a means of distributing them for comment and discussion.

There being no objection, the material was ordered to be printed in the RECORD; as follows:

TITLE II—GRASSLANDS

SEC. 201 REMOVAL OF GRASSLANDS FROM NATIONAL FOREST SYSTEM

(a) FINDINGS.—Congress finds that the inclusion of the national grasslands (and land utilization projects administered under Title III of the Bankhead Jones Farm Tenant Act) within the Forest System contrains the Secretary in managing the national grasslands as intended under the Bankhead-Jones Farm Tenant Act.

(b) AMENDMENT OF THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974.—Section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)) is amended in the second sentence by striking "the national grasslands and land utilization projects administered under Title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, 7 U.S.C. 1010–1012)".

(c) AMENDMENT OF THE BANKHEAD-JONES FARM TENANT ACT.—Section 31 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010) is amended by designating current §31 as subsection (a) to read as follows:

§1010. Land conservation and land utilization

To accomplish the purposes stated in the preamble of this act, the Secretary is authorized and directed to develop a program of land conservation and utilization as a basis for grassland agriculture, to promote secure occupancy and economic stability of farms, and thus assist in controlling soil erosion, preserving natural resources, protecting fish and wildlife, developing and protecting recreational facilities, mitigating flood damages, preventing impairment of dams and reservoirs, developing energy resources, protecting the watersheds of navigable streams, conserving surface and subsurface moisture, and protecting the public lands, health, safety, and welfare, but is not authorized to build industrial parks or establish private industrial or commercial enterprises. The Secretary, in cooperation and partnership with grazing associations, is authorized and directed to issue renewable livestock grazing leases to achieve the land conservation and utilization goals of this section.

And adding a new subsection (b) as follows:

NATIONAL GRASSLANDS FEE ADJUSTMENTS FOR CONSERVATION PRACTICES TO BE RETAINED AS IMPLEMENTED BY THE SECRETARY.—A reduction in grazing fees for national grasslands will be allowed for conservation practices and administrative duties performed by grazing associations.

By Mr. GORTON (for himself, Mr. BURNS, Mr. MURKOWSKI, Mr. STEVENS, Mr. KEMPTHORNE, Mr. CRAIG, Mr. BAUCUS, Mr. PACKWOOD, and Mr. HATFIELD):

S. 853. A bill to amend title 28, United States Code, to divide the ninth judicial circuit of the United States into two circuits, and for other purposes; to the Committee on the Judiciary.

THE NINTH CIRCUIT COURT OF APPEALS REORGANIZATION ACT OF 1995

Mr. GORTON. Mr. President, my purpose today is to introduce the Ninth Circuit Court of Appeals Reorganization Act of 1995, which is similar to measures I introduced in 1983, 1989, and 1991. This measure has the cosponsorship of Senators BURNS, MURKOWSKI, STEVENS, KEMPTHORNE, CRAIG, BAUCUS, PACKWOOD, and HATFIELD, who represent all the States forming the new proposed circuit. This proposal will divide the ninth circuit, the largest circuit in the country, into two separate circuits of more manageable size and responsibility. This division would leave the ninth circuit composed of Arizona, California, Hawaii, Nevada, Guam, and the Northern Mariana Islands, and would create a new twelfth circuit composed of Alaska, Idaho, Montana, Oregon, and Washington. Personally, I believe that the ninth circuit should be divided into three new circuits, but the composition for the two southern circuits should be determined by the elected representatives of those States, to whose judgment I will defer.

Today the ninth circuit is by far the largest of the thirteen judicial circuits, measured both by number of judges and by caseload. It has 28 active judges, 11 more than any other. Last year it had an astounding 8,092 new filings, almost 2,000 more than the next busiest circuit. It serves over 45 million people, almost 60 percent more than are served by the next largest circuit. Moreover, the population in the States and territories that comprise the ninth circuit is the fastest-growing in the Nation.

Mr. President, the deplorable consequence of the massive size of this circuit is a marked decrease in the consistency of justice provided by ninth circuit courts. Judges are unable to keep abreast of legal developments even within their own jurisdiction—to say nothing of lay citizens' inability to keep abreast. The large number of judges scattered over a large area inevitably results in difficulty in reaching consistent circuit decisions. These judges have nearly unmanageable caseloads with little time to review the voluminous case law within the jurisdiction or to consult with their fellow circuit colleagues. As a result, legal opinions tend to be very narrow with little precedential value, merely exacerbating the problem. As a former attorney general for the State of Washington, I personally have experienced the unique frustrations and difficulties of practicing before the ninth circuit.

Compounding the problem for the Northwest is that 55 percent of the case filings in the ninth circuit are from California alone. Consequently, the remaining States in the ninth circuit, including my State of Washington and our Northwest neighbors, are dominated by California judges and California judicial philosophy. That trend cannot help but persist as the number of cases filed by California's litigious and exploding population continues to rise. The Northwestern States confront issues that are fundamentally unique to that region, issues that are central to the lives of citizens in the Northwest, but which are little more than one of many newspaper articles in California. In sum, the interests of the Northwest cannot be fully appreciated or addressed from a California perspective.

This initiative, Mr. President, is long overdue. As early as 1973, the Congressional Commission on the Revision of the Federal Court Appellate System recommended that the ninth circuit be divided. In addition, the U.S. Judicial Conference found that increasing the number of judges in any circuit court beyond 15 would create an unworkable situation. The American Bar Association also adopted a resolution expressing the desirability of dividing the ninth circuit to help realign the U.S. appellate courts. Earlier bills on the ninth circuit reorganization that I introduced during the 101st and 102d Congresses—and which were virtually identical to this bill—earned the support of practitioners and judges in the ninth circuit, attorneys general of the western States, the Department of Justice, and the former Chief Justice of the U.S. Supreme Court, Warren E. Burger.

The leadership of the ninth circuit has not donned blinders to the difficulties inherent in a circuit court of this size and workload. It has responded, however, by adopting a number of innovative but ultimately ineffectual approaches to these problems. For example the ninth circuit has divided itself into three administrative divisions: the northern unit consists of the five Northwestern States that would comprise the proposed twelfth circuit, and the combined middle and southern units is identical to the restructured ninth circuit. This method, however, does little more than recognize the problem without solving it.

Another innovation of the ninth circuit is the limited en banc court, for which a panel of 11 of the 28 judges will be chosen by lot to hear an individual case. Such panels, however, further contribute to the inherent unpredictability of a jurisdiction as large as the ninth circuit. Lawyers often must tell their clients that they cannot begin to predict the likely outcome of an appeal until the panel has been identified. Mr. President, justice should not be determined by lot. Moreover, I have serious reservations about any method which would permit a small minority—as few as six of the sitting judges—to dictate the outcome of a case contrary to the judgment of a large majority, solely depending on the luck of the draw.

Despite these attempts to solve the problem, the performance of the ninth circuit has gotten worse, not better. Its judges are falling further and further behind. Despite only a moderate increase in new filings for appeal, the number of pending cases swelled by almost 20 percent in the last year. The ninth circuit now is the slowest of 12 regional circuits in hearing and deciding appeals, on average taking a full 16 months. Mr. President, justice delayed is justice denied.

The 45 million residents within the ninth circuit continue to pay the high costs of an unpredictable body of case law and an overburdened court system. They wait years before cases are heard and decided, prompting many to forego their rights to judicial redress. Residents in the Northwest, in particular, are concerned about the growing inability of the ninth circuit to handle the boom in criminal cases stemming from stepped-up enforcement of our drug laws.

The swift and sure administration of justice is a right that should no longer be compromised in the ninth circuit. I urge my colleagues to support this important legislation. Mr. President, I ask unanimous consent that the complete text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 853

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ninth Circuit Court of Appeals Reorganization Act of 1995".

SEC. 2. NUMBER AND COMPOSITION OF CIRCUITS.

Section 41 of title 28, United States Code, is amended—

(1) in the matter before the table, by striking out "thirteen" and inserting in lieu thereof "fourteen";

(2) in the table, by striking out the item relating to the ninth circuit and inserting in lieu thereof the following new item:

"Ninth .... Arizona, California, Hawaii, Nevada, Guam, Northern Mariana Islands.";

and

(3) between the last 2 items of the table, by inserting the following new item:

"Twelfth .... Alaska, Idaho, Montana, Oregon, Washington.".

SEC. 3. NUMBER OF CIRCUIT JUDGES.

The table in section 44(a) of title 28, United States Code, is amended—

(1) by striking out the item relating to the ninth circuit and inserting in lieu thereof the following new item:

"Ninth .... 19";

and

(2) by inserting between the last 2 items at the end thereof the following new item:

"Twelfth .... 7".

SEC. 4. PLACES OF CIRCUIT COURT.

The table in section 48 of title 28, United States Code, is amended—

(1) by striking out the item relating to the ninth circuit and inserting in lieu thereof the following new item:

"Ninth .... San Francisco, Los Angeles.";

and

(2) by inserting between the last 2 items at the end thereof the following new item:

"Twelfth .... Portland, Seattle.".

SEC. 5. ASSIGNMENT OF CIRCUIT JUDGES.

Each circuit judge in regular active service of the former ninth circuit whose official station on the day before the effective date of this Act—

(1) is in Arizona, California, Hawaii, Nevada, Guam, or the Northern Mariana Islands is assigned as a circuit judge of the new ninth circuit; and

(2) is in Alaska, Idaho, Montana, Oregon, or Washington is assigned as a circuit judge of the twelfth circuit.

SEC. 6. ELECTION OF ASSIGNMENT BY SENIOR JUDGES.

Each judge who is a senior judge of the former ninth circuit on the day before the effective date of this Act may elect to be assigned to the new ninth circuit or to the twelfth circuit and shall notify the Director of the Administrative Office of the United States Courts of such election.

SEC. 7. SENIORITY OF JUDGES.

The seniority of each judge—

(1) who is assigned under section 5 of this Act; or

(2) who elects to be assigned under section 6 of this Act;

shall run from the date of commission of such judge as a judge of the former ninth circuit.

SEC. 8. APPLICATION TO CASES.

The provisions of the following paragraphs of this section apply to any case in which, on the day before the effective date of this Act, an appeal or other proceeding has been filed with the former ninth circuit:

(1) If the matter has been submitted for decision, further proceedings in respect of the matter shall be had in the same manner and with the same effect as if this Act had not been enacted.

(2) If the matter has not been submitted for decision, the appeal or proceeding, together with the original papers, printed records, and record entries duly certified, shall, by appropriate orders, be transferred to the court to which it would have gone had this Act been in full force and effect at the time such appeal was taken or other proceeding commenced, and further proceedings in respect of the case shall be had in the same manner and with the same effect as if the appeal or other proceeding had been filed in such court.

(3) A petition for rehearing or a petition for rehearing en banc in a matter decided before the effective date of this Act, or submitted before the effective date of this Act and decided on or after the effective date as provided in paragraph (1) of this section, shall be treated in the same manner and with the same effect as though this Act had not been enacted. If a petition for rehearing en banc is granted, the matter shall be reheard by a court comprised as though this Act had not been enacted.

SEC. 9. DEFINITIONS.

For purposes of this Act, the term—

(1) "former ninth circuit" means the ninth judicial circuit of the United States as in existence on the day before the effective date of this Act;

(2) "new ninth circuit" means the ninth judicial circuit of the United States established by the amendment made by section 2(2) of this Act; and

(3) "twelfth circuit" means the twelfth judicial circuit of the United States established by the amendment made by section 2(3) of this Act.

SEC. 10. ADMINISTRATION.

The court of appeals for the ninth circuit as constituted on the day before the effective date of this Act may take such administrative action as may be required to carry out this Act. Such court shall cease to exist for administrative purposes on July 1, 1997.

SEC. 11. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on October 1, 1995.

Mr. BURNS. Mr. President, I am pleased to join the Senator from Washington, Senator GORTON, as an original cosponsor of the legislation to split the 9th Circuit Court of Appeals and create a new 12th Circuit. This legislation is long overdue in my opinion. It is my hope that we can act to create a new 12th circuit court this Congress.

The ninth circuit court is by far the largest of all the circuit courts, both in terms of the number of judges and caseload. In fact, the Judicial Conference of the United States stated in 1971 that "to increase the number of judges in a circuit beyond 15 would create an unworkable situation."

The ninth circuit court currently has 28 judges. That is nearly twice the maximum workable number in the opinion of the Judicial Conference, 12 more than the next largest circuit court and 16 more than the average circuit court.

In terms of caseload, the 9th circuit had 7,597 appeals pending at the end of fiscal year 1993. In 1988 when I was first elected to the U.S. Senate, there were 6,342 appeals pending. That is an increase of nearly 20 percent in just 5 years.

No other circuit court carries a heavier caseload. In fact, no other circuit even comes close. Each year, the ninth circuit has approximately twice as many appeals pending as the next largest circuit. It only makes sense that a Federal appeals court with a caseload that heavy should be split up.

The prospect for relief is not promising, either. In fact, the Committee on Long Range Planning for the Judicial Conference of the United States has projected that by the year 2000, over 15,000 petitions and appeals will be filed annually. and by the year 2020, over 60,000 will be filed annually.

What does all this mean in terms of our judicial process? It means that a case is pending in the ninth circuit for an average of 14½ months. That means some cases may be there 29 months while others whiz through in 7 or 8 months. The costs to those in Montana or Washington who are victims of this backlog continues to accrue. Not only are they continuing to pay their legal counsel during that time, but in the case of suits against economic activities such as timbering, mining, and water developments, employment is jeopardized, seriously threatening local economic stability.

It is also disturbing to me to see convicted murderers bringing lawsuits against the State claiming cruel and unusual punishment because they've been sitting on death row for a number of years. What is cruel and usual punishment is that families of victims have to wait such a long time to see justice finally carried out.

One such Montana family is State Senator Ethel Harding of Polson. Senator Harding's daughter, Lana, was brutally murdered by Duncan McKenzie over 20 years ago. It was not until 2 weeks ago that McKenzie was finally put to death and the Harding family could finally put this horrendous chapter of their lives behind them.

McKenzie's appeals ended up at the 9th Circuit 3 times over this 20 year period. Certainly part of the delay of justice may be attributed to the heavy caseload of the circuit and the inefficient system that the burdensome caseload has created.

Senator Harding has written a very moving letter to me and I would ask that it be submitted into the record in its entirety immediately following my remarks. "Justice delayed is justice denied," writes Senator Harding, and I could not agree more.

As a result of her own ordeal, Senator Harding has been a strong advocate of splitting the Ninth Circuit. During the 1995 Montana State Legislature, she introduced Senate Joint Resolution No. 10, calling upon Congress to divide the Ninth Circuit court. The resolution passed overwhelmingly and is an accurate reflection on the wishes of Montanans.

Perhaps the most compelling argument for splitting the Ninth Circuit is precedent. The division of the 8th Circuit creating the 10th Circuit took place in 1929. In addition, the Fifth Circuit was also divided in 1981, creating the 11th Circuit. In fact, a commission which studied the revision of the Federal appellate court system recommended in 1973 that both the Fifth Circuit and the Ninth Circuit courts be split.

Those involved with the Fifth Circuit had the sense to make the division. Unfortunately, the division of the Ninth Circuit has been held up to be political maneuvering. So now we have to be here arguing for something that should have been done 14 years ago.

Granted, the division of the Ninth Circuit is more complicated since one State, California, generates a majority of the cases in that circuit. However, I think it is in the best interest of California, Montana, and the other States under the court's jurisdiction to make the split. The caseload for the Ninth Circuit will remain high no matter what, due to the population dynamics in a State like California. Thus, the split will bring much needed caseload relief to the Ninth Circuit while providing overall relief to States like my own Montana.

I just do not think it is fair, or in the best interest of the judicial process, that Montana businesses and individual citizens suffer because California continues to experience an economic and population boom. I find myself arguing this case everyday—the case of middle America battling to hold its own against the population centers on both coasts. There is a bias in the legislative branch, the executive branch, and now in the judicial branch.

I am here to see that States like Montana, Idaho, Washington, Oregon, and Alaska get a fair shake. I think that splitting the Ninth Circuit is a good place to start and I intend to see that it happens. Until it does, it is my intention to prevent any future nominations to the Ninth Circuit court of Appeals from going through the Senate for it makes no sense to continue to perpetuate a system that is not working.

I hope that my colleagues from all nine States currently under the jurisdiction of the Ninth Circuit court will join us in our efforts to quickly pass this legislation so that we can put justice back into our judicial system.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE BIG SKY COUNTRY,
May 17, 1995.

Hon. CONRAD BURNS,
U.S. Senate, Washington, DC.

DEAR SENATOR BURNS: I am enclosing a copy of Senate Joint Resolution No. 10 which passed in the 1995 session in Montana. I am also enclosing a copy of the 9th judicial circuit map and workload for your perusal.

The 9th Circuit covers nine states and two territories, totaling approximately 14 million square miles; serves a population of almost 44 million people 15 million more than the next largest circuit court and about 20 million more than all other courts of appeals; has 28 judges, 12 more than the next largest circuit court and 16 more than the average circuit court; and has a caseload of more than 6,000 appeals, 2,000 larger than the next largest court of appeals and nearly one-sixth of the total appeals in all the 12 regional courts of appeals; and projections are, that at the current rate of growth, the 9th Circuit's 1980 docket of cases will double before the year 2000.

The enclosed statistics on U.S. Court of Appeals—Judicial work load profile shows Montana is last or 12th in numerical standing from filing Notice of Appeal to Disposition. That is top long. Montana deserves better than that. We should not have to wait until California or any other state is served in in the judicial process but at least we should not have to be considered last. If the Circuit is divided and we were last it could at least cut the time in half.

I am also enclosing a copy of the History of Appeals in the McKenzie case which has haunted me personally for 20 years because he killed my daughter on January 21, 1974. It is for this reason I sponsored SJR 10 and why I am urging you to work in behalf of Montana having a quicker response and turn around on these criminal appeals. The families of victims should not have to suffer 20 years while the system works. "JUSTICE DELAYED IS JUSTICE DENIED".

I am enclosing an excerpt from "Rationing Justice on Appeal" by Thomas E. Baker, Justice Research Institute which clearly presents the problem and urges Congress to do something about it besides study. I also urge Congress to act now and to prevent the misuse of the judicial system as my family has personally experienced for twenty years.

Thank you, Senator Burns, for your help in this most important matter of dividing the 9th Circuit to a better advantage for Montana and the other smaller populated states and territories in the 9th circuit.

I will be anxiously watching for a good report.

Sincerely,

ETHEL M. HARDING,
State Senator, District 37.

SENATE JOINT RESOLUTION NO. 10

Whereas, under Article III, section 1, of the United States Constitution, the Congress of the United States has plenary power to ordain and establish the federal courts below the Supreme Court level; and

Whereas, in 1988, the 100th Congress created the Federal Courts Study Committee as an ad hoc committee within the Judicial Conference of the United States to examine the problems facing the federal courts and to develop a long-term plan for the Judiciary; and

Whereas, the Study Committee found that the federal appellate courts are faced with a crisis of volume that will continue into the future and that the structure of these courts will require some fundamental changes; and

Whereas, the Study Committee did not endorse any one solution but served only to draw attention to the serious problems of the courts of appeals; and

Whereas, the Study Committee recommended that fundamental structural alternatives deserve the careful attention of Congress and of the courts, bar associations, and scholars over the next 5 years; and

Whereas, the problems of the circuit court system and the alternatives for revising the system represent a policy choice that requires Congress to weigh costs and benefits and to seek the solution that best serves the judicial needs of the nation; and

Whereas, there are 13 judicial circuits of the United States courts of appeals; and

Whereas, Montana is in the Ninth Circuit, which consists of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, Guam, and the Northern Mariana Islands; and

Whereas, in 1990, it was estimated that the Ninth Circuit: covers nine states and two territories, totaling approximately 14 million square miles; serves a population of almost 44 million people, 15 million more than the next largest circuit court and about 20 million more than all other courts of appeals; has 28 judges, 12 more than the next largest circuit court and 16 more than the average circuit court; and has a caseload of more than 6,000 appeals, 2,000 larger than the next largest court of appeals and nearly one-sixth of the total appeals in all the 12 regional courts of appeals; and

Whereas, projections are that at the current rate of growth, the Ninth Circuit's 1980 docket of cases will double before the year 2000; and

Whereas, statistics reveal that, because of the number of judges in the Ninth Circuit, there are numerous opportunities for conflicting holdings—one legal scholar has estimated that on a 28-judge court there are over 3,000 combinations of panels that may decide an issue, without counting senior judges, district judges, and judges sitting by designation; and

Whereas, legal scholars have suggested that because the United States Supreme Court reviews less than 1% of appellate decisions, the concept of regional state decisis, or adherence to decided cases, results, in effect, in each court of appeals becoming a junior supreme court with final decision power over all issues of federal law in each circuit (unless and until reviewed by the Supreme Court); and

Whereas, the Ninth Circuit has been described as an experiment in judicial administration and a laboratory in which to test whether the values of a large circuit can be preserved; and

Whereas, some legal scholars have opposed its division on the grounds that to divide the Ninth Circuit would be to lose the benefit of an experiment in judicial administration that has not yet run its course; and

Whereas, the problems of the Ninth Circuit are immediate and growing and maintaining the court in its present state is a disservice to the citizens of Montana and other Ninth Circuit states and territories; and

Whereas, it is generally understood that an essential element of a federal appellate system must include guaranteeing regionalized and decentralized review when regional concerns are strongest; and

Whereas, because of the problems of the Ninth Circuit related to its dimensions of geography, population, judgeships, docket, and costs, it is desirable for the Northwest states to be placed in a separate circuit, consisting mainly of contiguous states which common interests; and

Whereas, the existing circuit boundary lines have been called arbitrary products of history; and

Whereas, Congress at least twice divided circuits: in 1929, to separate the new Tenth Circuit from the Eighth Circuit, and in 1981, to separate the new Eleventh Circuit from the Fifth Circuit; and

Whereas, Congress, in 1989, considered and is expected, in 1995, to again consider a bill to divide the Ninth Judicial Circuit of the United States Court of Appeals into two circuits—a new Ninth Circuit, composed of Arizona, California, and Nevada, and a new Twelfth Circuit, composed of Alaska, Hawaii, Idaho, Montana, Oregon, Washington, Guam, and the Northern Mariana Islands; and

Whereas, it is the proper function of Congress to determine circuit boundaries and it is desirable that Montana be included in a regional circuit that will allow relief for its citizens from the problems occasioned by its inclusion in the present Ninth Circuit: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the State of Montana:

That the Legislature of the State of Montana urge Congress to turn its thoughtful attention to the passage of legislation that will split the existing Ninth Judicial Circuit of the United States Court of Appeals into two circuits and that will include Montana in a circuit composed in large part of other Northwest states with similar regional interests.

Be it further resolved, that *the President of the United States* be urged to place a Montana judge on the *Federal Circuit* court *for Montana.*

Be it further resolved, that Congress grant this relief and pass this legislation immediately, regardless of considerations of long-term changes to the appellate system in general.

Be it further resolved, that the Secretary of State send copies of this resolution to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, *the President of the United States,* and the members of Montana's Congressional Delegation.

By Mr. LUGAR (for himself and Mr. LEAHY):

S. 854. A bill to amend the Food Security Act of 1985 to improve the agricultural resources conservation program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE AGRICULTURAL RESOURCES CONSERVATION ACT OF 1995

Mr. LUGAR. Mr. President, I am proud to introduce today the Agricultural Resources Conservation Act of 1995. In this bill, Senator LEAHY and I have developed the boldest concepts for protecting our agricultural resource base and the environment since the 1985 farm bill.

This legislation is based on simple but pivotal principles:

First, we need to preserve stable funding to help farmers and ranchers meet environmental challenges.

Second, the initiatives must be voluntary for producers and simple for them to participate in.

Third, we must maximize the environmental benefits produced by each federal dollar expended.

Fourth, conservation programs must be consistent with a more market-oriented farm economy. Specifically, we prefer land management options over land retirement. And within our land retirement initiative, the Conservation Reserve Program, we want to stress more tactical partial-field enrollments.

Fifth, we need to address the breadth of contemporary environmental challenges—such as water quality—in addition to soil erosion.

Our bill advances each of these principles. It will be the foundation of the conservation title of the 1995 farm bill.

Let me address some specifics, beginning with the question of funding. Our bill calls for substantial, stable funding for conservation programs into the next century. We take the current funding levels for the Conservation Reserve Program, the Wetlands Reserve Program and the various conservation incentive and cost-share initiatives—about $2.1 billion—and extend it annually through 2005. We also would make these programs mandatory in a budget sense and fund them through the Commodity Credit Corporation with strict annual caps. To ensure budget neutrality, we make offsetting reductions in discretionary accounts.

Maintaining the conservation fund throughout the next 10 years will require a shift in budget priorities. My preference is to preserve conservation assistance while reducing costs of crop subsidy programs in order to meet our deficit reduction requirement.

The Conservation Reserve Program has been successful and this bill would continue and improve it over the next 10 years. We allocate the entire Congressional Budget Office baseline, which declines from the current level of $1.8 to $1.2 billion in 2000, for the CRP.

Successful as it is, the CRP has several shortcomings. Too much land that can be farmed without harming the environment is currently idled. Annual payments too often exceed local rental rates. And the CRP can be utilized much more fully to improve water quality. Our bill corrects these weaknesses.

We direct the Secretary of Agriculture to enroll at least 4 million acres of land—primarily buffer strips along permanent water bodies and intermittent streams—for water quality purposes. We target only the most highly erodible land that cannot be farmed profitably using necessary management practices and is not eligible for incentive or cost-share assistance. And we impose new discipline on rental rates.

Much has been made of the significant wildlife benefits of the CRP. While the CBO baseline and our stricter enrollment standards points to a small CRP in the future, I believe our bill will result in a program that, acre for acre, is actually more beneficial for wildlife. Among equivalent eligible offers to enroll land under the soil erosion and water quality criteria, preference will be given to offers that give greater wildlife benefits. And all CRP contract holders will receive guidance on management methods to promote beneficial stands of cover.

I mentioned earlier that our conservation strategies must stress land management as opposed to land retirement. This legislation takes the best of our existing cost-share and incentive programs and combines them into a new, strengthened effort: The Environmental Quality Incentives Program, or EQIP. This will streamline the process for farmers and ranchers to apply for assistance. It will eliminate overlaps between our current hodgepodge of assistance programs. And by making EQIP a mandatory budget initiative, it will end the year-to-year uncertainty that producers must face under the current discretionary funding process.

The EQIP Program will also offer new incentives to livestock producers. Currently, less than a quarter of our conservation spending goes for livestock, even though there is a high correlation between agriculturally sourced water quality impairments and livestock operations. A 1993 report of the Environmental Protection Agency's Feedlot Workgroup indicates that feedlots are a more significant source of river impairments than storm sewers or industrial sources. Under EQIP, assistance for both crop and livestock producers would increase significantly and livestock would be eligible for half of the total funding. This is sound environmental policy that benefits all of agriculture.

Let me list a few things we do not do in this bill. First, we create no new environmental mandates for farmers. It is very important that, as crop support levels decline, we not add any more compliance provisions to the commodity programs. In fact, farmers and ranchers need not participate in the programs to be eligible for our conservation programs.

In addition, we do not permit any new economic use of Conservation Reserve Program lands. We can enroll all the land that truly deserves to be in the CRP with the budget baseline we have. As a result, we can avoid adverse effects to the cattle and forage industries that might result from expanded haying and grazing of CRP acres.

Finally, this initial proposal does not make changes to our current wetland compliance provisions. Although Senator LEAHY and I were able to agree on an overwhelming majority of conservation issues, we were unable to reach consensus on this front. I am fully aware of the controversy surrounding the swampbuster program and I recognize the need to improve it. I am committed to working with members of the Agriculture Committee to make wetlands regulation less burdensome. We must make swampbuster a fair and flexible program that can be described the same way as conservation compliance: A program that works and is supported by farmers.

Mr. President, I am proud to introduce this bill today. It makes winners of both agriculture and the environment. I hope all Senators will agree that it builds on the substantial conservation gains made by farmers and ranchers in the last decade and helps them answer the environmental challenges of the new millennium.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Resources Conservation Act of 1995".

SEC. 2. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2005 calendar years, the Secretary shall establish an environmental conservation acreage reserve program to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat.

"(2) MEANS.—The Secretary shall carry out the environmental conservation acreage reserve program by—

"(A) providing for the long-term protection of environmentally sensitive lands; and

"(B) providing technical and financial assistance to farmers and ranchers to—

"(i) improve the management of the operations of the farmers and ranchers; and

"(ii) reconcile productivity and profitability with protection and enhancement of the environment.

"(3) PROGRAMS.—The environmental conservation acreage reserve program shall consist of—

"(A) the conservation reserve program established under subchapter B;

"(B) the wetlands reserve program established under subchapter C; and

"(C) the environmental quality incentives program established under chapter 2.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the environmental conservation acreage reserve program, the Secretary shall enter into contracts with owners and operators and acquire interests in lands through easements from owners, as provided in this chapter and chapter 2.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve program or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed in the environmental conservation acreage reserve program.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, and the Long Island Sound region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 2. A designation shall be made under this subparagraph if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"(B) ASSISTANCE.—To the extent practicable, the Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist agricultural producers within the watershed or region to comply with nonpoint source pollution requirements established under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall, to the maximum extent practicable, designate a watershed or region as a conservation priority area that conforms to the functions and purposes of the conservation reserve program established under subchapter B, the wetlands reserve program established under subchapter C, or the environmental quality incentives program established under chapter 2, as applicable, if participation in the program is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.

"(3) EXPIRATION.—A conservation priority area designation shall expire on the date that is 5 years after the date of the designation, except that the Secretary may—

"(A) redesignate the area as a conservation priority area; or

"(B) withdraw the designation of a watershed or region as a conservation priority area if the Secretary finds that the area is no longer affected by significant soil, water, and related natural resource problems related to agricultural production activities.".

SEC. 3. CONSERVATION RESERVE.

Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended to read as follows:

"Subchapter B—Conservation Reserve

"SEC. 1231. CONSERVATION RESERVE.

"(a) IN GENERAL.—During the 1996 through 2005 calendar years, the Secretary shall carry out the enrollment of lands in a conservation reserve program through the use of contracts to assist owners and operators of lands specified in subsection (b) to conserve and improve soil, water, and related natural resources, by taking environmentally sensitive lands out of production.

"(b) ELIGIBLE LANDS.—The Secretary may include in the program established under this subchapter—

"(1) highly erodible cropland that—

"(A) if permitted to remain untreated could substantially impair soil, water, or related natural resources; and

"(B) cannot be farmed in accordance with a conservation plan implemented under section 1212;

"(2) marginal pasture land converted to a wetland or established as wildlife habitat;

"(3) marginal pasture land in or near riparian areas that could enhance water quality;

"(4) cropland or pasture land to be devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors; and

"(5) cropland that is otherwise not eligible for inclusion in the program—

"(A) if the Secretary determines that—

"(i) the land contributes to the degradation of water quality or soil erosion, or would cause on-site or off-site environmental degradation if permitted to remain in agricultural production; and

"(ii) water quality, soil erosion, or environmental objectives with respect to the land cannot be achieved under the environmental quality incentives program established under chapter 2;

"(B) if the cropland is newly created, permanent grass sod waterways, or are contour grass sod strips established and maintained as part of an approved conservation plan under this subchapter;

"(C) if the cropland will be devoted to newly established living snow fences, permanent wildlife habitat, windbreaks, or shelterbelts;

"(D) if the land will be devoted to filterstrips that are contiguous to permanent bodies of water or intermittent streams;

"(E) if the Secretary determines that the land poses an off-farm environmental threat, or pose a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production; or

"(F) if the land is highly erodible cropland that will be used to restore wetlands and—

"(i) the land is prior converted wetland;

"(ii) the owners or operators of the land agree to provide the Secretary with a long-term or permanent easement under subchapter C;

"(iii) there is a high probability that the prior converted wetland can be successfully restored to wetland status; and

"(iv) the restoration of the areas otherwise meets the requirements of subchapter C.

"(c) CERTAIN LAND AFFECTED BY SECRETARIAL ACTION.—For the purpose of determining the eligibility of land to be placed in the conservation reserve established under this subchapter, land shall be considered planted to an agricultural commodity during a crop year if an action of the Secretary prevented the land from being planted to the commodity during the crop year.

"(d) ENROLLMENT.—

"(1) LIMITATION.—Not more than 36,400,000 acres (including acreage subject to contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note)) may be enrolled in the conservation reserve in any of the 1996 through 2005 calendar years.

"(2) PRIORITIES.—The Secretary shall, to the maximum extent practicable, with each periodic enrollment of acreage (including acreage subject to contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note)), enroll acreage in the conservation reserve that meets the priority criteria for water quality, soil erosion, and wildlife habitat provided in subsection (e), and, to the maximum extent practicable, maximize multiple environmental benefits.

"(e) PRIORITY FUNCTIONS.—

"(1) IN GENERAL.—During all periodic enrollments of acreage (including acreage subject to contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note)), the Secretary shall evaluate all offers to enter into contracts under this subchapter in light of the priority criteria stated in paragraphs (2), (3), and (4), and accept only the offers that meet the criteria stated in paragraph (2) or (3), maximize the benefits stated in paragraph (4), and maximize environmental benefits per dollar expended. If an offer meets the criteria stated in paragraph (4) and paragraph (2) or (3), the offer shall receive higher priority, as determined by the Secretary.

"(2) WATER QUALITY.—

"(A) TARGETED LANDS.—Not later than December 31, 2000, the Secretary shall enroll in the conservation reserve narrow strips of cropland or pasture, as filterstrips that are contiguous to—

"(i) permanent bodies of water;

"(ii) tributaries or smaller streams; or

"(iii) intermittent streams that the Secretary determines significantly contribute to downstream water quality degradation.

"(B) PURPOSES.—The lands may be enrolled by the Secretary in the conservation reserve to establish—

"(i) contour grass strips;

"(ii) grassed waterways; and

"(iii) other equivalent conservation measures that have a high potential to ameliorate pollution from crop and livestock production.

"(C) REQUIRED ENROLLMENT.—Not later than December 31, 2000, the Secretary shall enroll in the conservation reserve at least 4,000,000 acres under this paragraph.

"(D) PARTIAL AND WHOLE FIELDS.—Enrollments under this paragraph may include partial and whole fields, except that the Secretary shall accord a higher priority to partial field enrollments.

"(3) SOIL EROSION.—

"(A) IN GENERAL.—The Secretary shall accept offers to enroll highly erodible land only on fields that cannot be farmed by using the best economically attainable conservation system without high potential for degradation of soil or water quality, and such potential degradation cannot be alleviated through other Federal or State conservation assistance programs.

"(B) BEST ECONOMICALLY ATTAINABLE CONSERVATION SYSTEM.—In this paragraph, the term 'best economically attainable conservation system' means a practice or practices designed to significantly reduce soil erosion on highly erodible fields in a cost-effective manner, as specified by the Secretary.

"(C) PARTIAL FIELD ENROLLMENTS.—A portion of a highly erodible field is eligible for enrollment if the partial field segment would provide a significant reduction in soil erosion.

"(4) WILDLIFE HABITAT BENEFITS.—

"(A) IN GENERAL.—The Secretary shall, to the maximum extent practicable, ensure that offers to enroll acreage under paragraphs (2) and (3) are accepted so as to maximize wildlife habitat benefits.

"(B) MAXIMIZING BENEFITS.—An offer that satisfies paragraph (2) or (3) shall be accepted by the Secretary if the offer also maximizes wildlife habitat benefits, as determined by the Secretary. For purposes of this paragraph, the Secretary shall, to the maximum extent practicable, maximize wildlife habitat benefits through—

"(i) consultation with State technical committees established under section 1261(a) as to the relative habitat benefits of each offer, and accepting the offers that maximize benefits; and

"(ii) providing higher priority to offers that would be contiguous to—

"(I) other enrolled acreage;

"(II) a designated wildlife habitat; or

"(III) a wetland.

"(C) COVER CROP INFORMATION.—The Secretary shall provide information to owners or operators about cover crops that are best suited for area wildlife.

"(f) DURATION OF CONTRACT.—For the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

"(g) MULTIYEAR GRASSES AND LEGUMES.—For the purpose of this subchapter, alfalfa and other multiyear grasses and legumes planted in a rotation practice approved by the Secretary, shall be considered agricultural commodities.

"SEC. 1232. DUTIES OF OWNERS AND OPERATORS.

"(a) IN GENERAL.—If required by the Secretary as a term of a contract under this chapter, an owner or operator of a farm or ranch shall agree—

"(1) to implement a conservation plan approved by the local conservation district (or in an area not located within a conservation district, a conservation plan approved by the Secretary) for converting eligible lands normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use (as defined by the Secretary), such as pasture, permanent grass, legumes, forbs, shrubs, or trees, substantially in accordance with a schedule outlined in the conservation plan;

"(2) to place highly erodible cropland subject to the contract in the conservation reserve established under this subchapter;

"(3) not to use the land for agricultural purposes, except as permitted by the Secretary;

"(4) to establish approved vegetative cover, or water cover for the enhancement of wildlife, on the land, except that the water cover shall not include ponds for the purpose of watering livestock, irrigating crops, or raising fish for commercial purposes;

"(5) in addition to the remedies provided under section 1236(d), on the violation of a term or condition of the contract at any time the owner or operator has control of the land—

"(A) to forfeit all rights to receive rental payments and cost-sharing payments under the contract and to refund to the Secretary any rental payments and cost-sharing payments received by the owner or operator under the contract, together with interest on the payments as determined by the Secretary, if the Secretary determines that the violation is sufficient to warrant termination of the contract; or

"(B) to refund to the Secretary, or accept adjustments to, the rental payments and cost-sharing payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that the violation does not warrant termination of the contract;

"(6) on the transfer of the right and interest of the owner or operator in land subject to the contract—

"(A) to forfeit all rights to rental payments and cost-sharing payments under the contract; and

"(B) to refund to the United States all rental payments and cost-sharing payments received by the owner or operator, or accept such payment adjustments or make such refunds as the Secretary considers appropriate and consistent with the objectives of this subchapter, unless—

"(i) the transferee of the land agrees with the Secretary to assume all obligations of the contract; or

"(ii) the land is purchased by or for the United States Fish and Wildlife Service, or the transferee and the Secretary agree to modifications to the contract, if the modifications are consistent with the objectives of this subchapter as determined by the Secretary;

"(7) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the Secretary may permit—

"(A) harvesting or grazing or other commercial use of the forage on land that is subject to the contract in response to a drought or other similar emergency; and

"(B) limited grazing on the land if the grazing is incidental to the gleaning of crop residues on the fields in which the land is located and occurs—

"(i) during the 7-month period during which grazing of conserving use acreage is allowed in a State under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.); or

"(ii) after the producer harvests the grain crop of the surrounding field for a reduction in rental payment commensurate with the limited economic value of the incidental grazing;

"(8) not to harvest or make commercial use of trees on land that is subject to the contract unless expressly permitted in the contract, except that no contract shall prohibit activities consistent with customary forestry practice, such as pruning, thinning, or stand improvement of trees, on land converted to forestry use;

"(9) not to adopt any practice that would tend to defeat the objectives of this subchapter;

"(10) with respect to any contract entered into after the effective date of section 3 of the Agricultural Resources Conservation Act of 1995, concerning highly erodible land in a county that has not reached the limitation established by section 1242(c)—

"(A) not to produce an agricultural commodity for the duration of the contract on any other highly erodible land that the owner or operator has purchased after the effective date of section 3 of the Agricultural Resources Conservation Act of 1995, and that does not have a history of being used to produce an agricultural commodity other than forage crops; and

"(B) on the violation of subparagraph (A), to be subject to the sanctions described in paragraph (5); and

"(11) to comply with such additional provisions as the Secretary determines are necessary.

"(b) Conservation Plan.—The conservation plan required under subsection (a)(1)—

"(1) shall set forth—

"(A) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

"(B) the commercial use, if any, to be permitted on the land during the term; and

"(2) may provide for the permanent retirement of any cropland base and allotment history for the land.

"(c) Environmental Use.—To the maximum extent practicable, not less than ⅛ of land that is placed in the conservation reserve shall be devoted to hardwood trees.

"(d) Foreclosure.—

"(1) In general.—Notwithstanding any other law, an owner or operator of land who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under the contract if the land that is subject to the contract has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment.

"(2) Resumption of control.—This subsection shall not void the responsibilities of the owner or operator under the contract if the owner or operator resumes control over the land that is subject to the contract within the term of the contract. On the resumption of the control over the land by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

"SEC. 1233. DUTIES OF THE SECRETARY.

"In return for a contract entered into by an owner or operator under section 1232, the Secretary shall—

"(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest;

"(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

"(A) the conversion of cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use, consistent with section 1231(e); and

"(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently; and

"(3) provide conservation technical assistance, as determined necessary by the Secretary, to assist the owner or operator in carrying out the contract.

"SEC. 1234. PAYMENTS.

"(a) Time of Cost-Sharing and Annual Rental Payments.—The Secretary shall provide payment for obligations incurred by the Secretary under a contract entered into under this subchapter—

"(1) with respect to any cost-sharing payment obligation incurred by the Secretary, as soon as practicable after the obligation is incurred; and

"(2) with respect to any annual rental payment obligation incurred by the Secretary—

"(A) as soon as practicable after October 1 of each calendar year; or

"(B) at the discretion of the Secretary, at any time prior to October 1 during the year that the obligation is incurred.

"(b) Federal Percentage of Cost-Sharing Payments.—

"(1) In general.—In making cost-sharing payments to an owner or operator under a contract entered into under this subchapter, the Secretary shall pay 50 percent of the cost of establishing water quality and conservation measures and practices required under the contracts for which the Secretary determines that cost sharing is appropriate and in the public interest.

"(2) Limitation.—The Secretary shall not make any payment to an owner or operator under this subchapter to the extent that the total amount of cost-sharing payments provided to the owner or operator from all sources would exceed 100 percent of the total actual costs.

"(3) Hardwood trees.—The Secretary may permit an owner or operator who contracts to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of the trees over a 3-year period if at least ⅓ of the trees are planted in each of the first 2 years.

"(4) Other federal cost-sharing assistance.—An owner or operator shall not be eligible to receive or retain cost-sharing assistance under this subchapter if the owner or operator receives any other Federal cost-sharing assistance with respect to the land under any other law.

"(c) Annual Rental Payments.—

"(1) Encouraging participation.—In determining the amount of annual rental payments to be paid to owners and operators for converting eligible cropland normally devoted to the production of an agricultural commodity to a less intensive use, the Secretary may consider, among other factors, the amount necessary to encourage owners or operators of eligible cropland to participate in the program established by this subchapter.

"(2) Amount.—

"(A) In general.—The amounts payable to owners or operators as rental payments under contracts entered into under this subchapter shall be determined by the Secretary through—

"(i) the submission of offers for the contracts by owners and operators in such manner as the Secretary may prescribe; and

"(ii) determination of the rental value of the land through a productivity adjustment formula determined by the Secretary.

"(B) Limitation.—Rental payments shall not exceed local rental rates, except that rental payments for partial field enrollments may be made in an amount that does not exceed 150 percent of local rental rates, adjusted for the productivity of the land, as determined by the Secretary.

"(3) Hardwood trees.—In the case of acreage enrolled in the conservation reserve that is to be devoted to hardwood trees, the Secretary may consider offers for contracts under this subsection on a continuous basis.

"(d) Cash or In-Kind Payments.—

"(1) In general.—Except as otherwise provided in this section, payments under this subchapter—

"(A) shall be made in cash or in commodities in such amount and on such time schedule as are agreed on and specified in the contract; and

"(B) may be made in advance of the determination of performance.

"(2) In-kind payments.—If the payment is made in in-kind commodities, the payment shall be made by the Commodity Credit Corporation—

"(A) by delivery of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the highly erodible cropland is located or at such other location as is agreed to by the Secretary and the owner or operator;

"(B) by the transfer of negotiable warehouse receipts; or

"(C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity.

"(3) Insufficient stocks.—If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to an owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.

"(4) Special conservation reserve enhancement program.—Payments to a producer under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.

"(e) Payment on Death, Disability, or Succession.—If an owner or operator who is entitled to a payment under a contract entered into under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(f) Payment Limitation.—

"(1) In general.—The total amount of rental payments, including the value of any rental payments in in-kind commodities, made to a person under this subchapter for any fiscal year may not exceed $50,000.

"(2) Regulations.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(A) defining the term 'person' as used in paragraph (1); and

"(B) prescribing such rules as the Secretary determines are necessary to ensure a fair and reasonable application of the limitation contained in paragraph (1).

"(3) Receipt of other payments not affected.—Rental payments received by an owner or operator shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624), or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(4) Special conservation reserve enhancement program.—The provisions of this subsection that limit payments to any person, and section 1305(f) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note), shall not be applicable to payments received by a State or political subdivision, or an agency of a State or political subdivision, in connection with an agreement entered into under a special conservation reserve enhancement program carried out by the State, political subdivision, or agency that has been approved by the Secretary. The Secretary may enter into an agreement for payments to a State or political subdivision, or agency of a State or political subdivision, that the Secretary determines will advance the objectives of this subchapter.

"(g) Contracts Unaffected by Certain Presidential Orders.—Notwithstanding any other law, no order issued for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902) shall affect any payment under any contract entered into at any time that is subject to this subchapter, including contracts entered into prior to the effective date of section 3 of the Agricultural Resources Conservation Act of 1995.

"(h) Cost-Sharing Payments.—In addition to any payment under this subchapter, an owner or operator may receive cost-sharing payments, rental payments, or tax benefits from a State or political subdivision of a State for enrolling lands in the conservation reserve program.

"SEC. 1235. CONTRACTS.

"(a) Ownership or Operation Requirement.—

"(1) In general.—Subject to paragraph (2), no contract shall be entered into under this subchapter concerning land with respect to which the ownership has changed during the 3-year period preceding the date the contract is entered into unless—

"(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(B) the Secretary determines that the land was acquired under circumstances that give adequate assurance that the land was not acquired for the purpose of placing the land in the program established by this subchapter; or

"(C) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercised a right of redemption from the mortgage holder in accordance with a State law.

"(2) Applicability.—Paragraph (1) shall not—

"(A) prohibit the continuation of a contract by a new owner after a contract has been entered into under this subchapter; or

"(B) require a person to own the land as a condition of eligibility for entering into the contract if the person—

"(i) has operated the land to be covered by a contract under this subchapter for at least 3 years preceding the date of entering into the contract; and

"(ii) controls the land during the contract period.

"(b) Sales or Transfers.—If, during the term of a contract entered into under this subchapter, an owner or operator of land subject to the contract sells or otherwise transfers the ownership or right of occupancy of the land, the new owner or operator of the land may—

"(1) continue the contract under the same terms and conditions of the contract;

"(2) enter into a new contract in accordance with this subchapter; or

"(3) elect not to participate in the program established under this subchapter.

"(c) Modifications and Waivers.—

"(1) In general.—The Secretary may modify a contract entered into by an owner or operator under this subchapter if—

"(A) the owner or operator agrees to the modification; and

"(B) the Secretary determines that the modification is desirable—

"(i) to carry out this subchapter;

"(ii) to facilitate the practical administration of this subchapter; or

"(iii) to achieve such other goals as the Secretary determines are appropriate, consistent with this subchapter.

"(2) Production of agricultural commodities.—The Secretary may modify or waive a term or condition of a contract entered into under this subchapter to permit all or part of the land subject to the contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.

"(d) Termination.—The Secretary may terminate a contract entered into with an owner or operator under this subchapter if—

"(1) the owner or operator agrees to the termination; and

"(2) the Secretary determines that the termination is in the public interest.

"SEC. 1236. BASE HISTORY.

"(a) Reductions.—A reduction, based on a ratio between the total cropland acreage on the farm and the acreage placed in the conservation reserve, as determined by the Secretary, shall be made during the period of a contract entered into under this subchapter, in the aggregate, in crop bases, quotas, and allotments on the farm with respect to crops for which there is a production adjustment program.

"(b) Base History as Basis for Participation in Other Federal Programs.—Notwithstanding sections 1211 and 1221, the Secretary, by appropriate regulation, may provide for preservation of cropland base and allotment history applicable to acreage converted from the production of agricultural commodities under this subchapter, for the purpose of any Federal program under which the history is used as a basis for participation in the program or for an allotment or other limitation of the program, unless the owner and operator of the farm or ranch agree under the contract to retire permanently that cropland base and allotment history.

"(c) Extension of Preservation of Cropland Base and Allotment History.—The Secretary shall offer the owner or operator of a farm or ranch an opportunity to extend the preservation of cropland base and allotment history pursuant to subsection (b) for such time as the Secretary determines to be appropriate after the expiration date of a contract under this subchapter at the request of the owner or operator. In return for the extension, the owner or operator shall agree to continue to abide by the terms and conditions of the original contract, except that—

"(1) the owner or operator shall receive no additional cost-sharing, annual rental, or bonus payment; and

"(2) the Secretary may permit, subject to such terms and conditions as the Secretary may impose, haying and grazing of acreage subject to the agreement, except that—

"(A) haying and grazing shall not be permitted during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) during the period beginning April 1 and ending October 31 of a year; and

"(B) in the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage.

"(d) Additional Remedies for Violations.—In addition to any other remedy prescribed by law, the Secretary may reduce or terminate the quantity of cropland base and allotment history preserved pursuant to subsection (c) for acreage with respect to which a violation of a term or condition of a contract occurs.".

SEC. 4. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. FINDINGS AND PURPOSES.

"(a) Findings.—Congress finds that—

"(1) farmers and ranchers cumulatively manage more than ½ of the private lands in the continental United States;

"(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

"(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

"(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

"(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;

"(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

"(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

"(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

"(1) combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 6(a)(1) of the Agricultural Resources Conservation Act of 1995);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 6(b)(1) of the Agricultural Resources Conservation Act of 1995);

"(C) the water quality incentives program established under this chapter (as in effect before the amendment made by section 4 of the Agricultural Resources Conservation Act of 1995); and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 6(c)(1) of the Agricultural Resources Conservation Act of 1995); and

"(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—

"(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

"(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

"(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

"(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

"SEC. 1238A. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

"(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

"(v) 55,000 turkeys;

"(vi) 2,500 swine; or

"(vii) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2005 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) ELIGIBLE PRACTICES.—

"(A) STRUCTURAL PRACTICES.—An operator who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, or both.

"(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or incentive payments, or both.

"(b) APPLICATION AND TERM.—A contract between an operator and the Secretary under this chapter may—

"(1) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(2) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(c) STRUCTURAL PRACTICES.—

"(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for operators proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the operator. The competitive offer system shall consist of—

"(A) the submission of a competitive offer by the operator in such manner as the Secretary may prescribe; and

"(B) evaluation of the offer in light of the priorities established in section 1238C and the projected cost of the proposal, as determined by the Secretary.

"(2) CONCURRENCE OF OWNER.—If the operator making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the operator shall obtain the concurrence of the owner of the land with respect to the offer.

"(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to an operator in exchange for the performance of 1 or more land management practices by the operator.

"(e) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be less than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(f) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

"(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

"(A) the operator agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the operator violated the contract.

"(h) NON-FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

"(2) Limitation on liability.—No person shall be permitted to bring or pursue any claim or action against any official or entity based on or resulting from any technical assistance provided to an operator under this chapter to assist in complying with a Federal or State environmental law.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) Regional Priorities.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) Maximization of Environmental Benefits.—

"(1) In general.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) National and regional priority.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

"(3) Criteria.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

"(c) State or Local Contributions.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"(d) Priority Lands.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards or other environmental objectives of a Federal or State law.

"SEC. 1238D. DUTIES OF OPERATORS.

"To receive technical assistance, cost-sharing payments, or incentives payments under this chapter, an operator shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through a structural practice or land management practice, or both, that is approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

"(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

"(4) on the transfer of the right and interest of the operator in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

"SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"An environmental quality incentives program plan shall include (as determined by the Secretary)—

"(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that may be relevant to conserving and enhancing soil, water, and related natural resources;

"(2) a description of relevant farm or ranch resources, including soil characteristics, rangeland types and condition, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

"(3) a description of specific conservation and environmental objectives to be achieved;

"(4) to the extent practicable, specific, quantitative goals for achieving the conservation and environmental objectives;

"(5) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives;

"(6) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will assist the operator in complying with Federal and State environmental laws; and

"(7) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist an operator in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

"(1) providing an eligibility assessment of the farming or ranching operation of the operator as a basis for developing the plan;

"(2) providing technical assistance in developing and implementing the plan;

"(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

"(4) providing the operator with information, education, and training to aid in implementation of the plan; and

"(5) encouraging the operator to obtain technical assistance, cost-sharing payments, or grants from other Federal, State, local, or private sources.

"SEC. 1238G. ELIGIBLE LANDS.

"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—

"(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards;

"(2) an area that is considered to be critical agricultural land on which either crop or livestock production is carried out, as identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from an agricultural nonpoint source of pollution;

"(3) an area recommended by a State lead agency for protection of soil, water, and related resources, as designated by a Governor of a State; and

"(4) land that is not located within a designated or approved area, but that if permitted to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

"SEC. 1238H. LIMITATIONS ON PAYMENTS.

"(a) Payments.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) Regulations.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).

"SEC. 1238I. TEMPORARY ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) Interim Administration.—

"(1) In general.—During the period beginning on the date of enactment of this section and ending on the later of the dates specified in paragraph (2), to ensure that technical assistance, cost-sharing payments, and incentive payments continue to be administered in an orderly manner until such time as assistance can be provided through final regulations issued to implement the environmental quality incentives program established under this chapter, the Secretary shall continue to provide technical assistance, cost-sharing payments, and incentive payments under the terms and conditions of the agricultural conservation program, the Great Plains conservation program, the water quality incentives program, and the Colorado River Basin salinity control program, to the extent the terms and conditions of the programs are consistent with the environmental quality incentives program.

"(2) Expiration of Authority.—The authority of the Secretary to carry out paragraph (1) shall terminate on the later of—

"(A) the date that is 180 days after the date of enactment of this section; or

"(B) March 31, 1996.

"(b) Permanent Administration.—Effective beginning on the later of the dates specified in subsection (a)(2), the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments for structural practices and land management practices related to crop and livestock production in accordance with final regulations issued to carry out the environmental quality incentives program.".

SEC. 5. ADMINISTRATION.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

"Subtitle E—Administration

"SEC. 1241. FUNDING.

"(a) MANDATORY EXPENSES.—Subject to subsection (f), the Secretary shall use the funds of the Commodity Credit Corporation for each of fiscal years 1996 through 2005 to carry out the programs authorized by—

"(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note));

"(2) subchapter C of chapter 1 of subtitle D; and

"(3) chapter 2 of subtitle D.

"(b) ADVANCE APPROPRIATIONS TO CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made to carry out chapter 3 of subtitle D.

"(c) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

"(1) CROP PRODUCTION.—Subject to subsection (f), funds of the Commodity Credit Corporation for technical assistance, cost-sharing payments, and incentive payments targeted at practices relating to crop production under the environmental quality incentives program—

"(A) in the case of each of fiscal years 1996 and 1997, shall be allocated in the same proportion that existed between practices relating to crop production and livestock production in fiscal year 1995; and

"(B) in the case of each of fiscal years 1998 through 2005, shall not be less than the total funding level for the payments for fiscal year 1995.

"(2) LIVESTOCK PRODUCTION.—Subject to subsection (f) and paragraph (3), for each of fiscal years 2000 through 2005, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

"(3) LIMITATION.—The Secretary is authorized to allocate less than 50 percent of the total program funding level for a fiscal year for practices relating to crop or livestock production under paragraphs (1) and (2), if the Secretary determines that the funding level is not justified by need or demand.

"(d) CONSERVATION RESERVE PROGRAM.—Subject to subsection (f), funding for the conservation reserve program (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 16 U.S.C. 3831 note)) shall be—

"(1) $1,805,000,000 for fiscal year 1996;

"(2) $1,804,000,000 for fiscal year 1997;

"(3) $1,485,000,000 for fiscal year 1998;

"(4) $1,345,000,000 for fiscal year 1999; and

"(5) $1,221,000,000 for each of fiscal years 2000 through 2005.

"(e) WETLANDS RESERVE PROGRAM.—Subject to subsection (f), funding to carry out the wetlands reserve program under subchapter C of chapter 1 of subtitle D shall be $150,000,000 for each of fiscal years 1996 through 2005.

"(f) LIMITATION ON USE OF CCC FUNDS.—Subject to subsection (c)(3) and notwithstanding any other law, the Secretary shall allocate $2,060,000,000, of funds of the Commodity Credit Corporation for each of fiscal years 1996 through 2005 to carry out the programs authorized by chapters 1 and 2 of subtitle D.

"(g) PRORATION OF PAYMENTS.—If for any fiscal year the Secretary has incurred total contractual obligations to make payments under all programs authorized under subtitle D (other than chapter 3 of subtitle D) that would exceed an amount of $2,060,000,000, the Secretary shall prorate all payments owed under subtitle D (other than chapter 3 of subtitle D) for the fiscal year to ensure that actual payments for the fiscal year do not exceed that amount.

"SEC. 1242. ADMINISTRATION.

"(a) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

"(1) the conservation plans required for—

"(A) highly erodible land conservation under subtitle B;

"(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D; and

"(C) the wetlands reserve program established under subchapter C of chapter 1 of subtitle D; and

"(2) the environmental quality incentives program plan required under chapter 2 of subtitle D.

"(b) TENANTS AND SHARECROPPERS.—In carrying out the programs established under subtitle D, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under a program established by subtitle D.

"(c) ACREAGE LIMITATION.—

"(1) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D. Not more than 10 percent of the cropland in a county may be subject to an easement acquired under the subchapters.

"(2) EXCEPTION.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines that—

"(A) the action would not adversely affect the local economy of a county; and

"(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

"(3) SHELTERBELTS AND WINDBREAKS.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or 3 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

"(d) REGULATIONS.—

"(1) CONSERVATION RESERVE AND WETLANDS RESERVE PROGRAMS.—Not later than 90 days after the effective date of this section, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.

"(2) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Not later than 180 days after the effective date of this section, the Secretary shall issue regulations to implement the environmental quality incentives program under chapter 2 of subtitle D.

"SEC. 1243. CONSERVATION OPERATIONS.

"It is the sense of Congress that—

"(1) the functions performed by the Secretary pursuant to the authority for Conservation Operations are valuable conservation activities that should continue to be carried out by the Secretary; and

"(2) the amount of funds made available to carry out the functions of Conservation Operations for each fiscal year should not be less than the amount of funds made available to carry out those functions during fiscal year 1995.

"SEC. 1244. INFORMATION MANAGEMENT.

"It is the sense of Congress that the Secretary should develop information management techniques that are necessary to create—

"(1) individual farm or ranch natural resource databases that would streamline the process by which owners or operators apply to participate in a conservation program administered by the Secretary; and

"(2) to the extent practicable, develop a common application process for all conservation programs.".

SEC. 6. CONFORMING AMENDMENTS.

(a) AGRICULTURAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—

(A) Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended—

(i) in subsection (b)—

(I) by striking paragraphs (1) through (4) and inserting the following:

"(1) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)."; and

(II) by striking paragraphs (6) through (8); and

(ii) by striking subsections (d), (e), and (f).

(B) The first sentence of section 11 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590k) is amended by striking "performance: *Provided further*," and all that follows through "or other law" and inserting "performance".

(C) Section 14 of the Act (16 U.S.C. 590n) is amended—

(i) in the first sentence, by striking "or 8"; and

(ii) by striking the second sentence.

(D) Section 15 of the Act (16 U.S.C. 590o) is amended—

(i) in the first undesignated paragraph—

(I) in the first sentence, by striking "sections 7 and 8" and inserting "section 7"; and

(II) by striking the third sentence; and

(ii) by striking the second undesignated paragraph.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading "CONSERVATION RESERVE PROGRAM" under the heading "SOIL BANK PROGRAMS" of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a) is amended by striking "Agricultural Conservation Program" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking "as added by the Agriculture and Consumer Protection Act of 1973" each place it appears in subsections (d) and (i) and inserting "as in effect before the amendment made by section 6(a)(1)(F) of the

Agricultural Resources Conservation Act of 1995".

(C) Section 226(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6932(b)(4)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 5901, or 590p)" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).".

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101–596; 33 U.S.C. 1270 note) is amended—

(i) in the subsection heading, by striking "SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM" and inserting "A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM"; and

(ii) in paragraph (1), by striking "special project area under the Agricultural Conservation Program established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))" and inserting "priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(H) Section 6 of the Department of Agriculture Organic Act of 1956 (70 Stat. 1033) is amended by striking subsection (b).

(b) GREAT PLAINS CONSERVATION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking "Great Plains program" each place it appears in sections 344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and 1377) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (2).

(C) Section 126(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (6); and

(ii) by redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) COLORADO RIVER BASIN SALINITY CONTROL PROGRAM.—

(1) ELIMINATION.—Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (6).

(d) RURAL ENVIRONMENTAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—Title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) (as amended by subsections (a)(2)(D), (b)(2)(B), and (c)(2)) is further amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (3), (4), (5), (7), and (8) as paragraphs (1), (2), (3), (4), and (5), respectively.

(e) HIGHLY ERODIBLE LAND CONSERVATION.—Section 1212(e) of the Food Security Act of 1985 (16 U.S.C. 3812(e)) is amended by inserting after the first sentence the following:

"Ineligibility under section 1211 of a tenant or sharecropper for benefits under section 1211 shall not cause a landlord to be ineligible for the benefits for which the landlord would otherwise be eligible with respect to a commodity produced on lands other than the land operated by the tenant or sharecropper.".

(f) OTHER CONSERVATION PROVISIONS.—Subtitle F of title XII of the Food Security Act of 1985 (16 U.S.C. 2005a and 2101 note) is repealed.

(g) COMMODITY CREDIT CORPORATION CHARTER ACT.—

(1) The first sentence of section 4(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(g)) is amended by inserting before the period at the end the following: ", except that the total contractual obligations incurred under the functions and programs established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) shall not exceed $2,060,000,000 for any fiscal year".

(2) Section 5(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(g)) is amended to read as follows:

"(g) Carry out the functions and programs established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) at a funding level, notwithstanding any other provision of law, that does not exceed a total of $2,060,000,000 in any fiscal year for all functions and programs combined.".

(h) RESOURCE CONSERVATION.—

(1) ELIMINATION.—Subtitles A, B, D, E, F, G, and J of title XV of the Agriculture and Food Act of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are repealed.

(2) CONFORMING AMENDMENT.—Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1982 (7 U.S.C. 2272a) is repealed.

(i) WETLANDS RESERVE PROGRAM.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking "1991 through 2000" and inserting "1996 through 2005".

(j) ENVIRONMENTAL EASEMENT PROGRAM.—Section 1239(a) of the Food Security Act of 1985 (16 U.S.C. 3839(a)) is amended by striking "1991 through 1995" and inserting "1996 through 2005".

SEC. 7. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective on the later of—

(1) the date of enactment of this Act; or

(2) October 1, 1995.

(b) TRANSITION PROVISIONS.—

(1) IN GENERAL.—Section 1238I and 1242(d) of the Food Security Act of 1985 (as added by sections 4 and 5, respectively, of this Act) shall become effective on the date of enactment of this Act.

(2) 1991 THROUGH 1995 CALENDAR YEARS.—Notwithstanding any other provision of law, this Act and the amendments made by this Act shall not affect the authority of the Secretary of Agriculture to carry out a program for any of the 1991 through 1995 calendar years under a provision of law in effect immediately before the effective dates prescribed by this section.

SECTION-BY-SECTION ANALYSIS

Subtitles D and E of title XII of the Food Security Act of 1985 are amended accordingly:

Sec. 1. Subtitle D—Agricultural Resources Conservation Program, is amended to read:

Sec. 1230. Environmental Conservation Acreage Reserve Program.

During the 1996 through 2005 calendar years, the Secretary shall establish an Environmental Conservation Acreage Reserve Program to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources including grazing lands, wetlands, and wildlife habitat. The Secretary shall carry out these purposes through the Conservation Reserve, Wetlands Reserve, and Environmental Quality Incentive Programs authorized in this Act.

Sec. 2. Subchapter B-Conservation Reserve, is amended to read:

Sec. 1231. Conservation Reserve.

(a) In General. The Secretary is authorized to re-enroll lands currently in the Conservation Reserve Program (CRP) by extending current contracts and to enroll new lands into the CRP during the 1996–2005 calendar years. The purposes of the CRP are to improve water quality, soil erosion, and related natural resources, by taking environmentally sensitive lands out of production that, if permitted to remain untreated, could substantially impair water quality or reduce soil productivity or related natural resources.

(b) Eligible Lands. Emphasis will be place on enrolling and re-enrolling lands that are (1) highly erodible croplands that cannot be farmed in accordance with a conservation compliance plan or are next to lakes, rivers, or streams, (2) marginal pasture lands established as wildlife habitat, and (3) cropland or pasture land to be devote to the production of hardwood trees, windbreaks, shelterbelts.

(c) Certain Lands Affected by Secretarial Action. Lands enrolled into the CRP shall be considered to be planted to an agricultural commodity during a crop year if an action of the Secretary prevented land from being planted to the commodity during the crop year.

(d) Enrollment. Not more than 36.4 million acres may be enrolled and re-enrolled into the CRP in any year between the 1996–2005 calendar years. The Secretary shall enroll acreage into the CRP that meets specified water quality and soil erosion criteria, and that also maximizes wildlife habitat benefits, to the maximum extent practicable.

(e) Priority Functions. All lands enrolled or re-enrolled into the CRP between 1996—2000 must satisfy the priority functions of water quality, soil erosion, and wildlife benefits.

Water Quality. The Secretary shall enroll by the year 2000 filterstrips that are contiguous to permanent bodies of water, tributaries and smaller streams, or intermittent streams. Contour grass strips and grassed waterways shall also be enrolled. Priority shall be given to partial field enrollments. Four million acres shall be enrolled by the end of the year 2000.

Soil Erosion. The Secretary shall accept offers to enroll highly erodible lands that cannot be farmed through practices designed to significantly reduce soil erosion on highly erodible fields in a cost-effective manner without high potential for degradation of soil or water quality.

Wildlife. The Secretary shall, to the maximum extent practicable, ensure that offers to enroll acreage under the water quality and soil erosion priorities also maximize wildlife habitat benefits. This shall be accomplished by enrolling lands that are contiguous to other CRP acreage, designated wildlife habitats, or wetlands.

(f) Duration of Contract. CRP Contracts shall be for 10 to 15 years.

(g) Multi-Year Grasses and Legumes. Alfalfa and other multi-year grasses and legumes used in a rotation practice shall be considered agricultural commodities.

Sec. 1232. Duties of Owners and Operators.

(a)&(b) Conservation Plans. An owner or operator of a farm or ranch must agree to implement a conservation plan approved by the Secretary for converting eligible lands normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use, and to establish a vegetative or water cover on the land. An owner or operator must also agree not to use such land for agricultural purposes, or to conduct any harvesting or grazing on CRP land except as allowed by the Secretary. The conservation plan shall contain conservation measures and practices to be carried out during the term of the contract.

(c) Environmental Use.—To the extent practicable, not less than one-eighth of the land that is placed into CRP shall be devoted to hardwood trees.

(d) Foreclosure. If land enrolled into the CRP is foreclosed upon, the Secretary may waive repayment by the owner or operator of amounts received under the contract.

Sec. 1233. Duties of the Secretary. The Secretary shall provide cost share and technical assistance for carrying out conservation measures and practices, and pay an annual rental payment.

Sec. 1234. Payments.

The Secretary shall provide payments for cost share amounting to 50 percent of the cost of establishing water quality and conservation practices. Rental payments shall be paid as soon as practicable after October 1 of each calendar year, and shall be determined by the Secretary through the submission of offers for contracts by owners and operators and establishment of the rental value of the land through a productivity adjustment formula. Rental payments may not exceed local rental rates, except that rental payments for partial field enrollments may be up to 150% of local rental rates, adjusted for the productivity of the land. The total amount of rental payments may not exceed $50,000.

Sec. 1235. Contracts.

If the ownership of the land has changed within the previous 3 years, the land cannot be enrolled into the CRP unless the new ownership was acquired by will or succession as a result of the death of the previous owner, or the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the CRP. CRP contracts can be modified upon the agreement of the owner or operator and the Secretary.

Sec. 1236. Base History.

The acreage base, quota or allotment for the farm (as applicable) shall be reduced in proportion to the ratio between the total cropland acreage on the farm and the acreage placed into the CRP.

Sec. 3. Environmental Quality Incentives Program. Chapter 2 is amended to read:

Chapter 2—Environmental Quality Incentives Program.

Sec. 1238. Findings and Purposes.

This section articulates the needs and purposes of a comprehensive conservation program that provides flexible and cost effective technical assistance, cost share, and incentive payments to farmers and ranchers engaged in crop and livestock production for various conservation practices, instead of retiring land from production. This program is intended to assist farmers and ranchers in complying with the conservation compliance and swampbuster requirements of Title XII of the Food Security Act of 1985, and other State and Federal environmental laws. The Environmental Quality Incentives Program (EQIP) combines the functions of the Agricultural Conservation Program, the Great Plains Conservation Program, the Water Quality Incentives Program and the Colorado River Salinity Control Program into a single program. Conservation assistance for livestock production is significantly increased.

Sec. 1238A. Definitions.

(a) Livestock. The term "livestock" means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, and sheep or lambs.

(b) Large Confined Livestock Operation. The term "large confined livestock operation" means a farm or ranch that—

(1) is a confined animal feeding operation; and

(2) has more than—

(A) 700 mature dairy cattle;

(B) 1000 beef cattle;

(C) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

(D) 100,000 laying hens or broilers (if the facility has a liquid manure system)

(E) 55,000 turkeys;

(F) 2,500 swine; or

(G) 10,000 sheep or lambs.

(c) Structural Practices. The term "structural practices" as used in this chapter means animal waste management facilities, terraces, grassed waterways, contour grass strips, filterstrips, permanent wildlife habitat, and other structural practices the Secretary determines are needed to protect soil, water, and related resources in the most cost effective manner.

(d) Land Management Practices. The term "land management practices" as used in this chapter means nutrient and manure management, integrated pest management, irrigation management, tillage and residue management, grazing management, and other land management practices the Secretary determines are needed to protect soil, water, and related resources in the most cost effective manner.

(e) Operator. The term "operator" means a person who is engaged in agricultural production as defined by the Secretary.

(f) Secretary. The term "Secretary" means the Secretary of Agriculture.

Sec. 1238B. Establishment and Administration of Environmental Quality Incentives Program.

(a) Establishment. The Secretary shall, for the 1996–2005 fiscal years, provide technical assistance, cost share, and incentive payments through EQIP to operators engaged in crop or livestock production. Operators who implement structural practices shall be eligible for technical assistance and/or cost share. Operators who perform land management practices shall be eligible for technical assistance and/or incentive payments.

(b) Duration of Assistance. Contracts between operators and the Secretary may be for 5–10 years.

(c) Structural Practices. The Secretary shall administer a competitive offer (bid) system for cost share and/or technical assistance for the implementation of structural practices.

(d) Land Management Practices. The Secretary shall establish an application and evaluation process for awarding an incentive payment and/or technical assistance for the performance of land management practices.

(e) Cost Share and Incentive Payments.

Cost share payments for structural practices shall be not greater than 75% of the projected cost of the structural practice, as determined by the Secretary. Operators of large confined livestock operations are not eligible for cost share for animal waste management facilities. Incentive payments shall be in an amount and at a rate determined by the Secretary to be necessary to attract operators to perform land management practices. The receipt of incentive payments under EQIP shall not affect the eligibility of the operator to receive incentive payments under other conservation programs.

(f) Technical Assistance. The Secretary shall allocate funding for technical assistance under EQIP according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The receipt of technical assistance under EQIP shall not affect the eligibility of the operator to receive technical assistance under other conservation programs.

(g) Modification or Termination of Contracts.

The Secretary may modify a contract with an operator under this chapter if the operator and Secretary agree.

Sec. 1238C. Evaluation of Offers and Payments.

(a) Regional Priorities. The Secretary shall provide cost share, technical assistance, and incentive payments depending on the significance of the soil, water and related natural resource problems in the region, watershed, or conservation priority area, and the structural or land management practices that best address these problems.

(b) Maximize Environmental Benefits. EQIP shall be administered so as to maximize environmental benefits per dollar expended.

(c) Local or State Contributions. Priority is given to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which watersheds, regions, or conservation priority areas in which local or state governments will, or already have already provided financial or technical assistance to the operator for a practice on the same land.

(d) Priority Lands. Priority is given to structural or land management practices on lands on which agricultural production has the potential to cause the failure to meet water quality standards or other environmental objectives of Federal or State laws.

Sec. 1238D. Duties of the Operator. An operator must agree to implement an EQIP plan that contains conservation and environmental goals to be achieved through land management or structural practices.

Sec. 1238E. Environmental Quality Incentives Program Plan.

EQIP plans may include a description of specific conservation and environmental objectives to be achieved, the practices necessary to achieve those objectives, or other information relevant to conserving and enhancing soil, water and related natural resources.

Sec. 1238F. Duties of the Secretary.

The Secretary shall assist the operator in achieving the conservation and environmental goals of the EQIP plan by providing technical assistance, cost share, or incentives payments.

Sec. 1238G. Eligible Lands.

Agricultural lands upon which land management and/or structural practices can be performed include cropland, rangeland, and pasture that the Secretary determines pose a serious threat to soil, water, and related resources. Agricultural lands identified as problems due to agricultural non-point sources of pollution under section 319 of the clean Water Act are also priority lands under this program.

Sec. 1238H. Limitation on Payments.

The total amount of cost share and incentive payments paid may not exceed $10,000 in any one year, and may not exceed a total of $50,000 for multi-year contracts.

Sec. 1238I. Temporary Administration of the Environmental Quality Incentives Program.

(a) Interim Administration. To assure that cost share, technical assistance, and incentive payments continue to be administered in an orderly manner until such time as assistance can be provided through final regulations of EQIP, the Secretary shall, by 180 days after the effective date, continue to provide cost share, technical assistance, and incentive payments under the terms and conditions of the current Agricultural Conservation Program, Water Quality Incentives Program, Colorado River Basin Salinity Control Program, and Great Plains Conservation Program, to the extent the terms and conditions of these programs are consistent with the provisions of EQIP.

(b) Expiration of Authority. The authority of the Secretary to administer EQIP under the interim authority in subsection (a) shall terminate at the later of—

(A) 180 days from the date of enactment; or

(B) March 31, 1996.

Sec. 4. Administration. Subtitle E is amended to read: Subtitle E—Administration

Sec. 1241. Funding.

(a) Mandatory Expenses.

The CRP, WRP, and EQIP programs shall be funded through the Commodity Credit Corporation between 1996–2005.

(b) Environmental Easements Program. Funding for the Environmental Easements program is subject to prior appropriations.

(c) Environmental Quality Incentives Program. CCC funding for EQIP targeted at practices relating to crop production for the 1996–1997 fiscal years shall be allocated in the same proportion that exists for funding between practices relating to crop production and livestock production in 1995. For the 1998–2005 fiscal years, funding for practices relating to crop production shall not be less than the total 1995 funding level. By 2000, 50% of the EQIP funding shall be targeted at practices relating to livestock production. The Secretary is authorized to allocate less than 50% of the total program funding level for practices relating to crop or livestock production, if such a funding level is not justified by need or demand.

(d) Conservation Reserve Program. Funding for the CRP shall be—

(1) $1.805 billion in FY 1996;

(2) $1.804 billion in FY 1997;

(3) $1.485 billion in FY 1998;

(4) $1.345 billion in FY 1999;

(5) $1.221 billion in FY 2000–2005.

(e) Wetlands Reserve Program. Funding for the Wetlands Reserve Program shall be $150 million in each of fiscal years 1996–2005.

(f) Limitation on Use of CCC Funds. The Secretary shall allocate $2.06 billion of funds of the Commodity Credit Corporation in each of fiscal years 1996–2005 to fund the CRP, WRP and EQIP.

(g) Proration of Payments. If in any fiscal year the Secretary has incurred total contractual obligations to make payments under the CRP, WRP and EQIP that would exceed $2.06 billion, the Secretary shall prorate all payments owed under these programs.

Sec. 1242. Administration.

(a) Plans. The Secretary shall, to the extent practicable, avoid duplication in the conservation plans required for conservation compliance, CRP, WRP, and EQIP.

(b) Tenants and Sharecroppers. In carrying out the programs under subtitle D, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under either the CRP, WRP, or EQIP.

(c) Acreage Limitation. The Secretary shall not enroll more than 25 percent of the cropland in any county into the CRP, WRP, and Environmental Easements Program. Not more than 10 percent of such cropland in a county may be subject to an easement acquired under those programs.

Sec. 1243. Conforming Amendments.

(1) The following conservation cost share programs are terminated, and their functions transferred to EQIP.

1. Agricultural Conservation Program;

2. Agricultural Water Quality Incentives Program;

3. Colorado River Basin Salinity Control Program; and

4. Great Plains Conservation program.

(2) The Commodity Credit Corporation Charter Act is amended to provide for, and limit, funding by the Commodity Credit Corporation for the CRP, WRP, and EQIP.

(3) The WRP is amended to allow land to be enrolled between 1996–2005.

(h) The Environmental Easements Program is amended to allow land to be enrolled between 1996–2005.

Sec. 1244. Conservation Operations. It is the Sense of the Senate that the functions performed by the Secretary pursuant to the authority for Conservation Operations are valuable conservation activities that should continue to be carried out by the Secretary and receive annual appropriations by Congress at least at 1995 funding levels.

Sec. 1245. Information Management. It is the Sense of the Senate that the Secretary should develop information management techniques that are necessary to create individual farm or ranch natural resource data bases that would streamline the process by which owners or operators apply to participate in a conservation program administered by USDA and, to the extent practicable, develop a common application process for all conservation programs.

Mr. LEAHY. Mr. President, I am pleased and proud to introduce today, with Senator LUGAR, the Agricultural Resources Conservation Act of 1995.

When President Bush signed the 1990 farm bill, he called it one of the most important environmental bills in that Congress.

Today will build on that legacy.

We build on the legacy of Vermont's—and America's values.

Being good neighbors. That is the value we live by in Vermont. When a cow gets out of her pasture, our neighbors make sure she gets back safely. When phosphorus gets out of our barnyards and threatens Lake Champlain, we come together to find a solution.

We build on the legacy of our Vermont experience.

In Vermont we have proved over the past 15 years that if we build good conservation policy, our farmers will come and participate. This bill takes the Vermont model and makes it a nationwide program.

We build on a legacy of bipartisan cooperation.

The conservation policies we enacted in 1985 and 1990 have produced more progress in the last 10 years than we have seen in the last 50 years of soil conservation.

That is a summary of the values and policies behind this bill.

What does it mean on the ground in Vermont?

First, it means farmers will not have to choose between being good neighbors—controlling their polluted runoff—and staying in business.

Our neighbors, Vermonters and Americans nationwide, will help share the costs.

Second, our working together means cleaner rivers and streams. We can take the successes we have had in local areas, and make them work statewide.

Third, it means new opportunities for all Vermont's farmers. Dairy and sheep, apple farmers and vegetable farmers—all can be better farmers and neighbors.

I believe the bill we are introducing today embodies in legislation the agricultural community's commitment to conservation and the environment. In the Agricultural Resources Conservation Act of 1995 we extend that legacy to the broader environmental challenges farmers and ranchers will face in the next 10 years.

The legislation I am introducing today is built on four key ideas.

We are neighbors;

Let's build on proven success;

We need solutions, not complex programs;

Look ahead, or we will fall behind.

We are neighbors: The Good Neighbor Act of 1995.

The Agricultural Resources Conservation Act of 1995 is more than a set of proposals for policies and programs. It is, at its heart, a statement of the values we share as Americans.

The guiding principle of this bill is the golden rule.

Farmers and ranchers manage nearly half of the land mass of the contiguous United States. Cropland alone makes up one-fifth of our land. The 36 million acres in the Conservation Reserve Program is 2.5 times the size of the Wildlife Refuge System in the lower 48 states. These figures show that some of our most critical environmental concerns, from water quality to wildlife habitat, can be solved only with the active, cooperative support of the agricultural sector. The bill I am introducing today provides the means to engage farmers and ranchers in actively and cooperatively meeting their responsibilities as neighbors.

I firmly believe that most farmers and ranchers are good neighbors. The facts speak for themselves. Since 1985, farmers and ranchers have reduced soil erosion on highly erodible land by two-thirds. We are about to turn the corner on wetland losses in agriculture—restoring more acres than we are converting. A recent poll of 10,000 farmers in 15 leading farm States found that 58 percent of the farmers said conservation compliance should be continued. A majority of the farmers polled, 43 percent agreed that the Government should insist they plant filter strips along stream banks to protect water quality—40 percent disagreed.

Farmers, it seems to me, are way ahead of some of their leaders when it comes to working constructively to solve our real and legitimate environmental problems. This bill builds on farmers and ranchers clear commitment to conservation and their neighbors.

BUILD ON PROVEN SUCCESS: IF WE BUILD IT, THEY WILL COME.

This bill tries to make what has worked so well in Vermont work for farmers and ranchers in the rest of the country.

In Vermont we have a problem with Lake Champlain. Runoff from dairy farms causes a real problem when it carries phosphorus into Lake Champlain. Beginning in 1980, farmers and their urban neighbors came together to work out solutions. We identified the sources of runoff—we identified the management practices that would reduce that runoff—and we set ourselves some goals by which to measure our progress. We targeted the Federal assistance to get results.

And it's working. In the Lake Champlain basin alone 436 farmers have contributed $5.8 million over their own money to match $13.4 million in Federal funding in the last 15 years. Other farmers are taking advantage of technical assistance and incentive payments provided through the Water Quality Incentives Program to set up innovative rotational grazing systems that increase profits and protect water quality. Our experience proves that if we provide farmers and ranchers with the technical and financial assistance they need, they will step up to the plate and do their share to protect the environment.

That is what the Agricultural Resources Conservation Act of 1995 does—put the tools into the hands of farmers that will allow them to reconcile profitability, productivity, and the environment. Specifically we:

Reauthorize the Conservation Reserve Program through 2005 and make sure the program works to protect soil, water quality, and wildlife habitat;

Authorize a new program, called the Environmental Quality Incentives Program, which insures farmers will have the technical and financial assistance to produce crops and livestock in ways that protect the environment; and

Reauthorize the Wetland Reserve Program through 2005 to make sure wetland restoration and protection works for flood prevention, water quality, and wildlife habitat.

These three programs will enable farmers to make the changes they need to make to protect the environment while protecting their bottom line at the same time.

We need solutions, not complex programs.

Farmers and ranchers want to do the right thing, but sometimes our rules and regulations get in the way.

This bill gets bureaucratic redtape out of the way of farmers that want to conserve and protect the environment.

Our proposed Environmental Quality Incentives Program combines the functions of the Great Plains Conservation Program, Water Quality Incentives Program, Agricultural Conservation Program, and the Colorado River Salinity Control Program into one, voluntary and flexible conservation program. Farmers and ranchers will have one-step shopping for conservation planning. They will no longer have to have a file drawer full of plans for every conservation program or cost-share agreement they need. They will be able to use one plan to address all their conservation objectives and that makes them eligible for financial assistance.

Last year, we took the first steps toward eliminating bureaucratic redtape when we passed legislation that reorganized the Department. There is no reason to reinvent the wheel and create a new bureaucratic structure to implement the Environmental Quality Incentives Program. The structure is already in the field to do the job—county committees, conservation districts, the Natural Resources Conservation Service and the Consolidated Farm Services Agency just need to work together to get the job done. That's how it works in Vermont, and that's how it should work in every State. The implementation of the Department reorganization is proving that it can and will work for everyone.

We have to think ahead or we will be left behind.

This bill provides a public commitment to help farmers meet what they tell me is a growing concern: meeting increasingly complex environmental challenges while sustaining profitable and productive farms and ranches.

This bill charts a course for farm policy in the 21st century. It is a course that provides for environmental income stability in the same way our current farm policy provides for market income stability.

Agricultural programs were established in the 1930's to stabilize farm income in the face of large swings in commodity prices. Farmers now believe that conservation and environmental rules threaten the stability of farm income. Often these threats are overblown by groups more interested in being divisive than being constructive. Polls consistently show that the American public holds both farming and environmental protection in very high esteem. Both farmers and environmentalists have much to lose from a divisive relationship.

As I said earlier, farmers and ranchers manage half of the land mass in the contiguous United States. This means how we farm and how we ranch must affect our neighbors, whether those neighbors are across the fence, or 1,000 miles downstream. The farm policy of the future must meet the unique needs of farmers and ranchers as the Nation's landowners and land managers.

This bill proposes to put conservation funding on an equal footing with commodity programs. Why?

The purpose of the CCC borrowing authority is to provide farm income stability.

Conservation programs address the effect of changing environmental rules on farm income, just as commodity programs address farm income instability from changing markets.

That is why this legislation authorizes the Commodity Credit Corporation to use its borrowing authority to fund the Conservation Reserve Progam, the Environmental Quality Incentives Program, and the Wetland Reserve Program.

Early last year several groups of experts from all sectors of agriculture came together under the auspices of the National Center for Food and Agricultural Policy to help us plan for the 1995 farm bill.

Let me quote from the overview prepared at the end of this process:

> Supporters of the program had some difficulty, however, in rationalizing as to why an industrial policy for the food and fiber sector requires continuing large-scale transfers of income to a portion of the farm production sector. . . . The working group looking at land use, conservation and environment issue had no such problems in identifying the public interest in and the public benefits that can be derived from programs. . . . This group argued that the primary beneficiary of the conservation and the environment programs is the public—which values the benefits of additional wildlife, cleaner water, and less soil erosion.

This report is right. The direction is clear. I firmly believe that conservation should and will play an increasingly important role in the agricultural policy of the next century. The public has proved they are willing to pay for conservation. We need to take the first steps this year to build on that willingness to guarantee farmers and ranchers will have the technical and financial assistance they will need in the future.

Budget pressures will sorely test our commitment to conservation this year. We will be forced to make painful choices. We will be forced to rethink the basis and justification of our farm policy. This bill makes a firm commitment to conservation as a fundamental purpose of future farm programs.

Mr. President, I am proud to introduce this bill today. This bill builds on what we know works in my State and in the Nation. It is part of a blueprint for a farm policy that will meet the needs of farmers, ranchers, and their neighbors as we approach the next century.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 855. A bill to amend title 10, United States Code, to revise the authorization for long-term leasing of military family housing to be constructed; to the Committee on Armed Services.

THE BUILD-TO-LEASE MILITARY FAMILY HOUSING ACT OF 1995

• Mr. MURKOWSKI. Mr. President, today I am introducing on behalf of myself and Senator STEVENS legislation to address a serious national need—the condition and availability of military family housing for the Armed Forces of the United States, including the Coast Guard.

The condition of the family housing for our military personnel has deteriorated to the point where it is a serious disincentive to reenlistment and a threat to long-term military readiness. According to a March 7, 1995 article in the Washington Post:

> "Defense Secretary William J. Perry cites the poor condition of military housing as the number one complaint he hears from soldiers on visits to bases."
>
> ". . . 60% of the 375,000 on base family housing units are inadequate . . ."
>
> "Many barracks and family apartments, built soon after World War II, are cramped and suffer from peeling lead-based paint, hazardous asbestos, cracked foundations, corroding pipes or faulty heating and cooling systems."

Mr. President, this is clearly a shameful situation that we can and should address. The Washington Post article I cited goes on to point out the need for a system to attract private investment to help rebuild or replace America's military housing. That is the approach of the legislation I am introducing today.

Mr. President, in Alaska we have successfully used private developers to build 1,216 units of critically needed military family housing, including 666 units of Air Force housing at Eielson Air Force Base, and 550 units of Army housing at Fort Wainwright. This was accomplished under the authority of section 801 of Public Law 98–115, a provision I authored in 1983 along with Senator Tower and Representative CHARLIE STENHOLM of Texas. Today I am urging that we revise and extend that law to encourage its use for today's housing needs in the Army, Navy, Air Force, Marines, and Coast Guard.

While there is still build-lease authority in 10 U.S.C. 2828, it is my understanding that little or no new housing has actually been constructed under the provisions of the statute as currently written due to the manner in which proposed projects are scored for budgetary purposes by the Congressional Budget Office [CBO]. There are also other constraints in the current statutory language, such as the requirement that the housing be off-base, that work to the detriment of successful projects.

Mr. President, in Ketchikan, AK the Coast Guard tells me that there is a serious need for new housing. However, they do not believe that they can provide this for their personnel due to budgetary constraints. By providing the authority to lease or construct on or near a military installation I believe we will reduce the cost of providing housing as many of the needed infrastructure support systems, that is, water, sewer, electricity, will already be in place.

The approach I advocate, and the approach in the legislation I am introducing today, is simple and cost effective. The military services would invite the private sector to build housing to military specifications on land already belonging to the Federal Government, preferably on base or on Government property. Under my approach, the military service can also contract for maintenance, providing the developer with an added incentive to construct easy-to-maintain housing.

The private developer builds the housing, leases it back to the military for the contract lease price including any inflation factors specified in the contract, for a lease term not to exceed 20 years. At the end of the 20 years, the United States has the right of first refusal to purchase the housing for its own purposes. As a practical matter, I'd expect the purchase to occur at little additional cost. Since the land the housing is on belongs to the Government, and since access to the housing and the base can be stipulated, any on-base housing would only be of value to the Federal Government.

My approach also codifies the requirement that the housing projects be competitively bid, and that the committees of jurisdiction in the House and Senate have an opportunity to review the economic justifications for the projects prior to final award.

Finally, Mr. President, my legislation directs that the total amount of budget authority and outlays required by the build-lease contract shall be scored on a pro rata basis over the term of the contract for purposes of CBO scoring. While some may dislike this provision, experience has demonstrated its necessity.

Mr. President, I ask that the article from the Washington Post and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

S. 855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REVISION OF AUTHORIZATION FOR LONG TERM LEASING OF MILITARY FAMILY HOUSING.

(a) REVISION.—The text of section 2835 of title 10, United States Code, is amended to read as follows:

"(a) BUILD AND LEASE AUTHORIZED.—The Secretary of a military department, or the Secretary of Transportation with respect to the Coast Guard, may enter into a contract for the lease of family housing units to be constructed or rehabilitated to military use on or near a military installation within the United States under the Secretary's jurisdiction at which there is a shortage of family housing. Housing units leased under this section shall be assigned, without rental charge, as family housing to members of the armed forces who are eligible for assignment to military family housing.

"(b) COMPETITIVE PROCESS.—Each contract under subsection (a) shall be awarded through the use of publicly advertised, competitively bid, or competitively negotiated, contracting procedures as provided in chapter 137 of this title. Such a contract may provide for the contractor of the housing facilities to operate and maintain such housing facilities during the term of the lease.

"(c) CONDITIONS ON OBLIGATION OF FUNDS.—A lease contract entered into for a military housing project under subsection (a) shall include the following provisions:

"(1) A statement that the obligation of the United States to make payments under the contract in any fiscal year is subject to the availability of appropriations for that purpose.

"(2) A requirement that housing units constructed pursuant to the contract be constructed to Department of Defense specifications.

"(d) LEASE TERM.—A contract under this section may be for any period not in excess of 20 years (excluding the period required for construction of the housing facilities).

"(e) RIGHT OF FIRST REFUSAL TO ACQUIRE.—A contract under this section shall provide that, upon the termination of the lease period, the United States shall have the right of first refusal to acquire all right, title, and interest to the housing facilities constructed and leased under the contract.

"(f) NOTICE AND WAIT REQUIREMENTS.—A contract may not be entered into for the lease of housing facilities under this section until—.

"(1) the Secretary of Defense submits to the appropriate committees of Congress, in writing, an economic analysis (based upon accepted life cycle 15 costing procedures) which demonstrates that the proposed contract is cost-effective when compared with alternative means of furnishing the same housing facilities; and

"(2) a period of 21 calendar days has expired following the date on which the economic analysis is received by those committees.".

(b) BUDGET SCORING.—For purposes of scoring the budgetary impact of any contract entered into under section 2835 of title 10, United States Code (as amended by subsection (a)), the total amount of budget authority required by the contract, and the total outlays, shall be scored on a pro rata basis over the term of the contract.

[From the Washington Post, Tuesday, Mar. 7, 1995]

THE NEW MILITARY READINESS WORRY: OLD HOUSING

(By Bradley Graham)

FORT BRAGG, NC—After decades of neglect, U.S. military housing has so deteriorated that Pentagon leaders say it is discouraging soldiers from reenlisting and thereby handicapping the nation's military readiness.

Many barracks and family apartments, built soon after World War II, are cramped and suffer from peeling lead-based paint, hazardous asbestos, cracked foundations, corroded pipes or faulty heating and cooling systems.

More than half the family housing is rated inadequate, and Defense Secretary William J. Perry cites the poor condition of military housing as the number one complaint he hears from soldiers on visits to bases.

"If you ever drove up with your kids to a college with that kind of housing, you'd never leave your kid," John Hamre, the Pentagon's comptroller, has been telling congressional and news media audiences around Washington. "It's pathetic."

But at a time of shrinking budgets, Pentagon officials have come up with only some token extra millions of dollars to throw at a problem requiring billions to fix. So Perry is casting about for creative off-budget schemes. His main notion, still largely untested, is to establish a system for attracting private investment to help rebuild or replace America's military housing.

So passionate has Perry become about the subject that the former aerospace entrepreneur—remembered as an undersecretary in the Carter administration for such high-tech innovations as stealth technology and the cruise missile—is now determined to leave his mark by cleaning up the more mundane housing mess.

"When I leave here, I want to look back at a handful of legacies—things that I've done that I'm proud of, that will be sustained and carried on—and this is going to be one of them," Perry said in an interview.

Asked about the apparent irony of appealing for new, improved housing even as another round of base closings is underway, Pentagon authorities say the shutdowns have exacerbated the overall housing shortage. Moreover, with much of the closure process now behind them, Defense Department officials say the way is open for enlisting private developers who had been spooked by the uncertainty of the closings.

On Capitol Hill, where strong bipartisan support exists for better military housing, Perry has run into one complication. His emphasis on the U.S. problem is undermining his parallel effort to continue building new homes for former Soviet military officers, part of a U.S. program to finance elimination of nuclear missile bases in Moscow's onetime empire.

Much American military housing remains in decent shape. Some quite handsome buildings, with remodeled interiors and attractive surroundings, are home to senior officers. And many bases feature well-kept smaller housing units.

But the norm is something else.

While no definitive Pentagon standard for adequate housing exists, the Defense Department reports that about 60 percent of the 375,000 on-base family housing units are inadequate—and there are long waiting lists at most bases even for those homes. About one-fourth of the military's 510,000 "barracks spaces" are rated substandard, with World War II-vintage gang latrines still common.

Even some top-tier combat forces, like the Army's 82nd Airborne Division based here at Fort Bragg, live in overcrowded rooms with pock-marked walls, rickety lockers, swaying bunks and dim lighting.

"We'd like to give our soldiers something better than tiles falling on their heads and air conditioning that doesn't work," said Lt. Col. Charles Jacoby, a battalion commander in the 82nd.

Pentagon officials cite several factors to explain how housing became a crisis. One involves the shift over the past two decades from a conscript force to an all-volunteer military, which led to a jump from 40 percent to 60 percent in the proportion of married service members.

But the availability of family housing has increased little since the 1970s. Most of the Reagan administration's surge in defense spending went into new weapon systems rather than bricks and mortar. Some military housing was upgraded in Europe, then central to Cold War defenses, but those facilities now are being closed.

"Even during the 1980s, when we had a defense budget buildup, there was little or no attention paid to this housing problem," Perry said. "I think it just didn't strike them that it was an important problem."

The relocation in the United States of U.S. troops formerly based abroad has exacerbated the shortage, as has the closing of numerous domestic bases that offered at least some decent housing.

Styles, too, have changed. Today's soldiers, like other Americans, expect more privacy and space than their counterparts several decades ago. One bath for three or four bedrooms might have been satisfactory in the 1950s; now, military families want not only more bathrooms, but more living and storage space, various appliances, parking for at least two cars and other amenities.

Despite numerous, limited renovations efforts, military officials say maintenance has tended to be more reactive than preventive. Besides, only so much can be done for some eroding structures.

"This place is like an old car, it's continually breaking down," said Sgt. Maj. Sam Chapman of the 16th Military Brigade, quartered at Fort Bragg in a 1920s-era barracks with broken plumbing, unreliable heating and never enough hot water. "We're constantly putting in work orders, but the only way to fix things is to tear the place down and build a new barracks."

Defense Department policy is to provide on-base housing when the neighboring private market cannot meet the need. Each military service houses about the same proportion of its family population on base—between 30 percent and 40 percent. Some commanders would prefer to get out of the housing business altogether, but on-base units remain very popular among service members for reasons of adding security, family support networks, financial advantages, proximity to jobs and access to child care and medical services.

Living off-base is often not a manageable alternative, because military pay and housing allowances have not kept up with civilian pay on average. In a recent survey of 29 home ports, the Navy found that sailors ranked petty officer third class and below could afford a one-bedroom apartment in only five of the localities and an efficiency in only 17.

Perry makes the point that "quality of life" concerns, of which housing ranks highest, are key to persuading the best military people to reenlist.

"What I want to do is equate dealing with the housing problem with [military] readiness," he said. "I see a single, iron logic that drives me from one to the other."

Under an initiative announced last fall, the Pentagon plans to spend $450 million a year for the next six years to improve on-base housing, raise allowances for off base living and provide more child care and other family support services. But even with these extra funds—on top of increased spending on housing by the services—Pentagon officials expect to modernize only 14 percent of the family housing stock over the next six years and only one in three substandard barracks.

"The real hope is that we can attract large amounts of private investment into this housing problem," said Perry.

Perry now has both an internal team of officials and an outside task force headed by former Army Secretary John O. Marsh looking for alternatives.

One promising plan is being tried by the Navy, which received congressional authority last year to enter into equity partnerships with private developers. Also under consideration are sales of excess property or land swaps to raise capital for housing projects, discounted leases on government land to lower costs for developers and mortgage insurance for new or renovated military housing.

Perry would like to proceed with several pilot programs this year, then select one or two for expansion next year.

"The problems have been a long time in coming, and will take a long time to fix," said Col. James R. Hougnon, Fort Bragg's public works director.●

By Mr. JEFFORDS (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. PELL, Mr. SIMPSON, and Mr. DODD):

S. 856. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act to improve and extend the acts, and for other purposes; to the Committee on Labor and Human Resources.

THE REAUTHORIZATION OF THE NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES ACT OF 1995

Mr. JEFFORDS. Mr. President, with Senators KASSEBAUM, KENNEDY, PELL, SIMPSON, and DODD, I am introducing today the Reauthorization of the National Foundation on the Arts and Humanities Act of 1965. This bill provides authorization for the National Endowment for the Arts, the National Endowment for the Humanities, the newly consolidated Institute for Museum and Library Services, and the Arts and Artifacts Indemnity Act, through the year 2000.

Mr. President, this has been a controversial bill I know, and we have done our utmost in the committee, and will continue to do so through the markup, to restore the kind of confidence that this act in these various endowments deserve.

The subject of government sponsorship of the arts and humanities evokes great disagreement and spirited debate from thoughtful people. My colleagues here in the Senate are certainly no strangers to the controversies and discussions associated with the National Endowment for the Arts. I must say that throughout the process of drafting the bill this consideration has been on my mind. I worked in consultation with my Republican and Democratic colleagues on the Labor Committee in hopes of addressing concerns and incorporating constructive suggestions as to how to improve each of the agencies.

At each subcommittee hearing, we had opportunities to discuss fundamental issues related to the NEA, NEH, and IMS with a host of individuals each with very different perspectives. Some spoke of the merits of the Endowments, others proposed significant change, still others advocated total elimination of the Endowments as we now know them. We had the opportunity to see the work of the IMS first hand. The hearing on the Institute for Museum Services was held at the Alexandria Black History Resource Center—a center that serves the community, is home to a wonderful collection of photographs and objects, supports education and lifelong learning initiatives, and is there for the enjoyment of all of the people of Alexandria, and others who visit.

The exchanges at each of the hearings were enlightening, lively, and I believe in the end, very productive. We were able to discuss ideas and concepts which challenged the way we have thought of these agencies. I believe we successfully broadened this discussion from that of simply all or nothing—elimination versus no change—and created an opportunity to improve upon these agencies.

We have sought to do something very different with this bill. We have made changes that will lead to substantial improvement in terms of how these agencies work and made it even more clear in the legislation as to the priority of who they serve. I learned a great deal from the hearings and feel certain that we have incorporated some of the valuable and thoughtful ideas that were shared during these discussions. There was room for improvement at the NEA and NEH. In addition, there is a clear and direct connection to learning between the IMS and libraries.

We have worked very hard on this bill, for very simple reasons, in my opinion. The National Endowment for the Arts, the National Endowment for the Humanities, libraries and museums make enormous contributions to vibrancy and greatness of our society. They enrich the fabric of this Nation, they bring us together, enable us to better express ourselves and better understand each other and many times, through the arts and humanities we reach those who have been written off.

Simply, the arts and humanities are an integral improvement in terms of how these agencies work and make even more clear that legislation is needed as to the priority of those who they serve.

I learned a great deal from the hearings and feel certain that we will have incorporated some of the most valuable and thoughtful ideas that were shared during these discussions. There was room for improvement in the NEA and the NEH.

In addition, it is clear that direct connection to learning between the NEH, the NEA, and the libraries is enlightening. We have worked very hard on this bill for very simple reasons, in my opinion. The National Endowment for the Arts and the National Endowment for the Humanities and the institute for Museum and Library Services make enormous contributions. Encouraging curiosity, thought, learning, dialog, and understanding are endeavors that the Federal Government should have a role in supporting.

In fact, I believe the Federal Government should have a leadership role in fostering and preserving the unique cultural heritage of the Nation. And to give credit where credit is due, the National Endowment for the Arts, the National Endowment for the Humanities, the Institute for Museum Services and libraries have made the arts and humanities more accessible to all people of our Nation and have created innovative and exciting ways of learning to the lives of many, old and young.

My support of these agencies is based on what I have witnessed and learned over the years—facts about what they really do and who they really serve. I have seen the many ways the Endowments' and the IMS' programs have touched people's lives. Their programs have reached children who, prior to their involvement with the arts or humanities had little interest in learning and less hope. Each of these agencies have enabled individuals to gain a better understanding of their neighbors and their communities through participation in community festivals and other outreach activities. They have brought the beauty and the magic of the Nation's rich culture to even the smallest corners of the Nation.

My own State of Vermont, while unique in so many ways, is part of a common phenomenon—when the arts, humanities, museums, and libraries are introduced to a community—that community comes alive, its people come alive. There are examples of excellence in the arts and humanities in Vermont which deserve mention. Book Discussion for General Audiences, which began from a small grant from the Vermont Council for the Humanities at the suggestion of a local librarian in my home town of Rutland, VT, has become a integral component of the agenda in many of the State humanities councils. The Shelburne Museum has received grants from the NEA, NEH, and IMS. It is a showcase and a leading institution of American folk art and decorative arts and artifacts—visited by Vermonters and other visitors from across the country and around the world. It has worked in partnership with local libraries, local schools, and with adult education projects. These are but two examples of thousands which have enhanced the experiences of people in a State.

It has been my intention to preserve what the agencies do well, yet provide them with greater guidance and direction as to the purpose of their work. Today we are putting forward a proposal that consolidates programs, streamlines functions, restructures and provides clear guidelines for the agencies. It recognizes that there are initiatives that are best done best locally and other initiatives that are clearly national in scope and benefit a broad audience. This bill makes the agencies more accountable and more responsive to the American public while enabling them to continue to do what they do best—provide and enhance access to the best of the arts and humanities to all the people of this Nation.

It comes to a very fundamental question, should this Nation care and support those who want to nurture its heart and soul, to provide the opportunity for those who would not otherwise have it, and to best demonstrate the beauty and greatness of our fabulous country.

I think it is important to go into some detail as to the extent of the changes we have proposed. They are far reaching and go to the basis of the operation of these agencies. It is our hope that these changes will provide clear guidance as to how the Endowment funds are spent and sets a clear priority which meet the standard of artistic excellence and artistic merit, benefit and reach the widest possible audience.

First, we have cleaned up much of the clutter and confusion regarding grant programs, primarily as this relates to the National Endowment for the Arts. We have imposed a new structure by establishing three grant programs at the Arts Endowment: partnership grants, national significance grants, and direct grants. At the Humanities Endowment, we have adopted this same structure. We have consolidated the Institute for Museum Services with the Library Services Act and changed the focus of the latter to technology and access and literacy programs for undeserved communities.

Forty percent of NEA's program funds must now be spent on partnership grants. Local initiatives make up the partnerships block. Projects funded under this block include the basic State grant at an increased level as well as competitive grants to State agencies and local and regional groups to establish local acts activities with particular emphasis on arts education and projects that reach rural and urban undeserved areas. Funds will be matched on a 1:1 ratio.

Forty percent of all program funds must be used for national significance grants. These are grants to organizations of demonstrated and substantial artistic and cultural importance for projects that will increase access of the American people to the best of their arts and culture. Within this block, priority will be given to those projects that will have a national, regional, or otherwise substantial artistic and cultural impact. Matching requirements are increased within the block to 3:1 or 5:1 dependent on the size of the institution's annual budget.

Finally, 20 percent of funds for grants must be spent on direct grants to groups or individuals that are broadly representative of the cultural heritage of the United States and broadly geographically representative for projects of the highest artistic excellence and artist merit. Again, within this block, priority is given to those projects that will have a national, regional, or otherwise substantial artistic and cultural impact and the match is 1:1.

Some administrative changes apply to both Endowments. We have merged many of the administrative functions of the Endowments with the intent of eliminating duplication and saving money. In addition, we have placed a cap on what can be spent on administration for both Endowments at 12 percent. We have decreased the number of members that make up the national councils to streamline and cut bureaucracy. We have instituted a provision which enables both the NEA and NEH to recapture funds if a grant supported by the Endowment becomes commercially successful. We have prohibited any funds from either Endowment to be used for lobbying. Some administrative changes apply specifically to the NEA. We have incorporated administrative provisions that make the chairperson more accountable and given her greater decisionmaking responsibilities. It limits the number of grants an individual can receive in a lifetime and the number of grants an institution can receive in a year. We have eliminated seasonal support and eliminated subgranting—areas of great problem and concern in the past—making an exception only for States and regional groups. We have increased turnover in the panel system and increased lay person participation to ensure greater community involvement. In addition, panels will be prohibited from recommending specific amounts for grants and required to recommend more grants than funding available.

We have made substantial structural changes as well as the Humanities Endowment. We have mandated that 25 percent of program funds be used for Federal/State partnership. Included in this block is the basic State grant to State humanities councils which represents an increase in their funding. NEH funds must be matched dollar for dollar.

We have mandated that 37.5 percent of all program funds at the NEH be used for national grants to support groups and individuals for programs in education and the public humanities that have a national audience and are of national significance. Projects within the block used for endowment building or capital projects must be matched 3:1 by private funds.

Finally, research and scholarship grants will constitute the final 37.5 percent of program funds at the Humanities Endowment. These funds will be awarded to groups and individuals to encourage the development and dissemination of significant scholarship in the humanities and will be matched 1:1.

The consolidation of the Institute of Museum Services and the Library Services Act reflects efforts to unite programs that have a direct connection to one another. More than simply a connection is the potential for invaluable collaboration and partnership especially in the areas of technology and access.

Last but, in my opinion one of the most important changes to this bill is the broadening of the Arts and Artifact Indemnity Act. This change will enable domestic exhibitions to be eligible for insurance and allow for more Americans to have access to the great treasures of this Nation.

I have laid out a great deal in this statement. It is my hope it provides a general sense of the direction we have moved the agencies and the efforts we have made in consolidating programs to better serve the American people. We have focused on what is done best at each level and made each responsible for projects to serve the large constituency—the citizens of this Nation. Access to the name of the game in my opinion and we have a responsibility to provide direction and guidance to ensure that the Endowments and the Institute of Museum Library Service reach every corner of the country.

By Ms. SNOWE:

S. 857. A bill to amend the Immigration and Nationality Act to provide waiver authority for the requirement to provide a written justification for the exact grounds for the denial of a visa, except in cases of intent to immigrate; to the Committee on the Judiciary.

THE LAW ENFORCEMENT AND INTELLIGENCE SOURCES PROTECTION ACT OF 1995

• Ms. SNOWE. Mr. President, today I am introducing the Law Enforcement and Intelligence Sources Protection Act of 1995. This legislation would significantly increase the ability of law enforcement and intelligence agencies to share information with the State Department for the purpose of denying visas to known terrorists, drug traffickers, and individuals involved in international crime.

This provision would permit denials of U.S. visas to be made without a detailed written explanation for individuals who are excludable for law enforcement reasons, which current law requires. These denials could be made citing U.S. law generically, without further clarification or amplification. Individuals denied visas due to the suspicion that they are intending to immigrate would still have to be informed that this is the basis, to allow such an individual to compile additional information that may change that determination.

Under a provision of the INA, a precise written justification, citing the specific provision of law, is required for every alien denied a U.S. visa. This requirement was inserted into the INA out of the belief that every non-American denied a U.S. visa for any reason had the right to know the precise grounds under which the visa was denied, even if it was for terrorist activity, narcotics trafficking, or other illegal activity. This has impeded the willingness of law enforcement and intelligence agencies to share with the State Department the names of excludable aliens. These agencies are logically concerned about impeding an investigation or revealing sources and methods if they submit a name of a person they know to be a terrorist or criminal—but who we do not want to know that we know about their activities—who then goes on the lookout list, is denied a visa, and then is informed in writing that he or she was denied a visa because of known drug trafficking activity. That drug trafficker then will know that the DEA knows about his or her illegal activity and may be developing a criminal case. This information is something the United States would want to protect, until the case against is completed and, hopefully, some law enforcement action is taken. At the same time, however, for the protection of the American people we should also make this information available to the Department of State to keep the individual out of our country.

The key issue is that travel to the U.S. by noncitizens is a privilege, not a constitutional right. There is no fundamental right for extensive due process in visa decisions by our consular officers overseas. While I believe that our country should do what we can to be fair in our treatment of would-be visitors to the United States, in cases where providing information to an alien would harm our own national security, complicate potential criminal cases, or potentially reveal sources and methods of intelligence gathering, we should err on the side of protecting Americans, not the convenience of foreign nationals.●

By Mr. HATFIELD:

S. 862. A bill to authorize the Administrator of the Small Business Administration to make urban university business initiative grants, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS ENHANCEMENT ACT

Mr. HATFIELD. Mr. President, today, I am introducing a bill to help our vital small and emerging businesses grow successfully. This bill would utilize existing research facilities, especially in our urban universities, to help enable businesses to discover what currently hinders their development. This proposal previously passed the Senate as an amendment to S. 4, the National Competitiveness Act. While this act did not become law last year, it is my hope that this measure will see quick action in this Congress.

This proposal will not create a new bureaucracy. In fact, it may help to point out where local and Federal bureaucracies impede business development. It is designed to promote business research assistance by those uniquely qualified to take on these tasks: namely, our Nation's business schools in conjunction with private or nonprofit organizations.

The focus of this legislation is the overall health of businesses in lower income urban communities. However, this bill does not preclude this assistance from being applied in rural areas. In fact, if a State does not contain an urban area as defined in the legislation, the SBA Administrator may designate one area in that State for this purpose.

We know some of the most basic problems that businesses face, such as intrusive government regulations. Additionally, small and emerging businesses in low-income urban areas find development difficult because of the lack of access to investment capital and technical assistance. However, why do some of these businesses thrive and compete internationally while others fail?

Last year's committee report on the National Competitiveness Act noted that only 6 out of 10 of our smaller manufacturers employ advanced technology, compared to 9 out of 10 for plants with more than 500 employees. Reports offer little information on exactly why businesses fail or cease to expand in certain areas. When I tried to find research on the specific problems that businesses face in Oregon, the only current source of information was a survey done by the National Federation of Independent Businesses. Surveys and government statistics cannot take the place of primary research conducted by our Nation's business schools.

Business schools play an important role in sustaining business development. They currently perform vital research and train our Nation's future business leaders. However, this role could be greatly enhanced by providing them with additional Federal resources to expand their much needed research and apply their findings to businesses in their communities through assistance programs.

This proposal would allow the Small Business Administration to make grants to urban universities for research on, or for implementation of, technical assistance, technology transfer, or delivery of services in business creation, expansion, and human resource management. As noted above, where there is not an urban university in a State, the SBA Administrator may designate another eligible area in the State.

The authorization for these demonstration grants is limited to $10 million. The grants would be dispersed geographically, and not exceed $400,000 per institution or consortium. This procedure makes use of existing talent and facilities to create the information and assistance that developing businesses need.

For example, a comprehensive data base on business births, deaths, expansions, or contractions is no longer maintained. A potential benefit of this proposal could be the creation of such a data base in conjunction with assistance efforts based upon the resulting information. In this case, we would see nonprofit entities taking over functions that were previously under the direction of the SBA in order to enhance American competitiveness.

Other programs such as the Small Business Development Centers [SBDC's] do an admirable job of specializing in assisting small entrepreneurial enterprises. However, the Small Business Enhancement Act is designed to offer applied research and indepth technical assistance to small and emerging businesses that SBDCs do not have the facilities to undertake.

I urge my colleagues to join me by cosponsoring this important business initiative. I ask unanimous consent that supporting letters from the American Association of State Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, the American Electronics Association of Oregon, and Portland State University be placed into the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 25, 1995.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the American Association of State Colleges and Universities and Land Grant Colleges (NASULGC), we commend your efforts to match the resources of our urban colleges and universities to the needs of the urban business community through the proposed Urban University Business Initiative legislation.

The community resource and economic development mission of our urban colleges and universities inextricably links our institutions to the communities in which they reside. Moreover, the business community's need for technical assistance and solutions to problems, especially those in lower income urban areas, and the urban university's ability and interest in applying their energies and talents to human and community concerns, creates a climate for urban universities and urban businesses to collaborate.

As we approach the 21st century, the technological challenges threatening America's economy and international competitiveness will have to be addressed by the American people. Too often the potential of our colleges and universities, as participants in the problem solving process, is overlooked. Your legislation helps create the link between urban institutions of higher education and the communities in which they reside.

Once again, we appreciate your foresight and leadership on this issue and your outstanding and longstanding advocacy on behalf of urban and metropolitan colleges and universities.

Sincerely,

JAMES B. APPLEBERRY,
President, American Association of State Colleges and Universities.

C. PETER MAGRATH,
President, National Association of State Universities and Land-Grant Colleges.

PORTLAND STATE UNIVERSITY,
Portland, OR, May 22, 1995.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I'm writing to let you know I enthusiastically endorse your proposed legislation related to urban universities and technical assistance for small and emerging businesses. This legislation will make a difference not only to businesses in Oregon, but throughout the nation. Establishing direct linkages between urban universities and business assistance will help enhance the success rate of small and emerging businesses.

At a time when our nation's economic base is changing dramatically from industrial to small and mid-size businesses, legislative solutions like the Urban University Business Initiative Grants are especially crucial to long-term sustainability. In addition to providing technical assistance, your legislation specifically establishes a priority for a research agenda. Clearly, too little is now known about what works to support business development, strategies for promoting business expansion, and successful efforts to maintain profitability and sustainability.

The urban university is well positioned to provide business assistance. It is the mission of the urban university to work with the community to address community problems. A key problem for urban areas, especially lower-income neighborhoods, is business competitiveness. Jobs, particularly family-wage jobs, are essential to self-sufficiency, family stability, and community development. Your legislation creates a mechanism for urban university business schools to be an integral part of the solution.

Senator Hatfield, your leadership on this issue is greatly appreciated. I especially want to recognize the good work and commitment of your staff in making this legislative concept a reality. It is obvious that your passion for the urban university mission is shared by the people you employ.

Thank you again for embracing this important issue. Please call upon me if I can provide you with any information or assistance.

Best regards,

JUDITH A. RAMALEY,
President.

AMERICAN ELECTRONICS ASSOCIATION,
Salem, OR, May 25, 1995.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I am writing to express support for your proposed small business initiative grant program.

As you know, Oregon is a hotbed of small businesses, many of which are faced with the daunting task of trying to compete in a global marketplace. Although such programs as the SBDCs attempt to help small enterprises get started, your proposal addresses a different need: the applied research and long-term technical assistance that could be provided by our urban universities.

Your proposal addresses another gap in our current system—a much needed data base to track small business development and chart the reasons for success and failure.

A recent discussion we had with economic development leaders in the Portland area highlighted for us the urgent need for business development strategies designed specifically for lower income urban communities. We hope that your proposal, if successful, will help address those needs.

As always, we applaud your leadership in these issues. Good luck.

Sincerely,

JIM CRAVEN,
Government Affairs Manager.

By Mr. GRASSLEY (for himself and Mr. CONRAD):

S. 863. A bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes; to the Committee on Finance.

S. 864. A bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes; to the Committee on Finance.

MEDICARE LEGISLATION

Mr. GRASSLEY. Mr. President, today, on behalf of myself and Senator CONRAD, I am introducing two bills. If enacted, these bills would increase access to primary care for Medicare beneficiaries in rural and inner city communities. The Primary Care Health Practitioner Incentive Act of 1995 would reform Medicare reimbursement to nurse practitioners [NP's] and clinical nurse specialists [CNS's]. The Physician Assistant Incentive Act of 1995 would reform Medicare reimbursement for physician assistants.

We introduced these bills in the last Congress. We are reintroducing them today in the conviction that access to primary care services for Medicare beneficiaries would be improved if we reformed Medicare policies that restrict the circumstances under which the services of these providers can be reimbursed.

THE PROBLEM

The Medicare program currently covers the services of these practitioners. However, payment levels vary depending on treatment settings and geographic area. In most cases, reimbursement may not be made directly to the nonphysician provider. Rather, it must be made to the employer of the provider, often a physician. The legislation authorizing these different reimbursement arrangements was passed in an incremental fashion over the years.

The Medicare law which authorizes reimbursement of these providers is also inconsistent with State law in many cases. For instance, in Iowa, State law requires nonphysicians to practice with either a supervising physician or a collaborating physician. But under Iowa law, the supervising physician need not be physically present in the same facility as the nonphysician practitioner and, in many instances, can be located in a site physically distant from that of the nonphysician practitioner he or she is supervising.

Unfortunately, Medicare policy will not recognize such relationships and instead requires that the physician be present in the same building as the nonphysician practitioner in order for the services of these nonphysician providers to be reimbursed. This is known as the incident to provision, referring to services that are provided incident to a physician's services.

This has created a problem in Iowa, Mr. President. In many parts of my State, clinics have been established using nonphysician practitioners, particularly physician assistants, in order to provide primary health care services in communities that are unable to recruit a physician. The presence of these practitioners insures that primary health care services will be available to the community.

Iowa's Medicare carrier has strictly interpreted the incident to requirement of Medicare law as requiring the physician presence of a supervising physician in places where physician assistants practice. This has caused many of the clinics using physician assistants to close, and thus has deprived the community of primary health care services.

Mr. President, recently the Iowa Hospital Association suggested a number of ways access and cost effectiveness could be improved in the Medicare Program. One of their suggestions was that this incident to restriction be relaxed. They said:

> In rural Iowa, most physicians are organized in solo or small group practices. Physician assistants are used to augment these practices. With emergency room coverage requirements, absences due to vacation, continuing education or illness and office hours in satellite clinics, there are instances on a monthly basis where the physician assistant is providing care to patients without a physician in the clinic. Medicare patients in the physician clinic where the physician assistant is located have to either wait for the physician to return from the emergency room or care is provided without charge. The patient and the providers are clearly harmed by this provision.

THIS LEGISLATION

If enacted, this legislation would establish a more uniform payment policy for these providers. It would authorize reimbursement of their services as long as they were practicing within State law and their professional scope of practice. It calls for reimbursement of these provider groups at 85 percent of the physician fee schedule for services they provide in all treatment settings and in all geographic areas. Where it is permitted under State law, reimbursement would be authorized even if these nonphysician providers are not under the direct, physical supervision of a physician. Currently, the services of these nonphysician practitioners are paid at 100 percent of the physician's rate when provided incident to a physician's services. If enacted, this legislation would discontinue this incident to policy. The reimbursement would be provided directly to the nurse practitioners and clinical nurse specialists. It would be provided to the employer of the physician assistant.

These bills also call for a 10-percent bonus payment for those of these practitioners who work in health professional shortage areas [HPSA's]. We hope that this provision will encourage nonphysician practitioner to relocate in areas in need of health care services.

Mr. President, legislation closely paralleling the legislation we are introducing today was twice accepted by the Committee on Finance, and once by the Senate. Comparable legislation was included in the Senate's version of H.R. 11 in 1992. Also included in that legislation were certified nurse midwives. Comparable legislation was also accepted by the committee in its health care reform legislation last year. That legislation included only the services of nurse practitioners and physician assistants.

Mr. CONRAD. Mr. President, Senator GRASSLEY and I are again introducing legislation to improve Medicare reimbursement policy related to nurse practitioners, clinical nurse specialists, and physician's assistants. The bills we are introducing today—the Primary Care Health Practitioner Incentive Act and the Physician Assistant Incentive Act—are slightly modified versions of S. 833 and S. 834, which we introduced during the last Congress.

Our legislation helps maximize the effective utilization of these primary health care providers, who play a vital role in our health care delivery infrastructure, particularly in rural areas.

Each of the specialties affected by our legislation has its own training requirements. For example, nurse practitioners are registered nurses who have advanced education and clinical training in a health care specialty area that is either age- or setting-specific. A few examples include pediatrics, adult health, geriatrics, women's health, school health, and occupational health. Nurse practitioners generally perform services like assessment and diagnosis, and provide basic primary care treatment.

Almost half of the 25,000 nurse practitioners across the Nation have master's degrees. Clinical nurse specialists, on the other hand, are required to have master's degrees and are found more frequently in tertiary care settings in specialties like cardiac care. However, many also practice in primary care settings.

Physician assistants on average receive 2 years of physician-supervised clinical training and classroom instruction. Unlike nurse practitioners, they are educated using the medical model of care, rather than the nursing process. Physician assistants work in all settings providing diagnostic, therapeutic, and preventive care services.

Members of each of these provider groups work with physicians to varying degrees. They generally work in consultation with physicians, and are being relied upon more and more. In States like North Dakota, nurse practitioners or physician assistants often staff clinics where no physician is present or available. Without their presence, many communities would have no ready access to the health care system.

Within their areas of competence, nurse practitioners, clinical nurse specialists, and physician's assistants furnish care of exceptional quality. Numerous studies have demonstrated that they do a particularly effective job of providing preventive care, supportive care, and health promotion services. They also emphasize communication with patients and provide effective followup with patients. These qualities will continue to grow in importance as primary care receives increasing emphasis throughout our health care system.

Medicare currently provides for reimbursement of nurse practitioners, physicians' assistants, and clinical nurse specialists working with physicians. But the ad hoc fashion in which the various payment mechanisms have been established results in wide reimbursement variations in different settings and among different providers.

Our national budget situation requires that we approach Medicare reimbursement policies in a sensible way. This legislation is one example of how Medicare can and should promote the use of cost-effective providers to a much higher degree, without compromising the quality of care that older Americans receive.

Today's Medicare requirements can hinder the ability of practices to set up satellite clinics that are staffed by providers other than physicians. For example, although the State of North Dakota allows for broad use of such providers, the reimbursement levels provided by Medicare can create difficulty both for the providers and the practices themselves.

In rural North Dakota, and in rural communities throughout the Nation, one or two doctors might rotate between a series of clinics. The clinics might also be staffed by physician's assistants, nurse practitioners, or other providers. If a Medicare patient requires care when a doctor is conducting business away from the clinic, and the only provider present is a physician assistant, the clinic can not be reimbursed by Medicare for care he or she provides to that individual—the same care that would be reimbursed if the physician were in the next room. The State of North Dakota allows that same physician's assistant to provide the care without a physician present, but Medicare provides no reimbursement.

The Office of Technology Assessment, the Physician Payment Review Commission and these providers themselves have all expressed the need for consistency, and for a reimbursement scheme that acknowledges reality of today's medial marketplace.

Greater use of nurse practitioners, physician assistants, and clinical nurse specialists can improve our ability to provide health care services in areas where access to providers can be difficult. These providers have historically been willing to move to both rural and inner-city areas that are underserved by health care providers. In fact, they are located in about 50 communities throughout North Dakota.

Many communities that cannot support a physician can support a full-time nurse practitioner or physician assistant. As I have already discussed, some towns already utilize these providers to some extent. North Dakotans and residents of many other States recognize the value of each of these health care professionals, and appreciate the access to quality care they provide.

Although North Dakota maximizes access to health care for our rural residents by allowing for relatively broad utilization of these providers, our efforts are impeded by an irrational Federal reimbursement scheme. But no matter what the State of North Dakota does, unless changes are made in Federal reimbursement, we will never encourage use of this group of health care professionals to the extent that rural Americans need.

The bills Senator GRASSLEY and I are introducing would help eliminate the existing barriers to using these important primary care providers. The bills provide each of these provider groups with reimbursement at 85 percent of the physician fee schedule for the services they provide. The 85 percent level represents a compromise relative to the legislation we introduced in the 103d Congress. It is consistent with a provision that was included in all of the major health reform legislation before the Senate last year—the Mainstream coalition proposal as well as the health reform proposals made by Senators Mitchell and DOLE.

Our proposals also allow for a bonus payment to these providers if they elect the practice in Health Professional Shortage Areas [HPSAs]. All but six counties in North Dakota are completely or partially designated as HPSAs. The health care access problems residents of those counties experience could be substantially alleviated by the presence of this special class of primary care providers. Finally, our legislation ensure that a nurse practitioner from a rural area who follows a patient into an inpatient setting will get paid for doing so.

The improvements that Senator GRASSLEY and I advocate will pay dividends in improved access to health care for Americans living in rural and urban areas alike. They were items about which Democrats and Republicans had a great deal of agreement during health care reform last year. I urge my colleagues to support this bipartisan effort to improve health care access for rural Americans.

By Mr. DOLE (for himself, Mr. KYL, and Mr. HATCH):

S. 866. A bill to reform prison litigation, and for other purposes; to the Committee on the Judiciary.

PRISON LITIGATION REFORM ACT

Mr. DOLE. Mr. President, I am pleased to join today with my distinguished colleague from Arizona, Senator KYL, in introducing the Prison Litigation Reform Act of 1995.

Over the past two decades, we have witnessed an alarming explosion in the number of lawsuits filed by State and Federal prisoners. According to enterprise institute scholar Walter Berns, the number of "due-process and cruel and unusual punishment" complaints filed by prisoners has grown astronomically—from 6,600 in 1975 to more than 39,000 in 1994. As Chief Justice William Rehnquist has pointed out, prisoners will now "litigate at the drop of a hat," simply because they have little to lose and everything to gain. Prisoners have filed lawsuits claiming such grievances as insufficient storage locker space, being prohibited from attending a wedding anniversary party, and yes, being served creamy peanut butter instead of the chunky variety they had ordered.

Unfortunately, prisoner litigation does not operate in a vacuum. Frivolous lawsuits filed by prisoners tie up the courts, waste valuable judicial and legal resources, and affect the quality of justice enjoyed by the law-abiding population.

According to Arizona Attorney General Grant Woods, 45 percent of the civil cases filed in Arizona's Federal courts last year were filed by State prisoners. That means that 20,000 prisoners in Arizona filed almost as many cases as Arizona's 3.5 million law-abiding citizens. The time and money spent defending most of these cases are clearly time and money that could be better spent prosecuting criminals, fighting illegal drugs, or cracking down on consumer fraud.

GARNISHMENT

The bottom line is that prisons should be prisons, not law firms. That's why the Prison Litigation Reform Act would require prisoners who file lawsuits to pay the full amount of their court fees and other costs.

Many prisoners filing lawsuits today in Federal court claim indigent status. As indigents, prisoners are generally not required to pay the fees that normally accompany the filing of a lawsuit. In other words, there is no economic disincentive to going to court.

The Prison Litigation Reform Act would change this by establishing a garnishment procedure: If a prisoner is unable to fully pay court fees and other costs at the time of filing a lawsuit, 20 percent of the funds in his account would be garnished for this purpose. Every month thereafter, an additional 20 percent of the income credited to the prisoner's account would be garnished, until the full amount of the court fees and costs are paid-off.

When average law-abiding citizens file a lawsuit, they recognize that there could be an economic downside to going to court. Convicted criminals shouldn't get preferential treatment: If a law-abiding citizen has to pay the costs associated with a lawsuit, so too should a convicted criminal.

In addition, when prisoners know that they will have to pay these costs—perhaps not at the time of filing, but eventually—they will be less inclined to file a lawsuit in the first place.

JUDICIAL SCREENING

Another provision of the Prison Litigation Reform Act would require judicial screening, before docketing, of any civil complaint filed by a prisoner seeking relief from the Government under section 1983 of title 42, a reconstruction-era statute that permits actions against State officials who deprive "any citizen of the United States * * * of the rights, privileges, or immunities guaranteed by the constitution." This provision would allow a Federal judge to immediately dismiss a complaint under section 1983 if either of two conditions is met: First, the complaint does not state a claim upon which relief may be granted, or second, the defendant is immune from suit.

OTHER REFORMS

The Prison Litigation Reform Act would also punish Federal prisoners who file frivolous lawsuits by requiring them to forfeit any good-time credits they may have accumulated. Why should we provide "good-time" credits to Federal prisoners who waste taxpayer dollars and valuable judicial resources with unnecessary lawsuits?

The act also requires State prisoners to exhaust all administrative remedies before filing a lawsuit in Federal court.

In addition, the act amends both the Civil Rights of Institutionalized Persons Act and the Federal Tort Claims Act to prohibit prisoners from suing for mental or emotional injury while in custody, absent a showing of physical injury.

If enacted, all of these provisions would go a long way to curtail frivolous prisoner litigation.

CONCLUSION

Finally, Mr. President, I want to express my thanks to Arizona Attorney General Grant Woods. In many respects, the Prison Litigation Reform Act is modeled after the attorney general's own State initiative in Arizona. Without the invaluable input of Attorney General Woods and his staff, Senator Kyl and I would not be here today introducing this important piece of legislation.

Mr. President, I ask unanimous consent that the full text of the Prison Litigation Reform Act be reprinted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 866

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Prison Litigation Reform Act of 1995".

SEC. 2. PROCEEDINGS IN FORMA PAUPERIS.

(a) FILING FEES.—Section 1915 of title 28, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "(a) Any" and inserting "(a)(1) Subject to subsection (b), any";

(B) by striking "fees and";

(C) by striking "makes affidavit" and inserting "submits an affidavit";

(D) by striking "such costs" and inserting "such fees";

(E) by striking "he" each place it appears and inserting "the person";

(F) by adding immediately after paragraph (1), the following new paragraph:

"(2) A prisoner of a Federal, State, or local institution seeking to bring a civil action or appeal a judgment in a civil action or proceeding, without prepayment of fees or security therefor, in addition to filing the affidavit filed under paragraph (1), shall submit a certified copy of the trust fund account statement (or institutional equivalent) for the prisoner for the 6-month period immediately preceding the filing of the complaint or notice of appeal, obtained from the appropriate official of each institution at which the prisoner is or was confined."; and

(E) by striking "An appeal" and inserting "(3) An appeal";

(2) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively;

(3) by inserting after subsection (a) the following new subsection:

"(b)(1) Notwithstanding subsection (a), if a prisoner brings a civil action or files an appeal in forma pauperis, the prisoner shall be required to pay the full amount of a filing fee. The court shall assess, and when funds exist, collect, as a partial payment of any court fees required by law, an initial partial filing fee of 20 percent of the greater of—

"(A) the average monthly deposits to the prisoner's account; or

"(B) the average monthly balance in the prisoner's account for the 6-month period immediately preceding the filing of the complaint or notice of appeal.

"(2) After payment of the initial partial filing fee, the prisoner shall be required to make monthly payments of 20 percent of the preceding month's income credited to the prisoner's account. The agency having custody of the prisoner shall forward payments from the prisoner's account to the clerk of the court each time the amount in the account exceeds $10 until the filing fees are paid.

"(3) In no event shall the filing fee collected exceed the amount of fees permitted by statute for the commencement of a civil action or a appeal of a civil action or criminal judgment.

"(4) In no event shall a prisoner be prohibited from bringing a civil action or appealing a civil or criminal judgment for the reason that the prisoner is unable to pay the initial partial filing fee.";

(4) in subsection (c), as redesignated by paragraph (2), by striking "subsection (a) of this section" and inserting "subsections (a) and (b) and the prepayment of any partial filing fee as may be required under subsection (b)"; and

(5) by amending subsection (e), as redesignated by paragraph (2), to read as follows:

"(e) The court may request an attorney to represent any person unable to employ counsel, and shall dismiss the case at any time if the allegation of poverty is untrue, or if the court determines that the action or appeal is frivolous or malicious, or fails to state a claim on which relief may be granted.".

(b) COSTS.—Section 1915(e) of title 28, United States Code (as redesignated by subsection (a)(2)), is amended)—

(1) by striking "(f) Judgment" and inserting "(f)(1) Judgment";

(2) by striking "such cases" and inserting "proceedings under this section";

(3) by striking "cases" and inserting "proceedings"; and

(4) by adding at the end the following new paragraph:

"(2)(A) If the judgment against a prisoner includes the payment of costs under this subsection, the prisoner shall be required to pay the full amount of the costs ordered.

"(B) The prisoner shall be required to make payments for costs under this subsection in the same manner as is provided for filing fees under subsection (a)(2).

"(C) In no event shall the costs collected exceed the amount of the costs ordered by the court.".

SEC. 3. JUDICIAL SCREENING.

(a) IN GENERAL.—Chapter 123 of title 28, United States Code, is amended by inserting after section 1915 the following new section:

"§ 1915A. Screening

"(a) SCREENING.—The court shall review, before docketing if feasible or, in any event, as soon as practicable after docketing, a complaint in a civil action in which a prisoner seeks redress from a governmental entity or officer or employee of a governmental entity.

"(b) GROUNDS FOR DISMISSAL.—On review, the court shall dismiss the complaint, or any portion of the complaint, if the complaint—

"(1) fails to state a claim upon which relief may be granted; or

"(2) seeks monetary relief from a defendant that is immune from such relief.

"(c) DEFINITION.—As used in this section, the term 'prisoner' means a person that is serving a sentence following conviction of a crime or is being held in custody pending trial or sentencing.".

(b) TECHNICAL AMENDMENT.—The analysis for chapter 123 of title 28, United States Code, is amended by inserting after the item relating to section 1915 the following new item:

"1915A. Screening.".

SEC. 4. FEDERAL TORT CLAIMS.

Section 1346(b) of title 28, United States Code, is amended—

(1) by striking "(b)" and inserting "(b)(1)"; and

(2) by adding at the end the following:

"(2) No person convicted of a felony who is incarcerated while awaiting sentencing or while serving a sentence may bring a civil action against the United States or an agency, officer, or employee of the Government, for mental or emotional injury suffered while in custody without a prior showing of physical injury.".

SEC. 5. CIVIL RIGHTS CLAIMS.

The Civil Rights of Institutionalized Persons Act (42 U.S.C. 1997 et seq.) is amended by inserting after section 7 the following new section:

"SEC. 7A. LIMITATION ON RECOVERY.

"No civil action may be brought against the United States by an adult convicted of a crime confined in a jail, prison, or other correctional facility, for mental or emotional injury suffered while in custody without a prior showing of physical injury.".

SEC. 6. EARNED RELEASE CREDIT OR GOOD TIME CREDIT REVOCATION.

(a) IN GENERAL.—Chapter 123 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1932. Revocation of earned release credit

"In a civil action brought by an adult convicted of a crime and confined in a Federal correctional facility, the court may order the revocation of earned good time credit (or the institutional equivalent) if—

"(1) the court finds that—

"(A) the claim was filed for a malicious purpose;

"(B) the claim was filed solely to harass the party against which it was filed; or

"(C) the claimant testifies falsely or otherwise knowingly presents false evidence or information to the court; or

"(2) if the Attorney General determines that subparagraph (A), (B), or (C) of paragraph (1) has been met and recommends revocation of earned good time credit to the court.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 123 of title 28, United States Code, is amended by inserting after the item relating to section 1931 the following:

"1931. Revocation of earned release credit.".

SEC. 7. EXHAUSTION REQUIREMENT.

Section 7(a)(1) of the Civil Rights of Institutionalized Persons Act (42 U.S.C. 1997e(a)(1)) is amended—

(1) by striking "in any action brought" and inserting "no action shall be brought";

(2) by striking "the court shall" and all that follows through "require exhaustion of" and insert "until"; and

(3) by inserting "and exhausted" after "available".

Mr. KYL. Mr. President, I join Senator DOLE in introducing the Prison Litigation Reform Act of 1995. This bill will deter frivolous inmate lawsuits. Statistics complied by the Administrative Office of the U.S. Courts show that inmate suits are clogging the courts and draining precious judicial resources. Nationally, in 1994, a total of 238,590 civil cases were brought in U.S. district court. More than one-fourth of these cases—60,086—were brought by prisoners.

Most inmate lawsuits are meritless. Courts have complained about the abundance of such cases. Filing frivolous civil rights lawsuits has become a recreational activity for long-term residents of our prisons. *James* v. *Quinlan*, 886 F.2d 37, 40 n. 5 (3rd Cir. 1989) quoting *Gabel* v. *Lynaugh*, 835 F.2d 124, 125 n. 1 (5th Cir. 1988) (per curiam). Indeed, in Gabel, the fifth circuit expressed frustration with the glut of "frivolous or malicious appeals by disgruntled state prisoners." *Gabel* v. *Lynaugh*, 835 F.2d 124, 125 (per curiam). The court wrote:

> About one appeal in every six which came to our docket (17.3%) the last four months was a state prisoner's pro se civil rights case. A high percentage of these are meritless, and many are transparently frivolous. So far in the current year (July 1–October 31, 1987), for example, the percentage of such appeals in which reversal occurred was 5.08. Partial reversal occurred in another 2.54%, for a total of 7.62% in which any relief was granted. . . . Over 92% were either dismissed or affirmed in full.
>
> For the same period section 1983 prisoner appeals prosecuted without counsel were our largest single category of cases which survived long enough to be briefed and enter our screening process so as to require full panel consideration. The number of these stands at almost 22%, with the next largest category—diversity cases—coming in at 16%, federal question appeals at 14.5%, and both general civil rights cases and criminal appeals coming in at something over 11% each. Such figures suggest that pro se civil rights litigation has become a recreational activity for state prisoners in our Circuit . . . *Id.*

As Walter Berns recently wrote in the Wall Street Journal, "Nowhere is [the] problem [of frivolous lawsuits] more pressing than in our prison system." (April 24, 1995) Legislation is needed because of the large and growing number of prisoner civil rights complaints, the burden that disposing of meritless complaints imposes on efficient judicial administration, and the need to discourage prisoners from filing frivolous complaints as a means of gaining a "short sabbatical in the nearest Federal courthouse." *Cruz* v. *Beto*, 405 U.S. 319, 327 (1972) (Rehnquist, J., dissenting).

The Dole-Kyl "Prisoner Litigation Reform Act" will:

Remove the ability of prisoners to file free lawsuits, instead making them pay full filing fees and court costs.

Require judges to dismiss frivolous cases before they bog down the court system.

Prohibit inmate lawsuits for mental and emotional distress.

Retract good-time credit earned by inmates if they file lawsuits deemed frivolous.

Require the exhaustion of administrative remedies.

The Dole-Kyl bill is based on similar provisions that were enacted in Arizona. Arizona's recent reforms have already reduced State prisoner cases by 50 percent. Now is the time to reproduce these commonsense reforms in Federal law. If we achieve a 50-percent reduction in bogus Federal prisoner claims, we will free up judicial resources for claims with merit by both prisoners and nonprisoners.

Section 2 of the bill covers proceedings in forma pauperis. It adds a new subsection to 28 U.S.C. section 1915. The subsection provides that whenever a Federal, State, or local prisoner seeks to commence an action or proceeding in Federal court as a poor person, the prisoner must pay a partial filing fee of 20 percent of the larger of the average monthly balance in, or the average monthly deposits to, his inmate account. The fee may not exceed the full statutory fee. If the inmate can show that circumstances render him unable to make payment of even the partial fee, the court has the power to waive the entire filing fee.

Section 2 will require prisoners to pay a very small share of the large burden they place on the Federal judicial system by paying a small filing fee upon commencement of lawsuits. In doing so, the provision will deter frivolous inmate lawsuits. The modest monetary outlay will force prisoners to think twice about the case and not just file reflexively. *Lumbert* v. *Illinois Department of Correction*, 837 F.2d 257, 259 (7th Cir. 1987) (Posner, J.). Prisoners will have to make the same decision that law-abiding Americans must make: Is the lawsuit worth the price? Criminals should not be given a special privilege that other Americans do not have. The only thing different about a criminal is that he has raped, robbed, or killed. A criminal should not be rewarded for these actions.

The volume of prisoner litigation represents a large burden on the judicial system, which is already overburdened by increases in nonprisoner litigation. Yet prisoners have very little incentive not to file nonmeritorious lawsuits. Unlike other prospective litigants who seek poor person status, prisoners have all the necessities of life supplied, including the materials required to bring their lawsuits. For a prisoner who qualifies for poor person status, there is no cost to bring a suit and, therefore, no incentive to limit suits to cases that have some chance of success.

The filing fee is small enough not to deter a prisoner with a meritorious claim, yet large enough to deter frivolous claims and multiple filings. As noted above, the bill contains a provision to waive even the partial filing fee. This provision assures that prisoners with meritorious claims will not be shut out from court for lack of sufficient money to pay even the partial fee.

Finally, section 2 of the Dole-Kyl bill also imposes the same payment system for court costs as it does for filing fees. This provision, like the filing fee provision, will ensure that inmates evaluate the merits of their claims.

Section 3 of this bill creates a new statute that requires judicial screening of a complaint, or any portion of the complaint, in a civil action in which a prisoner seeks redress from a governmental entity or officer or employee of a governmental entity. The bill establishes two standards a prisoner must meet. Under the first standard, the court must dismiss the complaint if satisfied that the complaint fails to state a claim on which relief may be granted. Under the second standard, the court must dismiss claims for monetary relief from a defendant who is immune from such relief.

Sections 4 and 5 of the bill will bar inmate lawsuits for mental or emotional injury suffered while in custody unless they can show physical injury. Of the 60,086 prisoner petitions in 1994 about two-thirds were prisoner civil rights petitions, according to the Administrative Office of the U.S. courts. Prisoner civil rights petitions are brought under 42 U.S.C. 1983. Section 1983 petitions are claims brought in Federal court by State inmates seeking redress for a violation of their civil rights. "The volume of section 1983 litigation is substantial by any standard," according to the Justice Department's report on section 1983 litigation, "Challenging the Conditions of Prisons and Jails." Indeed, the Administrative Office [AO] of the U.S. courts counted only 218 cases in 1966, the first year that State prisoners' rights cases were recorded as a specific category of litigation. The number climbed to 26,824 by 1992. When compared to the total number of all civil cases filed in the Nation's U.S. district courts, more than 1 in every 10 civil filings is now a section 1983 lawsuit, according to the AO.

Section 6 of the bill will deter frivolous suits by adding to the U.S.C. a sanction to revoke good-time credits when a frivolous suit is filed. Specifically, the bill would require that in a civil action brought by an adult convicted of a crime and confined in a Federal correctional facility, the court may order the revocation of earned good-time credit if the court finds that: First, the claim was filed for a malicious purpose, second, the claim was filed solely to harass the party against which it was filed, or third, the claimant testifies falsely or otherwise knowingly presents false evidence or information to the court. Additionally, if the Attorney General determines that any of these criteria have been met, the Attorney General may recommend the revocation of earned good-time credit to the court.

Section 7 will make the exhaustion of administrative remedies mandatory. Many prisoner cases seek relief for matters that are relatively minor and for which the prison grievance system would provide an adequate remedy. Section 7 of this bill would require an inmate, prior to filing a complaint under 42 U.S.C. section 1983, to exhaust all available administrative remedies certified as adequate by the U.S. attorney general. An exhaustion requirement is appropriate for prisoners given the burden that their cases place on the Federal court system, the availability of administrative remedies, and the lack of merit of many of the claims filed under 42 U.S.C. section 1983.

Mr. President, in a dissenting opinion in *Cleavinger* v. *Saxner*, 474 U.S. 193, 211 (1985), then-Justice Rehnquist wrote, "With less to profitably occupy their time than potential litigants on the outside, and with a justified feeling that they have much to gain and virtually nothing to lose, prisoners appear to be far more prolific litigants than other groups in the population." The Dole-Kyl bill will stem the tide of meritless prisoner cases.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 24, 1995]

SUE THE WARDEN, SUE THE CHEF, SUE THE GARDENER . . .

(By Walter Berns)

The Senate's debate this week on tort reform will focus the public spotlight on frivolous lawsuits. Nowhere is this problem more pressing than in our prison system. As one federal appeals court judge said recently, filing civil rights suits has become a "recreational activity" for long-term inmates. Among his examples of "excessive filings": more than 100 by Harry Franklin (who, in one of them, sued a prison official for "overwatering the lawn"), 184 in three years by John Robert Demos, and—so far the winning score—more than 700 by the "Reverend" Clovis Carl Green Jr.

Disenting in a case that reached the Supreme Court in 1985, Chief Justice William Rehnquist noted that prisoners are not subject to many of the constraints that deter litigiousness among the population at large. Most prisoners qualify for in forma pauperis status, which entitles them to commence an action "without prepayment of fees and costs or security therefor," and all of them are entitled to free access to law books or some other legal assistance. As the chief justice said, with time on their hands, and with much to gain and virtually nothing to lose, prisoners "litigate at the drop of a hat."

Chief Justice Rehnquist was not referring to appeals by defendants protesting their innocence, but to the suits initiated by people claiming a deprivation of their rights while in prison. Since almost any disciplinary or administrative action taken by prison officials now can give rise to a due process or cruel-and-unusual-punishment complaint, the number of these suits is growing at a rate that goes far to explain the "litigation explosion": from 6,606 in 1975 to 39,065 in 1994 (of which "only" 1,100 reached the Supreme Court).

Of the 1994 total, 37,925 were filed by state prisoners under a section of the so-called Ku Klux Klan Act of 1871, which permits actions for damages against state officials who deprive "any citizen of the United States or other person under the jurisdiction thereof, [of] any rights, privileges, or immunities secured by the Constitution and laws." This statute came into its own in 1961 when the Supreme Court permitted a damage action filed by members of a black family who (with good reason) claimed that Chicago police officers had deprived them of the Fourth Amendment right "to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures." Today, the statute is used mostly by prisoners who, invoking one or another constitutional right, complain of just about anything and everything.

They invoke the cruel-and-unusual-punishment provision of the Eighth Amendment not only when beaten or raped by prison guards, but when shot during a prison riot, or when required to share a cell with a heavy smoker, or when given insufficient storage locker space, or when given creamy peanut butter instead of the chunky variety they ordered.

They involve the First Amendment when forbidden to enter into marriage, or to correspond with inmates in other state prisons. John Robert Demos sued one prison official for not addressing him by his Islamic name.

And there is probably not a prison regulation whose enforcement does not, or at least may not, give rise to a 14th Amendment (or, in the case of federal prisoners, a Fifth amendment) due process complaint. Requiring elaborate trials or evidentiary proceedings, these especially, are the cases that try the patience of the judges. Still, reviewing these complaints imposes a particular burden on administrative officials who, unlike the judges, can be sued for damages.

Consider a recent due process case involving a New York state inmate.

In five separate hearings, prison officers found inmate Jerry Young guilty of violating various prison rules and sentenced him to punitive segregation and deprived him of inmate privileges. Appeals from the disciplinary decisions in the 66 state prisons are directed to Donald Selsky, a Department of Correctional Services official who, in a typical year, hears more than 5,000 such appeals. Young sued the prison hearing officers, claiming that they had denied his request to call 31 inmates and two staff officers as witnesses, and that they failed to provide him with adequate legal assistance; he also sued Mr. Selsky, claiming he had violated his due process rights by affirming the decisions made by the hearing officers. From Mr. Selsky he demanded $200 in punitive damages, $200, in compensatory damages, and $200 in exemplary damages for each day of his segregated confinement.

Mr. Selsky is currently the defendant in 156 such suits, but the state provides him with legal representation, and, if he is found liable, will indemnity him unless the damages "resulted from [his] intentional wrongdoing," Since he bears the burden of providing that it was "objectively reasonable to conclude that the prisoners' constitutional rights were not violated," he may or may not find this reassuring.

The Republican crime bill passed by the House in the first 100 days aims to reduce the number of such suits—first, by prohibiting the filing of an action in Federal court by adult state prisoners until they have exhausted all the remedies available to them in the states, and, second, by permitting federal judges to dismiss an in forma pauperis case "if the allegation of poverty is untrue, or if satisfied that the action fails to state a claim upon which relief may be granted or is frivolous or malicious, even if the partial filing fees have been imposed by the court."

These provisions seem reasonable, but it remains to be seen whether the Senate and the president will find them so. And only time will tell whether they are adequate.

[From the Tucson Citizen, Feb. 2, 1995]

COST OF INMATES' FRIVOLOUS SUITS IS HIGH

Almost 400 times last year, inmates in Arizona prison sued the state. Some of their claims:

An inmate wasn't allowed to go to his parents' wedding anniversary party; another said he was subject to cruel and unusual punishment because he wasn't allowed to attend his father's funeral.

An inmate claimed that he lost his Reebok tennis shoes because of gross negligence by the state. Another said the state lost his sunglasses.

A woman inmate said the jeans she was issued didn't fit properly.

An inmate sued because he wasn't allowed to hang a tapestry in his cell.

When the state decided that inmates would not be allowed to see movies with exposed breasts and genitals, an inmate claimed that violated his Constitutional rights.

Inmates claimed the state stole money from their prison accounts. But another inmate claimed the state illegally deposited money in his account, disqualifying him as an indigent.

An inmate claimed he was wrongly disciplined for refusing to change the television from a Spanish-language channel.

An inmate said he was not provided the proper books for a black studies class he was taking.

Several inmates said they weren't allowed to go to the bathroom while using the law library.

One inmate was denied access to the law library after he kicked and tampered with a security device in the library.

An inmate said he wasn't allowed to get married.

An inmate said he was forced to work and not paid minimum wage.

Lawsuits filed by inmates are expensive for Arizona taxpayers. The Attorney General's Office budgets $1.5 million per year to fight the suits, not including court costs. Other state departments also pay some costs.

To cut down on the number of frivolous suits filed, the state Legislature last year passed a law that requires inmates to pay part or all of the filing costs from money earned in prison jobs. In addition, inmates who filed unsubstantiated or harassing lawsuits can be forced to forfeit five days of good-behavior credit.

The new law didn't slow down Mitchell H. Jackson, a convicted drug dealer incarcerated at the state prison in Tucson. Jackson has filed 22 suits against the state in recent years. He got off to a good start in 1995, filing two in the first week.

In one of his suits, he targets the new law requiring inmates to pay filing fees. He claims that has caused him "mental anguish and emotional distress." He wants $10 million from each of the 90 legislators—a total of almost $1 billion.

ADDITIONAL COSPONSORS

S. 240

At the request of Mr. DOMENICI, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 240, a bill to amend the Securities Exchange Act of 1934 to establish a filing deadline and to provide certain safeguards to ensure that the interests of investors are well protected under the implied private action provisions of the act.

S. 245

At the request of Mr. COHEN, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 245, a bill to provide for enhanced penalties for health care fraud, and for other purposes.

S. 256

At the request of Mr. DOLE, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 327

At the request of Mr. HATCH, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 327, a bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 515

At the request of Mr. BRADLEY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 515, a bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through the reduction of harmful substances in meat and poultry that present a threat to public health, and for other purposes.

S. 714

At the request of Mr. LEAHY, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 714, a bill to require the Attorney General to study and report to Congress on means of controlling the flow of violent, sexually explicit, harassing, offensive, or otherwise unwanted material in interactive telecommunications systems.

S. 758

At the request of Mr. HATCH, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 758, a bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes.

S. 770

At the request of Mr. DOLE, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 816

At the request of Mr. DEWINE, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 816, a bill to provide equal protection for victims of crime, to facilitate the exchange of information between Federal and State law enforcement and investigation entities, to reform criminal procedure, and for other purposes.

SENATE CONCURRENT RESOLUTION 3

At the request of Mr. SIMON, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of Senate Concurrent Resolution 3, a concurrent resolution relative to Taiwan and the United Nations.

SENATE CONCURRENT RESOLUTION 15—RELATIVE TO THE COSTS OF INTERNATIONAL PEACEKEEPING ACTIVITIES

Ms. SNOWE submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 15

Whereas in fiscal year 1989 the United States provided $29,000,000 to the United Nations for assessed United States contributions for international peacekeeping activities, compared to $485,000,000 paid for combined assessed contributions for all other international organizations, including the United Nations, all United Nations specialized agencies and the Organization for American States and all other Pan American international organizations;

Whereas in fiscal year 1994 United States assessed contributions to the United Nations for international peacekeeping activities had grown to $1,072,000,000, compared to $860,000,000 for combined assessed contributions for all other international organizations;

Whereas for fiscal year 1995 the President requested a $672,000,000 United Nations peacekeeping supplemental appropriation which, if approved, would have been a direct increase in the Federal budget deficit and would have brought fiscal year 1995 total appropriations for assessed contributions for

United Nations peacekeeping activities to $1,025,000,000;

Whereas for fiscal year 1995 the President also requested supplemental appropriations of $1,900,000,000 to cover the Department of Defense's unbudgeted costs for humanitarian and peacekeeping missions in Haiti, Kuwait and Bosnia, which are in addition to regular United States assessed contributions to the United Nations for peacekeeping activities; and

Whereas for fiscal year 1996 the President requested $445,000,000 for assessed contributions to the United Nations for international peacekeeping activities, a funding level most observers believe to be a significant understatement of actual peacekeeping obligations the Administration has committed the United States to support and which, if accurate, would lead to the third year in a row in which the Administration requests supplemental appropriations for assessed contributions to international peacekeeping in excess of $600 million outside of the regular budget process: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Executive Branch should cease obligating the United States to pay for international peacekeeping operations in excess of funds specifically authorized and appropriated for this purpose.

SENATE CONCURRENT RESOLUTION 16—RELATIVE TO THE RUSSIAN FEDERATION

Ms. SNOWE submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 16

(a) FINDINGS.—The Congress finds that—

(1) Iran is aggressively pursuing a program to acquire and/or develop nuclear weapons;

(2) the Director of Central Intelligence, in September of 1994, confirmed that Iran is manufacturing and stockpiling chemical weapons;

(3) Iran has opposed the Middle East peace process and continues to support the terrorist group Hezballah in Lebanon and radical Palestinian groups;

(4) Iran has asserted control over the Persian Gulf island of Abu Musa, which it had been previously sharing with the United Arab Emirates;

(5) during the last few years Iran has reportedly acquired several hundred improved Scud missiles from North Korea;

(6) Iran has moved modern air defense missile systems, tanks, additional troops, artillery, and surface-to-surface missiles onto islands in the Persian Gulf, some of which are disputed between Iran and the United Arab Emirates;

(7) Iran has already taken delivery of as many as 30 modern MiG–29 fighter aircraft from the Russian Federation;

(8) the Russian Federation has sold modern conventionally powered submarines to Iran, which increases Iran's capability to blockade the Straits of Hormuz and the Persian Gulf; and

(9) the Russian Federation has continued to pursue a commercial agreement intended to provide Iran with nuclear technology despite being provided with a detailed description by the President of the United States of Iran's nuclear weapons program.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Russian Federation should be strongly condemned if it continues with a commercial agreement to provide Iran with nuclear technology which would assist that country in its development of nuclear weapons, and, if such transfer occurs, that Russian would be ineligible for assistance under the terms of the Freedom Support Act.

Ms. SNOWE. Mr. President, today I am submitting a resolution expressing the sense of Congress that the Russian Federation should be strongly condemned for continuing with a commercial agreement to provide Iran with nuclear technology which would assist that country in its development of nuclear weapons, and that such an agreement would make Russia ineligible for United States assistance under the terms of the Freedom Support Act.

This past January, Russia signed a billion-dollar deal to sell nuclear power reactors to Iran. In the United States, this news was greeted with very strong concern that this Russian nuclear technology would be used to support Iran's nuclear weapons development program.

At the recent summit in Moscow, Russian President Yeltsin was asked by President Clinton to cancel the reactor sale to Iran. Yeltsin would not. Instead, he offered us a fig leaf when he cancelled the Russian sale of a gas centrifuge to Iran and halted the training of 10 to 20 Iran scientists a year in Moscow.

Iran is aggressively pursuing a nuclear-weapons acquisition program. The CIA said last September that Iran probably could, with some foreign help, acquire a nuclear weapons capability within 8 to 10 years. And Iran is receiving that foreign help, and it is not just from the Russians. China is helping Iran build a nuclear research reactor, and in April it concluded a deal to sell Iran two light-water reactors. Pakistan, a country with its own significant nuclear weapons program, has reportedly provided key technical assistance to Iran.

Iran's nuclear weapons program is not the only cause for concern. The Defense Department is increasingly concerned about—and is closely watching—the Iranian military buildup in the Persian Gulf.

Let me just review some of the disturbing facts about this Iranian buildup. Iran has acquired as many as 30 Mig–29's out of a reported deal with Russia for 50 of these modern combat jets, and Russia has also sold Iran sophisticated air-to-air missiles to arm these aircraft. Iran has received numerous surface-to-air missile systems from both Russia and China. Iran's submarine force consists of two modern Russian-made Kilo-class submarines, and a third is expected to be delivered. Russia also provided Iran with sophisticated torpedoes for these subs.

In addition, despite U.S. pressure, Poland is going ahead with the planned sale to Iran of over 100 T–72 tanks, and Iran has also taken delivery of several hundred other T–72's from Russia. And over the last few years Iran has reportedly acquired several hundred improved Scud missiles from North Korea.

Iran has asserted control over the Persian Gulf island of Abu Musa, which it had been previously sharing with the United Arab Emirates. And Iran has moved air defense missile systems, tanks, additional troops, artillery, and surface-to-surface missiles onto islands in the Persian Gulf, some of which are disputed between Iran and the United Arab Emirates.

Mr. President, Iran's military buildup in the Persian Gulf and its aggressive nuclear program should be of serious concern to us all. Iran has opposed the Middle East peace process and continues to support the terrorist group Hezballah in Lebanon and radical Palestinian groups. And whether Russia realizes it or not, Iran also poses a long-term threat to them as well. A nuclear-armed Iran poses just as great a threat to Russia as it does to United States interests in the Persian Gulf and the Middle East. President Clinton tried to reason with the Russians earlier this month, but they refused to listen. Russia's misguided commercial agreement to sell nuclear technology to Iran should be condemned.

SENATE RESOLUTION 125—HONORING THE CONTRIBUTIONS OF FATHER JOSEPH DAMIEN DE VEUSTER

Mr. AKAKA (for himself, Mr. INOUYE, Mr. DASCHLE, Mr. KENNEDY, Mr. SIMON, MR. LEAHY, and Mr. MURKOWSKI) submitted the following resolution; which was considered and agreed to:

S. RES. 125

Whereas Father Joseph Damien de Veuster was born in Tremeloo, Belgium, on January 3, 1840;

Whereas Father Damien entered the Sacred Hearts Order at Louvain, Belgium, as a postulant in January 1859 and took his final vows in Paris on October 7, 1860;

Whereas, after arriving in Honolulu on March 19, 1864, to join the Sacred Hearts Mission in Hawaii, Father Damien was ordained to the priesthood in the Cathedral of Our Lady of Peace on May 21, 1864;

Whereas Father Damien was sent to the Puna, Kohala, and Hamakua districts on the island of Hawaii, where Father Damien served people in isolated communities for 9 years;

Whereas the alarming spread of Hansen's disease, also known as leprosy, for which there was no known cure, prompted the Hawaiian Legislature to pass an Act to Prevent the Spread of Leprosy in 1865;

Whereas the Act required segregating those afflicted with leprosy to the isolated peninsula of Kalaupapa, Molokai, where those afflicted by leprosy were virtually imprisoned by steep cliffs and open seas;

Whereas those afflicted by leprosy were forced to separate from their families, had meager medical care and supplies, and had poor living and social conditions;

Whereas in July 1872, Father Damien wrote to the Father General that many of his parishioners had been sent to the settlement on Molokai and lamented that he should join them;

Whereas on May 12, 1873, Father Damien petitioned Bishop Maigret, having received a request earlier for a resident priest at Kalaupapa, to allow Father Damien to stay on Molokai and devote his life to leprosy patients;

Whereas for 16 years, from 1873 to 1889, Father Damien labored to bring material and spiritual comfort to the leprosy patients of Kalaupapa, building chapels, water cisterns, and boys and girls homes;

Whereas on April 15, 1889, at the age of 49, Father Damien died of leprosy contracted a few years earlier;

Whereas the Roman Catholic Church began the consideration of beatification of Father Damien in February 1955, and Father Damien will be beatified on June 4, 1995, by Pope John Paul II in Brussels, Belgium;

Whereas Father Damien was selected by the State of Hawaii in 1965 as 1 of the distinguished citizens of the State whose statue would be installed in Statuary Hall in the United States Capitol;

Whereas the life of Father Damien continues to be a profound example of selfless devotion to others and remains an inspiration for all mankind;

Whereas common use of sulfone drugs in the 1940's removed the dreaded sentence of disfigurement and death imposed by leprosy, and the 1969 repeal of the isolation law allowed greater mobility for former Hansen's disease patients;

Whereas in the mid-1970's, the community of former leprosy patients at Molokai recommended the establishment of a United States National Park at Kalaupapa, out of a strong sense of stewardship of the legacy left by Father Damien and the rich history of Kalaupapa;

Whereas the Kalaupapa National Historical Park was established in 1980 with a provision that former Hansen's disease patients may remain in the park as long as they wish; and

Whereas the remaining patients at Kalaupapa, many of whom were exiled as children or young adults and who have endured immeasurable hardships and untold sorrows, are a special legacy for America, exemplifying the dignity and strength of the human spirit: Now, therefore, be it

Resolved, That the Senate of the United States recognizes Father Damien for his service to humanity and takes this occasion to—

(1) celebrate achievements of modern medicine in combating the once-dreaded leprosy disease;

(2) remember that victims of leprosy still suffer social banishment in many parts of the world; and

(3) honor the people of Kalaupapa as a living American legacy of human spirit and dignity.

SENATE RESOLUTION 126—TO AMEND THE SENATE GIFT RULE

Mr. McCONNELL submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 126

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Senate Gift Rule Reform Resolution".

SEC. 2. AMENDMENT TO THE SENATE GIFT RULE.

Rule XXXV of the Standing Rules of the Senate is amended to read as follows:

"RULE XXXV

"GIFTS

"1. (a) No Member, officer, or employee of the Senate, or the spouse or dependent thereof, shall knowingly accept, directly or indirectly, any gift in any calendar year of more than the minimal value as established by section 7342(a)(5) of title 5, United States Code, or $100, whichever is less from any person, organization, or corporation unless, in limited and appropriate circumstances, a waiver is granted by the Select Committee on Ethics.

"(b) The prohibitions of subparagraph (a) do not apply to gifts—

"(1) from relatives; or

"(2) of personal hospitality of an individual.

"2. For purposes of this rule—

"(a) The term 'gift' means a payment, subscription, advance, forbearance, rendering, or deposit of money, services, or anything of value, including food, lodging, mementos, transportation, or entertainment, and reimbursement for expenses, unless consideration of equal or greater value is received, but does not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance, or other transfer at death, (4) a bona fide award presented in recognition of public service and available to the general public, (5) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent, (6) free attendance at a widely attended event (as such term is defined by the Select Committee on Ethics) connected with the official duties of the Member, officer, or employee, (7) permissible travel, lodging, and meals at an event connected with the official duties of the Member, officer, or employee, or (8) permissible travel, lodging, and meals at an event to raise funds for a bona fide charity, subject to a determination by the Select Committee on Ethics that participation in the charity event is in the interest of the Senate and the United States.

"(b) The term 'relative' has the same meaning given to such term in section 107(2) of title I of the Ethics in Government Act of 1978 (Public Law 95–521).

"(c) The term 'permissible travel' means reasonable expenses for transportation which are incurred by a Member, officer, or employee of the Senate in connection with services provided to or participation in an event sponsored by the organization which provided reimbursement for such expenses or which provides transportation directly, however expenses do not include the provision of transportation, or the payment for such expenses, for a continuous period in excess of 3 days exclusive of travel time within the United States of 7 days exclusive of travel time outside of the United States unless such travel is approved by the Select Committee on Ethics as necessary for participation in the event.

"(d) The terms 'lodging' and 'meals' do not include expenditures for recreational activities or entertainment, other than that provided to all attendees as an integral part of the event.

"3. (a) For purposes of the exceptions provided by paragraphs 2(a)(6), 2(a)(7), and 2(a)(8), a sponsor's unsolicited offer of free attendance at an event for an accompanying spouse shall not be considered to be a gift if others in attendance will generally be accompanied by spouses or if such attendance is appropriate to assist in the representation of the Senate.

"(b) The Select Committee on Ethics shall publish notice in the Congressional Record of the attendance by a Member, officer, or employee at an event permitted by paragraphs 2(a)(7) and 2(a)(8) not later than 30 days after such attendance. Attendance by an employee at an event permitted by paragraphs 2(a)(7) and 2(a)(8) shall be subject to approval of the employee's supervisor.

"4. If a Member, officer, or employee, after exercising reasonable diligence to obtain the information necessary to comply with this rule, unknowingly accepts a gift described in paragraph 1, such Member, officer, or employee shall, upon learning of the nature of the gift and its source, return the gift or, if it is not possible to return the gift, reimburse the donor for the value of the gift.

"5. (a) Notwithstanding the provisions of this rule, a Member, officer, or employee of the Senate may participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization if such participation is not in violation of any law and if the Select Committee on Ethics has determined that participation in such program by Members, officers, or employees of the Senate is in the interests of the Senate and the United States.

"(b) Any Member who accepts an invitation to participate in any such program shall notify the Select Committee in writing of his acceptance. A Member shall also notify the Select Committee in writing whenever he has permitted any officer or employee whom he supervises (within the meaning of paragraph 11 of rule XXXVII) to participate in any such program. The chairman of the Select Committee shall place in the Congressional Record a list of all individuals participating; the supervisors of such individuals, where applicable; and the nature and itinerary of such program.

"(c) No Member, officer, or employee may accept funds in connection with participation in a program permitted under subparagraph (a) if such funds are not used for necessary food, lodging, transportation, and related expenses of the Member, officer, or employee.".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 2 shall take effect on October 1, 1995.

SENATE RESOLUTION 127—RELATIVE TO BORDER CROSSING FEES

Ms. SNOWE submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 127

Whereas in the budget of the United States for fiscal year 1996 that was submitted to Congress, the President proposed to impose and collect a boarder crossing fee for individuals and vehicles entering the United States;

Whereas both the Canadian and Mexican governments have expressed opposition to the imposition and collection of such a fee and have raised the possibility of imposing retaliatory border crossing fees of their own;

Whereas the imposition and collection of such a fee would have adverse effects on tourism and commerce that depend on travel across the borders of the United States;

Whereas the imposition and collection of such a fee would have such effects without addressing illegal immigration in a meaningful way;

Whereas on February 22, 1995, the President modified his proposal making the imposition of the new fees voluntary on United States border States (but tied the availability of Federal funds to improve border crossing infrastructure on their willingness to impose such fees); and

Whereas on May 4, 1995, the President further modified the border crossing fee proposal in immigration control legislation he submitted to Congress setting a $1.50 per car and $.75 per pedestrian fee structure: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Government should not impose or collect a border crossing fee along its borders with Canada and Mexico.

AMENDMENTS SUBMITTED

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

LAUTENBERG AMENDMENT NO. 1168

Mr. EXON (for Mr. LAUTENBERG) proposed an amendment to the concurrent resolution (S. Con. Res. 13) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002; as follows:

On page 68, add at the end of line 12 the following: "In addition, paragraph (1)(B) of this section shall not apply to legislation that proposes to eliminate up to $1,000,000,000 from wasteful bureaucratic overhead and wasteful procurement in the military budget, and to apply the resulting savings for use in strengthening enforcement of immigration laws.".

LAUTENBERG (AND WELLSTONE) AMENDMENT NO. 1169

Mr. EXON (for Mr. LAUTENBERG for himself and Mr. WELLSTONE) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 68, add at the end of line 12 the following: "In addition, paragraph (1)(B) of this section shall not apply to legislation that proposes to eliminate up to $2,000,000,000 from wasteful bureaucratic overhead and wasteful procurement in the military budget, and to apply the resulting savings for use in addressing the problem of domestic violence.".

LEAHY (AND OTHERS) AMENDMENT NO. 1170

Mr. EXON (for Mr. LEAHY, for himself, Mr. BAUCUS, Mr. WELLSTONE, and Mr. HARKIN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE NUTRITIONAL HEALTH OF CHILDREN.

(a) FINDINGS.—Congress finds that—

(1) Federal nutrition programs, such as the school lunch program, the school breakfast program, the special supplemental nutrition program for women, infants, and children (referred to in this section as "WIC"), the child and adult care food program, and others, are important to the health and well-being of children;

(2) participation in Federal nutrition programs is voluntary on the part of States, and the programs are administered and operated by every State;

(3) a major factor that led to the creation of the school lunch program was that a number of the recruits for the United States armed forces in World War II failed physical examinations due to problems related to inadequate nutrition;

(4)(A) WIC has proven to be extremely valuable in promoting the health of newborn babies and children; and

(B) each dollar invested in the prenatal component of WIC has been shown to save up to $3.50 in medicaid costs related to medical problems that arise in the first 90 days after the birth of an infant;

(5) the requirement that infant formula be purchased under a competitive bidding system under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) saved $1,000,000,000 in fiscal year 1994 and enabled States to allow 1,600,000 women, infants, and children to participate in WIC at no additional cost to taxpayers; and

(6) a balanced Federal budget will provide economic benefits to children alive today and to future generations of Americans.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumptions that—

(1) schools should continue to serve lunches that meet minimum nutritional requirements based on tested nutritional research;

(2) the content of WIC food packages for infants, children, and pregnant and postpartum women should continue to be based on scientific evidence;

(3) the competitive bidding system for infant formula under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) should be maintained;

(4) foods of minimum nutritional value should not be sold in competition with school lunches in the school cafeterias during lunch hours;

(5) some reductions in nutrition program spending can be made without compromising the nutritional well-being of program recipients;

(6) in complying with the reconciliation instructions in section 6 of this resolution, the Committee on Agriculture, Nutrition, and Forestry of the Senate should take this section into account; and

(7) Congress should continue to move toward fully funding the WIC program.

LEAHY AMENDMENT NO. 1171

Mr. EXON (for Mr. LEAHY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III of the resolution, add the following new section:

SEC. . SENSE OF THE SENATE ON MAINTAINING FEDERAL FUNDING FOR LAW ENFORCEMENT.

(a) FINDINGS.—The Senate finds that—

(1) Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security;

(2) law enforcement officers deserve our appreciation and support;

(3) law enforcement officers and agencies are under increasing attacks, both to their physical safety and to their reputations;

(4) on April 7, 1995, the Senate passed S.J. Res. 32 in which the Senate recognizes the debt of gratitude the Nation owes to the men and women who daily serve the American people as law enforcement officers and the integrity, honesty, dedication, and sacrifice of our Federal, State, and local law enforcement officers;

(5) the Nation's sense of domestic tranquility has been shaken by explosions at the World Trade Center in New York and the Murrah Federal Building in Oklahoma City and by the fear of violent crime in our cities, towns, and rural areas across the nation;

(6) Federal, State, and local law enforcement efforts need increased financial commitment from the Federal Government and not the reduction of such commitment to law enforcement if law enforcement officers are to carry out their efforts to combat violent crime; and

(7) on April 5, 1995, and May 18, 1995, the House of Representatives has nonetheless voted to reduce $5,000,000,000 from the Violent Crime Reduction Trust Fund in order to provide for tax cuts in both H.R. 1215 and H. Con. Res. 67.

(b) SENSE OF THE SENATE—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts should be maintained and funding for the Violent Crime Reduction Trust Fund should not be reduced by $5,000,000,000 as the bill and resolution passed by the House of Representatives would require.

HARKIN (AND GRAHAM) AMENDMENT NO. 1172

Mr. EXON (for Mr. HARKIN, for himself and Mr. GRAHAM) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 77, between lines 3 and 4, insert the following:

SEC. . MEDICARE SAFEGUARDS COMPLIANCE INITIATIVE.

(a) ADJUSTMENTS.—

(1) IN GENERAL.—For purposes of points of order under the Congressional Budget and Impoundment Control Act of 1974 and concurrent resolutions on the budget—

(A) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each out-year;

(B) the allocations to the Committees on Appropriations of the Senate and House of Representatives under sections 302(a) and 602(a) of that Act;

(C) the levels for the major functional categories that are appropriate and the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget; and

(D) the maximum deficit amount under section 601(a)(1) of that Act (and that amount as cumulatively adjusted) for the current fiscal year,

shall be adjusted to reflect the amount of additional new budget authority or additional outlays (as defined in paragraph (2)) reported by the Committees on Appropriations of the Senate and the House of Representatives in appropriation Acts (or by the committee of conference on such legislation) for the Health Care Financing Administration medicare payment safeguards programs (as compared to the base level of $396,300,000 for new budget authority) that the Congressional Budget Office has determined will result in a return on investment to the Government of at least 4 dollars for each dollar invested.

(2) ADDITIONAL AMOUNTS.—As used in this section, the term "additional new budget authority" or "additional outlays" (as the case may be) means, for any fiscal year, budget authority in excess of $396,300,000 for payment safeguards, but shall not exceed—

(A) for fiscal year 1996, $50,000,000 in new budget authority and $50,000,000 in outlays;

(B) for fiscal year 1997, $55,000,000 in new budget authority and $55,000,000 in outlays;

(C) for fiscal year 1998, $60,000,000 in new budget authority and $60,000,000 in outlays;

(D) for fiscal year 1999, $65,000,000 in new budget authority and $65,000,000 in outlays;

(E) for fiscal year 2000, $70,000,000 in new budget authority and $70,000,000 in outlays;

(F) for fiscal year 2001, $75,000,000 in new budget authority and $75,000,000 in outlays; and

(G) for fiscal year 2002, $75,000,000 in new budget authority and $75,000,000 in outlays.

(b) REVISED LIMITS, ALLOCATIONS, LEVELS, AND AGGREGATES.—Upon reporting of legislation pursuant to paragraph (1), and again upon the submission of the conference report on such legislation in either House (if a conference report is submitted), the chairman of the Committees on the Budget of the Senate and the House of Representatives shall file with their respective Houses appropriately revised—

(1) the discretionary spending limits under section 601(a)(2) of that Act (and those limits as cumulatively adjusted) for the current fiscal year and each out-year;

(2) the allocations to the Committees on Appropriations of the Senate and the House of Representatives under sections 302(a) and 602(a) of that Act; and

(3) the levels for the appropriate major functional categories that are appropriate and the appropriate budgetary aggregates in the most recently agreed to concurrent resolution on the budget;

to carry out this subsection. These revised discretionary spending limits, allocations, functional levels, and aggregates shall be considered for purposes of congressional enforcement under that Act as the discretionary spending limits, allocations, functional levels, and aggregates.

(c) REPORTING REVISED ALLOCATIONS.—The Committees on Appropriations of the Senate and the House of Representatives may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

(d) APPLICATION OF SECTION.—This section shall not apply to any additional budget authority or additional outlays unless—

(1) in the Senate, the chairman of the Budget Committee certifies, based on the information from the Congressional Budget Office, the General Accounting Office, the Health Care Financing Administration (as well as any other sources deemed relevant), that such budget authority or outlays will not increase the total of the Federal budget deficits over the next 5 years; and

(2) any funds made available pursuant to such budget authority or outlays are available only for the purpose of carrying out Health Care Financing Administration payment safeguards.

FEINGOLD (AND OTHERS) AMENDMENT NO. 1173

Mr. EXON (for Mr. FEINGOLD, for himself, Mr. GRAHAM, Mr. WELLSTONE, and Mr. SIMON) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of the resolution, insert the following new section:

SEC. . NEED TO ENACT LONG TERM HEALTH CARE REFORM.

It is the Sense of the Senate that the 104th Congress should enact fundamental long-term health care reform that emphasizes cost-effective, consumer oriented, and consumer-directed home and community-based care that builds upon existing family supports and achieves deficit reduction by helping elderly and disabled individuals remain in their own homes and communities.

HARKIN (AND LAUTENBERG) AMENDMENT NO. 1174

Mr. EXON (for Mr. HARKIN, for himself and Mr. LAUTENBERG) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution, 13, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING LOSSES CAUSED BY USE OF TOBACCO PRODUCTS.

(a) FINDINGS.—The Senate finds that—

(1) the Centers for Disease Control and Prevention estimates that tobacco products impose a $20,000,000,000 cost per year on Federal health programs like medicare and medicaid through tobacco-related illnesses;

(2) tobacco products are unlike any other product legally offered for sale because even when used as intended they cause death and disease; and

(3) States such as Florida, Mississippi, Minnesota, and West Virginia are currently taking action to recover State costs associated with tobacco-related illnesses.

(b) SENSE OF THE SENATE—It is the sense of the Senate that any proposal by the Committee on Finance of the Senate to reduce Federal spending on medicare and medicaid as required by Senate Concurrent Resolution 13 should include a proposal to recover from tobacco companies a portion of the costs their products impose on American taxpayers and Federal health programs including medicare and medicaid.

JOHNSTON (AND OTHERS) AMENDMENT NO. 1175

Mr. EXON (for Mr. JOHNSTON, for himself, Mr. BIDEN, Mr. REID, Mr. SARBANES, Ms. MIKULSKI, and Mr. BREAUX) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 74, delete lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues and/or increases funding for the Medicare trust fund not to exceed the following amounts:

"(1) with respect to fiscal year 1996, $12,000,000,000 in outlays;

"(2) with respect to fiscal year 1997, $22,000,000,000 in outlays;

"(3) with respect to fiscal year 1998, $24,000,000,000 in outlays;

"(4) with respect to fiscal year 1999, $28,000,000,000 in outlays;

"(5) with respect to fiscal year 2000, $28,000,000,000 in outlays;

"(6) with respect to fiscal year 2001, $28,000,000,000 in outlays;

"(7) with respect to fiscal year 2002, $28,000,000,000 in outlays provided that, if CBO scores this surplus differently, then the numbers provided above shall be increased or decreased proportionally.

"(b) REVISED ALLOCATION AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974; budgetary aggregates; and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (d)."

REID AMENDMENT NO. 1176

Mr. EXON (for Mr. REID) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the appropriate budgetary allocations, aggregates, and levels shall be revised to reflect $1,000,000,000 in budget authority and outlays of the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on discretionary spending on our national parks system by restoring funding for rehabilitation, restoration, and park maintenance.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under section 302(a) and 602(a) of the Congressional Budget Act of 1974, budgetary aggregates, and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction specified under subsection (a).".

SARBANES (AND OTHERS) AMENDMENT NO. 1177

Mr. EXON (for Mr. SARBANES, for himself, Mr. LIEBERMAN, Ms. MIKULSKI, and Mr. KERRY) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

On page 74, strike lines 12 through 24 and insert the following: "budget, the revenue and spending aggregates may be revised and other appropriate budgetary allocations, aggregates, and levels may be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues, and legislation that will provide $10,805,000,000 to the Environmental Protection Agency to administer federal grants for water infrastructure programs in the following manner:

"(1) with respect to fiscal year 1996, $962,000,000 in budget authority and 42,000,000 in outlays;

"(2) with respect to fiscal year 1997, $1,962,000,000 in budget authority and $346,000,000 in outlays;

"(3) with respect to fiscal year 1998, $2,462,000,000 in budget authority and $920,000,000 in outlays;

"(4) with respect to fiscal year 1999, $2,962,000,000 in budget authority and $1,679,000,000 in outlays;

"(5) with respect to fiscal year 2000, $2,962,000,000 in budget authority and $2,291,000,000 in outlays;

"(6) with respect to fiscal year 2001, $2,962,000,000 in budget authority and $2,679,000,000 in outlays; and

"(7) with respect to fiscal year 2002, $2,962,000,000 in budget authority and $2,798,000,000 in outlays.

"(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chair of the Committee on the Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974; discretionary spending under section 201(a) of this resolution; and budgetary aggregates and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction calculated under subsection (d).".

BAUCUS (AND OTHERS) AMENDMENT NO. 1178

Mr. EXON (for Mr. BAUCUS, for himself, Mr. DORGAN, Mr. PRESSLER, Mr. ROBB, Mr. WARNER, Mr. FORD, Mr. HARKIN, Mr. HEFLIN, Mr. HOLLINGS, Mr. WELLSTONE, and Ms. MOSELEY-BRAUN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING MANDATORY MAJOR ASSUMPTIONS UNDER FUNCTION 270: ENERGY.

It is the sense of the Senate that within the mandatory major assumptions under budget function 270, none of the power marketing administrations within the 48 contiguous States will be sold, and any savings that were assumed would be realized from the sale of those power marketing administrations will be realized through cost reductions in other programs within the Department of Energy.

At the appropriate place, insert the following new section:

SEC. . DEFENSE OVERHEAD.

(a) FINDINGS.—The Senate finds that—

(1) the major discretionary assumptions in this concurrent budget resolution include 15 percent reduction in overhead for programs of nondefense agencies that remain funded in the budget and whose funding is not interconnected with receipts dedicated to a program;

(2) the Committee Report (104-82) on this concurrent budget resolution states that "this assumption would not reduce funding for the programmatic activities of agencies."

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Committees on Armed Services and Appropriations should make a reduction of at least three percent in overhead for fiscal year 1996 programs of defense agencies, and should do so in a manner so as not to reduce funding for the programmatic activities of these agencies.

LEVIN (AND OTHERS) AMENDMENT NO. 1179

Mr. EXON (for Mr. LEVIN, for himself, Mr. SIMON, and Mr. STEVENS) proposed an amendment to the concurrent resolution Senate Concurrent Resolution 13, supra; as follows:

BAUCUS (AND OTHERS) AMENDMENT NO. 1180

Mr. EXON (for Mr. BAUCUS, for himself, Mr. INOUYE, Mr. BRYAN, Mr. SIMON, Mr. ROCKEFELLER, Mr. BUMPERS, Mr. STEVENS, and Mr. EXON) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING FUNDING FOR NATIONAL RAILROAD PASSENGER CORPORATION.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the following: that Congress should redirect revenues resulting from the ½ cent of the excise tax rate directed by the amendments made by the Omnibus Budget Reconciliation Act of 1993 for fiscal years 1996 through 1999 to the account under subsection (e) of section 9503 of the Internal Revenue Code of 1986 to a new account under such section for grants to the National Railroad Passenger Corporation for operating expenses and capital improvements incurred by the Corporation.

BAUCUS AMENDMENT NO. 1181

Mr. EXON (for Mr. BAUCUS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, add the following.

SEC. . SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) FINDINGS.—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive to the maximum extent possible a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

GRAMS (AND OTHERS) AMENDMENT NO. 1182

Mr. DOMENICI (for Mr. GRAMS, for himself, Mr. GRAHAM, Mr. LIEBERMAN, and Mr. ABRAHAM) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 73, line 2, strike "may be reduced" and insert "shall be reduced".

On page 73, line 2, strike "may be revised" and insert "shall be revised".

On page 74, line 12, strike "may" and insert "shall".

On page 74, line 13, strike "may" and insert "shall".

On page 74, line 21, strike "may" and insert "shall".

On page 74, line 16, insert the following before the period, "by providing family tax relief and incentives to stimulate savings, investment, job creation, and economic growth.".

CONRAD (AND OTHERS) AMENDMENT NO. 1183

Mr. EXON (for Mr. CONRAD, for himself, Mr. REID, Mr. GRAHAM, Mr. SIMON, Mr. DORGAN, Mr. KOHL, Mr. FEINGOLD, Mr. BRYAN, Mr. BINGAMAN, Mr. ROBB, and Mr. BYRD) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1996.

TITLE I—LEVELS AND AMOUNTS

Sec. 2. Recommended levels and amounts.
Sec. 3. Debt increase.
Sec. 4. Social Security.
Sec. 5. Major functional categories.
Sec. 6. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.
Sec. 202. Extension of pay-as-you-go point of order.
Sec. 203. Budget surplus allowance.
Sec. 204. Scoring of emergency legislation.
Sec. 205. Sale of Government assets.
Sec. 206. Extension of Budget Act 60-vote enforcement through 2002.
Sec. 207. Exercise of rulemaking powers.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

Sec. 301. Restructuring Government and program terminations.
Sec. 302. Sense of the Senate regarding returning programs to the States.

Sec. 303. Commercialization of Federal activities.
Sec. 304. Nonpartisan Advisory Commission on the CPI.
Sec. 305. Sense of the Congress on a uniform accounting system in the Federal Government.
Sec. 306. Sense of the Congress that 90 percent of the benefits of any tax cuts must go to the middle class.
Sec. 307. Bipartisan Commission on the Solvency of Medicare.
Sec. 308. Sense of the Senate on the distribution of agriculture savings.
Sec. 309. Sense of the Congress regarding protection of children's health.
Sec. 310. Sense of the Senate that lobbying expenses should remain nondeductible.
Sec. 311. Expatriate taxes.

TITLE I—LEVELS AND AMOUNTS

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—(A) For purposes of the enforcement of this resolution—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,049,900,000,000.
Fiscal year 1997: $1,098,800,000,000.
Fiscal year 1998: $1,156,000,000,000.
Fiscal year 1999: $1,218,800,000,000.
Fiscal year 2000: $1,287,400,000,000.
Fiscal year 2001: $1,364,700,000,000.
Fiscal year 2002: $1,446,800,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $6,900,000,000.
Fiscal year 1997: $15,300,000,000.
Fiscal year 1998: $21,000,000,000.
Fiscal year 1999: $31,300,000,000.
Fiscal year 2000: $41,200,000,000.
Fiscal year 2001: $50,500,000,000.
Fiscal year 2002: $61,800,000,000.

(iii) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.
Fiscal year 2001: $133,600,000,000.
Fiscal year 2002: $140,400,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund)—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $946,100,000,000.
Fiscal year 1997: $989,800,000,000.
Fiscal year 1998: $1,041,100,000,000.
Fiscal year 1999: $1,098,100,000,000.
Fiscal year 2000: $1,160,500,000,000.
Fiscal year 2001: $1,231,100,000,000.
Fiscal year 2002: $1,306,400,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $6,905,000,000.
Fiscal year 1997: $15,299,000,000.
Fiscal year 1998: $21,007,000,000.
Fiscal year 1999: $31,302,000,000.
Fiscal year 2000: $41,201,000,000.
Fiscal year 2001: $50,511,000,000.
Fiscal year 2002: $61,794,000,000.

(2) NEW BUDGET AUTHORITY.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,291,600,000,000.
Fiscal year 1997: $1,330,500,000,000.
Fiscal year 1998: $1,384,700,000,000.
Fiscal year 1999: $1,432,000,000,000.
Fiscal year 2000: $1,493,900,000,000.
Fiscal year 2001: $1,524,300,000,000.
Fiscal year 2002: $1,572,700,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,194,300,000,000.
Fiscal year 1997: $1,230,000,000,000.
Fiscal year 1998: $1,278,300,000,000.
Fiscal year 1999: $1,318,600,000,000.
Fiscal year 2000: $1,373,500,000,000.
Fiscal year 2001: $1,394,700,000,000.
Fiscal year 2002: $1,432,500,000,000.

(3) BUDGET OUTLAYS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,287,000,000,000.
Fiscal year 1997: $1,323,300,000,000.
Fiscal year 1998: $1,359,100,000,000.
Fiscal year 1999: $1,413,000,000,000.
Fiscal year 2000: $1,472,500,000,000.
Fiscal year 2001: $1,504,500,000,000.
Fiscal year 2002: $1,554,500,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,191,400,000,000.
Fiscal year 1997: $1,223,800,000,000.
Fiscal year 1998: $1,253,700,000,000.
Fiscal year 1999: $1,301,400,000,000.
Fiscal year 2000: $1,353,100,000,000.
Fiscal year 2001: $1,376,000,000,000.
Fiscal year 2002: $1,415,500,000,000.

(4) DEFICITS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1996: $237,100,000,000.
Fiscal year 1997: $224,500,000,000.
Fiscal year 1998: $203,100,000,000.
Fiscal year 1999: $194,200,000,000.
Fiscal year 2000: $185,100,000,000.
Fiscal year 2001: $139,800,000,000.
Fiscal year 2002: $107,700,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the deficits are as follows:

Fiscal year 1996: $245,300,000,000.
Fiscal year 1997: $234,000,000,000.
Fiscal year 1998: $212,600,000,000.
Fiscal year 1999: $203,300,000,000.
Fiscal year 2000: $192,600,000,000.
Fiscal year 2001: $144,900,000,000.
Fiscal year 2002: $109,100,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,206,328,000,000.
Fiscal year 1997: $5,500,272,000,000.
Fiscal year 1998: $5,771,718,000,000.
Fiscal year 1999: $6,032,491,000,000.
Fiscal year 2000: $6,281,682,000,000.
Fiscal year 2001: $6,487,560,000,000.
Fiscal year 2002: $6,659,567,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1996: $37,600,000,000.
Fiscal year 1997: $40,200,000,000.
Fiscal year 1998: $42,300,000,000.
Fiscal year 1999: $45,700,000,000.
Fiscal year 2000: $45,800,000,000.
Fiscal year 2001: $45,800,000,000.
Fiscal year 2002: $46,100,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1996: $193,400,000,000.
Fiscal year 1997: $187,900,000,000.
Fiscal year 1998: $185,300,000,000.
Fiscal year 1999: $183,300,000,000.
Fiscal year 2000: $184,700,000,000.
Fiscal year 2001: $186,100,000,000.
Fiscal year 2002: $187,600,000,000.

SEC. 3. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1996: $303,328,000,000.
Fiscal year 1997: $293,943,000,000.
Fiscal year 1998: $271,446,000,000.
Fiscal year 1999: $260,774,000,000.
Fiscal year 2000: $249,191,000,000.
Fiscal year 2001: $205,878,000,000.
Fiscal year 2002: $172,007,000,000.

SEC. 4. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $347,700,000,000.
Fiscal year 1997: $392,000,000,000.
Fiscal year 1998: $411,400,000,000.
Fiscal year 1999: $430,900,000,000.
Fiscal year 2000: $452,000,000,000.
Fiscal year 2001: $475,200,000,000.
Fiscal year 2002: $498,600,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $299,400,000,000.
Fiscal year 1997: $310,900,000,000.
Fiscal year 1998: $342,600,000,000.
Fiscal year 1999: $338,500,000,000.
Fiscal year 2000: $353,100,000,000.
Fiscal year 2001: $368,100,000,000.
Fiscal year 2002: $383,800,000,000.

SEC. 5. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1996 through 2000 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:
(A) New budget authority, $257,700,000,000.
(B) Outlays, $261,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1997:
(A) New budget authority, $253,400,000,000.
(B) Outlays, $257,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1998:
(A) New budget authority, $259,600,000,000.
(B) Outlays, $154,500,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1999:

(A) New budget authority, $266,200,000,000.

(B) Outlays, $259,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2000:

(A) New budget authority, $276,000,000,000.

(B) Outlays, $267,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2001:

(A) New budget authority, $275,900,000,000.

(B) Outlays, $267,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2002:

(A) New budget authority, $275,900,000,000.

(B) Outlays, $269,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1997:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1998:

(A) New budget authority, $13,800,000,000.

(B) Outlays, $14,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1999:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2000:

(A) New budget authority, $14,100,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2001:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2002:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $2,900,000,000.

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,000,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,300,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $22,000,000,000.

(B) Outlays, $21,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $21,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $20,100,000,000.

(B) Outlays, $20,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $21,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $21,100,000,000.

(B) Outlays, $21,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $19,700,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $20,500,000,000.

(B) Outlays, $20,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $14,000,000,000.

(B) Outlays, $12,600,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1997:

(A) New budget authority, $13,800,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1998:

(A) New budget authority, $13,600,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1999:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2000:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $11,400,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 2001:
(A) New budget authority, $11,900,000,000.
(B) Outlays, $10,700,000,000.
(C) New direct loan obligations, $11,100,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
Fiscal year 2002:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $10,900,000,000.
(C) New direct loan obligations, $10,900,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1996:
(A) New budget authority, $3,800,000,000.
(B) Outlays, $-6,200,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 1997:
(A) New budget authority, $3,300,000,000.
(B) Outlays, $-3,800,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 1998:
(A) New budget authority, $2,900,000,000.
(B) Outlays, $-4,800,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 1999:
(A) New budget authority, $2,700,000,000.
(B) Outlays, $-2,600,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 2000:
(A) New budget authority, $2,600,000,000.
(B) Outlays, $-1,600,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 2001:
(A) New budget authority, $2,800,000,000.
(B) Outlays, $-1,100,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
Fiscal year 2002:
(A) New budget authority, $2,800,000,000.
(B) Outlays, $-800,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $123,100,000,000.
(8) Transportation (400):
Fiscal year 1996:
(A) New budget authority, $37,800,000,000.
(B) Outlays, $39,200,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $44,400,000,000.
(B) Outlays, $39,500,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $45,300,000,000.
(B) Outlays, $39,800,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $46,600,000,000.
(B) Outlays, $40,200,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $47,800,000,000.
(B) Outlays, $40,700,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $47,700,000,000.
(B) Outlays, $41,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $47,700,000,000.
(B) Outlays, $41,500,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1996:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $10,000,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 1997:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $8,600,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 1998:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $8,100,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 1999:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $8,200,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 2000:
(A) New budget authority, $8,600,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 2001:
(A) New budget authority, $8,100,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
Fiscal year 2002:
(A) New budget authority, $8,000,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $1,200,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1996:
(A) New budget authority, $55,100,000,000.
(B) Outlays, $54,800,000,000.
(C) New direct loan obligations, $13,600,000,000.
(D) New primary loan guarantee commitments, $16,300,000,000.
Fiscal year 1997:
(A) New budget authority, $55,500,000,000.
(B) Outlays, $54,900,000,000.
(C) New direct loan obligations, $16,300,000,000.
(D) New primary loan guarantee commitments, $15,900,000,000.
Fiscal year 1998:
(A) New budget authority, $56,500,000,000.
(B) Outlays, $55,400,000,000.
(C) New direct loan obligations, $19,100,000,000.
(D) New primary loan guarantee commitments, $15,200,000,000.
Fiscal year 1999:
(A) New budget authority, $57,600,000,000.
(B) Outlays, $56,400,000,000.
(C) New direct loan obligations, $21,800,000,000.
(D) New primary loan guarantee commitments, $14,300,000,000.
Fiscal year 2000:
(A) New budget authority, $59,000,000,000.
(B) Outlays, $57,800,000,000.
(C) New direct loan obligations, $21,900,000,000.
(D) New primary loan guarantee commitments, $15,000,000,000.
Fiscal year 2001:
(A) New budget authority, $59,100,000,000.
(B) Outlays, $57,800,000,000.
(C) New direct loan obligations, $22,000,000,000.
(D) New primary loan guarantee commitments, $15,800,000,000.
Fiscal year 2002:
(A) New budget authority, $59,900,000,000.
(B) Outlays, $58,500,000,000.
(C) New direct loan obligations, $22,200,000,000.
(D) New primary loan guarantee commitments, $16,600,000,000.
(11) Health (550):
Fiscal year 1996:
(A) New budget authority, $122,900,000,000.
(B) Outlays, $122,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1997:
(A) New budget authority, $129,300,000,000.
(B) Outlays, $129,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1998:
(A) New budget authority, $135,000,000,000.
(B) Outlays, $135,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1999:
(A) New budget authority, $140,000,000,000.
(B) Outlays, $140,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 2000:
(A) New budget authority, $144,600,000,000.
(B) Outlays, $144,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2001:

(A) New budget authority, $149,000,000,000.

(B) Outlays, $148,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2002:

(A) New budget authority, $153,700,000,000.

(B) Outlays, $153,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $174,000,000,000.

(B) Outlays, $171,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $184,500,000,000.

(B) Outlays, $182,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $198,200,000,000.

(B) Outlays, $196,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $213,500,000,000.

(B) Outlays, $210,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $228,600,000,000.

(B) Outlays, $226,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $246,600,000,000.

(B) Outlays, $244,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $266,800,000,000.

(B) Outlays, $264,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(13) For purposes of section 710 of the Social Security Act, Federal Supplementary Medical Insurance Trust Fund:

Fiscal year 1996:

(A) New budget authority, $63,300,000,000.

(B) Outlays, $62,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $70,500,000,000.

(B) Outlays, $69,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $78,800,000,000.

(B) Outlays, $78,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $88,000,000,000.

(B) Outlays, $87,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $97,500,000,000.

(B) Outlays, $96,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $108,100,000,000.

(B) Outlays, $107,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $120,200,000,000.

(B) Outlays, $119,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(14) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $227,300,000,000.

(B) Outlays, $226,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1997:

(A) New budget authority, $235,700,000,000.

(B) Outlays, $237,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1998:

(A) New budget authority, $255,000,000,000.

(B) Outlays, $248,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1999:

(A) New budget authority, $258,000,000,000.

(B) Outlays, $259,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2000:

(A) New budget authority, $275,600,000,000.

(B) Outlays, $275,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2001:

(A) New budget authority, $280,500,000,000.

(B) Outlays, $280,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2002:

(A) New budget authority, $294,900,000,000.

(B) Outlays, $294,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

(15) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $10,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $11,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(16) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $38,000,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

Fiscal year 1997:

(A) New budget authority, $38,300,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

Fiscal year 1998:

(A) New budget authority, $38,800,000,000.

(B) Outlays, $39,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

Fiscal year 1999:

(A) New budget authority, $39,600,000,000.

(B) Outlays, $39,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

Fiscal year 2000:

(A) New budget authority, $40,100,000,000.

(B) Outlays, $41,500,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

Fiscal year 2001:

(A) New budget authority, $40,400,000,000.

(B) Outlays, $42,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,900,000,000.

Fiscal year 2002:

(A) New budget authority, $41,000,000,000.

(B) Outlays, $42,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $26,600,000,000.

(17) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $20,000,000,000.

(B) Outlays, $19,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $22,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $23,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $23,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) General Government (800):

Fiscal year 1996:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $298,100,000,000.

(B) Outlays, $298,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $309,700,000,000.

(B) Outlays, $309,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $318,300,000,000.

(B) Outlays, $318,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $330,500,000,000.

(B) Outlays, $330,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $342,100,000,000.

(B) Outlays, $342,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $349,400,000,000.

(B) Outlays, $349,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $357,100,000,000.

(B) Outlays, $357,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(20) For purposes of section 710 of the Social Security Act, Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $309,000,000,000.

(B) Outlays, $309,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $320,600,000,000.

(B) Outlays, $320,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $328,600,000,000.

(B) Outlays, $328,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $339,800,000,000.

(B) Outlays, $339,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $349,800,000,000.

(B) Outlays, $349,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $355,100,000,000.

(B) Outlays, $355,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $360,200,000,000.

(B) Outlays, $360,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(21) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1996: $369,764,000,000.

Fiscal year 1997: $380,949,000,000.

Fiscal year 1998: $389,893,000,000.

Fiscal year 1999: $402,921,000,000.

Fiscal year 2000: $414,948,000,000.

Fiscal year 2001: $425,550,000,000.

Fiscal year 2002: $434,548,00,000.

(22) Allowances (920):

Fiscal year 1996:

(A) New budget authority, $-8,600,000,000.

(B) Outlays, $-6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $-8,500,000,000.

(B) Outlays, $-8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $-7,300,000,000.

(B) Outlays, $-7,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $-6,800,000,000.

(B) Outlays, $-7,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $-5,700,000,000.

(B) Outlays, $-6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $-5,700,000,000.

(B) Outlays, $-6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $-5,700,000,000.

(B) Outlays, $-6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(23) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, $-33,100,000,000.

(B) Outlays, $-33,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $-33,800,000,000.

(B) Outlays, $-33,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $-36,300,000,000.

(B) Outlays, $-36,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $-37,700,000,000.

(B) Outlays, $-37,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $-39,700,000,000.

(B) Outlays, $-39,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $-41,100,000,000.

(B) Outlays, $-41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $-42,300,000,000.

(B) Outlays, $-42,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(24) For purposes of section 710 of the Social Security Act, Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, $-30,600,000,000.

(B) Outlays, $-30,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $-31,200,000,000.

(B) Outlays, $-31,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $-33,600,000,000.

(B) Outlays, $-33,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $-34,900,000,000.

(B) Outlays, $-34,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $-36,700,000,000.

(B) Outlays, $-36,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $-37,900,000,000.

(B) Outlays, $-37,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $-39,000,000,000.

(B) Outlays, $-39,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

SEC. 6. RECONCILIATION.

(a) Senate Committees.—Not later than July 14, 1995, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) Committee on Agriculture, Nutrition, and Forestry.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $990,000,000 in fiscal year 1996, $12,473,000,000 for the period of fiscal years 1996 through 2000, and $21,804,000,000 for the period of fiscal years 1996 through 2002.

(2) Committee on Armed Services.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $21,000,000 in fiscal year 1996, $338,000,000 for the period of fiscal years 1996 through 2000, and $649,000,000 for the period of fiscal years 1996 through 2002.

(3) Committee on Banking, Housing, and Urban Affairs.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction to reduce the deficit $373,000,000 in fiscal year 1996, $5,742,000,000 for the period of fiscal years 1996 through 2000, and $6,690,000,000 for the period of fiscal years 1996 through 2002.

(4) Committee on Commerce, Science, and Transportation.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction to reduce the deficit $2,464,000,000 in fiscal year 1996, $21,937,000,000 for the period of fiscal years 1996 through 2000, and $33,685,000,000 for the period of fiscal years 1996 through 2002.

(5) Committee on Energy and Natural Resources.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,771,000,000 in fiscal year 1996, $4,775,000,000 for the period of fiscal years 1996 through 2000, and $5,001,000,000 for the period of fiscal years 1996 through 2002.

(6) Committee on Environment and Public Works.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $106,000,000 in fiscal year 1996, $1,290,000,000 for the period of fiscal years 1996 through 2000, and $2,236,000,000 for the period of fiscal years 1996 through 2002.

(7) Committee on Finance.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $19,517,000,000 in fiscal year 1996, $254,240,000,000 for the period of fiscal years 1996 through 2000, and $478,842,000,000 for the period of fiscal years 1996 through 2002.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenue $7,500,000,000 in fiscal year 1996, $115,700,000,000 for the period of fiscal years 1996 through 2000, and $228,000,000,000 for the period of fiscal years 1996 through 2002.

(8) Committee on Foreign Relations.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(9) Committee on Governmental Affairs.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

(10) Committee on the Judiciary.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

(11) Committee on Labor and Human Resources.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(12) Committee on Rules and Administration.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $280,000,000 for the period of fiscal years 1996 through 2000, and $319,000,000 for the period of fiscal years 1996 through 2002.

(13) Committee on Veterans' Affairs.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $181,000,000 in fiscal year 1996, $3,050,000,000 for the period of fiscal years 1996 through 2000, and $5,112,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) Definition.—As used in this section and for the purposes of allocations made pursuant to section 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1996, $495,904,000,000 in new budget authority and $534,045,000,000 in outlays;

(2) with respect to fiscal year 1997, $491,483,000,000 in new budget authority and $527,591,000,000 in outlays;

(3) with respect to fiscal year 1998, $508,225,000,000 in new budget authority and $526,688,000,000 in outlays;

(4) with respect to fiscal year 1999, $508,519,000,000 in new budget authority and $533,516,000,000 in outlays;

(5) with respect to fiscal year 2000, $523,237,000,000 in new budget authority and $543,948,000,000 in outlays;

(6) with respect to fiscal year 2001, $529,549,000,000 in new budget authority and $551,939,000,000 in outlays; and

(7) with respect to fiscal year 2002, $530,368,000,000 in new budget authority and $554,469,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) Point of Order in the Senate.—

(1) In general.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) any concurrent resolution on the budget for fiscal year 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limits for such fiscal year; or

(B) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) Exception.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(c) Waiver.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) Appeals.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) Determination of Budget Levels.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct-spending or receipts legislation (as defined in paragraph (3)) that would increase the deficit for any one of the three applicable time periods (as defined in paragraph (2)) as measured pursuant to paragraph (4).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any one of the three following periods—

(A) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(B) the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(C) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING OR RECEIPTS LEGISLATION.—For purposes of this subsection, the term "direct-spending or receipts legislation" shall—

(A) except as otherwise provided in this subsection, include all direct-spending legislation as that term is interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985;

(B) include—

(i) any bill, joint resolution, amendment, motion, or conference report to which this subsection otherwise applies; and

(ii) the estimated amount of savings in direct-spending programs applicable to that fiscal year resulting from the prior year's sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, if any (except for any amounts sequestered as a result of a net deficit increase in the fiscal year immediately preceding the prior fiscal year); and

(C) exclude—

(i) any concurrent resolution on the budget; and

(ii) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(4) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recent concurrent resolution on the budget, and for years beyond those covered by that concurrent resolution; and

(B) abide by the requirements of subsections (a) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, except that references to "outyears" in that section shall be deemed to apply to any year (other than the budget year) covered by any one of the time periods defined in paragraph (2) of this subsection.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and receipts for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) CONFORMING AMENDMENT.—Section 23 of House Concurrent Resolution 218 (103d Congress) is repealed.

(g) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2002.

SEC. 203. BUDGET SURPLUS ALLOWANCE.

(a) ADJUSTMENTS.—For the purposes of points of order under the Congressional Budget and Impoundment Control Act of 1974 and this concurrent resolution on the budget, the appropriate allocations and budgetary aggregates and levels shall be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on medicare, medicaid, and welfare reform in the following manner:

(1) $60,000,000,000 shall be used for medicare legislation which will reduce the adverse effects of—

(A) increased premiums;

(B) increased deductibles;

(C) increased copayments;

(D) limits on the freedom to select the doctor of one's choice; and

(E) reduced or eliminated benefits caused by restrictions on eligibility or services. These additional medicare appropriations shall be allocated among the various components of the medicare program in a manner that maintains the solvency of the Federal Hospital Insurance (FHI) Trust Fund for the same time period established through program revisions enacted in the 1995 budget reconciliation bill.

(2) $50,000,000,000 shall be used for legislation that reduces the adverse affects upon the elderly, disabled, and children who have nowhere else to turn but medicaid for health care.

(3) $60,000,000,000 shall be used for legislation that reduces the drastic cuts to welfare programs.

(4) If the Congressional Budget Office scores this surplus differently, than the amounts provided in paragraphs (1) through (3) shall be increased or decreased proportionally.

(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction calculated under subsection (d).

(c) CBO REVISED DEFICIT ESTIMATE.—After the enactment of legislation that complies with the reconciliation directives of section 6, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term "additional deficit reduction" means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

(1) legislation has been enacted complying with the reconciliation directives of section 6;

(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

SEC. 204. SCORING OF EMERGENCY LEGISLATION.

Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 205. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1996 budget included $8,000,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sales.

(b) BUDGETARY TREATMENT.—For purposes of any concurrent resolution on the budget and the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(c) DEFINITIONS.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 206. EXTENSION OF BUDGET ACT 60-VOTE ENFORCEMENT THROUGH 2002.

Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by sections 13112(b) and 13208(b)(3) of the Budget Enforcement Act of 1990), the second sentence of section 904(c) of the Congressional Budget Act of 1974 (except insofar as it relates to section 313 of that Act) and the final sentence of section 904(d) of that Act (except insofar as it relates to section 313 of that Act) shall continue to have effect as rules of the Senate through (but no later than) September 30, 2002.

SEC. 207. EXERCISE OF RULEMAKING POWERS.

The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate,

and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

SEC. 301. SENSE OF THE CONGRESS ON REVENUE INSTRUCTION TO FINANCE COMMITTEE.

(a) FINDINGS.—The Senate finds that—

(1) to balance the Federal budget in a rational and reasonable manner, there must be a fair and equitable distribution of the deficit reduction burden;

(2) the plan under consideration in the Senate does not ask the wealthy to contribute to deficit reduction;

(3) the deficit reduction package approved by the Senate Budget Committee would disproportionately affect those at lower-income levels;

(4) over the next 7 years, at current growth rates, tax loopholes and preferences will result in a revenue loss to the Federal Government of more than $4,000,000,000,000; and

(5) the House Budget Committee had under consideration, but did not include in its deficit reduction package, a list of $335,000,000,000 in corporate tax loopholes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Senate Finance Committee, as part of this year's reconciliation package, should limit or eliminate tax loopholes that disproportionately benefit the wealthiest individuals and the largest corporations in order to more equitably distribute the burden of deficit reduction;

(2) the Senate Finance Committee should give first priority to closing corporate loopholes;

(3) the Senate Finance Committee should also give priority to closing loopholes that disproportionately benefit Americans with incomes of $140,000 or more;

(4) in no event should taxes go up on those making less than $140,000; and

(5) in no event should the Senate Committee on Finance reduce deductions for home mortgage interest, charitable contributions, or State and local taxes; and

(6) in no event should the Senate Finance Committee raise income tax rates for individuals.

SEC. 302. RESTRUCTURING GOVERNMENT AND PROGRAM TERMINATIONS.

(a) FINDINGS.—The Senate finds that to balance the Federal budget in a rational and reasonable manner requires an assessment of national priorities and the appropriate role of the Federal Government in meeting the challenges facing the United States in the 21st century.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that to balance the budget the Congress should—

(1) restructure Federal programs to meet identified national priorities in the most effective and efficient manner so that program dollars get to the intended purpose or recipient;

(2) terminate programs that have largely met their goals, that have outlived their original purpose, or that have been superseded by other programs;

(3) seek to end significant duplication among Federal programs, which results in excessive administrative costs and ill serve the American people; and

(4) eliminate lower priority programs.

SEC. 303. NONPARTISAN ADVISORY COMMISSION ON THE CPI.

(a) FINDINGS.—The Congress finds that—

(1) Congress intended to insulate certain government beneficiaries and taxpayers from the effects of inflation by indexing payments and tax brackets to the Consumer Price Index (CPI);

(2) approximately 30 percent of total Federal outlays and 45 percent of Federal revenues are indexed to reflect changes in the CPI; and

(3) the overwhelming consensus among experts is that the method used to construct the CPI and the current calculation of the CPI both overstate the estimate of the true cost of living.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) a temporary advisory commission should be established to make objective and nonpartisan recommendations concerning the appropriateness and accuracy of the methodology and calculations that determine the CPI;

(2) the Commission should be appointed on a nonpartisan basis, and should be composed of experts in the fields of economics, statistics, or other related professions; and

(3) the Commission should report its recommendations to the Bureau of Labor Statistics and to Congress at the earliest possible date.

SEC. 304. SENSE OF THE CONGRESS ON A UNIFORM ACCOUNTING SYSTEM IN THE FEDERAL GOVERNMENT.

(a) FINDINGS.—The Congress finds the following:

(1) Much effort has been devoted to strengthening Federal internal accounting controls in the past. Although progress has been made in recent years, there still exists no uniform Federal accounting system for Federal Government entities and institutions.

(2) As a result, Federal financial management continues to be seriously deficient, and Federal financial management and fiscal practices have failed to identify costs, failed to reflect the total liabilities of congressional actions, and failed to accurately report the financial condition of the Federal Government.

(3) Current Federal accounting practices do not adequately report financial problems of the Federal Government or the full cost of programs and activities. The continued use of these practices undermines the Government's ability to provide credible and reliable financial data, encourages already widespread waste and inefficiency, and will not assist in achieving a balanced budget.

(4) Waste and inefficiency in Federal Government undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs.

(5) To rebuild the accountability and credibility of the Federal Government, and restore public confidence in the Federal Government, a uniform Federal accounting system, that fully meets the accounting standards and reporting objectives for the Federal Government, must be immediately established so that all assets and liabilities, revenues and expenditures or expenses, and the full cost of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout all government entities for control and management evaluation purposes.

(b) SENSE OF THE SENATE.—It is the sense of the Congress that—

(1) a uniform Federal accounting system should be established to consistently compile financial data across the Federal Government, and to make full disclosure of Federal financial data, including the full cost of Federal programs and activities, to the citizens, the Congress, the President, and agency management; and

(2) beginning with fiscal year 1997, the President should require the heads of agencies to—

(A) implement and maintain a uniform Federal accounting system; and

(B) provide financial statements;

in accordance with generally accepted accounting principles applied on a consistent basis and established in accordance with proposed Federal accounting standards and interpretations recommended by the Federal Accounting Standards Advisory Board and other applicable law.

SEC. 305. SENSE OF THE CONGRESS THAT 90 PERCENT OF THE BENEFITS OF ANY TAX CUTS MUST GO TO THE MIDDLE CLASS.

(a) FINDINGS.—The Congress finds that—

(1) the incomes of middle-class families have stagnated since the early 1980's, with family incomes growing more slowly between 1979 and 1989 than in any other business cycle since World War II; and

(2) according to the Department of the Treasury, in 1996, approximately 90 percent of American families will have incomes less than $100,000.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that if the 1996 Concurrent Budget Resolution includes any cut in taxes, approximately 90 percent of the benefits of these tax cuts must go to working families with incomes less than $100,000.

SEC. 306. BIPARTISAN COMMISSION ON HEALTH CARE REFORM, MEDICARE AND MEDICAID COSTS, ACCESS AND SOLVENCY.

(a) FINDINGS.—Congress finds that—

(1) the Health Insurance for the Aged Act, which created the medicare program, was enacted on July 30, 1965, and, therefore, the medicare program will celebrate its 30-year anniversary on July 30, 1995;

(2) on April 3, 1995, the Trustees of medicare submitted their 1995 Annual Report on the Status of the medicare program to the Congress;

(3) the Trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(4) the Trustees of medicare have concluded that "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range";

(5) the Public Trustees of medicare have concluded that "the Supplementary Medical Insurance Trust Fund shows a rate of growth of costs which is clearly unsustainable";

(6) the Trustees of medicare have recommended "legislation to reestablish the Quadrennial Advisory Council that will help lead to effective solutions to the problems of the program";

(7) the Bipartisan Commission on Entitlement and Tax Reform concluded that, absent long-term changes in medicare, projected medicare outlays will increase from about 4 percent of the payroll tax base today to over 15 percent of the payroll tax base by the year 2030;

(8) the Bipartisan Commission on Entitlement and Tax Reform recommended, by a vote of 30 to 1, that spending and revenues available for medicare must be brought into long-term balance;

(9) the Public Trustees of medicare have concluded that "We had hoped for several years that comprehensive health reform would include meaningful medicare reforms. However, with the results of the last Congress, it is now clear that medicare reform needs to be addressed urgently as a distinct legislative initiative"; and

(10) the Public Trustees of medicare "strongly recommend that the crisis presented by the financial condition of the medicare trust funds be urgently addressed on a comprehensive basis, including a review of the programs's financing methods, benefit provisions, and delivery mechanisms.".

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) a special bipartisan commission should be established immediately to make recommendations concerning the most appropriate response to the current health care crisis, and the recommendations should include ways to address medicare and medicaid costs, access and solvency issues and to reform our current health care system;

(2) the commission should report to Congress its recommendations on the appropriate response to the short-term solvency of medicare by July 10, 1995, in order that the committees of jurisdiction may consider those recommendations in fashioning an appropriate congressional response; and

(3) the commission should report its recommendations to respond to the Public Trustees' call to make medicare's financial condition sustainable over the long term to Congress by February 1, 1996.

SIMON (AND OTHERS) AMENDMENT NO. 1184

Mr. EXON (for Mr. SIMON, for himself, Mr. PELL, and Mr. KENNEDY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

Strike section 207 in its entirety.

HARKIN AMENDMENT NO. 1185

Mr. EXON (for Mr. HARKIN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 5, line 17, decrease the amount by $100.

On page 6, line 3, decrease the amount by $100.

On page 6, line 16, decrease the amount by $100.

On page 7, line 3, decrease the amount by $100.

On page 7, line 15, decrease the amount by $100.

On page 8, line 1, decrease the amount by $100.

On page 8, line 10, decrease the amount by $100.

On page 9, line 14, decrease the amount by $100.

On page 11, line 7, decrease the amount by $100.

On page 11, line 8, decrease the amount by $100.

On page 66, line 10, decrease the amount by $100.

On page 66, line 11, decrease the amount by $100.

CRAIG AMENDMENT NO. 1186

Mr. DOMENICI (for Mr. CRAIG) proposed an amendment to amendment No. 1185, proposed by Mr. HARKIN to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 5, line 17, decrease the amount by $0.

On page 6, line 3, decrease the amount by $0.

On page 6, line 16, decrease the amount by $0.

On page 7, line 3, decrease the amount by $0.

On page 7, line 15, decrease the amount by $0.

On page 8, line 1, decrease the amount by $0.

On page 9, line 14, decrease the amount by $0.

On page 11, line 7, decrease the amount by $0.

On page 11, line 8, decrease the amount by $0.

On page 66, line 10, decrease the amount by $0.

On page 66, line 11, decrease the amount by $0.

It is the sense of the Congress that the functional levels assume that the swine research be reduced by $100.00.

SIMON (AND BUMPERS) AMENDMENT NO. 1187

Mr. EXON (for Mr. SIMON, for himself and Mr. BUMPERS) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 65, strike lines 13 through 18 and insert "$477,820,000,000 in new budget authority and $526,943,000,000 in outlays;".

On page 65, strike lines 20 through 25 and insert "$466,192,000,000 in new budget authority and $506,943,000,000 in outlays;".

On page 66, strike lines 2 through 7 and insert "$479,568,000,000 in new budget authority and $499,961,000,000 in outlays;".

On page 66, strike lines 9 through 14 and insert "$477,485,000,000 in new budget authority and $502,571,000,000 in outlays;".

On page 66, strike lines 16 through 21 and insert "$492,177,000,000 in new budget authority and $511,761,000,000 in outlays;".

On page 66, strike beginning with line 23 through line 3, page 67, and insert "$496,098,000,000 in new budget authority and $517,258,000,000 in outlays;".

On page 67, strike lines 5 through 10 and insert "$495,498,000,000 in new budget authority and $518,160,000,000 in outlays;".

On page 67, line 22, strike "sum of the defense and nondefense".

KENNEDY AMENDMENT NO. 1188

Mr. EXON (for Mr. KENNEDY) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE SPENDING.

(a) FINDINGS.—Congress finds that—

(1) Medicare protection is as important as Social Security protection in guaranteeing retirement security and is truly a part of Social Security;

(2) senior citizens have contributed throughout their working lives to Medicare in the expectation of health insurance protection when they retire;

(3) because of gaps in Medicare coverage, senior citizens already spend more than one dollar in five of their limited incomes to purchase the health care that they need;

(4) low and moderate-income senior citizens will suffer most from Medicare cuts, since 83 percent of all Medicare spending is for older Americans with annual incomes below $25,000 and two-thirds is for those with annual incomes below $15,000;

(5) at the present time, Medicare only pays 68 percent of what the private sector pays for comparable physicians' services and 69 percent of what the private sector pays for comparable hospital care;

(6) piecemeal, budget-driven cuts in Medicare will only shift costs from the Federal budget to the family budgets of senior citizens and working Americans;

(7) deep cuts in Medicare could damage the quality of American medicine, by endangering hospitals and other health care institutions that depend on Medicare, including rural hospitals, inner-city hospitals, and academic health centers;

(8) deep cuts in Medicare will make essential health care less available to millions of uninsured Americans, by endangering the financial stability of hospitals providing such care; and

(9) cuts in Medicare benefits should not be used to pay for tax cuts for the wealthy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this concurrent resolution assume that reductions in projected medicare spending included in the reconciliation bill for fiscal year 1996 should not increase medical costs such as premiums, deductibles, and coinsurance or diminish access to health care for senior citizens, and further, that major reductions in projected Medicare spending should not be enacted by the Congress except in the context of a broad, bipartisan health reform plan that will not—

(1) increase costs or reduce access to care for senior citizens;

(2) shift costs to working Americans; or

(3) damage the quality of American medicine.

KENNEDY (AND OTHERS) AMENDMENT NO. 1189

Mr. EXON (for Mr. KENNEDY for himself, Mr. DODD, Mr. SIMON, and Mr. PELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 3, line 10, increase the amount by $5,100,000,000.

On page 3, line 11, increase the amount by $3,400,000,000.

On page 3, line 12, increase the amount by $3,600,000,000.

On page 3, line 13, increase the amount by $3,800,000,000.

On page 3, line 14, increase the amount by $4,000,000,000.

On page 3, line 15, increase the amount by $4,000,000,000.

On page 3, line 16, increase the amount by $4,100,000,000.

On page 3, line 20, increase the amount by $5,100,000,000.

On page 3, line 21, increase the amount by $3,400,000,000.

On page 3, line 22, increase the amount by $3,600,000,000.

On page 3, line 23, increase the amount by $3,800,000,000.

On page 3, line 24, increase the amount by $4,000,000,000.

On page 3, line 25, increase the amount by $4,000,000,000.

On page 4, line 1, increase the amount by $4,100,000,000.

On page 4, line 18, increase the amount by $5,100,000,000.

On page 4, line 19, increase the amount by $3,400,000,000.

On page 4, line 20, increase the amount by $3,600,000,000.

On page 4, line 21, increase the amount by $3,800,000,000.

On page 4, line 22, increase the amount by $4,000,000,000.

On page 4, line 23, increase the amount by $4,000,000,000.

On page 4, line 24, increase the amount by $4,100,000,000.

On page 5, line 4, increase the amount by $5,100,000,000.

On page 5, line 5, increase the amount by $3,400,000,000.

On page 5, line 6, increase the amount by $3,600,000,000.

On page 5, line 7, increase the amount by $3,800,000,000.

On page 5, line 8, increase the amount by $4,000,000,000.

On page 5, line 9, increase the amount by $4,000,000,000.

On page 5, line 10, increase the amount by $4,100,000,000.

On page 5, line 17, increase the amount by $28,300,000,000.

On page 5, line 18, increase the amount by $3,800,000,000.

On page 5, line 19, increase the amount by $3,600,000,000.

On page 5, line 20, increase the amount by $3,800,000,000.

On page 5, line 21, increase the amount by $4,000,000,000.

On page 5, line 22, increase the amount by $4,000,000,000.

On page 5, line 23, increase the amount by $4,100,000,000.

On page 6, line 16, increase the amount by $5,100,000,000.

On page 6, line 17, increase the amount by $3,400,000,000.

On page 6, line 18, increase the amount by $3,600,000,000.

On page 6, line 19, increase the amount by $3,800,000,000.

On page 6, line 20, increase the amount by $4,000,000,000.

On page 6, line 21, increase the amount by $4,000,000,000.

On page 6, line 22, increase the amount by $4,100,000,000.

On page 31, line 12, increase the amount by $28,300,000,000.

On page 31, line 20, increase the amount by $3,800,000,000.

On page 32, line 3, increase the amount by $3,600,000,000.

On page 32, line 11, increase the amount by $3,800,000,000.

On page 32, line 19, increase the amount by $4,000,000,000.

On page 33, line 2, increase the amount by $4,000,000,000.

On page 33, line 10, increase the amount by $4,100,000,000.

On page 31, line 13, increase the amount by $5,100,000,000.

On page 31, line 21, increase the amount by $3,400,000,000.

On page 32, line 4, increase the amount by $3,600,000,000.

On page 32, line 12, increase the amount by $3,800,000,000.

On page 32, line 20, increase the amount by $4,000,000,000.

On page 33, line 3, increase the amount by $4,000,000,000.

On page 33, line 11, increase the amount by $4,100,000,000.

On page 64, line 9, decrease the amount by $1,100,000,000.

On page 64, line 10, decrease the amount by $4,600,000,000.

On page 64, line 11, decrease the amount by $6,000,000,000.

On page 65, line 17, increase the amount by $26,700,000,000.

On page 65, line 18, increase the amount by $4,00,000,000.

On page 65, line 24, increase the amount by $3,400,000,000.

On page 65, line 25, increase the amount by $3,000,000,000.

On page 66, line 6, increase the amount by $3,000,000,000.

On page 66, line 7, increase the amount by $3,000,000,000.

On page 66, line 13, increase the amount by $3,000,000,000.

On page 66, line 14, increase the amount by $3,000,000,000.

On page 66, line 20, increase the amount by $3,000,000,000.

On page 66, line 21, increase the amount by $3,000,000,000.

On page 67, line 2, increase the amount by $3,000,000,000.

On page 67, line 3, increase the amount by $3,000,000,000.

On page 67, line 9, increase the amount by $3,000,000,000.

On page 67, line 10, increase the amount by $3,000,000,000.

KENNEDY (AND PELL) AMENDMENT NO. 1190

Mr. EXON (for Mr. KENNEDY for himself and Mr. PELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 3, line 10, increase the amount by $13,049,296.

On page 3, line 11, increase the amount by $137,045,490.

On page 3, line 12, increase the amount by $503,890,941.

On page 3, line 13, increase the amount by $902,889,932.

On page 3, line 14, increase the amount by $1,300,174,427.

On page 3, line 15, increase the amount by $1,729,683,671.

On page 3, line 16, increase the amount by $2,183,925,995.

On page 3, line 20, increase the amount by $13,049,296.

On page 3, line 21, increase the amount by $137,045,490.

On page 3, line 22, increase the amount by $503,890,941.

On page 3, line 23, increase the amount by $902,889,932.

On page 3, line 24, increase the amount by $1,300,174,427.

On page 3, line 25, increase the amount by $1,729,683,671.

On page 4, line 1, increase the amount by $2,183,925,995.

On page 4, line 18, increase the amount by $13,049,296.

On page 4, line 19, increase the amount by $137,045,490.

On page 4, line 20, increase the amount by $503,890,941.

On page 4, line 21, increase the amount by $902,889,932.

On page 4, line 22, increase the amount by $1,300,174,427.

On page 4, line 23, increase the amount by $1,729,683,671.

On page 4, line 24, increase the amount by $2,183,925,995.

On page 5, line 4, increase the amount by $13,049,296.

On page 5, line 5, increase the amount by $137,045,490.

On page 5, line 6, increase the amount by $503,890,941.

On page 5, line 7, increase the amount by $902,889,932.

On page 5, line 8, increase the amount by $1,300,174,427.

On page 5 line 9, increase the amount by $1,729,683,671.

On page 5, line 10, increase the amount by $2,183,925,995.

On page 5, line 17, increase the amount by $65,246,479.

On page 5, line 18, increase the amount by $430,766,179.

On page 5, line 19, increase the amount by $832,941,958.

On page 5, line 20, increase the amount by $1,222,899,409.

On page 5, line 21, increase the amount by $1,648,270,247.

On page 5, line 22, increase the amount by $2,097,874,450.

On page 5, line 23, increase the amount by $2,573,092,594.

On page 6, line 16, increase the amount by $13,049,296.

On page 6, line 17, increase the amount by $137,045,490.

On page 6, line 18, increase the amount by $503,890,941.

On page 6, line 19, increase the amount by $902,889,932.

On page 6, line 20, increase the amount by $1,300,174,427.

On page 6, line 21, increase the amount by $1,729,683,671.

On page 6, line 22, increase the amount by $2,183,925,995.

On page 31, line 12, increase the amount by $65,246,479.

On page 31, line 13, increase the amount by $13,049,296.

On page 31, line 20, increase the amount by $430,766,179.

On page 31, line 21, increase the amount by $137,045,490.

On page 32, line 3, increase the amount by $832,941,958.

On page 32, line 4, increase the amount by $503,890,941.

On page 32, line 11, increase the amount by $1,222,899,409.

On page 32, line 12, increase the amount by $920,889,932.

On page 32, line 19, increase the amount by $1,648,270,247.

On page 32, line 20, increase the amount by $1,300,174,427.

On page 33, line 2, increase the amount by $2,097,874,450.

On page 33, line 3, increase the amount by $1,729,683,671.

On page 33, line 10, increase the amount by $2,573,092,594.

On page 33, line 11, increase the amount by $2,183,925,995.

On page 65, line 17, increase the amount by $65,246,479.

On page 65, line 18, increase the amount by $13,049,296.

On page 65, line 24, increase the amount by $430,766,179.

On page 65, line 25, increase the amount by $137,045,490.

On page 66, line 6, increase the amount by $832,941,958.

On page 66, line 7, increase the amount by $503,890,941.

On page 66, line 13, increase the amount by $1,222,899,409.

On page 66, line 14, increase the amount by $902,889,932.

On page 66, line 20, increase the amount by $1,648,270,247.

On page 66, line 21, increase the amount by $1,300,174,427.

On page 67, line 2, increase the amount by $2,097,874,450.

On page 67, line 3, increase the amount by $1,729,683,671.

On page 67, line 9, increase the amount by $2,573,092,594.

On page 67, line 10, increase the amount by $2,183,925,995.

BINGAMAN (AND OTHERS) AMENDMENT NO. 1191

Mr. EXON (for Mr. BINGAMAN, for himself, Mr. JEFFORDS, Mrs. MURRAY, Mr. HARKIN, and Mr. LEAHY) proposed an amendment to Senate Concurrent Resolution 13, supra; as follows:

At the end of title III, add the following:

SEC. . SENSE OF THE SENATE REGARDING THE PRIORITY THAT SHOULD BE GIVEN TO RENEWABLE ENERGY AND ENERGY EFFICIENCY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.

(a) FINDINGS.—Congress finds that—

(1) section 1202 of the Energy Policy Act of 1992 (106 Stat. 2956), which passed the Senate 93 to 3 and was signed into law by President Bush in 1992, amended section 6 of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (42 U.S.C. 12005) to direct the Secretary of Energy to conduct a 5-year program to commercialize renewable energy and energy efficiency technologies;

(2) poll after poll shows that the American people overwhelmingly believe that renewable energy and energy efficiency technologies should be the highest priority of Federal research, development, and demonstration activities;

(3) renewable technologies (such as wind, photovoltaic, solar thermal, geothermal, and biomass technology) have made significant progress toward increased reliability and decreased cost;

(4) energy efficient technologies in the building, industrial, transportation, and utility sectors have saved more than 3 trillion dollars for industries, consumers, and the Federal Government over the past 20 years while creating jobs, improving the competitiveness of the economy, making housing more affordable, and reducing the emissions of environmentally damaging pollutants;

(5) the renewable energy and energy efficiency technology programs feature private sector cost shares that are among the highest of Federal energy research and development programs;

(6) according to the Energy Information Administration, the United States currently imports more than 50 percent of its oil, representing $46,000,000,000, or approximately 40 percent, of the $116,000,000,000 total United States merchandise deficit in 1993; and

(7) renewable energy and energy efficiency technologies represent potential inroads for American companies into export markets for energy products and services estimated at least $225,000,000,000 over the next 25 years.

(b) SENSE OF SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumption that renewable energy and energy efficiency technology research, development, and demonstration activities should be given priority among the Federal energy research programs.

BRADLEY (AND DASCHLE) AMENDMENT NO. 1192

Mr. EXON (for Mr. BRADLEY, for himself and Mr. DASCHLE) proposed an amendment to Senate Concurrent Resolution 13, supra; as follows:

On page 79, between lines 3 and 4, insert the following:

SEC. . IDENTIFICATION AND CONTROL OF TAX EXPENDITURES.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on such a resolution) that does not include—

(1) appropriate levels for the budget year and planning levels for each of the 6 fiscal years following the budget year for the total amount, if any, tax expenditures should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and

(2) tax expenditures for each major functional category, based on the allocations of the total levels set forth in the resolution.

(b) CBO.—The Director of the Congressional Budget Office shall include alternatives for allocating tax expenditures in accordance with national priorities as required by section 202(f)(1) of the Congressional Budget Act of 1974.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

BRADLEY AMENDMENTS NOS. 1193–1194

Mr. EXON (for Mr. BRADLEY) proposed two amendments to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

AMENDMENT NO. 1193

At the end of title III, add the following new section:

SEC. . SENSE OF THE SENATE REGARDING OFFSETTING NIH AND MEDICARE CUTS WITH TOBACCO TAX REVENUES.

(a) TOBACCO TAX.—It is the sense of the Senate that the Senate Committee on Finance, in meeting the committee's revenue instruction under section 6, will increase the Federal tax on cigarettes by $1.00 a pack, tax smokeless tobacco products at the same rate as cigarettes, and increase the tax on all other tobacco products by a factor of 5.1667 and that the resulting revenues will be allocated as provided in subsection (b).

(b) USE OF REVENUES.—The revenues resulting from the taxes provided in subsection (a) shall be allocated as follows:

(1) 90 percent of the revenues ($75,900,000,000) to offset medicare cuts, reducing the total amounts of cuts by 30 percent.

(2) 9.4 percent of the revenues ($7,900,000,000) to offset the entire reduction to the NIH budget.

(3) 0.6 percent of the revenues, $530,000,000 to assist tobacco farmers and communities in converting to new crops.

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues $12.5 billion in fiscal year 1996, $61.8 billion for the period of fiscal years 1996 through 2000, and $84.3 billion for the period of fiscal years 1996 through 2002.".

Ocal years 1996 through 2002.".

On page 3, line 10, increase the amount by $12.5 billion.

On page 3, line 11, increase the amount by $12.8 billion.

On page 3, line 12, increase the amount by $12.5 billion.

On page 3, line 13, increase the amount by $12.2 billion.

On page 3, line 14, increase the amount by $11.8 billion.

On page 3, line 15, increase the amount by $11.4 billion.

On page 3, line I21On page 3, line 20, increase the amount by $12.5 billion.

On page 3, line 21, increase the amount by $12.8 billion.

On page 3, line 22, increase the amount by $12.5 billion.

On page 3, line 23, increase the amount by $12.2 billion.

On page 3, line 24, increase the amount by $11.8 billion.

On page 3, line 25, increase the amount by $11.4 billion.

On page 3, line 26, increase the amount by $11.1 billion.

On page 4, line 18, increase the amount by $12.5 billion.

On page 4, line 19, increase the amount by $12.8 billion.

On page 4, line 20, increase the amount by $12.5 billion.

On page 4, line 21, increase the amount by $12.2 billion.

On page 4, line 22, increase the amount by $11.8 billion.

On page 4, line 23, increase the amount by $11.4 billion.

On page 4, line 24, increase the amount by $11.1 billion.

On page 5, line 4, increase the amount by $12.5 billion.

On page 5, line 5, increase the amount by $12.8 billion.

On page 5, line 6, increase the amount by $12.5 billion.

On page 5, line 7, increase the amount by $12.2 billion.

On page 5, line 8, increase the amount by $11.8 billion.

On page 5, line 9, increase the amount by $11.4 billion.

On page 5, line 10, increase the amount by $11.1 billion.

On page 5, line 17, increase the amount by $12.5 billion.

On page 5, line 18, increase the amount by $12.8 billion.

On page 5, line 19, increase the amount by $12.5 billion.

On page 5, line 20, increase the amount by $12.2 billion.

On page 5, line 21, increase the amount by $11.8 billion.

On page 5, line 22, increase the amount by $11.4 billion.

On page 5, line 23, increase the amount by $11.1 billion.

On page 6, line 3, increase the amount by $12.5 billion.

On page 6, line 4, increase the amount by $12.8 billion.

On page 6, line 5, increase the amount by $12.5 billion.

On page 6, line 6, increase the amount by $12.2 billion.

On page 6, line 7, increase the amount by $11.8 billion.

On page 6, line 8, increase the amount by $11.4 billion.

On page 6, line 9, increase the amount by $11.1 billion.

On page 6, line 16, increase the amount by $12.5 billion.

On page 6, line 17, increase the amount by $12.8 billion.

On page 6, line 18, increase the amount by $12.5 billion.

On page 6, line 19, increase the amount by $12.2 billion.

On page 6, line 20, increase the amount by $11.8 billion.

On page 6, line 21, increase the amount by $11.4 billion.

On page 6, line 22, increase the amount by $11.1 billion.

On page 7, line 3, increase the amount by $12.5 billion.

On page 7, line 4, increase the amount by $12.8 billion.

On page 7, line 5, increase the amount by $12.5 billion.

On page 7, line 6, increase the amount by $12.2 billion.

On page 7, line 7, increase the amount by $11.8 billion.

On page 7, line 8, increase the amount by $11.4 billion.

On page 7, line 9, increase the amount by $11.1 billion.

On page 22, line 8, increase the amount by $0.08 billion.

On page 22, line 9, increase the amount by $0.08 billion.

On page 22, line 16, increase the amount by $0.08 billion.

On page 22, line 17, increase the amount by $0.08 billion.

On page 22, line 24, increase the amount by $0.08 billion.

On page 22, line 25, increase the amount by $0.08 billion.

On page 23, line 7, increase the amount by $0.08 billion.

On page 23, line 8, increase the amount by $0.08 billion.

On page 23, line 15, increase the amount by $0.08 billion.

On page 23, line 16, increase the amount by $0.08 billion.

On page 23, line 23, increase the amount by $0.08 billion.

On page 23, line 24, increase the amount by $0.08 billion.

On page 24, line 7, increase the amount by $0.08 billion.

On page 24, line 8, increase the amount by $0.08 billion.

On page 33, line 19, increase the amount by $1.13 billion.

On page 33, line 20, increase the amount by $1.13 billion.

On page 34, line 2, increase the amount by $1.13 billion.

On page 34, line 3, increase the amount by $1.13 billion.

On page 34, line 9, increase the amount by $1.13 billion.

On page 34, line 10, increase the amount by $1.13 billion.

On page 34, line 16, increase the amount by $1.13 billion.

On page 34, line 17, increase the amount by $1.13 billion.

On page 34, line 23, increase the amount by $1.13 billion.

On page 34, line 24, increase the amount by $1.13 billion.

On page 35, line 5, increase the amount by $1.13 billion.

On page 35, line 6, increase the amount by $1.13 billion.

On page 35, line 12, increase the amount by $1.13 billion.

On page 35, line 13, increase the amount by $1.13 billion.

On page 35, line 20, increase the amount by $11.3 billion.

On page 35, line 21, increase the amount by $11.3 billion.

On page 36, line 2, increase the amount by $11.6 billion.

On page 36, line 3, increase the amount by $11.6 billion.

On page 36, line 9, increase the amount by $11.3 billion.

On page 36, line 10, increase the amount by $11.3 billion.

On page 36, line 16, increase the amount by $11.0 billion.

On page 36, line 17, increase the amount by $11.0 billion.

On page 36, line 23, increase the amount by $10.6 billion.

On page 36, line 24, increase the amount by $10.6 billion.

On page 37, line 5, increase the amount by $10.2 billion.

On page 37, line 6, increase the amount by $10.2 billion.

On page 37, line 12, increase the amount by $9.9 billion.

On page 37, line 13, increase the amount by $9.9 billion.

On page 65, line 17, increase the amount by $1.2 billion.

On page 65, line 18, increase the amount by $1.2 billion.

On page 65, line 24, increase the amount by $1.2 billion.

On page 65, line 25, increase the amount by $1.2 billion.

On page 66, line 6, increase the amount by $1.2 billion.

On page 66, line 7, increase the amount by $1.2 billion.

On page 66, line 13, increase the amount by $1.2 billion.

On page 66, line 14, increase the amount by $1.2 billion.

On page 66, line 20, increase the amount by $1.2 billion.

On page 66, line 21, increase the amount by $1.2 billion.

On page 67, line 2, increase the amount by $1.2 billion.

On page 67, line 3, increase the amount by $1.2 billion.

On page 67, line 9, increase the amount by $1.2 billion.

On page 67, line 10, increase the amount by $1.2 billion.

AMENDMENT NO. 1194

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX RATES AND TAX LOOPHOLES.

(a) FINDINGS.—The Senate finds that—

(1) lower tax rates lead to increased economic activity and increased economic opportunity;

(2) lower tax rates lead to a more efficient economy, with less tax avoidance and investment patterns that rely on competitive market returns and not advantages produced by tax law;

(3) the tax code still retains billions of dollars worth of special tax breaks which are available to only limited groups of taxpayers and investors;

(4) federal policy should encourage the development of fully competitive markets and not create unique advantages for individual investors, companies or industries.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Congress should, to the maximum extent practible, remove tax loopholes;

(2) the Congress should use the savings from the closing of special interest tax loopholes to reduce tax rates broadly for all classes of taxpayers.

WELLSTONE AMENDMENT NO. 1195

Mr. EXON (for Mr. WELLSTONE) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

On page 64, line 24, decrease the amount by $74,000,000.

On page 63, line 7, strike the period and insert the following: ". The Senate Committee on Finance shall report changes in laws within its jurisdiction to increase revenues by $74,000,000 in fiscal year 1996."

At the end of title III, insert the following:

SEC. . SENSE OF THE SENATE REGARDING TAX EXPENDITURES.

It is the sense of the Senate that the Committee on Finance, in meeting its reconciliation instructions for revenue, will limit or eliminate excessive and unnecessary tax expenditures, including those tax expenditures which provide special tax treatment to a single taxpayer or to a group of taxpayers.

SEC. . SENSE OF THE SENATE REGARDING THE DELIVERY OF VETERANS' SERVICES.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution relating to Veterans' programs include the assumption that the delivery of Veterans' Services will continue to be improved, including further progress in the timely delivery of such services.

BRADLEY (AND BIDEN) AMENDMENT NO. 1196

Mr. EXON (for Mr. BRADLEY for himself and Mr. BIDEN) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1996.

TITLE I—LEVELS AND AMOUNTS

Sec. 2. Recommended levels and amounts.
Sec. 3. Debt increase.
Sec. 4. Social Security.
Sec. 5. Major functional categories.
Sec. 6. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.

Sec. 202. Extension of pay-as-you-go point of order.
Sec. 203. Budget surplus allowance.
Sec. 204. Scoring of emergency legislation.
Sec. 205. Sale of Government assets.
Sec. 206. Extension of Budget Act 60-vote enforcement through 2002.
Sec. 207. Exercise of rulemaking powers.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

Sec. 301. Restructuring Government and program terminations.
Sec. 302. Sense of the Senate regarding returning programs to the States.
Sec. 303. Commercialization of Federal activities.
Sec. 304. Nonpartisan Advisory Commission on the CPI.
Sec. 305. Sense of the Congress on a uniform accounting system in the Federal Government.
Sec. 306. Sense of the Congress that 90 percent of the benefits of any tax cuts must go to the middle class.
Sec. 307. Bipartisan Commission on the Solvency of Medicare.

TITLE I—LEVELS AND AMOUNTS

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—(A) For purposes of the enforcement of this resolution—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,058,000,000,000.
Fiscal year 1997: $1,107,200,000,000.
Fiscal year 1998: $1,164,100,000,000.
Fiscal year 1999: $1,226,600,000,000.
Fiscal year 2000: $1,294,800,000,000.
Fiscal year 2001: $1,371,600,000,000.
Fiscal year 2002: $1,453,400,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1996: $15,000,000,000.
Fiscal year 1997: $23,700,000,000.
Fiscal year 1998: $29,100,000,000.
Fiscal year 1999: $39,100,000,000.
Fiscal year 2000: $48,600,000,000.
Fiscal year 2001: $57,400,000,000.
Fiscal year 2002: $68,400,000,000.

(iii) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.
Fiscal year 2001: $133,600,000,000.
Fiscal year 2002: $140,400,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund)—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $961,100,000,000.
Fiscal year 1997: $1,013,500,000,000.
Fiscal year 1998: $1,070,200,000,000.
Fiscal year 1999: $1,137,200,000,000.
Fiscal year 2000: $1,209,100,000,000.
Fiscal year 2001: $1,288,500,000,000.
Fiscal year 2002: $1,374,800,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1996: $15,005,000,000.
Fiscal year 1997: $23,699,000,000.
Fiscal year 1998: $29,107,000,000.
Fiscal year 1999: $39,102,000,000.
Fiscal year 2000: $48,601,000,000.
Fiscal year 2001: $57,411,000,000.
Fiscal year 2002: $68,394,000,000.

(2) NEW BUDGET AUTHORITY.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,287,300,000,000.
Fiscal year 1997: $1,324,400,000,000.
Fiscal year 1998: $1,378,500,000,000.
Fiscal year 1999: $1,425,800,000,000.
Fiscal year 2000: $1,487,000,000,000.
Fiscal year 2001: $1,517,400,000,000.
Fiscal year 2002: $1,565,300,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,190,000,000,000.
Fiscal year 1997: $1,223,900,000,000.
Fiscal year 1998: $1,272,100,000,000.
Fiscal year 1999: $1,312,400,000,000.
Fiscal year 2000: $1,366,600,000,000.
Fiscal year 2001: $1,387,800,000,000.
Fiscal year 2002: $1,425,100,000,000.

(3) BUDGET OUTLAYS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,282,700,000,000.
Fiscal year 1997: $1,317,200,000,000.
Fiscal year 1998: $1,352,900,000,000.
Fiscal year 1999: $1,406,800,000,000.
Fiscal year 2000: $1,465,600,000,000.
Fiscal year 2001: $1,499,600,000,000.
Fiscal year 2002: $1,547,100,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,187,100,000,000.
Fiscal year 1997: $1,217,700,000,000.
Fiscal year 1998: $1,247,500,000,000.
Fiscal year 1999: $1,295,200,000,000.
Fiscal year 2000: $1,346,200,000,000.
Fiscal year 2001: $1,369,100,000,000.
Fiscal year 2002: $1,408,100,000,000.

(4) DEFICITS.—(A) For purposes of comparison with the maximum deficit amount under sections 601(a)(1) and 606 of the Congressional Budget Act of 1974 and for purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1996: $237,100,000,000.
Fiscal year 1997: $224,500,000,000.
Fiscal year 1998: $203,100,000,000.
Fiscal year 1999: $194,200,000,000.
Fiscal year 2000: $185,100,000,000.
Fiscal year 2001: $139,800,000,000.
Fiscal year 2002: $107,700,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the deficits are as follows:

Fiscal year 1996: $245,300,000,000.
Fiscal year 1997: $234,000,000,000.
Fiscal year 1998: $212,600,000,000.
Fiscal year 1999: $203,300,000,000.
Fiscal year 2000: $192,600,000,000.
Fiscal year 2001: $144,900,000,000.
Fiscal year 2002: $109,100,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,206,328,000,000.
Fiscal year 1997: $5,500,272,000,000.
Fiscal year 1998: $5,771,718,000,000.
Fiscal year 1999: $6,032,491,000,000.
Fiscal year 2000: $6,281,682,000,000.
Fiscal year 2001: $6,487,560,000,000.
Fiscal year 2002: $6,659,567,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1996: $37,600,000,000.
Fiscal year 1997: $40,200,000,000.
Fiscal year 1998: $42,300,000,000.
Fiscal year 1999: $45,700,000,000.
Fiscal year 2000: $45,800,000,000.
Fiscal year 2001: $45,800,000,000.
Fiscal year 2002: $46,100,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1996: $193,400,000,000.
Fiscal year 1997: $187,900,000,000.
Fiscal year 1998: $185,300,000,000.
Fiscal year 1999: $183,300,000,000.
Fiscal year 2000: $184,700,000,000.
Fiscal year 2001: $186,100,000,000.
Fiscal year 2002: $187,600,000,000.

SEC. 3. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1996: $303,328,000,000.
Fiscal year 1997: $293,943,000,000.
Fiscal year 1998: $271,446,000,000.
Fiscal year 1999: $260,774,000,000.
Fiscal year 2000: $249,191,000,000.
Fiscal year 2001: $205,878,000,000.
Fiscal year 2002: $172,007,000,000.

SEC. 4. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $347,700,000,000.
Fiscal year 1997: $392,000,000,000.
Fiscal year 1998: $411,400,000,000.
Fiscal year 1999: $430,900,000,000.
Fiscal year 2000: $452,000,000,000.
Fiscal year 2001: $475,200,000,000.
Fiscal year 2002: $498,600,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $299,400,000,000.
Fiscal year 1997: $310,900,000,000.
Fiscal year 1998: $324,600,000,000.
Fiscal year 1999: $338,500,000,000.
Fiscal year 2000: $353,100,000,000.
Fiscal year 2001: $368,100,000,000.
Fiscal year 2002: $383,800,000,000.

SEC. 5. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1996 through 2000 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, $253,500,000,000.

(B) Outlays, $256,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1997:

(A) New budget authority, $249,100,000,000.

(B) Outlays, $252,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1998:

(A) New budget authority, $255,300,000,000.

(B) Outlays, $250,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1999:

(A) New budget authority, $261,900,000,000.

(B) Outlays, $255,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2000:

(A) New budget authority, $271,700,000,000.

(B) Outlays, $263,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2001:

(A) New budget authority, $271,600,000,000.

(B) Outlays, $263,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2002:

(A) New budget authority, $271,600,000,000.

(B) Outlays, $264,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1997:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1998:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $14,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1999:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2000:

(A) New budget authority, $14,100,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2001:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2002:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $2,900,000,000.

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,000,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,300,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $22,000,000,000.

(B) Outlays, $21,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $21,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $20,100,000,000.

(B) Outlays, $20,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $21,700,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $21,100,000,000.

(B) Outlays, $21,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $19,700,000,000.

(B) Outlays, $19,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $20,500,000,000.

(B) Outlays, $20,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $10,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1997:

(A) New budget authority, $10,200,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1998:

(A) New budget authority, $9,800,000,000.

(B) Outlays, $8,600,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1999:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $8,400,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2000:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $7,600,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2001:

(A) New budget authority, $7,500,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2002:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $6,100,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $2,900,000,000.

(B) Outlays, $-7,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1997:

(A) New budget authority, $2,400,000,000.

(B) Outlays, $-4,700,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1998:

(A) New budget authority, $2,000,000,000.

(B) Outlays, $-5,700,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1999:

(A) New budget authority, $1,800,000,000.

(B) Outlays, $-3,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2000:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $-2,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2001:

(A) New budget authority, $1,800,000,000.

(B) Outlays, $-2,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2002:

(A) New budget authority, $1,800,000,000.

(B) Outlays, $-1,800,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $36,800,000,000.

(B) Outlays, $38,200,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $43,400,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $44,300,000,000.

(B) Outlays, $38,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $45,600,000,000.

(B) Outlays, $39,200,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $46,800,000,000.

(B) Outlays, $39,700,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $46,700,000,000.

(B) Outlays, $40,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $46,700,000,000.

(B) Outlays, $40,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $10,000,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1997:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $8,600,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1998:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1999:

(A) New budget authority, $8,700,000,000.

(B) Outlays, $8,200,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2000:

(A) New budget authority, $8,600,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2001:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $8,400,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2002:

(A) New budget authority, $8,000,000,000.

(B) Outlays, $8,400,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $55,100,000,000.

(B) Outlays, $54,800,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

Fiscal year 1997:

(A) New budget authority, $55,500,000,000.

(B) Outlays, $54,900,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

Fiscal year 1998:

(A) New budget authority, $56,500,000,000.

(B) Outlays, $55,400,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

Fiscal year 1999:

(A) New budget authority, $57,600,000,000.

(B) Outlays, $56,400,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

Fiscal year 2000:

(A) New budget authority, $59,000,000,000.

(B) Outlays, $57,800,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

Fiscal year 2001:

(A) New budget authority, $59,100,000,000.

(B) Outlays, $57,800,000,000.

(C) New direct loan obligations, $22,000,000,000.

(D) New primary loan guarantee commitments, $15,800,000,000.

Fiscal year 2002:

(A) New budget authority, $59,900,000,000.

(B) Outlays, $58,500,000,000.

(C) New direct loan obligations, $22,200,000,000.

(D) New primary loan guarantee commitments, $16,600,000,000.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $123,100,000,000.

(B) Outlays, $122,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1997:

(A) New budget authority, $130,100,000,000.

(B) Outlays, $130,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1998:

(A) New budget authority, $136,900,000,000.

(B) Outlays, $137,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1999:

(A) New budget authority, $143,500,000,000.

(B) Outlays, $143,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2000:

(A) New budget authority, $149,500,000,000.

(B) Outlays, $149,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2001:

(A) New budget authority, $155,100,000,000.

(B) Outlays, $154,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2002:

(A) New budget authority, $161,800,000,000.

(B) Outlays, $161,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $177,200,000,000.

(B) Outlays, $174,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $190,500,000,000.

(B) Outlays, $188,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $205,800,000,000.

(B) Outlays, $204,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $222,700,000,000.

(B) Outlays, $220,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $239,400,000,000.

(B) Outlays, $237,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $258,200,000,000.

(B) Outlays, $256,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $278,700,000,000.

(B) Outlays, $276,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(13) For purposes of section 710 of the Social Security Act, Federal Supplementary Medical Insurance Trust Fund:

Fiscal year 1996:

(A) New budget authority, $66,500,000,000.

(B) Outlays, $65,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $76,500,000,000.

(B) Outlays, $75,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $86,400,000,000.

(B) Outlays, $85,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $97,200,000,000.

(B) Outlays, $96,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $108,300,000,000.

(B) Outlays, $107,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $119,700,000,000.

(B) Outlays, $118,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $132,100,000,000.

(B) Outlays, $131,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(14) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $229,300,000,000.

(B) Outlays, $228,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1997:

(A) New budget authority, $239,700,000,000.

(B) Outlays, $241,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 1998:

(A) New budget authority, $260,000,000,000.

(B) Outlays, $253,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,00,000,000.

Fiscal year 1999:

(A) New budget authority, $264,200,000,000.

(B) Outlays, $266,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2000:

(A) New budget authority, $282,200,000,000.

(B) Outlays, $282,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2001:

(A) New budget authority, $287,300,000,000.

(B) Outlays, $287,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

Fiscal year 2002:

(A) New budget authority, $302,100,000,000.

(B) Outlays, $301,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,000,000,000.

(15) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $10,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $11,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(16) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $38,000,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

Fiscal year 1997:

(A) New budget authority, $38,300,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

Fiscal year 1998:

(A) New budget authority, $38,800,000,000.

(B) Outlays, $39,100,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

Fiscal year 1999:

(A) New budget authority, $39,600,000,000.

(B) Outlays, $39,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

Fiscal year 2000:

(A) New budget authority, $40,100,000,000.

(B) Outlays, $41,500,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

Fiscal year 2001:

(A) New budget authority, $40,400,000,000.

(B) Outlays, $42,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,900,000,000.

Fiscal year 2002:

(A) New budget authority, $41,000,000,000.

(B) Outlays, $42,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $20,600,000,000.

(17) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $20,000,000,000.

(B) Outlays, $19,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $22,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $23,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $23,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) General Government (800):

Fiscal year 1996:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $298,100,000,000.

(B) Outlays, $298,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $309,700,000,000.

(B) Outlays, $309,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $318,300,000,000.

(B) Outlays, $318,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $330,500,000,000.

(B) Outlays, $330,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $342,100,000,000.

(B) Outlays, $342,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $349,400,000,000.

(B) Outlays, $349,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $357,100,000,000.

(B) Outlays, $357,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(20) For purposes of section 710 of the Social Security Act, Net Interest (900):

Fiscal year 1996:

(A) New budget authority, $309,000,000,000.

(B) Outlays, $309,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $320,600,000,000.

(B) Outlays, $320,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $328,600,000,000.

(B) Outlays, $328,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $339,800,000,000.

(B) Outlays, $339,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $349,800,000,000.

(B) Outlays, $349,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $355,100,000,000.

(B) Outlays, $355,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $360,200,000,000.

(B) Outlays, $360,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(21) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1996: $369,764,000,000.
Fiscal year 1997: $380,949,000,000.
Fiscal year 1998: $389,893,000,000.
Fiscal year 1999: $402,921,000,000.
Fiscal year 2000: $414,948,000,000.
Fiscal year 2001: $425,550,000,000.
Fiscal year 2002: $434,548,000,000.

(22) Allowances (920):

Fiscal year 1996:

(A) New budget authority, −$8,600,000,000.

(B) Outlays, −$6,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$8,500,000,000.

(B) Outlays, −$8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$7,300,000,000.

(B) Outlays, −$7,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$6,800,000,000.

(B) Outlays, −$7,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$5,700,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$5,700,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$5,700,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(23) Undistributed Offsetting Receipts (950):

Fiscal year 1996:

(A) New budget authority, −$33,100,000,000.

(B) Outlays, −$33,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$33,800,000,000.

(B) Outlays, −$33,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$36,300,000,000.

(B) Outlays, −$36,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$37,700,000,000.

(B) Outlays, −$37,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, −$39,700,000,000.

(B) Outlays, −$39,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, −$41,100,000,000.

(B) Outlays, −$41,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, −$42,300,000,000.

(B) Outlays, −$42,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(24) For purposes of section 710 of the Social Security Act, Undistributed Offsetting Receipts (950):

Fiscal year 1996:
(A) New budget authority, −$30,600,000,000.
(B) Outlays, −$30,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:
(A) New budget authority, −$31,200,000,000.
(B) Outlays, −$31,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, −$33,600,000,000.
(B) Outlays, −$33,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, −$34,900,000,000.
(B) Outlays, −$34,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, −$36,700,000,000.
(B) Outlays, −$36,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, −$37,900,000,000.
(B) Outlays, −$37,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, −$39,000,000,000.
(B) Outlays, −$39,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SEC. 6. RECONCILIATION.

(a) SENATE COMMITTEES.—Not later than July 14, 1995, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $2,490,000,000 in fiscal year 1996, $27,973,000,000 for the period of fiscal years 1996 through 2000, and $45,804,000,000 for the period of fiscal years 1996 through 2002.

(2) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $4,221,000,000 in fiscal year 1996, $21,738,000,000 for the period of fiscal years 1996 through 2000, and $30,649,000,000 for the period of fiscal years 1996 through 2002.

(3) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction to reduce the deficit $373,000,000 in fiscal year 1996, $5,742,000,000 for the period of fiscal years 1996 through 2000, and $6,690,000,000 for the period of fiscal years 1996 through 2002.

(4) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction to reduce the deficit $2,664,000,000 in fiscal year 1996, $22,937,000,000 for the period of fiscal years 1996 through 2000, and $35,085,000,000 for the period of fiscal years 1996 through 2002.

(5) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,771,000,000 in fiscal year 1996, $4,775,000,000 for the period of fiscal years 1996 through 2000, and $5,001,000,000 for the period of fiscal years 1996 through 2002.

(6) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $106,000,000 in fiscal year 1996, $1,290,000,000 for the period of fiscal years 1996 through 2000, and $2,236,000,000 for the period of fiscal years 1996 through 2002.

(7) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $16,117,000,000 in fiscal year 1996, $206,340,000,000 for the period of fiscal years 1996 through 2000, and $393,242,000,000 for the period of fiscal years 1996 through 2002.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenue $15,000,000,000 in fiscal year 1996, $155,500,000,000 for the period of fiscal years 1996 through 2000, and $282,000,000,000 for the period of fiscal years 1996 through 2002.

(8) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(9) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

(10) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

(11) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(12) COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $280,000,000 for the period of fiscal years 1996 through 2000, and $319,000,000 for the period of fiscal years 1996 through 2002.

(13) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $181,000,000 in fiscal year 1996, $3,050,000,000 for the period of fiscal years 1996 through 2000, and $5,112,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1996, $489,604,000,000 in new budget authority and $527,745,000,000 in outlays;

(2) with respect to fiscal year 1997, $485,083,000,000 in new budget authority and $521,191,000,000 in outlays;

(3) with respect to fiscal year 1998, $501,825,000,000 in new budget authority and $520,288,000,000 in outlays;

(4) with respect to fiscal year 1999, $502,119,000,000 in new budget authority and $527,116,000,000 in outlays;

(5) with respect to fiscal year 2000, $516,737,000,000 in new budget authority and $537,448,000,000 in outlays;

(6) with respect to fiscal year 2001, $523,049,000,000 in new budget authority and $545,439,000,000 in outlays; and

(7) with respect to fiscal year 2002, $523,868,000,000 in new budget authority and $547,969,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) any concurrent resolution on the budget for fiscal year 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limits for such fiscal year; or

(B) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct-spending or receipts legislation (as defined in paragraph (3)) that would increase the deficit for any one of the three applicable time periods (as defined in paragraph (2)) as measured pursuant to paragraph (4).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any one of the three following periods—

(A) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(B) the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(C) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING OR RECEIPTS LEGISLATION.—For purposes of this subsection, the term "direct-spending or receipts legislation" shall—

(A) except as otherwise provided in this subsection, include all direct-spending legislation as that term is interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985;

(B) include—

(i) any bill, joint resolution, amendment, motion, or conference report to which this subsection otherwise applies; and

(ii) the estimated amount of savings in direct-spending programs applicable to that fiscal year resulting from the prior year's sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, if any (except for any amounts sequestered as a result of a net deficit increase in the fiscal year immediately preceding the prior fiscal year); and

(C) exclude—

(i) any concurrent resolution on the budget; and

(ii) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(4) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recent concurrent resolution on the budget, and for years beyond those covered by that concurrent resolution; and

(B) abide by the requirements of subsections (a) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, except that references to "outyears" in that section shall be deemed to apply to any year (other than the budget year) covered by any one of the time periods defined in paragraph (2) of this subsection.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and receipts for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) CONFORMING AMENDMENT.—Section 23 of House Concurrent Resolution 218 (103d Congress) is repealed.

(g) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2002.

SEC. 203. BUDGET SURPLUS ALLOWANCE.

(a) ADJUSTMENTS.—For the purposes of points of order under the Congressional Budget and Impoundment Control Act of 1974 and this concurrent resolution on the budget, the revenue aggregates may be reduced and other appropriate allocations and budgetary aggregates and levels shall be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces the adverse effects on medicare, medicaid, and welfare reform in the following manner:

(1) $50,000,000,000 shall be used for legislation that reduces the adverse affects upon the elderly, disabled, and children who have nowhere else to turn but medicaid for health care.

(2) $20,000,000,000 shall be used for legislation that reduces the drastic cuts to welfare programs.

(3) If the Congressional Budget Office scores this surplus differently, than the amounts provided in paragraphs (1) or (2) shall be increased or decreased proportionally.

(b) REVISED ALLOCATIONS AND AGGREGATES.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on Budget of the Senate may submit to the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and levels under this resolution, revised by an amount that does not exceed the additional deficit reduction calculated under subsection (d).

(c) CBO REVISED DEFICIT ESTIMATE.—After the enactment of legislation that complies with the reconciliation directives of section 6, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

(d) ADDITIONAL DEFICIT REDUCTION.—For purposes of this section, the term "additional deficit reduction" means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

(e) CBO CERTIFICATION AND CONTINGENCIES.—This section shall not apply unless—

(1) legislation has been enacted complying with the reconciliation directives of section 6;

(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

SEC. 204. SCORING OF EMERGENCY LEGISLATION.

Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of sections 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 205. SALE OF GOVERNMENT ASSETS.

SEC. 206. EXTENSION OF BUDGET ACT 60-VOTE ENFORCEMENT THROUGH 2002.

Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by sections 13112(b) and 13208(b)(3) of the Budget Enforcement Act of 1990), the second sentence of section 904(c) of the Congressional Budget Act of 1974 (except insofar as it relates to section 313 of that Act) and the final sentence of section 904(d) of that Act (except insofar as it relates to section 313 of that Act) shall continue to have effect as rules of the Senate through (but no later than) September 30, 2002.

SEC. 207. EXERCISE OF RULEMAKING POWERS.

The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

SEC. 301. SENSE OF THE CONGRESS ON REVENUE INSTRUCTION TO FINANCE COMMITTEE.

(a) FINDINGS.—The Senate finds that—

(1) to balance the Federal budget in a rational and reasonable manner, there must be a fair and equitable distribution of the deficit reduction burden;

(2) the plan under consideration in the Senate does not ask the wealthy to contribute to deficit reduction;

(3) the deficit reduction package approved by the Senate Budget Committee would disproportionately affect those at lower-income levels;

(4) over the next 7 years, at current growth rates, tax loopholes and preferences will result in a revenue loss to the Federal Government of more than $4,000,000,000,000; and

(5) the House Budget Committee had under consideration, but did not include in its deficit reduction package, a list of $335,000,000,000 in corporate tax loopholes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Senate Finance Committee, as part of this year's reconciliation package, should limit or eliminate tax loopholes that disproportionately benefit the wealthiest individuals and the largest corporations in order to more equitably distribute the burden of deficit reduction;

(2) the Senate Finance Committee should give first priority to closing corporate loopholes;

(3) the Senate Finance Committee should also give priority to closing loopholes that disproportionately benefit Americans with incomes of $140,000 or more;

(4) in no event should taxes go up on those making less than $140,000; and

(5) in no event should the Senate Committee on Finance raise income tax rates on individuals or reduce deductions for home mortgage interest, charitable contributions, or State and local taxes.

SEC. 302. RESTRUCTURING GOVERNMENT AND PROGRAM TERMINATIONS.

(a) FINDINGS.—The Senate finds that to balance the Federal budget in a rational and reasonable manner requires an assessment of national priorities and the appropriate role of the Federal Government in meeting the challenges facing the United States in the 21st century.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that to balance the budget the Congress should—

(1) restructure Federal programs to meet identified national priorities in the most effective and efficient manner so that program dollars get to the intended purpose or recipient;

(2) terminate programs that have largely met their goals, that have outlived their original purpose, or that have been superseded by other programs;

(3) seek to end significant duplication among Federal programs, which results in excessive administrative costs and ill serve the American people; and

(4) eliminate lower priority programs.

SEC. 303. NONPARTISAN ADVISORY COMMISSION ON THE CPI.

(a) FINDINGS.—The Congress finds that—

(1) Congress intended to insulate certain government beneficiaries and taxpayers from the effects of inflation by indexing payments and tax brackets to the Consumer Price Index (CPI);

(2) approximately 30 percent of total Federal outlays and 45 percent of Federal revenues are indexed to reflect changes in the CPI; and

(3) the overwhelming consensus among experts is that the method used to construct the CPI and the current calculation of the CPI both overstate the estimate of the true cost of living.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) a temporary advisory commission should be established to make objective and nonpartisan recommendations concerning the appropriateness and accuracy of the methodology and calculations that determine the CPI;

(2) the Commission should be appointed on a nonpartisan basis, and should be composed of experts in the fields of economics, statistics, or other related professions; and

(3) the Commission should report its recommendations to the Bureau of Labor Statistics and to Congress at the earliest possible date.

SEC. 304. SENSE OF THE CONGRESS ON A UNIFORM ACCOUNTING SYSTEM IN THE FEDERAL GOVERNMENT.

(a) FINDINGS.—The Congress finds the following:

(1) Much effort has been devoted to strengthening Federal internal accounting controls in the past. Although progress has been made in recent years, there still exists no uniform Federal accounting system for Federal Government entities and institutions.

(2) As a result, Federal financial management continues to be seriously deficient, and Federal financial management and fiscal practices have failed to identify costs, failed to reflect the total liabilities of congressional actions, and failed to accurately report the financial condition of the Federal Government.

(3) Current Federal accounting practices do not adequately report financial problems of the Federal Government or the full cost of programs and activities. The continued use of these practices undermines the Government's ability to provide credible and reliable financial data, encourages already widespread waste and inefficiency, and will not assist in achieving a balanced budget.

(4) Waste and inefficiency in Federal Government undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs.

(5) To rebuild the accountability and credibility of the Federal Government, and restore public confidence in the Federal Government, a uniform Federal accounting system, that fully meets the accounting standards and reporting objectives for the Federal Government, must be immediately established so that all assets and liabilities, revenues and expenditures or expenses, and the full cost of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout all government entities for control and management evaluation purposes.

(b) SENSE OF THE SENATE.—It is the sense of the Congress that—

(1) a uniform Federal accounting system should be established to consistently compile financial data across the Federal Government, and to make full disclosure of Federal financial data, including the full cost of Federal programs and activities, to the citizens, the Congress, the President, and agency management; and

(2) beginning with fiscal year 1997, the President should require the heads of agencies to—

(A) implement and maintain a uniform Federal accounting system; and

(B) provide financial statements;

in accordance with generally accepted accounting principles applied on a consistent basis and established in accordance with proposed Federal accounting standards and interpretations recommended by the Federal Accounting Standards Advisory Board and other applicable law.

SEC. 305. SENSE OF THE CONGRESS THAT 90 PERCENT OF THE BENEFITS OF ANY TAX CUTS MUST GO TO THE MIDDLE CLASS.

(a) FINDINGS.—The Congress finds that—

(1) the incomes of middle-class families have stagnated since the early 1980's, with family incomes growing more slowly between 1979 and 1989 than in any other business cycle since World War II; and

(2) according to the Department of the Treasury, in 1996, approximately 90 percent of American families will have incomes less than $100,000.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that if the 1996 Concurrent Budget Resolution includes any cut in taxes, approximately 90 percent of the benefits of these tax cuts must go to working families with incomes less than $100,000.

SEC. 306. BIPARTISAN COMMISSION ON HEALTH CARE REFORM, MEDICARE AND MEDICAID COSTS, ACCESS AND SOLVENCY.

(a) FINDINGS.—Congress finds that—

(1) the Health Insurance for the Aged Act, which created the medicare program, was enacted on July 30, 1965, and, therefore, the medicare program will celebrate its 30-year anniversary on July 30, 1995;

(2) on April 3, 1995, the Trustees of medicare submitted their 1995 Annual Report on the Status of the medicare program to the Congress;

(3) the Trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(4) the Trustees of medicare have concluded that "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range";

(5) the Public Trustees of medicare have concluded that "the Supplementary Medical Insurance Trust Fund shows a rate of growth of costs which is clearly unsustainable";

(6) the Trustees of medicare have recommended "legislation to reestablish the Quadrennial Advisory Council that will help lead to effective solutions to the problems of the program";

(7) the Bipartisan Commission on Entitlement and Tax Reform concluded that, absent long-term changes in medicare, projected medicare outlays will increase from about 4 percent of the payroll tax base today to over 15 percent of the payroll tax base by the year 2030;

(8) the Bipartisan Commission on Entitlement and Tax Reform recommended, by a vote of 30 to 1, that spending and revenues available for medicare must be brought into long-term balance;

(9) the Public Trustees of medicare have concluded that "We had hoped for several years that comprehensive health reform would include meaningful medicare reforms. However, with the results of the last Congress, it is now clear that medicare reform needs to be addressed urgently as a distinct legislative initiative"; and

(10) the Public Trustees of medicare "strongly recommend that the crisis presented by the financial condition of the medicare trust funds be urgently addressed on a comprehensive basis, including a review of the programs's financing methods, benefit provisions, and delivery mechanisms.".

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) a special bipartisan commission should be established immediately to make recommendations concerning the most appropriate response to the current health care crisis, and the recommendations should include ways to address medicare and medicaid costs, access and solvency issues and to reform our current health care system;

(2) the commission should report to Congress its recommendations on the appropriate response to the short-term solvency of medicare by July 10, 1995, in order that the committees of jurisdiction may consider those recommendations in fashioning an appropriate congressional response; and

(3) the commission should report its recommendations to respond to the Public Trustees' call to make medicare's financial condition sustainable over the long term to Congress by February 1, 1996.

SNOWE (AND OTHERS) AMENDMENT NO. 1197

Mr. DOMENICI (for Ms. SNOWE, for herself, Mr. SIMON, Mr. COHEN, Mr. CAMPBELL, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. DODD, Mr. WELLSTONE, Mr. HOLLINGS, Mr. KENNEDY, Mr. HARKIN, and Mr. PELL) proposed an amendment to the concurrent resolution, Senate Concurrent Resolution 13, supra; as follows:

Close tax loopholes and corporate subsidies by the following amounts:

On page 3, line 10, increase the amount by $875,000,000.

On page 3, line 11, increase the amount by $1,100,000,000.

On page 3, line 12, increase the amount by $1,250,000,000.

On page 3, line 13, increase the amount by $1,400,000,000.

On page 3, line 14, increase the amount by $1,550,000,000.

On page 3, line 15, increase the amount by $1,550,000,000.

On page 3, line 16, increase the amount by $1,675,000,000.

On page 3, line 20, increase the amount by $875,000,000.

On page 3, line 21, increase the amount by $1,100,000,000.

On page 3, line 22, increase the amount by $1,250,000,000.

On page 3, line 23, increase the amount by $1,400,000,000.

On page 3, line 24, increase the amount by $1,550,000,000.

On page 3, line 25, increase the amount by $1,550,000,000.

On page 4, line 1, increase the amount by $1,675,000,000.

Restore cuts in student loans by the following amounts:

On page 5, line 17, increase the amount by $875,000,000.

On page 5, line 18, increase the amount by $1,100,000,000.

On page 5, line 19, increase the amount by $1,250,000,000.

On page 5, line 20, increase the amount by $1,400,000,000.

On page 5, line 21, increase the amount by $1,550,000,000.

On page 5, line 22, increase the amount by $1,550,000,000.

On page 5, line 23, increase the amount by $1,675,000,000.

On page 6, line 16, increase the amount by $875,000,000.

On page 6, line 17, increase the amount by $1,100,000,000.

On page 6, line 18, increase the amount by $1,250,000,000.

On page 6, line 19, increase the amount by $1,400,000,000.

On page 6, line 20, increase the amount by $1,550,000,000.

On page 6, line 21, increase the amount by $1,550,000,000.

On page 6, line 22, increase the amount by $1,675,000,000.

On page 31, line 12, increase the amount by $875,000,000.

On page 31, line 20, increase the amount by $1,100,000,000.

On page 32, line 3, increase the amount by $1,250,000,000.

On page 32, line 11, increase the amount by $1,400,000,000.

On page 32, line 19, increase the amount by $1,550,000,000.

On page 33, line 2, increase the amount by $1,550,000,000.

On page 33 line 10, increase the amount by $1,675,000,000.

On page 31, line 13, increase the amount by $875,000,000.

On page 31, line 21, increase the amount by $1,100,000,000.

On page 32, line 4, increase the amount by $1,250,000,000.

On page 32, line 12, increase the amount by $1,400,000,000.

On page 32, line 20, increase the amount by $1,550,000,000.

On page 33, line 3, increase the amount by $1,550,000,000.

On page 33, line 11, increase the amount by $1,675,000,000.

On page 64, strike beginning with line 7 through page 64 line 12, and insert the following:

"Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $266,000,000 in fiscal year 1966, $2,990,000,000 for the period of fiscal years 1996 through 2000, and $4,395,000,000 for the period of fiscal years 1996 though 2002."

At the appropriate place insert the following: The assumption underlying the functional totals include that "It is the sense of the Senate that cuts in student loan benefits should be minimized, and that the current exclusion of income of Foreign Sales Corporation should be eliminated."

THE COMPREHENSIVE TERRORISM PREVENTION ACT OF 1995

LEAHY AMENDMENT NO. 1198

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment to the bill (S. 735) to prevent and punish acts of terrorism, and for other purposes; as follows:

At the end of title IX, add the following new title:

TITLE X—VICTIMS OF TERRORISM ACT

SEC. 1001. TITLE.

This title may be cited as the "Victims of Terrorism Act of 1995".

SEC. 1002. AUTHORITY TO PROVIDE ASSISTANCE AND COMPENSATION TO VICTIMS OF TERRORISM.

The Victims of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is amended by inserting after section 1404A the following new section:

"SEC. 1404B. COMPENSATION AND ASSISTANCE TO VICTIMS OF TERRORISM.

"(a) Victims of Acts of Terrorism Outside the United States.—The Director may make supplemental grants to States and may provide compensation and assistance to any resident of the United States who, while outside the territorial boundaries of the United States, is a victim of a terrorist act and is not a person eligible for compensation under title VIII of the Omnibus Diplomatic Security and Antiterrorism Act of 1986.

"(b) Victims of Domestic Terrorism.—The Director may make supplemental grants to States for eligible crime victim compensation and assistance programs to provide emergency relief, assistance, training, and technical assistance for the benefit of victims of terrorist acts occurring within the United States.".

SEC. 1003. FUNDING OF COMPENSATION AND ASSISTANCE TO VICTIMS OF TERRORISM AND CRIME.

(a) Reservation.—Section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) is amended—

(1) in subsection (d), by adding at the end the following new paragraph:

"(5) After the reserve under paragraph (4) reaches $20,000,000 for any fiscal year, the Director may reserve any additional amount deposited in the Fund during that fiscal year as a reserve for victims of terrorist acts under section 1404B."; and

(2) by amending subsection (e) to read as follows:

"(e) Amounts Awarded and Unspent.—Any amount awarded as part of a grant under this chapter that remains unspent at the end of a fiscal year in which the grant is made may be expended for the purpose for which the grant is made at any time during the 2 succeeding fiscal years, at the end of which period, any remaining unobligated sums shall be returned to the Fund."

(b) Base Amount.—Section 1404(a)(5)(B) of such Act (42 U.S.C. 10603(a)(5)(B)) is amended by striking "$200,000" and inserting "$500,000".

SEC. 1004. PAYMENTS INTO CRIME VICTIMS FUND.

Section 3013 of title 18, United States Code, is amended to read as follows:

"§ 3013. Special assessment on convicted persons

"(a) The court shall assess on any person convicted of an offense against the United States—

"(1) in the case of a misdemeanor—

"(A) not less than $50 if the defendant is an individual; and

"(B) not less than $250 if the defendant is a person other than an individual; or

"(2) in the case of a felony—

"(A) not less than $100 if the defendant is an individual; or

"(B) not less than $500 if the defendant is a person other than an individual.

"(b) Amounts assessed under this section shall be collected in the same manner as fines are collected in criminal cases.".

DOLE (AND OTHERS) AMENDMENT NO. 1199

Mr. HATCH (for Mr. DOLE for himself, Mr. HATCH, Mr. NICKLES, Mr. INHOFE, Mr. GRAMM, Mr. BROWN, Mr. THURMOND, Mr. SIMPSON, Mr. DEWINE and Mr. KYL) proposed an amendment to the bill S. 735, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Terrorism Prevention Act of 1995".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—SUBSTANTIVE CRIMINAL LAW ENHANCEMENTS

Sec. 101. Increased penalty for conspiracies involving explosives.
Sec. 102. Acts of terrorism transcending national boundaries.
Sec. 103. Conspiracy to harm people and property overseas.
Sec. 104. Increased penalties for certain terrorism crimes.
Sec. 105. Mandatory penalty for transferring an explosive material knowing that it will be used to commit a crime of violence.
Sec. 106. Penalty for possession of stolen explosives.
Sec. 107. Enhanced penalties for use of explosives or arson crimes.

TITLE II—COMBATING INTERNATIONAL TERRORISM

Sec. 201. Findings.
Sec. 202. Prohibition on assistance to countries that aid terrorist states.
Sec. 203. Prohibition on assistance to countries that provide military equipment to terrorist states.
Sec. 204. Opposition to assistance by international financial institutions to terrorist states.

Sec. 205. Antiterrorism assistance.
Sec. 206. Jurisdiction for lawsuits against terrorist states.
Sec. 207. Report on support for international terrorists.
Sec. 208. Definition of assistance.
Sec. 209. Waiver authority concerning notice of denial of application for visas.
Sec. 210. Membership in a terrorist organization as a basis for exclusion from the United States under the Immigration and Nationality Act.

TITLE III—ALIEN REMOVAL

Sec. 301. Alien terrorist removal.
Sec. 302. Extradition of aliens.
Sec. 303. Changes to the Immigration and Nationality Act to facilitate removal of alien terrorists.
Sec. 304. Access to certain confidential immigration and naturalization files through court order.

TITLE IV—CONTROL OF FUNDRAISING FOR TERRORISM ACTIVITIES

Sec. 401. Prohibition on terrorist fundraising.
Sec. 402. Correction to material support provision.

TITLE V—ASSISTANCE TO FEDERAL LAW ENFORCEMENT AGENCIES

Subtitle A—Antiterrorism Assistance

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TITLE I—SUBSTANTIVE CRIMINAL LAW ENHANCEMENTS

SEC. 101. INCREASED PENALTY FOR CONSPIRACIES INVOLVING EXPLOSIVES.

Section 844 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(n) Except as otherwise provided in this section, a person who conspires to commit any offense defined in this chapter shall be subject to the same penalties (other than the penalty of death) as those prescribed for the offense the commission of which was the object of the conspiracy.".

SEC. 102. ACTS OF TERRORISM TRANSCENDING NATIONAL BOUNDARIES.

(a) REDESIGNATION.—(1) Chapter 113B of title 18, United States Code (relating to torture) is redesignated as chapter 113C.

(2) The chapter analysis of title 18, United States Code, is amended by striking "113B" the second place it appears and inserting "113C".

(b) OFFENSE.—Chapter 113B of title 18, United States Code, is amended by inserting after section 2332a the following new section:

"§ 2332b. Acts of terrorism transcending national boundaries

"(a) PROHIBITED ACTS.—

"(1) Whoever, in a circumstance described in subsection (b), commits an act within the United States that if committed within the special maritime and territorial jurisdiction of the United States would be in violation of section 113 (a), (b), (c), or (f), 114, 1111, 1112, 1201, or 1363 shall be punished as prescribed in subsection (c).

"(2) Whoever threatens, attempts, or conspires to commit an offense under paragraph (1) shall be punished under subsection (c).

"(b) JURISDICTIONAL BASES.—

"(1) This section applies to conduct described in subsection (a) if—

"(A) the mail, or any facility utilized in interstate commerce, is used in furtherance of the commission of the offense;

"(B) the offense destructs, delays, or affects interstate or foreign commerce in any way or degree, or would have obstructed, delayed, or affected interstate or foreign commerce if the offense had been consummated;

"(C) the victim or intended victim is the United States Government or any official, officer, employee, or agent of the legislative, executive, or judicial branches, or of any department or agency, of the United States;

"(D) the structure, conveyance, or other real or personal property was in whole or in part owned, possessed, or used by, or leased to the United States, or any department or agency thereof;

"(E) the offense is committed in the territorial sea (including the airspace above and the seabed and subsoil below, and artificial islands and fixed structures erected thereon) of the United States; or

"(F) the offense is committed in places within the United States that are in the special maritime and territorial jurisdiction of the United States.

"(2) Jurisdiction shall exist over all principals, coconspirators, and accessories after the fact, of an offense under subsection (a) if at least one of the circumstances described in paragraph (1) is applicable to at least one offender.

"(c) PENALTIES.—

"(1) Whoever violates this section shall, in addition to the punishment provided for any other crime charged in the indictment, be punished—

"(A) if death results to any person, by death, or by imprisonment for any term of years or for life;

"(B) for kidnapping, by imprisonment for any term of years or for life;

"(C) for maiming, by imprisonment for not more than 35 years;

"(D) for assault with a dangerous weapon or assault resulting in serious bodily injury, by imprisonment for not more than 30 years;

"(E) for destroying or damaging any structure, conveyance, or other real or personal property, by imprisonment for not more than 25 years;

"(F) for attempting or conspiring to commit the offense, for any term of years up to the maximum punishment that would have applied had the offense been completed; and

"(G) for threatening to commit the offense, by imprisonment for not more than 10 years.

"(2) Notwithstanding any other provision of law, the court shall not place on probation any person convicted of a violation of this section.

"(d) LIMITATION ON PROSECUTION.—No indictment for any offense described in this section shall be sought by the United States except after the Attorney General, or the highest ranking subordinate of the Attorney General with responsibility for criminal prosecutions, has made a written certification that, in the judgment of the certifying official—

"(1) such offense, or any activity preparatory to its commission, transcended national boundaries; and

"(2) the offense appears to have been intended to coerce, intimidate, or retaliate against a government or a civilian population, including any segment thereof.

"(e) INVESTIGATIVE RESPONSIBILITY.—Violations of this section shall be investigated by the Federal Bureau of Investigation. Nothing in this section shall be construed to interfere with the authority of the United States Secret Service under section 3056, or with its investigative authority with respect to sections 871 and 879.

"(f) Evidence.—In a prosecution under this section, the United States shall not be required to prove knowledge by any defendant of a jurisdictional base alleged in the indictment.

"(g) Extraterritorial Jurisdiction.—There is extraterritorial Federal jurisdiction over—

"(1) any offense under subsection (a); and

"(2) conduct that, under section 3, renders any person an accessory after the fact to an offense under subsection (a).

"(h) Definitions.—As used in this section—

"(1) the term 'commerce' has the meaning given such term in section 1951(b)(3);

"(2) the term 'facility utilized in any manner in commerce' includes means of transportation, communication, and transmission;

"(3) the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22));

"(4) the term 'serious bodily injury' has the meaning given such term in section 1365(g)(3); and

"(5) the term 'territorial sea of the United States' means all waters extending seaward to 12 nautical miles from the baselines of the United States determined in accordance with international law.".

(c) Technical Amendment.—The chapter analysis for Chapter 113B of title 18, United States Code, is amended by inserting after the item relating to section 2332a, the following new item:

"2332b. Acts of terrorism transcending national boundaries.".

(d) Statute of Limitations Amendment.—Section 3286 of title 18, United States Code, is amended—

(1) by striking "any offense" and inserting "any noncapital offense";

(2) by striking "36" and inserting "37";

(3) by striking "2331" and inserting "2332";

(4) by striking "2339" and inserting "2332a"; and

(5) by inserting "2332b (acts of terrorism transcending national boundaries)," after "(use of weapons of mass destruction),".

(e) Presumptive Detention.—Section 3142(e) of title 18, United States Code, is amended by inserting "or section 2332b" after "section 924(c)".

SEC. 103. CONSPIRACY TO HARM PEOPLE AND PROPERTY OVERSEAS.

(a) In General.—Section 956 of title 18, United States Code, is amended to read as follows:

"§956. Conspiracy to kill, kidnap, maim, or injure certain property in a foreign country

"(a)(1) Whoever, within the jurisdiction of the United States, conspires with one or more other persons, regardless of where such other person or persons is located, to commit at any place outside the United States an act that would constitute the offense of murder, kidnapping, or maiming if committed in the special maritime and territorial jurisdiction of the United States, shall, if he or any such other person commits an act within the jurisdiction of the United States to effect any object of the conspiracy, be punished as provided in paragraph (2).

"(2) The punishment for an offense under paragraph (1) is—

"(A) imprisonment for any term of years or for life if the offense is conspiracy to murder or kidnap; and

"(B) imprisonment for not more than 35 years if the offense is conspiracy to maim.

"(b) Whoever, within the jurisdiction of the United States, conspires with one or more persons, regardless of where such other person or persons is located, to injure or destroy specific property situated within a foreign country and belonging to a foreign government or to any political subdivision thereof with which the United States is at peace, or any railroad, canal, bridge, airport, airfield, or other public utility, public conveyance, or public structure, or any religious, educational, or cultural property so situated, shall, if he or any such other person commits an act within the jurisdiction of the United States to effect any object of the conspiracy, be imprisoned not more than 25 years.".

(b) Clerical Amendment.—The chapter analysis for chapter 45 of title 18, United States Code, is amended by striking the item relating to section 956 and inserting the following:

"956. Conspiracy to kill, kidnap, maim, or injure certain property in a foreign country.".

SEC. 104. INCREASED PENALTIES FOR CERTAIN TERRORISM CRIMES.

(a) In General.—Title 18, United States Code, is amended—

(1) in section 114, by striking "maim or disfigure" and inserting "torture (as defined in section 2340), maim, or disfigure";

(2) in section 755, by striking "two years" and inserting "five years";

(3) in section 756, by striking "one year" and inserting "five years";

(4) in section 878(a), by striking "by killing, kidnapping, or assaulting a foreign official, official guest, or internationally protected person";

(5) in section 1113, by striking "three years or fined" and inserting "seven years"; and

(6) in section 2332(c), by striking "five" and inserting "ten".

(b) Penalty for Carrying Weapons or Explosives on an Aircraft.—Section 46505(b) of title 49, United States Code, is amended by striking "one" and inserting "ten".

SEC. 105. MANDATORY PENALTY FOR TRANSFERRING AN EXPLOSIVE MATERIAL KNOWING THAT IT WILL BE USED TO COMMIT A CRIME OF VIOLENCE.

Section 844 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(n) Whoever knowingly transfers an explosive material, knowing or having reasonable cause to believe that such explosive material will be used to commit a crime of violence (as defined in section 924(c)(3)) or drug trafficking crime (as defined in section 924(c)(2)) shall be imprisoned for not less than 10 years, fined under this title, or both.".

SEC. 106. PENALTY FOR POSSESSION OF STOLEN EXPLOSIVES.

Section 842(h) of title 18, United States Code, is amended to read as follows:

"(h) It shall be unlawful for any person to receive, possess, transport, ship, conceal, store, barter, sell, dispose of, pledge, or accept as security for a loan, any stolen explosive material that is moving in, part of, constitutes, or has been shipped or transported in, interstate or foreign commerce, either before or after such material was stolen, knowing or having reasonable cause to believe that the explosive material was stolen.".

SEC. 107. ENHANCED PENALTIES FOR USE OF EXPLOSIVES OR ARSON CRIMES.

Section 844 of title 18, United States Code, is amended—

(1) in subsection (e), by striking "five" and inserting "10";

(2) by amending subsection (f) to read as follows:

"(f)(1) Whoever maliciously damages or destroys, or attempts to damage or destroy, by means of fire or an explosive, any building, vehicle, or other personal or real property in whole or in part owned or possessed by, or leased to, the United States, or any department or agency thereof, shall be imprisoned for not less than 5 years and not more than 20 years, fined the greater of $100,000 or the cost of repairing or replacing any property that is damaged or destroyed, or both.

"(2) Whoever engages in conduct prohibited by this subsection shall be imprisoned not less than 7 years and not more than 40 years, fined the greater of $200,000 or the cost of repairing or replacing any property that is damaged or destroyed, or both, if the conduct results in personal injury to any person, including any public safety officer performing duties, as a direct or proximate result of such conduct.

"(3) Whoever engages in conduct prohibited by this subsection shall be imprisoned for any term of years, for life, or sentenced to death, fined the greater of $200,000 or the cost of repairing or replacing any property that is damaged or destroyed, or both, if the conduct results in death to any person, including any public safety officer performing duties, as a direct or proximate result of such conduct.";

(4) in subsection (h)—

(A) in the first sentence by striking "5 years but not more than 15 years" and inserting "10 years"; and

(B) in the second sentence by striking "10 years but not more than 25 years" and inserting "20 years"; and

(5) in subsection (i)—

(A) by striking "not more than 20 years, fined the greater of a fine under this title or the cost of repairing or replacing any property that is damaged or destroyed," and inserting "not less than 5 years and not more than 20 years, fined the greater of $100,000 or the cost of repairing or replacing any property that is damaged or destroyed";

(B) by striking "not more than 40 years, fined the greater of a fine under this title or the cost of repairing or replacing any property that is damaged or destroyed," and inserting "not less than 7 years and not more than 40 years, fined the greater of $200,000 or the cost of repairing or replacing any property that is damaged or destroyed"; and

(C) by striking "7 years" and inserting "10 years".

TITLE II—COMBATING INTERNATIONAL TERRORISM

SEC. 201. FINDINGS.

The Congress finds that—

(1) international terrorism is among the most serious transnational threats faced by the United States and its allies, far eclipsing the dangers posed by population growth or pollution;

(2) the President should continue to make efforts to counter international terrorism a national security priority;

(3) because the United Nations has been an inadequate forum for the discussion of cooperative, multilateral responses to the threat of international terrorism, the President should undertake immediate efforts to develop effective multilateral responses to international terrorism as a complement to national counterterrorist efforts;

(4) the President should use all necessary means, including covert action and military force, to disrupt, dismantle, and destroy

international infrastructure used by international terrorists, including overseas terrorist training facilities and safe havens;

(5) the Congress deplores decisions to ease, evade, or end international sanctions on state sponsors of terrorism, including the recent decision by the United Nations Sanctions Committee to allow airline flights to and from Libya despite Libya's noncompliance with United Nations resolutions; and

(6) the President should continue to undertake efforts to increase the international isolation of state sponsors of international terrorism, including efforts to strengthen international sanctions, and should oppose any future initiatives to ease sanctions on Libya or other state sponsors of terrorism.

SEC. 202. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT AID TERRORIST STATES.

The Foreign Assistance Act of 1961 (22 U.S.C. 151 et seq.) is amended by adding immediately after section 620F the following new section:

"SEC. 620G. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT AID TERRORIST STATES.

"No assistance under this Act shall be provided to the government of any country that provides assistance to the government of any other country for which the Secretary of State has made a determination under section 620A.".

SEC. 203. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT PROVIDE MILITARY EQUIPMENT TO TERRORIST STATES.

The Foreign Assistance Act of 1961 (22 U.S.C. 151 et seq.) is amended by adding immediately after section 620G the following new section:

"SEC. 620H. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT PROVIDE MILITARY EQUIPMENT TO TERRORIST STATES.

"(a) PROHIBITION.—

"(1) IN GENERAL.—No assistance under this Act shall be provided to the government of any country that provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for the purposes of 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), or 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

"(2) APPLICABILITY.—The prohibition under this section with respect to a foreign government shall terminate 1 year after that government ceases to provide lethal military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.

"(b) WAIVER.—Notwithstanding any other provision of law, assistance may be furnished to a foreign government described in subsection (a) if the President determines that furnishing such assistance is important to the national interests of the United States and, not later than 15 days before obligating such assistance, furnishes a report to the appropriate committees of Congress including—

"(1) a statement of the determination;

"(2) a detailed explanation of the assistance to be provided;

"(3) the estimated dollar amount of the assistance; and

"(4) an explanation of how the assistance furthers United States national interests.".

SEC. 204. OPPOSITION TO ASSISTANCE BY INTERNATIONAL FINANCIAL INSTITUTIONS TO TERRORIST STATES.

The International Financial Institutions Act (22 U.S.C. 262c et seq.) is amended by inserting after section 1620 the following new section:

"SEC. 1621. OPPOSITION TO ASSISTANCE BY INTERNATIONAL FINANCIAL INSTITUTIONS TO TERRORIST STATES.

"(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other use of the funds of the respective institution to or for a country for which the Secretary of State has made a determination under section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

"(b) DEFINITION.—For purposes of this section, the term 'international financial institution' includes—

"(1) the International Bank for Reconstruction and Development, the International Development Association, and the International Monetary Fund;

"(2) wherever applicable, the Inter-American Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund; and

"(3) any similar institution established after the date of enactment of this section.".

SEC. 205. ANTITERRORISM ASSISTANCE.

(a) FOREIGN ASSISTANCE ACT.—Section 573 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa–2) is amended—

(1) in subsection (c), by striking "development and implementation of the antiterrorism assistance program under this chapter, including";

(2) by amending subsection (d) to read as follows:

"(d)(1) Arms and ammunition may be provided under this chapter only if they are directly related to antiterrorism assistance.

"(2) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year shall not exceed 30 percent of the funds made available to carry out this chapter for that fiscal year."; and

(3) by striking subsection (f).

(b) ASSISTANCE TO FOREIGN COUNTRIES.—Notwithstanding any other provision of law (except section 620A of the Foreign Assistance Act of 1961) up to $1,000,000 in assistance may be provided to a foreign country for counterterrorism efforts in any fiscal year if—

(1) such assistance is provided for the purpose of protecting the property of the United States Government or the life and property of any United States citizen, or furthering the apprehension of any individual involved in any act of terrorism against such property or persons; and

(2) the appropriate committees of Congress are notified not later than 15 days prior to the provision of such assistance.

SEC. 206. JURISDICTION FOR LAWSUITS AGAINST TERRORIST STATES.

(a) EXCEPTION TO FOREIGN SOVEREIGN IMMUNITY FOR CERTAIN CASES.—Section 1605 of title 28, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the period at the end of paragraph (6) and inserting "; or" and

(B) by adding at the end the following new paragraph:

"(7) not otherwise covered by paragraph (2) in which money damages are sought against a foreign government for personal injury or death that was caused by an act of torture, extrajudicial killing, aircraft sabotage, hostage taking, or the provision of material support or resources (as defined in section 2339A) for a person carrying out such an act, by a foreign state or by any official, employee, or agent of such foreign state while acting within the scope of his or her office, employment, or agency, except that—

"(A) the claimant must first afford the foreign state a reasonable opportunity to arbitrate the claim in accordance with accepted international rules of arbitration; and

"(B) an action under this paragraph shall not be maintained unless the act upon which the claim is based—

"(i) occurred while the individual bringing the claim was a national of the United States (as that term is defined in section 101(a)(2) of the Immigration and Nationality Act); and

"(ii) occurred while the foreign state was designated as a state sponsor of terrorism under section 6(j) of the Export Administration Act of 1979 (50 App. U.S.C. 2405(j)) or section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371)."; and

(2) by adding at the end the following new subsection:

"(e) For purposes of paragraph (7)—

"(1) the terms 'torture' and 'extrajudicial killing' have the meaning given those terms in section 3 of the Torture Victim Protection Act of 1991 (28 U.S.C. 350 note);

"(2) the term 'hostage taking' has the meaning given such term in Article 1 of the International Convention Against the Taking of Hostages; and

"(3) the term 'aircraft sabotage' has the meaning given such term in Article 1 of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.".

(b) EXCEPTION TO IMMUNITY FROM ATTACHMENT.—

(1) FOREIGN STATE.—Section 1610(a) of title 28, United States Code, is amended—

(A) by striking the period at the end of paragraph (6) and inserting ", or"; and

(B) by adding at the end the following new paragraph:

"(7) the judgment relates to a claim for which the foreign state is not immune under section 1605(a)(7), regardless of whether the property is or was involved with the act upon which the claim is based.".

(2) AGENCY OR INSTRUMENTALITY.—Section 1610(b)(2) of such title is amended—

(A) by striking "or (5)" and inserting "(5), or (7)"; and

(B) by striking "used for the activity" and inserting "involved in the act".

(c) APPLICABILITY.—The amendments made by this title shall apply to any cause of action arising before, on, or after the date of the enactment of this Act.

SEC. 207. REPORT ON SUPPORT FOR INTERNATIONAL TERRORISTS.

Not later than 60 days after the date of enactment of this Act, and annually thereafter in the report required by section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f), the Secretary of State shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that includes—

(1) a detailed assessment of international terrorist groups including their—

(A) size, leadership, and sources of financial and logistical support;

(B) goals, doctrine, and strategy;

(C) nature, scope, and location of human and technical infrastructure;

(D) level of education and training;

(E) bases of operation and recruitment;

(F) operational capabilities; and

(G) linkages with state and non-state actors such as ethnic groups, religious communities, or criminal organizations;

(2) a detailed assessment of any country that provided support of any type for international terrorism, terrorist groups, or individual terrorists, including countries that knowingly allowed terrorist groups or individuals to transit or reside in their territory, regardless of whether terrorist acts were committed on their territory by such individuals;

(3) a detailed assessment of individual country efforts to take effective action against countries named in section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), including the status of compliance with international sanctions and the status of bilateral economic relations; and

(4) United States Government efforts to implement this title.

SEC. 208. DEFINITION OF ASSISTANCE.

For purposes of this title—

(1) the term "assistance" means assistance to or for the benefit of a government of any country that is provided by grant, concessional sale, guaranty, insurance, or by any other means on terms more favorable than generally available in the applicable market, whether in the form of a loan, lease, credit, debt relief, or otherwise, including subsidies for exports to such country and favorable tariff treatment of articles that are the growth, product, or manufacture of such country; and

(2) the term "assistance" does not include assistance of the type authorized under chapter 9 of part 1 of the Foreign Assistance Act of 1961 (relating to international disaster assistance).

SEC. 209. WAIVER AUTHORITY CONCERNING NOTICE OF DENIAL OF APPLICATION FOR VISAS.

Section 212(b) of the Immigration and Nationality Act (8 U.S.C. 1182(b)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "If" and inserting "(1) Subject to paragraph (2), if"; and

(3) by inserting at the end the following paragraph:

"(2) With respect to applications for visas, the Secretary of State may waive the application of paragraph (1) in the case of a particular alien or any class or classes of excludable aliens, except in cases of intent to immigrate.".

SEC. 210. MEMBERSHIP IN A TERRORIST ORGANIZATION AS A BASIS FOR EXCLUSION FROM THE UNITED STATES UNDER THE IMMIGRATION AND NATIONALITY ACT.

Section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)) is amended—

(1) in clause (i)—

(A) by striking "or" at the end of subclause (I);

(B) by inserting "or" at the end of subclause (II); and

(C) by inserting after subclause (II) the following new subclause:

"(III) is a member of a terrorist organization or who actively supports or advocates terrorist activity,"; and

(2) by adding at the end the following new clause:

"(iv) TERRORIST ORGANIZATION DEFINED.—As used in this subparagraph, the term 'terrorist organization' means an organization that engages in, or has engaged in, terrorist activity as determined by the Secretary of State, after consultation with the Secretary of the Treasury.".

TITLE III—ALIEN REMOVAL

SEC. 301. ALIEN TERRORIST REMOVAL.

(a) TABLE OF CONTENTS.—The Immigration and Nationality Act is amended by adding at the end of the table of contents the following:

"TITLE V—ALIEN TERRORIST REMOVAL PROCEDURES

"501. Definitions.
"502. Applicability.
"503. Removal of alien terrorists.".

(b) ALIEN TERRORIST REMOVAL.—The Immigration and Nationality Act is amended by adding at the end the following new title:

"TITLE V—ALIEN TERRORIST REMOVAL PROCEDURES

"SEC. 501. DEFINITIONS.

"As used in this title—

"(1) the term 'alien terrorist' means any alien described in section 241(a)(4)(B);

"(2) the term 'classified information' has the same meaning as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App. IV);

"(3) the term 'national security' has the same meaning as defined in section 1(b) of the Classified Information Procedures Act (18 U.S.C. App. IV);

"(4) the term 'special court' means the court described in section 503(c); and

"(5) the term 'special removal hearing' means the hearing described in section 503(e).

"SEC. 502. APPLICABILITY.

"(a) IN GENERAL.—The provisions of this title may be followed in the discretion of the Attorney General whenever the Department of Justice has classified information that an alien described in section 241(a)(4)(B) is subject to deportation because of such section.

"(b) PROCEDURES.—Whenever an official of the Department of Justice files, under section 503(a), an application with the court established under section 503(c) for authorization to seek removal pursuant to this title, the alien's rights regarding removal and expulsion shall be governed solely by the provisions of this title, except as specifically provided.

"SEC. 503. REMOVAL OF ALIEN TERRORISTS.

"(a) APPLICATION FOR USE OF PROCEDURES.—This section shall apply whenever the Attorney General certifies under seal to the special court that—

"(1) the Attorney General or Deputy Attorney General has approved of the proceeding under this section;

"(2) an alien terrorist is physically present in the United States; and

"(3) removal of such alien terrorist by deportation proceedings described in sections 242, 242A, or 242B would pose a risk to the national security of the United States because such proceedings would disclose classified information.

"(b) CUSTODY AND RELEASE PENDING HEARING.—(1) The Attorney General may take into custody any alien with respect to whom a certification has been made under subsection (a), and notwithstanding any other provision of law, may retain such alien in custody in accordance with this subsection.

"(2)(A) An alien with respect to whom a certification has been made under subsection (a) shall be given a release hearing before the special court designated pursuant to subsection (c).

"(B) The judge shall grant the alien release, subject to such terms and conditions prescribed by the court (including the posting of any monetary amount), pending the special removal hearing if—

"(i) the alien is lawfully present in the United States;

"(ii) the alien demonstrates that the alien, if released, is not likely to flee; and

"(iii) the alien demonstrates that release of the alien will not endanger national security or the safety of any person or the community.

"(C) The judge may consider classified information submitted in camera and ex parte in making a determination whether to release an alien pending the special hearing.

"(c) SPECIAL COURT.—(1) The Chief Justice of the United States shall publicly designate not more than 5 judges from up to 5 United States judicial districts to hear and decide cases arising under this section, in a manner consistent with the designation of judges described in section 103(a) of the Foreign Intelligence Surveillance Act (50 U.S.C. 1803(a)).

"(2) The Chief Justice may, in the Chief Justice's discretion, designate the same judges under this section as are designated pursuant to section 103(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803(a)).

"(d) INVOCATION OF SPECIAL COURT PROCEDURE.—(1) When the Attorney General makes the application described in subsection (a), a single judge of the special court shall consider the application in camera and ex parte.

"(2) The judge shall invoke the procedures of subsection (e) if the judge determines that there is probable cause to believe that—

"(A) the alien who is the subject of the application has been correctly identified and is an alien as described in section 241(a)(4)(B); and

"(B) a deportation proceeding described in section 242, 242A, or 242B would pose a risk to the national security of the United States because such proceedings would disclose classified information.

"(e) SPECIAL REMOVAL HEARING.—(1) Except as provided in paragraph (5), the special removal hearing authorized by a showing of probable cause described in subsection (d)(2) shall be open to the public.

"(2) The alien shall have a reasonable opportunity to be present at such hearing and to be represented by counsel. Any alien financially unable to obtain counsel shall be entitled to have counsel assigned to represent such alien. Counsel may be appointed as described in section 3006A of title 18, United States Code.

"(3) The alien shall have a reasonable opportunity to introduce evidence on his own behalf, and except as provided in paragraph (5), shall have a reasonable opportunity to cross-examine any witness or request that the judge issue a subpoena for the presence of a named witness.

"(4)(A) An alien subject to removal under this section shall have no right—

"(i) of discovery of information derived from electronic surveillance authorized under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 801 et seq.) or otherwise for national security purposes if disclosure would present a risk to the national security; or

"(ii) to seek the suppression of evidence that the alien alleges was unlawfully obtained, except on grounds of credibility or relevance.

"(B) The Government is authorized to use, in the removal proceedings, the fruits of electronic surveillance and unconsented physical searches authorized under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 801 et seq.) without regard to subsections 106 (c), (e), (f), (g), and (h) of such Act.

"(C) Section 3504 of title 18, United States Code, shall not apply to procedures under this section if the Attorney General determines that public disclosure would pose a risk to the national security of the United States because it would disclose classified information.

"(5) The judge shall authorize the introduction in camera and ex parte of any item of evidence for which the Attorney General determines that public disclosure would pose a risk to the national security of the United States because it would disclose classified information. With respect to such evidence, the Attorney General shall submit to the court an unclassified summary of the specific evidence prepared in accordance with paragraph (6).

"(6)(A) The information submitted under paragraph (5)(B) shall contain an unclassified summary of the classified information that does not pose a risk to national security.

"(B) The judge shall approve the summary if the judge finds that it is sufficient to inform the alien of the nature of the evidence that such person is an alien as described in section 241(a), and to permit the alien to prepare a defense.

"(C) The Attorney General shall cause to be delivered to the alien a copy of the unclassified summary approved under subparagraph (B).

"(D) If the written unclassified summary is not approved by the court, the Department of Justice shall be afforded reasonable opportunity to correct the deficiencies identified by the court and submit a revised unclassified summary.

"(E) If the revised unclassified summary is not approved by the court, the special removal hearing shall be terminated unless the court, after reviewing the classified information in camera and ex parte finds, by clear and convincing evidence, that—

"(i) the alien's continued presence in the United States—

"(I) would cause serious and irreparable harm to the national security; or

"(II) would likely cause imminent death or serious bodily injury to any person; and

"(ii) provision of the required unclassified summary—

"(I) would cause serious and irreparable harm to the national security; or

"(II) would likely cause imminent death or serious bodily injury to any person.

"(F) If such finding is issued, the special removal hearing shall continue. The Department of Justice shall cause to be delivered to the alien a statement declaring that no unclassified summary is possible. The alien may take an interlocutory appeal of a determination to proceed under this paragraph.

"(G) In no event may the court order the disclosure of the unclassified summary or the classified information.

"(H) If no unclassified summary pursuant to subparagraph (E) is possible, the Attorney General shall—

"(i) identify the facts that the specific evidence would tend to prove; and

"(ii) provide the alien with notice that no unclassified summary is possible and that states that the alien's continued presence in the United States poses a serious threat to national security or imminent death or bodily injury to any person.

"(I)(i) The Department of Justice may take an interlocutory appeal to the United States Court of Appeals for the District of Columbia Circuit of—

"(I) any determination by the judge pursuant to subparagraph (B) concerning whether an item of evidence may be introduced in camera and ex parte;

"(II) any determination by the judge concerning the contents of any summary of evidence to be introduced in camera and ex parte prepared pursuant to subparagraph (D); or

"(III) the refusal of the court to make the finding permitted by subparagraph (D).

"(ii) In an interlocutory appeal taken under this paragraph, the entire record, including any proposed order of the judge or summary of evidence, shall be transmitted to the Court of Appeals under seal, and the matter shall be heard ex parte. The Court of Appeals shall consider the appeal as expeditiously as possible.

"(f) DETERMINATION OF DEPORTATION.—The judge shall, considering the evidence on the record as a whole (in camera and otherwise), require that the alien be deported if the Attorney General proves, by clear and convincing evidence, that the alien is subject to deportation because such alien is an alien as described in section 241(a)(4)(B). If the judge finds that the Department of Justice has met this burden, the judge shall order the alien removed and, if the alien was released pending the special removal proceeding, order the Attorney General to take the alien into custody.

"(g) APPEALS.—(1) The alien may appeal a final determination under subsection (f) to the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal with such court not later than 30 days after the determination is made. An appeal under this section shall be heard by the Court of Appeals sitting en banc.

"(2) The Attorney General may appeal a determination under subsection (d), (e), or (f) to the Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal with such court not later than 20 days after the determination is made under any one of such subsections.

"(3) If the Department of Justice does not seek review, the alien shall be released from custody, unless such alien may be arrested and taken into custody pursuant to title II as an alien subject to deportation, in which case such alien shall be treated in accordance with the provisions of this Act concerning the deportation of aliens.

"(4) If the application for the order is denied because the judge has not found probable cause to believe that the alien who is the subject of the application has been correctly identified or is an alien as described in paragraph 4(B) of section 241(a), and the Department of Justice seeks review, the alien shall be released from custody unless such alien may be arrested and taken into custody pursuant to title II as an alien subject to deportation, in which case such alien shall be treated in accordance with the provisions of this Act concerning the deportation of aliens simultaneously with the application of this title.

"(5)(A) If the application for the order is denied based on a finding that no probable cause exists to find that adherence to the provisions of title II regarding the deportation of the identified alien would pose a risk of irreparable harm to the national security of the United States, or death or serious bodily injury to any person, the judge shall release the alien from custody subject to the least restrictive condition or combination of conditions of release described in section 3142(b) and (c)(1)(B) (i) through (xiv) of title 18, United States Code, that will reasonably ensure the appearance of the alien at any future proceeding pursuant to this title and will not endanger the safety of any other person or the Community.

"(B) The alien shall remain in custody if the court fails to make a finding under subparagraph (A), until the completion of any appeal authorized by this title. Sections 3145 through 3148 of title 18, United States Code, pertaining to review and appeal of a release or detention order, penalties for failure to appear, penalties for an offense committed while on release, and sanctions for violation of a release condition, shall apply to an alien to whom the previous sentence applies and—

"(i) for purposes of section 3145 of such title, an appeal shall be taken to the United States Court of Appeals for the District of Columbia Circuit; and

"(ii) for purposes of section 3146 of such title the alien shall be considered released in connection with a charge of an offense punishable by life imprisonment.

"(6) When requested by the Attorney General, the entire record of the proceeding under this section shall be transmitted to the court of appeals or the Supreme Court under seal. The court of appeals or Supreme Court may consider such appeal in camera.".

SEC. 302. EXTRADITION OF ALIENS.

(a) SCOPE.—Section 3181 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "The provisions of this chapter"; and

(2) by adding at the end the following new subsections:

"(b) The provisions of this chapter shall be construed to permit, in the exercise of comity, the surrender of persons, other than citizens, nationals, or permanent residents of the United States, who have committed crimes of violence against nationals of the United States in foreign countries without regard to the existence of any treaty of extradition with such foreign government if the Attorney General certifies, in writing, that—

"(1) evidence has been presented by the foreign government that indicates that had the offenses been committed in the United States, they would constitute crimes of violence as defined under section 16 of this title; and

"(2) the offenses charged are not of a political nature.

"(c) As used in this section, the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).".

(b) FUGITIVES.—Section 3184 of title 18, United States Code, is amended—

(1) in the first sentence by inserting after "United States and any foreign government," the following: "or in cases arising under section 3181(b),";

(2) in the first sentence by inserting after "treaty or convention," the following: "or provided for under section 3181(b),"; and

(3) in the third sentence by inserting after "treaty or convention," the following: "or under section 3181(b),".

SEC. 303. CHANGES TO THE IMMIGRATION AND NATIONALITY ACT TO FACILITATE REMOVAL OF ALIEN TERRORISTS.

(a) TERRORISM ACTIVITIES.—Section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)) is amended to read as follows:

"(B) TERRORISM ACTIVITIES.—

"(i) IN GENERAL.—Any alien who—

"(I) has engaged in a terrorism activity, or

"(II) a consular officer or the Attorney General knows, or has reason to believe, is likely to engage after entry in any terrorism activity (as defined in clause (iii)),

is excludable. An alien who is an officer, official, representative, or spokesman of any terrorist organization designated as a terrorist organization by proclamation by the

President after finding such organization to be detrimental to the interest of the United States, or any person who directs, counsels, commands, or induces such organization or its members to engage in terrorism activity, shall be considered, for purposes of this Act, to be engaged in terrorism activity.

"(ii) TERRORISM ACTIVITY DEFINED.—As used in this Act, the term 'terrorism activity' means any activity that is unlawful under the laws of the place where it is committed (or which, if it had been committed in the United States, would be unlawful under the laws of the United States or any State), and that involves any of the following:

"(I) The hijacking or sabotage of any conveyance (including an aircraft, vessel, or vehicle).

"(II) The seizing or detaining, and threatening to kill, injure, or continue to detain, another individual to compel a third person (including a governmental organization) to do or abstain from doing any act as an explicit or implicit condition for the release of the individual seized or detained.

"(III) A violent attack upon an internationally protected person (as defined in section 1116(b)(4) of title 18, United States Code) or upon the liberty of such a person.

"(IV) An assassination.

"(V) The use of any—

"(aa) biological agent, chemical agent, or nuclear weapon or device, or

"(bb) explosive, firearm, or other weapon (other than for mere personal monetary gain),

with intent to endanger, directly, or indirectly, the safety of one or more individuals or to cause substantial damage to property.

"(VI) A threat, attempt, or conspiracy to do any of the foregoing.

"(iii) ENGAGE IN TERRORISM ACTIVITY DEFINED.—As used in this Act, the term 'engage in terrorism activity' means to commit, in an individual capacity or as a member of an organization, an act of terrorism activity, or an act that the actor knows affords material support to any individual, organization, or government that the actor knows plans to commit terrorism activity, including any of the following acts:

"(I) The preparation or planning of terrorism activity.

"(II) The gathering of information on potential targets for terrorism activity.

"(III) The providing of any type of material support, including a safe house, transportation, communications, funds, false documentation or identification, weapons, explosives, or training.

"(IV) The soliciting of funds or other things of value for terrorism activity or for any terrorist organization.

"(V) The solicitation of any individual for membership in a terrorist organization, terrorist government, or to engage in a terrorism activity.

"(iv) TERRORIST ORGANIZATION DEFINED.—As used in this Act, the term 'terrorist organization' means—

"(I) an organization engaged in, or that has a significant subgroup that engages in, terrorism activity, regardless of any legitimate activities conducted by the organization or its subgroups; and

"(II) an organization designated by the Secretary of State under section 2339B of title 18.".

(b) DEPORTABLE ALIENS.—Section 241(a)(4)(B) of the Immigration and Nationality Act (8 U.S.C. 1251(a)(4)(B)) is amended to read as follows:

"(B) TERRORISM ACTIVITIES.—Any alien who is engaged, or at any time after entry engages in, any terrorism activity (as defined in section 212(a)(3)(B)) is deportable.".

(c) BURDEN OF PROOF.—Section 291 of the Immigration and Nationality Act (8 U.S.C. 1361) is amended by inserting after "custody of the Service." the following new sentence: "The limited production authorized by this provision shall not extend to the records of any other agency or department of the Government or to any documents that do not pertain to the respondent's entry.".

(d) APPREHENSION AND DEPORTATION OF ALIENS.—Section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)(3)) is amended by inserting immediately after paragraph (4) the following: "For purposes of paragraph (3), in the case of an alien who is not lawfully admitted for permanent residence and notwithstanding the provisions of any other law, reasonable opportunity shall not include access to classified information, whether or not introduced in evidence against the alien. Section 3504 of title 18, United States Code, and 18 U.S.C. 3504 and the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) shall not apply in such cases.".

(e) CRIMINAL ALIEN REMOVAL.—

(1) JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a(a)(10)) is amended to read as follows:

"(10) Notwithstanding any other provision of law, any final order of deportation against an alien who is deportable by reason of having committed a criminal offense covered in section 241(a)(2) (A)(iii), (B), (C), or (D), or any offense covered by section 241(a)(2)(A)(ii) for which both predicate offenses are covered by section 241(a)(2)(A)(i), shall not be subject to review by any court.".

(2) FINAL ORDER OF DEPORTATION DEFINED.—Section 101(a) of such Act (8 U.S.C. 1101(a)) is amended by adding at the end the following new paragraph:

"(47)(A) The term 'order of deportation' means the order of the special inquiry officer, or other such administrative officer to whom the Attorney General has delegated the responsibility for determining whether an alien is deportable, concluding that the alien is deportable or ordering deportation.

"(B) The order described under subparagraph (A) shall become final upon the earlier of—

"(i) a determination by the Board of Immigration Appeals affirming such order; or

"(ii) the expiration of the period in which the alien is permitted to seek review of such order by the Board of Immigration Appeals.".

(3) ARREST AND CUSTODY.—Section 242(a)(2) of such Act is amended—

(A) in subparagraph (A)—

(i) by striking "(2)(A) The Attorney" and inserting "(2) The Attorney";

(ii) by striking "an aggravated felony upon" and all that follows through "of the same offense)" and inserting "any criminal offense covered in section 241(a)(2) (A)(iii), (B), (C), or (D), or any offense covered by section 241(a)(2)(A)(ii) for which both predicate offenses are covered by section 241(a)(2)(A)(i), upon release of the alien from incarceration, shall deport the alien as expeditiously as possible"; and

(iii) by striking "but subject to subparagraph (B)"; and

(B) by striking subparagraph (B).

(4) CLASSES OF EXCLUDABLE ALIENS.—Section 212(c) of such Act (8 U.S.C. 1182(c)) is amended—

(A) by striking "The first sentence of this" and inserting "This"; and

(B) by striking "has been convicted of one or more aggravated felonies" and all that follows through the end and inserting "is deportable by reason of having committed any criminal offense covered in section 241(a)(2) (A)(iii), (B), (C), or (D), or any offense covered by section 241(a)(2)(A)(ii) for which both predicate offenses are covered by section 241(a)(2)(A)(i).".

(5) AGGRAVATED FELONY DEFINED.—Section 101(a)(43) of such Act is amended—

(A) in subparagraph (F)—

(i) by inserting ", including forcible rape," after "offense)"; and

(ii) by striking "5 years" and inserting "1 year"; and

(B) in subparagraph (G) by striking "5 years" and inserting "1 year".

(6) DEPORTATION OF CRIMINAL ALIENS.—Section 242A(a) of such Act (8 U.S.C. 1252(a)) is amended—

(A) in paragraph (1)—

(i) by striking "aggravated felonies (as defined in section 101(a)(43))" and inserting "any criminal offense covered in section 241(a)(2) (A)(iii), (B), (C), or (D), or any offense covered by section 241(a)(2)(A)(ii) for which both predicate offenses are covered by section 241(a)(2)(A)(i)."; and

(ii) by striking ", where warranted,";

(B) in paragraph (2), by striking "aggravated felony" and all that follows through "before any scheduled hearings." and inserting "any criminal offense covered in section 241(a)(2) (A)(iii), (B), (C), or (D), or any offense covered by section 241(a)(2)(A)(ii) for which both predicate offenses are covered by section 241(a)(2)(A)(i).".

(7) DEADLINES FOR DEPORTING ALIEN.—Section 242(c) of such Act (8 U.S.C. 1252(c)) is amended—

(A) by striking "(c) When a final order" and inserting "(c)(1) Subject to paragraph (2), when a final order"; and

(B) by inserting at the end the following new paragraph:

"(2) When a final order of deportation under administrative process is made against any alien who is deportable by reason of having committed a criminal offense covered in section 241(a)(2) (A)(iii), (B), (C), or (D) or any offense covered by section 241(a)(2)(A)(ii) for which both predicate offenses are covered by section 241(a)(2)(A)(i), the Attorney General shall have 30 days from the date of the order within which to effect the alien's departure from the United States. The Attorney General shall have sole and unreviewable discretion to waive the foregoing provision for aliens who are cooperating with law enforcement authorities or for purposes of national security.".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act and shall apply to cases pending before, on, or after such date of enactment.

SEC. 304. ACCESS TO CERTAIN CONFIDENTIAL IMMIGRATION AND NATURALIZATION FILES THROUGH COURT ORDER.

(a) CONFIDENTIALITY OF INFORMATION.—Section 245A(c)(5) of the Immigration and Nationality Act (8 U.S.C. 1255a(c)(5)) is amended—

(1) by inserting "(i)" after "except the Attorney General"; and

(2) by inserting after "Title 13" the following: "and (ii) may authorize an application to a Federal court of competent jurisdiction for, and a judge of such court may grant, an order authorizing disclosure of information contained in the application of the alien to be used—

"(I) for identification of the alien when there is reason to believe that the alien has been killed or severely incapacitated; or

"(II) for criminal law enforcement purposes against the alien whose application is to be disclosed.".

(b) APPLICATIONS FOR ADJUSTMENT OF STATUS.—Section 210(b) of the Immigration and Nationality Act (8 U.S.C. 1160(b)) is amended—

(1) in paragraph (5), by inserting ", except as allowed by a court order issued pursuant to paragraph (6) of this subsection" after "consent of the alien"; and

(2) in paragraph (6), by inserting the following sentence before "Anyone who uses": "Notwithstanding the preceding sentence, the Attorney General may authorize an application to a Federal court of competent jurisdiction for, and a judge of such court may grant an order authorizing, disclosure of information contained in the application of the alien to be used for identification of the alien when there is reason to believe that the alien has been killed or severely incapacitated, or for criminal law enforcement purposes against the alien whose application is to be disclosed or to discover information leading to the location or identity of the alien.".

TITLE IV—CONTROL OF FUNDRAISING FOR TERRORISM ACTIVITIES

SEC. 401. PROHIBITION ON TERRORIST FUNDRAISING.

(a) IN GENERAL.—Chapter 113B of title 18, United States Code, is amended by adding at the end the following new section:

"§ 2339B. Fundraising for terrorist organizations

"(a) FINDINGS AND PURPOSE.—

"(1) The Congress finds that—

"(A) terrorism is a serious and deadly problem which threatens the interests of the United States overseas and within our territory;

"(B) the Nation's security interests are gravely affected by the terrorist attacks carried out overseas against United States Government facilities and officials, and against American citizens present in foreign countries;

"(C) United States foreign policy and economic interests are profoundly affected by terrorist acts overseas directed against foreign governments and their people;

"(D) international cooperation is required for an effective response to terrorism, as demonstrated by the numerous multilateral conventions in force providing universal prosecutive jurisdiction over persons involved in a variety of terrorist acts, including hostage taking, murder of an internationally protected person, and aircraft piracy and sabotage;

"(E) some foreign terrorist organizations, acting through affiliated groups or individuals, raise significant funds within the United States or use the United States as a conduit for the receipt of funds raised in other nations; and

"(F) the provision of funds to organizations that engage in terrorism serves to facilitate their terrorist endeavors, regardless of whether the funds, in whole or in part, are intended or claimed to be used for nonviolent purposes.

"(2) The purpose of this section is to provide the Federal Government the fullest possible basis, consistent with the Constitution, to prevent persons within the United States or subject to the jurisdiction of the United States from providing funds, directly or indirectly, to foreign organizations, including subordinate or affiliated persons, that engage in terrorism activities.

"(b) DESIGNATION.—

"(1) The Secretary of State, after consultation with the Secretary of the Treasury, is authorized to designate under this section any foreign organization based on finding that—

"(A) the organization engages in terrorism activity as defined in section 212(a)(3)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)); and

"(B) the organization's terrorism activities threaten the security of United States citizens, national security, foreign policy, or the economy of the United States.

"(2) Not later than 7 days after making a designation under paragraph (1), the Secretary of State shall prepare and transmit to Congress a report containing a list of the designated organizations and a summary of the facts underlying the designation. The designation shall take effect 60 days after the date on which the Secretary of State submits the report, unless otherwise provided by law.

"(3) A designation or redesignation under this subsection shall be in effect for 1 year following its effective date, unless revoked under paragraph (4).

"(4)(A) If the Secretary of State, after consultation with the Secretary of the Treasury, finds that the conditions that were the basis for any designation issued under this subsection have changed in such a manner as to warrant revocation of such designation, or that the national security, foreign relations, or economic interests of the United States so warrant, the Secretary of State may revoke such designation in whole or in part.

"(B) Not later than 7 calendar days after the Secretary of State finds that an organization no longer engages in, or supports, terrorism activity, the Secretary of State shall prepare and transmit to Congress a supplemental report stating the reasons for the finding.

"(5) Any designation, or revocation of a designation, issued under this subsection shall be published in the Federal Register not later than 7 calendar days after the Secretary of State makes the designation.

"(6) Not later than 7 calendar days after making a designation under this subsection, the Secretary of State shall give the organization actual notice of—

"(A) the designation;

"(B) the consequences of the designation for the organization's ability to raise funds in the United States; and

"(C) the availability of judicial review.

"(7) Any revocation or lapsing of a designation shall not affect any action or proceeding based on any conduct committed prior to the effective date of such revocation or lapsing.

"(8) Classified information may be used in making a designation under this subsection. Such information shall not be disclosed to the public or to any party, but may be disclosed to a court ex parte and in camera.

"(9) No question concerning the validity of the issuance of a designation issued under this subsection may be raised by a defendant in a criminal prosecution as a defense in or as an objection to any trial or hearing if such designation was issued and published in the Federal Register.

"(c) JUDICIAL REVIEW.—

"(1) Organizations designated by the Secretary of State as engaging in, or supporting, terrorism activities under this section may seek review of the designation in the District Court for the District of Columbia not later than 60 days after publication of such designation in the Federal Register.

"(2) In reviewing a designation under this subsection, the court shall receive relevant oral or documentary evidence, unless the court finds that the probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or considerations of undue delay, waste of time, or needless presentation of cumulative evidence, or unless its introduction or consideration is prohibited by a common law privilege or by the Constitution or laws of the United States. A party shall be entitled to present its case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

"(3) The judge shall authorize the introduction in camera and ex parte of any item of evidence containing classified information for which the Attorney General determines that public disclosure would pose a risk to the national security of the United States. With respect to such evidence, the Attorney General shall submit to the court either—

"(A) a statement identifying relevant facts that the specific evidence would tend to prove; or

"(B) an unclassified summary of the specific evidence prepared in accordance with paragraph (5).

"(4)(A)(i) The Secretary of State shall have the burden of demonstrating that there are specific and articulable facts giving reason to believe that the organization engages in or supports terrorism activity (as that term is defined in section 212(a)(3)(B)).

"(ii) The organization shall have the burden of proving that its purpose is to engage in religious, charitable, literary, educational, or nonterrorism activities and that it engages in such activities.

"(iii) The Secretary shall have the burden of proving that the control group of the organization has actual knowledge that the organization or its resources are being used for terrorism activities.

"(iv) If any portion of the Secretary's evidence consists of classified information that cannot be revealed to the organization for national security reasons, the Secretary must prove these elements by clear and convincing evidence.

"(B) If the court finds, under the standards stated in subparagraph (A) that the control group of the organization has actual knowledge that the organization or its resources are being used for terrorism activities, the court shall affirm the designation of the Secretary.

"(C)(i) If the court finds by a preponderance of the evidence that the organization or its resources have been used for terrorism activities without the knowledge of the control group, but that the control group is now aware of these facts, the court may condition revocation of the designation on the control group's undertaking or completing all steps within its power to prevent the organization or its resources from being used for terrorism activities. Such steps may include—

"(I) maintaining financial records adequate to document the use of the organization's resources; and

"(II) making records available to the Secretary for inspection.

"(ii) If a designation is revoked under subsection (B)(4) and the organization fails to comply with any condition imposed, the designation may be reinstated by the Secretary of State upon a showing that the organization failed to comply with the condition.

"(5)(A) The information submitted under paragraph (3)(B) shall contain an unclassified summary of the classified information that does not pose a risk to national security.

"(B) The judge shall approve the unclassified summary if the judge finds that the summary is sufficient to inform the organization of the activities described in section 212(a)(3)(B) in which the organization is alleged to engage, and to permit the organization to defend against the designation.

"(C) The Attorney General shall cause to be delivered to the organization a copy of the unclassified summary approved under subparagraph (B).

"(6) The court shall decide the case on the basis of the evidence on the record as a whole, in camera or otherwise.

"(d) PROHIBITED ACTIVITIES.—It shall be unlawful for any person within the United States, or any person subject to the jurisdiction of the United States anywhere, to directly or indirectly, raise, receive, or collect on behalf of, or furnish, give, transmit, transfer, or provide funds to or for an organization or person designated by the Secretary of State under subsection (b), or to attempt to do any of the foregoing.

"(e) SPECIAL REQUIREMENTS FOR FINANCIAL INSTITUTIONS.—

"(1) Except as authorized by the Secretary of State, after consultation with the Secretary of the Treasury, by means of directives, regulations, or licenses, any financial institution that becomes aware that it has possession of or control over any funds in which an organization or person designated under subsection (b) has an interest, shall—

"(A) retain possession of or maintain control over such funds; and

"(B) report to the Secretary the existence of such funds in accordance with the regulations prescribed by the Secretary.

"(2) Any financial institution that knowingly fails to report to the Secretary the existence of such funds shall be subject to a civil penalty of $250 per day for each day that it fails to report to the Secretary—

"(A) in the case of funds being possessed or controlled at the time of the designation of the organization or person, within 10 days after the designation; and

"(B) in the case of funds whose possession of or control over arose after the designation of the organization or person, within 10 days after the financial institution obtained possession of or control over the funds.

"(f) INVESTIGATIONS.—Any investigation emanating from a possible violation of this section shall be conducted by the Attorney General, except that investigations relating to—

"(1) a financial institution's compliance with the requirements of subsection (e); and

"(2) civil penalty proceedings authorized pursuant to subsection (g)(2),

shall be conducted in coordination with the Attorney General by the office within the Department of the Treasury responsible for civil penalty proceedings authorized by this section. Any evidence of a criminal violation of this section arising in the course of an investigation by the Secretary or any other Federal agency shall be referred immediately to the Attorney General for further investigation. The Attorney General shall timely notify the Secretary of any action taken on referrals from the Secretary, and may refer investigations to the Secretary for remedial licensing or civil penalty action.

"(g) PENALTIES.—

"(1) Any person who, with knowledge that the donee is a designated entity, violates subsection (d) shall be fined under this title, or imprisoned for up to ten years, or both.

"(2) Any financial institution that knowingly fails to comply with subsection (e), or by regulations promulgated thereunder, shall be subject to a civil penalty of $50,000 per violation, or twice the amount of money of which the financial institution was required to retain possession or control, whichever is greater.

"(h) INJUNCTION.—

"(1) Whenever it appears to the Secretary or the Attorney General that any person is engaged in, or is about to engage in, any act which constitutes, or would constitute, a violation of this section, the Attorney General may initiate civil action in a district court of the United States to enjoin such violation.

"(2) A proceeding under this subsection is governed by the Federal Rules of Civil Procedure, except that, if an indictment has been returned against the respondent, discovery is governed by the Federal Rules of Criminal Procedure.

"(i) EXTRATERRITORIAL JURISDICTION.—There is extraterritorial Federal jurisdiction over an offense under this section.

"(j) CLASSIFIED INFORMATION IN CIVIL PROCEEDINGS BROUGHT BY THE UNITED STATES.—

"(1) DISCOVERY OF CLASSIFIED INFORMATION BY DEFENDANTS.—A court, upon a sufficient showing, may authorize the United States to delete specified items of classified information from documents to be introduced into evidence or made available to the defendant through discovery under the Federal Rules of Civil Procedure, to substitute an unclassified summary of the information for such classified documents, or to substitute a statement admitting relevant facts that the classified information would tend to prove. The court shall permit the United States to make a request for such authorization in the form of a written statement to be inspected by the court alone. If the court enters an order granting relief following such an ex parte showing, the entire text of the statement of the United States shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal. If the court enters an order denying relief to the United States under this paragraph, the United States may take an immediate, interlocutory appeal in accordance with the provisions of paragraph (3). For purposes of such an appeal, the entire text of the underlying written statement of the United States, together with any transcripts of arguments made ex parte to the court in connection therewith, shall be maintained under seal and delivered to the appellate court.

"(2) INTRODUCTION OF CLASSIFIED INFORMATION; PRECAUTIONS BY COURT.—

"(A) EXHIBITS.—The United States, to prevent unnecessary or inadvertent disclosure of classified information in a civil trial or other proceeding brought by the United States under this section, may petition the court ex parte to admit, in lieu of classified writings, recordings or photographs, one or more of the following:

"(i) copies of those items from which classified information has been deleted;

"(ii) stipulations admitting relevant facts that specific classified information would tend to prove; or

"(iii) an unclassified summary of the specific classified information.

The court shall grant such a motion of the United States if the court finds that the redacted item, stipulation, or unclassified summary will provide the defendant with substantially the same ability to make his defense as would disclosure of the specific classified information.

"(B) TAKING OF TRIAL TESTIMONY.—During the examination of a witness in any civil proceeding brought by the United States under this section, the United States may object to any question or line of inquiry that may require the witness to disclose classified information not previously found to be admissible. Following such an objection, the court shall take suitable action to determine whether the response is admissible and, in doing so, shall take precautions to guard against the compromise of any classified information. Such action may include permitting the United States to provide the court, ex parte, with a proffer of the witness's response to the question or line of inquiry, and requiring the defendant to provide the court with a proffer of the nature of the information the defendant seeks to elicit.

"(C) APPEAL.—If the court enters an order denying relief to the United States under this subsection, the United States may take an immediate interlocutory appeal in accordance with paragraph (3).

"(3) INTERLOCUTORY APPEAL.—

"(A) An interlocutory appeal by the United States shall lie to a court of appeals from a decision or order of a district court—

"(i) authorizing the disclosure of classified information;

"(ii) imposing sanctions for nondisclosure of classified information; or

"(iii) refusing a protective order sought by the United States to prevent the disclosure of classified information.

"(B) An appeal taken pursuant to this paragraph either before or during trial shall be expedited by the court of appeals. Prior to trial, an appeal shall be taken not later than 10 days after the decision or order appealed from, and the trial shall not commence until the appeal is resolved. If an appeal is taken during trial, the trial court shall adjourn the trial until the appeal is resolved. The court of appeals—

"(i) shall hear argument on such appeal not later than 4 days after the adjournment of the trial;

"(ii) may dispense with written briefs other than the supporting materials previously submitted to the trial court;

"(iii) shall render its decision not later than 4 days after argument on appeal; and

"(iv) may dispense with the issuance of a written opinion in rendering its decision.

"(C) An interlocutory appeal and decision under this paragraph shall not affect the right of the defendant, in a subsequent appeal from a final judgment, to claim as error, reversal by the trial court on remand of a ruling appealed from during trial.

"(4) CONSTRUCTION.—Nothing in this subsection shall prevent the United States from seeking protective orders or asserting privileges ordinarily available to the United States to protect against the disclosure of classified information, including the invocation of the military and State secrets privilege.

"(k) DEFINITIONS.—As used in this section—

"(1) the term 'classified information' means any information or material that has been determined by the United States Government pursuant to an Executive order, statute, or regulation, to require protection against unauthorized disclosure for reasons of national security and any restricted data, as defined in paragraph (r) of section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y));

"(2)(A) the term 'control group' means the officers or agents charged with directing the affairs of the organization;

"(B) if a single officer or agent is authorized to conduct the affairs of the organization, the knowledge of the officer or agent that the organization or its resources are being used for terrorism activities shall constitute knowledge of the control group;

"(C) if a single officer or agent is a member of a group empowered to conduct the affairs of the organization but cannot conduct the affairs of the organization on his or her own authority, that person's knowledge shall not constitute knowledge by the control group unless that person's knowledge is shared by a sufficient number of members of the group so that the group with knowledge has the authority to conduct the affairs of the organization;

"(3) the term 'financial institution' has the meaning prescribed in section 5312(a)(2) of title 31, United States Code, including any regulations promulgated thereunder;

"(4) the term 'funds' includes coin or currency of the United States or any other country, traveler's checks, personal checks, bank checks, money orders, stocks, bonds, debentures, drafts, letters of credit, any other negotiable instrument, and any electronic representation of any of the foregoing;

"(5) the term 'national security' means the national defense and foreign relations of the United States;

"(6) the term 'person' includes an individual, partnership, association, group, corporation, or other organization;

"(7) the term 'Secretary' means the Secretary of the Treasury; and

"(8) the term 'United States', when used in a geographical sense, includes all commonwealths, territories, and possessions of the United States.".

(b) TECHNICAL AMENDMENT.—The analysis for chapter 113B of title 18, United States Code, is amended by adding at the end the following new item:

"2339B. Fundraising for terrorist organizations.".

(c) CLASSIFIED INFORMATION IN CIVIL PROCEEDINGS.—Section 2339B(k) of title 18, United States Code (relating to classified information in civil proceedings brought by the United States), shall also be applicable to civil proceedings brought by the United States under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

SEC. 402. CORRECTION TO MATERIAL SUPPORT PROVISION.

Section 2339A of title 18, United States Code, is amended to read as follows:

"§ 2339A. Providing material support to terrorists

"(a) DEFINITION.—In this section, 'material support or resources' means currency or other financial securities, financial services, lodging, training, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, but does not include humanitarian assistance to persons not directly involved in such violations.

"(b) OFFENSE.—A person who, within the United States, provides material support or resources or conceals or disguises the nature, location, source, or ownership of material support or resources, knowing or intending that they are to be used in preparation for, or in carrying out, a violation of section 32, 37, 351, 844(f) or (i), 956, 1114, 1116, 1203, 1361, 1363, 1751, 2280, 2281, 2332, or 2332a of this title or section 46502 of title 49, or in preparation for or carrying out the concealment or an escape from the commission of any such violation, shall be fined under this title, imprisoned not more than 10 years, or both.".

TITLE V—ASSISTANCE TO FEDERAL LAW ENFORCEMENT AGENCIES

Subtitle A—Antiterrorism Assistance

SEC. 501. DISCLOSURE OF CERTAIN CONSUMER REPORTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR FOREIGN COUNTERINTELLIGENCE INVESTIGATIONS.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by adding after section 623 the following new section:

"SEC. 624. DISCLOSURES TO THE FEDERAL BUREAU OF INVESTIGATION FOR FOREIGN COUNTERINTELLIGENCE PURPOSES.

"(a) IDENTITY OF FINANCIAL INSTITUTIONS.—(1) Notwithstanding section 604 or any other provision of this title, a court or magistrate judge may issue an order ex parte directing a consumer reporting agency to furnish to the Federal Bureau of Investigation the names and addresses of all financial institutions (as that term is defined in section 1101 of the Right to Financial Privacy Act of 1978) at which a consumer maintains or has maintained an account, to the extent that information is in the files of the agency. The court or magistrate judge shall issue the order if the Director of the Federal Bureau of Investigation, or the Director's designee, certifies in writing to the court or magistrate judge that—

"(A) such information is necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(B) there are specific and articulable facts giving reason to believe that the consumer—

"(i) is a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978) or a person who is not a United States person (as defined in such section 101) and is an official of a foreign power; or

"(ii) is an agent of a foreign power and is engaging or has engaged in international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

"(2) An order issued under this subsection shall not disclose that it is issued for purposes of a counterintelligence investigation.

"(b) IDENTIFYING INFORMATION.—(1) Notwithstanding section 604 or any other provision of this title, a court or magistrate judge shall issue an order ex parte directing a consumer reporting agency to furnish identifying information respecting a consumer, limited to name, address, former addresses, places of employment, or former places of employment, to the Federal Bureau of Investigation. The court or magistrate judge shall issue the order if the Director or the Director's designee, certifies in writing that—

"(A) such information is necessary to the conduct of an authorized foreign counterintelligence investigation; and

"(B) there is information giving reason to believe that the consumer has been, or is about to be, in contact with a foreign power or an agent of a foreign power (as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978).

"(2) An order issued under this subsection shall not disclose that it is issued for purposes of a counterintelligence investigation.

"(c) COURT ORDER FOR DISCLOSURE OF CONSUMER REPORTS.—(1) Notwithstanding section 604 or any other provision of this title, if requested in writing by the Director of the Federal Bureau of Investigation, or an authorized designee of the Director, a court may issue an order ex parte directing a consumer reporting agency to furnish a consumer report to the Federal Bureau of Investigation, upon a showing in camera that—

"(A) the consumer report is necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(B) there are specific and articulable facts giving reason to believe that the consumer whose consumer report is sought—

"(i) is an agent of a foreign power; and

"(ii) is engaging or has engaged in international terrorism (as that term is defined in section 101(c) of the Foreign Intelligence Surveillance Act of 1978) or clandestine intelligence activities that involve or may involve a violation of criminal statutes of the United States.

"(2) An order issued under this subsection shall not disclose that it is issued for purposes of a counterintelligence investigation.

"(d) CONFIDENTIALITY.—(1) No consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall disclose to any person, other than officers, employees, or agents of a consumer reporting agency necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this section, that the Federal Bureau of Investigation has sought or obtained the identity of financial institutions or a consumer report respecting any consumer under subsection (a), (b), or (c).

"(2) No consumer reporting agency or officer, employee, or agent of a consumer reporting agency shall include in any consumer report any information that would indicate that the Federal Bureau of Investigation has sought or obtained such information or a consumer report.

"(e) PAYMENT OF FEES.—The Federal Bureau of Investigation is authorized, subject to the availability of appropriations, pay to the consumer reporting agency assembling or providing reports or information in accordance with procedures established under this section, a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching, reproducing, or transporting books, papers, records, or other data required or requested to be produced under this section.

"(f) LIMIT ON DISSEMINATION.—The Federal Bureau of Investigation may not disseminate information obtained pursuant to this section outside of the Federal Bureau of Investigation, except—

"(1) to the Department of Justice, as may be necessary for the approval or conduct of a foreign counterintelligence investigation; or

"(2) where the information concerns a person subject to the Uniform Code of Military Justice, to appropriate investigative authorities within the military department concerned as may be necessary for the conduct of a joint foreign counterintelligence investigation.

"(g) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit information from being furnished by the Federal Bureau of Investigation pursuant to a subpoena or court order, or in connection with a judicial or administrative proceeding to enforce the provisions of this Act. Nothing in this section shall be construed to authorize or permit the withholding of information from the Congress.

"(h) REPORTS TO CONGRESS.—On an annual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence and the Committee on Banking and Financial Services of the House of Representatives, and the Select Committee on

Intelligence and the Committee on Banking, Housing, and Urban Affairs of the Senate concerning all requests made pursuant to subsections (a), (b), and (c).

"(i) DAMAGES.—Any agency or department of the United States obtaining or disclosing any consumer reports, records, or information contained therein in violation of this section is liable to the consumer to whom such consumer reports, records, or information relate in an amount equal to the sum of—

"(1) $100, without regard to the volume of consumer reports, records, or information involved;

"(2) any actual damages sustained by the consumer as a result of the disclosure;

"(3) if the violation is found to have been willful or intentional, such punitive damages as a court may allow; and

"(4) in the case of any successful action to enforce liability under this subsection, the costs of the action, together with reasonable attorney fees, as determined by the court.

"(j) DISCIPLINARY ACTIONS FOR VIOLATIONS.—If a court determines that any agency or department of the United States has violated any provision of this section and the court finds that the circumstances surrounding the violation raise questions of whether or not an officer or employee of the agency or department acted willfully or intentionally with respect to the violation, the agency or department shall promptly initiate a proceeding to determine whether or not disciplinary action is warranted against the officer or employee who was responsible for the violation.

"(k) GOOD-FAITH EXCEPTION.—Notwithstanding any other provision of this title, any consumer reporting agency or agent or employee thereof making disclosure of consumer reports or identifying information pursuant to this subsection in good-faith reliance upon a certification of the Federal Bureau of Investigation pursuant to provisions of this section shall not be liable to any person for such disclosure under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State notwithstanding.

"(*l*) INJUNCTIVE RELIEF.—In addition to any other remedy contained in this section, injunctive relief shall be available to require compliance with the procedures of this section. In the event of any successful action under this subsection, costs together with reasonable attorney fees, as determined by the court, may be recovered.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.) is amended by adding after the item relating to section 623 the following new item:

"624. Disclosures to the Federal Bureau of Investigation for foreign counterintelligence purposes.".

SEC. 502. ACCESS TO RECORDS OF COMMON CARRIERS, PUBLIC ACCOMMODATION FACILITIES, PHYSICAL STORAGE FACILITIES, AND VEHICLE RENTAL FACILITIES IN FOREIGN COUNTERINTELLIGENCE AND COUNTERTERRORISM CASES.

Title 18, United States Code, is amended by inserting after chapter 121 the following new chapter:

"CHAPTER 122—ACCESS TO CERTAIN RECORDS

"§ 2720. Access to records of common carriers, public accommodation facilities, physical storage facilities, and vehicle rental facilities in counterintelligence and counterterrorism cases

"(a)(1) A court or magistrate judge may issue an order ex parte directing any common carrier, public accommodation facility, physical storage facility, or vehicle rental facility to furnish any records in its possession to the Federal Bureau of Investigation. The court or magistrate judge shall issue the order if the Director of the Federal Bureau of Investigation or the Director's designee (whose rank shall be no lower than Assistant Special Agent in Charge) certifies in writing that—

"(A) such records are sought for foreign counterintelligence purposes; and

"(B) there are specific and articulable facts giving reason to believe that the person to whom the records pertain is a foreign power or an agent of a foreign power as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 801).

"(2) An order issued under this subsection shall not disclose that it is issued for purposes of a counterintelligence investigation.

"(b) No common carrier, public accommodation facility, physical storage facility, or vehicle rental facility, or any officer, employee, or agent of such common carrier, public accommodation facility, physical storage facility, or vehicle rental facility, shall disclose to any person, other than those officers, agents, or employees of the common carrier, public accommodation facility, physical storage facility, or vehicle rental facility necessary to fulfill the requirement to disclose the information to the Federal Bureau of Investigation under this section.

"(c) As used in this chapter—

"(1) the term 'common carrier' means a locomotive, rail carrier, bus carrying passengers, water common carrier, air common carrier, or private commercial interstate carrier for the delivery of packages and other objects;

"(2) the term 'public accommodation facility' means any inn, hotel, motel, or other establishment that provides lodging to transient guests;

"(3) the term 'physical storage facility' means any business or entity that provides space for the storage of goods or materials, or services related to the storage of goods or materials, to the public or any segment thereof; and

"(4) the term 'vehicle rental facility' means any person or entity that provides vehicles for rent, lease, loan, or other similar use, to the public or any segment thereof.".

SEC. 503. INCREASE IN MAXIMUM REWARDS FOR INFORMATION CONCERNING INTERNATIONAL TERRORISM.

(a) TERRORISM ABROAD.—Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended—

(1) in subsection (c), by striking "$2,000,000" and inserting "$10,000,000"; and

(2) in subsection (g), by striking "$5,000,000" and inserting "$10,000,000.

(b) DOMESTIC TERRORISM.—Title 18, United States Code, is amended—

(1) in section 3072, by striking "$500,000" and inserting "$10,000,000"; and

(2) in section 3075, by striking "$5,000,000" and inserting "$10,000,000".

(c) GENERAL REWARD AUTHORITY OF THE ATTORNEY GENERAL.—

(1) IN GENERAL.—Chapter 203 of title 18, United States Code, is amended by adding immediately after section 3059A the following section:

"§ 3059B. General reward authority

"(a) Notwithstanding any other provision of law, the Attorney General may pay rewards and receive from any department or agency funds for the payment of rewards under this section to any individual who assists the Department of Justice in performing its functions.

"(b) Not later than 30 days after authorizing a reward under this section that exceeds $100,000, the Attorney General shall give notice to the respective chairmen of the Committees on Appropriations and the Committees on the Judiciary of the Senate and the House of Representatives.

"(c) A determination made by the Attorney General to authorize an award under this section and the amount of any reward authorized shall be final and conclusive, and not subject to judicial review.".

Subtitle B—Intelligence and Investigation Enhancements

SEC. 511. STUDY AND REPORT ON ELECTRONIC SURVEILLANCE.

(a) STUDY.—The Attorney General and the Director of the Federal Bureau of Investigation shall study all applicable laws and guidelines relating to electronic surveillance and the use of pen registers and other trap and trace devices.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall submit a report to the Congress that includes—

(1) the findings of the study conducted pursuant to subsection (a);

(2) recommendations for the use of electronic devices in conducting surveillance of terrorist or other criminal organizations, and for any modifications in the law necessary to enable the Federal Government to fulfill its law enforcement responsibilities within appropriate constitutional parameters; and

(3) a summary of efforts to use current wiretap authority, including detailed examples of situations in which expanded authority would have enabled law enforcement authorities to fulfill their responsibilities.

SEC. 512. AUTHORIZATION FOR INTERCEPTIONS OF COMMUNICATIONS IN CERTAIN TERRORISM RELATED OFFENSES.

Section 2516(1) of title 18, United States Code, is amended—

(1) in paragraph (c)—

(A) by inserting before "or section 1992 (relating to wrecking trains)" the following: "section 2332 (relating to terrorist acts abroad), section 2332a (relating to weapons of mass destruction, section 2332b (relating to acts of terrorism transcending national boundaries), section 2339A (relating to providing material support to terrorists), section 37 (relating to violence at international airports),"; and

(B) by inserting after "section 175 (relating to biological weapons)," the following: "or a felony violation under section 1028 (relating to production of false identification documentation), sections 1541, 1542, 1543, 1544, and 1546 (relating to passport and visa offenses),";

(2) by striking "and" at the end of paragraph (o), as so redesignated by section 512(a)(2);

(3) by redesignating paragraph (p), as so redesignated by section 512(a)(2), as paragraph (s); and

(4) by inserting after paragraph (o), as so redesignated by section 512(a)(2), the following new subparagraphs:

"(p) any violation of section 956 or section 960 of title 18, United States Code (relating to certain actions against foreign nations);

"(q) any violation of section 46502 of title 49, United States Code; and".

SEC. 513. REQUIREMENT TO PRESERVE EVIDENCE.

Section 2703 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(f) REQUIREMENT TO PRESERVE EVIDENCE.—A provider of wire or electronic communication services or a remote computing service, upon the request of a governmental entity, shall take all necessary steps to preserve records and other evidence in its possession pending the issuance of a court order or other process. Such records shall be retained for a period of 90 days, which period shall be extended for an additional 90-day period upon a renewed request by the governmental entity.".

Subtitle C—Additional Funding for Law Enforcement

SEC. 521. FEDERAL BUREAU OF INVESTIGATION ASSISTANCE TO COMBAT TERRORISM.

(a) IN GENERAL.—With funds made available pursuant to subsection (b), the Attorney General shall—

(1) develop digital telephony technology;

(2) support and enhance the technical support center and tactical operations;

(3) create a Federal Bureau of Investigation counterterrorism and counterintelligence fund for costs associated with terrorism cases; and

(4) expand and improve the instructional, operational support, and construction of the Federal Bureau of Investigation academy.

(5) construct an FBI laboratory, provide laboratory examination support, and provide for a Command Center;

(6) make funds available to the chief executive officer of each State to carry out the activities described in subsection (d); and

(7) enhance personnel to support counterterrorism activities.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the activities of the Federal Bureau of Investigation, to help meet the increased demands for activities to combat terrorism—

(1) $300,000,000 for fiscal year 1996;

(2) $225,000,000 for fiscal year 1997;

(3) $328,000,000 for fiscal year 1998;

(4) $190,000,000 for fiscal year 1999; and

(5) $183,000,000 for fiscal year 2000.

(c) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Funds made available pursuant to subsection (b), in any fiscal year, shall remain available until expended.

(d) STATE GRANTS.—

(1) IN GENERAL.—Any funds made available for purposes of subsection (a)(6) may be expended—

(A) by the Director of the Federal Bureau of Investigation to—

(i) hire new agents; and

(ii) expand the combined DNA Identification System (CODIS) to include Federal crimes and crimes committed in the District of Columbia; and

(B) by the Attorney General, in consultation with the Director of the Federal Bureau of Investigation to make funds available to the chief executive officer of each State to carry out the activities described in paragraph (2).

(2) GRANT PROGRAM.—

(A) USE OF FUNDS.—The executive officer of each State shall use any funds made available under paragraph (1)(B) in conjunction with units of local government, other States, or combinations thereof, to carry out all or part of a program to establish, develop, update, or upgrade—

(i) computerized identification systems that are compatible and integrated with the databases of the National Crime Information Center of the Federal Bureau of Investigation;

(ii) ballistics identification programs that are compatible and integrated with the Drugfire Program of the Federal Bureau of Investigation;

(iii) the capability to analyze deoxyribonucleic acid (DNA) in a forensic laboratory in ways that are compatible and integrated with the combined DNA Identification System (CODIS) of the Federal Bureau of Investigation; and

(iv) automated fingerprint identification systems that are compatible and integrated with the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation.

(B) ELIGIBILITY.—To be eligible to receive funds under this paragraph, a State shall require that each person convicted of a felony of a sexual nature shall provide a sample of blood, saliva, or other specimen necessary to conduct a DNA analysis consistent with the standards established for DNA testing by the Director of the Federal Bureau of Investigation.

(C) INTERSTATE COMPACTS.—A State may enter into a compact or compacts with another State or States to carry out this subsection.

(D) ALLOCATION.—The Attorney General shall allocate funds made available under this subsection to each State based on the population of the State as reported in the most recent decennial census of the population.

SEC. 522. AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE UNITED STATES CUSTOMS SERVICE.

(a) IN GENERAL.—There are authorized to be appropriated for the activities of the United States Customs Service, to help meet the increased needs of the United States Customs Service—

(1) $6,000,000 for fiscal year 1996;

(2) $6,000,000 for fiscal year 1997;

(3) $6,000,000 for fiscal year 1998;

(4) $5,000,000 for fiscal year 1999; and

(5) $5,000,000 for fiscal year 2000.

(b) AVAILABILITY OF FUNDS.—Funds made available pursuant to subsection (a), in any fiscal year, shall remain available until expended.

SEC. 523. AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE IMMIGRATION AND NATURALIZATION SERVICE.

(a) IN GENERAL.—There are authorized to be appropriated for the activities of the Immigration and Naturalization Service, to help meet the increased needs of the Immigration and Naturalization Service $5,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.

(b) AVAILABILITY OF FUNDS.—Funds made available pursuant to subsection (a), in any fiscal year, shall remain available until expended.

SEC. 524. DRUG ENFORCEMENT ADMINISTRATION.

(a) ACTIVITIES OF DRUG ENFORCEMENT ADMINISTRATION.—With funds made available pursuant to subsection (b), the Attorney General shall—

(1) fund antiviolence crime initiatives;

(2) fund major violators' initiatives; and

(3) enhance or replace infrastructure.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Drug Enforcement Administration, to help meet the increased needs of the Drug Enforcement Administration—

(1) $60,000,000 for fiscal year 1996;

(2) $70,000,000 for fiscal year 1997;

(3) $80,000,000 for fiscal year 1998;

(4) $90,000,000 for fiscal year 1999; and

(5) $100,000,000 for fiscal year 2000.

(c) AVAILABILITY OF FUNDS.—Funds made available pursuant to this section, in any fiscal year, shall remain available until expended.

SEC. 525. DEPARTMENT OF JUSTICE.

(a) IN GENERAL.—Subject to the availability of appropriations, the Attorney General shall (1) hire additional Assistant United States Attorneys, and (2) provide for increased security at courthouses and other facilities housing Federal workers.

(b) AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.—There are authorized to be appropriated for the activities of the Department of Justice, to hire additional Assistant United States Attorneys and provide increased security to meet the needs resulting from this Act $20,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 526. FUNDING SOURCE.

Notwithstanding any other provision of law, funding for authorizations provided in this subtitle may be paid for out of the Violent Crime Reduction Trust Fund.

SEC. 527. DETERRENT AGAINST TERRORIST ACTIVITY DAMAGING A FEDERAL INTEREST COMPUTER.

The United States Sentencing Commission shall review existing guideline levels as they apply to sections 1030(a)(4) and 1030(a)(5) of Title 18, United States Code, and report to Congress on their findings as to their deterrent effect within 60 calendar days. Furthermore, the Commission shall promulgate guideline amendments that will ensure that individuals convicted under sections 1030(a)(4) and 1030(a)(5) of Title 18, United States Code, are incarcerated for not less than 6 months.

TITLE VI—CRIMINAL PROCEDURAL IMPROVEMENTS

Subtitle A—Habeas Corpus Reform

SEC. 601. FILING DEADLINES.

Section 2244 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) A 1-year period of limitation shall apply to an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court. The limitation period shall run from the latest of—

"(A) the date on which the judgment became final by the conclusion of direct review or the expiration of the time for seeking such review;

"(B) the date on which the impediment to filing an application created by State action in violation of the Constitution or laws of the United States is removed, if the applicant was prevented from filing by such State action;

"(C) the date on which the constitutional right asserted was initially recognized by the Supreme Court, if the right has been newly recognized by the Supreme Court and made retroactively applicable to cases on collateral review; or

"(D) the date on which the factual predicate of the claim or claims presented could have been discovered through the exercise of due diligence.

"(2) The time during which a properly filed application for State post-conviction or other collateral review with respect to the pertinent judgment or claim shall not be counted toward any period of limitation under this subsection.".

SEC. 602. APPEAL.

Section 2253 of title 28, United States Code, is amended to read as follows:

"§ 2253. Appeal

"(a) In a habeas corpus proceeding or a proceeding under section 2255 before a district judge, the final order shall be subject to review, on appeal, by the court of appeals for the circuit in which the proceeding is held.

"(b) There shall be no right of appeal from a final order in a proceeding to test the validity of a warrant to remove to another district or place for commitment or trial a person charged with a criminal offense against the United States, or to test the validity of such person's detention pending removal proceedings.

"(c)(1) Unless a circuit justice or judge issues a certificate of appealability, an appeal may not be taken to the court of appeals from—

"(A) the final order in a habeas corpus proceeding in which the detention complained of arises out of process issued by a State court; or

"(B) the final order in a proceeding under section 2255.

"(2) A certificate of appealability may issue under paragraph (1) only if the applicant has made a substantial showing of the denial of a constitutional right.

"(3) The certificate of appealability under paragraph (1) shall indicate which specific issue or issues satisfy the showing required by paragraph (2).".

SEC. 603. AMENDMENT OF FEDERAL RULES OF APPELLATE PROCEDURE.

Rule 22 of the Federal Rules of Appellate Procedure is amended to read as follows:

"Rule 22. Habeas corpus and section 2255 proceedings

"(a) APPLICATION FOR THE ORIGINAL WRIT.—An application for a writ of habeas corpus shall be made to the appropriate district court. If application is made to a circuit judge, the application shall be transferred to the appropriate district court. If an application is made to or transferred to the district court and denied, renewal of the application before a circuit judge shall not be permitted. The applicant may, pursuant to section 2253 of title 28, United States Code, appeal to the appropriate court of appeals from the order of the district court denying the writ.

"(b) CERTIFICATE OF APPEALABILITY.—In a habeas corpus proceeding in which the detention complained of arises out of process issued by a State court, an appeal by the applicant for the writ may not proceed unless a district or a circuit judge issues a certificate of appealability pursuant to section 2253(c) of title 28, United States Code. If an appeal is taken by the applicant, the district judge who rendered the judgment shall either issue a certificate of appealability or state the reasons why such a certificate should not issue. The certificate or the statement shall be forwarded to the court of appeals with the notice of appeal and the file of the proceedings in the district court. If the district judge has denied the certificate, the applicant for the writ may then request issuance of the certificate by a circuit judge. If such a request is addressed to the court of appeals, it shall be deemed addressed to the judges thereof and shall be considered by a circuit judge or judges as the court deems appropriate. If no express request for a certificate is filed, the notice of appeal shall be deemed to constitute a request addressed to the judges of the court of appeals. If an appeal is taken by a State or its representative, a certificate of appealability is not required.".

SEC. 604. SECTION 2254 AMENDMENTS.

Section 2254 of title 28, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

"(b)(1) An application for a writ of habeas corpus on behalf of a person in custody pursuant to the judgment of a State court shall not be granted unless it appears that—

"(A) the applicant has exhausted the remedies available in the courts of the State; or

"(B)(i) there is an absence of available State corrective process; or

"(ii) circumstances exist that render such process ineffective to protect the rights of the applicant.

"(2) An application for a writ of habeas corpus may be denied on the merits, notwithstanding the failure of the applicant to exhaust the remedies available in the courts of the State.

"(3) A State shall not be deemed to have waived the exhaustion requirement or be estopped from reliance upon the requirement unless the State, through counsel, expressly waives the requirement.";

(2) by redesignating subsections (d), (e), and (f) as subsections (e), (f), and (g), respectively;

(3) by inserting after subsection (c) the following new subsection:

"(d) An application for a writ of habeas corpus on behalf of a person in custody pursuant to the judgment of a State court shall not be granted with respect to any claim that was adjudicated on the merits in State court proceedings unless the adjudication of the claim—

"(1) resulted in a decision that was contrary to, or involved an unreasonable application of, clearly established Federal law, as determined by the Supreme Court of the United States; or

"(2) resulted in a decision that was based on an unreasonable determination of the facts in light of the evidence presented in the State court proceeding.";

(4) by amending subsection (e), as redesignated by paragraph (2), to read as follows:

"(e)(1) In a proceeding instituted by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a determination of a factual issue made by a State court shall be presumed to be correct. The applicant shall have the burden of rebutting the presumption of correctness by clear and convincing evidence.

"(2) If the applicant has failed to develop the factual basis of a claim in State court proceedings, the court shall not hold an evidentiary hearing on the claim unless the applicant shows that—

"(A) the claim relies on—

"(i) a new rule of constitutional law, made retroactive to cases on collateral review by the Supreme Court, that was previously unavailable; or

"(ii) a factual predicate that could not have been previously discovered through the exercise of due diligence; and

"(B) the facts underlying the claim would be sufficient to establish by clear and convincing evidence that but for constitutional error, no reasonable factfinder would have found the applicant guilty of the underlying offense."; and

(5) by adding at the end the following new subsections:

"(h) Notwithstanding any other provision of law, in all proceedings brought under this section, and any subsequent proceedings on review, appointment of counsel for an applicant who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Appointment of counsel under this section shall be governed by section 3006A of title 18.

"(i) The ineffectiveness or incompetence of counsel during Federal or State collateral post-conviction proceedings shall not be a ground for relief in a proceeding arising under section 2254.".

SEC. 605. SECTION 2255 AMENDMENTS.

Section 2255 of title 28, United States Code, is amended—

(1) by striking the second and fifth undesignated paragraphs; and

(2) by adding at the end the following new undesignated paragraphs:

"A 1-year period of limitation shall apply to a motion under this section. The limitation period shall run from the latest of—

"(1) the date on which the judgment of conviction becomes final;

"(2) the date on which the impediment to making a motion created by governmental action in violation of the Constitution or laws of the United States is removed, if the movant was prevented from making a motion by such governmental action;

"(3) the date on which the right asserted was initially recognized by the Supreme Court, if that right has been newly recognized by the Supreme Court and made retroactively applicable to cases on collateral review; or

"(4) the date on which the facts supporting the claim or claims presented could have been discovered through the exercise of due diligence.

"In all proceedings brought under this section, and any subsequent proceedings on review, appointment of counsel for a movant who is or becomes financially unable to afford counsel shall be in the discretion of the court, except as provided by a rule promulgated by the Supreme Court pursuant to statutory authority. Appointment of counsel under this section shall be governed by section 3006A of title 18.

"A second or successive motion must be certified as provided in section 2244 by a panel of the appropriate court of appeals to contain—

"(1) newly discovered evidence that, if proven and viewed in light of the evidence as a whole, would be sufficient to establish by clear and convincing evidence that no reasonable factfinder would have found the movant guilty of the offense; or

"(2) a new rule of constitutional law, made retroactive to cases on collateral review by the Supreme Court, that was previously unavailable.".

SEC. 606. LIMITS ON SECOND OR SUCCESSIVE APPLICATIONS.

(a) CONFORMING AMENDMENT TO SECTION 2244(a).—Section 2244(a) of title 28, United States Code, is amended by striking "and the petition" and all that follows through "by such inquiry." and inserting ", except as provided in section 2255.".

(b) LIMITS ON SECOND OR SUCCESSIVE APPLICATIONS.—Section 2244(b) of title 28, United States Code, is amended to read as follows:

"(b)(1) A claim presented in a second or successive habeas corpus application under section 2254 that was presented in a prior application shall be dismissed.

"(2) A claim presented in a second or successive habeas corpus application under section 2254 that was not presented in a prior application shall be dismissed unless—

"(A) the applicant shows that the claim relies on a new rule of constitutional law, made retroactive to cases on collateral review by the Supreme Court, that was previously unavailable; or

"(B)(i) the factual predicate for the claim could not have been discovered previously through the exercise of due diligence; and

"(ii) the facts underlying the claim, if proven and viewed in light of the evidence as a whole, would be sufficient to establish by clear and convincing evidence that, but for constitutional error, no reasonable factfinder would have found the applicant guilty of the underlying offense.

"(3)(A) Before a second or successive application permitted by this section is filed in the district court, the applicant shall move in the appropriate court of appeals for an order authorizing the district court to consider the application.

"(B) A motion in the court of appeals for an order authorizing the district court to consider a second or successive application shall be determined by a three-judge panel of the court of appeals.

"(C) The court of appeals may authorize the filing of a second or successive application only if it determines that the application makes a prima facie showing that the application satisfies the requirements of this subsection.

"(D) The court of appeals shall grant or deny the authorization to file a second or successive application not later than 30 days after the filing of the motion.

"(E) The grant or denial of an authorization by a court of appeals to file a second or successive application shall not be appealable and shall not be the subject of a petition for rehearing or for a writ of certiorari.

"(4) A district court shall dismiss any claim presented in a second or successive application that the court of appeals has authorized to be filed unless the applicant shows that the claim satisfies the requirements of this section.".

SEC. 607. DEATH PENALTY LITIGATION PROCEDURES.

(a) ADDITION OF CHAPTER TO TITLE 28, UNITED STATES CODE.—Title 28, United States Code, is amended by inserting after chapter 153 the following new chapter:

"CHAPTER 154—SPECIAL HABEAS CORPUS PROCEDURES IN CAPITAL CASES

"Sec.
"2261. Prisoners in State custody subject to capital sentence; appointment of counsel; requirement of rule of court or statute; procedures for appointment.
"2262. Mandatory stay of execution; duration; limits on stays of execution; successive petitions.
"2263. Filing of habeas corpus application; time requirements; tolling rules.
"2264. Scope of Federal review; district court adjudications.
"2265. Application to State unitary review procedure.
"2266. Limitation periods for determining applications and motions.

"§ 2261. Prisoners in State custody subject to capital sentence; appointment of counsel; requirement of rule of court or statute; procedures for appointment

"(a) This chapter shall apply to cases arising under section 2254 brought by prisoners in State custody who are subject to a capital sentence. It shall apply only if the provisions of subsections (b) and (c) are satisfied.

"(b) This chapter is applicable if a State establishes by statute, rule of its court of last resort, or by another agency authorized by State law, a mechanism for the appointment, compensation, and payment of reasonable litigation expenses of competent counsel in State post-conviction proceedings brought by indigent prisoners whose capital convictions and sentences have been upheld on direct appeal to the court of last resort in the State or have otherwise become final for State law purposes. The rule of court or statute must provide standards of competency for the appointment of such counsel.

"(c) Any mechanism for the appointment, compensation, and reimbursement of counsel as provided in subsection (b) must offer counsel to all State prisoners under capital sentence and must provide for the entry of an order by a court of record—

"(1) appointing one or more counsels to represent the prisoner upon a finding that the prisoner is indigent and accepted the offer or is unable competently to decide whether to accept or reject the offer;

"(2) finding, after a hearing if necessary, that the prisoner rejected the offer of counsel and made the decision with an understanding of its legal consequences; or

"(3) denying the appointment of counsel upon a finding that the prisoner is not indigent.

"(d) No counsel appointed pursuant to subsections (b) and (c) to represent a State prisoner under capital sentence shall have previously represented the prisoner at trial or on direct appeal in the case for which the appointment is made unless the prisoner and counsel expressly request continued representation.

"(e) The ineffectiveness or incompetence of counsel during State or Federal post-conviction proceedings in a capital case shall not be a ground for relief in a proceeding arising under section 2254. This limitation shall not preclude the appointment of different counsel, on the court's own motion or at the request of the prisoner, at any phase of State or Federal post-conviction proceedings on the basis of the ineffectiveness or incompetence of counsel in such proceedings.

"§ 2262. Mandatory stay of execution; duration; limits on stays of execution; successive petitions

"(a) Upon the entry in the appropriate State court of record of an order under section 2261(c), a warrant or order setting an execution date for a State prisoner shall be stayed upon application to any court that would have jurisdiction over any proceedings filed under section 2254. The application shall recite that the State has invoked the post-conviction review procedures of this chapter and that the scheduled execution is subject to stay.

"(b) A stay of execution granted pursuant to subsection (a) shall expire if—

"(1) a State prisoner fails to file a habeas corpus application under section 2254 within the time required in section 2263;

"(2) before a court of competent jurisdiction, in the presence of counsel, unless the prisoner has competently and knowingly waived such counsel, and after having been advised of the consequences, a State prisoner under capital sentence waives the right to pursue habeas corpus review under section 2254; or

"(3) a State prisoner files a habeas corpus petition under section 2254 within the time required by section 2263 and fails to make a substantial showing of the denial of a Federal right or is denied relief in the district court or at any subsequent stage of review.

"(c) If one of the conditions in subsection (b) has occurred, no Federal court thereafter shall have the authority to enter a stay of execution in the case, unless the court of appeals approves the filing of a second or successive application under section 2244(b).

"§ 2263. Filing of habeas corpus application; time requirements; tolling rules

"(a) Any application under this chapter for habeas corpus relief under section 2254 must be filed in the appropriate district court not later than 180 days after final State court affirmance of the conviction and sentence on direct review or the expiration of the time for seeking such review.

"(b) The time requirements established by subsection (a) shall be tolled—

"(1) from the date that a petition for certiorari is filed in the Supreme Court until the date of final disposition of the petition if a State prisoner files the petition to secure review by the Supreme Court of the affirmance of a capital sentence on direct review by the court of last resort of the State or other final State court decision on direct review;

"(2) from the date on which the first petition for post-conviction review or other collateral relief is filed until the final State court disposition of such petition; and

"(3) during an additional period not to exceed 30 days, if—

"(A) a motion for an extension of time is filed in the Federal district court that would have jurisdiction over the case upon the filing of a habeas corpus application under section 2254; and

"(B) a showing of good cause is made for the failure to file the habeas corpus application within the time period established by this section.

"§ 2264. Scope of Federal review; district court adjudications

"(a) Whenever a State prisoner under capital sentence files a petition for habeas corpus relief to which this chapter applies, the district court shall only consider a claim or claims that have been raised and decided on the merits in the State courts, unless the failure to raise the claim properly is—

"(1) the result of State action in violation of the Constitution or laws of the United States;

"(2) the result of the Supreme Court recognition of a new Federal right made retroactively applicable to cases on collateral review by the Supreme Court; or

"(3) based on a factual predicate that could not have been discovered through the exercise of due diligence in time to present the claim for State or Federal post-conviction review.

"(b) Following review subject to subsections (a), (d), and (e) of section 2254, the court shall rule on the claims properly before it.

"§ 2265. Application to State unitary review procedure

"(a) For purposes of this section, a 'unitary review' procedure means a State procedure that authorizes a person under sentence of death to raise, in the course of direct review of the judgment, such claims as could be raised on collateral attack. This chapter shall apply, as provided in this section, in relation to a State unitary review procedure if the State establishes by rule of its court of last resort or by statute a mechanism for the appointment, compensation, and payment of reasonable litigation expenses of competent counsel in the unitary review proceedings, including expenses relating to the litigation of collateral claims in the proceedings. The rule of court or statute must provide standards of competency for the appointment of such counsel.

"(b) To qualify under this section, a unitary review procedure must include an offer of counsel following trial for the purpose of representation on unitary review, and entry of an order, as provided in section 2261(c), concerning appointment of counsel or waiver or denial of appointment of counsel for that purpose. No counsel appointed to represent the prisoner in the unitary review proceedings shall have previously represented the prisoner at trial in the case for which the appointment is made unless the prisoner and counsel expressly request continued representation.

"(c) Sections 2262, 2263, 2264, and 2266 shall apply in relation to cases involving a sentence of death from any State having a unitary review procedure that qualifies under this section. References to State 'post-conviction review' and 'direct review' in such sections shall be understood as referring to unitary review under the State procedure. The reference in section 2262(a) to 'an order under section 2261(c)' shall be understood as referring to the post-trial order under subsection (b) concerning representation in the unitary review proceedings, but if a transcript of the trial proceedings is unavailable at the time of the filing of such an order in the appropriate State court, then the start of the 180-day limitation period under section 2263 shall be deferred until a transcript is made available to the prisoner or counsel of the prisoner.

"§ 2266. Limitation periods for determining applications and motions

"(a) The adjudication of any application under section 2254 that is subject to this chapter, and the adjudication of any motion under section 2255 by a person under sentence of death, shall be given priority by the district court and by the court of appeals over all noncapital matters.

"(b)(1)(A) A district court shall render a final determination and enter a final judgment on any application for a writ of habeas corpus brought under this chapter in a capital case not later than 180 days after the date on which the application is filed.

"(B) A district court shall afford the parties at least 120 days in which to complete all actions, including the preparation of all pleadings and briefs, and if necessary, a hearing, prior to the submission of the case for decision.

"(C)(i) A district court may delay for not more than one additional 30-day period beyond the period specified in subparagraph (A), the rendering of a determination of an application for a writ of habeas corpus if the court issues a written order making a finding, and stating the reasons for the finding, that the ends of justice that would be served by allowing the delay outweigh the best interests of the public and the applicant in a speedy disposition of the application.

"(ii) The factors, among others, that a court shall consider in determining whether a delay in the disposition of an application is warranted are as follows:

"(I) Whether the failure to allow the delay would be likely to result in a miscarriage of justice.

"(II) Whether the case is so unusual or so complex, due to the number of defendants, the nature of the prosecution, or the existence of novel questions of fact or law, that it is unreasonable to expect adequate briefing within the time limitations established by subparagraph (A).

"(III) Whether the failure to allow a delay in a case, that, taken as a whole, is not so unusual or so complex as described in subclause (II), but would otherwise deny the applicant reasonable time to obtain counsel, would unreasonably deny the applicant or the government continuity of counsel, or would deny counsel for the applicant or the government the reasonable time necessary for effective preparation, taking into account the exercise of due diligence.

"(iii) No delay in disposition shall be permissible because of general congestion of the court's calendar.

"(iv) The court shall transmit a copy of any order issued under clause (i) to the Director of the Administrative Office of the United States Courts for inclusion in the report under paragraph (5).

"(2) The time limitations under paragraph (1) shall apply to—

"(A) an initial application for a writ of habeas corpus;

"(B) any second or successive application for a writ of habeas corpus; and

"(C) any redetermination of an application for a writ of habeas corpus following a remand by the court of appeals or the Supreme Court for further proceedings, in which case the limitation period shall run from the date the remand is ordered.

"(3)(A) The time limitations under this section shall not be construed to entitle an applicant to a stay of execution, to which the applicant would otherwise not be entitled, for the purpose of litigating any application or appeal.

"(B) No amendment to an application for a writ of habeas corpus under this chapter shall be permitted after the filing of the answer to the application, except on the grounds specified in section 2244(b).

"(4)(A) The failure of a court to meet or comply with a time limitation under this section shall not be a ground for granting relief from a judgment of conviction or sentence.

"(B) The State may enforce a time limitation under this section by petitioning for a writ of mandamus to the court of appeals. The court of appeals shall act on the petition for a writ or mandamus not later than 30 days after the filing of the petition.

"(5)(A) The Administrative Office of United States Courts shall submit to Congress an annual report on the compliance by the district courts with the time limitations under this section.

"(B) The report described in subparagraph (A) shall include copies of the orders submitted by the district courts under paragraph (1)(B)(iv).

"(c)(1)(A) A court of appeals shall hear and render a final determination of any appeal of an order granting or denying, in whole or in part, an application brought under this chapter in a capital case not later than 120 days after the date on which the reply brief is filed, or if no reply brief is filed, not later than 120 days after the date on which the answering brief is filed.

"(B)(i) A court of appeals shall decide whether to grant a petition for rehearing or other request for rehearing en banc not later than 30 days after the date on which the petition for rehearing is filed unless a responsive pleading is required, in which case the court shall decide whether to grant the petition not later than 30 days after the date on which the responsive pleading is filed.

"(ii) If a petition for rehearing or rehearing en banc is granted, the court of appeals shall hear and render a final determination of the appeal not later than 120 days after the date on which the order granting rehearing or rehearing en banc is entered.

"(2) The time limitations under paragraph (1) shall apply to—

"(A) an initial application for a writ of habeas corpus;

"(B) any second or successive application for a writ of habeas corpus; and

"(C) any redetermination of an application for a writ of habeas corpus or related appeal following a remand by the court of appeals en banc or the Supreme Court for further proceedings, in which case the limitation period shall run from the date the remand is ordered.

"(3) The time limitations under this section shall not be construed to entitle an applicant to a stay of execution, to which the applicant would otherwise not be entitled, for the purpose of litigating any application or appeal.

"(4)(A) The failure of a court to meet or comply with a time limitation under this section shall not be a ground for granting relief from a judgment of conviction or sentence.

"(B) The State may enforce a time limitation under this section by applying for a writ of mandamus to the Supreme Court.

"(5) The Administrative Office of United States Courts shall submit to Congress an annual report on the compliance by the courts of appeals with the time limitations under this section.".

(b) TECHNICAL AMENDMENT.—The part analysis for part IV of title 28, United States Code, is amended by adding after the item relating to chapter 153 the following new item:

"154. Special habeas corpus procedures in capital cases .... 2261.".

(c) EFFECTIVE DATE.—Chapter 154 of title 28, United States Code (as added by subsection (a)) shall apply to cases pending on or after the date of enactment of this Act.

SEC. 608. TECHNICAL AMENDMENT.

Section 408(q) of the Controlled Substances Act (21 U.S.C. 848(q)) is amended—

(1) in paragraph (4)(A), by striking "shall" and inserting "may";

(2) in paragraph (4)(B), by striking "shall" and inserting "may"; and

(3) by amending paragraph (9) to read as follows:

"(9) Upon a finding that investigative, expert, or other services are reasonably necessary for the representation of the defendant, whether in connection with issues relating to guilt or the sentence, the court may authorize the defendant's attorneys to obtain such services on behalf of the defendant and, if so authorized, shall order the payment of fees and expenses therefor under paragraph (10). No ex parte proceeding, communication, or request may be considered pursuant to this section unless a proper showing is made concerning the need for confidentiality. Any such proceeding, communication, or request shall be transcribed and made a part of the record available for appellate review.".

Subtitle B—Criminal Procedural Improvements

SEC. 621. CLARIFICATION AND EXTENSION OF CRIMINAL JURISDICTION OVER CERTAIN TERRORISM OFFENSES OVERSEAS.

(a) AIRCRAFT PIRACY.—Section 46502(b) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking "and later found in the United States";

(2) by amending paragraph (2) to read as follows:

"(2) The courts of the United States have jurisdiction over the offense in paragraph (1) if—

"(A) a national of the United States was aboard the aircraft;

"(B) an offender is a national of the United States; or

"(C) an offender is afterwards found in the United States."; and

(3) by adding at the end the following new paragraph:

"(3) For purposes of this subsection, the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).".

(b) Destruction of Aircraft or Aircraft Facilities.—Section 32(b) of title 18, United States Code, is amended—

(1) by striking "(b) Whoever" and inserting "(b)(1) Whoever";

(2) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(3) by striking ", if the offender is later found in the United States,"; and

(4) by adding at the end the following new paragraphs:

"(2) The courts of the United States have jurisdiction over an offense described in this subsection if—

"(A) a national of the United States was on board, or would have been on board, the aircraft;

"(B) an offender is a national of the United States; or

"(C) an offender is afterward found in the United States.

"(3) For purposes of this subsection, the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).".

(c) Murder or Manslaughter of Internationally Protected Persons.—Section 1116 of title 18, United States Code, is amended—

(1) in subsection (a), by striking ", except that";

(2) in subsection (b), by adding at the end the following new paragraph:

"(7) 'National of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22))."; and

(3) in subsection (c), by striking the first sentence and inserting the following: "If the victim of an offense under subsection (a) is an internationally protected person outside the United States, the United States may exercise jurisdiction over the offense if (1) the victim is a representative, officer, employee, or agent of the United States, (2) an offender is a national of the United States, or (3) an offender is afterwards found in the United States.".

(d) Protection of Internationally Protected Persons.—Section 112 of title 18, United States Code, is amended—

(1) in subsection (c), by inserting "national of the United States," before "and"; and

(2) in subsection (e), by striking the first sentence and inserting the following: "If the victim of an offense under subsection (a) is an internationally protected person outside the United States, the United States may exercise jurisdiction over the offense if (1) the victim is a representative, officer, employee, or agent of the United States, (2) an offender is a national of the United States, or (3) an offender is afterwards found in the United States.".

(e) Threats Against Internationally Protected Persons.—Section 878 of title 18, United States Code, is amended—

(1) in subsection (c), by inserting "national of the United States," before "and"; and

(2) in subsection (d), by striking the first sentence and inserting the following: "If the victim of an offense under subsection (a) is an internationally protected person outside the United States, the United States may exercise jurisdiction over the offense if (1) the victim is a representative, officer, employee, or agent of the United States, (2) an offender is a national of the United States, or (3) an offender is afterwards found in the United States.".

(f) Kidnaping of Internationally Protected Persons.—Section 1201(e) of title 18, United States Code, is amended—

(1) by striking the first sentence and inserting the following: "If the victim of an offense under subsection (a) is an internationally protected person outside the United States, the United States may exercise jurisdiction over the offense if (1) the victim is a representative, officer, employee, or agent of the United States, (2) an offender is a national of the United States, or (3) an offender is afterwards found in the United States."; and

(2) by adding at the end the following: "For purposes of this subsection, the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22).".

(g) Violence at International Airports.—Section 37(b)(2) of title 18, United States Code, is amended to read as follows:

"(2) the prohibited activity takes place outside the United States, and—

"(A) the offender is later found in the United States; or

"(B) an offender or a victim is a national of the United States (as defined in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).".

(h) National of the United States Defined.—Section 178 of title 18, United States Code, is amended—

(1) by striking the "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(5) the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).".

SEC. 622. EXPANSION OF TERRITORIAL SEA.

(a) Territorial Sea Extending to Twelve Miles Included in Special Maritime and Territorial Jurisdiction.—The Congress declares that all the territorial sea of the United States, as defined by Presidential Proclamation 5928 of December 27, 1988, for purposes of criminal jurisdiction is part of the United States, subject to its sovereignty, and, for purposes of Federal criminal jurisdiction, is within the special maritime and territorial jurisdiction of the United States wherever that term is used in title 18, United States Code.

(b) Assimilated Crimes in Extended Territorial Sea.—Section 13 of title 18, United States Code (relating to the adoption of State laws for areas within Federal jurisdiction), is amended—

(1) in subsection (a), by inserting after "title," the following: "or on, above, or below any portion of the territorial sea of the United States not within the jurisdiction of any State, Commonwealth, territory, possession, or district"; and

(2) by adding at the end the following new subsection:

"(c) Whenever any waters of the territorial sea of the United States lie outside the territory of any State, Commonwealth, territory, possession, or district, such waters (including the airspace above and the seabed and subsoil below, and artificial islands and fixed structures erected thereon) shall be deemed for purposes of subsection (a) to lie within the area of that State, Commonwealth, territory, possession, or district it would lie within if the boundaries of such State, Commonwealth, territory, possession, or district were extended seaward to the outer limit of the territorial sea of the United States.".

SEC. 623. EXPANSION OF WEAPONS OF MASS DESTRUCTION STATUTE.

(a) In General.—Section 2332a of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "threatens," before "attempts"; and

(B) by inserting "that has moved in, or affected interstate commerce" after "destruction";

(2) by redesignating subsection (b) as subsection (c);

(3) by adding immediately after subsection (a) the following new subsection:

"(b) Use Outside United States.—Any national of the United States who outside of the United States uses, threatens, attempts, or conspires to use, a weapon of mass destruction, shall be imprisoned for any term of years or for life, and if death results, shall be punished by death or imprisonment for any term of years or for life."; and

(4) by amending subsection (c)(2)(B), as redesignated by paragraph (3), by striking "poison gas" and inserting "any poisonous chemical agent or substance, regardless of form or delivery system, designed for causing widespread death or injury;".

(b) Definition of Destructive Device.—Section 921(a)(4)(A) of title 18, United States Code, is amended by striking "poison gas" and inserting "poisonous chemical agent or substance".

(c) Conforming Amendment.—Section 5845(f)(1) of the Internal Revenue Code of 1986 is amended by striking "poison gas" and inserting "poisonous chemical agent or substance".

SEC. 624. ADDITION OF TERRORISM OFFENSES TO THE RICO STATUTE.

Section 1961(1) of title 18, United States Code, is amended—

(1) in subparagraph (B)—

(A) by inserting after "Section" the following: "32 (relating to the destruction of aircraft), section 37 (relating to violence at international airports), section 115 (relating to influencing, impeding, or retaliating against a Federal official by threatening or injuring a family member), section";

(B) by inserting after "section 224 (relating to sports bribery)," the following: "section 351 (relating to congressional or Cabinet officer assassination),";

(C) by inserting after "section 664 (relating to embezzlement from pension and welfare funds)," the following: "section 831 (relating to prohibited transactions involving nuclear materials), section 844 (f) or (i) (relating to destruction by explosives or fire of government property or property affecting interstate or foreign commerce),";

(D) by inserting after "sections 891–894 (relating to extortionate credit transactions)," the following: "section 956 (relating to conspiracy to kill, kidnap, maim, or injure certain property in a foreign country),";

(E) by inserting after "section 1084 (relating to the transmission of gambling information)," the following: "section 1111 (relating to murder), section 1114 (relating to murder of United States law enforcement officials), section 1116 (relating to murder of foreign officials, official guests, or internationally protected persons), section 1203 (relating to hostage taking),";

(F) by inserting after "section 1344 (relating to financial institution fraud)," the following: "section 1361 (relating to willful injury of government property within the special maritime and territorial jurisdiction),";

(G) by inserting after "section 1513 (relating to retaliating against a witness, victim, or an informant)," the following: "section 1751 (relating to Presidential assassination),";

(H) by inserting after "section 1958 (relating to use of interstate commerce facilities in the commission of murder-for-hire)," the following: "section 2280 (relating to violence against maritime navigation), section 2281 (relating to violence against maritime fixed platforms),"; and

(I) by inserting after "2321 (relating to trafficking in certain motor vehicles or motor vehicle parts)," the following: "section 2332 (relating to terrorist acts abroad against United States nationals), section 2332a (relating to use of weapons of mass destruction), section 2332b (relating to acts of terrorism transcending national boundaries), section 2339A (relating to providing material support to terrorists),";

(2) by striking "or" before "(E)"; and

(3) by inserting before the semicolon at the end the following: ", or (F) section 46502 of title 49, United States Code".

SEC. 625. ADDITION OF TERRORISM OFFENSES TO THE MONEY LAUNDERING STATUTE.

Section 1956(c)(7) of title 18, United States Code, is amended—

(1) in subparagraph (B), by amending clause (ii) to read as follows:

"(ii) murder, kidnapping, robbery, extortion, or destruction of property by means of explosive or fire;"; and

(2) in subparagraph (D)—

(A) by inserting after "an offense under" the following: "section 32 (relating to the destruction of aircraft), section 37 (relating to violence at international airports), section 115 (relating to influencing, impeding, or retaliating against a Federal official by threatening or injuring a family member),";

(B) by inserting after "section 215 (relating to commissions or gifts for procuring loans)," the following: "section 351 (relating to congressional or Cabinet officer assassination),";

(C) by inserting after "section 798 (relating to espionage)," the following: "section 831 (relating to prohibited transactions involving nuclear materials), section 844 (f) or (i) (relating to destruction by explosives or fire of Government property or property affecting interstate or foreign commerce),";

(D) by inserting after "section 875 (relating to interstate communications)," the following: "section 956 (relating to conspiracy to kill, kidnap, maim, or injure certain property in a foreign country),";

(E) by inserting after "section 1032 (relating to concealment of assets from conservator, receiver, or liquidating agent of financial institution)," the following: "section 1111 (relating to murder), section 1114 (relating to murder of United States law enforcement officials), section 1116 (relating to murder of foreign officials, official guests, or internationally protected persons),";

(F) by inserting after "section 1203 (relating to hostage taking)" the following: "section 1361 (relating to willful injury of Government property), section 1363 (relating to destruction of property within the special maritime and territorial jurisdiction),";

(G) by inserting after "section 1708 (relating to theft from the mail)" the following: "section 1751 (relating to Presidential assassination),";

(H) by inserting after "2114 (relating to bank and postal robbery and theft)," the following: "section 2280 (relating to violence against maritime navigation), section 2281 (relating to violence against maritime fixed platforms),"; and

(I) by striking "of this title" and inserting the following: "section 2332 (relating to terrorist acts abroad against United States nationals), section 2332a (relating to use of weapons of mass destruction), section 2332b (relating to international terrorist acts transcending national boundaries), 2339A (relating to providing material support to terrorists) of this title, section 46502 of title 49, United States Code,".

SEC. 626. PROTECTION OF CURRENT OR FORMER OFFICIALS, OFFICERS, OR EMPLOYEES OF THE UNITED STATES.

(a) AMENDMENT TO INCLUDE ASSAULTS, MURDERS, AND THREATS AGAINST FAMILIES OF FEDERAL OFFICIALS.—Section 115(a)(2) of title 18, United States Code, is amended by inserting ", or threatens to assault, kidnap, or murder, any person who formerly served as a person designated in paragraph (1), or" after "assaults, kidnaps, or murders, or attempts to kidnap or murder".

(b) MURDER OR ATTEMPTS TO MURDER CURRENT OR FORMER FEDERAL OFFICERS OR EMPLOYEES.—Section 1114 of title 18, United States Code, is amended to read as follows:

"§ 1114. Protection of officers and employees of the United States

"Whoever kills or attempts to kill a current or former officer or employee of the United States or its instrumentalities, or an immediate family member of such officer or employee, during or on account of the performance of their official duties, shall be punished—

"(1) in the case of murder, as provided under section 1111;

"(2) in the case of manslaughter, as provided under section 1112; and

"(3) in the case of attempted murder not more than 20 years.".

(c) AMENDMENT TO CLARIFY THE MEANING OF THE TERM DEADLY OR DANGEROUS WEAPON IN THE PROHIBITION ON ASSAULT ON FEDERAL OFFICERS OR EMPLOYEES.—Section 111(b) of title 18, United States Code, is amended by inserting after "deadly or dangerous weapon" the following: "(including a weapon intended to cause death or danger but that fails to do so by reason of a defective or missing component)".

SEC. 627. ADDITION OF CONSPIRACY TO TERRORISM OFFENSES.

(a) DESTRUCTION OF AIRCRAFT OR AIRCRAFT FACILITIES.—(1) Section 32(a)(7) of title 18, United States Code, is amended by inserting "or conspires" after "attempts".

(2) Section 32(b)(D) of title 18, United States Code, as redesignated by section 721(b)(2), is amended by inserting "or conspires" after "attempts".

(b) VIOLENCE AT INTERNATIONAL AIRPORTS.—Section 37(a) of title 18, United States Code, is amended by inserting "or conspires" after "attempts".

(c) INFLUENCING, IMPEDING, OR RETALIATING AGAINST A FEDERAL OFFICIAL BY THREATENING OR INJURING A FAMILY MEMBER.—(1) Section 115(a)(1)(A) of title 18, United States Code, is amended by inserting "or conspires" after "attempts".

(2) Section 115(a)(2) of title 18, United States Code, as amended by section 729, is further amended by inserting "or conspires" after "attempts".

(3) Section 115(b)(2) of title 18, United States Code, is amended by striking both times it appears "or attempted kidnapping" and inserting both times ", attempted kidnapping or conspiracy to kidnap".

(4)(A) Section 115(b)(3) of title 18, United States Code, is amended by striking "or attempted murder" and inserting ", attempted murder or conspiracy to murder".

(B) Section 115(b)(3) of title 18, United States Code, is further amended by striking "and 1113" and inserting ", 1113, and 1117".

(d) PROHIBITIONS WITH RESPECT TO BIOLOGICAL WEAPONS.—Section 175(a) of title 18, United States Code, is amended by inserting ", or conspires to do so," after "any organization to do so,".

(e) HOSTAGE TAKING.—Section 1203(a) of title 18, United States Code, is amended by inserting "or conspires" after "attempts".

(f) VIOLENCE AGAINST MARITIME NAVIGATION.—Section 2280(a)(1)(H) of title 18, United States Code, is amended by inserting "or conspires" after "attempts".

(g) VIOLENCE AGAINST MARITIME FIXED PLATFORMS.—Section 2281(a)(1)(F) of title 18, United States Code, is amended by inserting "or conspires" after "attempts".

(h) AIRCRAFT PIRACY.—Section 46502 of title 49, United States Code, is amended—

(1) in subsection (a)(2), by inserting ", conspiring," after "committing" and

(2) in subsection (b)—

(A) in paragraph (1), by inserting "or conspiring to commit" after "committing";

(B) in paragraph (2), by inserting "conspired or" after "has placed,"; and

(C) in paragraph (3), by inserting "conspired or" after "has placed,".

SEC. 628. CLARIFICATION OF FEDERAL JURISDICTION OVER BOMB THREATS.

Section 844(e) of title 18, United States Code, is amended—

(1) by striking "(e) Whoever" and inserting "(e)(1) Whoever"; and

(2) by adding at the end the following new paragraph:

"(2) Whoever willfully makes any threat, or maliciously conveys false information knowing the same to be false, concerning an attempt or alleged attempt being made, or to be made to violate subsection (f) or (i) of this section or section 81 of this title shall be fined under this title, imprisoned for not more than 5 years, or both.".

TITLE VII—MARKING OF PLASTIC EXPLOSIVES

SEC. 701. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) plastic explosives were used by terrorists in the bombings of Pan Am flight 103 in December 1988 and UTA flight 722 in September 1989;

(2) plastic explosives can be used with little likelihood of detection for acts of unlawful interference with civil aviation, maritime navigation, and other modes of transportation;

(3) the criminal use of plastic explosives places innocent lives in jeopardy, endangers national security, affects domestic tranquility, and gravely affects interstate and foreign commerce;

(4) the marking of plastic explosives for the purpose of detection would contribute significantly to the prevention and punishment of such unlawful acts; and

(5) for the purpose of deterring and detecting such unlawful acts, the Convention on the Marking of Plastic Explosives for the Purpose of Detection, Done at Montreal on 1 March 1991, requires each contracting State to adopt appropriate measures to ensure that plastic explosives are duly marked and controlled.

(b) PURPOSE.—The purpose of this title is to fully implement the Convention on the Marking of Plastic Explosives for the Purpose of Detection, Done at Montreal on 1 March 1991.

SEC. 702. DEFINITIONS.

Section 841 of title 18, United States Code, is amended by adding at the end the following new subsections:

"(o) 'Convention on the Marking of Plastic Explosives' means the Convention on the Marking of Plastic Explosives for the Purpose of Detection, Done at Montreal on 1 March 1991.

"(p) 'Detection agent' means any one of the substances specified in this subsection when introduced into a plastic explosive or formulated in such explosive as a part of the manufacturing process in such a manner as to achieve homogeneous distribution in the finished explosive, including—

"(1) Ethylene glycol dinitrate (EGDN), $C_2H_4(NO_3)_2$, molecular weight 152, when the minimum concentration in the finished explosive is 0.2 percent by mass;

"(2) 2,3-Dimethyl-2,3-dinitrobutane (DMNB), $C_6H_{12}(NO_2)_2$, molecular weight 176, when the minimum concentration in the finished explosive is 0.1 percent by mass;

"(3) Para-Mononitrotoluene (p-MNT), $C_7H_7NO_2$, molecular weight 137, when the minimum concentration in the finished explosive is 0.5 percent by mass;

"(4) Ortho-Mononitrotoluene (o-MNT), $C_7H_7NO_2$, molecular weight 137, when the minimum concentration in the finished explosive is 0.5 percent by mass; and

"(5) any other substance in the concentration specified by the Secretary, after consultation with the Secretary of State and the Secretary of Defense, which has been added to the table in part 2 of the Technical Annex to the Convention on the Marking of Plastic Explosives.

"(q) 'Plastic explosive' means an explosive material in flexible or elastic sheet form formulated with one or more high explosives which in their pure form have a vapor pressure less than 10^{-4} Pa at a temperature of 25°C., is formulated with a binder material, and is as a mixture malleable or flexible at normal room temperature.".

SEC. 703. REQUIREMENT OF DETECTION AGENTS FOR PLASTIC EXPLOSIVES.

Section 842 of title 18, United States Code, is amended by adding after subsection (k) the following new subsections:

"(*l*) It shall be unlawful for any person to manufacture any plastic explosive that does not contain a detection agent.

"(m)(1) It shall be unlawful for any person to import or bring into the United States, or export from the United States, any plastic explosive that does not contain a detection agent.

"(2) This subsection does not apply to the importation or bringing into the United States, or the exportation from the United States, of any plastic explosive that was imported, brought into, or manufactured in the United States prior to the effective date of section 801 of the Comprehensive Terrorism Prevention Act of 1995 by or on behalf of any agency of the United States performing military or police functions (including any military reserve component) or by or on behalf of the National Guard of any State, not later than 15 years after the date of entry into force of the Convention on the Marking of Plastic Explosives, with respect to the United States.

"(n)(1) It shall be unlawful for any person to ship, transport, transfer, receive, or possess any plastic explosive that does not contain a detection agent.

"(2) This subsection does not apply to—

"(A) the shipment, transportation, transfer, receipt, or possession of any plastic explosive that was imported, brought into, or manufactured in the United States prior to the date of enactment of the Comprehensive Terrorism Prevention Act of 1995 by any person during a period not exceeding 3 years after the date of enactment of the Comprehensive Terrorism Prevention Act of 1995; or

"(B) the shipment, transportation, transfer, receipt, or possession of any plastic explosive that was imported, brought into, or manufactured in the United States prior to the date of enactment of the Comprehensive Terrorism Prevention Act of 1995 by or on behalf of any agency of the United States performing a military or police function (including any military reserve component) or by or on behalf of the National Guard of any State, not later than 15 years after the date of entry into force of the Convention on the Marking of Plastic Explosives, with respect to the United States.

"(o) It shall be unlawful for any person, other than an agency of the United States (including any military reserve component) or the National Guard of any State, possessing any plastic explosive on the effective date of section 801 of the Comprehensive Terrorism Prevention Act of 1995, to fail to report to the Secretary within 120 days after such effective date the quantity of such explosives possessed, the manufacturer or importer, any marks of identification on such explosives, and such other information as the Secretary may by regulations prescribe.".

SEC. 704. CRIMINAL SANCTIONS.

Section 844(a) of title 18, United States Code, is amended to read as follows:

"(a) Any person who violates any of subsections (a) through (i) or (*l*) through (o) of section 842 shall be fined under this title or imprisoned not more than 10 years, or both.".

SEC. 705. EXCEPTIONS.

Section 845 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting "(*l*), (m), (n), or (o) of section 842 and subsections" after "subsections";

(2) in paragraph (1), by inserting before the semicolon ", and which pertain to safety"; and

(3) by adding at the end the following new subsection:

"(c) It is an affirmative defense against any proceeding involving subsections (*l*) through (o) of section 842 if the proponent proves by a preponderance of the evidence that the plastic explosive—

"(1) consisted of a small amount of plastic explosive intended for and utilized solely in lawful—

"(A) research, development, or testing of new or modified explosive materials;

"(B) training in explosives detection or development or testing of explosives detection equipment; or

"(C) forensic science purposes; or

"(2) was plastic explosive that, within 3 years after the date of enactment of the Comprehensive Terrorism Prevention Act of 1995, will be or is incorporated in a military device within the territory of the United States and remains an integral part of such military device, or is intended to be, or is incorporated in, and remains an integral part of a military device that is intended to become, or has become, the property of any agency of the United States performing military or police functions (including any military reserve component) or the National Guard of any State, wherever such device is located.

"(3) For purposes of this subsection, the term 'military device' includes, but is not restricted to, shells, bombs, projectiles, mines, missiles, rockets, shaped charges, grenades, perforators, and similar devices lawfully manufactured exclusively for military or police purposes.".

SEC. 706. INVESTIGATIVE AUTHORITY.

Section 846 of title 18, United States Code, is amended—

(1) in the last sentence, by inserting in the last sentence before "subsection" the phrase "subsection (m) or (n) of section 842 or;", and

(2) by adding at the end the following: "The Attorney General shall exercise authority over violations of subsection (m) or (n) of section 842 only when they are committed by a member of a terrorist or revolutionary group. In any matter involving a terrorist or revolutionary group or individual, as determined by the Attorney General, the Attorney General shall have primary investigative responsibility and the Secretary shall assist the Attorney General as requested.".

SEC. 707. EFFECTIVE DATE.

The amendments made by this section shall take effect 1 year after the date of the enactment of this Act.

SEC. 708. STUDY ON TAGGING OF EXPLOSIVE MATERIALS.

(a) STUDY.—The Attorney General in consultation with the Secretary of the Treasury shall conduct a study, as soon as is practicable after the date of enactment of this Act, and make recommendations concerning—

(1) tagging of explosive materials for purposes of identification and detection;

(2) the possibility and practicality of rendering inert, common chemicals used in manufacturing explosives and the potential costs of implementing such controls;

(3) the possibility and feasibility of imposing controls on certain precursor chemicals used to manufacture explosives; and

(4) the potential cost of such control materials.

(b) CONSULTATION.—In carrying out this section, the Attorney General shall consult with other Federal, State, and local officials and private industry sources with expertise in tagging of explosive materials, representatives from affected industries, and such other individuals as the Attorney General may require.

(c) REPORT.—The Attorney General, or a designee of the Attorney General, shall prepare and submit to the President and the Congress a report containing—

(1) a detailed explanation of the findings and determinations made in the study conducted pursuant to subsection (a);

(2) summaries of other studies pertaining to tagging explosives and the results of those studies;

(3) the prospective costs and benefits of any recommendations made;

(4) the impact on the safety, manufacturing, and distribution of affected products; and

(5) the anticipated benefits for law enforcement.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

TITLE VIII—NUCLEAR MATERIALS

SEC. 801. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) nuclear materials, including byproduct materials, can be used to create radioactive dispersal devices that are capable of causing serious bodily injury as well as substantial damage to property and the environment;

(2) the potential use of nuclear materials, including byproduct materials, enhances the threat posed by terrorist activities and thereby has a greater effect on the security interests of the United States;

(3) due to the widespread hazards presented by the threat of nuclear contamination, as well as nuclear bombs, the United States has a strong interest in ensuring that persons who are engaged in the illegal acquisition and use of nuclear materials, including byproduct materials, are prosecuted for their offenses;

(4) the threat that nuclear materials will be obtained and used by terrorist and other criminal organizations has increased substantially since the enactment in 1982 of the legislation that implemented the Convention on the Physical Protection of Nuclear Material, codified at section 831 of title 18, United States Code;

(5) the successful efforts to obtain agreements from other countries to dismantle nuclear weapons have resulted in increased packaging and transportation of nuclear materials, thereby decreasing the security of such materials by increasing the opportunity for unlawful diversion and theft;

(6) the illicit trafficking in the relatively more common, commercially available and usable nuclear and byproduct materials poses a potential to cause significant loss of life and environmental damage;

(7) reported trafficking incidents in the early 1990's suggest that the individuals involved in trafficking these materials from Eurasia and Eastern Europe frequently conducted their black market sales of these materials within the Federal Republic of Germany, the Baltic States, the former Soviet Union, Central Europe, and to a lesser extent in the Middle European countries;

(8) the international community has become increasingly concerned over the illegal possession of nuclear and nuclear byproduct materials;

(9) the potentially disastrous ramifications of increased access to nuclear and nuclear byproduct materials pose such a significant future threat that the United States must use all lawful methods available to combat the illegal use of such materials;

(10) the United States has an interest in encouraging United States corporations to do business in the countries that comprised the former Soviet Union, and in other developing democracies;

(11) protection of such United States corporations from threats created by the unlawful use of nuclear materials is important to the success of the effort to encourage such business ventures, and to further the foreign relations and commerce of the United States;

(12) the nature of nuclear contamination is such that it may affect the health, environment, and property of United States nationals even if the acts that constitute the illegal activity occur outside the territory of the United States, and are primarily directed toward foreign nationals; and

(13) there is presently no Federal criminal statute that provides adequate protection to United States interests from nonweapons grade, yet hazardous radioactive material, and from the illegal diversion of nuclear materials that are held for other than peaceful purposes.

(b) PURPOSE.—The purpose of this title is to provide Federal law enforcement agencies the necessary tools and fullest possible basis allowed under the Constitution to combat the threat of nuclear contamination and proliferation that may result from illegal possession and use of radioactive materials.

SEC. 802. EXPANSION OF SCOPE AND JURISDICTIONAL BASES OF NUCLEAR MATERIALS PROHIBITIONS.

Section 831 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "nuclear material" each place it appears and inserting "nuclear material or nuclear byproduct material";

(B) in paragraph (1)—

(i) in subparagraph (A), by inserting "or the environment" after "property"; and

(ii) by amending subparagraph (B) to read as follows:

"(B)(i) circumstances exist that are likely to cause the death or serious bodily injury to any person or substantial damage to property or the environment, or such circumstances have been represented to the defendant to exist;"; and

(C) in paragraph (6), by inserting "or the environment" after "property";

(2) in subsection (c)—

(A) by amending paragraph (2) to read as follows:

"(2) an offender or a victim is a national of the United States or a United States corporation or other legal entity;";

(B) in paragraph (3)—

(i) by striking "at the time of the offense the nuclear material is in use, storage, or transport, for peaceful purposes, and"; and

(ii) by striking "or" at the end of the paragraph;

(C) in paragraph (4)—

(i) by striking "nuclear material for peaceful purposes" and inserting "nuclear material or nuclear byproduct material"; and

(ii) by striking the period at the end of the paragraph and inserting "; or"; and

(D) by adding at the end the following new paragraph:

"(5) the governmental entity under subsection (a)(5) is the United States or the threat under subsection (a)(6) is directed at the United States."; and

(3) in subsection (f)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "with an isotopic concentration not in excess of 80 percent plutonium 238"; and

(ii) in subparagraph (C), by striking "(C) uranium" and inserting "(C) enriched uranium, defined as uranium";

(B) by redesignating paragraphs (2), (3), and (4) as paragraphs (4), (5), and (6), respectively;

(C) by inserting after paragraph (1) the following new paragraph:

"(2) the term 'nuclear byproduct material' means any material containing any radioactive isotope created through an irradiation process in the operation of a nuclear reactor or accelerator;";

(D) by striking "and" at the end of paragraph (4), as redesignated;

(E) by striking the period at the end of subsection (f)(5), as redesignated, and inserting a semicolon; and

(F) by adding at the end the following new paragraphs:

"(6) the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

"(7) the term 'United States corporation or other legal entity' means any corporation or other entity organized under the laws of the United States or any State, Commonwealth, territory, possession, or district of the United States.".

TITLE IX—MISCELLANEOUS PROVISIONS

SEC. 901. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The hearing will take place Tuesday, June 13, 1995 at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 755, a bill to amend the Atomic Energy Act of 1954 to provide for the privatization of the United States Enrichment Corporation.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510. For further information, please call David Garman of the committee staff at (202) 224–7933.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, Subcommittee on Marketing, Inspection, and Product Promotion be allowed to meet during the session of the Senate on Thursday, May 25, at 10 a.m. in SR–332, to discuss Federal farm export programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 25, 1995, for purposes of conducting a Full Committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 638, the "Insular Development Act of 1995."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, May 25, at 10 a.m., for a markup on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, May 23, 1995, beginning at 9:30 a.m., in Room 485 of the Russell Senate Office Building on S. 479, a bill to provide for administrative procedures to extend Federal recognition to certain Indian groups.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for an Executive Session, during the session of the Senate on Thursday, May 25, 1995 at 9:00 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, May 25, 1995, at 9:30 a.m., to hold a hearing to receive testimony on the reauthorization of the Federal Election Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Children and Families of the Committee on Labor and Human Resources be authorized to meet for a hearing on Child Protection, during the session of the Senate on Thursday, May 25, 1995 at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts and Humanities of the Committee on Labor and Human Resources be authorized to meet for a hearing on The Business Role in Vocational Education, during the session of the Senate on Thursday, May 25, 1995 to immediately follow the Executive Session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 25, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this hearing is to receive testimony on the property line disputes within the Nez Perce Indian Reservation in Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE GENERAL SERVICES ADMINISTRATION

• Mr. WARNER. Mr. President, I rise today in response to President Clinton's threat to veto the conference agreement on legislation to rescind $16 billion in already appropriated but, as yet, unspent funds under H.R. 1158.

The President has stated that the conference agreement cuts too deeply into education programs in order to finance "pork barrel" construction of courthouses and highways. However, I would remind the President that the House and Senate rescission conference report blocks the planned consolidation of the Food and Drug Administration at Clarksburg and Prince Georges County, thereby saving the taxpayers an estimated $810 million. In addition to money for the FDA project, a total of $110.8 million was trimmed from funding for six other Government buildings in the D.C. metropolitan area under the GSA.

Moreover, the President's statement on the rescissions package indicated that Congress would receive a list of $438 million in additional cuts of building projects to be added to the current conference report of $580 million from the GSA. Even at this late date, I welcomed the proposed list to provide additional savings. Regrettably, I was surprised to receive word from the General Services Administration that the Office of Management and Budget has directed the GSA to discontinue efforts to compile this list, especially in light of previous accusations of "pork barrel" projects being contained in the conference report.

If the President is serious about this effort, the GSA must be allowed to proceed with this promised list for congressional review. I would further like to remind the President that the current House-Senate conference report provides the American taxpayer with a sizeable victory through the elimination of the planned consolidation of the Food and Drug Administration at Clarksburg and Prince Georges County.

Since the conception of the proposal to move the Food and Drug Administration to the Montgomery County site, I have continually questioned the need for this move, especially at a time when the Federal Government is closing and selling Federal properties. As the chairman of the Subcommitee on Transportation and Infrastructure, I have contacted both General Services Administrator Roger Johnson and Budget Director Alice Rivlin to apprise them of my concern.

I might also add that, to date, I have not yet received a reply from Budget Director Rivlin to my letter of March 28 in regard to this matter. It is my hope that this does not indicate a lack of communication between the General Services Administration and the Office of Management and Budget.

In February, during a meeting with the General Services Administrator Roger Johnson, I questioned the need for this costly move and asked why the Federal Government would need to purchase privately-owned property for the "consolidation" of one Federal agency. Administrator Johnson responded that he shared my concern and that the "GSA would continue to look for opportunities to utilize existing Federal land."

Following our meeting, Administrator Johnson provided me with written assurance that the project, and purchase of private properties, would not go forward until a complete review of available Federal property had been examined.

I am pleased to report that such an examination was well underway when it was announced that the conference report included a rescission of $810 million for this project, providing a victory for American taxpayers.

I commend my colleagues who served as conferees on this most important bill for their decision to eliminate this wasteful spending.

In this austere budget environment, it is my intention to continue to make our capital assets work better in the area of the General Services Administration. As the chairman of the Environment and Public Works Subcommittee on Transportation and Infrastructure, I believe that Federal real property should meet certain priority criteria.

It is my view that the Senate should support only those General Service Administration projects and programs which have been justified as necessary, cost-effective and compelling by utilizing a more disciplined asset management program. This approach should be targeted to worthwhile projects directly related to the General Services Administration's mission.

To accomplish this objective, the GSA should require that Federal real property activities meet certain broad principles. My suggested criteria for priority consideration would be, in sequential order:

First, those projects necessary to ensure the life, safety, and health of the tenant;

Second, those projects which achieve a high priority ranking based on urgency of need and positive return on investment criteria;

Third, those projects which fully utilize opportunities for cost savings;

Fourth, those projects necessary to avoid expensive, short-term holdover situations due to lease expirations; and finally,

Fifth, those projects which represent a fixed need for a permanent Federal agency.

Based on these criteria, it is my hope that the GSA will adopt a strategic planning approach and reformat its submissions of proposals to the Congress accordingly. As subcommittee chairman, I will urge the Environment Committee to judge the top priorities of each of the categories under the GSA's real property programs against one another on a case-by-case basis. However, the process for determining the highest priorities within each category should be a disciplined process.

In the future, I will continue my effort to convince GSA to adopt a more disciplined approach to provide real savings for the American taxpayer.•

NATO AIRSTRIKES

• Mr. NUNN. Mr. President, I strongly support today's NATO airstrikes in Bosnia. I am pleased that the United Nations finally permitted NATO to respond to the continued defiance of the U.N. mandates for Bosnia. I am also pleased to hear the preliminary reports that NATO strikes were carried out against a meaningful military target.

There is certainly a risk that the Bosnian Serbs may retaliate against U.N. personnel. There is, however, even greater risk to U.N. personnel if the U.N. and NATO's credibility continues to erode. In addition to the terrible human suffering, I have been concerned about the loss of U.N. and NATO credibility that has taken place as the various warring parties, particularly the Bosnian Serbs, have ignored U.N. resolutions and international law.

I hope today's strikes on the Bosnian Serb ammunition dumps at the military headquarters in Pale will serve notice to all sides that the United Nations and NATO can and will enforce the resolutions that have been approved by the U.N. Security Council.

I am hopeful that these strikes will strengthen the resolve of the U.N. forces in the exclusion zone around Sarajevo where the United Nations has prohibited the use of heavy military equipment. This zone was designed to stop the indiscriminate shelling of the civilian population within the exclusion zone. If any side in this conflict ignores the U.N. ban on heavy weapons in this zone I would favor more strikes like today's strikes on Pale until all sides respect the U.N. ban on heavy weapons.

I have long felt that any hope for peace in Bosnia requires the enforcement and expansion of the zone of exclusion. By expanding the areas where heavy weapons are prohibited, the U.N. could reduce civilian casualties, level the playing field between the warring parties, and lower the level of violence in the conflict, thus paving the way for a negotiated settlement.•

TRIBUTE TO THE TOWN OF WILLARDS

• Mr. SARBANES. Mr. President, I would like to call to the attention of my colleagues celebrations that are underway to commemorate the one-hundredth anniversary of the establishment of the Town of Willards, Maryland.

Willards, a town with a total population of 900 persons, was founded on the basis of a quarrel. Ebenezer G. Davis was the first inhabitant and store proprietor of what is known today as Willards after moving to the area after a dispute with his brother. Mr. Davis made a vow to Willard Thompson, a railroad General Manager, that he would name the town after him if Mr. Thompson would build a railroad depot in the town. That first railroad depot is now the local Post Office for the Town of Willards.

Officially named in October of 1895, The Town of Willards' boundary was comprised of a half-mile radius circle, encompassing at the center the popular corner of Hearn and Canal Streets.

While Willards was first incorporated in 1906, and again in 1927, the first elected government would not be legislated until 1971. By the 1970's many businesses had been located in the town including the Shirt Factory, erected in 1905, and the Farmers Bank that would follow in 1945. Civic organizations such as the Volunteer Fire Department, established in 1927, and the 1948 creation of the local Lions Club, would all lend their support to community development.

Willards is a model of community spirit and cooperation. The activities being sponsored to commemorate this auspicious occasion exemplify the deep devotion of Willards residents to their community. The spirit and enthusiasm of Willards citizens have proven to be the foundation of its success. These anniversary celebrations provide the opportunity to review the dedication that has supported Willards throughout its history and helped it to develop into one of Wicomico County's most treasured communities.

We in Maryland are fortunate to have an area as community-oriented as Willards. I join the citizens of Wicomico County in sharing their pride in Willards' past and optimism for continued success in the years to come.•

BLACK DOLLAR DAYS TASK FORCE—CAMPAIGN 5000

• Mr. GORTON. Mr. President, a fundamental problem facing our country today is increasing economic dependence which serves to fuel the rise of the welfare state. The task for America is to find creative and innovative ways to assist people who are economically deprived. One way to do this is to create systems that will lead to economic self-sufficiency for people trapped by the poverty of inner cities.

The Black Dollar Days Task Force [BDDTF], a Seattle-based organization gaining national attention, was established in 1988 to address this problem. This organization has demonstrated that poor communities working together can make a difference and begin to create an economic future for themselves.

One of the programs started by BDDTF to address the issue of self-sufficiency is CAMPAIGN 5000. This program is the first minority-owned endowment program in the country. The goal of CAMPAIGN 5000 is to get minority community residents to become owners of their economic future by contributing to an endowment fund and becoming stakeholders. The endowment fund, once established, serves as a means by which corporate, public and private moneys can come together in partnership to foster dignity, hope, and self-esteem. The only present alternative to this endowment fund is federallycontrolled programs which, in some cases, have led to dead end jobs and inner city hopelessness.

The CAMPAIGN 5000 Endowment Fund ensures: A self-perpetuating fund that helps solve the problem of deficit spending; a mechanism that creates jobs by fueling the expansion and development of business opportunities; an opportunity for communities to be self-sufficient in solving their own problems.

I have here, Mr. President, a list of funding sources which I will submit for the RECORD.

Mr. President, we are now dealing with a great challenge and a great responsibility. In the ongoing budget debate, we must remember that it is not enough just to cut the budget. We must cut the budget, but at the same time we must also be the mechanism to encourage new models that offer hope and promise through self-sufficiency and that get people off welfare. This is the role communities can play in the Contract With America.

One model I support enthusiastically is from my home State of Washington. It is the Endowment Program of CAMPAIGN 5000 and the Black Dollar Days Task Force, and it works.

I ask that the sources be printed in the RECORD.

The material follows:

The Black Dollar Days Task Force Sources of Funding from Grants and Foundations—1989 through 1995

Grants;	
Presbyterians USA	$4,000
Local Campaign for Human Development	4,000
Center for Community Change	5,000
City of Seattle, Community Block Grant	34,000
City of Seattle, CDBG	15,000
City of Seattle, Department of Neighborhoods	48,950
City of Seattle, Office of Economic Development	82,750
National Campaign for Human Development	30,000
United Methodist Commission	18,000
Ben and Jerry's Foundation	8,000
Charles Mott Foundation	12,500

Needmor Fund	60,000
Seattle Foundation	21,000
A Territory Resource	55,500
Self-Development of People	9,500
Jewish Fund for Justice	12,500
Peace Development Fund	5,000
US Department of Housing and Urban Development, Office of Community Services, JOLI program	490,000
State of Washington, Office of Community, Trade and Economic Development	40,000
Shurgard, Incorporated	5,000
Catholic Community Services	5,000
Byron & Alice Lockwood Foundation	2,000
Levinson Foundation	7,500
SeaFirst Bank	5,500
U.S. West Foundation	5,000
The Bon Marche	12,500
First Interstate Bank	2,500
West One Bank	1,500
Safeco Insurance Companies	3,500
Washington Mutual Bank	3,000
The Boeing Company	1,000
Jewish Federation of Greater Seattle	5,000
Presbytery of Seattle	1,000
Family Foundation	1,000

IS BURUNDI THE NEXT RWANDA? NEED FOR A STRONG UNITED NATIONS RESPONSE

• Mr. LEAHY. Mr. President, we all witnessed from afar the horrors perpetrated in Rwanda a year ago when mostly Hutus massacred an estimated half million Tutsis. Just this past month, there was renewed violence in that country, including the deaths of Hutus implicated in the genocide. I believe many of the deaths in Rwanda during the past year could have been prevented if the international community had acted sooner to protect the thousands of innocent civilians who were mercilessly slaughtered.

Today, a similar situation is brewing in Rwanda's neighboring country, Burundi, where hatred and violence between Hutus and Tutsis over the past several years has intensified and caused tremendous turmoil and death. We regularly receive reports of killings of dozens, hundreds, even thousands of innocent men, women and children. Once again, we face the difficult question of how to respond.

After the catastrophe in Rwanda, inaction now by the international community would amount to nothing less than an assurance to people anywhere who would commit genocide that they need not fear being held to account.

Mr. President, the Central African country of Burundi has a history of ethnic tensions. However, the tensions between the two ethnic groups, Hutu and Tutsi, has more to do with economic status than ethnicity. While the Hutus represent 85 percent of the population, they are primarily impoverished, subsistence farmers. The wealthier, minority Tutsis, raise cattle.

Tensions intensified during German, and later Belgian colonialism. These Western powers allied themselves with the more European-like Tutsis to help manage the colonial government, fortifying Tutsi power. Since Burundi's independence in 1962, the Tutsis have maintained control of the country's wealth, politics, and the military, creating friction between Hutus and Tutsis. These tensions have been used periodically by extremist elements to divide Burundis, causing violent eruptions that pit the two ethnic groups against each other.

In 1993, the assassination of the first democratically elected President, Melchior Ndadaye, a Hutu, plunged the country into chaos. Hutus seeking revenge for the assassination ignited a cycle of violence. During the 10-month period following the assassination, nearly 50,000 Burundis were slaughtered, and the Tutsi-dominated military seized power. The slaughter has bred intensified distrust and fear, and further violence on a similar scale is a real possibility.

The President was murdered by Tutsi military extremists who refused to accept the election results. They also were angered by Ndadaye's sensible policy of balancing Hutus with Tutsis in the military. The brewing unrest in Rwanda further contributed to the Burundi Tutsis' fear of losing their identity and power, and led to the coup. The army has propped up Tutsi power in the recent past, and is a key element in deciding Burundi's future. The army is now acting as a de facto government and is becoming increasingly politicized and radicalized.

Extremists on both sides are using the ethnicity card to spread fear and distrust and consolidate their power, making reconciliation more difficult. Former Texas Senator Robert Krueger, now the U.S. ambassador, says Burundi is the most fearful society he has ever witnessed.

The trouble is not limited to Burundi alone. The conflict is a regional crisis. The renewed violence in Rwanda, which we thought was behind us, is spilling over into Burundi, Zaire and Tanzania, which are flooded with refugees. Recently, 70,000 Rwandan refugees and displaced Burundi civilians fled to the borders of Tanzania. Tanzania, already overwhelmed with refugees and displaced persons, closed its borders. Because of the international community's tenuous support, the Tanzanian Government feels it cannot handle the new influx of refugees without more help. Ngara, across the border from Tanzania, is now home to 450,000 refugees, more than double the local Tanzanian population. These camps area a humanitarian nightmare, with disease, massacres and riots a constant threat.

Delays of aid by some donor countries are causing refugee unrest and accusations that the reduced rations are part of a conspiracy by the United Nations and other relief organizations. This type of paranoia is fueling the hardliners' efforts to spread fear and destabilize the country. Even the Central African governments are becoming impatient with the donor community. Citing last year's failure of the international community to stop the Rwandan genocide, some have suggested scaling back the U.N. presence in Rwanda. Millions of Central Africans displaced by the violence depend on this assistance. The recent seizure of World Food Program trucks headed for Rwandan refugee camps in Burundi illustrate how serious the situation has become.

Despite the sickening brutality, the situation in Burundi is not hopeless. Although little public attention has been given to the frightening developments there, the administration and many humanitarian groups are working to encourage preventive measures to deter another calamity. It is imperative that the United States turn its full attention to Burundi, facilitating strategies to prevent genocide and regional instability.

Ambassador Krueger deserves great praise for reporting the atrocities, at considerable risk to his own safety. The world needs to know the truth about what is happening. We must also promote a sense of hope, confidence, and the possibility for overcoming the fear that threatens to explode into a spiral of violence. The atrocities must be exposed, but we must also put our energies into developing preventive and rehabilitative strategies, to counter the extremists and defuse tensions, and move beyond a short-term relief mentality. The Africans must be centrally involved in this process.

Efforts to support and reassure moderate elements in Burundi is essential. The U.N.'s Special Representative Ould-Abdallah is calling for strengthening the nationwide reconciliation campaign launched a few weeks ago. Moderates including the President, Prime Minister, Cabinet Members, Members of Congress, and party leaders are all actively involved in this campaign. We need to give these leaders political, moral and financial support. Visits to the region by top U.S. officials are a good start. Party leaders have already denounced extremists in their parties.

These efforts at strengthening reconciliation will help focus the peoples' attention on the national debate set to take place in June or July. The debate is an open forum to address the complex issues of promoting and sustaining Burundi's democratic process and government. The National Debate has already begun with the establishment of its Technical Committee. Our strong, visible support for this forum will help discourage and deter the extremists and their hate press from inciting violence and gaining credibility.

We must continue to support the creation of a judicial commission to prosecute human rights violators. We need to help ensure that the army and others are accountable for their actions. We must strongly condemn all violence and assassinations.

We must also support the private voluntary organizations that are doing the lion's share of delivering relief aid. These groups need sufficient personnel, funding and political support to continue their work. Groups such as Parliamentarians for Global Action have helped to facilitate dialogue and begun the reconciliation process. Refugees International has done a tremendous job in focusing public attention on the crisis in Central Africa.

Mr. President, ever since former President Bush spoke of a new world order, the world has been anything but orderly. The threat of Communism has been replaced by shockingly brutal, ethnic conflicts that threaten to spread in the Balkans, the Middle East, Central Africa and elsewhere. In every case, innocent civilians bear the brunt of the violence.

The international community faces a profound, moral choice, in a world in which future man-made catastrophes are inevitable. Preventive measures are always preferable. But if they fail, and the violence in Burundi takes on the character and magnitude of what we witnessed in Rwanda, what will our answer be? Will we stand by in the face of genocide, or will we act to try to stop it? Will we watch passively and cast blame after the blood stops flowing, or will we and others intervene to save innocent lives?

After Somalia, there is no enthusiasm in the Congress for sending large numbers of American troops into the midst of a bloody conflict in Africa or anywhere else, where U.S. national security interests are not obviously threatened. On the other hand, to do nothing is to invite genocide. That is also unacceptable. Our security is our interest. But genocide is everybody's interest, wherever it occurs.

Mr. President, I believe the Rwanda experience compels us to respond differently to future crises of this sort, whether in Burundi or elsewhere. In Rwanda, 5 months after receiving a mandate to act, the U.N. still had no budget, no equipment, no humanitarian coordinator, no political strategy, and no logistical capability to rapidly deploy and sustain a peacekeeping force. As in past peacekeeping operations, the U.N. started from scratch. An estimated $200 million was needed, but only a fraction of that was raised. In the meantime, hundreds of thousands of people were slaughtered, and the international community is now spending hundreds of millions if not billions of dollars to feed and care for refugees, and to deal with the myriad of difficult problems Rwanda faces in the wake of the genocide. Not until the arrival of a small contingent of well-armed French troops, did the mayhem wane.

Peacekeeping, or some combination of peacekeeping and peacemaking, which in Rwanda-like situations I would prefer to call peacekeeping with muscle, could not only have saved thousands of innocent Rwandan lives, it could also have saved money. These should be our goals in the future.

To that end, the United States should vigorously seek international support for establishing a properly trained, fully equipped, U.N. force that can be deployed quickly to provide protection to civilians in Rwanda-like crises. The U.N. is the only overtly neutral organization that can fulfill this responsibility. I am not talking about a standing army, but rather small contingents of troops from a wide range of U.N. member states, specially trained, coordinated and equipped and ready to assemble quickly to respond with overwhelming force in humanitarian emergencies.

The role of such a force would not be nation-building. That is not the work of armies. Its mission would be humanitarian and deterrence. By preventing those who would slaughter thousands of innocent people from access to the targets of their hatred, and by offering those who might be coerced into taking part in genocide a safe haven if they refuse, tensions can be defused and crises averted.

The U.N. Secretary General should have sufficient funds at his disposal to support the early deployment of such a force. It should be further buttressed with a U.N. media capability to publicize its activities, and to counter the kinds of inflammatory radio broadcasts that incited Hutus to commit genocide in Rwanda.

The United States should be prepared to contribute its equipment, and even its troops to participate in such a force, although I believe it is preferable if the troops of the major powers are used in these situations only as a last resort. Nevertheless, there are financial costs and human risks involved, and the United States has an obligation, as the most powerful country, to do its part. That is the price of world leadership.

Mr. President, I am not the first to suggest the establishment of such a U.N. capability. It is not peacekeeping. It is not peacemaking. It is life saving. And it is urgently needed in today's violent, post cold war world.•

NATIONAL MISSING CHILDREN'S DAY

• Mr. D'AMATO. Mr. President, I rise today to speak about National Missing Children's Day. This day focuses on what must be one of the most horrifying events in a parent's life: the abduction of their child. Nothing I say could ever ease their pain, but I would like to let them know that my thoughts are with them.

I want to take this opportunity to applaud the efforts of programs that assist families in these situations. The National Center for Missing and Exploited Children (NCMEC) is a remarkable organization. NCMEC handles over 850,000 calls on its hotline, worked on 43,000 cases and, amazingly, played a role in the recovery of 28,000 children. Using advanced technology, this vital center disseminates information with the ultimate goal of rescuing as many children as possible.

After personally viewing the need for these efforts, I helped to establish Project ALERT, which is housed within NCMEC. Hoping to tap into an extremely valuable resource, Project ALERT recruits retired law enforcment officers, provides training to them and then dispatches these officers to local police agencies. The officers are volunteers and are assigned to cases involving missing and exploited children. They have the experience, expertise, will and dedication to investigate cases and can readily available to provide these services free to local law enforcement agencies.

In order to draw attention to the gravity of this National Missing Children's Day, some very dedicated New Yorkers have taken to their bicycles to ride from Herkimer County in New York to Washington, DC. Herkimer County has special significance. Sara Anne Wood, 12 years old at the time, was abducted from there on August 18, 1993. Her father, Reverend Robert Wood is one of the seven making the arduous trip to Washington, DC which will benefit the Sara Anne Wood Rescue Center. I would like to take a moment to congratulate them on completing their journey and bring national attention to their efforts.

I also would like to speak briefly on the Morgan P. Hardiman Task Force on Missing and Exploited Children. The Task Force creates a team of active Federal agents who would work with the National Center for Missing and Exploited Children in assisting State and local law enforcement agents in their most difficult By supplementing our Nation's police departments with Task Force members and resources, we can effectively fight child victimization, a truly reprehensible crime, and help to reunite families disrupted by an abduction.

I only hope that one day, there will be no need for a National Missing Children's Day or a center to locate missing and exploited children. Until that day comes, I will continue to do whatever I can as a United States Senator to assist in the efforts to bring these children home and to impart the most severe punishment for any depraved person who harms a child. This issue is dear to my heart and I will remain close to the efforts to help children and their families. We will not stop until the problem has ceased.•

"I TOLD YOU SO"—WHITE HOUSE MEMO LAYS GROUNDWORK FOR COERCION

• Mr. ROTH. Mr. President, today the Associated Press broke a story that should take no one by surprise. The concern expressed on this floor as we debated reforming the Hatch Act was that without protection for Federal employees, a sitting President could coerce his appointees to contribute to his campaign.

Today, we see from a wire story that the White House has laid the groundwork for the kind of coercion we predicted.

A memo dated May 2 from White House Counsel Abner Mikva and addressed to "Heads of all All Agencies and Departments"—a memo written on official White House stationery, states that the Hatch Act Reform of 1993 "provided that civilian executive branch employees are no longer prohibited from making a political contribution to the reelection campaign committee of an incumbent President."

The memo then asks the agency heads to share the information with employees inside their agencies. Frankly, Mr. President, I find this absolutely outrageous, and believe that this memo could be seen as setting up a coercive situation for executive branch civilian employees—something I warned against when we considered the so-called reform of the Hatch Act.

The purpose of the Hatch Act was straightforward—to protect Federal employees from just this type of pressure. I fought tooth and nail against the repeal of provisions in the Hatch Act for just this reason. I find it interesting that of all of the changes made to the Hatch Act, contributing to the reelection campaign committee of an incumbent President is the change they chose to highlight. This memo is a glaring example of the abuses that can occur without the protection of the Hatch Act.

When the White House asks agency and department heads to tell their employees that they may contribute to their boss' reelection, that clearly can be seen as coercion. Those employees may feel that their continued employment depends on contributing. Furthermore, that this was sent out on official White House stationary makes things even worse.

What is an employee to think when he or she receives this information—this narrow information—concerning the changes to the Hatch Act All the changes were highlighted by the media when the act was reformed. Certain, Federal employees kept themselves abreast of the news. "So why," one would have to ask, "would the highest levels at the White House use official stationary to direct attention to only one of several changes in the law?"

"Is it because the President wants to remind me that I serve at this leisure—and if I don't contribute, I may not serve?" As Ann McBride, president of Common Cause says, "There's just no way that a message comes from the White House and people don't feel some sense of implicit coercion."

This is unfair to our Federal employees. At a time when the President is seeking to build goodwill and esteem among those who work in the bureaucracy, he shouldn't be strapping them with the bill for his reelection campaign.

THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH

• Mr. ROCKEFELLER. Mr. President. I would like to submit for the RECORD, a recent Washington Post article on the Agency for Health Care Policy and Research (AHCPR).

Before submitting the article, I would like to say a few words about the AHCPR. The Agency for Health Care Policy and Research (AHCPR) was established as the eighth agency in the Public Health Service by the Omnibus Budget Reconciliation Act of 1989. I was pleased to work on a bi-partisan basis—with Senators Mitchell, HATCH, DURENBERGER, and KENNEDY, and Representatives Gradison, STARK, and WAXMAN—to help establish AHCPR.

In creating the agency, Congress gave increased visibility and stature to the only broad-based, general health services research entity in the Federal Government—one of the most important sources of information for policymakers and private sector decisionmakers as they seek to resolve the difficult issues facing the Nation's health care system.

Congress gave AHCPR the following mission:

> "to enhance the quality, appropriateness, and effectiveness of health care service and access to such services, through a broad base of scientific research and the promotion of improved clinical practice and in the organization, financing and delivery of health services.

The Members of Congress who supported the creation of AHCPR did so because of their concern that while the Nation was spending at that time some $800 billion on health care, it is now more than a trillion dollars, we had little information on what works in the delivery or financing of care. We wanted to encourage support for research to find the best ways to finance and provide health care at the lowest cost and the highest quality. We believed then that for a relatively low expenditure we could find ways to save health care money without sacrificing quality. The AHCPR's work has proven us right.

The 1989 Reconciliation Act authorized AHCPR to conduct research in three basic areas: Cost, Quality, and Access (CQA) and medical effectiveness research and outcomes research.

Cost, Quality and Access research funding has provided:

The fundamental research that led to the development of the Diagnosis Related Groups (DRG) system;

The basic research that first documented major variation in physician practice patterns;

A landmark study, called the Medical Outcomes Study (MOS) which will help understand the impact of financial incentives and practice setting (e.g. Health Maintenance Organizations vs. fee-for-service) on practice style and, in turn, on health outcomes;

Research that documented that utilization review can significantly cut utilization costs of health care; and

The most comprehensive survey on the costs and utilization patterns of AIDS patients, which will help target treatment programs, more effectively.

Part of AHCPR's work is in technology assessment and this effort has made a significant contribution to saving federal funds. For example, according to the Institute of Medicine, at least $200 million a year in medicare expenditures are saved through AHCPR's technology assessment program. Again, AHCPR is helping us as policymakers understand what works.

Congress greatly expanded the federal effort to support research on the outcomes, appropriateness and effectiveness of health care services. The ultimate goal of this program is to provide information to health care providers and patients that will improve the health of the population and optimize the use of scarce health care resources. This program includes research, data development and development of clinical practice guidelines.

It was our hope that the guidelines, which are just that, not requirements, would lead us to find ways to save money without compromising care. It is now apparent that our modest investment in the process has paid off.

For example, AHCPR, research has found that some 90% of low back pain problems—a condition estimated to cost more than $20 billion a year in health expenditures—disappear on their own in about one month. This finding has enormous cost savings implications.

One hospital in Utah found that after six months of using an AHCPR guideline on prevention of pressure ulcers that it saved close to $250,000. That hospital is part of the Intermountain Health Care system which has now implemented the guideline in its 23 other hospitals. Use of this guideline has reduced the incidence of bed sores by 50% at savings of $4,200 per patient.

I cite the cost savings aspects of AHCPR research because of a recommendation by the Budget Committee to cut AHCPR research by 75 percent. The committee report also indicates that AHCPR was established to manage health care reform. That assertion is just plain wrong. AHCPR is an important agency for its research, but it was not envisioned to be a health care implementation agency. We may save a few Federal dollars by cutting AHCPR's funding, but we will lose far more in potential savings in our health care system.

The budget resolution also proposes deep reduction cuts in Medicaid and Medicare spending. I oppose those harsh cuts because the people of West Virginia will have health care benefits taken away from them as a result. It seems to me that the only way to rationally reduce costs and not hurt people by reducing their access to care or their quality of care, is to know what works and what does not work. That is precisely the point of the research of AHCPR.

The current budget of AHCPR is about $160 million. This modest investment is just now paying off in research and guidelines which have the potential to reduce cost and without a reduction in quality of care. It is my hope that the Appropriations Committee will continue to provide adequate appropriations for AHCPR and I will do my best to support the Agency as the Congress makes its decisions on authorizations and funding for the coming fiscal year.

I ask that the article from the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 15, 1995]

HOUSE PANEL WOULD KILL AGENCY THAT COMPARES MEDICAL TREATMENTS

(By David Brown)

It doesn't take long to go from being a solution to waste to simply waste.

That, at least, is the congressional budget committees' view of the Agency for Health Care Policy and Research. The $162 million agency is the government home for "medical effectiveness research."

When it was created by Congress in 1989, the AHCPR was viewed as an essential tool in the effort to control medical costs without damaging medical care. Last week, the Senate Budget Committee proposed cutting its budget by 75 percent, and the House Budget Committee said it should be eliminated altogether.

AHCPR was launched with the great hope—much of it enunciated by politicians—that it would help the country cut health care costs painlessly by comparing competing treatment strategies to see which works, best, and at the least cost.

Over the last five years, the agency has sponsored 20 Patient Outcomes Research Team (PORTs), each headquartered at a different hospital or university, which studied such topics as back pain, schizophrenia, prostate enlargement, knee joint replacement, cataracts, breast cancer and heart attack.

The teams reviewed the published medical literature on the topic, delineated the variations in treatment, attempted to uncover links between specific treatments and patient outcome (often using large data banks kept by Medicare or private insurance companies), and occasionally devised new tools. For example, the prostate PORT created a video to educate patients about what to expect with certain treatments—including no treatment—and formally incorporated the tool into medical decision-making.

Recently, AHCPR has begun funding randomized controlled trials, which are generally the best way to compare one treatment with another. The topics are ones unlikely to appeal to the National Institutes of Health, where new therapies, not old ones (or low-tech ones), are the preferred subjects of clinical research.

AHCPR trials, for instance, are comparing chiropractic treatment to physical therapy in low back pain; testing a mathematical equation that identifies which patients are most likely to benefit from "clot-busting" drugs for heart attacks; and comparing homemade vs. commercial rehydration fluids for children with diarrhea.

The agency also has sponsored 15 "clinical practice guidelines," which, based on the best medical evidence, suggest how to treat such common (and unexotic) problems as cancer pain, urinary incontinence and chronic ear infections.

In a recent example of that program's effects, researchers at Intermountain Health Care System in Utah reported they had cut the incidence of bedsores in high-risk (generally paralyzed) patients from 33 percent to 9 percent at LDS Hospital in Salt Lake City after implementing a modified version of AHCPR's guideline on pressure ulcers. Incidence of ulcers—which cost an average of $4,200 to treat—also fell among lower-risk patients, and the hospital estimated the annual savings will be at least $750,000.

"To defund a relatively modest effort like that at a time when the questions they need to answer are becoming even more critical doesn't make a lot of sense to me," said Jay Crosson, an executive in charge of quality assurance at Permanente Medical Group, the physician organization of the Kaiser Permanente health maintenance organization (HMO). "There's a lot more work that needs to be done than even AHCPR can fund."

In explaining its recommendation of a 75 percent budget cut, the Senate Budget Committee said AHCPR "was to be the primary administrator of comprehensive health reform."

This, however, is not true. Although data-gathering by AHCPR-funded researchers presumably would have helped assess the equity of a national health care program, the agency had no official role in the defunct Clinton administration plan.•

TRIBUTE TO THE CITY OF LAUREL

• Mr. SARBANES. Mr. President, celebrations to commemorate the 125th anniversary of the establishment of the city of Laurel, MD, are being held throughout this year. The mayor of Laurel, Frank Casula, along with the entire community, have planned several significant events to commemorate this milestone.

First known as the "Commissioners of Laurel," the citizens of Laurel established their home as recognized by the laws of Maryland in 1870. Yet, even before then, the people of Prince Georges County were living off the land now known as Laurel. The first grist mill that was erected in Laurel would be the outset of community development; many industries, storefronts, offices, and homes would eventually appear along that particular stretch along the Patuxent River. Creating what is now known as Laurel's Main Street, the mill built by Nicolas Snowden in 1811, had laid the foundation for a thriving community.

By 1888, Laurel was the largest town in Prince Georges County and had become the focal point along the Baltimore and Ohio Railroad between Baltimore and Washington, DC. In 1879, the Laurel Leader, one of the oldest newspapers in the State of Maryland, was founded. The Leader continues to serve not only Laurel and Prince Georges County, but also the bordering counties of Howard, Montgomery, and Anne Arundel.

Laurel was also a pioneering community in education. The first public high school in Prince Georges County is located in Laurel. Laurel Elementary School was also the first public school in the county to have a cafeteria to serve its students.

Laurel is a model of community spirit and cooperation. The activities being sponsored to commemorate this auspicious occasion exemplify the deep devotion of Laurel's residents to their community. The spirit and enthusiasm of Laurel's citizens have been the foundation of its success. These celebrations provide the opportunity to renew the dedication that has supported Laurel throughout its history and helped it to develop from a railroad stop to one of Prince Georges County's most attractive communities.

We in Maryland are fortunate to have an area as community-oriented as Laurel. I join the citizens of Prince Georges County in sharing their pride in Laurel's past and optimism for continued success in the years to come.•

PROSPECTS FOR PEACE IN BOSNIA AND CROATIA

• Mr. LIEBERMAN. Mr. President, I commend the United Nations for its May 25 air strikes against the Bosnian Serbs. It is about time the United Nations took an assertive, instead of a passive, approach to carrying out its mandated responsibilities to defend Bosnian safe areas and the Sarajevo weapons exclusion zone. Even before the formal expiration of the January-April cessation of hostilities in Bosnia, Bosnian Serbs were violating their commitment to refrain from violence. The Bosnian Government has defended itself, and apologists within the U.N. have mistakenly treated as equal the cease-fire transgressions of the Serb aggressors and the Bosnian victims. This has been wrong. Today's decision, finally, to use force, which has long been authorized, against those violating the weapons exclusion zone is a step in the right direction.

But it is only a small step. I was not surprised to learn of the failure of the latest effort to appease Serbian leader Milosevic by offering to lift sanctions in exchange for his recognition of Bosnia and Croatia. The United States participated in this contact group offer despite the fact that Milosevic has repeatedly and blatantly violated his commitments to prevent shipments of arms to the Bosnian and Croatian Serbs. The U.N. eased sanctions on Serbia in November with the understanding that Milosevic would stop supplies to the Bosnian and Croatian Serbs. Faced with clear evidence that Serbia violated this commitment, the U.N. Security Council nevertheless extended the easing of sanctions for a second period in April. In Milosevic's experience, aggression, false promises and delay pay dividends. No one has given him any reason to expect that serious consequences will follow his failure to live up to his commitments.

Similarly, the Bosnian Serbs have every reason to doubt the resolve of the international community—represented by UNPROFOR—in carrying out its commitments to protect safe areas, enforce weapons exclusion zones, or deliver humanitarian assistance to starving communities. The Bosnian Serbs have demanded and received from the U.N. treatment equal to that of their victims, the Bosnian Government. The U.N. has thus become a passive contributor to Bosnia's tragedy just as a witness who does not intervene to assist a victim can be judged to be an accessory to a crime. U.N. peacekeeping is truly at a crossroads in Bosnia—the largest and most expensive U.N. peacekeeping mission in history. While UNPROFOR may have contributed to stability and delivery of humanitarian supplies in the first year of its deployment, its compliant approach to resurgent Serbs in Bosnia and Croatia since then has called into question the U.N.'s capability to effectively carry out peacekeeping responsibilities in the future.

We must make no mistake about the origins of the war in Bosnia. As Warren Zimmerman, the last U.S. Ambassador to Yugoslavia, made clear in a recent Foreign Affairs article, the Serbs initiated the war in Bosnia even before the country declared its independence from Yugoslavia.

It is said by some that Bosnia's fate will have little impact on U.S. national security. They are wrong. I believe that tolerance of visible genocide and aggression in the heart of Europe cannot help but make more probable the recurrence of these crimes in other places in the future. If that is the case, then the post-cold war world is likely to be a Hobbesian one where independence for small democracies will all too often be painful and short-lived.

We must not let our desire to stop the killing in the Balkans lead us to blame the victims instead of the aggressor. We cannot let our aversion to war obscure our vision of right and wrong. Is the post-cold war era going to be known as the no-fault era, when strong countries used their influence merely to contain the bad things that happened to weak countries but with no blame assigned? Surely the United States, which was founded on the principles of freedom and "certain inalienable rights" will not participate indefinitely in a policy of denying the pursuit and defense of basic human rights for Bosnians? Appeasement is never an honorable or effective course in foreign policy. Appeasement of a ragtag band of former Communists and war criminals—the Bosnian Serbs—is a dishonorable course which we should have no part in.

I applaud the U.N.'s decision—supported by President Clinton—to use air strikes against the Bosnian Serbs May 25 in an effort to enforce the weapons exclusion zone around Sarajevo. I hope this is the beginning of a more assertive U.N. approach in Bosnia which will be sustained and expanded as necessary even if, as Bosnian Serb leader Karadjic has promised, his forces retaliate. The only way to avoid a larger Balkan war and to bring the Bosnian Serbs to the negotiating table is to stop Serbian aggression. Regrettably, talk alone will not do the job.•

RAPE PREVENTION MONTH IN NEW JERSEY

• Mr. LAUTENBERG. Mr. President, I call attention to the fact that May is Rape Prevention Month in the State of New Jersey. Rape is one of the most violent and hurtful crimes committed in our society. It is a severe problem and we must do all we can to reduce its incidence, punish offenders, and assist victims.

In this country, rape and child sexual abuse still continues to increase at an alarming rate. Organizations like Women Against Rape in Collingwood, New Jersey have taken on the difficult task of combating rape by providing crime prevention programs, teaching rape prevention techniques, offering escort services, and having hotline and counseling services available.

For the 15th consecutive year, Women Against Rape is sponsoring the month of May as Rape Prevention Month. During this month they have worked hard to address this problem in both crisis and everyday situations. Education is one of the first steps to stopping this awful crime, and I commend the volunteers and professionals who have dedicated their time and effort to raise awareness about rape and sexual abuse.•

SALUTE TO THE GOODSPEED OPERA CO.

Mr. DODD. Mr. President, I rise today to congratulate the Goodspeed Opera Co. in my home town of East Haddam, CN, for receiving the 1995 Tony Award for Outstanding Achievement in Regional Theater. This award, given upon recommendation by the American Theater Critics Association, is the second such award received by the Goodspeed Theater and is well-deserved recognition for the Goodspeed's decades-long record of excellence in theater. This award marks the first time a national regional theater has received a second special Tony Award for general excellence.

The Goodspeed Opera House, located on the Connecticut River, was originally built in 1876 by William Goodspeed, a shipping merchant. This beautiful, six-story Victorian landmark fell into disuse and disrepair in the early 1900's and basically sat abandoned until 1959 when it was saved from demolition through the efforts of the State and community. With local support and significant private assistance, the building was restored and reopened in 1963 as the Goodspeed Theater, home to the Goodspeed Opera Co. Since that time, the Goodspeed has been dedicated to the advancement of the American Musical through the creation of original musicals and the production and reinterpretation of classic American musicals.

Under the leadership of executive director, Michael Price, the Goodspeed Theater has developed dozens of original musicals, many of which have gone on to Broadway. These have included such well known musicals as "Annie," "Shenandoah" and "Man of La Mancha." Just this year, the Goodspeed sent its production of "Gentlemen Prefer Blondes" directly from East Haddam to Broadway.

The Goodspeed Opera Co. has not only attracted national attention but has also served as an artistic beacon for its own community. This special relationship is symbolized by the ongoing financial support of the Chester and East Haddam communities as well as its numerous and diverse audiences from all over the Northeast. The Goodspeed is the very heart, both literally and figuratively, of my hometown of East Haddam. Not only is it our single largest industry and the cultural center of the region, it is also our main landmark and point of reference; in East Haddam, all roads lead to the Goodspeed.

It is also timely to note that the Goodspeed Theater receives support from the National Endowment for the Arts. In this time when Federal funding for the arts is under attack, the

Goodspeed exemplifies how a small Federal investment in a community arts organization can have an enormous yield. Theaters, such as the Goodspeed, assure that first rate artistic events and productions are accessible to people who do not live near large urban cultural centers. At the same time, places like East Haddam and its surrounding areas have enjoyed additional economic activity brought in by theater patrons. And in the case of the Goodspeed, the benefits have been even broader since many of the musicals created there have gone on to become national treasures seen and enjoyed by millions of people on Broadway and all over the country.

Once again, I congratulate the Goodspeed Opera Company on the Tony Award for Outstanding Achievement in Regional Theater and on its long record of excellence.

MEASURE RETURNED TO CALENDAR—SENATE CONCURRENT RESOLUTION 13

Mr. HATCH. I ask unanimous consent that the Senate budget resolution be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

HONORING CONTRIBUTIONS OF FATHER JOSEPH DAMIEN DE VEUSTER

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 125, a resolution to honor the contributions of Father Joseph Damien de Veuster, submitted earlier today by Senators AKAKA, INOUYE, and others; that the resolution and the preamble be agreed to, en bloc, and the motion to reconsider be laid upon the table, and any statements appear in the RECORD as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 125) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 125

Whereas Father Joseph Damien de Veuster was born in Tremeloo, Belgium, on January 3, 1840;

Whereas Father Damien entered the Sacred Hearts Order at Louvain, Belgium, as a postulant in January 1859 and took his final vows in Paris on October 7, 1860;

Whereas, after arriving in Honolulu on March 19, 1864, to join the Sacred Hearts Mission in Hawaii, Father Damien was ordained to the priesthood in the Cathedral of Our Lady of Peace on May 21, 1864;

Whereas Father Damien was sent to Puna, Kohala, and Hamakua districts on the island of Hawaii, where Father Damien served people in isolated communities for 9 years;

Whereas the alarming spread of Hansen's disease, also known as leprosy, for which there was no known cure, prompted the Hawaiian Legislature to pass an Act to Prevent the Spread of Leprosy in 1865;

Whereas the Act required segregating those afflicted with leprosy to the isolated peninsula of Kalaupapa, Molokai, where those afflicted by leprosy were virtually imprisoned by steep cliffs and open seas;

Whereas those afflicted by leprosy were forced to separate from their families, had meager medical care and supplies, and had poor living and social conditions;

Whereas in July 1872, Father Damien wrote to the Father General that many of his parishioners had been sent to the settlement on Molokai and lamented that he should join them;

Whereas on May 12, 1873, Father Damien petitioned Bishop Maigret, having received a request earlier for a resident priest at Kalaupapa, to allow Father Damien to stay on Molokai and devote his life to leprosy patients;

Whereas for 16 years, from 1873 to 1889, Father Damien labored to bring material and spiritual comfort to the leprosy patients of Kalaupapa, building chapels, water cisterns, and boys and girls homes;

Whereas on April 15, 1889, at the age of 49, Father Damien died of leprosy contracted a few years earlier;

Whereas the Roman Catholic Church began the consideration of beatification of Father Damien in February 1955, and Father Damien will be beatified on June 4, 1995, by Pope John Paul II in Brussels, Belgium;

Whereas Father Damien was selected by the State of Hawaii in 1965 as 1 of the distinguished citizens of the State whose statue would be installed in Statuary Hall in the United States Capitol;

Whereas the life of Father Damien continues to be a profound example of selfless devotion to others and remains an inspiration for all mankind;

Whereas common use of sulfone drugs in the 1940's removed the dreaded sentence of disfigurement and death imposed by leprosy, and the 1969 repeal of the isolation law allowed greater mobility for former Hansen's disease patients;

Whereas in the mid-1970's, the community of former leprosy patients at Molokai recommended the establishment of a United States National Park at Kalaupapa, out of a strong sense of stewardship of the legacy left by Father Damien and the rich history of Kalaupapa;

Whereas the Kalaupapa National Historic Park was established in 1980 with a provision that former Hansen's disease patients may remain in the park as long as they wish; and

Whereas the remaining patients at Kalaupapa, many of whom were exiled as children or young adults and who have endured immeasurable hardships and untold sorrows, are a special legacy for America, exemplifying the dignity and strength of the human spirit: Now, therefore, be it

Resolved, That the Senate of the United States recognizes Father Damien for his service to humanity and takes this occasion to—

(1) celebrate achievements of modern medicine in combating the once-dreaded leprosy disease;

(2) remember that victims of leprosy still suffer social banishment in many parts of the world; and

(3) honor the people of Kalaupapa as a living American legacy of human spirit and dignity.

Mr. AKAKA. Mr. President, I am pleased to submit a resolution recognizing the contributions of Father Damien, a very special person who lived in Hawaii during the late 1800's, for his service to humanity. Senators INOUYE, DASCHLE, KENNEDY, SIMON, and MURKOWSKI have joined me as cosponsors of this measure.

Father Damien is best known for his tireless efforts to provide material and spiritual comforts for leprosy patients at Kalaupapa, Molokai, during the latter half of the 19th century. Beloved by the people of Hawaii and the country of his birth, Belgium, his life serves as a model for all mankind.

In recognition of his heroic acts, the Roman Catholic Church began the consideration of Father Damien's beatification in 1955. The State of Hawaii, in 1965, selected Father Damien as one of its distinguished citizens and his statue was installed in the U.S. Capitol's Statuary Hall. I am pleased to announce that Father Damien will be beatified by Pope John Paul II on June 4, 1995, in Brussels, Belgium.

Mr. President, lessons from the life of Father Damien extend beyond religious beliefs and considerations. My resolution recognizes Father Damien's life for his overall service to humanity. Indeed, his life was not that of an ordinary man.

Born in Belgium in 1840, Father Damien arrived in Hawaii in 1864 to join the Sacred Hearts Mission in Honolulu. After several years of serving isolated communities on the island of Hawaii, Father Damien became concerned that many of his parishioners had been sent to Kalaupapa, Molokai, a settlement established for leprosy patients in 1865. In 1873, his request to serve the people of Kalaupapa was granted.

For 16 years, Father Damien labored to bring material and spiritual comfort to Kalaupapa's leprosy patients, building chapels, water cisterns, and boys and girls homes. His selfless devotion to the patients was evident when in 1876, he told a U.S. medical inspector, "This is my work in the world. Sooner or later I shall become a leper, but may it not be until I have exhausted my capabilities for good." Father Damien died of leprosy, at the age of 49, on April 15, 1889. While his death was a devastating loss, the spiritual foundation that he established for the community of Kalaupapa would forever be remembered by the people of Hawaii.

Out of concern that Father Damien's legacy and Kalaupapa's rich history not be forgotten, the Kalaupapa National Historical Park was established in 1980, with a provision that former leprosy patients may remain as long as they wish. While the common use of sulfone drugs since the 1940's had rendered leprosy, or Hansen's disease, controllable, and the 1969 repeal of Hawaii's isolation law allowed greater mobility for former leprosy patients at

Kalaupapa, many continued to face discrimination and banishment from their families and the community at large.

To show how the stigma of leprosy impacted everyday lives, I would like to share with you the words expressed by a 70-year-old woman who had lived at Kalaupapa for 46 years. In part, she said, "I was finally paroled in 1966. My mother was still alive, so I wrote to her and told her I was finally cured. I could come home. After a long while, her letter came. She said, "Don't come home. You stay at Kalaupapa." I wrote her back and said that I wanted to just visit, to see the place where I was born. Again, she wrote back. This time she said, "No, you stay there." You see, my mother had many friends and I think she felt shame before them. I was disfigured, even though I was cured. So she told me, her daughter, "Don't come home." She said, "You stay right where you are. Stay there, and leave your bones at Kalaupapa."

Mr. President, such testimony is not uncommon. For years, former patients from Kalaupapa struggled for respect and dignity. Though attitudes have changed over the years, much more needs to be done. We must take every opportunity to educate our Nation on Father Damien's life and the history of Kalaupapa. The history of Kalaupapa holds a universal lesson that is still valid as we deal with social issues of today, be it homelessness, AIDS, disabilities, or cultural differences.

While my resolution honors Father Damien, it also honors the people of Kalaupapa as a living American legacy of human spirit and dignity. It celebrates the achievements of modern medicine in combating the once-dreaded leprosy. And it remembers the victims of this disease that still suffer social banishment in many parts of the world.

I ask my colleagues for their support in the adoption of my resolution.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. HATCH. Mr. President, I ask unanimous consent that notwithstanding the adjournment of the Senate, on Wednesday, May 31, committees have from 10 a.m. to 2 p.m. to file any legislative or executive reported business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. HATCH. Mr. President, in executive session, I ask unanimous consent that the Senate immediately proceed to the consideration of the following nominations reported today by the Governmental Affairs Committee:

Inez Smith Reed, Ronna Lee Beck, Linda Kay Davis, Eric Tyson Washington, Robert F. Rider, S. David Fineman, G. Edward Deseve, and John W. Carlin.

Finally, I ask unanimous consent that the nominations be confirmed, en bloc, the motions to reconsider be laid upon the table, en bloc, that any statements relating to the nominations appear at the appropriate place in the RECORD, and that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, considered and confirmed, en bloc, are as follows:

Inez Smith Reid, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals for the term of 15 years.

Ronna Lee Beck, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of 15 years.

Linda Kay Davis, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of 15 years.

Eric T. Washington, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of 15 years.

Robert F. Rider, of Delaware, to be a Governor of the United States Postal Service for the remainder of the term expiring December 8, 1995.

S. David Fineman, of Pennsylvania, to be a Governor of the United States Postal Service for the term expiring December 8, 2003.

G. Edward DeSeve, of Pennsylvania, to be Controller, Office of Federal Financial Management, Office of Management and Budget.

John W. Carlin, of Kansas, to be Archivist of the United States.

STATEMENT ON THE NOMINATION OF JOHN CARLIN

Mr. DOLE. Mr. President, earlier this week, it was my privilege to introduce former Kansas Governor John Carlin, President Clinton's nominee to be Archivist of the United States, at his confirmation hearing before the Governmental Affairs Committee.

That nomination has now been unanimously reported out of that Committee with a favorable recommendation. And as Governor Carlin is confirmed by the entire Senate, I wanted to repeat some of the comments I made at his hearing.

Mr. President, the National Archives is an invaluable source of information and, no less important, inspiration for millions of Americans who yearn to know more about our origins and our collective history.

Last year alone, more than one million of our fellow citizens visited the Archives building in Washington. Another 1.3 million visited the Nation's Presidential libraries. Countless more visited Federal records centers to explore their family genealogy, or attending public programs sponsored by the Archives.

It is important to note that only a very small percentage of those who use the National Archives every year have Ph.D's. The vast majority have something more important than a Ph.D—They have curiosity and they have pride in America's history.

These are the people who made Ken Burns' "The Civil War" a national phenomenon. These are the readers who made David McCullough's "Truman" a deserved best seller. And these are the Americans to whom the Archivist of the United States must answer.

In this, the Archivist is no different from the rest of us who are temporarily entrusted with our positions. In the last two elections, voters have insisted on a government that serves their needs, while reflecting their values. The National Archives should be in the forefront of this grassroots revolution.

I believe that the National Archives should reach out beyond the Washington Beltway to the very heart of America. And the heart of America is where John Carlin comes from.

I have known Governor Carlin for many years, and worked with him on countless occasions during his 8 years as Governor. Though we are from different parties, Governor Carlin was more interested in partnership than in partisanship, when it came to doing what was right for Kansas.

I believe John Carlin is uniquely qualified to serve as our National Archivist. Following a period of internal strife and serious morale problems, the Archives needs a leader—someone with the ability to frame a coherent vision, the skills to communicate it, and the willingness to tap the talents of every single employee of the agency. Governor Carlin is such a leader.

He demonstrated as much in spearheading the magnificent Kansas State History Museum and in his continuing involvement with the Kansas State Historical Society.

Far from disqualifying him, as some professional historians have suggested, Governor Carlin's political experience will make him a persuasive advocate for an agency whose cultural and educational possibilities are limited only by its resources.

As a member of the National Archives Foundation Board, the nominee understands better than anyone, that in this era of shrinking budgets, the Archives will need to enlist private support to carry out its public obligations. His years as a legislator and speaker of the Kansas House also afford him a unique perspective on Congress and its oversight functions.

Finally, Governor Carlin also has a wealth of first hand experience in the preservation of Government records. When he left the Governor's Office, he not only turned over all his papers to the Kansas State Historical Society, he did so with the assurance that the entire collection would be open as soon as possible and with no restrictions placed upon it. He proved to be a man of his word, to the benefit of future students of Kansas history, and I am confident his service as Archivist of the United States will be of benefit to all students of American history.

FEDERAL HOUSING FINANCE BOARD

Mr. HATCH. Mr. President, I now ask unanimous consent that the Senate immediately proceed to the consideration of the following nominations reported today by the Banking Committee: J. Timothy O'Neill, of Virginia, and Bruce A. Morrison, of Connecticut. And I ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, that any statements relating to the nominations appear at the appropriate places in the RECORD, and that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed en bloc, as follows:

J. Timothy O'Neill, of Virginia, to be a Director of the Federal Housing Finance Board for the remainder of the term expiring February 27, 1997.

Bruce A. Morrison, of Connecticut, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2000.

EXECUTIVE CALENDAR

Mr. HATCH. Mr. President, I further ask unanimous consent that the Senate immediately proceed to the consideration of Executive Calendar nominations Nos. 117 through 123 en bloc.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, and that any statements relating to the nominations appear at the appropriate place in the RECORD, and the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were cosidered and confirmed, en bloc, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

Rose Ochi, of California, to be an Associate Director for National Drug Control Policy.

THE JUDICIARY

Susan Y. Illston, of California, to be U.S. District Judge for the Northern District of California.

George A. O'Toole, Jr., of Massachusetts, to be U.S. District Judge for the District of Massachusetts.

John Garvan Murtha, of Vermont, to be U.S. District Judge for the District of Vermont.

Mary Beck Briscoe, of Kansas, to be U.S. Circuit Judge for the Tenth Circuit.

DEPARTMENT OF JUSTICE

Patrick M. Ryan, of Oklahoma, to be U.S. Attorney for the Western District of Oklahoma for the term of 4 years.

George K. McKinney, of Maryland, to be U.S. Marshal for the District of Maryland for the term of 4 years.

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate immediately proceed to the consideration of Executive Calendar nominations Nos. 144 through 163 and all nominations placed on the Secretary's desk; further, that the Senate proceed to all military nominations reported out of the Armed Services Committee today, en bloc.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, that any statements relating to the nominations appear at the appropriate place in the RECORD, and the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were cosidered and confirmed, en bloc, as follows:

AIR FORCE

The following-named officers for appointment in the U.S. Air Force to the grade of brigadier general under the provisions of title 10, United States Code, section 624:

To be brigadier general

Col. Patrick O. Adams, [redacted] Regular Air Force.

Col. Theodore C. Almquis [redacted], Regular Air Force.

Col. Robert P. Bongiov [redacted] Regular Air Force.

Col. Roger A. Brady [redacted] Regular Air Force.

Col. Hugh C. Cameron [redacted] Regular Air Force.

Col. John H. Campbel [redacted] Regular Air Force.

Col. Bruce A. Carlson [redacted] Regular Air Force.

Col. Howard G. DeWolf [redacted] Regular Air Force.

Col. Daniel M. Dick [redacted] Regular Air Force.

Col. David A. Herrelko [redacted] Regular Air Force.

Col. Robert C. Hinson [redacted] Regular Air Force.

Col. Stephen E. Kelly [redacted] Regular Air Force.

Col. Tiiu Kera [redacted] Regular Air Force.

Col. Michael S. Kudlacz [redacted] Regular Air Force.

Col. Arthur J. Lichte [redacted] Regular Air Force.

Col. William R. Looney II [redacted], Regular Air Force.

Col. Earl W. Mabry II [redacted] Regular Air Force.

Col. David F. MacGhee [redacted] Regular Air Force.

Col. James E. Miller, Jr [redacted], Regular Air Force.

Col. Glen W. Moorhead III [redacted], Regular Air Force.

Col. Larry W. Northingto [redacted], Regular Air Force.

Col. Everett G. Odgers [redacted] Regular Air Force.

Col. Ralph Pasini [redacted] Regular Air Force.

Col. William A. Peck, Jr [redacted], Regular Air Force.

Col. Gerald F. Perryman, Jr [redacted], Regular Air Force.

Col. Harry D. Raduege [redacted] Regular Air Force.

Col. Leonard M. Randolph, Jr [redacted], Regular Air Force.

Col. Randall M. Schmidt [redacted] Regular Air Force.

Col. Norton A. Schwartz [redacted] Regular Air Force.

Col. Ronald T. Sconyers [redacted] Regular Air Force.

Col. Arthur D. Sikes, Jr [redacted], Regular Air Force.

Col. Lance L. Smith [redacted] Regular Air Force.

Col. Linda J. Stierle [redacted] Regular Air Force.

Col. William E. Stevens [redacted] Regular Air Force.

Col. Todd I. Stewart [redacted] Regular Air Force.

Col. Philip G. Stowell [redacted] Regular Air Force.

Col. Charles F. Wald [redacted] Regular Air Force.

Col. Olan G. Waldrop, Jr [redacted] Regular Air Force.

Col. Tome H. Walters, Jr [redacted], Regular Air Force.

Col. Herbert M. Ward [redacted] Regular Air Force.

Col. Joseph H. Wehrle, Jr [redacted], Regular Air Force.

Col. Michael E. Zettler [redacted] Regular Air Force.

The following-named officers for appointment in the U.S. Air Force to the grade of major general under the provisions of title 10, United States Code, section 624:

To be major general

Brig. Gen. Kurt B. Anderso [redacted], Regular Air Force.

Brig. Gen. William J. Beger [redacted], Regular Air Force.

Brig. Gen. Frank B. Campbel [redacted], Regular Air Force.

Brig. Gen. Paul K. Carlton, Jr [redacted], Regular Air Force.

Brig. Gen. John P. Cascian [redacted], Regular Air Force.

Brig. Gen. James S. Childres [redacted], Regular Air Force.

Brig. Gen. Roger G. Deko [redacted], Regular Air Force.

Brig. Gen. John A. Gordo [redacted], Regular Air Force.

Brig. Gen. Marcelite Jordan Harris [redacted] Regular Air Force.

Brig. Gen. William S. Hinton, Jr. [redacted] Regular Air Force.

Brig. Gen. Walter S. Hogle, Jr [redacted], Regular Air Force.

Brig. Gen. Clinton V. Hor [redacted], Regular Air Force.

Brig. Gen. Ronald T. Kadis [redacted], Regular Air Force.

Brig. Gen. George P. Lamp [redacted], Regular Air Force.

Brig. Gen. Eugene A. Lupi [redacted], Regular Air Force.

Brig. Gen. David J. McClou [redacted], Regular Air Force.

Brig. Gen. George W. Norwood [redacted], Regular Air Force.

Brig. Gen. Richard R. Pau [redacted], Regular Air Force.

Brig. Gen. Donald L. Peterso [redacted], Regular Air Force.

Brig. Gen. Ervin C. Sharpe, Jr [redacted], Regular Air Force.

Brig. Gen. Eugene L. Tattin [redacted], Regular Air Force.

Brig. Gen. Arthur S. Thoma [redacted], Regular Air Force.

Brig. Gen. David L. Vesel [redacted], Regular Air Force.

Brig. Gen. John L. Welde[redacted], Regular Air Force.

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be general

Lt. Gen. Joseph W. Ralsto[redacted], United States Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Ralph E. Eberhar[redacted], United States Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the position to Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Malcolm B. Armstrong, 438–60–7184, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Charles T. Robertson, Jr., 248–78–8691, U.S. Air Force.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Edwin E. Tenos[redacted], United States Air Force.

ARMY

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. Ronald V. Hite[redacted] U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Charles E. Domin[redacted], U.S. Army.

The following U.S. Army National Guard officer for promotion to the grade indicated in the Reserve of the Army of the United States, under the provisions of Sections 3385, 3392 and 12203(a), Title 10, United States Code:

To be major general

Brig. Gen. Sam C. Turk[redacted].

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a) and 3034:

to be general

To be vice chief of staff of the Army

Lt. Gen. Ronald H. Griffit[redacted], U.S. Army.

The following-named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be general

Gen. John H. Tilelli, Jr[redacted] U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be lieutenant general

Maj. Gen. George A. Fisher, Jr[redacted], U.S. Army.

The following U.S. Army Reserve officer for promotion to the grade indicated in the Reserve of the Army, under title 10, U.S.C., sections 3384 and 12203(a):

To be brigadier general

Col. James R. Helmly[redacted].

The following U.S. Army Reserve officers for promotion to the grades indicated in the Reserve of the Army of the United States, under the provisions of Sections 3371, 3384 and 12203(a), Title 10, United States Code:

To be major general

Brig. Gen. John T. Crowe[redacted].
Brig. Gen. Charles A. Ingram[redacted].
Brig. Gen. Herbert Koger, Jr[redacted].
Brig. Gen. Calvin La[redacted].
Brig. Gen. Bruce G. MacDonald[redacted].

To be brigadier general

Col. Lloyd D. Burtch[redacted].
Col. Robert L. Lennon[redacted].
Col. Raymond E. Gandy, Jr[redacted].
Col. Robert W. Smith II[redacted].
Col. Harry E. Bivens[redacted].
Col. Kenneth P. Bergquis[redacted].

The following-named officer for appointment in the United States Army, without specification of branch component, and in the Regular Army of the United States to the grade indicated in accordance with Article II, Section 2, Clause 2 of the Constitution of the United States, as Dean of the Academic Board, U.S. Military Academy, a position established under title 10, United States Code, section 4335:

DEAN OF THE ACADEMIC BOARD

To be permanent brigadier general

Col. Fletcher M. Lamkin, J[redacted], U.S. Army.

NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be vice admiral

Vice Adm. David M. Bennet[redacted], U.S. Navy.

The following-named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under Title 10, United States Code, Sections 601 and 5137:

CHIEF OF THE BUREAU OF MEDICINE AND SURGERY AND SURGEON GENERAL

To be vice admiral

Rear Adm. Harold M. Koenig, Medical Corps,[redacted] U.S. Navy.

The following-named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be vice admiral

Rear Adm. James R. Fitzgerald, 264–58–9041, U.S. Navy.

The following-named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be vice admiral

Rear Adm. Brent M. Bennitt, U.S. Navy, [redacted]

IN THE AIR FORCE, ARMY, MARINE CORPS

Air Force nominations beginning David R. Andrews, and ending Benjamin F. Lucas, II, which nominations were received by the Senate and appeared in the Congressional Record on May 2, 1995.

Army nominations beginning Scott L. Abbott, and ending 0732x, which nominations were received by the Senate and appeared in the Congressional Record of May 11, 1995.

Marine Cops nominations beginning William E. Acker, and ending Ronny L. Yowell, which nominations were received by the Senate and appeared in the Congressional Record of April 24, 1995.

Marine Corps nominations beginning James C. Addington, and ending James W. Washington, which nominations were received by the Senate and appeared in the Congressional Record of May 2, 1995.

Army nominations beginning Thomas H. Aarsen, and ending Michele E. Williams, which nominations were received by the Senate and appeared in the Congressional Record on May 24, 1995.

Marine Corps nominations beginning Christian R. Fitzpatrick, and ending Brett Greene, which nominations were received by the Senate and appeared in the Congressional Record on May 24, 1995.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR FRIDAY, MAY 26, 1995

Mr. HATCH. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on Friday, May 26, 1995; that, following the prayer, the Journal of proceedings be deemed approved to date; the time for the two leaders be reserved for their use later in the day; and the Senate then immediately resume consideration of S. 735, the antiterrorism bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE REPUBLICAN LEADER

The PRESIDING OFFICER. The Chair announces, on behalf of the Republican leader, pursuant to Public Law 101–509, his appointment of Dr. William L. Richter, of Kansas, to the Advisory Committee on the Records of Congress.

APPOINTMENT BY THE SECRETARY OF THE SENATE

The PRESIDING OFFICER. The Chair announces, on behalf of the Secretary of the Senate, pursuant to Public Law 101–509, her appointment of Richard N. Smith, of California, to the Advisory Committee on the Records of Congress.

PROGRAM

Mr. HATCH. Mr. President, for the information of all Senators, the Senate will resume the antiterrorism bill tomorrow. Therefore, rollcall votes can be expected throughout the day.

It is the hope of the majority leader that we may complete action on the antiterrorism bill tomorrow.

RECESS UNTIL 10 A.M. TOMORROW

Mr. HATCH. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in recess under the previous order.

Thereupon, the Senate, at 8:32 p.m., recessed until tomorrow, Friday, May 26, 1995, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 25, 1995:

DEPARTMENT OF DEFENSE

KENNETH H. BACON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE. (NEW POSITION)

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

SHERYL R. MARSHALL, OF MASSACHUSETTS, TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD FOR A TERM EXPIRING OCTOBER 11, 1998, VICE STEPHEN NORRIS, TERM EXPIRED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

PEGGY A. NAGAE, OF OREGON, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND FOR A TERM OF 3 YEARS. (NEW POSITION)

CONFIRMATIONS

Executive Nominations Confirmed by the Senate May 25, 1995:

FEDERAL HOUSING FINANCE BOARD

BRUCE A. MORRISON, OF CONNECTICUT, TO BE A DIRECTOR OF THE FEDERAL HOUSING FINANCE BOARD FOR A TERM EXPIRING FEBRUARY 27, 2000.

J. TIMOTHY O'NEILL, OF VIRGINIA, TO BE A DIRECTOR OF THE FEDERAL HOUSING FINANCE BOARD FOR THE REMAINDER OF THE TERM EXPIRING FEBRUARY 27, 1997.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXECUTIVE OFFICE OF THE PRESIDENT

ROSE OCHI, OF CALIFORNIA, TO BE AN ASSOCIATE DIRECTOR FOR NATIONAL DRUG CONTROL POLICY.

THE JUDICIARY

SUSAN Y. ILLSTON, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA.

GEORGE A. O'TOOLE, JR., OF MASSACHUSETTS, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MASSACHUSETTS.

JOHN GARVAN MURTHA, OF VERMONT, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF VERMONT.

MARY BECK BRISCOE, OF KANSAS, TO BE U.S. CIRCUIT JUDGE FOR THE TENTH CIRCUIT.

INEZ SMITH REID, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE DISTRICT OF COLUMBIA COURT OF APPEALS FOR THE TERM OF 15 YEARS.

DEPARTMENT OF JUSTICE

PATRICK M. RYAN, OF OKLAHOMA, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF OKLAHOMA FOR THE TERM OF 4 YEARS.

GEORGE K. MCKINNEY, OF MARYLAND, TO BE U.S. MARSHAL FOR THE DISTRICT OF MARYLAND FOR THE TERM OF 4 YEARS.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

RONNA LEE BECK, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF 15 YEARS.

LINDA KAY DAVIS, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF 15 YEARS.

ERIC T. WASHINGTON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF 15 YEARS.

EXECUTIVE OFFICE OF THE PRESIDENT

G. EDWARD DESEVE, OF PENNSYLVANIA, TO BE CONTROLLER, OFFICE OF FEDERAL FINANCIAL MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET.

U.S. POSTAL SERVICE

S. DAVID FINEMAN, OF PENNSYLVANIA, TO BE A GOVERNOR OF THE U.S. POSTAL SERVICE FOR THE TERM EXPIRING DECEMBER 8, 2003.

ROBERT F. RIDER, OF DELAWARE, TO BE A GOVERNOR OF THE U.S. POSTAL SERVICE FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 8, 1995.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

JOHN W. CARLIN, OF KANSAS, TO BE ARCHIVIST OF THE UNITED STATES.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be brigadier general

COL. PATRICK O. ADAMS, [redacted] REGULAR AIR FORCE.
COL. THEODORE C. ALMQUIST, [redacted] REGULAR AIR FORCE.
COL. ROBERT P. BONGIOVI, [redacted] REGULAR AIR FORCE.
COL. ROGER A. BRADY, [redacted] REGULAR AIR FORCE.
COL. HUGH C. CAMERON, [redacted] REGULAR AIR FORCE.
COL. JOHN H. CAMPBELL, [redacted] REGULAR AIR FORCE.
COL. BRUCE A. CARLSON, [redacted] REGULAR AIR FORCE.
COL. HOWARD G. DEWOLF, [redacted] REGULAR AIR FORCE.
COL. DANIEL M. DICK, [redacted] REGULAR AIR FORCE.
COL. DAVID A. HERRELKO, [redacted] REGULAR AIR FORCE.
COL. ROBERT C. HINSON, [redacted] REGULAR AIR FORCE.
COL. STEPHEN E. KELLY [redacted] REGULAR AIR FORCE.
COL. TIIU KERA, [redacted] REGULAR AIR FORCE.
COL. MICHAEL S. KUDLACZ, [redacted] REGULAR AIR FORCE.
COL. ARTHUR J. LICHTE [redacted] REGULAR AIR FORCE.
COL. WILLIAM R. LOONEY III [redacted] REGULAR AIR FORCE.
COL. EARL W. MABRY II, [redacted] REGULAR AIR FORCE.
COL. DAVID F. MACGHEE, [redacted] REGULAR AIR FORCE.
COL. JAMES E. MILLER, JR. [redacted] REGULAR AIR FORCE.
COL. GLEN W. MOORHEAD III, [redacted] REGULAR AIR FORCE.
COL. LARRY W. NORTHINGTON, [redacted] REGULAR AIR FORCE.
COL. EVERETT G. ODGERS, [redacted] REGULAR AIR FORCE.
COL. RALPH PASINI [redacted] REGULAR AIR FORCE.
COL. WILLIAM A. PECK, JR. [redacted] REGULAR AIR FORCE.
COL. GERALD F. PERRYMAN, JR [redacted] REGULAR AIR FORCE.
COL. HARRY D. RADUEGE, JR. [redacted] REGULAR AIR FORCE.
COL. LEONARD M. RANDOLPH, JR. [redacted] REGULAR AIR FORCE.
COL. RANDALL M. SCHMIDT, [redacted] REGULAR AIR FORCE.
COL. NORTON A. SCHWARTZ, [redacted] REGULAR AIR FORCE.
COL. RONALD T. SCONYERS, [redacted] REGULAR AIR FORCE.
COL. ARTHUR D. SIKES, JR., [redacted] REGULAR AIR FORCE.
COL. LANCE L. SMITH, [redacted] REGULAR AIR FORCE.
COL. LINDA J. STIERLE [redacted] REGULAR AIR FORCE.
COL. WILLIAM E. STEVENS, [redacted] REGULAR AIR FORCE.
COL. TODD I. STEWARD, [redacted] REGULAR AIR FORCE.
COL. PHILIP G. STOWELL [redacted] REGULAR AIR FORCE.
COL. CHARLES F. WALD, [redacted] REGULAR AIR FORCE.
COL. OLAN G. WALDROP, JR. [redacted] REGULAR AIR FORCE.
COL. TOME H. WALTERS, JR. [redacted] REGULAR AIR FORCE.
COL. HERBERT M. WARD, [redacted] REGULAR AIR FORCE.
COL. JOSEPH H. WEHRLE, JR. [redacted] REGULAR AIR FORCE.
COL. MICHAEL E. ZETTLER, [redacted] REGULAR AIR FORCE.

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF MAJOR GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be major general

BRIG. GEN. KURT B. ANDERSON [redacted] REGULAR AIR FORCE.
BRIG. GEN. WILLIAM J. BEGERT [redacted] REGULAR AIR FORCE.
BRIG. GEN. FRANK B. CAMPBELL [redacted] REGULAR AIR FORCE.
BRIG. GEN. PAUL K. CARLTON, JR [redacted] REGULAR AIR FORCE.
BRIG. GEN. JOHN P. CASCIANO, [redacted] REGULAR AIR FORCE.
BRIG. GEN. JAMES S. CHILDRESS [redacted] REGULAR AIR FORCE.
BRIG. GEN. ROGER G. DEKOK, [redacted] REGULAR AIR FORCE.
BRIG. GEN. JOHN A. GORDON, [redacted] REGULAR AIR FORCE.
BRIG. GEN. MARCELITE JORDON HARRIS [redacted] REGULAR AIR FORCE.
BRIG. GEN. WILLIAM S. HINTON, JR. [redacted] REGULAR AIR FORCE.
BRIG. GEN. WALTER S. HOGLE, JR [redacted] REGULAR AIR FORCE.
BRIG. GEN. CLINTON V. HORN, [redacted] REGULAR AIR FORCE.
BRIG. GEN. RONALD T. KADISH, [redacted] REGULAR AIR FORCE.
BRIG. GEN. GEORGE P. LAMPE [redacted] REGULAR AIR FORCE.
BRIG. GEN. EUGENE A. LUPIA [redacted] REGULAR AIR FORCE.
BRIG. GEN. DAVID J. MCCLOUD, [redacted] REGULAR AIR FORCE.
BRIG. GEN. GEORGE W. NORWOOD, [redacted] REGULAR AIR FORCE.
BRIG. GEN. RICHARD R. PAUL [redacted] REGULAR AIR FORCE.
BRIG. GEN. DONALD L. PETERSON [redacted] REGULAR AIR FORCE.
BRIG. GEN. ERVIN C. SHARPE, JR [redacted] REGULAR AIR FORCE.
BRIG. GEN. EUGENE L. TATTINI [redacted] REGULAR AIR FORCE.
BRIG. GEN. ARTHUR S. THOMAS [redacted] REGULAR AIR FORCE.
BRIG. GEN. DAVID L. VESELY [redacted] REGULAR AIR FORCE.
BRIG. GEN. JOHN L. WELDE [redacted] REGULAR AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. JOSEPH W. RALSTON [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. RALPH E. EBERHART, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MALCOLM B. ARMSTRONG, [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. CHARLES T. ROBERTSON, JR [redacted] U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutanant general

LT. GEN. EDWIN E. TENOSO, [redacted] U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. RONALD V. HITE [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES E. DOMINY [redacted] U.S. ARMY.

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICER FOR PROMOTION TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SECTIONS 3385, 3392 AND 12203(A), TITLE 10, UNITED STATES CODE:

To be major general

BRIG. GEN. SAM C. TURK [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A) AND 3034:

To be general

To be vice chief of staff of the Army

LT. GEN. RONALD H. GRIFFITH [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

GEN. JOHN H. TILELLI, JR [redacted] U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. GEORGE A. FISHER, JR [redacted] U.S. ARMY.

THE FOLLOWING U.S. ARMY RESERVE OFFICER FOR PROMOTION TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY, UNDER TITLE 10, U.S.C., SECTIONS 3384 AND 12203(A):

To be brigadier general

COL. JAMES R. HELMLY [redacted]

THE FOLLOWING U.S. ARMY RESERVE OFFICERS FOR PROMOTION TO THE GRADES INDICATED IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF SECTIONS 3371, 3384 AND 12203(A), TITLE 10, UNITED STATES CODE:

To be major general

BRIG. GEN. JOHN T. CROWE [redacted]
BRIG. GEN. CHARLES A. INGRAM [redacted]
BRIG. GEN. HERBERT KOGER, JR. [redacted]
BRIG. GEN. CALVIN LAU [redacted]
BRIG. GEN. BRUCE G. MACDONALD [redacted]

To be brigadier general

COL. LLOYD D. BURTCH [redacted]
COL. ROBERT L. LENNON [redacted]
COL. RAYMOND E. GANDY, JR. [redacted]
COL. ROBERT W. SMITH III [redacted]
COL. HARRY E. BIVENS [redacted]
COL. KENNETH P. BERGQUIST [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. ARMY, WITHOUT SPECIFICATION OF BRANCH COMPONENT, AND IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED IN ACCORDANCE WITH ARTICLE II, SECTION 2, CLAUSE 2 OF THE CONSTITUTION OF THE UNITED STATES, AS DEAN OF THE ACADEMIC BOARD, UNITED STATES MILITARY ACADEMY, A POSITION ESTABLISHED UNDER TITLE 10, UNITED STATES CODE, SECTION 4335:

DEAN OF THE ACADEMIC BOARD

To be permanent brigadier general

COL. FLETCHER M. LAMKIN, JR. [redacted] U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. DAVID M. BENNETT [redacted] U.S. NAVY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5137:

CHIEF OF THE BUREAU OF MEDICINE AND SURGERY AND SURGEON GENERAL

To be vice admiral

REAR ADM. HAROLD M. KOENIG, MEDICAL CORPS, 573–50–9476, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JAMES R. FITZGERALD [redacted] U.S. NAVY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. BRENT M. BENNITT, U.S. NAVY [redacted]

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING DAVID R. ANDREWS, AND ENDING BENJAMIN F. LUCAS II, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 2, 1995.

IN THE ARMY

ARMY NOMINATIONS BEGINNING SCOTT L. ABBOTT, AND ENDING 0732X, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 11, 1995.

ARMY NOMINATIONS BEGINNING THOMAS H. AARSEN, AND ENDING MICHELE E. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 23, 1995.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING WILLIAM E. ACKER, AND ENDING RONNY L. YOWELL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON ARPIL 24, 1995.

MARINE CORPS NOMINATIONS BEGINNING JAMES C. ADDINGTON, AND ENDING JAMES W. WASHINGTON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 2, 1995.

MARINE CORPS NOMINATIONS BEGINNING CHRISTIAN R. FITZPATRICK, AND ENDING BRETT GREENE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 24, 1995.

EXTENSIONS OF REMARKS

OUR NATION'S FLAG

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. SOLOMON. Mr. Speaker, yesterday I testified before the House Judiciary Committee on an amendment I am proposing to protect our Nation's flag. This matter is very dear to my heart and to the hearts of many Americans. The American flag always brings our nation together, rich or poor, in good times or bad. This symbol is recognized the world over for the good that we have done and will do as long as we have this flag. Do we, as Americans, really believe that the passage of this amendment to protect our national symbol will, in any way, harm or detract from, the Bill of Rights and the U.S. Constitution? I say no, this amendment does not remove rights, it restores them.

I can recall scenes I have seen from Civil War battles where Union soldiers would drop their weapon and pick the Stars and Stripes off the ground from a fallen comrade who had been killed holding up these colors for America. Mr. Speaker, now is our time to pick up the American flag and treat it with the greatest amount of reverence.

I would like to draw your attention to the remarks of one American who has picked up the flag and who is carrying and protecting our flag for many Americans. Ron James, an ex-Marine and patriot, has been an example and a role model to many Americans who have the deepest respect for America's symbol and should be commended.

I am a member of the Citizens Flag Alliance, a Marine Veteran and a United States Citizen.

While on the show, I was read a telegram alleged to have been written by Senator Bob Kerry, or one of his aides, on his thoughts of not defending my right to have the U.S. Senate pass Resolution 31.

He speaks before the Members of the United States Senate as a United States Senator. He does not speak as a private citizen or as a voter and he does not speak as a Veteran. He speaks as a Representative of the people of these United States. The majority of the People of the United States want this Amendment passed. As do the people in his own home state.

In that telegram, he mentioned that he was a Navy Seal in Vietnam. At the time he was in his mid-twenties. I am positive that his opinion at that age would be to defend the Flag of this Nation and it would be the same feeling of all his Comrades.

Then how, since for about 100 years until 1989 there have been laws to protect the Flag of the United States and this had nothing to do with changes in our Nation, can he say that, in essence, our Flag does not need this Protection Amendment.

On that television show, there was another guest speaker, who would allow the burning, who kept insisting that we should not "amend our Bill of Rights". What she apparently forgot was that those original Bill of Rights were the first ten Amendments to the original Constitution of 7 Articles and were declared in force on Dec. 15, 1791.

Also, she would have done well, as should anyone against this Amendment, to read the preamble to that Bill of Rights.

No Veteran was ever told that he would protect the Right of someone to urinate upon, burn or otherwise desecrate the Flag he had sworn to protect and defend and honor.

Senator Kerry feels that there is no need to pass this Resolution because of the few incidents that may occur. My reply to that is that incidents will always occur and can increase in tremendous numbers. But that does not make flag desecration acceptable without accountability for those actions.

All any of those opposed to this Resolution need to do is to actually read the content and purpose of all those previous Amendments.

So . . . all of you who speak against this Amendment . . . who are you really speaking for???

Certainly not the Navy Seals, not the U.S. Marines, not the Army, not the Navy, not the Air Force, not the police and, most importantly, not the nearly 260 million American people and their representatives in both the State assemblies and State Senates. All these Americans want the flag protection resolution passed at the Federal level!!!!

You, at the Federal level, who are opposed to this Resolution . . . why don't you ask your own Constituents in your home States to vote on this??? You already know what they want!!!

So, just who do you represent by your opposition to your own people's will????? Not most of America!

The American Flag always brings our Nation together, rich or poor, in good times or bad. This Symbol is recognized the world over for the good that we have done and will do now and forever for as long as we have this Flag and the Honor and Respect for it that it so richly deserves. Do we, as Americans, really believe that the passage of this Amendment will, in any way, harm or detract from, the Bill of Rights and the Constitution?? I say no!!!!

The Rights of all Americans guaranteed under the First Amendment (the argument that opponents are using to stop this Protection Amendment) have already been taking away by that Supreme Court decision in 1989.

This Amendment does not remove Rights . . . it restores them!

It does not remove the Rights of destructive scores . . . but it does restore the rights of constructive millions!

Please pass Senate Resolution 31 and House Resolution 79!!!!

If you do not heed the generous voices of millions of Americans then whose selfish voices do you heed????

Search your hearts for that age when you were in the service and not a Senator . . . when someone worried that you may not be coming home at all. You and your Comrades felt that Flag Desecration was wrong then and most feel that way now which is why those same Comrades want this Protection Amendment passed.

I want to be heard in the Congressional Chambers but I cannot because I am not a U.S. Senator or Congressman.

However, I do represent millions of Americans who want this desecration stopped.

Honor those Comrades-in-Arms and those Citizens who have a dedication to, and love for, this Nation.

I, personally, have walked over 400 miles holding the American Flag and have heard the cheers and cries of Americans who also want their Flag Federally protected. I, personally, have heard and spoken with thousands of Americans as we walked through the land to Honor our Flag.

The oldest man to walk with me (now 65) was a Marine Veteran of the Korean War and survivor of the Chosin Reservoir battle as well as being 100% D.A.V. One of the statements made by him relative to Flag protection was: "I feel very strongly (about it) . . . it's something I believe in. I lived for it. I fought for it and I'd die for it". In all of the time of the two walks (covering 2 years) he spoke only once about that battle. It was in a Firehouse when we stopped for a rest on the walk to Washington and where he met another Marine who also had been there. They spoke of the overwhelming odds of fighting off about 120,000 communist troops against our nearly 15,000 in sometimes 60 below zero weather. From this and other battles he somehow lived long enough to walk for the Honor of the Amerian Flag 44 years later. His son did years in the Marines and now is in the Army flying helicopter gunships.

If you can figure a way that we will not lose thousands of lives in wars . . . lives which will be honored with and by their American Flag . . . Fine!!! But it never can be. Honor thy Flag as "thy Mother and thy Father".

I, personally, have never sought harsh punishment.

As a Representative of those who gave you the key to the hearts of America by their vote for you and trust in you . . . PASS THIS BILL!!

Those who put you in office . . . the average persons . . . trust them!

Give them that which you already know they want . . . their American Flag to be protected.

Let it be said by all that, at least, this Nation protects, reveres and honors its Symbol with dignity, respect and justice!

If someone makes a mistake, the system in our courts will not be harsh but they must be just.

I thank you for your time and I hope you will pass the Resolution in the Senate and the House of Representatives.

Please pass on this information by reading any part of all of it to our Senators and Congressmen on the floor of our Congress.

I thank you for our Nation.

Always for Flag and Country,

RON JAMES.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

75TH ANNIVERSARY OF THE ROTARY CLUB

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to the Mount Clemens Rotary Club. Next Friday evening, June 2, 1995, the club is celebrating its 75th anniversary. Officially chartered on May 1, 1920, the initial 19 members of the Mt. Clemens Rotary were some of the first of what is now an international organization with over a million members.

Begun in Chicago in 1905, the Rotary was established by Paul Harris, an attorney who hoped to meet individuals from other professions and encourage civic responsibility. The Rotary motto of "Service Above Self" is exemplified by the members of the Mount Clemens Rotary Club. The club originated, organized, and to this day continues to support the Macomb County Crippled Children's Society of the Easter Seals, one of the first crippled children's societies organized in the State of Michigan. They have sponsored projects to aid the aged, our youth, the ill, the poor, the illiterate, and the homeless. Over 105 charitable and civic organizations have been supported with time, energy, and over $1 million dollars during the past 75 years.

Taking an active role in one's community is a responsibility we all share, and the members of the Mount Clemens Rotary have been fulfilling this role for 75 years. Of the 25,000 Rotary Clubs in 184 countries, none are any more devoted to improving their community or the world than the Mount Clemens Club. Their contributions are many and they deserve our gratitude for their compassion, hard work, and good will.

I applaud all the Rotary members who serve our communities around the world and encourage them to continue their good work. I urge my colleagues to please join me in saluting the Mount Clemens Rotary Club on the event of their diamond anniversary.

JOHN BURTON: SUI GENERIS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. STARK. Mr. Speaker, for those of my colleagues who served with John Burton in this House or have known him otherwise, there's no need for me to say that John is a one and only. The brother of the late Phil Burton, John is now an Assemblyman in the California Legislature representing the city of San Francisco.

Sunday, April 9, 1995, the San Francisco Examiner Magazine published a feature that catches the essence of the John Burton I know and love. John tells it the way it is and he doesn't spare himself. His commitment to his constituents, especially those that can use a helping hand, comes through loud and clear, as does his love for his city.

Some might ask why, in these days of penny-pinching stewardship, I devote limited resources to spreading the John Burton story over a few lines of this RECORD. Anyone with an ounce of compassion will know after reading what follows. Serving the public involves more than a green eye shade and a sharp pencil. John Burton has that extra ingredient. Maybe by putting these words before my colleagues some of what John Burton has will rub off. I hope so.

[From the San Francisco Examiner Magazine, Sunday, April 9, 1995]

THE LAST TANGLE

(By Edvins Beitiks)

Caught up in the memory of Jimmy Durante's how's-by-you scene from The Man Who Came to Dinner, Assemblyman John Burton swung around in his chair, imaginary fedora tipped back on his head, imaginary nose groaning under the weight of a Hollywood gone by, ran his fingers across an invisible piano on the desktop in his office and sang, "Didju ever have the feeling that you wanted to go and still have the feeling that you wanted to stay. . ."

Burton laughed. "Saw Durante in Vegas once," he said. "What a show. I goddamn tingled."

There are other names that get Burton smiling: Burl Ives, doing his version of "Big Rock Candy Mountain." Louis Prima and Keely Smith. Phil Harris and "That's What I Like About the South." June Christy singing "Something Cool."

Burton remembered listening to Christy on the hi-fi in the mid-'50s, when he pulled a tour with the 2nd Armored in Germany. "'Midnight Sun' 'I'll Take Romance,'" he said. "That got me through the Army."

When California's term limit kicks in on the veteran Democrat, forcing him to leave office in 1996, he'll be going back to Ives, Harris and Christy for some soothing words. Not that he needs to be soothed—politics these days isn't what it used to be, said Burton, and leaving the Assembly won't be that hard.

"It's tougher to do the public's business, every day," he said. "You're fighting a battle against people who want to cut off a whole hand. I've never been one to take any satisfaction in being able to say, 'We saved two fingers.' I've never been happy with saying, 'Well, we got them to cut only $10 instead of $20 from the old people's pension.' That's no thrill for me."

These are miserly times, said Burton, who publicly underlined his disgust by introducing legislation at the end of last year to "criminalize" poverty. His Swiftian bill, AB44, suggested that if a family of four "intentionally or maliciously" falls below the federal poverty guideline of $14,763, the parents should go to jail.

Republicans brushed the bill off as another piece of windmill-tilting by Burton, but the longtime liberal said he just wanted some honest debate on the issue. At the time, he explained: "Maybe during the hearings it might come out that . . . you can't make it a crime for someone to be poor because a lot of people don't want to be poor."

Sitting behind the desk at his Sacramento office, Burton said, "It was something I felt like doing. The idea is to let somebody have a reasonable chance at a decent job and a good standard of living. You know, people don't want to be poor. They don't want to live that way.

"I'm very pessimistic at the way things are going," he said. "Your basic Republican comes goddamn near to being an anarchist. They accuse the Democratic party of steamrolling, but they did something Democrats haven't done—threatening their moderates that if they don't go along with this b.s. they won't get committee chairs, they won't get anything."

Republicans have also pushed for a constitutional amendment on a balanced budget—a concept Burton has always opposed. "It's government by minority," he said. "Businesses are allowed to go into debt, individuals are allowed to go into debt, individuals are allowed to go into debt to buy a home or a car. But to say the entity responsible for providing for the common defense and promoting the general welfare . . . isn't allowed to go into debt? That's crazy."

After 30 years of political give and take, said the 62-year-old Burton, "The thing I miss most is . . . your word is your bond. A guy gave you a handshake and that was it. No more."

Although he didn't see eye to eye with former governor George Deukmejian, Burton acknowledged that "Duke at least stood up for what he said. And Ronald Reagan, for all his faults, was much more human than Pete Wilson."

Burton dismissed the current governor as "this p— —. He's not reactionary. He's not moderate. He's nothing. He was for affirmative action when it was popular, now he's against it. It was OK to bring in Mexican farmworkers, now he's against immigration. I don't like people like that."

He hasn't changed much since his first election to the Assembly in 1964, Burton said, "except that I'm more tolerant of viewpoints different than mine. I don't consider that members who are conservatives are, on the face of it, fascists, although some right-wingers would put on brownshirts in a minute if they could."

Burton learned to distrust conservatives on his daddy's knee. His father, Thomas, was a traveling salesman who decided to go to medical school when he was 36 years old and brought his family west to set up shop in San Francisco—making house calls in Hunters Point, not charging patients who couldn't pay.

"The guy always had a social conscience," said Burton. "He was always very colorblind. . . . I can remember driving once down Golden Gate with him and we saw these kids playing, 6 to 7 years old, black and white, and he said, 'Kids that age don't have a problem, but when they grow up they're told, 'You can't play with those people.'"

Thomas Burton, a native of Indiana, was an early supporter of Franklin Roosevelt and the liberal wing of the Democratic party. "In 1956, he sent a $1,000 check to Adlai Stevenson, which was a lot of money for anybody, much less our family," Burton said.

Their father's liberal leanings were passed on to his three sons, starting with Phillip Burton. "He ran the first time in 1954," John Burton said of his legendary older brother. "Challenged an incumbent who died two weeks before the election and the guy still won.

"In '56, just after I got out of the army, he went against Tommy Maloney, who'd been in city politics forever. I told my brother, 'You're f———g nuts! If you lost to a dead man, how are you going to beat this guy?' But he did, and when he won it, it was a great tonic for me. The beginning of my political career, really."

In 1964, John Burton was elected to the Assembly from the old 20th District, a district so Democratic he couldn't lose.

"It was different in Sacramento back then," he remembered. "I was calling the sergeant-at-arms 'Sir.' Jesse Unruh was speaker, I voted against him and he started to s——— on me a little bit. That kind of stuff happened all the time."

Unruh, son of a Texas sharecropper who boasted of not wearing socks until he was 12 years old, was of the old school, said Burton. "People like Unruh and my brother ate, slept and breathed politics. Not many people up here are into it like that anymore."

His longtime friend Speaker Willie Brown belongs to the old school, too, and it made Burton grin to see the way Brown out-maneuvered Republicans to win back his spot after the last elections. "Some Republicans objected to even calling him 'co-speaker.' They didn't want to even give him a share, and now he's the speaker. The kind of tickles me."

Calling back faces from the past, Burton remembered San Francisco Supervisor Bill Blake, who once arrived late to a restaurant, threw the keys to his car to a man standing at the curb, thinking he was a valet, and came out after dinner to find his car stolen. And then there was Congressman Eddie Patton, who "used to talk out of the side of his mouth like this," Burton said, tossing frogtones out of his lower lip. "Eddie was a piece of work."

The phone rang and Burton talked a little, chuckled a little, then offered the three golden rules for a man getting old: "Never pass a urinal, never ignore an erection and never trust a fart." He leaned back in his chair and smiled, nodding his head to the laughter that came bursting from the other end of the phone.

Burton turned to talk about his growing-up years, when he lived at the edge of West Portal and the whole city was his playground. "I went to Jefferson Grammar School, played behind Colonial Creamery on Irving Street. When I was at Lincoln High, we used to go out to McCoppin Park, 24th and Taraval, regular. Drank some beer, played some basketball.

"I can remember, as a 12-year-old kid, working at the YMCA on Friday nights, getting out about 9:30 and walking down Leavenworth and up Market. You'd have all these hucksters out on the street, selling trick packs of cards, ducks with their heads dipping in water, and never thought for a minute anything could happen to you.

"Sometimes I'd walk all the way out to Sloat Boulevard, rights through the tunnel. If the streetcar came through, you had to step to one side, let it go past. Walk all that way, and never worry."

Burton drew other pictures of San Francisco in the air, including the image of John D. Monaghan, bartender at No. 10 Sanchez. "I used to take my daughter there on St. Patrick's Day—John standing behind the bar, answering the phone, 'No. 10,' kind of rocking back and forth on his feet, talking to everybody, more full of s— than a Christmas turkey. Oh, man, how could you not love it?"

But those days are gone, said Burton.

"Society's getting worse, therefore the city's getting worse. You had the 'homeless' at Third and Howard, a few drunks sleeping at night in Union Square * * * but now 'homeless' is a part of our society. Not since the Depression has there been the underclass we have now."

Because the government flat gave up on the War on Poverty, said Burton, "we're reaping a whirlwind of neglect."

There has been plenty of speculation about Burton's options after he leaves the Assembly. He waves it away, saying, "When I get out, there are two things I want to do—learn Italian and play some bocce ball."

But he's not getting out anytime soon.

Last month, he threw his fedora into the ring for state senate—the 3rd District seat belonging to Sen. Milton Marks. Burton's ultimate decision, though, will take into account whether Willie Brown runs for mayor of San Francisco or Marks' seat.

"I think it's important for somebody to be doing battle with the right-wing Republicans, who are more and more taking over the Republican party in this state," said Burton. "To thwart their efforts to cripple public education, cripple environmental protection and take away women's right to choose. These are tough times, and you should get in the fight and stay in the fight—not drop out and kind of bitch and moan."

Burton's name has been mentioned for The City's mayoral race, but he doesn't see himself running. "My mother didn't raise me to cut back on libraries or playgrounds or AIDS funding, or go after poor people on the street," he said.

Lately, San Francisco has been "penny wise and pound foolish," added Burton. "But, to be fair, the city just doesn't have the resources."

It doesn't seem that long ago that Burton's best friend, George Moscone, was assassinated at City Hall on Nov. 27, 1978. But it's been a long time, and—for Burton—a hard road.

Moscone was his friend from the day they met in 1946 until the day the mayor was shot to death with Supervisor Harvey Milk, said Burton, who still can't understand the killings.

"It was such a f——g nutty thing," he said, looking down at his hands. "I heard some political forces were egging (Dan White) on—'Somebody ought to kill that f——r,' things like that. I don't know.

"During that period I was, shall we say, involved in doing drugs, and I started doing more," Burton said. "I don't know if what happened to George was the reason for it, but I guess I used it as a reason. I mean, George was as close to me as my brothers."

Burton found himself hooked on "what they call crack now, called it free-basing back then. I would get so depressed I couldn't move. I'd stop for a couple of days and had to start again, just to get energy.

"I got into nitrous oxide, too," said Burton. "I'm a very addictive-compulsive person * * * went on a four-month run once, like you see on TV or in the movies, the guy's OK one day and the next he's in the gutter.

"I learned you can't quit for six months and go out and celebrate with a couple of toots or a couple of tokes and quit the next day. The only way to do it is not to do it at all."

By the time of Moscone's death, Burton was already known for stream-of-consciousness speeches from the floor of the legislature that made no sense. In "A Rage for Justice: The Passion and Politics of Phillip Burton," a biography due out this fall, Sacramento political columnist John Jacobs writes, "John Burton was going downhill fast. Rumors surfaced that a dry cleaner found packets of cocaine in his coat pocket * * * friends feared they would find him dead somewhere."

Burton got the message himself, calling an end to his brief Congressional career two days before the filing deadline for the 1982 elections. He remembers the date exactly: Sept. 30.

"I went back to vote against the balanced budget amendment. That was on Thursday. Sunday, I flew down to a hospital in Arizona and checked myself in. It was easy after I really decided to do it, after I acknowledged half-assed to myself that I've got a problem, instead of, 'It's no big deal.'

"Haven't had a drink since then," he said. "Not too long ago I was at a party where they had that Australian beer—Foster's—I took a little sip and I could feel it going down. I knew I'd be in trouble if I took a good gulp. And nonalcoholic beer? I had some once and the guy says, 'Tastes good, huh?' and I said, 'Yeah, it *does* taste good. I better not have anymore.'

"I don't miss it," Burton said. "I don't really like being around people who drink. Three drinks and they have a heat on, don't even know what they're saying. Women who take a drink and just get silly."

Burton, who has been married twice and remains divorced, smiled and said, "I'm sure it breaks their hearts, but I just have to pass."

In Jacobs' book, one Republican argued it was worth keeping Burton in office because "at least John Burton stood back in his stupor and didn't do much but vote wrong."

But Burton's legislative record has been anything but passive.

"At one point, before the Republican governors got ahold of it, our aged, blind and handicapped had a better standard of living than the aged or blind anywhere else in the country," said Burton, who sponsored SSI bills for the handicapped. "And our autistic children's program was the first in the nation."

Burton was also proud of his "asset forfeiture law—keeping law enforcement officers from just coming in and grabbing property without cause."

But he acknowledges his own political career doesn't compare to the record of his brother, Phillip.

Some of Burton's best memories come from sharing the spotlight with his brother back in Washington. "I kept thinking about what Phil and I together were doing to all those conservatives in the Old Guard. Driving them up the wall. I laughed my ass off.

"You look at what Phillip's done, it's awesome. There hasn't been a minimum-wage bill since he did it, and he's been dead 10 years. Redwood Park, Golden Gate National Park, miners' lung legislation, and on and on and on. He just brought me along for some of it."

And Burton enjoyed the ride, every minute of it. He remembered walking down the steps of the Capitol with his brother, making up words to a song about angry Republicans, then making them angrier with new legislation.

"Nowadays, there are so many intrusions into people's rights to live decently," said Burton. "If I did something for the quality of life for people, just helped a little, who gives a s— whether they erect a statue to you or not?"

Having his political life wrapped up in the wonder of California has made it all worthwhile, Burton said. "California's got so much, you know? Like Pat Brown used to say—'When I fly over this great, big beautiful state of ours. . .'"

Burton, whose desk holds a glass ball that beams, "God Made the Irish #1" and a nameplate with shamrocks on either side, reminisced about the power of Irish districts when he first started out, when "the Mission was Irish, Noe Valley was Irish, the Sunset. Around the Castro it was the Scandinavians, the Excelsior was Italian, Potrero Hill—Russians and Slavs, the Richmond was kind of

Irish, kind of Russian, there was Manila Town off Kearny, and the Haight was a mixture.

"The mix has changed, but it's still a melting pot, and it's wonderful. You can't beat it," said Burton, grinning all at once.

"San Francisco. You've got to f___ love San Francisco," he said. "I remember once when I went out to eat at a restaurant, must have been down around Westlake, and there's all this fog. I got out there, wound up just walking around the parking lot for 10 minutes, maybe more, taking it all in.

"The woman I was with must have thought I was nuts, but being away from San Francisco and coming back to the fog . . . you've got to love it."

Burton looked around his office, filled with photos from three decades of political handshaking and head-shaking and hand-wringing and loud singing in the front room with people from the Mission and Sunset and Bayview. He smiled to himself, hummed a bit of "Big Rock Candy Mountain," and said once more "You've got to love it."

UNION CITY, NJ, CELEBRATES ITS 70TH ANNIVERSARY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize an outstanding community, the city of Union City, NJ, and to congratulate the residents on the celebration of the city's 70th anniversary. This is a special anniversary because this year the city, which I am proud to call home, is opening a new addition to its historic city hall.

Union City was originally comprised of two smaller and separate communities, named West Hoboken, incorporated in 1861, and the town of Union Hill, incorporated in 1864. In June of 1925, the two towns merged to form the dynamic, bustling place we know today as Union City.

Union City typifies this Nation's proud immigrant heritage. It has always been home to immigrants seeking a better way of life. The founders of West Hoboken and Union Hill were German and Dutch immigrants who moved to the western shore of the Hudson River to escape the crowded conditions of Manhattan. In fact, many of the original municipal documents were written in German.

In the 1870's, industry discovered Union City and the population began to grow. Woods and fields were transformed into homes and businesses. Streets were cut through, and sewer, water, and gas mains laid. Breweries, silk, chocolate, cigar, and pencil factories moved to the city. It became a hub of the U.S. embroidery industry.

The immigrant tradition continued throughout the years, drawing Irish and Italian immigrants during the first half of the 20th century. Cubans fleeing the tyranny of a brutal dictatorship came in growing numbers during the early 1960's. They established hundreds of thriving businesses along the main commercial strip, known as Bergenline Avenue. They were followed by immigrants from throughout Latin America, who make up the largest segment of the current population. During a short walk on Bergenline one can sample the cuisine of dozens of nations. Goods and merchandise from around the world are sold on the bustling streets.

The people of Union City have always been its greatest asset. Diversity in our schools and in government is viewed as a strength not an impediment. I was proud to serve the residents as their first Hispanic mayor from 1986 through 1992. Earlier, I served on the city's board of education and later as chief financial officer for the school system. Union City is in the forefront of promoting the use of computer technology in the classroom. The new city hall addition is another example of a city that is not content to rest on past accomplishments. Its programs for the elderly and recreation programs for its youth are second to none.

Union City is a city on the move, ready to take on the challenges of the 21st century. The residents are proud of where they have been and proud of where they are going. I am proud to be a resident of Union City. I ask my colleagues today to join with me in honoring Union City, a great place to live and raise a family.

TRIBUTE TO MR. CARL GERSTACKER

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. CAMP. Mr. Speaker, it is with sadness that I rise today to honor and pay tribute to a man who devoted much of his life to helping and improving the lives of others. Mr. Carl Gerstacker passed away recently and took the heart of a city with him. Midland, MI, my hometown, was the proud recipient of Mr. Gerstacker's generosity and leadership for most of his life.

Carl was born in 1916, and received the typical upbringing of a child in the Midwest. In 1938, he received his engineering degree from the University of Michigan. Two years later, Carl, like many of the brave young people at the time, answered the Nation's call to duty and enlisted in the Army. He valiantly served his country from 1940 to 1946 and returned home to a grateful nation and community.

He began working for the Dow Chemical Co. Although he possessed an engineering degree, his abilities with numbers and figures won him praise from his superiors and he was placed in charge of the finance department. His powerful character and charisma came to the forefront and his proficiency and demeanor made him a highly respected manager. In 1948, he became a member of Dow Chemical's board of directors at age 32 and was later named chairman of the finance committee. In 1960, he was elected chairman of the board.

Carl's business and personal talents made him a vital component of Dow Chemical's senior management team. He assumed responsibility of the corporation as head of a company with $820 million in annual sales. His hard work and determination inspired others to achieve the most and when he left the company 26 years later, Dow Chemical had sales of approximately $4.9 billion. This enormous increase in sales was partly due to Carl's business acumen but more importantly it was his ability to recognize talent in his employees and his ability to inspire their best work and loyalty to the company.

Carl was a strong advocate for education. He served on the boards of several universities and worked tirelessly on behalf of students. His hiring practices were among the most progressive of his era not because he was trying to institute social policy, but because he constantly sought the best people. His investment in them reaped tremendous rewards. His policies went beyond company profits to ensuring the company invested in the people and community.

Carl was committed to environmental protection. He helped institute many of the reforms that made the Dow Chemical Co. a leader in environmental protection and accomplished this while continuing to expand job opportunities and assisting the community.

Carl had the power to understand people. A tireless champion of community projects, Carl established the Gerstacker Awards in 1956, which honors outstanding citizens. Teachers, law enforcement officers' and firemen are among those who have received the Gerstacker Award for outstanding community service. In addition, Carl established the Rollin M. Gerstacker Foundation in honor of his father to help fund civic projects in the Midland area.

Carl donated his home to the local church as a parsonage and later bought it back to provide office space for local foundations. He gave generously to the city to help build housing for seniors. Although his financial contributions helped fund the projects, it was his time, effort, and encouragement that made these projects successful. His commitment went beyond financial contributions to include personal involvement.

His community activism continued far into his retirement years. He served on the board of the Midland Rotary Club, and the Midland Red Cross. He founded the Midland Community Foundation and served as campaign chairman for the United Way of Midland. He was a man who wished to be measured not by what he could get out of something but by what he was able to give back.

Carl Gerstacker's unbounded generosity and exuberance inspired everyone he met. His sense of humor put people at ease and his ideas and dreams challenged people to think and challenge themselves. Carl Gerstacker helped build a city and a company, but more importantly, he helped build a community and a family. His loving wife, Esther Gerstacker; family members including our colleague, Bill Schuette, Bette, Lisa, Sandra, and Gretchen continue in his path of community service and dedication. As a neighbor, Carl's counsel and wisdom were invaluable to my family and friends and his words and deeds continue to influence us today.

Mr. Speaker, I know you will join my colleagues and me in honoring Mr. Carl Gerstacker, his many contributions, and his enduring legacy. He has provided us with the tools to succeed; now it is up to us to continue his work.

COMMEMORATION OF THE FIRST AFRICAN-AMERICAN CONGREGATION IN NEW JERSEY

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. PAYNE of New Jersey. Mr. Speaker, this weekend a very special ceremony will be held in Newark, NJ to commemorate an event of historic importance, the founding of the first African-American congregation in our State 160 years ago.

It was on April 27, 1835, that 37 freed slaves and free-born blacks left the Old First Presbyterian Church and resolved to become the First Colored Presbyterian Church of Newark. In May of that year, the Presbytery of Newark acted upon the resolution and they organized into a Church with the Reverend John Hunt as their pastor. The Church later became the Thirteenth Avenue Presbyterian Church, which merged with Clinton Avenue Presbyterian Church in October of 1967.

The establishment of the Church in 1835 by 37 men and women of courage and vision reflected their determination to affirm their own culture and identity in their worship.

Now, 160 years later, the pastor and the congregation continue the proud tradition of the founders. In a spirit of love and service, the Church continues its commitment to the community.

This weekend, on Memorial Sunday, a Service of Remembrance and Thanksgiving will be held. It will include the lighting of 37 candles to honor the founders of the Church; a dramatic presentation by the Youth Group; a wreath laying ceremony in honor of loved ones and friends of Thirteenth Avenue whose names will be recorded in an Annual Memorial Booklet, and the dedication of a Computer Learning Center to provide training for the youth of our community as a commitment to the future and a renewed affirmation of our self-determination.

I have asked that during the memorial service a wreath be laid to honor Mr. Marcellus Marble, a long-time member of the church. During my childhood, Mr. Marble and his wife, Jeanette, showed great kindness in including me in special church-related activities. I remember with great fondness the yearly church picnic, held at Eagle Rock Reservation, where youngsters were able to enjoy games and other recreational activities.

I will always be grateful to Mr. and Mrs. Marble for the guidance they gave me during those years and the positive role they played in my development.

I ask my colleagues in the U.S. House of Representatives to join me in honoring the pastor of the Clinton Avenue Presbyterian Church, Reverend Dr. Alfred B. Johnson and the entire congregation in wishing them many more years of success, joy and spiritual growth.

PHYLLIS A. WARD AND FOREST CRUMPLEY HONORED AS OUTSTANDING VOLUNTEERS

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Ms. LOFGREN. Mr. Speaker, I rise, today, to acknowledge and extend my heartfelt congratulations to Phyllis A. Ward and Forest Crumpley, who are being honored by the Committee on Political Education [COPE], as Outstanding South Bay AFL–CIO Labor Council Volunteers. Ms. Ward and Mr. Crumpley will be honored at the COPE Award Banquet on Friday, June 2, 1995.

COPE is about working people joining together to participate in our political process. Since 1955, COPE has fought to secure full rights for working people and to increase government responsiveness to the needs of the labor movement. This responsiveness includes a commitment to public service.

Phyllis Ward has a long record of public service, dating back to 1942 when she enlisted in the Women's Army Auxiliary Corps [WAAC] during World War II. She was eventually promoted to the rank of captain, while serving at General MacArthur's Headquarters in Manila, Philippines.

Ms. Ward served in the U.S. Foreign Service from 1952–1954, as a High Commissioner of Germany for Political Affairs. She then transferred to the U.S. Information Service [USIS] in 1954. Ms. Ward worked as an agent of the USIS in Kenya, Ethiopia, Germany, and Washington, DC., until 1964.

After 1965, Ms. Ward returned home and worked as a social worker for the Santa Clara County Department of Social Services. She retired in 1981.

Phyllis Ward has been an active participant in the political process. Dating back to 1947, when she worked for presidential candidate Harold Stassen, Ms. Ward has been a grassroots activist. She has encouraged political participation through voter registration and get out the vote efforts. Ms. Ward has been active in the Democratic Party, having served on the California State Central Committee for the past 10 years.

Phyllis Ward is a shining example of what America is all about. She demonstrates principles of caring, giving, and self-sacrifice, that all of us should emulate.

Mr. Forest Crumpley has long been committed to public service. Dating back to 1940 when he went to work for the Census Bureau, and became an activist for minority rights in Washington, DC., Mr. Crumpley has sacrificed his time and resources for the causes he champions. Mr. Crumpley's commitment to human rights and freedom led him to join the Army to fight fascism in World War II.

After returning from the war, Mr. Crumpley became a lithographer. He eventually opened Fidelity Printing. The very first items he printed at Fidelity Printing were posters and leaflets for John Castro, a union plumber who was running for county supervisor. From that point on, Mr. Crumpley produced countless campaign materials for union endorsed candidates, and helped open the door to more diverse representation in local government.

Forest Crumpley has been a voice for the voiceless, working on behalf of farm workers and the people of Chile, El Salvador, and Cuba. His work contributes to the empowerment of all Americans.

Mr. Speaker, I would like to express my own congratulations and gratitude to Ms. Ward and Mr. Crumpley on behalf of my constituents in the 16th District and the United States House of Representatives.

COMMEMORATION OF ASIAN PACIFIC-AMERICAN HERITAGE MONTH

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. MEEHAN. Mr. Speaker, as we celebrate Asian Pacific-American Heritage Month, I think we should take a moment to consider the need for the United States to engage in a more extensive dialogue with India, which will be the world's most populous democratic nation by the year 2050.

As a member of the Congressional Caucus on India and India Americans, I want to help promote greater understanding between the United States and India, particularly in economic, political and cultural areas.

Our shared geopolitical interests dictate that we make a concerted effort to improve Indo-American relations. In the last several years, India has embarked on a sweeping reform program that opened the way for economic growth and increased foreign trade and investment. However, we cannot ignore the difficulty involved in the ongoing economic transformation, and progress must continue if bilateral trade is to grow.

About 1 million Indian-Americans live in the United States. Many Americans assume that Indian-Americans, because they are often well-educated, do not face the same problems as other minorities. They are wrong. In many parts of this country, Indian-Americans are victims of hate crimes and racial harassment. They are the victims of discrimination in business and education. Members of Congress cannot ignore these issues.

The Glass Ceiling Commission reports that minorities plateau at lower levels in the workforce than women. Educational institutions and the Department of Labor need to aggressively enforce laws barring discriminatory practices in recruitment and advancement, and no one should be denied an education or job because of their race or ethnic origin.

The United States has always been considered a melting pot of peoples, religions and ethnic groups. We in Congress cannot allow people who come to this country to be victimized or subjected to bigotry.

I urge my colleagues in Congress to pay more attention to concerns of India and Indian-Americans. I can think of no more appropriate time to reflect on our shared interests than during the observance of Asian Pacific-American Month.

NATO AIRSTRIKES IN BOSNIA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. SMITH of New Jersey. Mr. Speaker, I welcome reports that NATO planes struck targets near the Bosnian Serb stronghold of Pale today after militant forces ignored a U.N. ultimatum to surrender heavy weapons they seized from U.N. weapons dumps around Sarajevo earlier this week. According to *Reuters*, six aircraft, including U.S. warplanes, bombed a Bosnian Serb ammunition depot in response to a request from U.N. peacekeepers. This rare display of muscle to quell attacks against Sarajevo, a U.N.-designated safe haven, is long overdue. Perhaps these airstrikes signal a resolve by the international community to take a firm stand against armed aggression and those responsible for genocide in Bosnia.

I applaud the Clinton administration for fully backing the NATO raids which were a response to what Secretary of Defense Perry characterized as reprehensible attacks around the Bosnian capital. Mr. Speaker, it is high time that determined action, such as today's airstrikes, be directed against those who flagrantly defy the will of the international community, as the Bosnian Serbs have repeatedly done.

TRIBUTE TO WHIRLPOOL

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. GORDON. Mr. Speaker, I rise today to recognize a corporation in LaVergne, TN, who has been justly rewarded for their continuing commitment to service and quality.

Whirlpool Corp. has received the 1995 Partners in Progress Award, based on service, product quality, market performance, and customer responsiveness. This is the fourth year in a row Whirlpool has been recognized for the PIP Award, which is given only to the top 1 percent of Sears' suppliers.

Whirlpool, home to just over 2,400 employees, makes its mark each year by producing the very best in air control products. Each employee is to be commended for their role in ensuring the success of Whirlpool through their attention to product safety, dependability, and performance.

Please join me today in congratulating these workers in Tennessee for their tremendous accomplishment.

PROTECTING THE RIGHTS OF WORKERS OVERSEAS HELPS U.S. WORKERS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, one of the areas where we must as a country do a better job is trying to diminish the disparity in respect for the rights of workers that exist between our country and many other countries which would trade with us. There will inevitably be differences in the cost structure of manufacturing in different countries, especially in those that are in different states of development. But any cost disadvantage which we face should not be exacerbated by situations in which workers in less developed countries are deprived of fundamental rights to organize or to advocate for their own legitimate self-interest.

We should be insisting as part of our international economic policy that nations which seek favorable treatment from us as recipients of assistance, or as participants in open trade agreements which they will find advantageous, provide a framework in which the legal rights of workers in those countries are fully respected.

An example of the relevance of this recently came to my attention in a letter sent by AFL–CIO President Lane Kirkland to the co-Prime Minister of the Royal Cambodian Government. In this letter, Mr. Kirkland objects quite legitimately to provisions in the labor law which is about to be promulgated in Cambodia. I ask that Mr. Kirkland's letter to the Cambodian Government be printed here, as an example of the kind of reasonable action we should be taking in the area of international workers rights, both as a matter of fairness, and as a way of preventing undue deterioration through competitive pressures in the rights of workers in America.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, DC, May 5, 1995.

H.E. NORODOM RANARIDDH,
H.E. HUN SEN,
Co-Prime Ministers, Royal Cambodian Government, Council of Ministers, Phnom Penh, Kingdom of Cambodia.

YOUR EXCELLENCIES: As the leader of the America's national trade union confederation and its 14 million members, I write to express my concerns about the failure of Cambodia's current draft labor law to meet international labor standards in several key areas. I strongly urge you to take immediate action in the appropriate deliberative body to revise Articles 281, 306, and 377 of the draft to bring them into compliance with the relevant International Labor Organization (ILO) Conventions.

The current version of Article 281 clearly fails to comply with ILO Convention 87, which guarantees workers the most fundamental protection, freedom of association. As now written, the draft Article requires all employee associations to affiliate with government-established national federations. We wish to point out to your Excellencies that such a requirement not only violates international standards, but it is also contrary to Articles 36 and 41 of the Cambodia Constitution which guarantee Cambodian citizens the right to freely associate and form employee organizations, including trade unions, of their own choosing.

Freedom of association is the most vital component for the establishment of a modern, peaceful, stable, and representative industrial relations system; such a system will put Cambodia on the path to sustainable economic development. By taking a far-sighted view and amending Article 281, Your Excellencies will make a decision that would provide a stable, dynamic environment to help guarantee foreign investment that benefits both the Cambodian people and the investors. Moreover, guaranteeing freedom of association will be praised by the international community and improve Cambodia's chances of meeting requirements for receiving trade benefits from the United States including GSP and OPIC. As you may know, technical assistance in crafting an amended Article 281 provision is available from the Cambodia office of the Asian-American Free Labor Institute (AAFLI), the AFL–CIO's Asia institute.

We also urge you to bring Articles 306 and 377, key worker protection provisions in the code, into compliance with international norms. Failing to provide basic worker rights in these areas will not only create difficulties in international fora, like the ILO, but will also endanger the lives and livelihoods of Cambodian workers.

We certainly understand the importance of Most Favored Nation (MFN) status, Generalized System of Preferences (GSP), and Overseas Private Investment Corporation (OPIC) trade benefits to assist the development of Cambodia, and do not take lightly the needs of your country, which is still suffering the effects of over 20 years of war. As I'm sure you know, we continue to support the provision of international assistance to Cambodia by the U.S. and other countries.

However, if the Royal Cambodian Government decides to pass a labor law that fails to guarantee freedom of association in accordance with international standards, the AFL–CIO will oppose the granting of GSP and OPIC benefits to Cambodia and work with the Congress and the Clinton Administration to that end. Furthermore, we would also work with our friends in the international labor movement to consider other actions as necessary.

Since there is still time before this draft code comes before you and the Cabinet, I urge Your Excellencies personally intervene to amend Articles 281, 306, and 377 and bring them into compliance with the relevant ILO Conventions.

Thank you for your attention to our concerns and I look forward to hearing from you in the near future.

Sincerely,

LANE KIRKLAND,
President.

HUMAN RIGHTS IN CHINA THE CONTINUING STORY OF REPRESSION AND ABUSE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. SMITH of New Jersey. Mr. Speaker, we are only days away from the 6th anniversary of the Tiananmen Square massacre which was the Chinese Government's violent response to the peaceful prodemocracy demonstrations of students and other Chinese citizens in 1989.

As the anniversary of the Tiananmen Square pro-democracy movement approaches, the Chinese Government now turns its attention to prominent dissidents who have petitioned the Government for greater tolerance of dissent. Wang Dan, one of the leaders of the 1989 movement, is among those who have been detained.

The men and women who bravely stand up for human rights, democractic reform, and greater tolerance deserve our support and encouragement. They are the hope for the future of China. However, disturbing trends of abuse of human rights call us to realistic see the Chinese Government for what it is: butchers and despots who have no regard for human life and dignity.

In the course of the last 2 years we have watched as human rights have continued to deteriorate in China. New laws which restrict religious activity for both the underground and Government-sponsored Christian were issued in January 1994.

Recent reports confirm that the Chinese Government's attack on religious believers is increasing. During the Easter celebration the Public Security Bureau in Linchuan County arrested 40 pro-Vatican Catholics suspected of organizing a Mass attended by nearly 20,000 worshipers. Eleven of these people are still being detained.

A Protestant minister, Li Dexian, his wife, and several companions were arrested and detained in April while conducting a worship service. Pastor Li was beaten and kicked during this detention. This was the fourth time he was arrested in 4 months.

And citizens of two predominantly Catholic villages in Liangshou County have been forced to flee their homes and go into hiding to escape the brutal torture by the population control officials because they refuse to follow the one-child-per-couple policy. They refuse to bow to the new population slogan of "Better to have more graves than more than one child." The villagers report that they have been subjected to being hanged upside down and having their tongues burned with electric wires.

The new law on maternal and infant health care enacted in October 1994 is in actuality a eugenic law, reminiscent of the Nazi eugenic policies of an earlier era. This law prohibits marriage between people if one of them has "a serious hereditary disease, which is medically deemed unsuitable for reproduction" unless the couple would agree to take long-lasting contraceptive measures or give up child bearing by undergoing ligation." The law further states that when a woman is determined to be carrying a child that may carry "serious hereditary diseases * * * or have a serious deformity," the pregnancy should be terminated.

Dr. John Aird, former Chief of the China Branch at the U.S. Census Bureau, said "Coercion in the Chinese family planning program has in the past 2 years reached its second extreme peak approaching or perhaps exceeding the levels of 1983."

Couples have no right to determine the number and spacing of their children. Those that choose to violate the one-child-per-couple policy may be hunted down like animals. Women are forced to abort their babies, many are sterilized. Those that do have a second or third child are usually subjected to loss of jobs and property, harassment, and fines that far exceed their income.

Another area of concern is the extensive prison labor system which exists in China. No other system like it exists in the world today. It is the most extensive forced-labor system in the world, and this system has destroyed the lives of millions of people, and it continues to do so.

When I was in China last year I met with several people who bear the permanent scars of years in Chinese prison labor camps. I heard their stories of beating and torture and saw for myself the broken bodies which these camps create.

New, disturbing evidence that prisoners are being executed so their body parts can be sold for transplants is now coming to light. There are even reports that some prisoners are having their kidneys removed before they are dead. Harry Wu, himself a survivor of the prison labor system has documented this body trafficking practice on film. How much more do we need to see before we are convinced that the Chinese Government has no concern for human life whatsoever?

Concern for human rights in China has been virtually ignored by the Clinton administration since last year's renewal of MFN. Official after official has traveled to China and human rights has not been on their agenda.

Mr. Clinton has an opportunity to lessen the damage done by extending MFN at the cost of human rights when he attends the G–7 meeting in Nova Scotia on June 15. I join my colleagues in urging the President to raise the deterioration of human rights in China at this meeting.

But should he forget the dissidents, the prisoners, the tortured, the abused, the murdered, we Members of Congress will not. The Subcommittee on Foreign Operations and Human Rights, which I chair, has held two hearings on human rights abuses in China. The first on the Laogai prison labor system, the second on the coercive population control policies. These were the first hearings of their kind to be held by a congressional committee. Future hearings will focus on other forms of human rights abuse in China.

The Chinese people who value freedom, democracy, and human rights deserve our support.

THANKS, AMERICAN LEGION POST NO. 251

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. PAYNE of New Jersey. Mr. Speaker, I am pleased to ask my colleagues to join me in recognition of American Legion Post No. 251 of Montclair, NJ. Post No. 251 has been an invaluable resource in its community. For more than 60 years, it has provided services ranging from youth educational opportunities to sports and recreational activities. In addition to these quite laudatory services, Post No. 251 has left an indelible mark with regard to the essential role that Black Americans have played in the American military.

In fact, on May 26, 1995 at the Friar Tuck Inn in Cedar Grove, NJ, Post No. 251 will honor the Nation's African-American service people with its Salute to All Black Veterans. This event will be held in commemoration of the numerous Black men and women who have so valiantly served this country. Among those to be honored include Crawford Crews, for whom Post No. 251 is named after. Crews was a member of the illustrious all Black 369th Infantry Regiment of New York. This unit fought in the trenches for 191 consecutive days without losing a foot of ground, a single prisoner, or the battle against the Germans. Additionally, three other Montclair residents Austin Barnes, Alonzo Mills, and Benjamin Smith, who all fought in World War I, will also be honored.

While our Nation has been extremely slow to pay the respect and homage to the Nation's Black veterans that they deserve, Post No. 251 has attempted to pick up the slack. For this, we must pay them our deepest thanks.

Thank you, Mr. Speaker, for allowing me this opportunity to share with my colleagues of the tremendously beneficial works that American Legion Post No. 251 is contributing to the Essex County community.

TRIBUTE TO FATHER GEORGE THOMAS BROWNE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Father George Thomas Browne. Father Browne is the pastor at St. Angela Parish in Roseville, MI and on June 4 he will celebrate the 40th anniversary of his ordination as a priest.

It is my sincere pleasure to congratulate Father Browne on what I am sure is a proud anniversary. The devotion he has displayed to his faith and the community over these past 40 years is an inspiration. In addition to the many parishes at which he has served as pastor, Father Browne has also been a chaplain for Sinai Hospital in Detroit, the Marine City Fire Department, the blue Water Fire Fighters, and the Knights of Columbus.

Many people depend on the emotional, educational, and spiritual support provided by their pastor or chaplain. Too often, many human needs are left unsatisfied in the secular world and I know that he has conscientiously attempted to see those need met. Whether saying a Sunday morning Mass or serving as a Archdiocesan school board member, which he did in the late 60's, Father Browne has dedicated his life to the Lord's work.

I am always impressed by the many people committed to improving our communities. And, I am always pleased when constituents ask me to recognize the contributions of such an individual. Earlier this month, I had the opportunity to meet with about 90 students from St. Angela School. On June 2, many of these same students along with their teachers and families will be holding a special mass and liturgy for Father Browne. I was pleased to meet the students and their chaperones and am grateful that I was asked by them to officially recognize Father Browne on his anniversary. It is always a privilege to pay tribute to someone who is so well respected by members of the community.

As a former seminarian, I feel a certain affinity with Father Browne. Although our paths have differed, I am pleased that Father Browne and I are able to share a constituency. I commend him for his work and faith and wish him continued success in his role as a religious leader.

I ask my colleagues to please join me in offering heartfelt congratulations to Father George Browne on this momentous milestone.

12TH ANNUAL OBSERVANCE OF NATIONAL MISSING CHILDREN'S DAY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. STARK. Mr. Speaker, I rise today to mark the 12th annual observance of National Missing Children's Day and to recognize Child Quest International, Inc., a San Jose based nonprofit organization, for all of their tireless efforts on behalf of missing children. As of this year, Child Quest International has assisted in the recovery of 1,016 missing children.

More than 1,000,000 children are reported missing in the United States each year and between 20,000 and 50,000 of those remain missing for more than 1 year. Child Quest International was founded in 1990 and formed to protect and recover missing, abused, and exploited children. Child Quest International works to successfully reunite missing children with their families and to provide support and referral services to children who have been abused and exploited.

Child Quest International assists families 24 hours a day, 365 days a year through a nationwide toll-free number. Its caseworkers all have criminal justice backgrounds with the expertise to investigate cases and provide technical assistance and counseling to families. They have a worldwide photo distribution network over which they can distribute posters and flyers. They are able to do mass and direct mailings and utilize mass media such as television, radio, newspapers, billboards, and bus signs. Child Quest International differs from other nonprofit organizations, in that it also utilizes new technologies such as computer information networks and computer digitized photographs.

Child Quest International also provides support and referral services for families worldwide in the following areas: abused and exploited children, Grandparents' rights, and missing adults. They provide mediation services for parents and children and referrals for counseling and therapy. Child Quest International is also very active in education and prevention through TV and radio programs, public service announcements, presentations at schools, service clubs, and community events, and such services as the S.T.O.P. kidnapping program.

Mr. Speaker, I would like to commend Child Quest International for its dedication to the protection and recovery of missing, abused, and exploited children on this 12th annual observance of National Missing Children's Day.

IN HONOR OF SISTER M. HELEN RITA FOR HER 65 YEARS AS SISTER OF ST. JOSEPH

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Sister M. Helen Rita, S.S.J., for her 65 years of dedication to God and the community. A 12 noon mass will be held in her honor at St. Andrew's Church on June 4, 1995, with a reception to follow afterward.

Sister M. Helen Rita, a native of Pennsylvania, entered the Sisters of St. Joseph at Chestnut Hill on Sept. 10, 1930. She has been a teacher at the Archdiocese of Philadelphia, PA, and Newark. She was also a teacher at the Diocese of Charlotte in North Carolina.

Sister Rita has been a teacher at the St. Andrew School for 29 years. She is a wonderful person who has shared her knowledge and love with those around her. Her dedication to the children is second to none. She has shown the children love, compassion, and understanding.

Sister Rita is a loving and caring person and I am proud to have her as one of my constituents. She has worked hard to mold and shape the young minds of our children. Her tireless efforts and support is very much appreciated.

Please join me in honoring such a great person. Sister M. Helen Rita has been an inspiration to us all. Her dedication and love will never be forgotten. May God bless her and may her wisdom and love be an inspiration to us all.

TRIBUTE TO ROBERT B. LEWIS

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize an outstanding teacher, coach, and principal as he retires from the Morley Stanwood school system. On June 5, 1995, Robert B. Lewis will retire from 30 years of service in Michigan junior and senior high schools.

Bob taught classes in industrial arts throughout his teaching career, and students in his classes found they were learning from a truly gifted instructor. Their work was described by other industrial arts instructors as unbelievable. Under his tutelage, students earned award after award at both local and State level competitions constructing canoes, model ships, carvings, and furniture.

But Bob's commitment to Michigan's youth did not end with the end of the schoolday. After the last class bell rang, he spent his time as a coach of both football and basketball teams. Throughout his career he coached team after team to victory. In Ellsworth, MI, his basketball team finished their 1966 season with 16 wins, 3 losses, and a league championship.

But Bob's capabilities reached far beyond teaching and coaching, to administration. In 1992, Bob became the principal of Pickford Junior-Senior High School, in Michigan's Upper Peninsula, and here he once again demonstrated his enormous capacity for leadership. During his tenure on the other side of the desk, Bob earned a reputation as an exceptionally fair and clear-minded administrator. Teachers and students alike appreciated and admired his firm but fair approach to discipline as well as his unfailingly caring and generous nature toward his students and colleagues.

Mr. Speaker, Robert Lewis's love for and dedication to Michigan's youth is clear. He has consistently gone beyond what was expected or required to achieve excellence not only in teaching, but also in coaching and in administration. His reputation as a kind, honest, and hard-working public servant will reverberate through the halls of Michigan schools for many years to come. I know you will join me in recognizing his achievements and wishing him a satisfying retirement.

TRIBUTE TO MARLENE HOWARD, BIG SISTER

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. PALLONE. Mr. Speaker, in a few days, we will be honoring Marlene Howard on the occasion of her retirement from Big Brothers/Big Sisters of Monmouth County.

Many of my colleagues in the House of Representatives met Marlene during her days in Washington as the right hand to her husband, Jim Howard, former chairman of the House Public Works and Transportation Committee. She is affectionately and respectfully remembered by many in Washington, DC, as a driving force behind many initiatives that resulted in saving thousands of lives and improving the condition of millions of other lives.

Day after day, week after week, Marlene provided the gentle but persistent encouragement that helped Jim Howard gain enactment of anti-drunk-driving legislation, reduction in the speed limit, and other important highway safety measures. As a leader in the Congressional Wives Club, Marlene made sure the other congressional wives lobbied their husbands to vote for these life-saving bills.

She fought for other important causes, including increased funding for mental health programs, human rights, and quality television programming for children. Without Marlene's initial and ongoing support, we would not have a flourishing congressional award for young people in New Jersey and elsewhere around the country.

Marlene's involvement in helping at-risk teenagers and children extends back to her days in Washington when she was on the advisory board of the Washington Metropolitan Area Big Sisters. She received the Special Recognition Award in 1982 for her outstanding service as a caseworker and as the most active volunteer on the advisory board. In November a year earlier, she was honored as Woman of the Year by the Monmouth County, NJ, Big Sisters/Big Brothers where she has worked for 15 years.

Marlene has often quoted the phrase, "One person can make a difference," and she certainly has proven that in her own career of public and volunteer service. There is probably no more difficult undertaking than trying to help young people who come from troubled backgrounds. It takes great patience, determination, and love to set many such children on their journey to productive, happy lives. Marlene certainly devoted herself to those especially heart-wrenching and complex cases and she has made a great difference in the lives of many, many young people.

It would be easy to expound further, but I think Marlene's career can be summed up by paraphrasing a slogan that was also used in a certain congressional campaign 15 years ago: "She cares about people; it's that simple." It's from that caring that so much good has sprung.

TEAM FROM DEAL JUNIOR HIGH SCHOOL BEATS TONY PRIVATE SCHOOLS IN MATHEMATICS

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Ms. NORTON. Mr. Speaker, that's a Washington Post headline about one of DC's much decorated junior high schools. Deal's seventh and eighth grades beat such schools as Sidwell Friends and the National Cathedral School in the 1995 MathCounts Contest. We love our private schools, but with public schools, D.C. has something to prove: That our public schools are brimming with smart youngsters and dedicated teachers and principals. A student from Jefferson Junior High, another public school, had one of the four highest scores in the city in the MathCounts contest.

Deal took the citywide mathematics championship the same way athletes win—through intensive training, advanced levels of competition, and diligent preparation. This D.C. public school also excels in many other areas. This spring Deal won both the citywide Spelling Bee and the Geography Bee.

Today, I join my colleagues in congratulating the Deal students, principal, teachers, and parents for their accomplishments, perseverance, and commitment, even beyond the classroom and the required study.

NO RESPECT FOR HUMAN RIGHTS IN INDIA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. BURTON of Indiana. Mr. Speaker, I rise today to speak about the human rights situation in India. As we have reached the half-way point in our debate on the foreign aid authorization bill, this is a very appropriate time to raise this issue.

Tuesday night, the House approved my amendment to deny development aid to any nation that votes against the United States more than 75 percent of the time at the United Nations. One of the countries that votes against us at the U.N. 80 to 90 percent of the time every year is India. It is no coincidence that India is also one of the world's worst human rights abusers. For years, I have criticized the atrocities committed by Indian security forces against Sikhs in Punjab, Muslims in Kashmir, and Christians in Nagaland. My strong feelings about this issue is one of the main reasons I offered my amendment. Any country that consistently votes against us at the U.N. and systematically violates the human rights of innocent civilians should not be receiving foreign aid from us.

Indian security forces in Punjab and Kashmir routinely torture political prisoners, gang rape women, and abduct innocent people to demand ransoms from their families. In Kashmir, the army just this month burned to the ground a centuries old mosque during a Muslim holiday. They routinely burn down entire neighborhoods and villages. In Punjab, torture and murder victims are thrown into canals, usually with their hands and feet still tied. Dozens of bodies are found every time a canal is drained for repairs.

Mr. Speaker, we must demand that India respect the human rights of all people, and grant them freedom, democracy, and basic human rights. Until India stops the abuses and begins to vote with us, even occasionally, at the United Nations, we should not be giving that country our foreign aid.

I ask unanimous consent to insert in the RECORD at this point a summary of human rights abuses in India prepared by my office, and a summary prepared by Dr. Gurmit Singh Aulakh of the Council of Khalistan, who has worked tirelessly on behalf of the Sikh people.

DON'T SUPPORT INDIAN TYRANNY WITH AMERICAN TAX DOLLARS

Here are some relevant facts about India and Indian-occupied Khalistan:

India votes against the United States at the United Nations 84 percent of the time, more than any other U.S. aid recipient.

India is helping Iran build up its military arsenal.

HUMAN RIGHTS VIOLATIONS

Indian newspapers recently reported that 25,000 Sikhs were either cremated as "unclaimed bodies" or thrown in canals and rivers.

The White Paper on State Terrorism in Punjab cites S.S. Ray, Indian Ambassador to the U.S., as the "butcher of Bengal" and the "butcher of Punjab."

Over 41,000 cash bounties were paid to police officers for killing Sikhs, according to the US State Dept.

Over 120,000 Sikhs killed since 1984.

Over 150,000 Christians killed since 1947. Over 43,000 Kashmiri Muslims killed since 1988.

Tens of thousands more languish in Indian prisons without charge or trial.

Amnesty International reports hundreds of Sikhs have disappeared.

Asia Watch reports "virtually everyone detained in Punjab is tortured."

Police operate over 200 torture centers (police stations) in Punjab, Khalistan.

Police routinely pick up Sikh youths and demand ransom of tens of thousands of rupees for their safe release. Otherwise, the youths are tortured and killed.

Sikhs who die of torture are listed as being killed in an "encounter" with the police.

Despite the recent repeal of TADA, the other "Black Laws", giving the regime sweeping powers to detain anyone for any reason and kill Sikhs without fear of persecution, remain on the books.

India has not allowed Amnesty International to conduct an independent human-rights investigation in Punjab, Khalistan, since 1978.

India recently attacked an ancient mosque in Kashmir which houses the mausoleum of the venerated Sheik Nooruddin Wali. In December 1992, Hindus destroyed the Babri mosque in Ayodhya.

In June 1984, India attacked the Golden Temple in Amritsar, the holiest shrine of the Sikh Nation.

The Chicago Tribune reports that a nun was stabbed 36 times by right-wing Hindu fundamentalists. By these actions, India displays its religious intolerance.

The Indian newspaper Hitavada reported in November that the late Governor of Punjab, Surendra Nath, was paid $1.5 billion by the Indian regime to foment terrorism in Punjab, Khalistan, and in Kashmir.

The State Department says that the human-rights situation is getting worse.

INDIA'S NUCLEAR THREAT TO WORLD PEACE

India has recently announced successful tests of the Akash antiballistic missile, India's equivalent of the Patriot.

India has deployed Prithvi missiles, which have a range of 250 kilometers, on the Pakistani border and has successfully tested other missiles like Agni, Thrishul, etc.

Last year, India launched the Polar Satellite Launch Vehicle, which can be made to carry nuclear warheads.

India spends over 20 percent of its research and development budget on the development of nuclear weapons. Only 2 percent goes to education and health.

KHALISTAN'S RIGHT TO SELF-DETERMINATION

No Sikh has ever signed the Indian constitution.

The Sikh leadership declared Khalistan independent on October 7, 1987.

The movement to liberate Khalistan is peaceful, democratic, and nonviolent.

Former Member of Parliament Simranjit Singh Mann has been held in a windowless cell for four months for the "crime" of speaking out for Khalistan.

The Supreme Court of India ruled that asking for Khalistan is not a crime.

According to India Abroad, 96 percent of the Sikhs in Punjab, Khalistan did not vote in India's February 1992 elections there.

India has 500,000 troops in Punjab, occupied Khalistan, alone—more than Britain had in the entire subcontinent during its rule.

Khalistan, Kashmir, and Nagaland continue to be denied their right to self-determination.

India has 18 official languages. It is a polyglot like the former Soviet Union. It is not one country.

HUMAN RIGHTS IN INDIA AT A GLANCE: DISREGARD FOR RELIGIOUS SITES AND FIGURES

May 1995—Indian troops in Kashmir burn to the ground the centuries-old walnut wood mosque in Charar-e-Sharies, along with hundreds of homes around it.

December 1992—Hindu mobs destroy the historic Babri Mosque in Ayodhya as Indian troops stand by and watch.

December 1992—Gurdev Singh Kaonke, one of the most revered leaders of the Sikh religion, is arrested, tortured and killed in police custody.

June 1984—Indian soldiers launch an all out attack on the Golden Temple in Amritsar, the holiest shrine of the Sikh religion. 38 other temples throughout Punjab are attacked, killing thousands of Sikhs.

WHAT HUMAN RIGHTS GROUPS SAY

Asia Watch: "Virtually everyone detained in Punjab is tortured."

Amnesty International: "Torture (in Punjab and Kashmir) and illtreatment is widespread and in some cases systematic, resulting in scores of deaths in police custody."

State Department Human Rights Report (1994): Over 41,000 cash bounties were paid to police in Punjab for extrajudicial killings of Sikhs between 1991 and 1993.

GRAPHIC EXAMPLES OF TORTURE AND MURDER, PUNJAB AND KASHMIR

Extrajudicial murders of Sikh youth are a common occurrence. Between 1986 and 1994, 6,017 unidentified Sikh victims of Indian police were cremated in the District of Amritsar alone. There are 13 districts in Punjab. It has been estimated that security forces have had over 25,000 unidentified Sikhs cremated or dumped in rivers during this period.

In January 1995, the water level of the Sirhind Canal was lowered for repair work. One dozen bodies of young Sikh torture victims were found at the bottom of just one shore section of the canal with the hands and feet bound. There are hundreds of miles of the canals through the province.

In January 1993, Indian paramilitary forces in Kashmir burnt to death at least 65 Kashmiri civilians in the town of Sopore. Soldiers deliberately set fire to five separate areas of the town. They also dragged shopkeepers out of their shops and shot them in the streets. The torching of entire Kashmiri villages by Indian forces is a common tactic.

In 1994, Sikh activist Kanwar Singh Dhami was imprisoned along with his pregnant wife and son. He and his wife were tortured in front of each other. When the police were unable to extract an untrue confession from Mr. Dhami, they hung his wife up by her heels (she was six months pregnant) forcing her to have a miscarriage.

In Amritsar district in 1993, Indian police brought a Sikh youth they had tortured and thought was dead to the hospital for an autopsy. After the police left, the doctors discovered that the young man was miraculously still alive and revived him. The police returned several hours later after hearing that the man was alive. They took him out of the hospital, killed him again, and brought him back to the same hospital for his autopsy.

KILDEE HONORS DR. NATHEL BURTLEY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. KILDEE. Mr. Speaker, I rise today to urge my colleagues in the U.S. House of Representatives to join me in paying tribute to a great educator and a great man, Dr. Nathel Burtley upon his retirement from his outstanding service as Superintendent of the Flint Community Schools.

Since 1988, Dr. Burtley has led the Flint Community Schools as superintendent. Prior to accepting the superintendency, Dr. Burtley served as deputy superintendent in Flint from 1981 through 1988. Before coming to Flint, Dr. Burtley served the Ypsilanti Public Schools for 5 years in both the capacities of assistant superintendent for curriculum and instruction, and as interim superintendent. Dr. Burtley preceded his time in Ypsilanti in the Grand Rapids Public Schools where he was an elementary school principal for 4 years, briefly served as assistant high school principal, and as a speech pathologist. Dr. Burtley has served over 31 years in the field of public education.

A native of Cairo, IL, Dr. Burtley earned a bachelor's degree in 1962 and a master's degree in 1964 from Southern Illinois University. Dr. Burtley then went on to his beloved Michigan state University where he earned a doctorate in educational administration.

Dr. Burtley is truly one of those individuals who has made a difference. Upon taking over the reins of leadership of the Flint Community Schools, he proceeded to work with the community and all employees of the district to review and completely remake the direction of the school system. This was a system that has been a world leader in the arena of community education; but was also a district, like many others, that needed to experience changes in the way it had done things in the past in order to insure the students who graduated were prepared for the world they were about to enter. Throughout the time that change was occurring in the system, Dr. Burtley continuously asked the question "Is it in the best interest of kids?"

Dr. Burtley will truly be missed by all throughout the Flint Community School system. I know his heart will remain with the school district and the future of each of its students.

Mr. Speaker, it is indeed an honor and pleasure for me to rise today to pay tribute to a great American educational leader. I know all throughout the State of Michigan and the city of Flint who know Dr. Burtley, and the entire U.S. House of Representatives, will join me today in honoring a great educator, Nathel Burtley.

INTRODUCTION OF LEGISLATION TO OVERRRULE THE U.S. SUPREME COURT'S ADAMS FRUIT DECISION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. GOODLING. Mr. Speaker, today, I am introducing legislation along with several of my colleagues, Mr. FAZIO, Mr. BALLENGER, Mr. ANDREWS, Mr. FAWELL, Mr. STENHOLM, Mr. HOEKSTRA, Mrs. THURMAN, Mr. FUNDERBURK, and Mr. DOOLEY, which would overrule the U.S. Supreme Court's 1990 decision in Adams Fruit Co., Inc. versus Barrett. In this decision, the Court held that injured farmworkers may bring a private cause of action under the Migrant and Seasonal Agricultural Worker Protection Act [MSPA], even though the workers had already received workers' compensation benefits for those same injuries.

The implications of the Adams Fruit decision are quite troubling as the decision undermines the general principle of the exclusivity of workers' compensation, both in the MSPA context and beyond. The workers' compensation system was designed as a quid pro quo system in which employees forego the right to a tort remedy in exchange for readily accessible relief without questions of liability or contributory negligence. The Adams Fruit decision undercuts the bargain that both employers and employees made in participating in the workers' compensation system. By allowing a private cause of action under MSPA, the decision opens employers up to costly litigation and open-ended liability for workplace injuries they thought they were ensuring themselves against through their payments into the workers' compensation system.

Farmworkers will also suffer under the Adams Fruit decision as it removes any incentive for agricultural employers to provide workers' compensation coverage for them. In many States, coverage of farmworkers remains optional and the decision provides employers little reason to exercise that option. The uncertainty of a private cause of action is not a substitute for the accessibility and sure relief of workers' compensation.

When MSPA was passed in 1982, it received bipartisan support from agricultural employers, organized labor, and farmworker representatives. That coalition would hardly have held together had it been intended that MSPA would provide a private cause of action for workplace injuries that would supplement any recovery under the workers' compensation system.

The legislation which I am introducing today would effectively overturn the Adams Fruit decision and provide that a farmworker could not bring a private cause of action under MSPA for actual damages for a workplace injury, but would be limited to the remedies available under the State workers' compensation scheme. A farmworker would still be entitled to bring an action for statutory damages or an injunction based on a MSPA violation.

By reversing the Adams Fruit decision and recognizing the importance of the exclusivity of workers' compensation, this legislation returns to the original congressional intent in enacting the MSPA remedial scheme. This legislation is good for farmworkers and for agricultural employers and I urge my colleagues to support it.

MEMORIAL DAY

HON. JAY DICKEY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. DICKEY. Mr. Speaker, from the steps of the Capitol Building and across the Potomac we see the thousands of men and women who lay at rest, silenced by guns of war.

We, the beneficiaries of their sacrifices, cannot adequately praise these fallen veterans by merely uttering words. It takes a commitment by Members of Congress from both sides of the aisle to follow through with promises to those who have served and who currently serve our country.

This Memorial Day weekend, we should recognize a disturbing change in our Nation.

There is a sense of resentment among our veterans today. They feel as though they are not held in the same light they once were. Benefits guaranteed to them are now targets for elimination.

The military traditions that kept ours the most resilient fighting force in the world seem to be forgotten by many of their civilian leaders. And many of those same leaders view the military as a place for social experiment.

If we allow this to escalate, we will not maintain our esprit de corps which is so vital to cohesiveness in combat; nor will we feel good about ourselves.

Because few of us have actually experienced the pressures of battle, we must continually look to the military professionals for guidance in building and maintaining our defense capabilities.

This goes well beyond promises of health care or other monetary benefits. It includes encouraging veterans, and active duty service members and reservists to obtain higher education and to instill a sense of self-esteem which will enable them to grow and prosper in the society they volunteered to defend.

As a veteran in my district, Warren Watts, writes in a letter to me:

> We call upon you, the leaders we elected for justice and fairness for disabled veterans and their families.

We must listen to my friend, Warren, and other veterans across our country. They are turning to us for help.

For Memorial Day, let us not forget those who fell in combat to preserve our freedoms. Moreover, as we walk among their graves, consider how we can show our respect for the survivors.

TRIBUTE TO HUGH HART

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. FROST. Mr. Speaker, after a long career of public service with the House of Representatives, Hugh Hart will retire as House Journal Clerk in June. A native of Texas, Hugh came to work for the House when John McCormack was Speaker 28 years ago.

I first met Hugh when he was administrative assistant to the late Dallas mayor and Congressman, Earle Cabell. Earle and his popular late wife, Dearie, were very warmly welcomed by the Texas delegation in Washington when they arrived in 1965. Earle had been a dynamic and energetic Dallas mayor after having a successful business career. He brought that enthusiasm with him. Hugh came along to work for him later that year.

Hugh has had close ties to Dallas through the years. While attending Southern Methodist University and its law school, he came to know its distinguished late President Willis Tate. Dr. Tate recommended Hugh to Earle Cabell for a summer job. After completing his U.S. Army Reserve training with the Army Intelligence Branch, he started to work for Earle.

The late Associate Justice of the Supreme Court, Tom Clark, was fond of administering oaths of office to young Texans who passed the State Bar Examination and could not be present for the Austin swearing in ceremony. He gave the oath to Hugh. Later in retirement, Justice Clark moved Hugh's admission in person to the U.S. Supreme Court.

When Dearie and Earle returned to Dallas, Hugh practiced law there briefly before returning to Washington. He joined President Gerald Ford's Clemency Board as a staff attorney. Later he was on the staff of the Commission on Information and Facilities headed by former Texas Congressman Jack Brooks.

In 1978, Speaker Thomas P. "Tip" O'Neill presided over the House and Hugh was appointed House Journal Clerk.

In addition to his professional duties, Hugh has been very active in community service. He has worked diligently in his parish, St. James Episcopal Church on Capitol Hill, for nearly 20 years. For several years, he has been a member of the Washington Episcopal Diocesan Personnel Committee. A trustee of the Canterbury Cathedral Trust in America, he has assisted in its programs with Canterbury Cathedral in England.

A cause which has especially interested Hugh is the Most Venerable Order of the Hospital of St. John of Jerusalem. This is an organization in England and the United States which supports an ophthalmic hospital in Jerusalem. The hospital serves 60,000 patients a year in one of the most troubled areas of the Middle East. Hugh has worked to expand the Order's outreach and membership in Dallas and Texas, as well as the Washington area.

Like any good Texan, he has also put his shoulder to the wheel for the Texas State Society of Washington as treasurer, board member, and chair of various committees. No one who was there can forget the early society picnics.

As Hugh moves on to the next stage of his life, his friends in the Texas delegation and the House of Representatives wish him well and thank him for a job well done.

ACDA IS NOT A COLD WAR RELIC

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Ms. FURSE. Mr. Speaker, I rise to express my support for the Arms Control and Disarmament Agency as we consider its fate during our discussion of the State Department authorization. Arms control and nonproliferation are not new or old. They have always been necessary and will continue to be for the foreseeable future. Merging ACDA into the State Department is neither cost-effective nor wise.

To say that the cold war is over and therefore, there is no need for an agency that devotes itself exclusively to arms control and nonproliferation denies the reality that arms control is not just negotiating the agreement. It is also implementing it, verifying it, and monitoring compliance with it. These are not just hollow words, but activities that require considerable expertise and diligence.

Only by having an independent agency purely devoted to arms control and nonproliferation can we get the best agreements and the best management of the process, thereby enhancing our national and economic security. ACDA is a national security asset and a bargain, working to make the world safer.

ACDA has been very helpful to me in my work on issues involving nuclear testing and reducing the world's arsenals of nuclear weapons. Its expertise is vital as we seek to gain approval of START II, negotiate a Comprehensive Test Ban Treaty, and eliminate chemical weapons.

Finally, Mr. Speaker, ACDA leads the successful effort to secure permanent extension of the Nuclear Nonproliferation Treaty [NPT]. We would not have the NPT today if it were not for ACDA. The security and protection against nuclear proliferation provided by the NPT benefits all Americans. Let's not weaken ACDA just days after this momentous achievement. Our Nation's security can't afford it.

PREPARING FOR A CHANGING WORLD

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. PASTOR. Mr. Speaker, on May 13, 1995, the College of Santa Fe held its graduation ceremonies in Santa Fe, NM. The principal speaker was Congressman BILL RICHARDSON, who spoke to the graduates on preparing for a changing world. I commend to you the Congressman's address by placing it in the RECORD as follows:

CONGRESSMAN BILL RICHARDSON—SPEECH BEFORE THE COLLEGE OF SANTA FE—MAY 13, 1995

President Fries, Dr. Lawrence, distinguished members of the faculty, family members, and especially the graduating class of 1995: I am very pleased to be here with you today as you graduate. Be proud of yourselves and cherish this day. There are few accomplishments in life that will bring you more fulfillment and prosperity than education.

Everyone is talking about welfare, the budget, Russia—but I want to talk about education.

Education is the single most important factor in determining the success of an individual life or a community. When I use the word success, I mean more than economic gain: the ability to enjoy family and friends; to create art, and music; to help your community solve pressing problems—all are made possible by education, and all are characteristics that benefit the communities in which we live.

People say that everything comes down to economics—but I believe that education is really the key to what we are and where we are going.

Our world is changing rapidly, and education must change with it. Learning should be continuous, occupationally relevant, and it should function transnationally.

New Mexico doesn't just compete with Texas or California—we compete in new ways with eastern rim nations, countries that were formerly behind the Berlin Wall, and South Africa.

Today, information moves at an incredible rate of speed. When I was in college, the knowledge gained by an engineering student remained valid for 20 years after graduation. Today, it is estimated that the facts college freshmen learn are obsolete by the time they graduate.

Education should reflect these rapid changes.

As a nation, America believes that good education is fundamental, but there are some uncomfortable realities that we must accept. Students in the United States are consistently outperformed in science and mathematics by students from Asia and Europe.

In New Mexico, only 14% of 8th graders perform at a proficient or advanced level in math—while twice as many students perform at these levels in Taiwan, Korea, and Switzerland.

These test scores are significant because the employment growth rate for scientists and engineers is 112%—four times the growth rate for managers. Future prosperity for many young people depends on their abilities in math and science.

Why do our students test poorly? Well, there are fundamental differences in education abroad that we can learn from.

First of all, countries overseas are more successful in assuring that the majority of children begin school in good health and so, are ready to learn.

Children should have complete immunizations, maintain a nutritious diet, and receive adequate medical care in order to do well in elementary school.

Today, only half of American children enter school with complete immunizations, only half of low income children have seen a dentist, and only one-quarter of preschoolers maintain a nutritionally sound diet.

We must see that our children are ready to learn when they enter school.

Second, students in other democracies receive twice as much instruction in core academic subjects, such as language, literature, math, science, and art. A student in Germany devotes 35-hundred hours to core subjects in 4 years of high school, while a student in the United States spends only 14-hundred hours on those same subjects. We should reaffirm our commitment to teaching core subjects.

In most systems abroad, students learn one, and often two foreign languages. I believe that every American child should be required to study and speak at least one foreign language. We are one of the most diverse countries in the world, yet we discourage communicating cross-culturally.

This is not logical, but more importantly, it is not productive. Becoming bilingual is an asset, not a burden. It is likely that today's students will be required to converse in any number of foreign languages in the business world, and in their neighborhood.

A recent survey confirms this—40% of big business executives hire people who speak Spanish, and here in the Southwest two-thirds of companies surveyed say they need Spanish-speaking employees. We must prepare students for these opportunities. Foreign languages should become core curriculum for all students.

New technology and computer skills must also become core curriculum. The number of online information users in the United States is expected to double from 10 million in 1995 to 20 million in 1997.

Young Americans simply will not succeed in the working world without computer knowledge, and we should be preparing students for that every day in school.

Teleconferencing technology can be used to bring students information that their instructors are unable to provide.

The University of Texas is experimenting with this process to reach the children of migrant farm workers. Migrant children are able to travel with their families, but receive diplomas through correspondence and teleconferencing.

The medical community has also begun this process by bringing rural doctors new scientific data and procedures via teleconferencing. It has improved the delivery of health care in many regions in the country including New Mexico. Our local school districts should be using it to enhance their existing curriculum.

School and public libraries should be on the internet. Recent legislation provides user fee discounts for local educational units; let's take advantage of that. Our libraries can again become the community learning centers they once were.

The technology curriculum should include improved vocational program for students who do not attend college, or may otherwise drop out of school.

Our high-school drop-out rate is increasing, even though children need a completed education now more than ever. In New Mexico, 1 in 3 high school freshmen who start school will not graduate.

Many may find crime a more profitable path to take.

As our continuing debate on welfare reform indicates, we are disheartened by this. Our ability to move people from welfare to work depends in large measure on the availability of programs for young adults while they are in school.

Germany alternates classroom instruction and apprentice programs with great success. Such programs were quite prevalent in America in the 1940's and 50's, and they put people to work.

We should modernize the idea for the 1990's to include emerging opportunities in robotics, health professions, and communication systems.

Many foreign cultures continue their work with students after school. For instance, the use of tutors is prevalent in Japan where 35,000 professionals work as tutors and earn $2,500 per child, per year.

Americans typically use tutors only when problems arise and just passing a course is questionable. This is revealing: our expectations may hover at mediocrity, and the value we place on hard work may be slipping.

Here in New Mexico, local schools have begun a program in which scientists from Los Alamos will teach children on an ongoing basis about their research, and about working in a science field.

These are programs that energize the learning process and create successful students. We should work to make these programs prevalent in all schools. Foreign schools and some schools here in New Mexico are experimenting with extending the class period to longer blocks of time. Many students need extended periods to grasp complex subjects; learning and creativity may be frustrated by an arbitrary end to discussion.

Also, many schools abroad group students according to ability, needs, and experience rather than by age. American college and postgraduate programs operate on this basis; perhaps it is time to experiment with the concept in early education.

There is also a strong outcry today that children aren't being taught a system of values in school. It is a touchy subject because our values are personal, and they sometimes conflict.

But we cannot ignore the facts—teenage crime and drug use are rising. Educators have proposed teaching leadership skills, the importance of honesty, and mutual respect in the classroom. Surely we can agree that these are desirable character attributes. Let's support efforts to bring them into the classroom.

Studies consistently show that family involvement in a child's education is the single most important factor in determining the success of that child's performance in school. Schools should seek family involvement in defining and teaching a clear set of values.

Our educators should be treated as valued professionals, as they are in foreign systems. The impact our teachers have on the nation's young people cannot be overstated.

For many families, teachers spend more time with our children than any other adult. At the college level, professors are guiding students who may one day discover the cure for cancer, or create a great symphony.

We should elevate educators' status to reflect the important work that they do. They should be paid as professionals. Two countries that consistently out-score Americans on tests, Switzerland and Japan, pay their secondary teachers far more than the United States. If we are willing to pay our accountants and lawyers well, we should be equally willing to pay our teachers.

Teachers and their schools should be rewarded when their students' performance improves. Incentives such as this have worked well in other professions; it's time to try them in education.

Post secondary and graduate education should be affordable to any student with the ability and desire to attend.

There is no surer route to creating a permanent underclass in America than by denying college education to vast numbers of middle and low income people.

Access to education has, for 200 years, been the fundamental reason we can say "you can be anything you want to be in America." We are recognized around the world for this principle, but it is at risk.

Income level rises in direct proportion to the amount of advanced education an individual has. High school graduates earn less than one-third of the salary that college graduates do. However, college tuition costs continue to outpace inflation, and low cost financing is threatened.

We must do all we can to preserve low-interest loans for students, establish additional work-study programs, and create new grants to ensure that students from all walks of life can pursue a college education.

Businesses should consider providing assistance to promising employees. In 1991 30% of all U.S. Workers received some sort of employment benefit for education. However, the number of minorities who received these benefits was lower: only 21% of African Americans and 25% of Hispanics reported receiving education benefits.

We must raise these numbers for all employees to ensure a healthy, competitive economy.

College schedules should become more flexible. Part-time students are the fastest growing population in baccalaureate programs. They comprise approximately 40% of current college enrollees. We should accommodate their work or home schedules to ensure graduation.

We provide less education financing for part-time students: only 10 percent of part-time students receive federal grants, while 30 percent of full-time students receive grant money; only 6 percent part-time students receive federal loans, while 29 percent of full-time students receive loans.

In effect, we create disincentives for working people or people with responsibilities in the home to attend college.

Technology can help improve prospects for those who seek college degrees. Our cable television and communication system should be used to its greatest capacity to allow working people to attend class from their homes, at low cost. Some regions are experimenting with this concept. Let's make it a universal option.

We must also enlarge our continuing education programs. Continuing education can prepare high school students for skilled work, and increases the ongoing employability of college graduates.

Good education ultimately requires community involvement. I'm sure many of you have heard the African proverb "It takes an entire village to raise a child." I believe that is true, particularly with education.

The community must take an interest in its educational system, and should be willing to invest in programs that will pay dividends in the long run. Also, a good educational system would instill a sense of community responsibility in its students. Students should be encouraged to become involved in improving the school and the community.

You know that one of the primary means I have for keeping in touch with New Mexicans while I am in Washington is through your letters. I receive on an average 200 letters a week. One recent letter stands out in my mind. It was from a young father in New Mexico. He and his wife worked minimum wage jobs. They had no health care insurance.

They like so many other young families are teetering on the edge of America's middle class and poverty—yet this father's greatest concern for the future was not the budget deficit, lack of health care, or jobs. His greatest concern was his 4-year-old daughter, Erica.

How can we ensure that Erica and all other American children will be safe, secure and successful in this changing world?

The answer is we must build an education system that makes sure Erica is healthy and alert; has the basic skills to compete with youngsters from all over the world for high technology jobs; and most importantly, our education system must give Erica access to the continuing education and knowledge that she will need throughout her lifetime.

Erica's small rural school in New Mexico and schools like hers all over our country must have the ability to keep up with the changing world.

My charge to you today as you begin a new life is this: Please don't stop educating yourself. Make it a lifelong pursuit. And just as important—please care for your community's educational system so that children like Erica have that same opportunity in the years to come.

Thank you and congratulations.

TRIBUTE TO CLAUDIA M. KNIGHT

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Claudia Knight. Claudia is retiring after nearly 35 years of personal and professional devotion to public education. Tommorrow evening, Friday, May 26, 1995, the Macomb County Section of the National Council of Negro Women is honoring Claudia during their Annual Scholarship Banquet.

For the past 25 years, Claudia has been teaching in my home community of Mount Clemens, MI. During her tenure with the Mount Clemens school district, Claudia has applied her talents to teaching business education courses and managing the business education department. In addition to serving in numerous leadership and school improvement capacities, she has received recognition from the Michigan Business Education Association, the Macomb County Board of Commissioners, and the Mount Clemens community schools.

Taking an active role in one's community is a responsibility we all share, but few fulfill. Claudia Knight has devoted herself to this task through both her civic and professional endeavors. Her commitment to education is second to none and yet she volunteers much of her time to civic and social organizations. The Girl Scouts of America, the Michigan Council of the Arts, the Macomb Child Guidance Clinic, and many other groups have all benefited from Claudia's passionate commitment to excellence.

Claudia also serves on the Scholarship Funding Committee of the National Council of Negro Women (NCNW). Through her work with the NCNW, students who may not have had a chance to receive an education will now have that opportunity. I applaud Claudia for her efforts and hope that her commitment to education will be passed on to a generation of students who are just as dedicated.

I have known Claudia for many years and I am sure she will be missed by both her colleagues and students. She richly deserves all the best in retirement. I ask that my colleagues join me in offering heartfelt congratulations and a sincere thank you for a job well done.

THANKS, CELEBRITY READERS

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. PAYNE of New Jersey. Mr. Speaker, I am honored to ask my colleagues to join me in congratulating an important program in the 10th Congressional District of New Jersey, the Celebrity Read Program. The program asks adults, both famous and not so famous, to come into the school system and read a passage to students about an important historical event involving people of color. The program then asks the participants to share a few of their life experiences with the class.

The program this year had 400 adult participants read to over 10,000 youth. In the past, readers have ranged from former New York Giant football players Harry Carson, Joe Morris, and George Martin to Superior Court judges to jazz singer and Broadway star, Carrie Smith. However, one of the most important components of this program is that the definition of celebrity is not limited to the narrow, superficial denotation that most might think; on the contrary, in this program, local business people, entrepreneurs, and everyday citizens are considered celebrities. In fact, one of the program's credos is that "people from all walks of life and at various levels of accomplishment can serve as a source of inspiration to our inner city youth."

It warms my heart that in the 10th Congressional District of New Jersey there are organizations that are acting on the phrase "I believe the children are our future" by doing something to help them become prepared for that future. Thank you to the Celebrity Read Program and to the 400 celebrity readers for taking the time to nurture and cultivate our leaders of tomorrow.

Thank you, Mr. Speaker, for allowing me this opportunity to share with my colleagues some of the exciting things we are doing in New Jersey to solidify our Nation's future.

TRIBUTE TO MORTON GOULD

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. BERMAN. Mr. Speaker, I wish to extend my congratulations to a great American, Morton Gould, who was recently honored with this year's Pulitzer Prize for music composition, adding yet another great honor to a career filled with achievement and distinction.

Mr. Gould has been a musician since he was able to touch a piano. A child prodigy, he published his first composition at the age of 6, and by the age of 21 was conducting and arranging a weekly series of orchestra radio programs for the WOR Mutual Network. In a career that has spanned the greater part of this century, he has become famous for music which sings with a uniquely American voice; his compositions have integrated folk, blues, jazz, gospel, and other elements into music that both explores and elevates all aspects of American style.

Appropriately, this composer of truly American works was honored with three commissions for the celebrations of the bicentennial of our Nation in 1976. These were his Symphony of Spirituals, American Ballads, and Something to Do.

He has appeared with and conducted orchestras across the United States and the world, and his compositions have been played in countless concerts, danced by the finest ballet companies, sung in Broadway theaters, and most importantly, enjoyed by all.

His skill as a musician is matched by his warmth and humor in person. His friends marvel at the way he can tell a story with the same grace with which he conducts an orchestra.

His talents have been recognized long before his receipt of the Pulitzer Prize. The numerous awards he has received include a Grammy Award and 12 Grammy nominations, the 1983 Gold Baton Award presented by the American Symphony Orchestra League, and the 1985 Medal of Honor for Music from the National Arts Club. In 1986 he was elected to the American Academy of Arts and Letters and received the National Music Council's Golden Eagle Award, and in 1994, he received the prestigious Kennedy Center Honor for a lifetime of contributions to the performing arts. I am happy, but in no way surprised, that Morton Gould and his music have been honored again.

TRIBUTE TO GEORGE ADAMS

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. OXLEY. Mr. Speaker, I would like to take this opportunity to recognize an exemplary citizen from the Fourth District of Ohio, George Adams. George is retiring after serving as the principle of St. John High School in Delphos, OH, for 15 years. During his quarter century of service, over 1,750 students have graduated from St. John, benefiting from George's enthusiasm and commitment to the young people of his school and community. Among numerous other educational organizations, George has donated his time to the Ohio Association of School Administrators and the Ohio Education Association. His service extends beyond his work with the Delphos schools. As the father of four children, George provides a fine example of citizen combining service to his community with family life. Having served on the board of trustees of the St. John Parish Foundation, the Bishop's Education Council, and the Knights of Columbus, George has proven extraordinary benevolence to his church. I would like to thank George for his service to both St. John High School, and to the Delphos community. Through his earnest dedication, George serves as a role model for each citizen.

HATS OFF TO STANDARD STEEL

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. SHUSTER. Mr. Speaker, I rise today to recognize the Standard Steel Co. as it celebrates 200 years of continuous operations. Standard Steel, a division of the Freedom Forge Corp., is one of the largest employers in my congressional district and the oldest steel manufacturer in Pennsylvania. Located more specifically in Burnham, Mifflin County, PA, Standard Steel has been providing both quality jobs and quality products in the Keystone State for the past two centuries.

It all started in 1795 when a tiny frontier forge was founded in the hills of central Pennsylvania. From this meager beginning Standard Steel has grown as a company, as America has grown as a nation. Today, the company is a leading producer of forged products and specialty steels. With locations in Latrobe and Burnham, PA, Standard Steel employs over 1,600 people. Over the years, employees at both locations have earned a reputation for their work ethic and steadfast commitment to the manufacturing of a high-caliber product.

Mr. Speaker, in honor of Standard Steel's two centuries of excellence Mifflin County and the Borough of Burnham have declared the week of May 28–June 3 as Standard Steel Week. As the company celebrates its 200th birthday this week, it is my great honor to rise today to pay tribute to all of those who have helped to make Standard Steel what it was, what it is, and what it will be.

INTRODUCTION OF THE ENDANGERED SPECIES RELISTING ACT OF 1995

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. DOOLEY. Mr. Speaker, I rise today to introduce the Endangered Species Relisting Act of 1995. I represent the most productive agricultural region in the entire country, and as such, we have experienced our fair share of frustration with the Endangered Species Act. Of the 944 U.S. species currently listed as endangered or threatened, my home State of California has 107 of these listed species.

This bill is not intended to be a comprehensive reform of the Endangered Species Act, but rather a focused approach to address specific issues that I believe must be a part of the debate on reforming the Endangered Species Act. I would like to take this opportunity to explain my legislation.

First, I think it is very important that we not only amend the process for future listings of species, but that we ensure that those species already on the list meet a level of scientific scrutiny. For that reason, my legislation requires relisting of all species now on the threatened and endangered list. The concept is simple. if the science is there, the species can stay on the list. If the science isn't there, it come off. One of the most disturbing aspects of the current listing process is that a species like the San Joaquin kit fox, which was originally listed in 1967, was placed on the list with little or no scientific information.

The second concept in my proposal is to require peer review of all science used in all stages of the listing and delisting process. This is a simple concept that merely ensures that one scientist or group of scientists doesn't unilaterally make decisions on a species. I think that this concept has been embraced by nearly all involved in the ESA debate.

The next concept deals with the development of recovery plans. I believe that recovery should be the cornerstone of the Endangered Species Act. Leaving species on the threatened or endangered list for 30 years is not a productive way of protecting important species. I believe we must make a determination of whether a species can be recovered and implement a plan quickly. Without a timeline for recovery, landowners are left in a situation of not knowing what can and cannot be done on their property and how long these restrictions will last. My proposal would require the development of a recovery plan within 12 months after the listing of a species. More importantly, it would require the Secretary of the Interior to consider multiple recovery plans and to choose the least cost alternative. This provision is based on a provision of the Clean Water Act. It allowed for the development of a historic agreement on the bay-delta in California.

Finally, my proposal address the issue of incidental take. As you know, under current law, a landowner must apply for an incidental take permit. This can be a long and frustrating process. However, without a permit, any destruction of critical habitat or killing of a listed species constitutes a violation of the law regardless of the intent of the landowner. This section of my proposal attempts to allow landowners to engage in certain activities that may result in the incidental take of critical habitat or a listed species without being subject to action under the ESA, without going through the present onerous permit process.

As I stated earlier, the current endangered species list has well over 700 species listed. However, according to the Fish and Wildlife Service only 17 species have ever been removed from the list—and some of these have been removed because they became extinct, not because they were recovered. It seems that progress on recovering species is, at best, ineffective. At worst, the recover portion of the Endangered Species Act seems to be nonexistent.

I hope that we will be able to make responsible reforms to the ESA to ensure that significant species are protected, while balancing the economic and social costs of such protection. I want to be able to point to an ESA that actually accomplishes the recovery of species and gives landowners some certainty of the availability of land for continue and future use.

MEMORIAL TO SEYMOUR B. DURST, FATHER OF THE NATIONAL DEBT CLOCK

HON. DAVID MINGE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. MINGE. Mr. Speaker, I would like to take a moment to recognize the passing of a remarkable person and dedicated citizen, Mr. Seymour Durst. the son of an Austrian immigrant, Seymour Durst became a successful developer of commercial real estate in New York City. But he will probably be best remembered as the individual responsible for installing the national debt clock in Times Square in New York City in 1988. Due to his intense personal commitment to making all Americans aware of the silent and evergrowing danger of our national debt and its attendant interest costs, Mr. Durst sponsored the national debt clock from his private means from 1988 until today. In honor of his dedication to keeping citizens conscious of the national debt, the national debt clock will remain in Times Square as a reminder of our responsibility to our children and our country.

RECOGNITION OF CARECEN'S COMMUNITY LEADER AWARDS

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Ms. ROYBAL-ALLARD. Mr. Speaker, I would like to congratulate the 1995 Central

American Resource Center's [CARECEN] honorees: Joe R. Hicks, Inquilinos Unidos, R. Samuel Paz, and the law firm of Loeb & Loeb.

Joe R. Hicks is the executive director of the Southern Christian Leadership Conference of Greater Los Angeles. CARECEN is honoring Mr. Hicks for his leadership in the struggle against prejudice and inequality, and for building bridges among the diverse racial and religious groups in our community.

Inquilinos Unidos—United Tenants—is being honored for helping organize low-income tenants in the immigrant community, and for empowering them to improve their living conditions.

R. Samuel Paz, a distinguished Los Angeles civil rights attorney, is honored today for his courageous defense of and advocacy for civil and human rights of immigrants and all victims of oppression and injustice.

The final honoree, Loeb & Loeb, a full service international law firm of 200 attorneys, is being honored for its dedication to public interest and the betterment of our society, and for its generous pro bono legal service to CARECEN.

Again, I congratulate these honorees and I join CARECEN in expressing my gratitude for their role in improving the quality of life for the people of the city of Los Angeles.

OFFICE ON WOMEN'S HEALTH

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mrs. MORELLA. Mr. Speaker, today Congresswoman Nita Lowey and I, together with 14 of our colleagues who serve on the executive committee of the Congressional Caucus for Women's Issues, introduced legislation to establish permanent statutory authority for the Public Health Service Office of Women's Health.

With this bill, we hope to create an enduring structure within which the current well-documented ongoing needs and gaps in research, policy, programs, and education and training in women's health will continue to be addressed. It will ensure that important initiatives—in breast cancer detection and eradication, in the promotion of healthy behaviors and disease prevention, in improved public information about women's health, in better informed health care professionals, among others—will reach fruition.

Senator OLYMPIA SNOWE has introduced similar legislation in the Senate. Our bills are similar to the measure adopted by both the House and Senate last year, but that did not achieve final passage.

Mr. Speaker, the Public Health Service's Office on Women's Health, established within the Office of the Assistant Secretary for Health in 1991 by the Bush administration, is the focal point for women's health activities in the Department of Health and Human Services. By administering crosscutting initiatives across the PHS, the OWH is able to fill gaps in knowledge, and to initiate and synthesize program activities in ways that no other single PHS agency or office could accomplish alone.

I urge my colleagues to join us in supporting this important legislation.

THE LIVESTOCK GRAZING ACT OF 1995

HON. BARBARA CUBIN

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mrs. CUBIN. Mr. Speaker, I rise in support of the Livestock Grazing Act of 1995 and urge my colleagues that if they have not already done so to cosponsor this important legislation.

Mr. Speaker, as with most bills that are introduced in this body, this legislation is not perfect; it could use a bit of fine tuning. But we must start somewhere if we are to defeat Rangeland Reform 94 and provide long-term stability for the Federal lands livestock industry and rural communities across the West. The Livestock Grazing Act of 1995 gives us just one more opportunity to deliver on our promise to change the way the Federal Government manages our public lands and turn more of that responsibility over to the States. We can and should act now to pass this legislation; unless we do so by August 21, the entire livestock industry is at risk.

I would also like to point out that for quite some time the Wyoming public lands management model had divided the stewards that live on the land and the communities whose economies are dependent on that resource. But after having reviewed this proposal in some detail, I am pleased to report that those same divided factions have endorsed this grazing proposal for the good of the whole. They have told me in the strongest of terms that "the act may need a little work, but it is far superior to rangeland reform." I could not agree more and will do everything I can to see that this bill is enacted into law.

This bill is the product of many hours of work by various National and State representatives of the livestock industry, and numerous Members of Congress and their staffs and I thank them for their efforts. I would particularly like to thank all of those in Wyoming who took time out of their busy schedules to come to Washington to work on this bill. It is a good bill and I hope that we will move it swiftly through Congress.

MEDICARE FUNDING

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. MARTINEZ. Mr. Speaker, I rise today to denounce the mean-spirited and destructive proposals to slash funding for the Medicare Program. Medicare provides many of America's seniors with their only source of health insurance.

In showing their total lack of concern in this area, Republicans have proposed cutting Medicare spending by nearly $300 billion. Let me say that again, $300 billion. These cuts would result in a drastic 25-percent reduction in Medicare spending by the year 2002. These unprecedented reductions in Medicare spending would certainly damage seniors' access to health care and the quality of care they receive.

Never in my time in Congress have I seen such a total disregard for the needs of seniors. If these cuts are enacted at the completion of the budget process, we will not only be harming current Medicare recipients, but also the many other hard-working Americans who have been planning their retirement with the current level of Medicare benefits in mind.

I implore my colleagues on the other side of the aisle to realize the misguided and mean-spirited nature of their proposal. When we do consider legislation to enact these cuts, I ask all my colleagues to consider: Is it right for Congress to target honest, tax-paying senior Americans in their drive to lower taxes for corporate moguls?

LEGISLATION TO PROMOTE FAIR FRANCHISING

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. LAFALCE. Mr. Speaker, I am today introducing legislation, H.R. 1717, to address serious problems in the promotion and sale of franchise businesses and in the conduct of franchise business relationships. The legislation incorporates key proposals from bills I introduced in the 103d Congress.

We have heard a great deal this year about the problems and burdens confronting small business owners and about the many shortcomings of our legal system. Nowhere are these two problems more pronounced than in business franchising.

The large majority of franchise owners have invested much of their life savings to acquire and build their business. They work hard, play by the many rules imposed on them by franchisors, and contribute significantly to the success of national franchise systems. And yet, these owners lack the same basic rights and legal remedies enjoyed by all other business persons to assure they will not be victimized by unfair or fraudulent practices and have equal opportunity to share in the rewards of the American dream of business ownership.

Business franchising has become a major force driving the expansion of our service economy and the growth of new small business. The growing franchising sector of the economy encompasses more than a half million businesses, employs more than 7 million workers and accounts for more than $900 billion in annual U.S. retail sales. Thousands of American families invest in franchises each year to pursue dreams of business ownership and economic independence.

I find it unbelievable that a sector of our economy this large and with annual sales nearly equal to our Nation's annual expenditures for health care—a topic which dominated much of our debate in the last Congress—could continue to be almost devoid of governmental regulation and congressional oversight.

We have no Federal laws governing the sale or operation of franchise businesses and the only regulatory procedure at the Federal level, the FTC's franchise disclosure rule, is outdated and inadequately enforced. Only a handful of States have laws or regulations governing franchise sales and practices, and most of these now defer to the Federal Government for enforcement.

Unfortunately, the result is that increasing numbers of franchise investors are finding their dreams of business ownership shattered by franchise promoters who never fulfill their promises to help build successful business or by large corporations more intent on saturating the market with new franchises than on assuring that these franchises are profitable. Rather than owning a business, many find they have merely purchased low-paying management jobs with few of the protections and benefits they had as employees. Others lose their savings, retirement, and even their homes in fraudulent franchise ventures.

These problems stem, in large part, from the fact that Federal and State law have failed to keep pace with the rapid development of franchising and offer franchisees little, if any, viable legal recourse against fraudulent and abusive conduct by franchisors. Franchise contracts are written to preempt every legal remedy available to franchisees. As the chair of the American Bar Association's Franchise Forum told the Small Business Committee, indemnification provisions are drafted so broadly as to protect franchisors even "for the franchisor's gross negligence, wanton recklessness and intentional misconduct."

Procedural devices also are routinely employed to bar legal actions, to deny coverage of protections in State laws and to make litigation inconvenient and costly. Even basic principles of common law applicable to all other business relationships—concepts such as good faith, good cause, duty of competence and due care, and fiduciary responsibility—continue to be debated and denied within franchise relationships.

In short, a growing segment of the American population is routinely required to forego basic rights and legal remedies just because they choose to become franchisees.

Equally serious problems in franchising also result from inadequacies in Federal and State standards for disclosure of material information about franchise opportunities. Each year thousands of prospective franchisees are induced to make one of the most important investments of their lives with information that is incomplete and misleading. Documented information on franchise sales and profits is rarely provided to prospective investors and critical information on past litigation, business failures and ownership turnover is often withheld or misrepresented.

Federal and State officials report that fraud in franchise sales is widespread and far exceeds their enforcement capabilities. The Federal Trade Commission has reported on several occasions that it receives far more complaints regarding franchise violations than it can pursue and acknowledged that "there are many victims with meritorious complaints, against franchisors, whom State and Federal agencies simply cannot help." And individuals have no right of action under Federal law to protect themselves against even blatant violations of disclosure rules.

In addition, there is a surprising dearth of objective and accurate statistics on franchise business performance that has permitted the franchising industry to promote itself and individual franchise opportunities with inflated and unsubstantiated claims of franchise success intended to make franchises appear uniformly successful and virtually risk free.

The bill I am introducing today, the Federal Fair Franchise Practices Act, addresses all these problems and does so in a manner intended to avoid Government regulation of franchising practices and to enhance private remedies to allow individual franchise owners to protect their legitimate financial interests in a court of law.

H.R. 1717 would promote greater fairness and equity in franchise relationships by establishing minimal standards of conduct for franchise practices, prohibiting the most abusive acts by franchisors, clarifying the legal rights of franchise owners and nullifying procedural devices intended to block available legal remedies.

In addition, H.R. 1717 incorporates basic prohibitions against fraud, misrepresentation, and discrimination elsewhere in Federal law and applies them to franchise sales and business practices. It provides a private right of action for violations of FTC disclosure requirements—something the FTC has requested for 15 years. In addition, the bill provides for the collection of data on franchising, beginning in the 1997 Business Census, to provide the public with comprehensive and more accurate statistical information about franchising and franchise business performance.

A number of important changes have been made in the legislation from the bills I have introduced in prior Congresses. On the critical issue of encroachment by a franchisor on the business of existing franchises, the bill has been modified to provide franchisors with a number of nonjudicial procedures to address franchisee complaints equitably and without costly litigation. The bill clarifies the obligations of franchisors and franchisees following the acquisition of a franchise system by third parties and it provides State attorneys general with the option of filing suits to protect residents of their State from violations of the act.

Mr. Speaker, franchising has undergone tremendous growth in the past two decades and now dominates our Nation's retail and services sectors. Unfortunately, Federal and State law and regulation have failed to keep pace. Federal guidelines intended to protect the public from false or misleading franchise promotions are sadly out of date and only marginally enforced. Legal rights and standards taken for granted in other business relationships continue to be debated and denied in franchising arrangements.

It is time Congress acted to provide basic protections in Federal law to discourage fraudulent and abusive franchising practices and to help strengthen the American dream of small business ownership. I believe the proposals I am introducing will constitute landmark legislation. In much the same way that the Wagner Act helped revolutionize labor-management relations in the industrial economy of the 1930's, this legislation can help restore fairness and balance in the growing franchising sector of the services-based economy of the 1990's.

I recommend this legislation to the consideration of my colleagues and I urge its adoption by the Congress.

HONORING WES LUPIEN

HON. JACK METCALF

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. METCALF. Mr. Speaker, on June 3, the people of Oak Harbor, WA, will honor the man who was instrumental in bringing commercial aviation to Whidbey Island by renaming Oak Harbor Airpark "the Wes Lupien Airport."

Wes got out of the Navy in the early 1960's, bought a small grass airport outside Oak Harbor and founded a commuter airline service called Puget Sound Airways, which evolved into Harbor Airlines.

Wes had the runway paved, put up buildings, and made the airport into a very good facility. He was very active in the community as president of the Rotary and an active member of the Navy League and chamber of commerce. Wes was also very involved from the start in a Washington State program to develop tourism.

Tragically, Wes was stricken with Alzheimer's disease about 9 years ago while in his early fifties. It forced him to sell the airline and airport. Wes been out of aviation now for several years. His brave struggle with the disease was the subject of an HBO special "Losing It All."

Thanks to the sound, financial groundwork laid by Wesley Lupien, Harbor Airlines still provides Whidbey Island with its main link to Seattle-Tacoma Airport and recently added daily flights to Olympia, the State's capital.

It's the direct result of entrepreneurs like Wes that we have the strongest and most productive economy in the world. Wesley Lupien is living proof of the strength and perseverance of the American entrepreneur.

BOMA INTERNATIONAL'S PRESIDENT THOMAS B. McCHESNEY

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. COYNE. Mr. Speaker, the Nation's largest organization representing the office building industry has been actively guided during the past 2 years by a native son of Pittsburgh, Thomas B. McChesney, executive vice president, Grubb & Ellis Co./Axiom Real Estate Management, Inc. Now that he is ending his term as president of the Building Owners and Managers Association International, I wanted to take this opportunity to review his many accomplishments.

Tom was elected to BOMA International's presidency in 1993 and was installed during their annual convention in Baltimore. For the next 2 years, he helped his 17,000 members through the real estate recession and worked tirelessly to see that the current recovery takes hold.

Tom's leadership of BOMA came at a critical time for the industry, and he actively involved himself in a number of issues of direct concern to owners and managers of commercial real estate. He sat before my Committee on Ways and Means to testify on the modification of passive loss rules and on the issue of depreciation for leasehold improvements. In 1993, Congress modified passive loss, and there is discussion underway to adjust the depreciation of leasehold improvements. Tom should know that BOMA's concerns were heard, as they were on many issues.

For one such issue, Tom stood side by side with Representative HENRY WAXMAN and Senator FRANK LAUTENBERG to advance a ban on smoking in the workplace. BOMA has long been involved in promoting good indoor air quality, and Tom has sought to ensure that the issue is addressed appropriately, cost effectively, and immediately. One crucial step, according to BOMA, is to attack the problem at the source. To that end, a ban on workplace smoking has been an important part of BOMA's indoor air quality agenda.

During Tom's 2-year term, BOMA also faced the $8.1 billion indoor air regulatory proposal at OSHA. Tom has overseen the advocacy efforts, directed the fundraising for defense, and has met with numerous organizations and individuals in seeking to bring reason to OSHA's approach. While we do not know the results yet, you can be sure that Tom's involvement brought credibility to BOMA's side—for he is a practitioner in the field of commercial real estate, he is a professional in the field of commercial real estate; he is a leader in the field of commercial real estate.

Tom has also overseen the implementation of BOMA's strategic long-range plan, bringing the membership from 7,000 to almost 17,000 real estate professionals. He has hosted a year of meetings to coordinate the efforts of the National Real Estate Organizations and has demonstrated his commitment to reaching out within the industry and engaging in strategic alliances with related trade and professional associations to focus the industry's limited sources on critical issues.

Highlighting Tom's term has been his success at assisting the efforts of the 100 local BOMA associations throughout the United States in identifying problems as they surface so that they may be tackled together. Tome has seen those efforts multiply as BOMA addressed issues of concern ranging from telecommunications reform to the Federal Government construction of new office space. He has spent the past 2 years traveling to many local BOMA associations, seeking to actively involve them in all facets of BOMA's mission. As one result of that effort, he instituted a legislative conference program to engage BOMA members in the grassroots approach to lobbying. Majority whip, TOM DELAY, Senate Judiciary Committee Chairman, ORRIN HATCH, and Senate Majority Leader BOB DOLE, joined Tom in launching a successful event.

Tom has seen to it that BOMA maintains their position as the commercial real estate industry's primary source for selected legislative, regulatory, and research information. As he passes the mantle of leadership to G.A. "Chip" Julin III, RPA, he has left the organization in strong financial shape, more effective at advocating and educating than ever before.

I am pleased to note his long-time residency in Pittsburgh, PA where Tom is quite active in the community. He has done much to promote Pittsburgh and he has done much to advance BOMA. My best wishes go to Tom and BOMA's first lady, Lisa, along with their children, Marni and Toby, as Tom concludes his elected role as president of the oldest and largest organization representing the interests of the office building industry. He has done much to enhance the professionalism of his colleagues.

As BOMA closes in on it's 90th year of service to the office building industry, Tom can look back with pride on the many accomplishments achieved by the organization, and know that his 2-year leadership role has extended the tradition set forth by the founders of the National Association of Building Owners and Managers in 1907.

TRIBUTE TO TEN OUTSTANDING GRADUATES OF NEAL F. SIMEON VOCATIONAL HIGH SCHOOL

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. RUSH. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to 10 outstanding students of the Neal F. Simeon Vocational High School located in the First Congressional District.

These students are Marcus Patterson, Michael Washington, Eric Maxwell, Audrey Haynes, Bradford Young, Kareem Forte, Terry Batey, Tamaya Williams, Jeffery Shelton, and Spencer Donerson. They are the top 10 graduating seniors of Simeon's class of 1995.

Mr. Speaker, while it is not unusual for a Chicago public high school to produce top-ranking graduates, this Simeon graduating class is unique in the fact that 8 of its top 10 graduates are African-American males, including the valedictorian, Mr. Patterson and salutatorian, Mr. Washington.

In today's society, much has been written and said about the plight of our African-American males. Virtually all of it has become negative. I am therefore, extremely proud of these young men for what they have accomplished. I am proud that these young men have recognized the value of a good education. By their example, I believe that all of our youth can be encouraged to achieve their academic goals.

Mr. Speaker, I wish to extend to these 10 outstanding students of the Neal F. Simeon Vocational High School, the entire student body, the principal, Mr. John E. Everett, and the faculty and staff my sincerest congratulations. I am honored to enter these words of commendation into the RECORD.

HELPING MISSING CHILDREN: THE LEGACY OF SARA ANN WOOD

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. BOEHLERT. Mr. Speaker, I rise today in honor of the missing children of this country, and of their parents and families who hope against hope that their children will be returned safely to them. In 1988, the last year for which statistics are available, between 3,200 and 4,600 children were abducted by strangers. The statistics on missing children are sad, but far sadder are the stories behind the statistics: the families wondering if they will ever see their children again, and the brutality suffered by the children. One of those families, the Woods of Litchfield, NY, lost their daughter, 12-year-old Sara Anne on August 18, 1993. Today, Sara's father, Bob, brother, Dusty, and five others concerned about missing children, today completed a 600-mile ride from Washington Mills, NY, to the Nation's Capital. Hoping to bring some good from their tragedy, they put aside their own grief and have worked to increase awareness of missing children. Bob Wood says that if even one child is saved from kidnapping and abuse as a result of his ride, he will have accomplished his goal. I commend to you today Bob and Dusty Wood, and their cycling companions, Joe Kelly, Earle Reed, Frank Williams, Dick Jordan, and Al Pylman. Their efforts on behalf of missing children are Sara's legacy.

HONORING MORTON GOULD

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to pay tribute to one of America's finest musicians: Morton Gould.

Morton Gould ranks among the most prominent members of the American music community. He has attained international recognition as a symphonic composer and conductor; a composer of film, television, Broadway and ballet scores; and recording artist. This year Mr. Gould was recognized with one of the music world's highest honors, the Pulitzer Prize for music composition.

This is not, however, the first time that Mr. Gould has been honored in such a way. Mr. Gould's many honors include a Grammy Award and 12 Grammy nominations; the 1983 Gold Baton Award, presented by the American Symphony Orchestra League; and the 1985 Medal of Honor for Music from the National Arts Club. In 1986, Gould was elected to the American Academy and Institute of Arts and Letters, and was presented with the National Music Council's Golden Eagle Award. This past December, he was a Kennedy Center honoree.

Morton Gould's music has been commissioned by symphony orchestras all over the United States, as well as by the Library of Congress, the Chamber Music Society of Lincoln Center, the New York City Ballet and the

American Ballet Theatre. His compositions have been performed worldwide and by almost every American orchestra, large and small, under the direction of both today's eminent conductors as well as many notable conductors of the past including Arturo Toscanini, Leopold Stokowski, Dimitri Mitropoulos, and Fritz Reiner.

On April 30, 1986, he added leadership of the United States foremost performing rights organization to this list of achievements, when he was elected president of the American Society of Composers, Authors, and Publishers, He has served on ASCAP's board of directors since 1959, and has been a member since 1935.

Mr. Speaker, another great American composer, Aaron Copland, once observed, "The greatest moments of the human spirit may be deduced from the greatest moments in music." Morton Gould has spent a lifetime portraying the greatest moments of the human spirit through his music. I am happy to have this opportunity to honor one of this country's greatest musicians, and I ask that my colleagues join me in congratulating Mr. Gould on receiving the Pulitzer Prize.

IN MEMORY OF NANCY D'ALESANDRO

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Ms. PELOSI. Mr. Speaker, in the month of May as we observe Mother's Day, I rise in memory of my mother, Nancy D'Alesandro, who died April 3, 1995. My brothers and I, of course, remember her as a wonderful mother. However, the outpouring of love and respect that followed her death clearly indicates that she was also a respected leader, dear friend, and an activist First Lady of Baltimore when my father was mayor. Mommy was also a remarkable congressional spouse when my father, Thomas D'Alesandro, served in Congress.

Our mother was a woman of faith, and her devotion inspired her in her personal and political life. She treated every person with the respect worthy of children of God. The stories of her kindness are legend in Baltimore. It was a daily ritual that lines of people would form outside our home seeking public assistance of one kind or another, or even a meal. She worked on the side of the angels and now she is with them.

I was very proud that in her obituary, the Baltimore Sun quoted a speech she made in 1951 in support of low-cost public housing: "How can we expect parents to teach their children love, faith and tolerance when they have no homes? When the home fails, the community fails, the nation fails".

In that same obituary, Governor Schaefer said of her, "She was a very fiery woman, loved her kids, and was superb to old Tommy. She was a Democrat through and through". One of her friends said: "She had an almost unerring insight and common sense judgment in the arcane world of politics, which over the years proved of immense value to the political practitioners of her family".

She was a political force in her own right, but took great pride in being wife of a mayor and mother of a mayor of Baltimore, and wife of a Member of Congress and mother of a Member of Congress. A tribute she would love to hear was that of Cardinal Keeler, who referred to her as Regina, a queen, at her funeral Mass.

She was active in the Red Cross, the YWCA, the Salvation Army, and of course the Catholic Church and the Democratic Party. But most of all she was a darling Mommy. My brothers, former Mayor Thomas III, Nicholas, Hector, Joseph and Franklin Roosevelt D'Alesandro and I all cherished her every day of her life. She took great joy in her family and her treasures were her children, her 16 grandchildren and her eight great grandchildren.

The role of mother was what she considered most important. She assembled the following tribute to her mother in 1952:

MOTHER—DEDICATED TO MY MOTHER AND ALL MOTHERS, LIVING AND DEAD

Mother, I think of you, Guardian Angel of my childhood. Who can fathom the real meaning of the word Mother? Whose hearts are not filled with the memory of her, who has not stopped loving us from the first moment of our existence, when like a ray of sunshine she beamed down into our cradles! When the fingers of care and worry had not yet touched our hearts, it was Mother who was always around preventing their entrance into the holy island of Childhood.

Motherhood cannot be understood. It has its overtones in all languages; like magic it weaves a pattern full of joys, tears, patience, love—each exalting like the music of golden bells.

Even when the word is spoken by an old man it sounds as if it comes from the lips of a child. To try to explain we must listen to our hearts as well as our minds. Mother teaches us to walk and play; to talk and pray. She knows the joys of happiness, she knows the sorrows of worry, care, and heartache. Mother is a beautiful person; when everything else in the world may change, she alone remains the same. Others may love us; but she knows us, understands us, and will forgive us whatever we may do. Mother is truly the living example of Child's sublime Sermon on the Mount, for she has Fed the Hungry, Given Drink to the Thirsty, Clothed the Poor, Visited the Sick, Buried the Dead, Taught the Ignorant, and has given Solace to the Sorrowful. In a few words Mother is God's Co-helper, and a radiant beam from that Mother of all Mercy.

IN REMEMBRANCE OF DR. ULYSSES MASON, JR.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. STOKES. Mr. Speaker, recently, the Greater Cleveland community mourned the passing of Dr. Ulysses Mason, Jr., a highly respected local physician. Dr. Mason passed away on May 13, 1995, at the age of 86. During his lifetime, he was not only an outstanding doctor, but he was an individual who was committed and fought to achieve racial justice.

Dr. Mason began his rise to prominence in 1938 when he scored third among the 112 doctors who passed the Ohio medical examination. Early in his career, Dr. Mason fought for the establishment of a nonsegregated medical facility where patients could be admitted without reference to color. His dream became reality with the formation of Forest City Hospital. When the hospital opened its doors in 1957, it was the first facility in the city to offer black doctors full participation in its operation.

Mr. Speaker, as a result of Dr. Mason's efforts, racial barriers in other hospitals eroded, and black physicians were placed in medical settings where they could learn and grow. During his career, Dr. Mason also served as president of the medical staff at MetroHealth, becoming the first black physician in the area to hold such a post.

We will remember Dr. Mason as an individual who paved the way so that others could achieve in the field of medicine. For many years prior to my coming to the U.S. Congress, Dr. Mason served as my physician. He was an individual who was devoted to his work and the community. I recall that he also gave freely of his time and energy.

Mr. Speaker, just recently the Plain Dealer newspaper highlighted Dr. Mason's contributions to our community. I want to share the newspaper article with my colleagues. I also take this opportunity to again extend my condolences to Dr. Mason's wife, Melbahu, and his family. He was a doctor and civil rights pioneer who will never be forgotten.

[From the Plain Dealer, May 17, 1995]

DR. ULYSSES MASON, CIVIL RIGHTS ACTIVIST

(By Richard Peery)

CLEVELAND.—Dr. Ulysses G. Mason Jr. was a highly regarded physician who fought for racial justice. He led the formation of Forest City Hospital to provide a place where black physicians and patients would be welcome without consideration of color. The hospital was open for more than 20 years, during which black doctors and patients obtained greater acceptance in other area hospitals.

Dr. Mason died Saturday at Cleveland Clinic Hospital. He was 86.

He was born in Birmingham, Ala. His father, who was also a physician, sent him to public schools in Chicago because of better educational opportunities there.

Dr. Mason graduated from Amherst College in Amherst, Mass., in 1929 and from the medical school of the University of Chicago in 1936.

He served his internship at Cleveland's City Hospital, now MetroHealth Medical Center. He scored third among the 112 doctors who passed the Ohio medical examination in 1938.

Dr. Mason also served a residency in internal medicine at the hospital when the wards and dining rooms for patients and staff were segregated by race. In 1939, he took the first steps toward establishing a new, nonsegregated medical facility "where Negro patients can be admitted without question to color."

He circulated a letter to other black physicians asking for their support. The late Dr. Middleton Lambright Sr. became one of his strongest backers.

"Black doctors didn't have a medical setting they could call their own where they could learn and grow," Dr. Mason said in an interview years later.

Dr. Mason was president of the Forest City Hospital Association when the new hospital opened in the Glenville neighborhood in 1957. The 103-bed modern general hospital was the first in the city to offer black doctors full participation in its operation.

There had been opposition in the black community, including some from the NAACP, because of fears that the hospital would lead to increased segregation in the rest of the medical community. But the opposite occurred. Racial barriers in other hospitals eroded.

Dr. Mason was named president of the medical staff at MetroHealth in 1960. It was said to have been the first such office held by a black doctor at any area hospital other than Forest City.

He also served on the staff of Mt. Sinai Hospital.

Other positions that Dr. Mason held included service on the boards of the Glenville YMCA, Cleveland Academy of Medicine, Cleveland Area Heart Society, Anti-Tuberculosis League and the advisory board of the Maternal Health Association.

He was a clinical instructor and assistant clinical professor at Case Western Reserve University School of Medicine until 1980.

He also served on the board of Alpha Phi Alpha fraternity.

Dr.Mason is survived by his wife, Melbahu T.; and sons, Dr. Ulysses G. III of Denver, Bryant S. of New York City and Paul J. of Arlington, Va.

A memorial service will be at 3 p.m. Friday at the Church of the Convenant, 11205 Euclid Ave.

Arrangements are being handled by E.F. Boyd & Son Funeral Home of Cleveland.

THE FEDERALLY SUPPORTED HEALTH CENTERS ASSISTANCE ACT OF 1995

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mrs. JOHNSON of Connecticut. Mr. Speaker, I plan to introduce shortly, with Congressman WYDEN of Oregon, the Federally Supported Health Centers Assistance Act of 1995 and commend the following background and summary of the legislation to the House of Representatives.

THE FEDERALLY SUPPORTED HEALTH CENTERS ASSISTANCE ACT OF 1995

EXTENDING MALPRACTICE COVERAGE FOR HEALTH CENTERS UNDER THE FEDERAL TORT CLAIMS ACT

Background

Community, migrant and homeless health centers are eligible for coverage for medical malpractice under the Federal Tort Claims Act [FTCA]. Health centers were brought under the FTCA in 1993 by the Federally Supported Health Centers Assistance Act of 1992. Health centers are covered for malpractice claims in the same manner as employees of the Public Health Service who provide medical care. The law provided this coverage for health centers for a three-year "demonstration" period, which expires December 31, 1995.

Private malpractice insurance is a significant expense for health centers. Prior to the enactment of FTCA coverage, health centers spent $60 million of their federal grant funds each year for private malpractice coverage. Health centers covered under the FTCA has saved an estimated $14.3 million in malpractice insurance costs over the past two years—funds which were channelled back into patient care to serve an estimated 75,000 additional clients.

During the last two years, FTCA coverage for health centers has been only partially implemented. Final regulations were only recently issued on May 8, 1995. This lengthy period of uncertainty regarding the law's scope has made it necessary for many health centers to continue their private malpractice coverage. To date, 542 health centers have been "deemed" by HHS for malpractice coverage under FTCA, and 119 health centers have dropped private malpractice insurance for one or more of their clinicians. Only 29 percent of health center clinicians are currently covered by FTCA.

The number of claims against health centers under FTCA is remarkably low. Since autumn of 1993, only eight claims have been filed nationwide against the 542 health centers approved for FTCA coverage. This low rate of malpractice claims is consistent with the low rate of claims filed against health centers under private insurance. To date, a total of $11 million of health center appropriations have been set aside over the last three years for FTCA judgment costs. None of these funds have been obligated or expended thus far.

SUMMARY OF LEGISLATION

H.R. makes malpractice coverage for health centers under the FTCA permanent. Based on information gained during the demonstration period, H.R. makes several clarifications and procedural modifications in the law to improve the efficiency and operation of the program. The bill:

Codifies provisions of the final regulations defining the coverage of officers, employees and contractors of health centers under FTCA, and clarifies that health center governing board members are also covered.

Provides for coverage under FTCA of parttime health center clinicians who practice in the primary care areas of family practice, general internal medicine, general pediatrics, and obstetrics and gynecology.

Codifies provisions of the final regulations which clarify that FTCA malpractice coverage applies to certain health services health center clinicians may provide to patients who are not registered with the center. For example, health center practitioners participating in community-wide immunization efforts will have FTCA coverage when providing immunizations.

Establishes procedures for health centers to apply for and receive malpractice coverage under FTCA. Clarifies that once an application for coverage under FTCA is approved, the coverage applies to claims for services provided during the period for which the coverage determination has been made and is binding on all parties to a malpractice claim.

Provides for a full and fair hearing on the record before a health center can be decertified from previously approved FTCA coverage.

Provides for timely action by the Department of Justice to remove a malpractice case filed in state court when the case is covered under FTCA.

Applies FTCA coverage to health services provided by centers to enrollees of managed care plans who have chosen the managed care plan as their provider. Establishes that FTCA coverage must be accepted by managed care plans as meeting the requirements for malpractice coverage for health centers who contract to be providers for managed care plans.

Sets the maximum amount that may be held aside from health center grant appropriations for the FTCA malpractice claim reserve fund at $10 million annually.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Federally Supported Health Centers Assistance Act of 1995".

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 2. PERMANENT EXTENSION OF PROGRAM.

(a) IN GENERAL.—Section 224(g) (42 U.S.C. 233(g)) is amended by striking the last sentence of paragraph (3).

(b) CONFORMING AMENDMENTS.—

(1) Section 224(k)(1)(A) (42 U.S.C. 233(k)(1)(A)) is amended by striking "each of the fiscal years 1993, 1994, and 1995" and inserting "each fiscal year".

(2) Section 224(k)(2) (42 U.S.C. 233(k)(2)) is amended by striking "each of the fiscal years 1993, 1994, and 1995" and inserting "each fiscal year".

SEC. 3. CLARIFICATION OF COVERAGE.

Section 224(g)(1) (42 U.S.C. 233(g)(1)) is amended—

(1) in the first sentence, by striking "officer, employee, or contractor" and inserting "officer, governing board member, or employee of such an entity, and any contractor"; and

(2) in the second sentence, by inserting after "officer," the following "governing board member,".

SEC. 4. COVERAGE FOR SERVICES FURNISHED TO INDIVIDUALS OTHER THAN CENTER PATIENTS.

Section 224(g)(1) (42 U.S.C. 233(g)) is amended—

(1) by redesignating paragraph (1) as paragraph (1)(A); and

(2) by adding at the end thereof the following:

"(B) The deeming of any entity or officer, governing board member, employee, or contractor of the entity to be an employee of the Public Health Service under subparagraph (A) shall apply with respect to services provided—

"(i) to all patients of the entity, and

"(ii) subject to subparagraph (C), to individuals who are not patients of the entity.

"(C) Subparagraph (B)(ii) applies to services provided to individuals who are not patients of an entity if the Secretary determines, after reviewing an application submitted under subparagraph (D), that the provision of the services to such individuals—

"(i) benefits patients of the entity and general populations that could be served by the entity through community-wide intervention efforts within the communities served by such entity;

"(ii) facilitates the provision of services to patients of the entity; or

"(iii) are otherwise required under an employment contract (or similar arrangement) between the entity and an officer, governing board member, employee, or contractor of the entity.".

SEC. 5. APPLICATION PROCESS.

(a) APPLICATION REQUIREMENT.—Section 224(g)(1) (42 U.S.C. 233(g)(1)) (as amended by section 4) is further amended—

(1) in subparagraph (A), by inserting "and subject to the approval by the Secretary of an application under subparagraph (D)" after "For purposes of this section"; and

(2) by adding at the end thereof the following:

"(D) The Secretary may not deem an entity or an officer, governing board member, employee, or contractor of the entity to be an employee of the Public Health Service under subparagraph (A), and may not apply such deeming to services described in subparagraph (B)(ii), unless the entity has submitted an application for such deeming to the Secretary in such form and such manner as the Secretary shall prescribe. The application shall contain detailed information, along with supporting documentation, to verify that the entity, and the officer, governing board member, employee, or contractor of the entity, as the case may be, meets the requirements of subparagraphs (B) and (C) of this paragraph and that the entity meets the requirements of paragraphs (1) through (4) of subsection (h).

"(E) The Secretary shall make a determination of whether an entity or an officer, governing board member, employee, or contractor of the entity is deemed to be an employee of the Public Health Service for purposes of this section within 30 days after the receipt of an application under subparagraph (D). The determination of the Secretary that an entity or an officer, governing board member, employee, or contractor of the entity is deemed to be an employee of the Public Health Service for purposes of this section shall apply for the period specified by the Secretary under subparagraph (A).

"(F) Once the Secretary makes a determination that an entity or an officer, governing board member, employee, or contractor of an entity is deemed to be an employee of the Public Health Service for purposes of this section, the determination shall be final and binding upon the Secretary and the Attorney General and other parties to any civil action or proceeding. Except as provided in subsection (i), the Secretary and the Attorney General may not determine that the provision of services which are the subject of such a determination are not covered under this section or are not within the scope of employment or responsibility of the entity or its officers, governing board members, employees, or contractors.

"(G) The Secretary, for good cause shown, may reverse a determination under subparagraph (E). The decision of the Secretary to reverse such a determination shall be made on the record after opportunity for a full and fair hearing. Any such reversal by the Secretary shall apply only after the entity receives notice of such reversal and shall only apply to acts and omissions occurring after the date on which such notice was received.".

(b) APPROVAL PROCESS.—Section 224(h) (42 U.S.C. 233(h)) is amended—

(1) by striking the matter preceding paragraph (1) and inserting the following: "The Secretary may not approve an application under subsection (g)(1)(D) unless the Secretary determines that the entity—"; and

(2) by striking "has fully cooperated" in paragraph (4) and inserting "will fully cooperate".

SEC. 6. TIMELY RESPONSE TO FILING OF ACTION OR PROCEEDING.

Section 224 (42 U.S.C. 233) is amended by adding at the end thereof the following:

"(l)(1) If a civil action or proceeding is filed in a State court against any entity described in subsection (g)(4) or any officer, governing board member, employee, or any contractor of such an entity for damages described in subsection (a), the Attorney General, within 15 days after being notified of such filing, shall make an appearance in such court and advise such court as to whether the Secretary has determined under subsections (g) and (h), that such entity, officer, governing board member, employee, or contractor of the entity is deemed to be an employee of the Public Health Service for purposes of this section with respect to the actions or omissions that are the subject of such civil action or proceeding. Such advice shall be deemed to satisfy the provisions of subsection (c) that the Attorney General certify that an entity, officer, governing board member, employee, or contractor of the entity was acting within the scope of their employment or responsibility.

"(2) If the Attorney General fails to appear in State court within the time period prescribed under paragraph (1), upon petition of any entity or officer, governing board member, employee, or contractor of the entity named, the civil action or proceeding shall be removed to the appropriate United States district court. The civil action or proceeding shall be stayed in such court until such court conducts a hearing, and makes a determination, as to the appropriate forum or procedure for the assertion of the claim for damages described in subsection (a) and issues an order consistent with such determination.".

SEC. 7. APPLICATION OF COVERAGE TO MANAGED CARE PLANS.

Section 224 (42 U.S.C. 223) (as amended by section 6) is amended by adding at the end the following:

"(m)(1) An entity or officer, governing board member, employee, or contractor of an entity described in subsection (g)(1) shall, for purposes of this section, be deemed to be an employee of the Public Health Service with respect to services provided to individuals who are enrollees of a managed care plan if the entity contracts with such managed care plan for the provision of services.

"(2) Each managed care plan which enters into a contract with an entity described in subsection (g)(4) shall deem the entity and any officer, governing board member, employee, or contractor of the entity as meeting whatever malpractice coverage requirements such plan may require of contracting providers for a calendar year if such entity or officer, governing board member, employee, or contractor of the entity has been deemed to be an employee of the Public Health Service for purposes of this section for such calendar year. Any plan which is found by the Secretary on the record, after notice and an opportunity for a full and fair hearing, to have violated this subsection shall upon such finding cease, for a period to be determined by the Secretary, to receive and to be eligible to receive any Federal funds under titles XVIII or XIX of the Social Security Act.

"(3) For purposes of this subsection, the term 'managed care plan' shall mean health maintenance organizations and similar entities that contract at-risk with payors for the provision of health services for plan enrollees and which contract with providers (such as entities described in subsection (g)(4)) for the delivery of such services to plan enrollees.".

SEC. 8. COVERAGE FOR PART-TIME PROVIDERS UNDER CONTRACTS.

Section 224(g)(5)(B) (42 U.S.C. 223(g)(5)(B)) is amended to read as follows:

"(B) in the case of an individual who normally performs an average of less than 32½ hours of services per week for the entity for the period of the contract, the individual is a licensed or certified provider of services in the fields of family practice, general internal medicine, general pediatrics, or obstetrics and gynecology.".

SEC. 9. DUE PROCESS FOR LOSS OF COVERAGE.

Section 224(i)(1) (42 U.S.C. 233(i)(1)) is amended by striking "may determine, after notice and opportunity for a hearing" and inserting "may on the record determine, after notice and opportunity for a full and fair hearing".

SEC. 10. AMOUNT OF RESERVE FUND.

Section 224(k)(2) (42 U.S.C. 223(k)(2)) is amended by striking "$30,000,000" and inserting "$10,000,000".

TRIBUTE TO NATHAN H. BRIDGES WINNER OF RAIL SAFETY AWARD

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mr. FORD. Mr. Speaker, I would like to pay tribute to one of my constituents, Mr. Nathan H. Bridges of Memphis, TN who has been awarded the Harold F. Hammond Award for safety achievements in the railroad industry. Mr. Bridges, a motor car repairman for the Illinois Central Railroad in my congressional district, is responsible for the maintenance and repair of all track equipment for his maintenance-of-way work unit. Mr. Bridges, who has been chairman of the railroad's Southern Region engineering department safety committee since 1993, was selected from over 200,000 railroad workers. His work also enabled his company, the Illinois Central Railroad win for the fifth time the E.H. Harriman Memorial Award. The Harriman Award is given to railroad companies and their employees for achieving Federal Railroad Administration safety standards.

Secretary of Transportation Federico Pena noted this milestone saying: "Our statistics show that the rate of train accidents and rail employee injuries—along with the number of rail employee fatalities—were at their lowest levels in 1994." Mr. Bridges and the superb employees of the Illinois Central Railroad in Memphis made a significant contribution to these safety statistics.

Mr. Speaker, Memphis, TN is known across this country as "America's Distribution Center." Mr. Bridges dedicated service has done much to help our great city keep its reputation as a center for commerce and transportation. More important though is Mr. Bridges' dedication to safety. The number of lives saved by his commitment to safety cannot be quantified. Mr. Speaker, I would like to include a short biography of Mr. Bridges and a description of the award for the record and ask that the House of Representatives join me in honoring his contribution.

THE HAMMOND AWARD WINNER

Nathan H. Bridges

Nathan H. Bridges, who repairs track equipment for his maintenance-of-way unit of Illinois Central Railroad, is the Harold F. Hammond Safety Award winner.

Mr. Bridges is being recognized for his promotion of on-the-job safety awareness, an unselfish commitment to advancing safety knowledge at employee meetings and improving safety-related dialogue among employees and senior management of Illinois Central.

On his own time, Mr. Bridges produces a quarterly safety newsletter for distribution to fellow employees in IC's Southern Region, counsels schoolchildren on safe behavior near railroad tracks and enrolled in night courses on occupational safety even before IC's current tuition refund program was inaugurated.

A safety consultant who encountered Mr. Bridges on the job later remarked to Illinois Central's Southern Region superintendent that "if Illinois Central had other employees thinking like Nathan Bridges, solving safety problems would be a breeze."

In nominating Mr. Bridges for the Hammond Award, Illinois Central's chief executive officer, Hunter Harrison, wrote that after Mr. Bridges was asked to take charge of a superintendent's safety committee, "he immediately told everyone on the committee either to start contributing or resign and make room for someone who would. He assigned all the committee members research projects and had them write letters for a regional safety newsletter."

Mr. Harrison added that in Mr. Bridges' continuing role as chairman of the superintendent's safety committee, he repeatedly has reminded track supervisors and even engineering superintendents that employee safety concerns are the first order of business on Illinois Central Railroad.

The Harold F. Hammond Safety Award, established in 1986, is awarded to an individual railroad employee who has demonstrated outstanding safety achievement during the preceding year.

CLEANUP OF THE ROCKY MOUNTAIN ARSENAL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1995

Mrs. SCHROEDER. Mr. Speaker, one of the Nation's most notorious military environmental problems just took a big step forward. The World War II-era Rocky Mountain Arsenal, located in my district, manufactured and stored chemical munitions. It later leased land to Shell Chemical Co. for pesticide production. Thirty years of haphazard chemical disposal by both resulted in a surface and ground water mess that vexed Federal, military, State, and corporate leaders who faced complicated cleanup questions.

Many of those questions were answered with the release yesterday of a tentative conceptual cleanup strategy. I wish to submit into the record that agreement. It can be reviewed by a wide audience and can provide necessary background as this project seeks continued funding from a diminishing defense environmental restoration account.

The remarkable fact about this agreement is the 6-year, painstaking negotiations undertaken to get there. Bitter pills were swallowed by all. And days of fine tuning are still ahead. But the real winner is human health and the environment. I wish to applaud the negotiators who gave years of blood, sweat and tears to reach the following agreement.

Mr. Speaker, here follows a milestone.

ROCKY MOUNTAIN ARSENAL REMEDY NEGOTIATIONS, EMBASSY SUITES HOTEL, SE DENVER, MAY 9–11, 1995

CONCEPTUAL AGREEMENT COMPONENTS

(Please refer to attached map for site locations.)

Background

This proposal represents a tentative conceptual agreement between the U.S. Army, Shell Oil Company, the state of Colorado, the U.S. Environmental Protection Agency, and the U.S. Fish and Wildlife Service for the cleanup of the Rocky Mountain Arsenal. The conceptual remedy was reached based upon ongoing discussions during the past six months, which included stakeholders, and on the past studies performed at the Arsenal as part of the Superfund process. This tentative conceptual agreement is contingent on the successful resolution of issues yet to be resolved by the parties.

Timetable for Ongoing Process

Assuming continued resolution of issues between the parties, a new Detailed Analysis of Alternatives (DAA) will be issued by the Army within the next six months. Concurrently, a Proposed Plan for the on-post cleanup will be issued for public review and comment. Stakeholder involvement will continue during this process. A closure plan for Basin F will be finalized within the next six months as well.

1. Future Hazardous Waste Landfill (RCRA).

A new on-site, state-of-the-art hazardous waste landfill will be constructed in an agreed-upon location between Former Basin F and North Plants. One cell (approximately 750,000 cubic yards) of this landfill will have an enhanced design and will contain contaminated soil from the Basin F Waste Pile and Lime Basins. This landfill will accept material only from the Arsenal.

2. Former Basin F.

Principal threat soil will be treated in-place using solidification to a depth of 10 feet.

A RCRA-equivalent cap with biota barrier will be constructed over the former basin to prevent contact with remaining human health exceedence soil and to minimize further groundwater contamination.

3. Basin F Waste Pile.

Waste pile soil, including the bottom liners, will be excavated and placed in an enhanced cell at the future on-site, state-of-the-art hazardous waste landfill designed for approximately 750,000 cubic yards of contaminated soil (to include Basin F Waste Pile and Lime Basin soil).

If the waste pile soil exceeds EPA's paint filter test, moisture content will be reduced to acceptable levels by using a dryer in an enclosed structure. Volatile organic compounds from the drying process will be captured and treated.

Additional odor controls will be employed as necessary.

4.Basin A

To reduce the amount of clean soil used for fill from other portions of the Arsenal, excavated biota exceedence soil from other sites at the Arsenal will be placed in Basin A as fill material under the cap.

Structural debris on the Arsenal, except agent-contaminated building material and pesticide-contaminated building material (unless pesticide-contaminated building material is washed), may be placed in Basin A as fill material.

Contaminated soil (both principal threat and human health exceedence soil), structural debris on the Arsenal, and Arsenal biota exceedence soil will be entombed under 6 inches of concrete and a soil cover.

5. South Plants Central Processing Area.

Principal threat and human health exceedence soil will be excavated to a depth of 5 feet and placed in the future on-site, state-of-the-art hazardous waste landfill.

A soil cover with a biota barrier will be constructed over the site to isolate remaining contamination.

6. Balance of South Plants Areas.

Principal threat and human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

Biota exceedence soil will be excavated for use as fill material in Basin A.

7. North Plants.

Human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

8. Pits and Trenches.

A. Complex (Army) Trenches: Construction of a slurry wall around the Trenches and a RCRA-equivalent cap with biota barrier (6 inches of concrete) will prevent contact with contaminated soil and will minimize further groundwater contamination.

A groundwater pump and treat system will be installed and operated to intercept the Section 36 Bedrock Ridge Plume until the plume is hydrologically controlled.

B. Shell Trenches: Expansion of the current slurry wall around the Trenches and a RCRA-equivalent cap with biota barrier will prevent contact with contaminated soil and will minimize further groundwater contamination.

C. M–1 Pits: Principal threat and human health exceedence soil will be excavated and treated via a solidification technology. Treated soil will be placed in the future on-site, state-of-the-art hazardous waste landfill.

D. Hex Pits: Principal threat soils will be treated with a yet-to-be-agreed-upon technology.

E. Lime Basin: Principal threat and human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

F. Burial Trenches: Human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

9. Ditches, etc.

A. Sand creek Lateral: Human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill; biota exceedence soil will be excavated and used as fill material in Basin A.

B. Buried lake sediments: Human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

C. South Plants Ditches: Principal threat and human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

Biota exceedence soil will be excavated and used as fill material in Basin A.

10. *Secondary Basins:* Human health exceedence soil will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

Biota exceedence soil will be excavated and used as fill material in Basin A.

11. *Chemical Sewers:* Chemical sewer lines (typically buried deeper than 6 feet) and manholes located in the South Plants Central Processing Area will be plugged with concrete. A soil cover with a biota barrier

will be placed at the surface. These actions will eliminate access to the lines and minimize further groundwater contamination.

In areas outside the South Plants Central Processing Area, human health exceedence soil associated with the sewers will be excavated and placed in the future on-site, state-of-the-art hazardous waste landfill.

12. *Structures:* Demolish all contaminated structures.

In order to minimize use of clean soil for fill material in Basin A, building debris could be placed into Basin A for fill, except agent-contaminated building material and pesticide-contaminated building material (unless pesticide-contaminated building material is washed).

13. *Munitions:* Munitions and munition debris in formerly used testing sites will be located and excavated. Excavated debris and associated soil will be placed in the future on-site, state-of-the-art hazardous waste landfill. If explosives-containing munitions are found, they are to be taken to the closest on-post site for detonation. If not considered safe for removal and transport, they are to be detonated in place.

14. *Groundwater:* The Army's proposal in the Detailed Analysis of Alternatives (DAA) was agreed upon. In addition, Basin A and South Plants Central Processing areas will *not* be de-watered (also, see points on Complex (Army) Trenches above).

Major components of the Army's DAA proposal include:

Continued operation of all existing groundwater pump and treat systems including the three boundary systems (Irondale, Northwest Boundary and North Boundary Control Systems) and interim response action systems (Motor Pool and Rail Classification Yard Extraction System, Basin F Groundwater, IRA, Basin A Neck IRA and Off-post System).

South Plants Tank Farm plume groundwater will be treated with an in-situ biological process.

Additional issues under "Issues Yet To Be Resolved" section remain to be resolved.

15. *Alternative Water Supply:* 4,000 acre feet and distribution system for residents (area yet to be determined).

ISSUES STILL BEING DISCUSSED INCLUDE:

1. *Soil Volumes*
2. *Existing (sanitary) Landfills*
3. *Assorted Groundwater Issues, including:* Point of compliance, cleanup levels for additional compounds and application of Colorado Basic Groundwater Standards.
4. *The Appropriate Remedy for Surficial Soils, Other Ditches, Lake Sediments*
5. *Assorted Off-Post Issues such as:*

A. Off-post soils
B. Montbello soil sampling
C. Health Screening

SENATE—*Friday, May 26, 1995*

(Legislative day of Monday, May 15, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord God, Sovereign of our Nation, You led our forefathers to declare in our Constitution that the function of government is to establish justice, promote the general welfare, and secure the blessings of liberty for our people. We are here in this Senate to preserve our people's right to life, liberty, and the pursuit of happiness. Today, we continue the discussion of the growing problem of violence and terrorism in our land that threatens these very blessings. The spirit of fear is rampant as a result of those who perpetrate acts of violence. Empower the Senators as they take incisive action to establish stronger laws to combat the illusive and dangerous forces of organized terrorism. Help them to strengthen the methods of investigation, apprehension, and punishment of those who willfully cause suffering through treasonous acts of terrorism against the Government.

Today, as we move forward to act decisively on this antiterrorism legislation, we all praise You that You do not allow the violent to triumph. In Your holy name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. SPECTER. Mr. President, on behalf of Senator DOLE, I wish to announce that the leader time has been reserved and the Senate will immediately resume consideration of S. 735, the antiterrorism bill, and to tell all Senators, in accordance with the majority leader's request, that rollcall votes are anticipated today on or in relation to amendments to the antiterrorism bill.

COMPREHENSIVE TERRORISM PREVENTION ACT

The PRESIDENT pro tempore. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 735) to prevent and punish acts of terrorism, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hatch amendment No. 1199, in the nature of a substitute.

Mr. SPECTER addressed the Chair.

The PRESIDENT pro tempore. The distinguished Senator from Pennsylvania.

Mr. SPECTER. I thank the distinguished President pro tempore.

Mr. President, I have sought recognition this morning to comment on the pending legislation, which is obviously a bill of tremendous importance in light of the recent bombing of the Federal building in Oklahoma City on April 19 and before that the bombing of the World Trade Center some 2 years ago.

Terrorism has been an enormous problem internationally for decades, and now terrorism has struck on the shores and in the heartland of the United States. In considering legislation to deal with this very critical problem, Mr. President, we should ever be mindful that an appropriate balance has to be struck between public safety and the constitutional rights of the citizens under the Bill of Rights which has served our country so well since its adoption in 1791.

The pending legislation has appended to it the habeas corpus reform bill which has been introduced by the distinguished chairman of the committee, Senator HATCH, and myself under the caption of the Specter-Hatch bill, S. 623, and it is legislation which is long overdue to make the death penalty a meaningful deterrent.

Last year, with the passage of the crime bill, Federal legislation was enacted which provides for the death penalty for those responsible for the bombing of the Federal building in Oklahoma City. The addition to this legislation of habeas corpus reform is important because some cases have been pending for as long as 20 years. Such delays really makes a virtual nullity of the death penalty because, in order to be an effective deterrent, the punishment must be swift and the punishment must be certain. In most of the cases where these long delays have eventuated, the prosecutions characteristically arise in the State courts and go through with the judgment of sentence of death ultimately affirmed by the highest State court and then habeas corpus proceedings in the Federal court.

The conduct in Oklahoma City, the bombing of the building and the murder of the innocent children, women, and men, is prosecutable under both Federal and State laws, and there is a slightly different habeas corpus procedure with respect to cases that originate under Federal jurisdiction. The Specter-Hatch language addresses both types of cases, and I think it is very, very important to have it contained in this bill.

There are other measures in the pending legislation, Mr. President, which I think require our very calm and deliberate consideration, such as the provision which provides for secret proceedings to deport alien terrorists. While deportation proceedings are characteristically described as a civil proceeding, under the due process clause of law has been held to apply, and the due process clause of the 14th amendment characteristically incorporates most of the specific provisions of the Bill of Rights including the right of confrontation.

I have grave reservations that any kind of a secret proceeding can pass constitutional muster. It is my thought that we may be able to solve the problem by deporting people suspected of being terrorists or known terrorists because they are in this country illegally. We all know that there are many aliens in the United States illegally, but there are not sufficient resources to deport all of them. It would be entirely possible for us to seek to deport aliens who are here illegally where there was cause to believe that they are terrorists but to deport them not through secret proceedings because they are terrorists but because they are in the United States illegally.

Toward that end, I think we can abbreviate the procedures for deportation, including limiting appellate review. I think it is entirely possible to have, constitutionally, a definite period of preventive detention, and if there are defenses such as asylum, they can be litigated in relatively short order so that deportation of illegal aliens may be achieved without a conflict with the constitutional right of confrontation.

Similarly, Mr. President, I am concerned—and I have expressed this before in the hearings held in the terrorism subcommittee of the Judiciary Committee, which I chair—about the provisions which would enable the Attorney General of the United States to classify an organization as engaged in terrorist activities and then deprive that organization of rights which are characteristically protected under the first amendment's freedom of association. While the bill provides for de novo

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

review by the court, here again there are provisions for secret proceedings which I believe may run afoul of the U.S. Constitution.

With respect to any wiretapping provisions which may be added to the bill, I think they will require our very, very close scrutiny to be sure we are preserving the constitutionally protected rights of those who are subject to the wiretapping.

Mr. President, I will also take this opportunity to make some comments on the incidents at Ruby Ridge, ID, and Waco. With the Senate being fully occupied for the last several days on the budget, I did not have an opportunity to do so before, but it fits right in at this juncture, and I shall be relatively brief in summarizing some of the preliminary findings which I have come to.

As the CONGRESSIONAL RECORD will show—and my distinguished colleague, the chairman of the Judiciary Committee, is in the Chamber—it has been my view that we ought to hold hearings on Waco and Ruby Ridge promptly. And by that I mean on or before August 4. I am well aware of the consideration of not impeding the Federal Bureau of Investigation's inquiries into Oklahoma City. But as I said some time ago, in conversations with the Director of the FBI, he thought that a period by mid-August, 8 to 10 weeks from the time of our conversation as I reported it on the Senate floor, would allow ample time for the FBI to complete its Oklahoma City investigation without having any problems created by a Senate inquiry of the full Judiciary Committee.

But in the absence of that full inquiry and in the absence of the setting of a date, I had said that I was going to make a preliminary inquiry myself. I did have occasion to report very briefly on these matters last week, but I want to comment a little more extensively this morning on my preliminary findings.

With respect to the incident at Ruby Ridge, ID, which came to a head back on August 21, 1992, I have had occasion to talk to a number of the people who have knowledge of that matter, including FBI Director Louis Freeh; FBI Deputy Director Larry Potts; the Director of the Bureau of Alcohol, Tobacco and Firearms, John Magaw; Jerry Spence, the attorney for Mr. Weaver; Mr. Weaver, whom I talked to when I was in Des Moines earlier this month in the presence of his attorney, Michael Mooma, Esq. I have also talked to Randy Day, Esq., the Boundary County attorney in Idaho who was considering possible State prosecutions arising out of that incident. During the course of my conversations with Mr. Weaver, his daughters Sarah, Rachel, and Alicia, ages 19, 13, and 3, were also present.

One of the critical aspects of the matter involving Mr. Weaver concerns the issue as to how the entire incident arose. In my meeting with Mr. Weaver, he described the incident as starting out when an undercover agent associated, as Mr. Weaver thought, with the Bureau of Alcohol, Tobacco and Firearms, came to purchase sawed-off shotguns from Mr. Weaver. As Mr. Weaver himself recounted the incident, he did provide two sawed-off shotguns to the ATF undercover agent.

In my later conversations with the Director of the Alcohol, Tobacco and Firearms unit, John Magaw, he said that, during the course of the trial, there was an acquittal of Mr. Weaver on grounds of entrapment. Mr. Magaw described it as borderline entrapment, but it raises a fundamental question as to the appropriate course of conduct of the Bureau of Alcohol, Tobacco and Firearms on initiating such a matter through an undercover agent, a confidential informant, where the incident has all the preliminary earmarks of entrapment. And that, in fact, was the conclusion of the court, and that is the concession made by the director of the Alcohol, Tobacco and Firearms unit.

Mr. President, a more critical aspect of what happened at Ruby Ridge, ID, of the tragedy which occurred there—including the killing of a deputy U.S. marshal, the killing of Mr. Weaver's son, Sam Weaver, the killing of Mr. Weaver's wife, Vicky—is the issue of the change in the FBI's rules of engagement from the standard shooting policy. On that issue, there is a direct conflict between representations made by Mr. Eugene F. Glenn, who is now the special agent in charge at the Salt Lake City office of the FBI and Deputy Director Larry Potts of the FBI.

In my conversation with Mr. Potts on May 17 of this year, Mr. Potts advised me that there were never any changes in the rules of engagement and that he, Mr. Potts, had no authorization to change the deadly force policy.

We do know, in the course of the incidents there, that Mrs. Weaver was killed by the bullet of an FBI sharpshooter. The contention has been made by officials of the Federal Bureau of Investigation that that was a matter which was necessary to defend other agents who were involved in the effort to take Mr. Weaver into custody.

There is a very significant question as to the circumstances of that shooting with respect to a Bureau representation that Mrs. Weaver was shot through a door, which raises the inference and suggestion that the shooter might not have been able to see Mrs. Weaver, contrasted with the representation of others that the door had a glass pane so that, in fact, the shooter may have been able to see Mrs. Weaver. That is not ascertainable based upon what I know of the facts, because there is a possibility of glare, there is a possibility of some obstruction of vision even with a pane of glass, but that is certainly something which requires inquiry.

Focusing in specifically on the conflict or at least apparent conflict between Mr. Potts and Mr. Glenn—as I have said, Deputy Director Potts told me that there were never any changes in the rules of engagement and that he had no authorization to change the deadly force policy of the FBI.

In a letter from Special Agent Glenn to Michael A. Shaheen, the Director of the Office of Professional Responsibility at the Department of Justice, seeking an investigation into what occurred, Mr. Glenn refers specifically to adjustments to the Bureau's standard shooting policy at Ruby Ridge, and he attributes those to Deputy Director Potts.

This statement appears at page 6 of the letter from Mr. Glenn to Mr. Shaheen:

> On August 22, 1992, then Assistant Director Potts advised during a telephonic conversation with SAC

That means special agent in charge Glenn.

> that he had approved the rules of engagement, and he articulated his reasons for his adjustments to the Bureau's standard shooting policy. During the ten days of the Ruby Ridge stand-off, there were several occasions when SAC Glenn and AD Potts telephonically communicated with one another, and during these conversations they mutually agreed that the rules of engagement should continue to exist. On Wednesday, August 26, 1992, AD Potts approved the FBI returning to the standard shooting policy. This is reflected in the SIOC Log, page 13, item 7.

Then it follows to have the specification as to what occurred there.

When Mr. Glenn requested this special investigation, he draws this conclusion at page 1 of the letter:

> * * * investigative deficiencies reveal a purpose to create scapegoats and false impressions, rather than uncovering or reinforcing the reality of what happened at Ruby Ridge.

Mr. President, I ask unanimous consent that the full text of this letter from Mr. GLENN to Mr. Shaheen be printed at the conclusion of my statement.

The PRESIDING OFFICER (Mr. BROWN). Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Mr. President, I shall abbreviate these comments because we are in the middle of the consideration of the broader terrorism bill, but these comments are directly relevant to this bill. I know, however, that others are waiting to speak. While I will have more to say about this at a later time, I will condense these comments at this time.

Relating to the incident at Ruby Ridge, there are questions which have already been raised by many as to why Mr. Potts was made the Deputy Director of the FBI while this matter was pending and certainly before there was a congressional inquiry by the U.S. Senate or the House of Representatives. Those are among my reasons for thinking that a congressional inquiry into Ruby Ridge should have been held a long time ago, but at least ought to be held as promptly as possible.

Mr. President, turning for a few moments to the incident at Waco, TX, which reached its conclusion on April 19, 1993, let me say at the outset as emphatically as I can that whatever happened at Waco, TX, whatever happened at Ruby Ridge, ID, there is absolutely no justification for what happened at the Oklahoma City bombing on April 19 of this year.

But I do believe that it is more than coincidence that the incident at Waco occurred on April 19 and the incident at Oklahoma City occurred on the same day 2 years later. I believe it is vital in our democracy that accountability be present at the highest levels of our Government. It has always been my view that there should be a Senate inquiry on Waco, and I expressed that view back in the middle of the summer of 1993 shortly after the Waco incident occurred. My comments were corroborated on the floor of the Senate by the then-chairman, Senator BIDEN, who confirmed that I had been pressing for an inquiry into Waco at that time.

We live in the greatest democracy in the history of the world, but we have to remember, especially those of us in Washington, DC, and within the beltway, that we govern by the consent of the governed and that the right of the Government to govern depends upon the Government's recognizing the rights of individual citizens.

There is no mere coincidence between the existence of the Bill of Rights and the stability of the American Government. The items in the Bill of Rights have to be very, very carefully safeguarded in every respect. It is a fundamental constitutional duty of the Congress to have oversight. That oversight has not been held with respect either to Waco or to Ruby Ridge, and I believe that these matters are directly related to the pending legislation which we are considering.

In just a few minutes, I think the briefest way to set some of the questions on the record which require answering by our congressional hearing would be to refer to the report and recommendations filed by Prof. Alan Stone of Harvard with other recommendations submitted to the then-Deputy Attorney General of the United States, Philip Heymann.

Professor Stone was one of a group of panelists who was requested by the FBI to prepare a forward-looking report suggesting possible changes in Federal law enforcement in light of what happened at Waco. These are a few of the comments from Professor Stone.

At page 1 of his report, he says:

> . . . Neither the official investigation nor the Dennis evaluation has provided a clear and probing account of the FBI tactics during the stand-off and their possible relationship to the tragic outcome at Waco.

Then going on a few sentences later:

> I have concluded that the FBI command failed to give adequate consideration to their own behavioral science and negotiation experts. They also failed to make use of the agency's own prior successful experience in similar circumstances. They embarked on a misguided and punishing law enforcement strategy that contributed to the tragic ending at Waco.
>
> As a physician, I have concluded that there are serious unanswered questions about the basis for the decision to deploy toxic CS gas in a closed space where there were 25 children, many of them toddlers and infants.

Skipping ahead to page 24, Professor Stone goes on to say:

> One might think that the highest priority after a tragedy like Waco would be for everyone involved to consider what went wrong and what would they now do differently. I must confess that it has been a frustrating and disappointing experience to discover that the Justice Department's investigation has produced so little in this regard.

Moving ahead now to page 30 briefly:

> The FBI needs a better knowledge base about the medical consequences of CS gas.
>
> It is my opinion that the AG—

The Attorney General.

> —was not properly informed of the risks to infants and small children posed by CS gas.

Continuing a few sentences later:

> The FBI, the Justice Department, and all of law enforcement that uses CS gas ought to have as clear an understanding of its medical consequences as possible.

Then on his final page, page 31, under a caption "Final Word," there is this statement:

> There is a view within the FBI and in the official reports that suggests the tragedy was unavoidable. This report is a dissenting opinion from that view.

Then a final sentence:

> It is my considered opinion that the failings of the FBI at Waco involved no intentional misconduct.

Mr. President, in order to save time, I ask unanimous consent that the full text of this report by Professor Stone be printed at the end of my statement this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SPECTER. Mr. President, on the citations which I refer to and in the full text of what Professor Stone has raised, which will be apparent to those who will see it in the CONGRESSIONAL RECORD, there are many unanswered questions as to what happened at Waco, just as there are many unanswered questions as to what happened at Ruby Ridge. It is my hope that we will have a Senate inquiry just as promptly as possible.

I think it is vital that there be accountability at the highest levels of Government and that the public will be assured that the Congress will fully carry out its responsibilities for oversight under our constitutional responsibility.

Yesterday, we had scheduled a hearing involving the militia movement in the subcommittee of Judiciary which I chair. That hearing, regrettably, had to be postponed because we were voting continuously all day long. But yesterday afternoon, I put into the RECORD the prepared statements of some witnesses that came from the militia movement. In brief conversation I had with those individuals, they expressed their concern about what the Government had done and their gratification that at least the subcommittee was making an inquiry into what had gone on. If we discharge our duties, Mr. President, we can provide a safety valve to let the citizens of America know that their constitutional rights are being respected and that there will be congressional oversight no matter where the blame may lie at the highest level of the Federal Government, if there is any blame.

I do not prejudge what went on at Ruby Ridge or at Waco, but I am absolutely convinced that there are many, very, very serious questions as to the governmental action at Ruby Ridge and Waco, and I am convinced that the safety valve and venting possible through a Senate full inquiry is very vital as we consider these problems of terrorism and move ahead to provide better protection to the American people from domestic terrorism and at the same time guarantee that the constitutional rights are preserved.

I thank the Chair.

EXHIBIT 1

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Salt Lake City, UT, May 3, 1995.

MICHAEL E. SHAHEEN,
Office of Professional Responsibility,
U.S. Department of Justice,
Washington, DC.

DEAR MR. SHAHEEN: The purpose of this letter is to request the Office of Professional Responsibility (OPR) conduct an investigation into the conduct of FBI Associate Special Agent in Charge (A-SAC) Charles Mathews, III and possibly others during the period A-SAC Mathews served on special assignment in Washington, D.C. from October through December, 1994, preparing the Administrative Summary Report regarding the conduct of FBI personnel involved in the Ruby Ridge matter.

As a key participant in the events of Ruby Ridge, I believe I was not adequately or fully interviewed, yet the investigative report was relied upon in proposing discipline against me and other FBI Agents. As is explained below, this and other investigative deficiencies reveal a purpose to create scapegoats and false impressions, rather than uncovering or reinforcing the reality of what happened at Ruby Ridge.

A-SAC Mathews was provided with the 1994 Ruby Ridge report of Department of Justice (DOJ) Attorney Barbara Berman, along with sixteen issues raised by the DOJ during their review of the Berman Report. These issues concern alleged misconduct by FBI employees. His assignment as preparer of the Administrative Summary Report was: evaluate existing documentation contained in the Berman report for evidence of misconduct, review additional documentation within the

FBI that was not a part of the Berman report, and conduct or have conducted appropriate investigation to either substantiate or refute each allegation.

INVESTIGATIVE PROCEDURAL REQUIREMENTS

As is clearly documented in subsequent portions of this letter, A-SAC Mathews conducted his administrative review with little regard to FBI policy and procedure, and as such his Administrative Summary Report is critically flawed.

For example, A-SAC Mathews did not follow the FBI Manual Of Administrative Operations and Procedures (MAOP) as it pertains to interviews of employees under criminal or administrative inquiry. Section 13-4 of the MAOP is particularly relevant as follows:

"13-4 Interviews of Employees Involved

"(1) Interviews of employees involved in allegations of criminality or serious misconduct should be conducted at the earliest logical time and in a forthright manner. There should be no evasiveness on the part of the Bureau official conducting the interview.

"(2) The employee should be fully and specifically advised of the allegations which have been made against him/her in order that he/she may have an opportunity to fully answer and respond to them. . . .

"(3) Such interviews must be complete and thorough with all pertinent information obtained and recorded so that all phases of the allegations may be resolved. . . .

"(4) The inquiry shall not be complete until the specific allegations that may justify disciplinary action are made known to the employee who may be disciplined and the employee is afforded reasonable time to answer the specific allegations. The employee's answers, explanations, defenses, etc., should be recorded in the form of a signed, sworn statement which should specifically include the allegations made against the employee in an introductory paragraph. The statement is to be prepared following an in-depth interview of the employee by the division head or designated supervisory representative. The employee is not merely to be asked to give a written response to the allegations, but is to be interviewed in an interrogatory fashion, and a signed, sworn statement prepared from the results by the interviewing official. . . ."

MATHEWS ACTIONS

I have enclosed and request your review of the following: (1) the form "Warning and Assurance to Employee Required to Provide Information" (FD-645) which states, "This inquiry pertains to Allegations of misconduct relating to the Rules of Engagement established for the Ruby Ridge critical incident and whether the FBI fully and adequately participated in the investigation/prosecution of Weaver/Harris," and (2) the compelled signed statement of Eugene F. Glenn dated December 8, 1994, provided by A-SAC Mathews and Supervisory Special Agent (SSA) Jerry R. Donahoe, in which paragraph two reads, "I have been informed that this inquiry pertains to allegations of misconduct relating to the Rules of Engagement (ROE) established for the Ruby Ridge critical incident and whether the FBI fully and adequately participated in the investigation/prosecution of Weaver/Harris."

It should be noted that my ten-page signed statement dated December 8, 1994, details liaison issues concerning the FBI, Salt Lake City and the United States Attorney's (USA's) Office, Boise, Idaho, for a period of time prior to the Ruby Ridge incident and extending through the Harris/Weaver trial. No questions were asked regarding "rules of engagement." Specifically, I was not asked why I had allegedly approved the rules of engagement or more basically who had approved the rules of engagement. I was never informed that I faced possible disciplinary action for my alleged approval of the rules of engagement. And although contrary to the printed purpose of the inquiry as set forth on the FD-645, supra, A-SAC Mathews stated during the beginning of this interview, "The rules of engagement are considered unconstitutional; therefore, there is no need to further discuss them." This is clearly in conflict with the MAOP citation 13-4(2)&(4) above.

DEPARTMENT OF JUSTICE REPORT

I direct your attention to an excerpt from an article that appeared in "Legal Times," on March 6, 1995, captioned, "DOJ Report May halt FBI Official's Rise." This article is based on a review of the DOJ Ruby Ridge report prepared by Barbara Berman. Apparently this report was leaked to the media during late February, 1995. The "Legal Times" article states:

"In the Reno inquiry, Potts had told investigators that he never approved the final rules of engagement, the guidelines governing a particular operation. Reno has refused to release the 542-page report, saying that she would wait until the local district attorney in Boundary County, Idaho, completes an investigation into whether agents should be charged with murder.

"But according to testimony contained in the report, which was obtained by Legal Times, Potts did approve the shoot-on-sight rule.

"The task force found that FBI operatives on the ground in Idaho faxed an operational plan, including the proposed rules of engagement, to headquarters for approval by Potts and his then deputy, Danny Coulson. But according to Freeh, Coulson had questions about other facets of the operation discussed and did not notice, let alone read, the rules of engagement. Potts, who had been working on the matter for 36 straight hours, was not on duty at the time and, hence, did not see the written rules.

"But Eugene Glenn, the on-site commander of the FBI operation, says in a January 1994 declaration that he believes he had already obtained Potts' approval by telephone before the shooting.

"The Reno task force also seemed to give credence to Glenn's account. '(I)t is inconceivable to us that FBI Headquarters remained ignorant of the exact wording of the Rules of Engagement during the entire period,' the report says.

"But FBI officials dispute Glenn's account and criticize the Justice Department's report as flawed.

"'When you piece together the evidence as best as possible after the fact, we reached our best judgment, and that's reflected in the discipline that the director announced or proposed,' says FBI General Counsel Howard Shapiro, who was directly involved in the FBI's inquiry.

"Freeh and Potts both declined comment.

"'I can't speak for the director personally,' Shapiro says, 'but a lot turned on the fact that Potts had not approved the final form of the rules of engagement, which are admittedly problematic. Had we found otherwise, it surely would have been grounds for further sanction,' the general counsel adds.

"Shapiro declined to elaborate, saying that the FBI's conclusions about what happened are based on information that Reno has said the bureau must not release pending the outcome of the local investigation."

I have never been interviewed/interrogated regarding the rules of engagement. I was not made aware of the charge that I had approved the rules of engagement. Additionally, HRT Commander Dick Rogers, SAC Bill Gore, and SAC Robin Montgomery were not interviewed/interrogated regarding the rules of engagement during A-SAC Mathews' preparation of the Administrative Summary Report.

FBIHQ APPROVAL OF RULES OF ENGAGEMENT

I had been interviewed previously on two occasions: during September, 1992 as part of the Shooting Incident Report, and again on January 12, 1994, as part of the Berman DOJ inquiry. It is specifically detailed in the Shooting Incident Report that the rules of engagement were approved at FBI Headquarters. I call your attention to the following pages: Administrative Section, Cover Page #, Paragraph 1; Report Synopsis, Page 2, Lines 3 through 7; the body of the report, Page 3, Paragraph 2; Dick Rogers signed statement, Page 2, Paragraph 2 through Page 3, Paragraph 2; and signed statement of Eugene F. Glenn, Page 5, Paragraph 2 through Page 6, Paragraph 1; and also to then Assistant Director Potts' signed statement where he articulates as part of this report that he approved the rules of engagement. The DOJ inquiry covered a broad period of time and touched only briefly on rules of engagement. Questioning concerning who approved the rules of engagement was not addressed in detail by interviewing officials during the preparation of my signed statement. Questions concerning who approved the rules of engagement did not appear to be a critical issue to be developed at the time of the Berman report.

It should be noted that on September 30, 1992, the date of the Shooting Report, there was no discussion regarding who approved the rules of engagement. The report simply states that the rules of engagement were approved at FBI Headquarters. It is also noted that the Shooting Review Committee Report, dated November 9, 1992, once again concurred that FBI Headquarters approved the rules of engagement. According to the "Legal Times" article dated March 6, 1995, the DOJ findings were, "(I)t is inconceivable to us that FBI Headquarters remained ignorant of the exact wording of the Rules of Engagement during the entire period."

There was no indication that the rules of engagement presented to field command at Ruby Ridge on Saturday, August 22, 1992, differed in any way from the rules of engagement Larry Potts advised he approved during his signed, sworn statement taken during the creation of the Shooting Review Report. It was only after the interviewing began that pertained to the DOJ inquiry headed up by Barbara Berman (over one year after the incident) that statements began to waiver with regard to responsibility for approval of the rules of engagement.

In the absence of approved and recognized investigative methods and techniques, A-SAC Mathews managed to take a quantum leap from the factual basis documented in three previous reports to a position of placing the blame for approval of the rules of engagement on SAC Eugene F. Glenn. It should be noted that this remarkable conclusionary quantum leap by A-SAC Mathews was accomplished without the benefit of any additional pertinent interviews of the logical parties who were aware of the rules of engagement approval process.

With regard to then Assistant Director Potts, his signed statement taken on September 24, 1992, (a part of the Shooting Review Report), advised that he jointly prepared the rules of engagement with HRT

Commander Dick Rogers while Rogers was flying from Washington, D.C. to Northern Idaho to carry out his assigned task as HRT Commander on-scene during Ruby Ridge. On Saturday morning, August 22, 1992, HRT Commander Rogers presented SACs Glenn and Gore with the OPS Plan that included the rules of engagement; he advised how these rules had been prepared during the flight from Washington, D.C. to Northern Idaho and that then Assistant Director Potts was involved in the preparation of these rules of engagement and that Potts had approved them. On August 22, 1992, then Assistant Director Potts advised during a telephonic conversation with SAC Glenn that he had approved the rules of engagement, and he articulated his reasons for these adjustments to the Bureau's standard shooting policy. During the ten days of the Ruby Ridge stand-off there were several occasions when SAC Glenn and AD Potts telephonically communicated with one another, and during these conversations they mutually agreed that the rules of engagement should continue to exist. On Wednesday, August 26, 1992, AD Potts approved the FBI returning to the standard shooting policy. This is reflected in the SIOC Log, page 31, item 7, as follows: "7) AD Potts and SAC Glenn agreed effective 1:00 p.m. EDT, 8/26/92, that the rules of engagement have changed and that they are now that we should fire only in accordance with current FBI shooting policy. . . ."

FBIHQ OVERSIGHT OF CRISIS SITUATIONS

During the January 6, 1995, press conference given by Director Freeh concerning discipline of FBI Agents involved in Ruby Ridge, the Director stated that Deputy Assistant Director (DAD) Coulson had not read the rules of engagement. If this, in fact, were true, I do not understand how such a dereliction could be accepted from an individual whose sole purpose for being in SIOC during this crisis was to be in command of FBI operations at Ruby Ridge. It is a long-standing FBI procedure that any time SIOC is in operation, all investigative plans, operations plans, and tactical initiatives are approved by the individual in charge of SIOC. This point can be testified to by any SAC present or former who has ever served during a crisis with SIOC in operation. Additionally, it can be testified to by any local, state, or county law enforcement officer who has worked jointly with the FBI during a crisis incident with SIOC in operation. I have had several local and state officers come forward who will testify that they witnessed this above-described procedure during the Singer-Swapp crisis in Utah in 1988. Additionally, officials of the U.S. Marshal's Service (USMS) were present at Ruby Ridge in 1992 and witnessed the procedure when the operations plan, which on page two contained the rules of engagement, was sent via facsimile to FBI Headquarters on Saturday, August 22, 1992, at 12:15 PM PST, and to the USMS Headquarters simultaneously. At 12:30 PM, PST, the USMS Headquarters responded they had no objections to the operations plan. Bureau approval was not obtained for the operations plan until the negotiation annex was faxed back to FBI Headquarters. At that time DAD Coulson advised he approved the operations plan.

DAD Coulson relieved AD Potts on Saturday, August 22, 1992. It is reasonable to assume that AD Potts fully briefed DAD Coulson regarding the activities surrounding the Ruby Ridge matter, including rules of engagement, prior to turning over command responsibilities to him. I call your attention to the SIOC Log, page 8, time 18:04, which reads as follows: "DAD Coulson sent a facsimile to SAC Glenn re questions regarding the Operations Plan submitted by SAC Salt Lake. 1. No mention is made of Sniper Observer deployment as of 5:30 p.m. EST—(2:30 PST) 2. What intelligence has been gathered from the crisis point? 3. There is no mention of a Negotiation Strategy to secure release of individuals at the crisis point. 4. There is no mention of any attempt to negotiate at all. 5. SAC Salt Lake is requested to consider negotiation strategy and advise FBIHQ. FBIHQ is not prepared to approve the plan as submitted at this time."

FBIHQ ACTIONS ON OPERATIONS PLAN

When DAD Coulson received the operations plan on Saturday, August 22, 1992, he telephonically advised SAC Glenn he could not approve the operations plan because it contained nothing about negotiation strategy. DAD Coulson and SAC Glenn had a lengthy telephone conversation concerning the points 1 through 5 set forth in the previous paragraph. Item 1 which deals with sniper observer deployment was discussed at length. It should be noted there were over 200 members of HRT, FBI SWAT team members, and other tactical and investigative units who were all held in camp and were not deployed, including sniper observers, until after DAD Coulson had received the crisis negotiation annex to the operations plan and at that time the field command was free to move sniper observer teams into forward positions. The sniper log verifies that snipers were in position at 5:07 PM, Pacific Daylight Time (8:07 PM, Eastern Daylight Time), which is after DAD Coulson had approved the operations plan containing the rules of engagement. There is no logic to the assumption that FBI leadership responsible for field command at Ruby Ridge would fax the operations plan containing the rules of engagement to FBI Headquarters and USMS Headquarters (receiving approval from the latter) and then deploy FBI resources prior to receiving approval from SIOC, FBI Headquarters. Is it logical to conclude that the two FBI SACs and the FBI HRT Commander on the scene would have mutually concurred to deploy FBI resources absent prior SIOC approval?

The question must asked how did DAD Coulson avoid reviewing the rules of engagement which are located on page 2 of the Operation Plan inasmuch as he obviously had reviewed the Operations Plan to come up with the questions as set forth in the SIOC Log, supra.

Page 8 of the SIOC Log at 18;30 reads as follows: "SAC Glenn advised DAD Coulson that Portland SWAT team had contact with who they believe was subject approximately ¼ mile 'up canyon' from home. He used profanity and told them to get off property. SAC was reminded of rules of engagement and to treat subject as threat if confronted outside home. SAC is working on negotiation plan."

It is noted that DAD Coulson's reminder to SAC Glenn regarding how to handle Weaver if confronted outside his home is in keeping with the rules of engagement that appeared in the Operations Plan and is not in keeping with the standard Bureau shooting policy.

Additionally, there exist two witnesses—one an individual who had a high-level position in SIOC during the operation who advised it was common knowledge that FBI Headquarters approved the rules of engagement; and the second witness is a Bureau Supervisor who served in SIOC on Saturday with DAD Coulson and overheard him discussing the rules of engagement with Bureau Supervisor Tony Betz.

CONFLICTS ON RULES OF ENGAGEMENT APPROVAL

I am aware that there exist conflicting statements regarding approval of the rules of engagement. Had A-SAC Mathews conducted his administrative review with the ethical standards and integrity normally associated with any FBI Agent, each of the individuals involved (Potts, Coulson, Rogers, Glenn, Gore, and Montgomery) would have been interrogated to resolve any conflicts that appear in their statements regarding rules of engagement. Had interrogation not resolved these conflicts, polygraph examinations should have been mandated as the next logical step. This type of in-depth investigation should have been mandated by A-SAC Mathews prior to any conclusions being drawn concerning who approved the rules of engagement.

DEFICIENCIES ON U.S. ATTORNEY LIAISON CONCLUSIONS

Instead of being interrogated concerning charges placed against me, I was afforded a telephonic "soft" fact-finding chronology-type review interview concerning liaison with the USA's Office in Boise, Idaho. I was never confronted with the allegations made by former U.S. Attorney Maurice Ellsworth and/or others. Individuals I suggested to A-SAC Mathews that should be contacted to provide additional insight regarding liaison problems that existed with the USA's Office in Boise under Ellsworth's leadership were not contacted, and the current U.S. Attorney in Boise and former Acting U.S. Attorney for the District of Idaho were never contacted to verify the current excellent liaison that exists between the FBI and USA's Office in Boise. It should be noted that U.S. Attorney for the District of Idaho Betty Richardson and former Acting U.S. Attorney Pat Malloy of that office wrote unsolicited letters to both Attorney General Janet Reno and FBI Director Louis J. Freeh describing the current high quality of liaison that exists between the FBI and the USA's Office in Idaho. It is important to note that according to the DOJ report leaked to the media concerning the Ruby Ridge matter, the criticism leveled in the DOJ investigation focused on liaison discrepancies by Headquarters Units of the FBI and their interaction with the USA's Office in Boise, Idaho. Yet, the Mathews report turned the responsibility for deficiencies in liaison with the USA's Office in Boise, Idaho, to the Salt Lake City Field Division without conducting logical investigative steps and without advising those to be charged with these derelictions of the specific allegations they would be facing.

DEFICIENCIES IN MATHEWS REPORT

I have not yet been given access to the Mathews Administrative Summary Report; however, I am aware of other areas that were covered within the scope of this inquiry where A-SAC Mathews: (1) failed to develop/gather all evidence regarding liaison between the FBI, Salt Lake City and the USA's Office in Boise; (2) demonstrated unethical conduct by selectively choosing FBI Field Agents for discipline and omitting others involved jointly with those selected for discipline; (3) selectively choosing ASAC Thomas Miller and SAC Michael Kahoe for discipline regarding the Shooting Review Report for "inaccurately and incompletely analyzing the report" while omitting discipline of others who had to have reviewed the report (then Chief Inspector of the Inspection Division, then Assistant Director of the Inspection Division, then Deputy Assistant Director Danny Coulson, CID; then Assistant

Director Larry Potts, CID), all of whom had to have read, analyzed, and approved this Shooting Report prior to it being sent to then Deputy Director Doug Gow; (4) and finally, other FBI Agents were interviewed by A-SAC Mathews and were subsequently censured, yet were not advised they were the subjects of an administrative inquiry nor were they given the standard waiver form to sign (FD-645).

A-SAC Mathews, a close associate of then DAD Danny Coulson, served as Coulson's ASAC in the Portland Office of the FBI when Coulson was SAC from August 24, 1988, to December 29, 1991. The only logical conclusion that can be drawn to explain the deception and lack of completeness in this investigation is that A-SAC Mathews' relationship with Coulson caused him to avoid the development of the necessary facts, and caused him to cover up facts germane to the central issues. It is beyond conceivability that any FBI Agent with 25 years of experience could have inadvertently presented such an incomplete, inaccurate document as the Administrative Summary Report prepared by A-SAC Mathews. Had A-SAC Mathews demonstrated the ethical standards normally associated with someone in the FBI of his position, he would have recused himself from this assignment because of an obvious conflict of interest.

STATUS OF PROPOSED DISCIPLINARY ACTION

More than 115 days have passed since I was publicly castigated by Director Freeh during his infamous January 6, 1995, national press conference. To date I have not been given copies of the Administrative Summary Report prepared by A-SAC Mathews, the Department of Justice Report concerning Ruby Ridge prepared in 1994 by Barbara Berman (leaked to the media in February, 1995), the FBI report concerning the Ruby Ridge matter prepared by then Inspector Robert E. Walsh in 1994 (which report parallels the Berman report but presents findings that differ), and other internal documents I have gone on record requesting under the provisions of FOIPA.

Since January 6, 1995, the FBI in concert with the DOJ has moved forward to have affirmed the correctness of the discipline handed out to then Assistant Director Potts, and on May 2, 1995, finalized his promotion to Deputy Director of the FBI.

This action was taken while my appeal sits unaddressed in the office of Deputy Attorney General Jamie Gorelick. The DOJ, aware that there are unresolved issues concerning responsibility for authorization of the rules of engagement at Ruby Ridge, chose to ignore the opportunity to hear from SAC Glenn and instead took a course of action which further exasperates an already flawed Administrative Review Process.

CONCLUSION

I request that a thorough OPR inquiry be initiated. There are numerous administrative guidelines and procedures that have been violated, and it is conceivable that federal statutes have been violated. The lack of professionalism demonstrated in the handling of the Administrative Summary Report in connection with the Ruby Ridge matter casts a dark cloud over the integrity of the FBI and the DOJ.

I would welcome the opportunity to be interrogated regarding this matter, and would likewise welcome the opportunity to submit to a polygraph examination afforded to me by a professional, nationally-recognized operator with a total independent bearing in this matter.

This letter has not been referred directly to OPR, Inspection Division, FBI Headquarters, since it would create a conflict of interest for Assistant Director Gore, who was present and intricately involved in discussions involving the Operations Plan (including rules of engagement) utilized during the Ruby Ridge crisis in Idaho.

Respectfully yours,

EUGENE F. GLENN,
Special Agent in Charge,
Salt Lake City Division.

EXHIBIT 2

REPORT AND RECOMMENDATIONS CONCERNING THE HANDLING OF INCIDENTS SUCH AS THE BRANCH DAVIDIAN STANDOFF IN WACO, TX

(Submitted to Deputy Attorney General Philip Heymann, by Panelist Alan A. Stone, M.D., Touroff-Glueck Professor of Psychiatry and Law, Faculty of Law and Faculty of Medicine, Harvard University, November 10, 1993)

I. PREAMBLE

The Justice Department's official investigation published on October 8th together with other information made available to the panelists present convincing evidence that David Koresh ordered his followers to set the fire in which they perished. However, neither the official investigation nor the Dennis evaluation has provided a clear and probing account of the FBI tactics during the stand-off and their possible relationship to the tragic outcome at Waco. This report therefore contains an account based on my own further review and interpretation of the facts.

I have concluded that the FBI command failed to give adequate consideration to their own behavioral science and negotiation experts. They also failed to make use of the Agency's own prior successful experience in similar circumstances. They embarked on a misguided and punishing law enforcement strategy that contributed to the tragic ending at Waco.

As a physician, I have concluded that there are serious unanswered questions about the basis for the decision to deploy toxic C.S. gas in a closed space where there were 25 children, many of them toddlers and infants.

This report makes several recommendations, first among them is that further inquiry will be necessary to resolve the many unanswered questions. Even with that major caveat, I believe the Deputy Attorney General's suggestions for forward looking changes are excellent and endorse them. This report makes further specific recommendations for change building on his proposal.

II. INTRODUCTION

A: Explanation for the delay in the submission of this report

This past summer, the Justice and Treasury Departments appointed a group of panelists, each of whom was to prepare a forward-looking report suggesting possible changes in federal law enforcement in light of Waco. For reasons set forth below, I decided that before submitting a report based on my particular professional expertise, it was necessary to have a complete understanding of the factual investigation by the Justice Department. Having now had the opportunity to read and study that report and the Dennis Evaluation, I concluded that I did not yet have the kind of clear and probing view of events that is a necessary prerequisite for making suggestions for constructive change. Deputy Attorney General (DAG) Philip Heymann therefore made it possible for me to pursue every further question I had with those directly responsible for the Justice Department's factual investigation and with the FBI agents whose participation at Waco was relevant to my inquiry. Their cooperation allowed me to obtain the information necessary for this report.

The Justice Department has sifted through a mountain of information, some of which, in accordance with Federal Statute, can not be publicly revealed. This evidence overwhelmingly proves that David Koresh and the Branch Davidians set the fire and killed themselves in the conflagration at Waco, which fulfilled their apocalyptic prophecy. This report does not question that conclusion; instead, my concern as a member of the Behavioral Science Panel is whether the FBI strategy pursued at Waco in some way contributed to the tragedy which resulted in the death of twenty-five innocent children along with the adults. The Justice Department Investigation and the Dennis Evaluation seem to agree with the FBI commander on the ground, who is convinced that nothing the FBI did or could have done would have changed the outcome. That is not my impression.

I therefore decided it was necessary to include in this report my own account of the events I considered critical. I have attempted to confirm every factual assertion of this account with the FBI or the Justice Department. Although, in my discussions with the Justice Department, I encountered a certain skepticism about what I shall report here, I was quite reassured by interviews with the FBI's behavioral scientists and negotiators, who confirmed some of my impressions and encouraged my efforts. Because they share my belief that mistakes were made, they expressed their determination to have the truth come out, regardless of the consequences. I hope that this report will bolster the FBI and its new Director's efforts to conduct their forthcoming review of Waco, which has not yet begun. I also hope that my report and suggestions for change will in some measure enable the FBI to work more effectively with the Justice Department, the Attorney General, and other law enforcement agencies.

B. Mandate to the panel as I understood it

The mandate to the panelists was "to assist in addressing issues that Federal Law Enforcement confronts in barricade/hostage situations such as the stand-off that occurred near Waco, Texas. . . ." Specifically, my sub-group (Ammerman, Cancro, Stone, Sullivan) was directed to explore: "Dealing with persons whose motivations and thought processes are unconventional. How should law enforcement agencies deal with persons or groups which thought processes or motivations depart substantially from ordinary familiar behavior in barricade situations such as Waco? How should the motivations of the persons affect the law enforcement response? What assistance can be provided by experts in such fields as psychology, psychiatry, sociology, and theology?"[1]

These seemed to be two premises in this request by the Deputy Attorney General (DAG). The first premise was that Waco had been a tragic event, so it was important for the agencies and the people involved to examine the evidence, evaluate their actions, and initiate change based on those conclusions. Second, although there were questions about the psychiatric status of David Koresh, the DAG's use of the term, "unconventional," indicated that we were also broadly to consider groups with "belief systems" that might cause them to think and behave differently than ordinary criminals and therefore to be more difficult for law enforcement to deal with and understand. As I understood it, the Branch Davidians' religious beliefs were considered unconventional," which was not intended to be a pejorative term, but rather a descriptive one. The panelists were also told that there was concern among federal law enforcement officials that more such "unconventional" groups might, in the near future, pose problems for which law enforcement's standard operating procedures might not be suitable.

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[1] Memorandum of June 25, 1993.

Given this important responsibility and the fact that we were asked to make recommendations "[c]oncerning the handling of incidents *such as the Branch Davidian Stand-off in Waco, Texas*" (emphasis added), I felt unprepared to go forward without a thorough grasp of the events and decisions that led to the tragedy. However, the Justice Department was still in the preliminary stage of their own fact-gathering investigation at our panel briefings in early July. Hoping to convey the particular issues of concern to me, I prepared a preliminary report based on the initial briefings. Since the factual information I wanted and needed was still being gathered by the Justice Department, I did not attend the subsequent special briefings arranged for the panel at Quantico, Virginia. Because of my reticence to furnish a report based on incomplete information, the DAG and I resolved that I would submit my report subsequent to the completion of the Justice Department's factual inquiry. I have now had the opportunity to review the following documents:

1. Report of the Department of the Treasury on the Bureau of Alcohol, Tobacco, and Firearms. Investigation of Vernon Wayne Howell Also Known As David Koresh, September, 1993;

2. Report to the Deputy Attorney General on the Events at Waco, Texas, February 28 to April 19, 1993 (Redacted Version), October 8, 1993;

3. Edward S.G. Dennis, Jr., Evaluation of the Handling of the Branch Davidian Standoff in Waco, Texas, February 28 to April 19, 1993 (Redacted version), October 8, 1993;

4. Deputy Attorney General Philip B. Heymann, Lessons of Waco: Proposed Changes in Federal Law Enforcement October 8, 1993;

5. Recommendations of Experts for Improvements in Federal Law Enforcement After Waco.

As previously mentioned, the Justice Department and the FBI have answered my further questions, supplied me with documents, and helped me explore issues of greatest relevance to my inquiry.

III. ACCOUNT OF THE EVENTS AT WACO

The FBI replaced the BATF at the Branch Davidian compound on the evening of February 28 and the morning of March 1. There had been casualties on both sides during the BATF's attempted dynamic entry. David Koresh, the leader of the Branch Davidians, had been shot through the hip, and the situation was in flux. It would become, as we have been told, the longest stand-off in law enforcement history. The FBI, with agents in place who were trained for rapid intervention, was locked into a prolonged siege. The perimeter was difficult to control, the conditions were extreme, and the stress was intense. Furthermore, the FBI's people had inherited a disaster that was not of their own making. "Under the circumstances, the FBI exhibited extraordinary restraint and handled this crisis with great professionalism" the Dennis Evaluation concludes. While this may be true from the perspective of experts in law enforcement, it does not contribute to establishing a clear explanation of what happened at Waco from a psychiatric and behavioral science perspective. The commander on the ground believes that the FBI's actions had no impact on David Koresh. He and others who share his opinion will likely disagree with the account that follows, which is the product of my own current understanding of the events.

Phase I

During the first phase of the FBI's engagement at Waco, a period of a few days, the agents on the ground proceeded with a strategy of conciliatory negotiation, which had the approval and understanding of the entire chain of command. They also took measures to ensure their own safety and to secure the perimeter. In the view of the negotiating team, considerable progress was made—for example, some adults and children came out of the compound; but David Koresh and the Branch Davidians made many promises to the negotiators they did not keep. Pushed by the tactical leader, the commander on the ground began to allow tactical pressures to be placed on the compound in addition to negotiation; e.g., turning off the electricity, so that those in the compound would be as cold as the agents outside during the twenty-degree night.

Phase II

As documented in the published reports and memoranda, this tactical pressure began at the operational level over the objections of the FBI's own experts in negotiation and behavioral science, who specifically advised against it. These experts warned the FBI command about the potentially fatal consequences of such measures in dealing with an "unconventional" group. Their advice is documented in memoranda. Nonetheless tactical pressure was added. Without a clear command decision, what evolved was a carrot-and-stick, "mixed-message" strategy. This happened without outside consultation and without taking into account that the FBI was dealing with an "unconventional" group.

Although this carrot-and-stick approach is presented in the factual investigation as though it were standard operating procedure for law enforcement and accepted by the entire chain of command, it was instead, apparently, the result of poor coordination and management in the field. Negotiators and tactical units were at times operating independently in an uncoordinated and counterproductive fashion.

Phase III

During the third phase of the stand-off, the FBI took a more aggressive approach to negotiation and, when that failed, gave up on the process of negotiation, except as a means of maintaining communication with the compound. By March 21, the FBI was concentrating on tactical pressure alone: first, by using all-out psycho-physiological warfare intended to stress and intimidate the Branch Davidians; and second, by "tightening the noose" with a circle of armored vehicles. The FBI considered these efforts a success because no shots were fired at them by the Branch Davidians.

This changing strategy at the compound from (1) conciliatory negotiating to (2) negotiation and tactical pressure and then to (3) tactical pressure alone, evolved over the objections of the FBI's own experts and without clear understanding up the chain of command. When the fourth and ultimate strategy, the insertion of C.S. gas, was presented to Attorney General Reno, the FBI had abandoned any serious effort to reach a negotiated solution and was well along in its strategy of all-out tactical pressure, thereby leaving little choice as to how to end the Waco stand-off. It is unclear from the reports whether the FBI ever explained to the AG that the agency had rejected the advice of their own experts in behavioral science and negotiation, or whether the AG was told that FBI negotiators believed they could get more people out of the compound by negotiation. By the time the AG made her decision, the noose was closed and, as one agent told me, the FBI believed they had "three options—gas, gas, and gas."

This account of the FBI's approach at Waco may not be correct in every detail. It is certainly oversimplified, but it has been confirmed in its general outline by FBI behavioral scientists and negotiators who were participants at Waco. This account with their assistance brings into focus for me the critical issues about law enforcement response to persons and a group whose beliefs, motivations, and behavior are unconventional.

IV. ANALYSIS

A. The FBI's behavioral science capacity

1. FBI Expertise in Dealing With Persons Whose Motivations and Thought Processes Are Unconventional

The evidence now available to me indicates that, contrary to my previous understanding and that of the other panelists, the FBI's Investigative Support Unit and trained negotiators possessed the psychological/behavioral science expertise they needed to deal with David Koresh and an unconventional group like the Branch Davidians. The FBI has excellent in-house behavioral science capacity and also consulted with reputable experts outside the agency. Panelists may have been misled, as I was, by FBI officials at the original briefings who conveyed the impression that they considered David Koresh a typical criminal mentality and dealt with him as such. They also conveyed the impression that they believed his followers were dupes and he had "conned" them. Based on reports and interviews, the FBI's behavioral science experts who were actually on the scene at Waco had an excellent understanding of Koresh's psychology and appreciated the group's intense religious convictions.

My preliminary report of August 3 emphasized at some length those aspects of David Koresh's clinical history and psychopathology that contradicted the simplistic and misleading impression given at the first briefings. Much more information has been made available about his mental condition, his behavioral abnormalities, his sexual activities, and his responses under stress. All of this evidence is incompatible with the notion that Koresh can be understood and should have been dealt with as a conventional criminal type with an antisocial personality disorder. However, the evidence available does not lead directly to some other clear and obvious psychiatric diagnosis used by contemporary psychiatry. Nonetheless, based on the FBI's in-house behavioral science memoranda and other information from outside consultants, I believe the FBI behavioral science experts had worked out a good psychological understanding of Koresh's psychopathology. They knew it would be a mistake to deal with him as though he were a con-man pretending to religious beliefs so that he could exploit his followers.

This is not to suggest that David Koresh did not dominate and exploit other people.

He was able to convince husbands and wives among his followers that only he should have sex with the women and propagate children. He convinced parents on the same religious grounds to permit him to have sex with their young teen-age daughters. He studied, memorized, and was preoccupied with Biblical texts and made much better educated people believe that he had an enlightened understanding of scripture and that he was the Lamb of God. His followers took David Koresch's teachings as their faith. He exacted strict discipline from adults and children alike while indulging himself.

Whatever else all this adds up to, it and other information clearly demonstrate as a psychological matter that Koresh had an absolute need for control and domination of his followers that amounted to a mania. He also had the ability to control them. The intensity and depth of his ability and need to control is attested to by everyone in the FBI who dealt with him, from negotiators and behavioral scientists to tactical agents and the commander on the ground.

Unfortunately, those responsible for ultimate decision-making at Waco did not listen to those who understood the meaning and psychological significance of David Koresh's "mania." Instead they tried to show him who was the "boss."

What went wrong at Waco was not that the FBI lacked expertise in behavioral science or in the understanding of unconventional religious groups. Rather the commander on the ground and others committed to tactical-aggressive, traditional law enforcement practices disregarded those experts and tried to asset control and demonstrate to Koresh that they were in charge. There is nothing surprising or esoteric in this explanation, nor does it arise only from the clear wisdom of hindsight. As detailed below, the FBI's own experts recognized and predicted in memoranda that there was the risk that the active aggressive law enforcement mentality of the FBI—the so-called "action imperative" would prevail in the face of frustration and delay. They warned that, in these circumstances, there might be tragic consequences from the FBI's "action imperative," and they were correct.

2. Evaluating the Risks of Mass Suicide

As I have previously stated, there is, to my mind, unequivocal evidence in the report and briefings that the Branch Davidians set the compound on fire themselves and ended their lives on David Koresh's order. However, I am also now convinced that the FBI's noose-tightening tactics may well have precipitated Koresh's decision to commit himself and his followers to this course of mass suicide.

The official reports have shied away from directly confronting and examining the possible causal relationship between the FBI's pressure tactics and David Koresh's order to the Branch Davidians. I believe that this omission is critical because, if that tactical strategy increased the likelihood of the conflagration in which twenty-five innocent children died, then that must be a matter of utmost concern for the future management of such stand-offs.

Based on the available evidence and my own professional expertise, I believe that the responsible FBI decision makers did not adequately or correctly evaluate the risk of mass suicide. The Dennis Evaluation's executive summary concludes that "the risk of suicide was taken into account during the negotiations and in the development of the gas plan." It is unclear what "taken into account" means. The questions that now need to be explored are: how was the risk of suicide taken into account, and how did the FBI assess the impact of their show of-force pressure tactics on that risk?

Gambling with death

There is a criminology, behavioral science, and psychiatric literature on the subject of murder followed by suicide, which indicates that these behaviors and the mental states that motivate them have very important and complicated links. Family violence often takes the form of murder followed by suicide. Multiple killers motivated by paranoid ideas often provoke law enforcement at the scene to kill them and often commit suicide. Even more important is what has been called "the gamble with death." Inner-city youths often provoke a shoot-out, "gambling" with death (suicide) by provoking police into killing them. The FBI's behavioral science unit, aware of this literature, realized that Koresh and his followers were in a desperate kill-or-be-killed mode. They were also well aware of the significance and meaning of the Branch Davidians' apocalyptic faith. They understood that David Koresh interpreted law enforcement attacks as related to the prophesied apocalyptic ending.

In moving to the show of force tactical strategy, the FBI's critical assumption, was that David Koresh and the Branch Davidians, like ordinary persons, would respond to pressure in the form of a closing circle of armed vehicles and conclude that survival was in their self-interest, and surrender. This ill-fated assumption runs contrary to all of the relevant behavioral science and psychiatric literature and the understanding it offered of Koresh and the Branch Davidians.

Furthermore, there was direct empirical evidence supporting the assumption that the Branch Davidians, because of their own unconventional beliefs, were in the "gamble with death" mode. The direct evidence for this was their response to the ATF's misguided assault. They engaged in a desperate shootout with federal law enforcement, which resulted in deaths and casualties on both sides. The AFT claims gunfire came from forty different locations. If true, this means that at least forty Branch Davidians were willing to shoot at federal agents and kill or be killed as martyr-suicide victims defending their "faith." The idea that people with those beliefs expecting the apocalypse would submit to tactical pressure is a conclusion that flies in the face of their past behavior in the ATF crisis. Past behavior is generally considered the best predictor of future behavior.

Willing to kill but not cold-blooded killers

The BATF investigation reports that the so-called "dynamic entry" turned into what is described as being "ambushed". As I tried to get a sense of the state of mind and behavior of the people in the compound the idea that the Branch Davidians' actions were considered an "ambush" troubled me. If they were militants determined to ambush and kill as many AFT agents as possible, it seemed to me that given their firepower, the devastation would have been even worse. The agents were in a very vulnerable position from the moment they arrived. Yet, as ordered, they tried to gain entry into the compound in the face of the hail of fire. Although there is disagreement, a senior FBI tactical person and other experts confirmed my impression of this matter. The ATF agents brought to the compound in cattle cars could have been cattle going to slaughter if the Branch Davidians had taken full advantage of their tactical superiority. They apparently did not maximize the kill of ATF agents. This comports with all of the state-of-mind evidence and suggests that the Branch Davidians were not determined, cold-blooded killers; rather, they were desperate religious fanatics expecting an apocalyptic ending, in which they were destined to die defending their sacred ground and destined to achieve salvation.

The tactical arm of federal law enforcement may conventionally think of the other side as a band of criminals or as a military force or, generically, as the aggressor. But the Branch Davidians were an unconventional group in an exalted, disturbed, and desperate state of mind. They were devoted to David Koresh as the Lamb of God. They were willing to die defending themselves in an apocalyptic ending and, in the alternative, to kill themselves and their children. However, these were neither psychiatrically depressed, suicidal people nor cold-blooded killers. They were ready to risk death as a test of their faith. The psychology of such behavior-together with its religious significance for the Branch Davidians was mistakenly evaluated if, not simply ignored, by those responsible for the FBI strategy of "tightening the noose." The overwhelming show of force was not working in the way the tacticians supposed. It did not provoke the Branch Davidians to surrender, but it may have provoked David Koresh to order the mass-suicide. That, at least, is my considered opinion.

The factual investigation reports in detail the many time negotiators asked Koresh and others in the compound whether they planned suicide. Also documented are Koresh's assurances that they would not kill themselves. Such questions and answers are certainly important from a psychiatric perspective in evaluating a patient's suicidal tendency. But the significance of such communication depends on the context, the relationship established, and the state of mind of the person being interviewed. The FBI had no basis for relying on David Koresh's answers to these questions. Furthermore, his responses provided no guidance to the more pertinent question?—'What will you do if we tighten the noose around the compound in a show of overwhelming power, and using CS gas, force you to come out?'

The psychology of control

The most salient feature of David Koresh's psychology was his need for control. Every meaningful glimpse of his personality and of day-to-day life in the compound demonstrates his control and domination. The tactic of tightening-the-noose around the compound was intended to convey to David Koresh the realization that he was losing control of his "territory," and that the FBI was taking control. The FBI apparently assumed that this tactic and the war of stress would establish that they were in control but would not convey hostile intent. They themselves truly believed these tactics were "not an assault," and because the Davidians failed to respond with gunfire, the FBI considered their tactics effective and appropriate. The commander on the ground now acknowledges that they never really gained control of David Koresh. But, in fact, my analysis is that they pushed him to the ultimate act of control—destruction of himself and his group.

The FBI's tactics were ill considered in light of David Koresh's psychology and the group psychology of the people in the compound. The FBI was dealing with a religious group, with shared and reinforced beliefs and a charismatic leader. If one takes seriously the psychological syndrome of murder/suicide gamble with death and the group's unconventional belief system in the Seven Seals and the apocalypse, then you may conclude, as I have, that the FBI's control tactics convinced David Koresh that, in this situation, he was becoming hopeless and helpless—that he was losing control. In his desperate state of mind, he chose death rather than submission. When the FBI thought they were at last taking control, they had in fact totally lost control of the stand-off.

3. The Waco Tactics in Light of the Group Psychology of the FBI

If this had been a military operation, the Waco conclusion would have been a victory. The enemy was destroyed without a single loss of life for the FBI. This situation, however, was not a military operation. The question is; did a "military" mentality overtake the FBI? We were told that the FBI considers a conflict which results in any casualties on either side a failure. The law enforcement experts on the panel agreed.

There is little doubt that the FBI inherited a terrible situation. Federal agents had been killed and wounded, and there were killed and wounded Branch Davidians in and around the compound. The FBI knew that they were in a dangerous situation, and that they confronted a group of religious fanatics who were willing to kill or be killed. The FBI's initial decision to mount a stand-off and negotiate was a remarkable exhibition of restraint under the circumstances. In retrospect, tactical units will wonder whether an immediate full-scale dynamic entry by an overwhelming force would have produced less loss of life.

The FBI stand-off, we were repeatedly told, was the longest in law enforcement history. The costs in money and manpower were mounting and, Waco had the media impact of the Iran Hostage taking as the days mounted. The FBI was under enormous pressure to do something. Given what I believe the FBI's group psychology to have been, the desultory strategy of simultaneous negotiation and tactical pressure was enacted as a compromise between doing nothing (passivity) and military assault (the action imperative). The appeal of any tactical initiative to an entrenched, stressed FBI must have been overwhelming. It may have better suited their group psychology than the group psychology of the unconventional people in the compound they wanted to affect. Given the escalating pressure to act, the final tightening-the-noose" and C.S. gas strategy must have seemed to the tacticians a reasonable compromise between doing nothing and overreacting.

This analysis of the FBI's group psychology is not intended as a matter of placing blame. If it is accurate, it at least points to what might be done differently in the future. The FBI should not be pushed by their group psychology into misguided *ad hoc* decision making the next time around.

B. Failure To Use Behavioral Science Capacity

1. Failure of coordination between tactical and negotiating arms of the FBI

Throughout the official factual investigation, there are references to the failure of communication between the tactical and negotiation arms of the FBI. The commander on the ground thinks that the official investigation and evaluation exaggerate the extent and significance of that failure. I disagree. The situation can only be fully appreciated by a thoroughgoing review of the documents. Consider the Memo of 3/5/93 from Special Agents Peter Smerick and Mark Young on the subject, "Negotiation Strategy and Considerations." The memorandum not only defines the basic law enforcement priorities at Waco in the identical fashion as the after-the-fact panel of law enforcement experts, also anticipates most of the panel's own behavioral science expertise and retrospective wisdom. Agents Smerick and Young were not Monday morning quarterbacks as we panelists are; they were members of the F.B.I. team on the field of play. The basic premise of their overall strategy was:

1. Insure safety of *children* [emphasis in original], who are truly victims in this situation.

2. Facilitate the peaceful surrender of David Koresh and his followers.

The agents went on to emphasize that the strategy of negotiations, coupled with ever-increasing tactical presence was inapplicable. They wrote, "In this situation, however, it is believed this strategy, if carried to excess, could eventually be counter-productive and could result in loss of life." p. 2, Memo of 3/5/93. The agents also were fully aware that Koresh's followers believed in his teachings and would "die for his cause." They were fully aware, therefore, of the religious significance of the Branch Davidians' conduct and attitudes and were sensitive to all of the concerns emphasized by the religious experts on the panel in their reports. They suggested that the F.B.I. should consider "offering to pull back, *only* if they release more children" (emphasis in original). The agents further recommended that, "since these people fear law enforcement, offer them the opportunity of surrendering to a neutral party of their choosing accompanied by appropriate law enforcement personnel."

These agents recognized that although some in the F.B.I. might believe the Davidians were "bizarre and cult-like," the followers of Koresh "will fight back to the death, to defend their property [described elsewhere by the agents as sacred ground, the equivalent of a cathedral to Catholics, etc.] and their *faith*" (emphasis added). Memo of Smerick and Young 3/7/93.

My reading of these memos indicates that these agents had placed the safety of the children first, exactly as did AG Reno. They recognized that it was not a traditional hostage situation, as the British law enforcement expert on the panel, C.E. Birt, repeatedly emphasized during our briefings of July 1 and 2, when he found it necessary to correct the misrepresentation of the briefer. They warned against the carrot-and-stick approach, which was employed and has been criticized by several of the panelists in their reports. Professor Cancro speaks of it as a "double bind," a term used by behavioral scientists to describe a mixed message for which their is no correct response and which, as a result, creates anxiety and agitation in the recipient of the message.

The factual investigation does not explain how or why these expert opinions of behavioral scientists and negotiations within the FBI were overridden. The Justice Department emphasized that these same agents whose views I have described gave quite contradictory views the very next day. When I asked whether the Justice Department's fact-finders had questioned these agents as to why they had changed their views, no adequate answer was given. I therefore pursued that inquiry with the agent who authored the two reports. He made it quite clear that the contradictory suggestions were offered only in response to an expression of dissatisfaction with the previous recommendations. Although the commander on the ground and the official investigation disagree with my view, I have concluded that decision-making at Waco failed to give due regard to the FBI experts who had the proper understanding of how to deal with an unconventional group like the Branch Davidians.

2. Was tactical strategy appropriate with so many children in the compound?

The pressure strategy as we now know it consisted of shutting off the compound's electricity, putting search lights on the compound all night, playing constant loud noise (including Tibetan prayer chants, the screaming sounds of rabbits being slaughtered, etc.), tightening the perimeter into a smaller and smaller circle in an overwhelming show of advancing armored force, and using CS gas. The constant stress overload is intended to lead to sleep-deprivation and psychological disorientation. In predisposed individuals the combination of physiological disruption and psychological stress can also lead to mood disturbances, transient hallucinations and paranoid ideation. If the constant noise exceeds 105 decibels, it can produce nerve deafness in children as well as in adults. Presumably, the tactical intent was to cause disruption and emotional chaos within the compound. The FBI hoped to break Koresh's hold over his followers. However, it may have solidified this unconventional group's unity in their common misery, a phenomenon familiar to victimology and group psychology.

When asked, the Justice Department was unaware whether the FBI had even questioned whether these intentional stresses would be particularly harmful to the many infants and children in the compound. Apparently, no one asked whether such deleterious measures were appropriate, either as a matter of law enforcement ethics or as a matter of morality, when innocent children were involved. This is not to suggest that the FBI decisionmakers were cold-blooded tacticians who took no account of the children; in fact, there are repeated examples showing the concern of the agents, including the commander on the ground. Nevertheless, my opinion is that regardless of their apparent concern the FBI agents did not adequately consider the effects of these tactical actions on the children.

3. The plan to insert CS gas

During U.S. military training, trainees are required to wear a gas mask when entering a tent containing CS gas. They then remove the mask and, after a few seconds in that atmosphere, are allowed to leave. I can testify from personal experience to the power of C.S. gas to quickly inflame eyes, nose, and throat; to produce choking, chest pain, gagging, and nausea in healthy adult males. It is difficult to believe that the U.S. Government would deliberately plan to expose twenty-five children, most of them infants and toddlers, to C.S. gas for forty-eight hours. Although it is not discussed in the published reports, I have been told that the FBI believed that the Branch Davidians had gas masks and that this was one of the reasons for the plan of prolonged exposure. I have also been told that there was some protection available to the children, i.e., covering places where the seal is incomplete with cold wet towels can adapt gas masks for children and perhaps for toddlers though not for infants. The official reports are silent about these issues and do not reveal what the FBI told the AG about this matter, and whether she knew there might be unprotected children and infants in the compound.

The written information about the effects of C.S. gas which was presented to the AG has been shared with the panelists. We do not know whether she had time to read it. Based on my own medical knowledge and review of the scientific literature, the information supplied to the AG seems to minimize the potential harmful consequences for infants and children.

Scientific literature on C.S. gas is, however, surprisingly limited. In the sixties, the British Home Office, commissioned the Himsworth Report, after complaints about the use of C.S. gas by British troops in Londonderry, Ireland. The report is said by its critics to understate the medical consequences. The published animal research on which the report is based acknowledged that at very high exposure, which the authors deemed unlikely, lethal effects were produced. The researchers assumed (as did the Himsworth report) that C.S. gas would be used primarily in open spaces, to disperse crowds, and not in closed areas.

The AG's information emphasized the British experience and understated the potential health consequences in closed spaces. The AG also had a consultation with a physician; but the exact content of that discussion has not been reported, and the available summary is uninformative. The FBI commander on the ground assures me that the agency has detailed, ongoing expertise on C.S. gas and its medical consequences. If so, no such FBI information was supplied in the written material to the AG or subsequently to this panelist.

Based on my review, the American scientific literature on the toxic effects of C.S. gas on adults and children is also limited. Of course, there has been no deliberate experimentation on infants. The Journal of the American Medical Association published two articles in recent years in which physicians expressed concern about the use of C.S. gas on civilians, including children in South Korea and Israel. Anecdotal reports of the serious consequences of tear gas, however, approved as early as 1956. Case reports indicate that prolonged exposure to tear gas in closed quarters causes chemical pneumonia and lethal pulmonary edema. (Gonzalez, T.A., et al, Legal Medicine Pathology and Toxicology East Norwalk, Conn: Appleton Century Crofts, 1957). According to a 1978 report, a disturbed adult died after only a half-hour exposure to C.S. gas in closed quarters. Chapman, A.J. and White C. "Case Report: Death Resulting from Lacrimatory Agents," J. Forensic Sci., 23 (1978): 527–30) The clinical pathology found at autopsy in these cases is exactly what common medical understanding and ordinary pulmonary physiology predicts would follow prolonged exposure in closed quarters.

The potential effects of C.S. gas are easily explained. C.S. gas causes among other things, irritation and inflammation of mucus membrane. The lung is a sac full of membranes. The inhalation of C.S. gas would eventually cause inflammation, and fluid would move across the membranes and collect in the alveoli, the tiny air sacs in the lungs that are necessary for breathing. The result is like pneumonia and can be lethal. Animal studies are available to confirm that C.S. gas has this effect on lung tissue. Ballantyne, B. and Callaway, S., "Inhalation toxicology and pathology of animals exposed to omicron-chlorobenzylidene malonitrile (CS)," Med. Sci. Law, 12 (1972): 43–65. The Special Communication published in J.A.M.A. 220 (1993): 616–20 by Physicians for Human Rights reported that its teams, investigating the use of C.S. gas in South Korea and Panama, found "skin burns, eye injuries and exacerbations of underlying heart and lung disease . . . on civilians at sites far removed from crowd gatherings." Dermatologists have reported blistering rashes on skin exposed to self-defense sprays, which use the same C.S. gas. Parneix-Spake, A. *et al*, "Severe Cutaneous Reactions to Self-Defense Sprays, Arch. Dermatol 129 (1993): 913.

The medical literature does contain a clinical case history of a situation that closely approximates the expected Waco conditions. Park, S. and Giammona, S.T.m, "Toxic Effects of Tear Gas on an Infant Following Prolonged Exposure," Amer. J. Dis. Child 123,3 (1972). A normal four month-old infant male was in a house into which police officers, in order to subdue a disturbed adult, fired canisters of C.S. gas. The unprotected child's exposure lasted two to three hours. Thereafter, he was immediately taken to an emergency room. His symptoms during the first twenty-four hours were upper respiratory; but, within forty-eight hours his face showed evidence of first degree burns, and he was in severe respiratory distress typical of chemical pneumonia. The infant had cyanosis, required urgent positive pressure pulmonary care, and was hospitalized for twenty-eight days. Other signs of toxicity appeared, including an enlarged liver. The infant's delayed onset of serious, life-threatening symptoms parallels the experience of animal studies done by Ballantyne and Calloway for the Hinsworth Report. The infant's reactions reported in this case history were of a vastly different dimension than the information given the AG suggested.

Of course, most people without gas masks would be driven by their instinct for survival from a C.S. gas-filled structure. But infants cannot run or even walk out of such an environment; and young children (many were toddlers) may be frightened or disoriented by this traumatic experience. The C.S. gas tactics, planned by the FBI, and approved by the AG, would seem to give parents no choice. If they wanted to spare their inadequately protected children the intense and immediate suffering expectably caused by the C.S. gas, they would have had to take them out of the compound. Ironically, while the most compelling factor used to justify the Waco plan was the safety of the children, the insertion of the C.S. gas, in my opinion, actually threatened the safety of the children.

The Justice Department has informed me that because of the high winds at Waco, the C.S. gas was dispersed; they believe it played no part in the death by suffocation, revealed at autopsy, of most of the infants, toddlers, and children. The commander on the ground, however, is of the opinion that the C.S. gas did have some effect, because the wind did not begin to blow strongly until two hours after he ordered the operations to begin. As yet, there has been no report as to whether the children whose bodies were found in the bunker were equipped with gas masks. Whatever the actual effects may have been, I find it hard to accept a deliberate plan to insert C.S. gas for forty-eight hours in a building with so many children. It certainly makes it more difficult to believe that the health and safety of the children was our primary concern.

The commander on the ground has informed me that careful consideration was given to the safety of the children, and that the initial plan was to direct the gas at an area of the compound not occupied by them. We will never know whether that plan would have worked: the Branch Davidians began to shoot at the tank like vehicles inserting the gas canisters, and C.S. gas was then directed at all parts of the compound, as previously decided in a fall back plan recommended by military advisers.

V. RECOMMENDATIONS

A. The Deputy Attorney General's formulation and recommendations

The DAG has, in his overview, outlined the critical elements to be considered in dealing with a situation like Waco in the future. This is an excellent formulation. Based on what I have learned and what I have described above, I strongly endorse his formulation and the recommendations which follow. However, unlike the other panelists in my group, I am impressed that the FBI has adequate in-house expertise to deal with unconventional groups like the Branch Davidians. Furthermore, it seems clear that at Waco, the FBI was suffering from information overload, if from anything. Thus, I believe that the crisis management capacity (see DAG recommendations) and what I would describe as information management have to be the particular focus for future change.

B. Recommendations of this panelist

1. Further investigation is necessary

One might think that the highest priority after a tragedy like Waco would be for everyone involved to consider what went wrong and what would they now do differently. I must confess that it has been a frustrating and disappointing experience to discover that the Justice Department's investigation has produced so little in this regard. The investigators have assured me that everyone involved was asked these questions and that few useful responses were given. An undercurrent of opinion holds that everything depends and will depend in the future on the commander on the ground. SAC Jamar, the commander on the ground, knows that he is on the spot and that there are those who point to his position as the weak link at Waco. When I asked him what went wrong and what should be done differently, he candidly acknowledged his difficult position; but he emphasized how much was still unknown about what happened, and that he still had not met with the FBI Waco negotiators to discuss their view of what happened. His basic conclusion in retrospect, however, was that nothing the FBI had done at Waco made any real impact. His opinion is that Koresh sent people out because he didn't want them, and not because of the FBI's conciliatory negotiation strategy. His opinion is that Koresh ended it all in mass suicide not because of the FBI tactical strategy, but because that was always his intention. His deep and serious concern about his responsibilities was impressive and he made it convincingly clear how much more I and the other experts needed to know about the acts. On this, he was preaching to the converted. There is no doubt in my mind that much more needs to be known about Waco. In my opinion, it is now time for the FBI itself, with the help and participation of outside experts, to take on that responsibility. Indeed, that is my first recommendation. I agree with the FBI's commander on the ground that we still do not know enough about what happened at Waco. We need to know more, not in the spirit of who is to blame, but in the spirit of what went wrong that can be made right. What can we learn from a careful study of David Koresh and the Branch Davidians that will help us in learning about other unconventional groups?

What can the FBI learn about its own behavior at Waco that will help in the future?

Just as I believe the FBI has more work to do, I believe the Justice Department has work to do as well. No clear pictures has emerged of how and on what basis the AG made her decision. Given on my current information about C.S. gas, it is difficult to understand why a person whose primary concern was the safety of the children would agree to the FBI's plan. It is critical that in the future, the AG have accurate information, so that she can make an informed decision. If the only information she was given about C.S. gas is what has been shown to the panelists then, given my current understanding, she was ill advised and made an ill-advised decision. None of these matters have been clarified. Certainly for its own effective functioning, the Justice Department needs to sort this out for the future.

The sequence of decision making set out in the earlier account indicates that the FBI had already moved very far down the branch of the decision tree before consulting the AG. This made it difficult for her to make any other choice. Presumably, others in the Justice Department had been involved every step of the way. Like the FBI, they need to re-examine their own behavior, the channels of communication, the processing of information, and what went wrong or needs to be done differently in the future. I assume that the DAG's recommendation of a "senior career official" within the Justice Department, who maintains "a familiarity with the resources available to the FBI," is a forward looking solution to some of these problems.

2. The FBI Needs To Make Better Use of Past Experience and Existing Behavioral Science Capacity

As we have been told, the commander on the ground was not selected because of his past experience in standoffs or because of his knowledge of unconventional groups. He was the special agent in charge of the geographical area in which the action took place. The DAG has recommended a different command structure. Nonetheless, the FBI had a situation room in Washington and a command structure in place at Waco which could have brought the agency's past experience to bear. At the first briefings, when asked to describe their most successful resolution of a standoff with an unconventional group, an FBI official reported the successful use of a third party intermediary (negotiator). When I subsequently inquired about the FBI's previous experience with the successful use of CS gas, the example given was a prison riot.

These examples speak for themselves and suggest to me that in making decisions at Waco, the FBI did not make the best use of its own past experience. The commander on the ground believes his decision to allow lawyers and the local sheriff to meet with Koresh is an example of using a third-party intermediary. However, in their own highly successful resolution of a stand-off with an armed unconventional group, the FBI used a fellow member of the religious faith as the intermediary. This option was apparently rejected at Waco for reasons that I find unconvincing.

The DAG has recommended that a computer database of past stand-offs be developed. The critical importance of this is to insure that the FBI makes better use of its own experience. It will be important for the FBI to distinguish between unconventional groups and prison populations in deciding which tactical measures are strategically and ethically appropriate.

3. The FBI Needs a Clear Policy on Third Party Negotiators/Intermediaries

The FBI has well-trained negotiators whose skills are impressive. Nonetheless, there came a time at Waco when the FBI's frustration led them to introduce a new negotiating approach. They changed from a conciliatory, trust-building negotiator to a more demanding and intimidating negotiator. The change had no effect and may have been counterproductive. The negotiators also tried, at times, to talk religion with Koresh but concluded that this was not productive.

Some FBI negotiators are convinced that they could have gotten more people out of the compound if the FBI had stayed the course of conciliatory negotiation. Whether or not that is true, the FBI reached a point where tactical strategy became the priority and negotiation under those circumstances became ineffective.

It is my recommendation that this point of change be defined as a red light, a time when the decision makers in future standoffs should consider the use of a third party negotiator/intermediary. The red light should go on when the commander on the ground or the chain of command begins to feel that FBI negotiation is at a stand still.

The FBI negotiation and behavioral science experts should, at the least, develop a policy in consultation with experts on when they might consider the use of third party negotiators/intermediaries. The current working policy seems to be that third party negotiators are counterproductive. The experience justifying that policy needs to be reviewed in light of Waco. It was a significant omission at Waco not to involve as a third-party negotiator/intermediary a person of religious stature familiar with the unconventional belief system of the Branch Davidians.

4. The FBI and the Justice Department Need a Systematic Policy for Dealing With Information Overload in a Crisis

A critical element of crisis management based on my analysis of what happened at Waco is information management. Information overload allows decision-makers to discount all of the expert advice they are given and revert to their own gut instincts. Alternatively—as I believe we learn from Waco—the decision-makers can insist on being given advice compatible with their gut instinct. In my opinion, the gut instinct that prevailed at Waco was the law enforcement mind-set, the action-control imperative.

If, as the DAG recommends, the FBI develops a network of academic experts in behavioral science, religion, sociology, and psychiatry, the FBI can certainly expect an information overload in the next crisis. The problem will be how to manage the expert information overload. This is a complex problem that requires careful consideration by appropriate experts. However, one pattern that emerged from my understanding of Waco needs to be changed. The official investigation lists all kinds of experts who allegedly were consulted or who took it upon themselves to offer unsolicited advice. It is almost impossible to determine what all this adds up to. One of my fellow panelists believes—and I am convinced—that the FBI never actually consulted with a religious expert familiar with the unconventional beliefs of Branch Davidians. The investigators at the Justice Department disagree with this conclusion. My concern about this is not a matter of fault-finding: it is critical to my concern about information management in a crisis. The question is: what counts as a consultation with the FBI? One has the impression from the Waco experience that a variety of agents were talking to a variety of experts, and that some of these contacts were listed as consultations. We are not told how those contacts or consultations were sorted through. Who in the process would decide what was relevant and important and what irrelevant and unimportant.

In any event, the prevailing pattern in the information flow during the crisis was for each separate expert to offer the FBI an opinion. As a preliminary matter, it seems to me important for the FBI to establish who the relevant experts are and then arrange through conference calls or more high-tech arrangements for sustained dialogue among them, to understand and clarify the dimensions of their disagreements and, when possible, to achieve consensus. Information should be exchanged and differences directly confronted in the circle of consultants; they should not vanish in the information overload.

5. The FBI Needs a Better Knowledge Base About the Medical Consequences of CS Gas

As discussed above, is my opinion that the AG was not properly informed of the risks to infants and small children posed by CS gas. This is not to imply that the FBI intentionally misled her. Indeed, the FBI may not have had the proper medical information. The use of CS gas is, in any event, a controversial matter, and although it is understandable that the Justice Department investigation did not explore medical considerations, a careful evaluation is clearly indicated. The FBI, the Justice Department, and all of law enforcement that uses CS gas ought to have as clear an understanding of its medical consequences as possible. The hasty survey of the medical and scientific literature done for this report is hardly definitive. These matters should be sorted out so that the AG clearly understands what the use of CS gas entails.

6. The FBI Needs a Specific Policy for Dealing With Unconventional Groups

The basic conclusion of my account and analysis is that the standard law enforcement mentality asserted itself at Waco in the tactical show of force. The FBI should be aware of its own group psychology and of the tendency to carry out the action imperative. Doubtless, that imperative is appropriate in dealing with conventional criminals; it may be necessary even in dealing with unconventional groups. However, the lesson of Waco is that once the FBI recognizes that it is dealing with an unconventional group, those who urge punishing tactical measures should have to meet a heavy burden of persuasion. When children are involved, the burden should be even heavier and ethical considerations, which need to be formulated, would come into play.

VI. FINAL WORD

The events at Waco culminated in a tragic loss of life—on that everyone involved in law enforcement and in the official inquiry agree. There is a view within the FBI and in the official reports that suggests the tragedy was unavoidable. This report is a dissenting opinion from that view. There is obviously no definitive answer; but my account and analysis tries to emphasize what might have been done differently at Waco, and what I believe should be done differently in the FBI's future dealings with unconventional groups. I endorse the DAG's recommendations for change and offer additional suggestions. Although such a determination falls outside my province, it is my considered opinion that the failings of the FBI at Waco involve no intentional misconduct.

The PRESIDING OFFICER. The pending question is amendment No. 1199. Is there further debate?

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

NOMINATION OF J. GARVAN MURTHA

Mr. LEAHY. Mr. President, I thank the distinguished chairman for his usual courtesy. My remarks will be very brief.

One of the reasons I wanted to speak was to thank the distinguished chairman and thank the Republican leader, Senator DOLE, and thank our distinguished ranking member, Senator BIDEN, and the distinguished Democratic leader, Senator DASCHLE, for their willingness to move through a number of judicial nominations last night, one of which was for the State of Vermont.

Vermont, as the distinguished chairman knows, is currently, because of retirements and promotions and other reasons, the only State in the union that does not have a Federal district judge, other than in senior status. The distinguished chairman of our committee worked with me, Senator JEFFORDS, and others, to help us move through very quickly the nomination of Gar Murtha to be the new Federal district judge. I applaud the Senator from Utah for that, and I thank him for his help.

Mr. President, I will make a couple of personal comments. I have known Gar Murtha from the years when both he and I were young lawyers, young prosecutors in the State of Vermont. I knew him as a prosecutor of great ability and total integrity. My family and the Murtha family have been close and dear friends from that time. I have watched he and his wife, Meg, raise their three wonderful children, Elizabeth, John and Will. They are model members of their community. They are respected by everyone—Republican, Democrat, Independent, liberal, conservative and moderate—within their community as people of great family values and true traditional Vermont values. He is also known as a lawyer of the highest excellence.

When the U.S. Senate voted to confirm Gar Murtha as a Federal judge last night, I think it made a very, very wise choice indeed.

I told President Clinton, when I asked him to nominate Gar Murtha, that he could do so knowing that this is a decision that would be one he could always be proud of. He would know that it is a decision he could make without any concern or qualm, just as I had no concern or qualm in recommending Gar Murtha to the President of the United States.

So my feeling as a Vermonter, first and foremost, is that I am glad to see we are now going to have a Federal district judge. But, also, as one who has known Gar Murtha for 25 years, I know that our State is fortunate to have him, and the Federal bench is fortunate to have him. He follows in a great tradition of tremendous Federal judges we have had in Vermont—Judge Oakes, Judge Coffrin, Judge Parker, Judge Billings, Judge Gibson, Judge Leddy and Judge Holden. These are people that I have known, and I have practiced law before many of them. Gar Murtha will now be part of a very stellar constellation indeed.

When I recommended Mr. Murtha to the President back in December, I described him as a respected lawyer from the southern part of Vermont who has a wide range of legal experience. He has distinguished himself by his contributions to the community and by his participation in efforts to improve our justice system. I told the President that he could feel very secure in making this nomination and that in the years to come it will reflect well on him, the Senate, and Vermont.

I have great confidence that Gar Murtha will be a fair, thoughtful, and judicious addition to the Federal bench in Vermont.

Mr. Murtha is an outstanding lawyer and exceptional person who will make a fine Federal judge and serve all of the people of Vermont and the Nation and the interests of justice by applying the law fairly and honestly.

I first met Gar when I was serving as State's attorney for Chittenden County and he as deputy State's attorney for Windham County. I was in the northwestern part of the State and he in the southeastern. He developed and has maintained a reputation of absolute, rock-ribbed integrity.

I know of his involvement in the community, in the State, and in the bar in a number of positions, including his service as a public defender here in the District of Columbia, his service on the Second Circuit Task Force on Gender, Racial, and Ethnic Fairness and on the Second Circuit's Committee on Federal Rules.

The father of three, Mr. Murtha has demonstrated in his family life, in his civic life, and in his professional life, the sense of community that Vermonters value so highly. He has served on a number of boards and commissions in southern Vermont. He is active in youth, community, and civic organizations.

Gar is a person of great fairness and integrity and an outstanding lawyer with wide-ranging experience. I have every confidence that he will make an outstanding Federal judge, who will be just, practical, and hardworking on behalf of all. I have heard from lawyers and people from all over the State who have expressed their support for this nomination and their appreciation that their Federal judge will be one who will ensure a fair trial for all, whether plaintiff or defendant, whether poor or rich.

Since Judge Billings assumed senior status and Judge Parker was confirmed to the U.S. Court of Appeals for the Second Circuit last year, Vermont has been without a full-time U.S. district judge. Vermont deserves to have its Federal judges considered, confirmed, and in place ready to rule on important matters.

In light of these circumstances, I want to extend special thanks to the majority leader, the Judiciary Committee chairman, the Democratic leader and our ranking member and all our colleagues for proceeding promptly on this nomination and confirming Mr. Murtha to the Federal court bench.

It was my honor and privilege to recommend J. Garvan Murtha to the President of the United States and to present him to the Senate Judiciary Committee for consideration of his nomination to be the next U.S. district judge for Vermont. It is now my pleasure to thank our Senate colleagues for the consent that they provide to this nomination and to announce to the people of Vermont that the nomination of their new Federal judge has been confirmed by the U.S. Senate.

COMPREHENSIVE TERRORISM PREVENTION ACT

The Senate continued with the consideration of the bill.

Mr. HATCH. Mr. President, this is a very important bill. It is apparent that we are trying to get a list of the amendments that people have so that we can hopefully get a unanimous-consent agreement on amendments and, when we get that, finish this bill in a very expeditious, good way.

Last evening, the President of the United States sent a letter to the distinguished Republican leader with regard to this bill. It is a very interesting letter. President Clinton, in this letter, has expressed his interest in "working with the Congress toward the enactment of this critical legislation as soon as possible".

I share the President's commitment to do exactly that.

His letter outlines a number of provisions which he feels should be in the bill. Indeed, most of the proposals he cites are already addressed by the substitute, S. 735. To the extent that S. 735 does not address some of these issues, I believe we are already aware of amendments covering these issues which some of our colleagues plan to offer.

Accordingly, in order to assure that we can meet the President's request to enact this critical legislation as soon as possible, I believe we should try to reach a unanimous-consent agreement on amendments.

The Democrats have already made us aware of at least 17 amendments. I believe all of what the President has requested in his letter which is not addressed in S. 735 would be addressed by one or more of these amendments. There are only a handful of Republican amendments thus far. Three of them are substantive and a few others are more technical in nature.

Before we take up amendments, I will say that I hope our Democratic colleagues will do all they can to help us to reach a unanimous-consent agreement on the total list so that we can wrap up this bill for today. I am dismayed that we need to wait to resolve these matters. Nevertheless, we are going to do what is right in this area.

Mr. President, I ask unanimous consent that the letter from the President be printed in the RECORD at this point, so that all of our colleagues can see the effort the President has put forth in this letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, May 25, 1995.

Hon. ROBERT DOLE,
Republican Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: I write to renew my call for a tough, effective, and comprehensive antiterrorism bill, and I urge the Congress to pass it as quickly as possible. The Executive and Legislative Branches share the responsibility of ensuring that adequate legal tools and resources are available to protect our Nation and its people against threats to their safety and well-being. The tragic bombing of the Murrah Federal Building in Oklahoma City on April 19th, the latest in a disturbing trend of terrorist attacks, makes clear the need to enhance the Federal Government's ability to investigate, prosecute, and punish terrorist activity.

To that end, I have transmitted to the Congress two comprehensive legislative proposals: The "Omnibus Counterterrorism Act of 1995" and the "Antiterrorism Amendments Act of 1995." In addition, the Senate has under consideration your bill, S. 735, the "Comprehensive Terrorism Prevention Act of 1995." I understand that a substitute to S. 735, incorporating many of the features of the two Administration proposals, will be offered in the near future. I also understand that the substitute contains some provisions that raise significant concerns. We must make every effort to ensure that this measure responds forcefully to the challenge of domestic and international terrorism. I look forward to working with the Senate on the substitute and to supporting its enactment, provided that the final product addresses major concerns of the Administration in an effective, fair, and constitutional manner. The bill should include the following provisions:

Provide clear Federal criminal jurisdiction for any international terrorist attack that might occur in the United States, as well as provide Federal criminal jurisdiction over terrorists who use the United States as the place from which to plan terrorist attacks overseas.

Provide a workable mechanism to deport alien terrorists expeditiously, without risking the disclosure of national security information or techniques and with adequate assurance of fairness.

Provide an assured source of funding for the Administration's digital telephony initiative.

Provide a means of preventing fundraising in the United States that supports international terrorist activity overseas.

Provide access to financial and credit reports in antiterrorism cases, in the same manner as banking records can be obtained under the current law through appropriate legal procedures.

Make available the national security letter process, which is currently used for obtaining certain categories of information in terrorism investigations, to obtain records critical to such investigations from hotels, motels, common carriers, and storage and vehicle rental facilities.

Approve the implementing legislation for the Plastic Explosives Convention, which requires a chemical in plastic explosives for identification purposes, and require the inclusion of taggants—microscopic particles—in standard explosive device raw materials which will permit tracing of the materials post-explosion.

Expand the authority of law enforcement to fight terrorism through electronic surveillance, by expanding the list of felonies that could be used as the basis for a surveillance order; applying the same legal standard in national security cases that is currently used in routine criminal cases for obtaining permission to track telephone traffic with "pen registers" and "trap and trace" devices; and authorizing multiple-point wiretaps where it is impractical to specify the number of the phone to be tapped (such as when a suspect uses a series of cellular phones).

Criminalize the unauthorized use of chemical weapons in solid and liquid form (as they are currently criminalized for use in gaseous form), and permit the military to provide technical assistance when chemical or biological weapons are concerned, similar to previously authorized efforts involving nuclear weapons.

Make it illegal to possess explosives knowing that they are stolen; increase the penalty for anyone who transfers a firearm or explosive materials, knowing that they will be used to commit a crime of violence; and provide enhanced penalties for terrorist attacks against all current and former Federal employees, and their families, when the crime is committed because of the official duties of the federal employee.

In addition, the substitute bill contains a section on habeas corpus reform. This Administration is committed to any reform that would assure dramatically swifter and more efficient resolution of criminal cases while at the same time preserving the historic right to meaningful Federal review. While I do not believe that habeas corpus should be addressed in the context of the counterterrorism bill, I look forward to working with the Senate in the near future on a bill that would accomplish this important objective.

I want to reiterate this Administration's commitment to fashioning a strong and effective response to terrorist activity that preserves our civil liberties. In combating terrorism, we must not sacrifice the guarantees of the Bill of Rights, and we will not do so. I look forward to working with the Congress toward the enactment of this critical legislation as soon as possible.

Sincerely,

BILL CLINTON.

Mr. HATCH. Mr. President, let me just take a few minutes on the subject of habeas corpus reform, so that everybody will understand what the Specter-Hatch habeas corpus reform bill, which is part of this bill, will do to significantly reduce the delays in carrying out executions without unduly limiting the right of access to Federal courts.

The bill would reduce the filing of repetitive habeas corpus petitions which delay the carrying out of death sentences to such extremes as to reduce the deterrent value of the death penalty.

Under this bill, death sentences, if upheld, will be carried out, in most cases, within 2 years of final State court action. That will be in contrast to the 10 to 18 years that it is currently taking to get finality in these cases—usually because frivolous appeal after frivolous appeal is filed, all at a cost of millions and millions of dollars to the taxpayers of our society. Most prosecutors tell me that they spend a high percentage of their time just answering habeas corpus petitions and that it is a tremendous cost to the taxpayers, and almost all of them are frivolous. Now, this bill protects those that are not frivolous. It will protect their rights, and it will do right by the people filing.

Under this bill, death sentences, if upheld, will be carried out, in most cases, within 2 years of final State court action—at the most, 3 years. The bill would, first, establish a 6-month statute of limitations for filing a Federal habeas corpus petition in capital cases if the State makes counsel available in its State court habeas corpus. They have 1-year statute of limitations for noncapital cases.

Second, this bill will establish time limits on Federal court consideration on habeas corpus petitions in capital cases if the State provides counsel during State habeas corpus.

The Federal district court would have an additional 180 days to decide a capital habeas corpus petition. That would be 120-some days for a briefing and hearing, 60 days for the court to render a decision.

Now, the district court will be able to extend the limit for 30 additional days for good cause stated in writing. The court of appeals, then, must decide any appeal in a capital habeas corpus case within 120 days of final briefings.

Third, we allow a Federal court to overturn a State court decision only if it is contrary to clearly established Federal law or if it involves an "unreasonable application" of clearly established Federal law to the facts, or if the State court's factual determination is unreasonable.

Fourth, we restrict the filing of repetitive petitions by requiring that any second petition be approved for filing in the district court by the court of appeals. A repetitive petition would only be permitted in two circumstances:

One, if it raises the claim based on a new rule of constitutional law that is retroactively applicable; or, two, if it is based on newly discovered evidence that could not have been discovered through due diligence in time to present the claim in the first petition and that, if proven, would show by a clear and convincing evidence that the defendant was innocent.

Fifth, we encourage States to provide qualified counsel to indigent defendants in capital cases during State court habeas corpus. The Constitution, of course, already requires that States appoint qualified counsel for trial and direct appeal. In this case, we encourage the States to provide qualified counsel in these capital cases during State court habeas corpus appeals.

Sixth, we provide for the Federal Government to provide counsel to indigent petitioners and Federal habeas corpus petitions in both capital and noncapital cases, if a Federal judge so orders. And I really do not know of any case, any capital case, where the Federal judge will not so order.

This outlines, and it is a summary of the Specter-Hatch habeas reform bill. I hope our colleagues will realize that this is the time to finally face this issue that has involved just countless frivolous appeals throughout the history of jurisprudence in this country.

It is time to have some finality in these matters. We protect the constitutional rights and privileges of the individual defendants, but we say, "The game is over." There will not be any more of these ingenious appeals that are frivolous in nature that literally will not meet those two requisites that I mention.

We also say to the American taxpayers, we will not keep funding frivolous appeals by people on death row. We are not going to have another 10, 12, or 18 years, as is the Andrews case in Utah, the case called "hi-fi," where Andrews participated with another person in killing a variety of people, but only after they tortured them. They ran pencils through their eardrums, and in one case, poured Drano down the throat of one of the victims. For 18 years, there was no question that Andrews did the murder. No question he was guilty. No question of the heinous nature of the crime. There was no question that the jury was right in rendering the verdict it did. But those appeals went on for 18 years, and in each of these aspects of the appeal the victims and their families had to go through the whole unpleasant, vicious, terrible experience again.

Every one of the appeals was frivolous. For 18 years and 28 appeals. All the way up through the State courts, from the lower trial court, to the immediate appellate court, to the State supreme court. In this case, mainly the trial court and the State supreme court. All the way up through the Federal court, district court, circuit court of appeals, the Tenth Circuit Court of Appeals, and the Supreme Court of the United States of America. It made a mockery of the law.

I cannot blame anybody who hates the death penalty for trying to do everything in his or her power as a defense lawyer to try to deter somebody from going to the final date of execution, but the law is the law, and whether a person hates the death penalty or thinks it is the right thing, the fact is, it is the law.

I do not have any fault with any defense lawyer who has done his or her best to try and free these people or at least alleviate the death penalty. I do not have any problem with their efforts in that regard. I have a problem with the law that allows that type of frivolous repetitive appeals. This is the time to change that law.

By the way, this is the only thing we can do in this antiterrorism bill, it seems to me, that will do something about the Oklahoma City bombing. The only thing we can do, it seems to me, to bring swift justice, as the President has called for, to the perpetrators of the Oklahoma City bombing.

Frankly, it is something that we have to bite the bullet on, and get it done. We are willing to face the music on this and to fight this battle out on the floor. I would like it to be one of the later aspects of this matter. The fact is, it is time to face it.

When I talked to families of the victims, and the victims themselves just a few days ago, they begged me to make sure that we pass this bill and that we pass the habeas corpus reform that we have on the bill. Many of the State attorneys general, both Democrats and Republicans State attorneys general, want Congress to pass this habeas corpus reform bill.

I think most everybody wants Congress to pass the whole bill. The people out there are sick and tired of the problems.

Frankly, I assured those who have been suffering so much from the Oklahoma City bombing, and those who suffer all over this country, from the repetitive appeals that are frivolous in nature, and the need to continually go to all of those hearings, I have assured them we will face the habeas corpus problem on this matter, and that we will pass the Specter-Hatch habeas corpus bill.

We hope we can do that in this battle, and I will do everything in my power to see that it is done. It is no secret that there are some on the floor who do not like our changes in habeas corpus. It is going to be a controversial issue. I do believe that a majority of the Members of this body will vote for it.

There are many other things that I would like to discuss about the bill. It is a very complex bill. It is a very detailed bill. It is a bill that covers almost every aspect of antiterrorism. It is one that is long overdue. And we are going to handle this.

Let me digress for a minute, because my dear colleague from Pennsylvania is concerned about having hearings on Waco and Ruby Ridge. I have been in constant contact with the Justice Department, with the FBI, and with ATF, and they are willing to do this. They are willing to do this. Whether they are willing or not, they know we are going to do this, sooner or later.

They would prefer, as the FBI Director has requested in writing to me, that we defer the hearings until they have completed their investigation in Oklahoma City. They have also indicated that sometime this summer they feel that it will be all right, in any event.

So we do intend to press forward. We are putting our investigators on this issue. They have been on it. We will see what we can do.

I share my colleagues' deep concern over these incidents. I believe a thorough congressional review of these and related Federal law enforcement issues is warranted. I intend that these hearings will be held in the near future following Senate consideration of this comprehensive antiterrorist legislation, upon the completion of the department's investigation of the Oklahoma tragedy.

Notwithstanding my desire to have hearings on this matter, I have resisted doing so right at this time, and I believe doing so at this time would only serve to confuse these important issues. I do not believe that the Waco and Ruby Ridge incidents should be linked to the Oklahoma City incident or to the terrorist issues or hearings at this time.

The Senate could, if we held hearings at this time, inappropriately—albeit unintentionally—convey the wrong message regarding the culpability of those responsible for the atrocity in Oklahoma City. We simply must not do this. Indeed, the Senate went on record to this effect on May 11, 1995, by a vote of 74 to 23, when it tabled a sense-of-the-Senate resolution which would have set a date certain for these hearings. But I assure my colleague from Pennsylvania, we probably will hold these hearings before the end of this summer and before our August recess. We will do the best we can. If it does take more time than that, we will certainly state the reasons. But that is our firm intention and we hope we can get that done.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, I ask unanimous consent to speak as in morning business for just a matter of 3 minutes so I can speak to a subject unrelated to what we are discussing now.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDUCATION

Mr. BIDEN. Mr. President, in over 20 years in the Senate I do not think I have done this twice, but I will say, to be safe, I do not think I have done it a half dozen times. I would like to read into the RECORD a letter that I received yesterday from a woman who is graduating from high school in my State, a woman I have never met. Her name is Mrs. Judi Robinson. She lives in old New Castle, DE, which is a community over 350 years old, a beautiful place, in a place called Penn Acres. I would like to read it, if I may.

> DEAR SENATOR BIDEN, I am a 48-year-old night student at William Penn High School in New Castle. I'm one of many students who recently wrote to you concerning adult education. Thank you for your letter. It helped me a little more to understand what it concerns.
>
> I have been in the program since September 1994 and received my G.E.D. that June. Now I'm at Penn doing very well and will graduate this June. It took me 31 years to get to this point in my life, so I thank God that there was a program available to me. Although my circumstances are different than some of my classmates, we're all there for the same reasons, to get our G.E.D. or better yet our diploma. Senator as far as I'm concerned, I wanted this very badly, but I have been married 27 years, have two children one of which also graduates this year from Penn. I never had to work so my education wasn't the top on my list. Because my husband worked and took care of us and the house. But most of the kids in the program need this educational program to continue to grow into productive adults. Our counselors and teachers are the best, they work very hard to keep things going well at school. These programs need to keep going and I know that you will do your best to keep it going.
>
> Now to get to the second reason I'm writing to you. I would like to take this opportunity to invite you to my graduation on June 14 at 7:30 p.m. It will take place at Newark High School. Myself and I know all the other students and staff would be honored to have you there. I know you are a very, very busy man but if you could find it in your heart and schedule to make it, I would be happy to have you there.
>
> Sincerely,
>
> MRS. JUDI ROBINSON.

Mr. President, the reason I read that into the RECORD is I do not think we should lose sight of the fact that there are thousands and thousands and thousands of women and men like Judi Robinson who are going back to try to get the basic education that for whatever reasons they did not get when they were children. I think our reluctance to put as much emphasis on the educational needs in this country and the Federal responsibility to participate in that is a serious mistake. I am sure all of my colleagues, and I know the Senator in the chair, the Senator from Colorado, like everyone else in here, shares a sense of pride when there is someone in their State like Judi Robinson who goes through that effort.

I remember discussing with my friend from Colorado how his mother went back and her significant educational accomplishments and what she has done. I just thought it worthwhile to let people know that there are a lot of people like Judi Robinson still fighting hard, who still have faith in this operation, still have faith in the system, and still think they can better themselves through education.

I thank the Chair for this time and I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I ask unanimous consent that I may be permitted to speak for up to 5 minutes as if in morning business.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered.

Mr. SPECTER. I thank the Chair.

NOMINATION OF DR. HENRY FOSTER

Mr. SPECTER. Mr. President, I compliment the Labor and Human Resources Committee for reporting out the nomination of Dr. Henry Foster to be Surgeon General of the United States.

Earlier this morning, the committee met and by a 9-to-7 vote recommended the confirmation of Dr. Foster for Surgeon General. Two Republicans joined with seven Democrats in favoring his nomination and thereby bringing the nomination to the floor.

It is my hope that we will take up Dr. Foster in this Chamber. It is my sense that there are sufficient votes to bring Dr. Foster to a vote in the face of what has been announced to be a prospective filibuster. There is at least one Senator on the committee as reported who favors bringing Dr. Foster to a vote even though that Senator voted against him in committee.

I had occasion to meet with Dr. Foster early on, and at that time I was convinced that the sole issue was the issue of whether Dr. Foster should be disqualified from being Surgeon General because he had performed abortions, a medical procedure which is legal and authorized by the U.S. Constitution. It seemed to me at that time that all the other matters which were brought up were red herrings, and that real opposition to Dr. Foster lay in the fact that he had performed abortions, a procedure authorized by the Constitution of the United States.

I said on the Senate floor early on that Dr. Foster was entitled to be heard by the committee, entitled to have his day in court, so to speak, in this Chamber for a vote, both out of fairness to Dr. Foster as an individual and really as a sign that nobody would be railroaded out of this town without having a day in court, a chance to have an up-or-down vote in the Senate.

There is a very important precedent beyond Dr. Foster as an individual as to what he is entitled to as a matter of fairness and that is to others who may be interested in coming to Washington, tempted to come to Washington to perform public service. And many would be discouraged if Dr. Henry Foster would not be entitled to fair treatment by the Senate of the United States.

I thought that reasons given by our colleague, Senator FRIST, in supporting Dr. Foster's nomination were very important; that Senator FRIST, a physician himself, emphasized Dr. Foster's commitment to try to combat teenage pregnancy, and that may be the No. 1 social problem in America today. If that can be brought under control, then there is no better person to try to do that than the Surgeon General of the United States. And also Dr. Foster's commitment to press for abstinence and to press for family values; those are positions which I think are very appropriate for the Surgeon General.

So Dr. Foster has cleared a very significant hurdle in the affirmative vote of the Labor and Human Resources Committee. Some predicted he would never get that far.

From what I sense, the climate in our body is to favor his nomination coming to the floor for a vote. I think a filibuster will be defeated and I think ultimately Dr. Foster will be confirmed. That is a very positive sign of respect for the laws of the United States, as interpreted by the Supreme Court, that a woman does have a right to choose, that a nominee like Dr. Foster is not disqualified because he performed a medical procedure, albeit abortion, authorized by the Constitution, and that men and women of character and good will can come to this town and get a fair hearing and perform an important public service.

I thank the Chair and I yield the floor.

COMPREHENSIVE TERRORISM PREVENTION ACT

The Senate continued with the consideration of the bill.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I rise to speak on the bill before the Senate at this time, S. 735, the Comprehensive Terrorism Prevention Act of 1995.

Mr. President, let me say first how pleased I am that the leadership of both parties has reached agreement on so much in this bill and met President Clinton's challenge to reach a prompt and bipartisan consensus on counterterrorism legislation in the aftermath of the tragedy in Oklahoma City.

Most of the key provisions of the President's counterterrorism bill, offered earlier in the year by Senator BIDEN and others, are included in the measure before us. And I thank the majority leadership of the committee for doing so. But, as Senator BIDEN mentioned last night, there are a few provisions that have not been included.

That is why this morning I will offer two amendments which would restore two provisions from the original bill to this genuinely bipartisan effort, and I am hopeful that there is an opportunity here for bipartisan support for these two law enforcement measures, as well.

Mr. President, in my view, and in the view of those I have spoken to in the Federal and State law enforcement communities who are involved in the daily, difficult business of pursuing terrorists, these two provisions, which would increase law enforcement's capacity to be involved in surveillance through wiretapping of terrorists, would be extremely helpful to the law enforcement community's efforts to penetrate the highly secretive world of terrorists. Indeed, I can imagine a number of situations where the power granted by these two amendments would provide exactly the kinds of tools that could make a difference in stopping terrorists before they strike.

Mr. President, since joining the Senate, I have spent a fair amount of time and effort considering how we, as a nation, can best prepare ourselves to counter and stop terrorists' threats because of my fear that, though America domestically has been relatively spared, at least was when I began these inquiries, from the pain of terrorist attack, certainly more so than other nations in the world, that because of political events in the world, it was inevitable that unless we directed, created some defense there, we would suffer. And, unfortunately, we have.

As I look back, the first hearing I ever chaired as a Senator concerned the coordination of our antiterrorism efforts. And in every presentation on hearings that I have been involved in since, whether as a member of the Governmental Affairs Committee or involved in the ad hoc task force on terrorism, which I was privileged to organize, witness after witness, whether they were from the State Department or the FBI or the U.S. attorney's offices, or think tanks around this city or country, emphasized the special importance of surveillance and infiltration to preventing and prosecuting terrorist attacks.

Mr. President, this says the obvious, but it needs to be said: Terrorists are cowards. Terrorists are cowards because they strike at undefended targets. And while we are quite logically now, in the aftermath of Oklahoma City, attempting to rebuild our defenses around more likely targets, particularly public buildings affected, the terrorist group that wants to create panic in our society, wants to punish our society, wants to strike at the sense of order and security in our society can, as we have seen in other settings, just as easily not strike at a governmental building, but go down the street and attack a large private building, an office building, or strike, as some have suggested, at the water supply in a community; so that we can never defend against all the potential targets of terrorists.

The best defense is an offense. And the offense in this case, as this bill carries out in many ways, is to be watching people who indicate by their own behavior that they are capable of violent acts. I am not talking about inhibiting political freedoms here. We are not talking about prohibiting anybody from writing or speaking or demonstrating in a way that they believe, even if we find it abhorrent. But if they act in a way that indicates they may be capable of violent acts, criminal acts, then we, the people, should have our law enforcement agents there watching them, listening to them, infiltrating their groups to see to it that whenever possible we can stop them; we can strike before they strike at the heart of our society to prevent more death and destruction.

The witnesses that spoke to committees that I have been on were commenting mostly on internationally inspired terrorism, but they focused again on the importance of electronic surveillance as a component of the overall approach of stopping terrorist acts whenever possible before they are committed, and electronic surveillance is part of that.

I would argue that electronic surveillance may be more important with domestically based terrorists than with international terrorism. So far as we know, they are not generally reliant on outside State sponsors who, at some point, may be vulnerable to political or military pressure.

Our weapons here are limited to effective law enforcement, including one of the most powerful tools law enforcement has, which is carefully circumscribed, legally authorized electronic surveillance, particularly in this high-technology communication age.

AMENDMENT NO. 1200 TO AMENDMENT NO. 1199

(Purpose: To amend the bill with respect to emergency wiretap authority)

Mr. LIEBERMAN. So, Mr. President, the first amendment I am offering today would add the words "domestic or international terrorism" to the limited number of situations in which the Attorney General, the Deputy Attorney General, or the Assistant Attorney General can obtain an emergency 48-hour wiretap without having to go to court in that first period of time. Under current law, those three Justice Department officials and no others may authorize emergency electronic surveillance where there is "first, immediate danger of death or serious physical injury to any person; second, conspiratorial activities threatening the national security; and third, conspiratorial activities characteristic of organized crime."

This all is when there is not, in the opinion of the law enforcement officials, time to get a court order. But the important condition in this law is that within 48 hours of that emergency authorization for electronic surveillance from within the Justice Department, law enforcement officers must obtain a court order for the wiretap under the normal proceedings for court orders.

They must submit the same affidavits and documents establishing probable cause that are required for any other wiretap.

The top three Justice Department officials who can make these emergency authorizations have a strong incentive to be cautious and correct in authorizing emergency wiretaps without a court order, because if a judge does not issue a court order supporting a wiretap within 48 hours, any information obtained via the emergency wiretap is inadmissible in court.

Mr. President, this amendment, therefore, would simply add the words "activities characteristic of domestic or international terrorism" to the list of emergency situations where law enforcement has hours, and not days, to get the evidence needed to make an arrest, find a chemical weapon, diffuse a bomb or perhaps rapidly clear a building that may be the target of a terrorist attack.

Given the devastating effects of these terrorist acts, which are assaults not only on individuals but on whole communities—in fact on our Nation and on the democratic processes and the liberties that we have—do we not want to give our law enforcement officials the same authority to obtain temporary emergency wiretaps they have under current law when pursuing organized crime cases? I think so, and I believe the American people would think so as well.

Mr. President, I, therefore, have an amendment which I send to the desk at this time.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] proposes an amendment numbered 1200 to amendment No. 1199.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at the appropriate place the following new section:

SEC. . REVISION TO EXISTING AUTHORITY FOR EMERGENCY WIRETAPS.

(a) Section 2518(7)(a)(iii) of title 18, United States Code, is amended by inserting "or domestic terrorism or international terrorism (as those terms are defined in 18 U.S.C. 2331), for offenses described in section 2516 of this title." after "organized crime".

(b) Section 2331 of title 18, United States Code, is amended by inserting the following words after subsection (4)—

"(5) the term 'domestic terrorism' means any activities that involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State and which appear to be intended to intimidate or coerce a civilian population or to influence the policy of a government by intimidation or coercion; or to affect the conduct of a government by assassination or kidnapping.".

(c) Section 2518(7) of title 18 is amended by adding after "Notwithstanding any other provision of this chapter," "but subject to section 2516,".

Mr. LIEBERMAN. Mr. President, I want to finally, before yielding the floor, indicate for the RECORD that the amendment does not change the underlying crimes for which an emergency wiretap can be authorized in title 18, United States Code, section 2516. It just says that if those crimes are part of a domestic terrorist plot, an emergency wiretap can be ordered. And these crimes include: Any offense punishable by death or imprisonment for more than 1 year, including violations of the Atomic Energy Act relating to sabotage of nuclear facilities and fuel or espionage and treason.

Also, let me point out that the definition of "terrorism" covers violent acts or acts dangerous to human life.

Mr. President, I urge adoption of the amendment. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent to proceed as in morning business for the purpose of explaining a bill which I would like to introduce at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the Chair.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 868 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I understand what my dear colleague from Connecticut is trying to do with this expansion of the emergency wiretap authority, but I apologize to him because I have to rise to oppose this amendment which would expand emergency wiretap authority permitting the Government to begin a wiretap prior to obtaining court approval in a greater range of cases than the law presently allows.

I find this proposal troubling, and let me list some reasons. I am concerned that this provision, if enacted, would unnecessarily broaden emergency wiretap authority. Under current law, such authority exists when life is in danger, when the national security is threatened, or when an organized crime conspiracy is involved. That is title 18, United States Code, section 2518(7).

This authority is constrained by a requirement that the surveillance be approved by a court within 48 hours. The President's proposal contained in this amendment would expand these powers to any conspiratorial activity characteristic of domestic or international terrorism. I personally do not believe that this expansion is necessary to effectively battle the threat of terrorism.

Virtually every act of terrorism one can imagine which would require an emergency wiretap—that is, the threat is so immediate that the Government cannot obtain a court order before instituting the wiretap—will certainly also involve "an immediate danger of death or serious physical injury," or "a conspiratorial activity threatening the national interest," as defined in current law. Thus, expanding the Government's emergency wiretap powers to any conspiratorial activity characteristic of domestic or international terrorism would add little to existing authority. However, the little that it does add or will add is particularly troubling.

This amendment defines domestic terrorism in an unwise and extremely broad manner. The amendment defines domestic terrorism, in part, as "any activities that involve violent acts or acts dangerous to human life and which appear to be intended to intimidate or coerce a civilian population or to influence the policy of Government by intimidation or coercion."

That is a potentially vague and very loose standard. There are legitimate acts of protest that could be caught up in this definition, because they, in some way, pose a danger or are viewed as "intimidating."

No one, of course, would contend that activities that truly threaten the public safety or an individual should go uninvestigated or unpunished. However, the standard for initiating a wiretap without a court order should certainly be higher than this amendment proposes.

Mr. President, a wiretap order is deliberately somewhat difficult to obtain. It is more difficult because it is more difficult to get the Justice Department to approve it than it is to get a judge or magistrate to approve it. Because wiretaps are so intrusive and conducted in secret by the Government in circumstances under which the subject has a reasonable expectation of privacy, the courts and Congress have required that the Government meet a heightened burden of necessity before using a wiretap to ensure that civil liberties are secure.

The law also, of course, recognizes exigent circumstances, because in a true emergency, when lives are at risk, we would not want law enforcement to wait for court-approved wiretaps any more than we expect a police officer to obtain a search warrant before chasing an armed and fleeing suspect into a house. Our present wiretap statute recognizes this with its emergency provision and expanding the exception should give us pause. We must ensure that in our response to recent terrorist acts, we do not destroy the freedom that we cherish. I fear that the amendment does take us a step down that road, and for these reasons, I oppose the amendment.

Let me mention one other thing. The distinguished Senator from Connecticut is very sincere and well-intentioned with this amendment. I acknowledge that. And he is an acknowledged authority on law enforcement. But I have to question whether this amendment would permit the Government to obtain emergency wiretaps; in other words, a wiretap without a court order—let me repeat that; a wiretap obtained without a court order—of, let us say, some of these groups in our society today, ranging from the right to the left. Take a gay rights group like Act Up, or an environmental group like some of the more vociferous environmental groups; or you could take some groups on the right that are vociferous that stage a sit-in that may violate some State property or some loitering felony. It seems to me that a demonstration blocking a busy street or entrance to a church or hospital could endanger human life under certain circumstances, and certainly a demonstration of this nature would be intended to change the Government's policy. This amendment could thus permit the Government to listen to the conversations of such groups without obtaining a court order.

This is deeply troubling to me, and I think to anybody who believes in the Bill of Rights and in the important protections the Constitution affords us.

It is easy to come up with circumstances that would justify a wiretap, but then you meet the emergency requirements already in law. So I would rather stick with the current law.

So I urge my fellow Senators to vote against this. That is with a full understanding of what the distinguished Senator from Connecticut is trying to do, and with some sympathy toward what he is trying to do, except I do not think we should expand the wiretap laws any further.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. I rise to support Senator LIEBERMAN's amendment on emergency wiretap authority. Quite frankly, Mr. President, this amendment would add to this bill the President's proposal in the President's original bill to extend authority for emergency wiretaps—which are already available, I might add, for organized crime cases—to terrorism crimes. And I am sure people looking at this debate are probably thinking: Wait a minute. Senator ORRIN HATCH is arguing against this on civil liberties grounds, and BIDEN being for this—I was going to facetiously say something, but I will not say it. This is no time for humor.

At any rate, the reason I am for this bill—and I have a pretty long record and history here of being as vigilant in the civil liberties of Americans and constitutional rights as anyone in this body—is that I do not see a lot of distinction between crimes of terrorism and organized crime. It is kind of basic to me. If the justification exists for organized crime, why would it not exist for crimes of terrorism?

Now, let me explain first what probably my friend from Connecticut has already explained—I apologize if I am going over old ground; I will be brief—what an emergency wiretap is and how limited an emergency wiretap is.

In almost all cases, the Government has to get a court order to initiate a wiretap, under stringent standards set out in current law. The emergency wiretap authority allows the Government to initiate a wiretap without a court order in emergency situations involving, one, immediate danger of death or serious physical injury to any person; conspiratorial activities threatening national security; or conspiratorial activities characteristic of organized crime activities. Only the top three Justice Department officials—the Attorney General, Deputy Attorney General, and Associate Attorney General—can organize an emergency wiretap.

Now, if it stopped there, I could see why a lot of people would say, even with that, that is still too dangerous, and there is still too much exposure for Americans of their civil liberties. But even in those emergency situations, the law requires the Government to seek judicial approval of the wiretap within 48 hours.

So it is not like there can be an emergency wiretap placed on the authority of the top three Justice Department officials, the top three, and left on and then the information used. Within 48 hours, they have to get a court order or cease and desist. That is the second requirement.

First, it has to fit the criteria of immediate danger, death, and so on, which I read. Second, within 48 hours, there has to be a court order. Third, if when they go for the court order, the judge disagrees or declines, the wiretap has to end, and any evidence that has been gotten in that 48 hours cannot be used. It is sort of an exclusionary rule, if you will. It cannot be used.

So Senator LIEBERMAN's amendment, consistent with what the President asked for, would add to the list of emergency situations the following: Conspiratorial activities characteristic of domestic or international terrorism. It seems to me no less broad than conspiratorial activities characteristic of organized crime activities.

Now, the consistent position for my friends to take here, if they are going to take on the amendment of the Senator from Connecticut, would be to amend the existing law to strike conspiratorial activities characteristic of organized crime. I doubt whether they would want to do that. So I am kind of at a loss that if they think that is a good idea, why not conspiratorial activities characteristic of domestic or international terrorism? Is someone going to tell me that they are more at jeopardy or less at jeopardy from the Gambino family than we are from some bunch of screwballs running around in the woods who are planning on blowing up a building? When is the last time the Mafia blew up a building? They are not good guys; they are all bad guys. But I do not quite understand the logic here. I do not understand the logic.

Of course, a wiretap is a powerful and intrusive investigative tool. We have to be careful to guard against its abuses. There are several statutory restrictions that prevent the abuse of emergency wiretaps, none of which would be changed by this amendment.

Now, there is much more that I am inclined to say, but I will not. I will conclude by saying, if a wiretap is authorized and the Government then goes to court within 48 hours, if the order is not granted, the interception is treated as a violation of title III and is inadmissible in trial. This provision, in my view, works no great expansion on the wiretap statute. The Government is still required to get a judicial order. But it is simply allowed to get an order after the fact when there is an emergency situation. The amendment simply extends the emergency wiretap authority to terrorism offenses and, surely, terrorism is as great a threat as organized crime. This is a narrow and sensible amendment. I urge my colleagues to support it.

Let me emphasize that the amendment does not expand the list of offenses which can be investigated using a wiretap. By the way, most Americans—and I know my friend was a distinguished prosecutor and attorney general of his State. He knows full well—but even most practicing lawyers do not know—that you cannot, under the Federal law, get a wiretap for all felonies. You cannot get them for every crime. Most people think that if the FBI has reason to believe any felony is being committed, they can go get a wiretap. That is not true. They cannot even ask for a wiretap for certain crimes.

This does not expand the list of things for which they can have an emergency wiretap. Nor does it expand the list that a judge, when it is 48 hours later and we say, "Judge, make this real," the judge cannot say, "Well, it is not covered as subject matter for wiretap under the law now, but I will let you do it because the change of the law allows it." It does not do that.

It does not expand offenses which can be investigated using a wiretap. All it does is allow an emergency wiretap for those domestic and international terrorist offenses which involve violent acts and acts dangerous to human life. The wiretap must then be approved by the court. Quite frankly, I do not see how it could be construed to cover a simple political demonstration, as my friend from Utah fears.

What I fear is that we are not making a false distinction between acts of terrorism and organized crime. I do not hear anybody suggesting that if the Gambino family gets together for a picnic, we are worried about whether or not an emergency wiretap may impact on their right to have a picnic. I do not hear them saying that.

If a bunch of wackos get together talking about the Federal Government, and the Government has reason to believe they are preparing for or engaging in acts of violence, why not them, too?

To put it in crass terms, if we can mess up the Gambino picnic, we should be able to mess up the screwball picnic, if there is evidence—if there is evidence—that there is a likelihood of a violent act or violent crime to be committed.

I do not know who we are protecting, but it does not seem to make any sense to me. No safeguards that exist now are being reduced. We are adding an additional category, the category seems reasonable to me.

I compliment the Senator on his amendment. I yield the floor.

Mr. SPECTER. Mr. President, I oppose the pending amendment, and I do so with a deference to my colleague from Connecticut because of his experience as Attorney General.

I believe that we ought to be very circumspect and very careful before expanding wiretapping authority at all until there has been an opportunity for very careful study. That opportunity is not present here.

As I have listened to the very abbreviated arguments in the course of less than 30 minutes, there may be no expansion beyond the current law. Nobody has cited an illustration as to what would be subject to wiretap under Senator LIEBERMAN's amendment that would not be subject to wiretap under existing law. It may well be that there are sufficient vagaries in the language of the amendment which could render it overbroad.

This bill has not been subjected to the usual legislative process of a markup, which is where the committee sits down and goes over the bill and considers amendments in a more deliberative fashion than an amendment being presented and debated on the floor over the course of 30 minutes, or a few minutes more.

In saying this, I do not fault, at all, the distinguished Senator from Connecticut, because these are the rules of procedure in the Senate. I do say that it ought to give Members some pause.

As we speak, we are on a Friday near noon and many Senators are waiting to catch planes. The distinguished clerk is nodding in the affirmative. I do not think we ought to legislate in this kind of a rush. Expanding wiretap authority may have a very, very serious impact on civil liberties. No compelling need has been shown for adopting this amendment and, therefore, I think the amendment ought not to be enacted. Under these procedures and time constraints, I am sure of that. I yield the floor.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, let me assure my friend and colleague from Pennsylvania that I am in no rush.

I have been following this question of how we can best counter terrorism for a long time, and I have been working with people in the FBI, the U.S. attorney offices, and the Justice Department. They tell me that that is an expanded authority that will help them combat terrorism.

I have spent a fair amount of time thinking about this amendment. I have concluded that it gives one more weapon to the folks that are fighting on our side against the terrorists.

Mr. President, I must say I am a little bit surprised by some of the objections which suggest that this authority, limited as it is, as the Senator from Delaware made clear, 48-hour emergency wiretap, three officials at the Justice Department, can authorize on a showing of necessity the same grounds that a court would use if a court does not similarly authorize the wiretap within 48 hours, it is over, and the evidence seized in between is inadmissible.

Let me go to the concern about whether this authority might be used against domestic political groups compromising their civil liberties. There is nowhere in the language of the proposal, let alone the underlying law which it amends, to suggest that that is possible. It is certainly not my intention.

The term "domestic terrorism" which as Senator BIDEN has indicated is what this is about, we take the language here, conspiratorial activities characteristic of organized crime, which an emergency wiretap can be grounded, and add conspiratorial activities characteristic of domestic terrorism.

How do we define "domestic terrorism?" It means any activities that involve violent acts, or acts dangerous to human life, that are criminal—that are a violation of the criminal laws of the United States or any State; and on top of that, which appear to be intended to intimidate or coerce a civilian population or influence the policy of the Government by intimidation and coercion.

It takes more than the intention to intimidate or coerce the Government or the American people, one must be contemplating or involved in violent acts or criminal acts with that purpose.

Now, there is no mainstream or out of the mainstream political group that just is expressing points of view that is by any stretch of the imagination going to be subject to an emergency wiretap under this provision.

There is a general point, and I will make it as my final point. It does cover international terrorism as well. We are not talking just domestic political groups, but people or agents of foreign governments, agents of foreign groups that may be on our soil, moving around, attempting or planning acts of violence against us.

The general point in terms of the concern of civil liberties. As is true in so many of these questions of law and order and maintaining that basic order that is the precondition of our liberties, the question is, who do we give the benefit of the doubt? Are we going to side with the potential victims of a terrorist act? Are we going to stretch over so far backward in our concern about civil liberties that we give the benefit of the doubt to the would-be terrorists? To me there ought to be a simple answer to that equation.

It is, in another sense, do we trust those in positions of authority? I have had the privilege of working in law enforcement. The U.S. attorneys, the FBI, the Secret Service—they are not perfect. They are just people. But by and large these are people who are out there every day, as we have seen too often, putting their lives on the line for Government to maintain the order that does protect our liberty.

Give me a choice of giving them another narrowly circumscribed authority to use to stop terrorism, I am going to give it to them with the confidence that in almost every case I can think of, they will use it in an appropriate way. If for some reason they do not, within 48 hours a judge is going to come along and say "That is it, take the wiretap off." And not only that, everything that has been gathered in the 48 hours is inadmissible in court.

This power, incidentally, that has existed under this statute regarding national security and organized crime cases, has rarely been used because of the standard set up in the law and because of the deterrent that if a judge does not confirm the original authorization by the Justice Department, evidence is inadmissible.

Mr. President, I think this is just one smart tool, another smart tool, to give the folks who are out there fighting terrorists on our side to make sure we stop the terrorists before they stop us. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I understand the distinguished Senator from Delaware would like to speak?

Mr. BIDEN. Mr. President, I ask unanimous consent that a letter and testimony regarding this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GUN OWNERS OF AMERICA,
Springfield, VA, May 18, 1995.

DEAR SENATOR: The tragic bombing in Oklahoma City has, unfortunately, provoked a "feeding frenzy" of efforts to manipulate the unfortunate victims for the political advantage of certain special interests and ideological points of view. These efforts have been embodied in attempts to blame pro-Second Amendment organizations, pro-life groups, or Republicans in general for what appear to be the actions of isolated madmen.

In this climate, it is particularly important that we not over-react or react foolishly to the heart-rending events which we, as a nation, have witnessed. On April 27, S. 735 was introduced by the Majority Leader and the Chairman of the Senate Judiciary Committee, and was brought directly onto the Senate calendar. While avoiding some of the most extreme proposals which have been posited for political advantage in the wake of the bombing, S. 735 nevertheless contains some provisions which are far too dangerous to be considered without hearings, markup, and the normal checks and balances of the legislative process.

As introduced, Gun Owners of America would oppose S. 735, and would rate any vote for that legislation as an anti-gun vote. In particular, we object to provisions of S. 735 which would:

Allow the BATF to go after gun dealers for far-reaching "conspiracy" charges involving no overt act at all;

Significantly broaden the materials which the Secretary of the Treasury could require from law-abiding businesses, groups and individuals;

Preempt state law enforcement efforts in many circumstances which are primarily of local concern.

Broaden the authority of the FBI to make demands of citizens not suspected of crimes, and, in general, increase the ability of government to intrude on the privacy and rights of individuals.

It may well be the Congress, after due consideration, will decide that some changes in federal law are necessary. But this is not an area where legislation should be adopted prior to full consideration of the ramifications of that legislation. I therefore urge you to step back, hold hearings, and take time to consider what, if any, changes in federal law would genuinely address the issue of terrorism, rather than merely serving as a political placebo. The country and the Constitution will both be healthier as a result of your efforts.

Sincerely,

LARRY PRATT,
Executive Director.

EXCERPTS FROM WRITTEN TESTIMONY BEFORE THE U.S. SENATE COMMITTEE ON THE JUDICIARY, SUBMITTED BY DAVID B. KOPEL, ASSOCIATE POLICY ANALYST

WIRETAPPING

Various proposals have been offered to expand dramatically the scope of wiretapping. For example, the Clinton bill defines almost all violent and property crime (down to petty offenses below misdemeanors) as "terrorism" and also allow wiretaps for "terrorism" investigations.

Other proposals would allow wiretaps for all federal felonies, rather than for the special subet of felonies for which wiretaps have been determined to be especially necessary. Notably, wiretaps are already available for the fundamental terrorist offenses: arson and homicide. Authorizing wiretaps for evasion of federal vitamin regulations, gun registration requirements, or wetlands regulations is hardly a serious contribution to anti-terrorism, but amounts to a bait-and-switch on the American people.

Currently, FBI wiretapping, bugging, and secret break-ins of the property of American groups is allowed after approval from a seven-member federal court which meets in secret. Of the 7,554 applications which the FBI has submitted in since 1978, 7,553 have been approved.

Making the request for vast new wiretap powers all the more unconvincing is how poorly wiretap powers have been used in the past. Terrorists are, of course, already subject to being wiretapped. Yet as federal wiretaps set new record highs every year, wiretaps are used almost exclusively for gambling, racketeering, and drugs. The last known wiretap for a bombing investigation was in 1998. Of the 976 federal electronic eavesdropping applications in 1993, not a single one was for arson, explosives, or firearms, let alone terrorism. From 1983 to 1993, of the 8,800 applications for eavesdropping, only 16 were for arson, explosives, or firearms. In short, requests for vast new wiretapping powers because of terrorism are akin to a carpenter asking for a pile driver to hammer a nail, while a hammer lies nearby, unused.

Even more disturbing than proposals to expand the jurisdictional base for wiretaps are efforts to remove legal controls on wiretaps. For example, wiretaps are authorized for the interception of particular speakers on particular phone lines. If the interception target keeps switching telephones (as by using a variety of pay phones), the government may ask the court for a "roving wiretap," authorizing interception of any phone line the target is using. Yet while roving wiretaps are currently available when the government shows the court a need, the Clinton and Dole bills allow roving wiretaps for "terrorism" *without* court order. (Again, remember that both bills define "terrorism" as almost all violent or property crime.)

The Foreign Intelligence Surveillance Act (FISA) provides procedures for authorizing wiretaps in various cases. These procedures have worked in the most serious foreign espionage cases. Yet the Clinton and Dole bills would authorize use of evidence gathered in violation of FISA in certain deportation proceedings.

WARRANTLESS DATA GATHERING

Proposals have also been offered to require credit card companies, financial reporting services, hotels, airlines, and bus companies to turn over customer information whenever demanded by the federal government. Document subpoenas are currently available whenever the government wishes to coerce a company into disclosing private customer information. Thus, the proposals do not increase the type of private information that the government can obtain; the proposals simply allow the government to obtain the information even when the government cannot show a court that there is probable cause to believe that the documents contain evidence of illegal activity.

Similar analysis may be applied to proposals to increase the use of pen registers (which record phone numbers called, but do not record conversations, and thus do not require a warrant). If a phone company has a high enough regard for its customers' privacy so as to not allow pen registers to be used without any controls, the government may obtain a court order to place a pen register. Business respect for customer privacy ought to be encouraged, not outlawed.

CURTAILING FIRST AMENDMENT RIGHTS OF COMPUTER USERS

For some government agencies, the Oklahoma City tragedy has become a vehicle for enactment of "wish list" legislation that has nothing to do with Oklahoma City, but which it is apparently hoped the "do something" imperative of the moment will not examine carefully.

One prominent example is legislation to drastically curtail the right of habeas corpus. Although Supreme Court decisions in recent years have already sharply limited habeas corpus, prosecutors' lobbies want to go even further. Two obvious points should be made: First, habeas corpus has nothing to do with apprehending criminals; by definition, anyone who files a habeas corpus petition is already in prison. Second, habeas corpus has nothing to do with Oklahoma City in particular, or terrorism in general.

A second example, of piggybacking irrelevant legislation designed to reduce civil liberties are current FBI efforts to outlaw computer privacy.

If a person writes a letter to another person, he can write the letter in a secret code. If the government intercepts the letter, and cannot figure out the secret code, the government is out of luck. These basic First Amendment principles have never been questioned.

But, if instead of writing the letter with pen and paper, the letter is written electronically, and mailed over a computer network rather than postal mail, do privacy interests suddenly vanish? According to FBI director Louis Freeh, the answer is apparently "yes."

Testifying before the Senate Judiciary Committee about Oklahoma City, director Freeh complained that people can communicate over the internet "in encrypted conversations for which we have no available means to read and understand unless that encryption problem is dealt with immediately." "That encryption problem" (i.e. people being able to communicate privately) could only be solved by outlawing high quality encryption software like Pretty Good Privacy.

First of all, shareware versions of Pretty Good Privacy are ubiquitous throughout American computer networks. The cat cannot be put back in the bag. More fundamentally, the potential that a criminal, including a terrorist, might misuse private communications is no reason to abolish private communications per se. After all, people whose homes are lawfully bugged can communicate privately by writing with an Etch-a-Sketch. That is no reason to outlaw Etch-a-Sketch.

Although Mr. Freeh apparently wants to outlaw encryption entirely, the Clinton administration has been proposing the "Clipper Chip." The federal government has begun requiring that all vendors supplying phones to the federal government include the "Clipper" chip. Using the federal government's enormous purchasing clout, the Clinton administration is attempting to make the Clipper Chip into a de facto national standard.

The clipper chips provides a low level of privacy protection against casual snoopers. But some computer scientists have already announced that the chip can be defeated. Moreover, the "key"—which allows the private phone conversation, computer file, or electronic mail to be opened up by unauthorized third parties—will be held by the federal government.

The federal government promises that it will keep the key carefully guarded, and only use the key to snoop when absolutely necessary. This is the same federal government that promised that social security numbers would only be used to administer the social security system, and that the Internal Revenue Service would never be used for political purposes.

Proposals for the federal government's acquisition of a key to everyone's electronic data, which the government promises never to misuse, might be compared to the federal government's proposing to acquire a key to everyone's home. Currently, people can buy door locks and other security devices that are of such high quality that covert entry by the government is impossible; the government might be able to break the door down, but the government would not be able to enter discretely, place an electronic surveillance device, and then leave. Thus, high-quality locks can defeat a lawful government attempt to read a person's electronic correspondence or data.

Similarly, it is legal for the government to search through somebody's garbage without a warrant; but there is nothing wrong with the privacy-conscious people and businesses using paper shredders to defeat any potential garbage snooping. Even if high-quality shredders make it impossible for documents to be pieced back together, such shredders should not be illegal.

Likewise, while wiretaps or government surveillance of computer communications may be legal, there should be no obligation of individuals or businesses to make wiretapping easy. Simply put, Americans should not be required to live their lives in a manner so that the government can spy on them when necessary.

Thus, although proposals to outlaw or emasculate computer privacy are sometimes defended as maintaining the status quo (easy government wiretaps), the true status quo in America is that manufacturers and consumers have never been required to buy products which are custom-designed to facilitate government snooping.

The point is no less valid for electronic keys than it is for front-door keys. The only reason that electronic privacy invasions are even discussed (whereas their counterparts for "old-fashioned" privacy invasions are too absurd to even be contemplated), is the tendency of new technologies to be more highly restricted than old technologies. For example, the Supreme Court in the 1920's began allowing searches of drivers and automobiles that would never have been allowed for persons riding horses.

But the better Supreme Court decisions recognize that the Constitution defines a relationship between individuals and the government that is applied to every new technology. For example, in United States v. Katz, the Court applied the privacy principle underlying the Fourth Amendment to prohibit warrantless eavesdropping on telephone calls made from a public phone booth—even though telephones had not been invented at the time of the Fourth Amendment. Likewise, the principle underlying freedom of the press—that an unfettered press is an important check on secretive and abusive governments—remains the same whether a publisher uses a Franklin press to produce a hundred copies of a pamphlet, or laser printers to produce a hundred thousand. Privacy rights for mail remain the same whether the letter is written with a quill pen and a paper encryption "wheel," or with a computer and Pretty Good Privacy.

Efforts to limit electronic privacy will harm not just the First Amendment, but also American commerce. Genuinely secure public-key encryption (like Pretty Good Privacy) gives users the safety and convenience of electronic files plus the security features of paper envelopes and signatures. A good encryption program can authenticate the creator of a particular electronic document—just as a written signature authenticates (more or less) the creator of a particular paper document.

Public-key encryption can greatly reduce the need for paper. With secure public-key encryption, businesses could distribute catalogs, take orders, pay with digital cash, and enforce contracts with veriable signatures—all without paper.

Conversely the Clinton administration's weak privacy protection (giving the federal government the ability to spy everywhere) means that confidential business secrets will be easily stolen by business competitors who can bribe local or federal law enforcement officials to divulge the "secret" codes for breaking into private conversations and files, or who can hack the clipper chips.

* * * * *

RIGHT TO KEEP AND BEAR ARMS

Cracking down on militias

Equating all militias with white supremacists is nonsense. Like the Los Angeles Police Department, some militias may have members, or even officers, who are racist, but that does not mean that the organization as a whole, or the vast majority of its members are racists. Most militias are composed of people with jobs and families; people who are seeking to protect what they have, not to inflict revenge on others for their own failings.

The frenzy of hatred being whipped up against law-abiding militia members is not unlike the hatred to which law-abiding Arab-Americans would have been subjected, had Oklahoma City been perpetrated by the Libyan secret service. It is not unlike the hatred to which Japanese-Americans were subjected after World War II. Ironically, some politicians who complain about the coarse, angry tone of American politics do so in speeches in which they heap hate-filled invective upon anyone and everyone who belongs to a militia.

As this Issue Brief is written, no evidence has developed which ties any militia (let alone all of them) to the Oklahoma City crime. At most, two suspects are said to have attended a few militia meetings and left because the militias did not share their goals. This fact no more proves a militia conspiracy than the hypothetical fact that the suspects went to church a few times would prove that the Pope and Jerry Falwell masterminded the Oklahoma City bombing.

That someone who perpetrated a crime may have attended a militia meeting is hardly proof that all militias should be destroyed. The step-father of Susan Smith (the alleged South Carolina child murderer) sexually molested her one night after he returned from putting up posters for the Pat Robertson presidential campaign. What if someone suggested that the "radical" patriarchal theories espoused by Robertson and the Christian Coalition created the "atmosphere" which led to the incestuous rape, and that therefore all Christian Coalition members were responsible for the crime, and the FBI should "crack down" on them? The claim would be dismissed in a second; equally outrageous claims about gun owners should likewise be dismissed.

It is a sad testament to the bigotry of certain segments of the media that totally unsubstantiated, vicious conspiracy theories of the type which were once employed against Catholics and Jews are now being trotted out against militia members, patriots, and gun owners.

No militia group was involved with the Oklahoma City bombing. Despite the hatemongering of the media, the "need" to start spying on militia groups is a totally implausible basis for expansion of federal government powers.

Moreover, militia groups hold public meetings, sometimes advertising in local newspapers. There is hardly a need for greater "surveillance" of such public groups.

To respond intelligently to the militia and patriot movements, we must acknowledge that, although the movements are permeated with implausible conspiracy theories, the movements are a reaction to increasing militarization, lawlessness, and violence of federal law enforcement, a genuine problem which should concern all Americans.

We must also remember that it is lawful in the United States to exercise freedom of speech and the right to bear arms. Spending one's weekends in the woods practicing with firearms and listening to right-wing political speeches is not my idea of a good time, but there is not, and should not, be anything illegal about it.

If we want to shrink the militia movement, the surest way is to reduce criminal and abusive behavior by the federal government, and to require a thorough, open investigation by a Special Prosecutor of what happened at Waco and at Ruby Ridge, Idaho. If, as the evidence strongly suggests, the law was broken, the law-breakers should be prosecuted, even if they happen to be government employees.

Conversely, the persons responsible for the deaths of innocent Americans should not be promoted to even-higher positions in the FBI or federal law enforcement. If the Clinton administration were trying to fan the flames of paranoia, it could hardly do better than to have appointed Larry Potts second-in-command at the FBI.

Militias and patriot groups have been understandably ridiculed for a paranoid worldview centered on the United Nations and international banking. But ironically, many of the people doing the ridiculing share an equally paranoid world-view. Most members of the establishment media and the gun control movement have no more idea what a real militia member is like than militia members have about what a real international banker is like. In both cases, stereotyping substitutes for understanding, and familiar devils (the United Nations for the militia, the National Rifle Association for the establishment media) are claimed to be the motive force behind the actions of a man who (allegedly) believes that the government put a microchip in his buttocks.

Nearly twenty years ago, an article in the Public Interest explained the American gun control conflict:

"[U]nderlying the gun control struggle is a fundamental division in our nation. The intensity of passion on this issue suggests to me that we are experiencing a sort of low-grade war going on between two alternative views of what America is and ought to be. On the one side are those who take bourgeois Europe as a model of a civilized society: a society just, equitable, and democratic; but well ordered, with the lines of authority clearly drawn, and with decisions made rationally and correctly by intelligent men for the entire nation. To such people, hunting is atavistic, personal violence is shameful, and uncontrolled gun ownership is a blot upon civilization.

"On the other side is a group of people who do not tend to be especially articulate or literate, and whose world view is rarely expressed in print. Their model is that of the independent frontiersman who takes care of himself and his family with no interference from the state. They are 'conservative' in the sense that they cling to America's unique pre-modern tradition—a non-feudal society with a sort of medieval liberty at large for every man. To these people, 'sociological' is an epithet. Life is tough and competitive. Manhood means responsibility and caring for your own."

The author explained the disaster that America will create for itself if fearful in government attempt to "crack down" on fearful gun-owners, thereby fulfilling the worst fears that each group has of the other:

"As they [the gun-owners] say to a man, 'I'll bury my guns in the wall first.' They ask, because they do not understand the other side, 'Why do these people want to disarm us?' They consider themselves no threat to anyone; they are not criminals, not revolutionaries. But slowly, as they become politicized, they find an analysis that fits the phenomenon they experience: Someone fears their having guns, someone is afraid of their defending their families, property, and liberty. Nasty things may happen if these people begin to feel that they are concerned.

It would be useful, therefore, if some of the mindless passion, on both side, could be drained out of the gun-control issue. Gun control is no solution to the crime problem, to the assassination problem, to the terrorist problem. . . . [S]o long as the issue is kept at a white heat, with everyone having some ground to suspect everyone else's ultimate intentions, the rule of reasonableness has little chance to assert itself."

ASSAULT WEAPONS

Perhaps the most cynical effort to exploit the Oklahoma City tragedy is the effort of gun prohibition advocates to use the murders as a pretext for preserving the federal ban on so-called "assault weapons." To state the obvious, the Oklahoma City bombing was perpetrated with a bomb, not a gun. The bombers may have attended meetings of groups which support the right to keep and bear arms, but that does not prove that gun rights groups were coconspirators, despite the vicious insinuations of some gun prohibition advocates.

The reasons for repealing the gun ban remain as strong as ever. First of all, Congress has no Constitutional power (under the Constitution's text and original intent) to ban the simple possession (as opposed to sale in interstate commerce) of anything.

Second, if one looks at actual police data (rather than unsupported claims from antigun police administrators), "assault weapons" constitute only about one percent of crime guns.

Third, despite the menacing looks of so-called "assault weapons," they are not more powerful or more deadly than firearms with a more conventional appearance. Instead, the "assault weapon" ban is based on cosmetics, such as whether a gun has a bayonet lug—as if criminals were perpetrating drive-by bayonetings.

Finally, the ban has already been nullified for all practical purposes. Since the law defines an "assault weapon" based on trivial characteristics like bayonet lugs, gun manufacturers have already brought out new versions of the banned guns, minus the cosmetically offensive bayonet lugs and similar components.

Repeal of the "assault weapon" ban makes sense as a move towards a more rational federal criminal justice policy. It makes even more sense when its social impact is considered. Many gun control advocates acknowledged that "assault weapons" were a tiny component of the gun crime problem, but they still liked the ban because of its symbolic value. A great many other people, however, were very upset by the symbolic message of the gun ban. Some of them have joined militias, patriot groups, or similar organizations. Indeed, it would be no exaggeration to say that President Clinton, Representative Schumer, and Senator Feinstein have, through pushing the gun ban through Congress, done more to promote the surge in militia membership than anyone else in the nation.

If we want to reduce the number of people who are frightened by the federal government, the federal government should stop frightening so many people. Given the irrelevance of the "assault weapon" ban to actual crime control, repeal of the ban would be a very important step that the federal government could take to convincing millions of Americans that it is not a menace to their liberty. Conversely, retention of a ban on cosmetically-incorrect firearms by law-abiding citizens would be a strong statement to the American people that their federal government does not trust them; and if so, why should they trust it?

BAN ON TRAINING

Morris Dees of the Southern Poverty Law Center has begun promoting a federal ban on group firearms training which is not authorized by state law. First of all, state governments are perfectly capable of banning or authorizing whatever they want. The proposal for a federal ban amounts to asking Washington for legislation similar to that which various allies of Mr. Dees promoted at the state level in the 1980s, with little success. The vast majority of states having rejected a training ban, the federal government should hardly impose the will of the small minority on the rest of the states.

A former direct-mail fundraiser for the antigun lobby, Mr. Dees may be forgiven for a low level of concern for the exercise of the right to keep and bear arms. But the right to keep and bear arms necessarily includes the right to practice with them, just as the Constitutional right to read a newspaper editorial about political events necessarily includes the right to learn how to read. Just as the government may not forbid people from learning how to read in groups, it may not forbid people from learning how to use firearms in groups.

"Organizing, arming, and training in conjunction with a political agenda would be seen as dangerous in any other society but our own," a private security consultant recently told Congress, demanding that "these groups be flatly dealt with as 'enemies of our society.'"

Of course the United States was founded by "religious nuts with guns," and later achieved independence as a result of a war instigated by people who organized, armed, and trained with a political agenda. The spark of the revolutionary war, the battle of Lexington and Concord, was prompted by the ruling government's attempts to confiscate the "assault weapons" of the day held by local militias. It was at the Concord Bridge where militiamen were ordered to "wait until you see the whites of their eyes" and then shot government employees who were coming to arrest them for possessing an illegal "assault weapon" (a cannon). The Texan revolution against Mexico likewise began over civilian possession of "military" arms, when the Mexican government demanded that settlers hand over a cannon, and the Texans replied, "Come and take it!"

The militiamen of Concord Bridge and Texas may have broken the law, but they were great men, worthy of admiration by every schoolchild, and every other American. "You need only reflect that one of the best ways to get yourself a reputation as a dangerous citizen these days is to go around repeating the very phrases which our founding fathers used in their struggle for independence," observed American historian Charles A. Beard.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Some people have claimed that criticism of an alleged pattern of criminal conduct at the Bureau of Alcohol, Tobacco and Firearms is tantamount to complicity in the Oklahoma City bombing. If so, then the United States Senate is the party ultimately at fault. In 1982, the Senate Subcommittee on the Constitution investigated the BATF and unanimously concluded that the agency had habitually engaged in:

". . . conduct which borders on the criminal. . . . [E]nforcement tactics made possible by current firearms laws are constitutionally, legally and practically reprehensible. . . . [A]pproximately 75 percent of BATF gun prosecutions were aimed at ordinary citizens who had neither criminal intent nor knowledge, but were enticed by agents into unknowing technical violations."

If it is legitimate for a United States Senate subcommittee to find that BATF operations consist of "conduct which borders on the criminal," it is hardly inappropriate for other persons to point out similar conduct.

The Waco raid was the most spectacular, but hardly the only instance of abuse of power by BATF in conducting search warrants.

On December 16, 1991 (the first day of the third century of the Bill of Rights), sixty BATF agents, accompanied by two television crews, broke into the Oklahoma home of John Lawmaster. Acting on a tip (suspected to be from Lawmaster's ex-wife) that Lawmaster had illegally converted a semi-automatic to full automatic, BATF worked with the ex-wife to lure Lawmaster away from his home before the raid. With Lawmaster absent, BATF knocked down his front door with a battering ram. While some agents stood guard with weapons drawn, other agents broke open his gun safe, scattered his personal papers, spilled boxes of ammunition onto the floor, and broke into a small, locked box that contained precious coins. To look through some ceiling tiles, one agent stood on a table, breaking the table in the process.

Neighbors who asked what BATF was doing were threatened with arrest. Having found nothing illegal, BATF left weapons and ammunition strewn about the home, and departed. They closed the doors, but since BATF had broken the doors on the way in, the doors could not be latched or locked. Upon returning to the shambles that remained of his home, Lawmaster found a note from BATF: "Nothing found." Utility company representatives arrived, and told Lawmaster that they had been told to shut off all his utilities.

One of the field commanders of the Waco raid was Ted Royster, head of BATF operations for Texas, Oklahoma, and New Mexico. Royster also supervised the Lawmaster "raid," watching the operation from a parked vehicle with tinted windows.

On February 5, 1993—23 days before the Waco raid—BATF ransacked the home of Janice Hart, a black woman in Portland, Oregon, terrorizing her and her three children for hours, destroying her furniture, slamming a door on a child's foot, forcing two children to wait outside in a car while Ms. Hart was interrogated inside, and refusing to allow her to call an attorney, until BATF discovered that there was a case of mistaken identity. (BATF had been looking for Janice Harold, who bears no resemblance to Mrs. Hart.) In this case, unlike most others, BATF did at least send a check for damages, although no apology was offered.

As reported by the Washington Times:

"In 1990, [Louis Katona] lent a military-style grenade launcher to ATF for use in an unrelated prosecution, but it was never returned.

"In May 1992, ATF executed a search warrant at his home. During the search, Mr. Katona said his car's tires were flattened, his firearms were intentionally damaged and his pregnant wife was manhandled so roughly that she had a miscarriage.

"In September, he was charged with 19 felonies * * * When the case went to trial in April 1994, U.S. District Judge George W. White directed a verdict of not guilty—asking on the record, 'Where's the beef?'"

In a case which is widely known among the gun community, but which has been ignored by the national press, except for the Washington Times, the home of gun show promoters Harry and Theresa Lamplugh was raided by BATF in 1994. At least fifteen BATF agents, armed with machine guns, burst into Lamplugh's home one morning. Mr. Lamplugh asked the men, most of whom were not wearing uniforms, if they had a warrant. "Shut the fxxxx up mother fxxxer; do you want more trouble than you already have?" they responded, sticking a machine gun in his face.

Over the next six and half hours, BATF agents demolished the home, refused to let the Lamplughs get dressed, held a pizza party, killed three house cats (including a Manx kitten which was stomped to death), scattered Mr. Lamplugh's cancer pills all over the floor, and carted off over eighteen thousand dollars worth of the Lamplugh's property, plus their medical records. Nearly a year later, the government has neither filed any criminal charges, nor returned any property, even the medical records.

The first of BATF's notorious raids came on June 7, 1971, when agents broke into the home of Kenyon Ballew. A burglar had told the police that Ballew owned grenades. Ballew did own empty grenade hulls, which are entirely legal and unregulated. Wearing ski masks and displaying no identification, BATF agents broke down Ballew's door with a battering ram. Responding to his wife's screams, Ballew took out an antique blackpowder pistol, and was promptly shot by BATF. Nothing illegal was found. He remains confined to a wheelchair as a result of the shooting, and now subsists on welfare.

If the sear (the catch that holds the hammer at cock) on a semiautomatic rifle wears out, the rifle may malfunction and repeat fire. The BATF arrested and prosecuted a smalltown Tennessee police chief for possession of an automatic weapon (actually a semiautomatic with a worn-out sear), even though the BATF conceded that the police chief had not deliberately altered the weapon. In March and April of 1988, BATF pressed similar charges for a worn-out sear against a Pennsylvania state police sergeant. After a 12-day trial, the federal district judge directed a verdict of not guilty and called the prosecution "a severe miscarriage of justice."

Today, observes Robert E. Sanders, a former head of BATF's criminal division, the bureau's leaders, to the great dismay of many high-quality field agents, have "shifted from the criminal to the gun," and are now waging "an all-out war against the gun." Sanders noted that "Instead of focusing on selected criminals, there is an indiscriminate focus on anyone who owns guns. They are in total consonance with the Clinton administration's anti-gun position and with the gun control groups."

BATF's management has consistently proven itself unwilling to obey statutory law. The Firearm Owners' Protection Act specifically forbids BATF to gather registration information about guns to gun owners, except in connection with a criminal investigation. Nevertheless, BATF is implementing "Project Forward Trace" to register the owners of certain legal semiautomatic firearms.

The Treasury Department defends the Waco attack on the basis that "the raid fit within an historic, well-established and well-defended government interest in prohibiting and breaking up all organized groups that sought to arm or defend themselves." The candid admission of BATF's objective, however, conflicts with the fact that nothing in existing law makes it illegal for persons, alone or in groups, to collect large number of weapons and to defend themselves. To the contrary, the ownership of large numbers of weapons is specifically protected by federal statute, by federal case law, and of course by the Second Amendment.

One approach to improving BATF's conduct would be incremental reforms of the statutes governing BATF. Such an approach was attempted by the Firearm Owners' Protection Act, signed into law in 1986. The 1986 reforms, pushed by the National Rifle Association and other pro-gun organizations, reduced BATF search authority, especially for paperwork technicalities, and increased penalties for armed career criminals. Yet even today, the armed career criminal statutes are often enforced in a manner targeting small-scale, unarmed offenders.

The Bureau of Alcohol, Tobacco and Firearms (a descendant of the Bureau of Prohibition) enforces the federal alcohol laws in a manner also characterized by administrative abuse, over-reaching beyond statutory power, and selective enforcement against persons or companies who dare to criticize BATF.

Nor are people outside of BATF the only victims. Planning for the BATF raid on the Mount Carmel Center in Waco began shortly after the Bureau found out that Sixty Minutes was working on a story about sexual harassment at BATF. Months later, Sixty Minutes host Mike Wallace opined "Almost all the agents we talked to said that they believe the initial attack on that cult in Waco was a publicity stunt—the main goal of which was to improve AFT's tarnished image." (The codeword for the beginning of the BATF raid was "showtime.")

The Sixty Minutes report was devastating. BATF agent Michelle Roberts told the television program that after she and some male agents finished a surveillance in a parking lot, "I was held against the hood of my car and had my clothes ripped at by two other agents." Agent Roberts claimed she was in fear of her life. The agent who verified Ms. Roberts' complaints claims that he was pressured to resign from BATF. Another agent, Sandra Hernandez, said her complaints about sexual harassment were at first ignored by BATF, and she was then demoted to file clerk and transferred to a lower-ranking office. BATF agent Bob Hoffman said "[T]he people I put in jail have more honor than the top administration in this organization." Agent Lou Tomasello said, "I took an oath. And the thing I find totally abhorrent and disgusting is these higher-level people took that same oath and they violate the basic principles and tenets of the Constitution and the laws and simple ethics and morality." Black BATF agents have complained about discrimination in assignments.

Abolishing BATF is no solution, for abolition would leave in place the federal alcohol, tobacco and firearms laws, and transfer their enforcement responsibility to some other agency. It is the very nature of the victimless crimes—such as laws criminalizing the peaceful possession or manufacture of alcohol or firearms—which lead to enforcement abuses. As long as the consensual offense laws remain in the U.S. Code, abusive enforcement is likely, as has been the historical norm since the enactment of such laws. Removing most firearm (and alcohol and tobacco) laws from the federal statutes does not imply that alcohol, tobacco, and firearms should be subject to no legal controls. Rather, the control of those objects can continue to be achieved at the state level, without a redundant layer of federal control and the manifold temptations of federal abuse.

Since 1985, BATF's size has increased 50%, from 2,900 employees to 4,300. In a time of vast budget deficits, simply restoring BATF to its former size might save both taxpayer dollars and taxpayer lives.

While BATF's performance at Waco was disgraceful, two facts should be kept in mind: First, the BATF has a large number of honorable, admirable employees who have quietly gone about their work for years enforcing federal regulations applicable to gun dealers, and enforcing federal laws against possession of guns by persons with felony convictions for violent crime. Misbehavior of some BATF staff (and some BATF leadership) should not be taken as proof that all BATF employees are bad.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, the current United States Code provides emergency authority that is totally adequate to resolve the problems that are raised by the distinguished Senator from Connecticut. I have chatted with him about the fact that I am going to move to table his amendment.

I do so move to table his amendment. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on the motion to table amendment No. 1200, offered by the Senator from Connecticut [Mr. LIEBERMAN].

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], the Senator from North Carolina [Mr. HELMS], the Senator from Texas [Mrs. HUTCHISON], the Senator from Oklahoma [Mr. INHOFE], the Senator from Arizona [Mr. KYL], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Delaware [Mr. ROTH] are necessarily absent.

Mr. FORD. I announce that the Senator from California [Mrs. BOXER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nebraska [Mr. BRYAN], the Senator from California [Mrs. FEINSTEIN], the Senator from Nebraska [Mr. KERREY], the Senator from Massachusetts [Mr. KERRY], the Senator from Vermont [Mr. LEAHY], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

I also announce that the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Wisconsin [Mr. KOHL], and the Senator from Georgia [Mr. NUNN] are absent because of attending funeral.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 52, nays 28, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—52

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Frist
Gorton
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McConnell
Moseley-Braun
Nickles
Packwood
Pressler
Reid
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—28

Akaka
Biden
Bingaman
Breaux
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Johnston
Kennedy
Lautenberg
Levin
Lieberman
Mikulski
Moynihan
Murray
Pell
Robb
Rockefeller
Wellstone

NOT VOTING—20

Boxer
Bradley
Bryan
Domenici
Feingold
Feinstein
Gramm
Helms
Hutchison
Inhofe
Kerrey
Kerry
Kohl
Kyl
Leahy
McCain
Murkowski
Nunn
Pryor
Roth

So the motion to lay on the table the amendment (No. 1200) was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, has the time expired on the Pastore rule?

The PRESIDING OFFICER. The Senate is still operating under the Pastore rule.

Mr. BYRD. I ask unanimous consent that I may speak out of order for not to exceed 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator is recognized to speak out of order for 4 minutes.

Mr. BYRD. I thank the Chair.

MEDIA DOUBLE STANDARD

Mr. BYRD. Mr. President, I address the Senate today with respect to the May 22, 1995, Washington Post style section story by Howard Kurtz. The substance of the article was to highlight the double standard adopted by columnist George Will in criticizing the Clinton administration's decision to add tariffs to Japanese luxury cars.

In lampooning the Clinton White House for taking the tough trade stand with Japan, Mr. Will failed to mention his wife's relationship as a lobbyist for the Japanese automobile industry. According to the article, Mr. Will was quite indignant to think that anyone would suspect his motives. If a Member of Congress or an administration official in a similar situation had taken such a position, you can be sure that the press, including Mr. Will, would have taken him or her to task. Tomes would have been written about the abuse of power and corruption of the system. Efforts would have been made to discredit and to embarrass the individual. This railing would have gone on until either an apology was forthcoming or, in some cases, until a resignation was tendered.

It is exactly this type of lack of an ethical barometer on the part of the media that tips the scales of fairness in reporting. Members of the legislative, executive, and judicial branches must file regular financial reports and must abide by stringent rules of ethics. This is only proper in matters involving the public's trust.

My argument rests with the total lack of parity in the communications industry. There are no comparable ethical standards or rules which govern the media. This is true despite the fact that the levels of power and persuasion are as great or greater with the press than they are with those in public service. Until some effort is made to level the playing field and throw out the bias, the rampant cynicism and distrust on the part of the people will continue. Nothing points more dramatically to the need for change than Mr. Will's arrogance and lack of candor in this instance.

I thank Mr. Kurtz for bringing this matter to the attention of the American public, and I ask unanimous consent that the Washington Post article be printed in the RECORD. I suggest that all Senators who have not read it, do so.

I yield the floor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 23, 1995]

A CONFLICT OF WILL'S?—PUNDIT KEPT QUIET ABOUT WIFE'S ROLE AS LOBBYIST

(By Howard Kurtz)

In his syndicated column Friday, George F. Will assailed the Clinton administration's proposed tariffs on Japanese luxury cars, calling them "trade-annihilating tariffs to coerce another government into coercing its automobile industry."

He repeated his criticism Sunday on ABC's "This Week With David Brinkley," calling the 100 percent tariffs "illegal" and "a subsidy for Mercedes dealerships."

What Will did not mention is that his wife, Mari Maseng Will, is a registered foreign agent for the Japan Automobile Manufacturers Association. Her firm, Maseng Communications, was paid $198,721 last year to lobby for the industry.

Will dismissed any suggestion of a conflict. "I was for free trade long before I met my wife. End of discussion," he said yesterday. "There are people in Washington whose entire life consists of raising questions. To me, it's beyond boring. I don't understand the whole mentality.

"What's to disclose? What would I say? That one of my wife's clients agrees with my long-standing views on free trade? Good God," he said.

But several newspaper editors said Will should have disclosed his wife's paid lobbying. "I'm very distressed," said Dennis A. Britton, editor of the Chicago Sun-Times. "That's one of those material facts an editor should know before placing a story in the paper. That's like a financial writer having a stake in a company he's writing about."

Will did disclose on the Brinkley show last month that his wife was advising Sen. Robert J. Dole (R-Kan.) in his presidential campaign and would become the campaign's communications director. Will, who mentioned this before questioning Dole, said he did so only "because ABC asked me to." He said his wife's role would not inhibit him in commenting on the Dole campaign.

Will is probably the nation's most prominent conservative writer. He appears on the Brinkley show, opines in Newsweek and writes a newspaper column that is syndicated to 475 papers by The Washington Post Writers Group. Maseng served as White House communications director and assistant secretary of transportation during the Reagan administration. The two were married in 1991.

The Washington Post was initially told of Maseng's lobbying by a Clinton administration staffer. The administration has been trying to deflect criticism that the tariffs would hurt American consumers and some car dealers. Will wrote that the 13 models of Japanese cars would be "unsalable in the land of the free and the home of the brave."

According to Maseng's Justice Department filings, her firm is paid $200 an hour to deal with reporters, follow legislation, place advertising, issue press releases and draft op-ed pieces with such titles as "Selling Cars in Japan: It Isn't About Access" and "Fixing the Outcome of Trade With Japan Is a Dangerous Way to Do Business." The firm also sought to arrange for the industry's top Washington lobbyist to meet the Chicago Tribune editorial board, tried to place an opinion piece in the Washington Times and drafted letters to the New York Times and Detroit Free Press.

Maseng Communications began representing the Japanese in 1992 and was paid $47,422 the following year. Maseng did not respond to a request for comment.

"What Maseng provides is the strategic public affairs direction for the communications program," said Charles Powers, a senior vice president at Porter/Novelli, another Washington public relations firm that works for the automakers in partnership with Maseng's company.

Stephen Isaacs, associate dean of Columbia University's journalism school, said a spouse's employment "does matter. The same kind of conflict questions that apply to us also apply to our extended families. He made a mistake. . . . The fact that he doesn't see a problem shows he just doesn't get it."

Isaacs also cited a 1980 incident in which Will helped Ronald Reagan prepare for a presidential campaign debate and then praised Reagan's performance on television without disclosing his own role.

As for last week's column, some editorial page editors also expressed concern. "I would have preferred to have known in advance," said Brent Larkin, editorial director of the Cleveland Plain Dealer.

Dorrance Smith, executive producer of "This Week With David Brinkley," said he was not aware of the connection. He said he had urged Will to disclose his wife's employment with Dole, but that a round-table discussion is "a different context" from interviewing a senator.

"I'm not sure where you draw the line," Smith said. "I don't know who Cokie Roberts's brother's clients are." Roberts, another Brinkley panelist, is the sister of Washington lobbyist Tommy Boggs.

Alan Shearer, general manager of The Washington Post Writers Group, said he saw no evidence that Maseng's employment "has affected George's judgment. . . . A lot of us have spouses who have careers of their own, and whether that requires us to disclose everything they do is a difficult question. It doesn't bother me."

Will, for his part, doesn't see what the fuss is about. He says he has never discussed the issue with his wife.

"My views on free trade are well known and antecedent to Mari's involvement with whatever the client is," Will said. "It's just too silly."

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

COMPREHENSIVE TERRORISM PREVENTION ACT

The Senate continued with the consideration of the bill.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, it seems rather obvious we are not going to be able to complete action on the antiterrorism bill, S. 735. I have been notified that there are at least probably 60 or more amendments to a bill that we thought the President requested and that we wanted to cooperate with the President to try to get to him, as I indicated, before the Memorial Day recess.

But, in view of the 50-some votes we had on the budget, we lost a day, and in view of the list of amendments, even though there may be a number of amendments which may not be offered, it is now very clear that we cannot complete action on this bill today. I think the next best thing is to try to get some agreement to at least limit the number of amendments.

I do not know how you can have many more than 60, but I assume staff listening in could probably get it up to 90 in 20 minutes if they really tried.

But I would just say to the President and particularly the people of Oklahoma, those who have suffered the tragedy, that we are serious about this legislation. I am not certain whether we can finish on the Monday we are back. I do not want to delay telecommunications. We have promised and promised both Senator PRESSLER and Senator HOLLINGS we would address that very important issue. So I will have to decide what course of action to pursue.

I know the House has not acted on this, so even if we did complete action today, we could not get the bill to the President until after the Memorial Day recess.

And having discussed this with the Democratic leader, I think many of these amendments on both lists are just—there are some that say "relevant." We do not have any idea what it is or even what it is relevant to. But it is relevant as far as not being able to finish the bill if everybody intends to offer their amendments. One Member has 10 amendments; another on our side has 7, or whatever.

So I am going to ask consent that we enter into some agreement that we limit the number of amendments to those that have been identified, if that is satisfactory with the Democratic leader.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, like the majority leader, I also would like to be able to accommodate the schedule to move this legislation as quickly as we can. We need to send a clear message, not only to the people of Oklahoma, but others as well, that this is important.

As the majority leader knows, we just received a copy of the draft last night. As I understand it, it has not yet been printed in the RECORD. We will be taking a closer look at it.

I think, in spite of the fact that there may be some questions relating to the draft itself, we would be willing to enter into an agreement on the list of amendments so we can work through them. There are a lot of amendments there that may or may not be offered, but I think it does protect Senators since they have not had the opportunity to look at it more carefully. Certainly, over the course of the next several days, everyone will do that. But we want to expedite our progress on this and, hopefully, in the not-too-distant future, we can resolve what outstanding differences remain and come to a point where we can vote on final passage.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I hope we can obtain a consent agreement and the managers of the bill can stay here. There may be amendments on each side that can be taken, indicating we are making an effort to move forward, even though we have only had one vote today and opening statements yesterday. That, I think, will be helpful if we can take a few minutes on each side.

I ask unanimous consent that the following amendments be the only first-degree amendments in order; that they be subject to relevant second degrees after a failed motion to table, with the exception of the amendments described only as "relevant," and they be subject to relevant second degrees prior to any motion to table; and that the amendments be limited to the following time agreements where designated, to be equally divided in the usual form.

I just suggest, if there is no objection, I understand they are working on a final draft of amendments on that side. I think we have a final draft. I will not read each of the amendments and the sponsors, but I ask unanimous consent that the amendments on the Democratic list be printed in the RECORD, as well as those on the Republican list.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Reserving the right to object, and I shall not, but in the spirit of trying to help the two leaders, especially on this type of legislation, obviously with the rights of every Senator that are well known and abound and are used more than infrequently, on legislation like this I think it possibly would be wise to at least consider a set number of amendments and then seek a unanimous-consent agreement that the Republican leader and the Democratic leader—depending on how many they want—would ask to be the final authority on what amendments and in what order are offered on something I think as critically important as this piece of legislation.

If we had not had the 50-hour time limit on the budget resolution, obviously we would have been here this weekend and through next Wednesday. I was one who had to wrestle with it.

I guess somewhere along the line we have to appeal to all the Members with the idea of moving things—not in all cases—but in cases like this, maybe we could have some kind of appeal to have the leaders say how many amendments will be called up and in what order and the others would not be in order.

Mr. DOLE. I thank the Senator from Nebraska. I hope we will be able to do that indirectly, maybe working with the managers. I think many of these amendments will not be called up. Many are acceptable, many are improvements on the bill. Some are going to be debated.

I do not see any partisan effort on this legislation. I think it is a question of trying to find how do we get a good bill, how do we protect constitutional rights down the road. I am hopeful we can do that rather quickly once we get all these in a net here. I can see they are growing as we speak, and as fast as they can write, amendments are being added to the list. So I hope quickly we can stop the bleeding.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. Is there objection to the majority leader's request?

Mr. BIDEN. Mr. President, if the Republican leader will yield for a moment, reserving the right to object. I am confident the reason why the list is growing is because no one has seen the bill. It has not been printed in the RECORD. There have been several of us who have seen the bill. Our colleagues have not seen the bill. Their staffs have not seen the bill.

So I am absolutely confident that a significant portion of the amendments that are being added are being added in the blind. They just want to make sure that the bill does not do what it is rumored to do in the press.

I think this is one of those cases where we should not spend a whole lot more time trying to narrow it. If we can get a list now, great, do it, but I am confident that the Senator from Utah and I, over the period of the remainder of the day and during the recess, will be able to go a long way to narrowing down that list as our colleagues get a chance and their staffs get a chance to read this bill, which is not in the RECORD yet.

We always spend time weighing bills around here. This is a 150-page bill that no one has seen other than me, and I have not read it yet. I got it at 6 o'clock last night. I am not being critical of anyone, but that is just by way of explanation.

I do not think amendments being added are added for any other reason than to protect some issue Members are concerned about in this legislation. I beg your pardon, it is in the RECORD. I stand corrected, it is in the RECORD as of last night. Based on the last vote, 15 to 20 people are gone. That is the only point I make. I am sure we can work that through.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The list of the amendments is as follows:

AMENDMENTS TO TERRORISM BILL

REPUBLICAN AMENDMENTS

Kyl: Habeas corpus.
Hatch: Technical.
Gramm:
(1) Sentencing
(2) Relevant
Abraham: Alien terrorist removal.
Pressler: Federal building.
Pressler: False identification of documents.
Smith: Technical.
Craig: Relevant.
Craig: Relevant.
Craig: Mandatory minimums.
Brown: Sanctions on terrorist countries.
Brown: Relevant.
Specter: Secret proceedings/deportation.
Specter: Attorney generals classification of terrorist organizations.
Specter: Wiretap.
Specter: Habeas corpus exhaustion of remedies.
Specter: Habeas corpus/full and fair determination.
Specter: Habeas corpus.
Specter: Relevant.
Dole: Relevant.
Dole: Relevant.
Coverdell: I.D. cards.
Helms: International terrorism.
Helms: International terrorism.
Helms: International terrorism.
Hatch: Relevant.
Hatch: Relevant.
Cohen: Posse comitatus.
Ashcroft: Citizen rights.
Kempthouse: Relevant.
Warner: Relevant.

DEMOCRATIC AMENDMENTS

Biden:
1. Habeas corpus.
2. Habeas corpus.
3. Relevant.
4. Relevant.
5. Technical.
6. Firearms enforcement.
7. Foreign sovereign immunity.
8. Aliens.

Boxer:
1. Criminal proceedings.
2. Para-military activities.

Bradley: Cop killer bullets.

Bryan:
1. Immigration.
2. Immigration.

Daschle:
1. Relevant.
2. Relevant.

Feingold:
1. Relevant.
2. Relevant.

Feinstein:
1. Relevant.
2. Relevant.
3. Taggants.
4. Distribution bomb making materials.

Glenn: Relevant.
Graham: Habeas corpus.

Harkin:
1. Relevant.
2. Relevant.
3. Relevant.
4. Relevant.

Heflin:
1. Relevant.
2. ATF study w/Shelby.

Hollings: Funds telephony.

Kennedy:
1. Immigration/use secret evidence.
2. Immigration/use secret evidence.
3. Crime: multiple gun purchase.
4. Crime: assist local law enforcement.
5. Immigration/judicial review deportation.
6. Habeas corpus.

Kerrey: Funds for ATF/Secret Service.

Kerry:
1. Relevant.
2. Relevant.

Kohl: Gun free school zone.

Lautenberg:
1. Civilian marksmanship.
2. Felon-gun-explosive purchasing.
3. Relevant.

Leahy:
1. Crime victims.
2. Digital telephony.
3. Relevant.
4. Foreign policy.

Levin:
1. Relevant.
2. Relevant.
3. Relevant.
4. Relevant.
5. Relevant.

Lieberman: Wiretap.
Moynihan: Ammunition regulation.

Nunn:
1. Military assistance.
2. Military assistance.
3. Lying to federal officials.

Simon:
1. Gun dealers.
2. Fundraising.
3. Secret evidence.
4. Relevant.
5. Relevant.
6. Relevant.
7. Relevant.
8. Relevant.

Wellstone:
1. Relevant.
2. Relevant.

Mr. DOLE. Mr. President, let me indicate, I think I count 89 or 90 amendments—they went up 30 as I was getting ready here. Obviously, they will not all be offered. If they will, I just will not bring the bill back up again.

I further ask unanimous consent that no assault weapons amendments be in order to the terrorism bill, and that following the disposition of the above-listed amendments, the Hatch substitute be agreed to. That is as far as we can go, I think, at this point.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I thank my friend, the Democratic leader, and the manager of the bill. I hope maybe in the course of the next hour or two, they may be able to dispose of 30 or 40 of these amendments.

Mr. BIDEN. Fifty or sixty, Mr. President, I am sure we could, if we work extra hard.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I ask the majority leader if he can give us some indication as to the schedule for the remainder of the day and perhaps on Monday when we return.

ORDER OF BUSINESS

Mr. DOLE. There will be no more votes today, and on Monday, June 5, I suggest, I hope there will be votes, but any votes ordered not occur prior to 5 p.m., so some Members coming from a distance will be able to be here if they leave their homes early Monday morning.

At that point—and I will advise the Democratic leader hopefully this afternoon—maybe we will move to the telecommunications bill or stay on this bill, and much will depend on whether or not the managers believe we can finish this bill rather quickly, say, by Tuesday afternoon. Then we can still go on the telecommunications bill for the remainder of the week.

Mr. DASCHLE. I thank the majority leader.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I think we have just concluded that it would be a better procedure if we would give the managers, starting today, an opportunity to go through these amendments. Some they may be prepared to take, but they have not been fully reviewed; some have not been fully drafted, but they have the concept. We have to see the exact language.

The leadership of both sides suggest that we start that process today and, in the meantime, I am going to suggest that we now have a period for the transaction of routine morning business, with Senators permitted to speak for not more than 5 minutes each.

Mr. HATCH. Before the leader does that, I want to say I think the majority leader is right. We are going to get our staffs together and sift through the amendments and see which ones we can agree on and dispose of quickly. Hopefully, we will get that done.

Mr. BURNS. Mr. President, "Justice delayed is justice denied," so writes Montana State Senator Ethel Harding of Polson. On January 21, 1974, Senator Harding's daughter, Lana, was brutally murdered. It was not until just 2 weeks ago, over 21 years later, that justice was finally carried out and Lana's murderer was executed by the State of Montana.

This tragedy has haunted Senator Harding and her family for far too many years. The unfortunate thing is that the Harding family is not alone.

And so it is encouraging to see the Senate act upon true habeas corpus reform as part of the overall Comprehensive Terrorism Prevention Act of 1995.

I cannot agree with some of my colleagues who would suggest that habeas corpus reform should not be a part of this legislation. No one, including the families of the 167 innocent people killed in the Oklahoma City bombing, should have to wait as long as the Harding family to see that justice is carried out.

Habeas corpus reform is long overdue in my opinion and the quicker we can bring about change in this area of the law the better. I appreciate the efforts of Montana's attorney general, Joe Mazurek, who along with 11 other attorneys general from around the country wrote to the President in support of habeas corpus reform. This is not a partisan issue and should not get bogged down in partisan politics.

In addition, I am encouraged that Senators DOLE and HATCH have taken great pains to ensure that this legislation reaffirms our longstanding commitment to constitutional protections, and that any provision of the act which is held unconstitutional, will be severed from the act and will not affect the remaining provisions.

I am also pleased to see that we have not weakened the prohibition on the use of the U.S. Armed Forces for domestic police purposes and that we have not expanded the authority of roving wiretaps by removing the requirement of intent.

In the wake of this great national tragedy, it is critical that we unite behind our law enforcement personnel. From the local, to the State, to the Federal authorities, law enforcement and public service personnel should be commended for the fine work they have done thus far.

At the same time, it is important that we do not overreact out of fear or heightened emotions. In Montana, we continue to have situations in which individuals feel threatened by an imposing, uncaring, and overwhelming Federal Government and bureaucracy. As a result, some individuals have been driven to illegal acts such as a variety of Federal and felony charges, including gun violations, threatening and impersonating public officials, and tax evasion.

Such actions cannot be condoned for we are a civilized nation of laws. The Montana law enforcement community has responded cautiously but appropriately to these situations. They have taken a nonconfrontational approach, responding swiftly and firmly to any activities that have resulted in a violation of the law. And they have done so without jeopardizing human lives.

If we can help our local law enforcement community detect and prevent future violations of the law by providing our law enforcement community with the resources to effectively carry out their responsibilities, we should do so. This legislation is a reasoned, balanced approach in that regard.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that we now have a period for the transaction of morning business, with Senators permitted to speak for 5 minutes each.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, as of the close of business yesterday, Thursday, May 25, the Federal debt stood at $4,891,247,403,074.28. On a per capita basis, every man, woman, and child in America owes $18,567.26 as his or her share of that debt.

EXPLANATION OF ABSENCE

Mr. FORD. Mr. President, the Senator from Wisconsin [Mr. FEINGOLD] has asked me to inform his colleagues that he is necessarily absent today in order to attend the funeral of former Secretary of Defense, Les Aspin, who represented the State of Wisconsin for 22 years. The funeral is taking place today in the Gesu Chapel at Marquette University where Secretary Aspin taught before his election to Congress. Some 20 current and former Members of the House and Senate are expected to attend the services along with Vice President GORE.

THE NATIONAL RIFLE ASSOCIATION

Mr. CAMPBELL. Mr. President, I rise today to speak briefly on a matter that has caused me great personal concern and that has rapidly been allowed to escalate into another tragic example of political class warfare in the United States.

I am speaking of the overzealous and counterproductive rhetoric of extremists and extremism. Most recently, the National Rifle Association has provided an example of the worst in political debate.

At this time, Mr. President, I include a letter I recently received from Mr. Jack Sands, of Waldorf, MD. Mr. Sands is typical of many former NRA members who have seen its leadership become more violent in its rhetoric over the years. Addressing his letter to Wayne R. LaPierre, he states:

> I hereby resign as a life member of the NRA. Enclosed is my membership card dated 1973. Please remove my name from all mailing lists. I have chosen today to take this action, since this is Peace Officers Memorial Day when we pay tribute to the nearly 14,000 American law enforcement officers who died in the line of duty. As a retired Federal officer, I no longer wish to be affiliated with the NRA.
>
> Sincerely,
>
> *Jack M. Sands.*

I commend the national leadership for its courage in apologizing for its most recent example of political hatred. The comments circulated by the NRA were both offensive and irresponsible. I commend them for their apology, but I condemn them, Mr. President, for not having the good sense to exercise responsible restraint in the first place.

There is a popular ad campaign that says "I'm the NRA," and we are shown a normal, everyday, person. The message from that ad is that the NRA is just a rank-and-file, next-door-neighbor organization.

Well, Mr. President, there are two NRA's. There is the leadership of the NRA and there is the rank and file reflected in this memo sent to several Members. This is their way of lobbying Congress. It is a picture of a gun-toting person speaking about "jack-booted BATF thugs."

Mr. President, I was in the NRA but I quit a year ago. So did some of our friends and colleagues like Congressman BREWSTER who dropped off the board, and Congressmen JOHN DINGELL and Tom Foley. Just like former President George Bush.

It is time for the rank and file membership of the NRA to take back their association. Otherwise, Mr. President, they will be tarred with the same brush as those few, but vocal, zealots who have initiated this most destructive campaign of hatred, innuendo, fear, animosity, and intimidation which are the NRA leadership's favorite tools for lobbying elected officials.

Those who preach hatred and disrespect for the law bear some responsibility if their message of hatred contributes to lawless acts of others. Likewise, those in the Government who act with arrogance or disrespect for the rights of our law abiding citizens—regardless of the political or social beliefs of the citizens—will bear some responsibility if their official behavior contributes to an atmosphere of distrust and animosity toward the Government.

There is no excuse to justify vigilante-ism or open lawlessness. It is absolutely inexcusable and irresponsible for a national organization—such as the NRA—which claims it speaks for a great number of our constituents—to openly promote lawlessness or disrespect for our law enforcement personnel.

That is precisely what our system of government was created to avoid. Political debate, discussion, recall, referendum, and involvement is how we keep our Government responsive to the needs of the people in the traditional and acceptable way.

I can tell you, Mr. President, that I also resigned my membership from the NRA. I did that over a year ago because some of its fanatical members actually made threats against me and my staff if I did not vote their way. I will not lend my name to an organization which appears to cater to that kind of violent behavior.

I can also tell you, Mr. President, that views of the beltway NRA is not reflective of the majority of its members' attitudes. Certainly not the Coloradans who have been such dedicated and generous members.

Those NRA members would, I am certain, join me in condemning the irresponsible behavior of earlier this month.

I am personally highly offended that there is now a trend to politicize the tragedy in Oklahoma City. That was a heinous, terrible, criminal act. These responsible deserve nothing more than due process of law and total, complete, scorn from society. That was contemptible and it was barbarism.

It is almost equally contemptible to use that tragedy to further a political agenda. It does not matter what the agenda is, whether additional forms of gun control or whether it is an agenda of anti-governmentalism. To use that tragedy for political or personal advantage cheapens the lives of the innocent victims and it cheapens the rights protected by our Constitution.

The NRA is not the only national organization to use lies, hate, fear, or intimidation to generate contributions and to influence public policy. This is a phenomenon that has become quite popular among many groups who wish to influence national policy despite representing small, minority, views on a given issue.

However, I can think of no other organization in our history which has advocated acts of outright violence against the Government or law enforcement. That was a new low and I am relieved—somewhat—that the NRA has at least apologized. Let's have no more.

The NRA held its national convention this week. To the NRA membership in Colorado and the Nation, I say: Take back your association before it is destroyed—before it destroys itself—from within.

RICHARD P. BUCKLEY—OUTSTANDING EDUCATOR FROM BROCKTON, MA

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to pay tribute to Richard P. Buckley of Brockton, MA, for his 35 years of outstanding service to education in Massachusetts.

Richard Buckley is retiring this year as title I coordinator in the Brockton Public Schools, a position he has held with great distinction since 1969. The Federal title I program that he administers provides vital support for improving the reading and mathematics skills of Brockton's disadvantaged students. He has also taught at the elementary, junior high, and high school levels, and as served as an elementary school assistant principal.

In addition to his duties in Brockton, Richard Buckley is also a member of the Massachusetts Chapter 1 Director's Advisory Council and the Massachusetts Department of Education Committee of Practitioners. He is an executive board member and two-time past president of the Council of Administrators of Compensatory Education.

Richard Buckley also served in the U.S. Army for many years. A graduate of the U.S. Army Command and General Staff School, he was Commander of the Boston Army Reserve Center and is now a retired colonel of the Army Reserve.

Throughout this extraordinary career, Richard Buckley has been a strong leader for high quality education for the students of Brockton. On the occasion of his retirement, I commend him for his remarkable service to his community and our country.

S. 768—ENDANGERED SPECIES ACT REFORM AMENDMENTS

Mr. CRAIG. Mr. President, today, I rise to support S. 768, the Endangered Species Act Reform Amendments of 1995.

I wish to compliment Senator GORTON and Senator JOHNSTON on the thought and effort which has obviously gone into the crafting of this legislation.

Reform of the Endangered Species Act is way overdue, and I am very pleased that the Congress is finally addressing this issue in a substantive way. Field hearings on ESA reform will be underway next week under the guidance of my colleague from Idaho, Senator DIRK KEMPTHORNE, who chairs the subcommittee of jurisdiction within the Environment and Public Works Committee. I will be joining DIRK in Lewiston, ID, on June 3 for the ESA hearing there.

I want to be counted as one who recognizes the value of our fish and wildlife. I have repeatedly said that I cannot support outright repeal of the Endangered Species Act, as many have urged. But the act needs substantial revision if it is to be brought back in balance with the economic well-being of this country and with the needs of its citizens. Far beyond its original intent, the act has been made a bludgeon to suppression legitimate use of public lands and to threaten private landowners and communities.

Nowhere is that fact more obvious than in my State of Idaho. Earlier this year, an Endangered Species Act Lawsuit brought by two preservation groups resulted in a perverse opinion which threatened to shut down all economic activity on 14 million acres in Idaho.

Mr. President, that is an area the size of Rhode Island, Connecticut, Massachusetts and New Hampshire combined. If the courts can find reason under the existing law to render such a devastating opinion as was done in this case, then it is imperative that Congress correct the obvious flaws in the law.

As chair of the two subcommittees in the Senate with jurisdiction over forest policy, I have embarked on a series of hearings to understand and correct the myriad of conflicting laws and regulations which have strangled the practice of good forestry in this country. The practice of forestry is at a standstill on our western public lands, and the primary culprit is the Endangered Species Act. The forests are ruled by the Endangered Species Act, not the Forest Service or the Bureau of Land Management, and that is a reality which must be changed.

Senator GORTON's bill provides many of the needed changes. It includes language which Senator KEMPTHORNE and I introduced as S. 455 earlier this year to prevent a repeat of the court opinion I have already described. it would streamline the section 7 consultation process, which has proven to be unworkable in our experience with threatened and endangered salmon. It brings cost-consciousness, state rights and private landowners back into the equation for conservation of species.

I am pleased to be a cosponsor of S. 768. I have told Senator GORTON that I will assist him in any way possible to accomplish a balanced reform of the ESA. It must be done this year—we have waited too long already. I hope our colleagues will join us in this effort.

TRIBUTE TO KRESIMIR COSIC

Mr. HATCH. Mr. President, I stand today to honor the life of Kresimir Cosic, a Croatian patriot and an adopted son of Utah, who died yesterday morning after a long illness. On behalf of Utahns he inspired and charmed for over a quarter-century, I wish to extend our deepest condolences to his wife and children.

When he died, Kresimir Cosic was the Republic of Croatia's Deputy Ambassador to the United States, a position in which he played an invaluable role. But sports fans in this country and around the world would know him more for his brilliant career in basketball—a career that spanned nearly two decades and brought him to the Olympics four times.

His close ties to our country began nearly 30 years ago, when the coaches at Brigham Young University, who had seen the young Croat from Zadar lead his team from the former Yugoslavia to claim the silver medal in the 1968 Olympics, invited him to play for the BYU team. Kresimir Cosic's decision to accept was, in one way, his first contribution in diplomacy: He would become the first foreign basketball player to win All-American honors, which he did in 1972 and 1973.

At BYU, he endeared himself to Utahns by his brilliant sportsmanship and his personal decency. As a great center he dazzled us all, dribbling behind his back, putting up an amazing defense, and breaking the record of all-time high scorer and rebounder. Off the court, he shared our faith and warmed our homes. In all the years I have known him, including the last year when he was personally suffering a great deal, I never saw him without a smile.

After his 4 years, he was drafted by the L.A. Lakers and the Carolina Cougars, but he chose to return home. Fans of world basketball saw him win most-valued-player honors in the former Yugoslavia, on All-European teams, and in the Olympics, where in Montreal in 1976 his team won the silver medal and in Moscow in 1980 his team beat the Soviets to win the gold.

Kresimir was a Croatian patriot, who dedicated the last part of his life to the rebirth of Croatia's independence, and to building strong relations between his country and ours. The most brilliant sports men and women combine extraordinary skill, a sophisticated sense of strategy, and spirit. I suggest that these are the attributes that also make good diplomats, for Kresimir was one of the best.

Since 1991, Kresimir was one of my wisest counsels on the crisis in the Balkans. Always with optimism, he would outline the regional complexities with a shrewd notion of strategy that effortlessly combined historical sense with the ability to see three moves down the court. In a world where so much foreign policy is merely reactive, Kresimir always counseled on how to anticipate.

While Croatia suffered attack, he did not despair. His love of country never wavered, and his dedication to a free and democratic Croatia was as strong as his character because it was his character. In Washington, he served his country with great distinction, as a paragon of probity. And always he insisted that Croatia's greatest ally should be the United States. In my experience, no one could embody a greater warmth between two countries than Kresimir Cosic's friendship with Americans.

Kresimir Cosic lived an example of physical discipline, mental focus, and spiritual stamina. He was an inspiration to all who saw him on the court, to all who engaged him in the halls of diplomacy and, above all, to all who had the enriching experience of being his friend. Kresimir Cosic was one of the finest human beings I have ever known. I would like to offer here the deep gratitude of the citizens of Utah for the joy Kresimir gave us from the basketball court, for the faith he shared with us, for the friendship he continued to nurture with us throughout his life, and for the efforts he undertook to strengthen relations between the United States and the Republic of Croatia.

We will miss him.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-136. A resolution adopted by the Board of Commissioners of Ferry County, Washington; to the Committee on Governmental Affairs.

RESOLUTION NO. 95-23

"Whereas, the Tenth Amendment to the Constitution of the United States reads: The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or the people; and

"Whereas, the Tenth Amendment defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas, the scope of power defined by the Tenth Amendment means that the federal government was created by the states specifically to be an agent of the states; and

"Whereas, in the year 1995 the states are demonstrably treated as agents of the federal government; and

"Whereas, many federal mandates are in direct violation of the Tenth Amendment to the Constitution of the United States; and

"Whereas, the United States Supreme Court has ruled in *New York* v. *United States*, 112 S. CT. 2408 (1992) that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas, a number of proposals from previous administrations and some now pending from the present administration and from Congress may further violate the United States Constitution; Now therefore, be it

Resolved, that the Ferry County Board of Commissioners supports that State of Washington's sovereignty under the Tenth Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the United States Constitution and that this measure shall serve as notice and demand to the federal government to cease and desist effective immediately, mandates that are beyond the scope of its constitutionally delegated powers; and be it further

Resolved, That the Ferry County Board of Commissioners directs that copies of this resolution the transmitted to the President and Vice President of the United States, the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, each Senator and Representative from Washington State in the Congress of the United States, and to the Speaker of the House (Assembly), and the President of the Senate of each state legislature in the United States of America."

POM-137. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Governmental Affairs.

"LEGISLATIVE RESOLVE NO. 3

"Whereas the Tenth Amendment to the Constitution of the United States states: The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.; and

"Whereas the Tenth Amendment defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas the scope of power defined by the Tenth Amendment means that the federal government was created by the states specifically to be an agent of the states; and

"Whereas today, the states are demonstrably treated as agents of the federal government; and

"Whereas many federal mandates are directly in violation of the Tenth Amendment; and

"Whereas The United States Supreme Court has ruled in New York v. United States, 112 S.Ct. 2408 (1992), that the Congress may not simply commandeer the legislative processes of the states; and

"Whereas a number of proposals now pending before the Congress may further violate the Tenth Amendment of the United States Constitution; and

"Whereas numerous resolutions addressing various mandates imposed on the states by federal law have been sent to the federal government by the Alaska State Legislature without any response or result; and

"Whereas the United States Constitution envisions sovereign states and guarantees the states a republican form of government; and

"Whereas Alaska and its municipalities are losing their power to act on behalf of state citizens as the power of government is moving farther away from the people into the hands of federal agencies composed of officials who are not elected and who are unaware of the needs of Alaska and the other states; and

"Whereas the federal court system affords a means to liberate the states from the grips of federal mandates; Now, therefore, be it

"*Resolved*, That the Alaska State Legislature hereby claims sovereignty under the Tenth Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by that constitution; and be it further

"*Resolved*, That this resolution serves as notice and demand to the federal government to cease and desist, effective immediately, imposing mandates on the states that are beyond the scope of its constitutionally delegated powers; and be it further

"*Resolved*, That the Governor is respectfully requested to examine and challenge by legal action on behalf of the state, federal mandates contained in court rulings, federal laws and regulations, or federal practices to the extent those mandates infringe on the sovereignty of Alaska or the state's authority over issues affecting its citizens; and be it further

"*Resolved*, That Alaska's sister states are urged to participate in any legal action brought under this resolution."

POM–138. A concurrent resolution adopted by the Legislature of the State of Arkansas; to the Committee on Governmental Affairs.

"SENATE CONCURRENT RESOLUTION

"Whereas, the 10th Amendment to the Constitution of the United States reads as follows: 'The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.'; and

"Whereas, the 10th Amendment defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas, the scope of power defined by the 10th Amendment means that the federal government was created by the states specifically to be an agent of the states; and

"Whereas, today the states are demonstrably treated as agents of the federal government; and

"Whereas, numerous resolutions have been forwarded to the federal government by the Arkansas General Assembly without any response or result from Congress or the federal government; and

"Whereas, many federal mandates are directly in violation of the 10th Amendment to the Constitution of the United States; and

"Whereas, the United States Supreme Court has ruled in New York v. United States, 112 S. Ct. 2408 (1992), that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas, a number of proposals from previous administrations and some now pending from the present administration and from Congress may further violate the United States Constitution; Now therefore, be it,

"*Resolved by the Senate of the Eightieth General Assembly of the State of Arkansas, the House of Representatives concurring therein:*

"(1) That the State of Arkansas hereby claims sovereignty under the 10th Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the United States Constitution.

"(2) That this serve as Notice and Demand to the federal government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers.

"*Be it further resolved*, That copies of this Resolution be sent by the Secretary of the Senate to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the presiding officers of each chamber of the legislatures of the several states, and Arkansas' Congressional Delegation."

POM–139. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Governmental Affairs.

"HOUSE CONCURRENT RESOLUTION 2015

"Whereas, the Tenth Amendment to the Constitution of the United States reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."; and

"Whereas, the Tenth Amendment defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas, today the states are demonstrably treated as agents of the federal government; and

"Whereas, many federal mandates are directly in violation of the Tenth Amendment to the Constitution of the United States; and

"Whereas, the United States Supreme court has ruled in New York v. United States, 112 S. Ct. 2409 (1992) that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas, a number of proposals from previous administrations and some now pending from the present administration and from Congress may further violate the United States Constitution; Now, therefore, be it

"*Resolved by the House of Representatives of the State of Arizona, the Senate concurring:*

"1. That the State of Arizona hereby claims sovereignty under the Tenth Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the United States Constitution.

"2. That this serve as notice and demand to the federal government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers.

"3. That the Secretary of State of the State of Arizona transmit copies of this Concurrent Resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the Speaker of the House of Representatives and the President of the Senate of each state's legislature of the United States of America, and the Arizona Congressional delegation."

POM–140. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Governmental Affairs.

"JOINT RESOLUTION

"Whereas, the Tenth Amendment to the United States Constitution reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."; and

"Whereas, the Tenth Amendment defines the total scope of federal power as being that power specifically granted by the United States Constitution and no more; and

"Whereas, the scope of power defined by the Tenth Amendment means that the Federal Government was created by the states specifically to be an agent of the states; and

"Whereas, many federal mandates may be in direct violation of the Tenth Amendment to the United States Constitution; and

"Whereas, the United States Supreme Court has ruled in *New York v. United States*, 112 S. Ct. 2408 (1992) that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas, a number of proposals from previous administrations and some now pending from the present administration and from Congress may further violate the United States Constitution; and

"Whereas, the Congress of the United States has also passed numerous laws that have protected individual freedom and liberty and promoted the general welfare of all Americans, including, but not limited to, the Civil Rights Act and the Voting Rights Act; Now, therefore, be it

"*Resolved*, That we, your Memorialists, on behalf of the people of the State of Maine, claim sovereignty under the Tenth Amendment to the United States Constitution over all powers not otherwise enumerated and granted to the Federal Government by the Constitution; and be it further

"*Resolved*, That this memorial serve as notice and demand to the Federal Government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers; and be it further

"*Resolved*, That nothing in this resolution may be construed to demonstrate lack of support for federal legislation protecting individual freedom and liberty and promoting the general welfare of all Americans, including, but not limited to, the Civil Rights Act and the Voting Rights Act; and be it further

"*Resolved*, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and the Majority leader of the United States Senate."

POM–141. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Governmental Affairs.

"HOUSE CONCURRENT RESOLUTION NO. 945

"Whereas, the Tenth Amendment to the Constitution of the United States reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people"; and

"Whereas, the Tenth Amendment defines the total scope of federal power as being the authority specifically granted by the United States constitution and no more; and

"Whereas, the scope of power defined by the Tenth Amendment means that the federal government was created by the states specifically to be an agent of the states; and

"Whereas, today, in 1994, the states are demonstrably treated as agents of the federal government; and

"Whereas, numerous resolutions have been forwarded to the federal government by the Michigan Legislature without any response or result from Congress or the federal government; and

"Whereas, many federal mandates are directly in violation of the Tenth Amendment to the Constitution of the United States; and

"Whereas, the United States Supreme Court has ruled in *New York* v. *United States* 112 S. Ct. 2408 (1992), that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas, a number of proposals from previous presidential administrations and some now pending from the present administration and from Congress may further violate the United States Constitution; Now, therefore, be it

"*Resolved by the House of Representatives (the Senate concurring)*, That the Michigan Legislature hereby asserts Michigan's sovereignty under the Tenth Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the United States Constitution; and be it further

"*Resolved*, That we hereby memorialize the federal government, as our agent, to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated powers; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the presiding officer of the legislative bodies of each of the states and the members of the Michigan congressional delegation."

POM-142. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Governmental Affairs.

"SENATE JOINT RESOLUTION NO. 1

"Whereas, the 10th Amendment to the Constitution of the United States states that the "powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people"; and

Whereas, the 10th Amendment confirms that the scope of power of the Federal Government is no more than that which is specifically enumerated and delegated to the Federal Government by the Constitution of the United States; and

"Whereas, the power of the states, as stated in the 10th Amendment, indicates that the Federal Government was created by the several states specifically to act as an agent of the states; and

"Whereas, by requiring the various states to carry out certain federal mandates, the Federal Government is demonstrably treating the states as agents of the Federal Government; and

Whereas, many federal mandates may be in direct violation of the Constitution of the United States, and may, therefore, infringe upon the powers reserved to the states or to the people by the 10th Amendment; and

"Whereas, in the case of *New York* v. *United States*, 112 S.Ct. 2408 (1992), the Supreme Court of the United States stated that the Congress of the United States may not simply commandeer the legislative and regulatory processes of the states, and that Congress exercises its conferred powers subject to the limitations contained in the Constitution; and

"Whereas, numerous proposals from previous presidential administrations and some now proposed by the current presidential administration and Congress may further violate the 10th Amendment and other provisions of the Constitution of the United States; Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the State of Nevada hereby claims sovereignty pursuant to the 10th Amendment to the Constitution of the United States over all powers not otherwise enumerated and delegated to the Federal Government by the Constitution of the United States; and be it further

"*Resolved*, That this resolution serve as a notice and demand to the Federal Government, as the agent of the State of Nevada, to cease and desist immediately the enactment and enforcement of mandates which are beyond the scope of the enumerated powers delegated to the Federal Government by the Constitution of the United States; and be it further

"*Resolved*, That the Secretary of the Senate prepare and transmit a copy of this resolution to the President of the United States, the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved* That this resolution becomes effective upon passage and approval."

POM-143. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Governmental Affairs.

"SENATE JOINT RESOLUTION NO. 4

"Whereas, since the mid-1980s, Congress has increasingly shifted the cost of federally mandated programs to the states; and

"Whereas, educational programs mandated by the Federal Government seriously impair the ability of a state to establish the academic, social and nutritional programs that it determines are best suited to the particular educational situation in the state; and

"Whereas, the 10th Amendment to the Constitution of the United States defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas, requiring the states to carry out certain educational programs enables Congress to expand its federal power and encroach upon the states' power; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, Jointly*, That the Nevada Legislature hereby urges that before Congress adopts legislation which mandates the states to provide particular educational programs, Congress determines the approximate amount of money it will cost the respective states to comply with the mandate; and be it further

"*Resolved*, That the Nevada Legislature hereby urges Congress not to enact any mandate requiring the state to provide educational programs in violation of the scope of the enumerated powers delegated to the Federal Government by the Constitution of the United States; and be it further

"*Resolved*, That copies of this resolution be transmitted forthwith by the Secretary of the Senate to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-144. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Governmental Affairs.

"ASSEMBLY JOINT RESOLUTION NO. 9

"Whereas, the Lake Tahoe Basin is an area of significant and often unparalleled scenic, recreational, educational, scientific and natural value for the states of California and Nevada as well as the entire nation; and

"Whereas, the natural beauty of the Lake Tahoe Basin has attracted increasing numbers of visitors and residents to the area in the past 25 years, thereby increasing the amount of traffic congestion and air pollution in the basin; and

"Whereas, the Lake Regional Planning Agency, pursuant to its authority under the provisions of the Tahoe Regional Planning Compact, has created a regional transportation plan which calls for the delivery of mail from door to door in the Lake Tahoe Basin as a means of reducing the total number of miles traveled by vehicles in the basin; and

"Whereas, the Tahoe Regional Planning Agency has similarly created a postal service action plan which also provides for the implementation of a program for the delivery of mail from door to door, as well as other programs such as the delivery of mail to neighborhood cluster boxes; and

"Whereas, although the delivery of mail from door to door has been initiated in certain portions of the Lake Tahoe Basin, delivery throughout the basin would decrease the current total number of miles traveled by vehicles in the basin by an estimated 57,000 miles per day; and

"Whereas, such a reduction in the miles traveled per day by vehicles in the Lake Tahoe Basin would help to reduce the increasing amount of traffic congestion and air pollution in the Lake Tahoe Basin; Now, therefore, be it

"*Resolved By the Senate Assembly of the State of Nevada, Jointly*, That the Legislature of the State of Nevada hereby urges the Congress of the United States and the United States Postal Service to initiate and maintain a program for the delivery of mail from door to door in the Lake Tahoe Basin or other similar programs which would enhance the efficiency of the delivery of mail and assist in the effort to reduce traffic congestion and air pollution in the Lake Tahoe Basin; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representative, each member of the Nevada Congressional Delegation and the Postmaster General of the United States Postal Service; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-145. A concurrent resolution adopted by the Legislature of the State of Oregon; to the Committee on Governmental Affairs.

"SENATE CONCURRENT RESOLUTION 3

"Whereas the Tenth Amendment to the Constitution of the United States reads as follows: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people"; and

"Whereas the Tenth Amendment defines the total scope of federal power as being that specifically granted by the United States Constitution and no more; and

"Whereas the scope of power defined by the Tenth Amendment means that the Federal Government was created by the states specifically to be an agent of the states; and

"Whereas today, in 1995, the states are in fact treated as agents of the Federal Government; and

"Whereas we declare that all Oregonians, when they form a social compact, are equal in right, that all power is inherent in the people and all free governments are founded on their authority and instituted for their peace, safety and happiness and that they have at all times a right to alter, reform or abolish their government in such manner as they may think proper; and

"Whereas memorials have been forwarded to the Federal Government by the Oregon Legislative Assembly without any response or result from Congress or the Federal Government; and

"Whereas many federal mandates are directly in violation of the Tenth Amendment to the Constitution of the United States; and

"Whereas the United States Supreme Court has ruled in *New York* v. *United States*, 112 S. Ct. 2408 (1992), that Congress may not simply commandeer the legislative and regulatory processes of the states; and

"Whereas a number of proposals now pending from the present administration and from the previous Congress would further violate the United States Constitution; Now, therefore, be it

"*Resolved by the Legislative Assembly of the State of Oregon:*

"(1) That the State of Oregon hereby claims sovereignty under the Tenth Amendment to the Constitution of the United States over all other powers not otherwise enumerated and granted to the Federal Government by the United States Constitution.

"(2) That the Federal Government, as our agent, is hereby instructed to cease and desist, effective immediately, mandates that are beyond the scope of its constitutionally delegated power.

"(3) That a copy of this resolution shall be sent to the President of the United States, the Speaker of the House of Representatives, the President of the Senate of the United States and each house of each state's legislature of the United States of America."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, with amendments in the nature of a substitute:

S. 343. A bill to reform the regulatory process, and for other purposes (Rept. No. 104–89).

By Mr. ROTH, from the Committee on Governmental Affairs, and by Mr. HATCH, from the Committee on the Judiciary, jointly, with amendments in the nature of a substitute:

S. 343. A bill to reform the regulatory process, and for other purposes (Rept. No. 104–89) (Rept. No. 104–90).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 267. A bill to establish a system of licensing, reporting, and regulation for vessels of the United States fishing on the high seas, and for other purposes (Rept. No. 104–91).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources:

Henry W. Foster, Jr., of Tennessee, to be Medical Director in the Regular Corps of the Public Health Service, subject to qualifications therefor as provided by law and regulations, and to be Surgeon General of the Public Health Service, for a term of 4 years.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COCHRAN:

S. 867. A bill to amend the Internal Revenue Code of 1986 to revise the estate and gift tax in order to preserve American family enterprises, and for other purposes; to the Committee on Finance.

By Mr. STEVENS:

S. 868. A bill to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CHAFEE:

S. 869. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel DRAGONESSA, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HATFIELD (for himself and Mr. JEFFORDS):

S. 870. A bill to amend the Solid Waste Disposal Act to require a refund value for certain beverage containers, and to provide resources for State pollution prevention and recycling programs, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. JOHNSTON (for himself and Mr. MURKOWSKI):

S. 871. A bill to provide for the management and disposition of the Hanford Reservation, to provide for environmental management activities at the Reservation, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BOND (for himself and Mr. LIEBERMAN):

S. 872. A bill to provide for the establishment of a modernized and simplified health information network for Medicare and Medicaid, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 873. A bill to establish the South Carolina National Heritage Corridor, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRAMS (for himself, Ms. MOSELEY-BRAUN, Mr. HARKIN, and Mr. KOHL):

S. 874. A bill to provide for the minting and circulation of one dollar coins, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PRESSLER:

S. 875. A bill to amend section 202 of the Federal Property and Administrative Services Act of 1949 to exclude certain property in the State of South Dakota; to the Committee on Environment and Public Works.

By Mr. EXON (for himself and Mr. KERREY):

S. 876. A bill to provide that any payment to a local educational agency by the Department of Defense, that is available to such agency for current expenditures and used for capital expenses, shall not be considered funds available to such agency for purposes of making certain Impact Aid determinations; to the Committee on Labor and Human Resources.

By Mrs. HUTCHISON:

S. 877. A bill to amend section 353 of the Public Health Service Act to exempt physician office laboratories from the clinical laboratories requirements of that section; to the Committee on Labor and Human Resources.

By Mr. COCHRAN (for himself, Mr. LOTT, Mr. WARNER, Mr. MCCONNELL, Mr. SANTORUM, Mr. ABRAHAM, Mr. D'AMATO, Mr. BOND, Mr. PRESSLER, Mr. DEWINE, Mr. KYL, Mrs. KASSEBAUM, and Mrs. HUTCHISON):

S. 878. A bill to amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America Combined Benefit Fund by certain surplus amounts in the Fund, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE:

S.J. Res. 35. A joint resolution prohibiting funds for diplomatic relations with Vietnam at the ambassadorial level unless the President certifies to Congress that Vietnam is making a good faith effort to resolve cases involving United States servicemen who remain unaccounted for from the Vietnam War, and for other purposes; to the Committee on Foreign Relations.

By Mr. ASHCROFT (for himself and Mr. BROWN):

S.J. Res. 36. A joint resolution proposing an amendment to the Constitution of the United States to allow the States to limit the period of time United States Senators and Representatives may serve; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COCHRAN:

S. 867. A bill to amend the Internal Revenue Code of 1986 to revise the estate and gift tax in order to preserve American family enterprises, and for other purposes; to the Committee on Finance.

THE NATIONAL FAMILY ENTERPRISE PRESERVATION ACT OF 1995

• Mr. COCHRAN. Mr. President, today I am introducing the National Family Enterprise Preservation Act of 1995 which will provide estate tax relief to many of our Nation's family owned farms and businesses.

Our current tax laws are forcing many inheritors of family farms and businesses to sell the enterprises in order to pay estate taxes. A family farm or business is not only a productive component of our economy, it is a distinctive part of our American economic system and the personal dream of millions of Americans.

But all this is being threatened by high taxes that are imposed by government when the owner dies.

Small businesses are being forced to merge into large corporations because marketable stock can be acquired tax free and many estate tax problems can be avoided. In 1942, the estate tax affected only 1 estate out of 60. Today, this number has increased to 1 out of 20.

Another consideration is that inflation has pushed the value of many family farms and businesses into the range of estate tax liability. The result has been that heirs of these enterprises often sell their businesses to pay estate taxes.

Family owned farms and businesses are a vital component of our economy and society and should be preserved. They give families a sense of freedom, accomplishment, and pride in ownership. This is the essence of free enterprise.

Mr. Chairman, earlier this year I had the opportunity to visit with a tree farmer from my State who was recognized this year by the Mississippi Forestry Association as "Forester of the

Year." His name is Chester Thigpen, and he is truly a remarkable man. Chester Thigpen and others like him represent the taxpayers for whom I am introducing this legislation today.

Mr. Thigpen and his wife, Rosett, live in Montrose, MS. When he was a child, he dreamed of owning land. He first brought a small parcel of land in 1940, continued to save and slowly added acreage to his farm. He worked hard to improve his land and that land allowed him to provide for his family and made it possible to put his five children through college.

This land represents a tremendous amount of pride and hard work for Thigpens. They always thought they would be able to leave a legacy for their children as a reward for their hard work and as a symbol of their family's success.

But there is a big problem. The Thigpen's land over the last 50 years has increased considerably in value. The estate tax burden is going to make it nearly impossible for their children to keep the farm when their parents die.

Mr. and Mrs Thigpen and other hard working Americans should not have to sacrifice their lifelong dreams because of unnecessary tax burdens. Their children should have the same opportunity their parents have had, to use their property to be productive citizens.

The legislation I am introducing will increase from $600,000 to $1 million the value of property that may pass free of Federal estate and gift taxes. In addition, the current annual gift tax exclusion of $10,000 would be increased to $20,000 in the case of gifts to qualified family members of family enterprise property. This legislation will also change special use valuation. Currently, special use valuation cannot reduce the gross estate by more than $750,000. This amount would be increased to $1 million. And finally, this bill will make changes in the family enterprise interest on estates.

Mr. Chairman, I submit an editorial from the March 3, 1995 issue of the Washington Times and a copy of Mr. Thigpen's remarks to the U.S. House Committee on Ways and Means, which I ask a unanimous consent be printed in the RECORD, along with a copy of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Family Enterprise Preservation Act of 1995".

SEC. 2. INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDITS FOR FAMILY ENTERPRISES.

(a) ESTATE TAX.—Section 2010 of the Internal Revenue Code of 1986 (relating to unified credit against estate tax) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, by inserting after subsection (a) the following new subsection:

"(b) ADDITIONAL CREDIT FOR FAMILY ENTERPRISES.—The amount of the credit allowable under subsection (a) shall be increased by an amount equal to the value of any family enterprise property included in the decedent's gross estate under section 2040A(a), to the extent such value does not exceed $121,800."

(b) GIFT TAX.—Section 2505 of the Internal Revenue Code of 1986 (relating to unified credit against gift tax) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b) ADDITIONAL CREDIT FOR FAMILY ENTERPRISES.—The amount of the credit allowable under subsection (a) for each calendar year shall be increased by an amount equal to—

"(1) the value of gifts of family enterprise property (as defined in section 2040A(b)(1)), to the extent such value does not exceed $121,800, reduced by

"(2) the sum of the amounts allowable as a credit to the individual under this subsection for all preceding calendar periods."

(c) EFFECTIVE DATES.—

(1) ESTATE TAX CREDIT.—The amendments made by subsection (a) shall apply to the estates of decedents dying after December 31, 1995.

(2) GIFT TAX CREDIT.—The amendments made by subsection (b) shall apply to gifts made after December 31, 1995.

SEC. 3. INCREASE IN ANNUAL GIFT TAX EXCLUSION.

(a) IN GENERAL.—Section 2503 of the Internal Revenue Code of 1986 (relating to taxable gifts) is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following new subsection:

"(c) ADDITIONAL EXCLUSIONS FROM GIFTS.—The amount of the exclusion allowable under subsection (b) during a calendar year shall be increased by an amount equal to the value of gifts of family enterprise property (as defined in section 2040A(b)(1)) made during such year, to the extent such value does not exceed $10,000."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to gifts made after December 31, 1995.

SEC. 4. FAMILY ENTERPRISE PROPERTY.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1986 (relating to gross estate) is amended by inserting after section 2040 the following new section:

"SEC. 2040A. FAMILY ENTERPRISE PROPERTY.

"(a) GENERAL RULE.—The value included in the decedent's gross estate with respect to family enterprise property by reason of this section shall be—

"(1) the value of such property, reduced by

"(2) the lesser of—

"(A) 50 percent of the value of such property, or

"(B) $1,000,000.

"(b) FAMILY ENTERPRISE PROPERTY.—

"(1) IN GENERAL.—For purposes of this section, the term "family enterprise property" means any interest in real or personal property which is devoted to use as a farm or used for farming purposes (within the meaning of paragraphs (4) and (5) of section 2032A(e)) or is used in any other trade or business, if at least 80 percent of the ownership interest in such farm or other trade or business is held—

"(A) by 5 or fewer individuals, or

"(B) by individuals who are members of the same family (within the meaning of section 2032A(e)(2)).

"(2) LIMITED PARTNERSHIP INTERESTS EXCLUDED.—An interest in a limited partnership (other than a limited partnership composed solely of individuals described in paragraph (1)(B)) shall in no event be treated as family enterprise property.

"(c) TAX TREATMENT OF DISPOSITIONS AND FAILURE TO USE FOR QUALIFYING USE.—

"(1) IMPOSITION OF ADDITIONAL ESTATE TAX.—With respect to family enterprise property inherited from the decedent, if within 10 years after the decedent's death and before the death of any individual described in subsection (b)(1)—

"(A) such individual disposes of any interest in such property (other than by a disposition to a member of the individual's family), or

"(B) such individual or a member of the individual's family ceases to participate in the active management of such property,

then there is hereby imposed an additional estate tax.

"(2) AMOUNT OF ADDITIONAL TAX.—The amount of the additional tax imposed by paragraph (1) with respect to any interest in family enterprise property shall be the amount equal to the excess of the estate tax liability attributable to such interest (determined without regard to subsection (a)) over the estate tax liability, reduced by 5 percent for each year following the date of the decedent's death in which the individual described in subsection (b)(1) or a member of the individual's family participated in the active management of such family enterprise property.

"(3) ACTIVE MANAGEMENT.—For purposes of this subsection, the term "active management" means the making of the management decisions of a business other than the daily operating decisions.

"(d) ADDITIONAL RULES.—For purposes of this section, rules similar to the rules under paragraphs (3), (4), and (5) of section 2032A(c), paragraphs (7), (8), (9), (10), (11), and (12) of section 2032(e), and subsections (f), (g), (h), and (i) of section 2032A shall apply."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter A of chapter 11 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 2040 the following new item:

"Sec. 2040A. Family enterprise property."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 1995.

SEC. 5. VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) IN GENERAL.—Section 2032A(a)(2) of the Internal Revenue Code of 1986 (relating to limitation on aggregate reduction in fair market value) is amended by striking "$750,000" and inserting "$1,000,000".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 1995.

STATEMENT OF MR. CHESTER THIGPEN BEFORE THE COMMITTEE ON WAYS AND MEANS, FEBRUARY 1, 1995

My name is Chester Thigpen. My wife Rosett and I are Tree Farmers from Montrose, Mississippi.

Mr. Chairman, I appreciate the opportunity to appear before this Committee. You are debating an issue that is very important to more than 7 million people who own most of the nation's productive timberland. Most of us have been at it for a long time. Professor Larry Doolittle of Mississippi State University published a paper in 1992 that suggested half the Tree Farmers in the Mid-South were 62 years old or over. This pattern holds true in other parts of the country as well. So it should come as no surprise to the Committee that, when Tree Farmers gather, one of the things we discuss is estate taxes.

Estate taxes matter not just to lawyers, doctors and businessmen, but to people like Rosett and me. We were both born on land that is now part of our Tree Farm. I can remember plowing behind a mule for my uncle who owned it before me. My dream then was to own land. I bought a little bit in 1940 and inherited some from my family's estate in 1946, and then bought some more. Back when I started, the estate tax applied to only one estate in 60. Today it applies to one in 20—including mine. I wonder if I would be able to achieve my dream if I were starting out today.

Mr. Chairman, you have heard many witnesses talk about the technical details of estate tax reform. They know far more about it than I do. With your permission, I'd like to take a few minutes to talk about what I do know: what estate tax reform will mean in places like Montrose, Mississippi and to Tree Farmers like me and Rosette.

We first got started in forestry in 1960. Much of our land was old cotton and row crop fields, so early on I spent 90 percent of my time trying to keep it from washing away. We developed a management plan and started growing trees. Today, we manage our property for timber, wildlife habitat, water quality and recreation. We have built ponds for erosion control and for wildlife. Deer and turkey have come back, so we invite our neighbors to hunt on our land.

It took us half a century, but Rosett and I have managed to turn our land into a working Tree Farm that has been a source of pride and income for my entire family.

Our Tree Farm made it possible to put our five children through college. It made it possible for Rosette and me to share our love of the outdoors and our commitment to good forestry with our neighbors. And finally, it made it possible for us to leave a legacy that makes me very proud: beautiful forests and ponds that can live on for many, many years after my wife and I pass on. We wanted to leave the land in better condition than when we first started working it. And we will.

We also want to leave the Tree Farm in our family. But no matter how hard I work, that depends on you.

Right now, people tell me my Tree Farm could be worth more than a million dollars. All that value is tied up in land or trees. We're not rich people. My son and I do almost all the work on our land ourselves. So, under current law, my children might have to break up the Tree Farm or sell off timber to pay the estate taxes. I am here today to endorse a proposal called the National Family Enterprise Preservation Act which would totally exempt over 98 percent of all family enterprises, not just Tree Farms, from the Federal estate tax. A copy is attached to my written testimony.

Giving up the Tree Farm we worked fifty years to create would hurt me and my family. I don't think it would be good for the public either. If the Tree Farm had to be sold or the timber cut before its time, what would happen to the erosion control programs we put in place, or the wildlife habitat? Who would make certain that the lands stayed open for our neighbors to visit and enjoy? I know my children would. And I hope their children will have an opportunity after them.

I think too often people focus on just the costs of estate tax reform and not the benefits. In forestry, the benefits will be substantial. I mentioned earlier that most of the 7 million landowners in this country are close to retirement age or, like me, way past it. Without estate tax reform, many of their properties will be broken up into smaller tracks or harvested prematurely. Some may no longer be economical to operate as Tree Farms and will perhaps be converted to other uses or back into marginal agriculture. Other properties may become too small or generate too little cash flow to support the kind of multiple use management we practice on our property. Healthy, growing forests with abundant wildlife provide benefits to everybody. Without estate tax reform, it will become harder and harder for people like me to remain excellent stewards of our family-owned forests.

Mr. Chairman, a few months ago, Rosett and I were named Mississippi's Outstanding Tree Farmers of the Year. It was a great honor to be selected from among the thousands of excellent Tree Farmers in Mississippi. I'm told one reason we were recognized was because Rosett and I have been speaking out on behalf of good forestry for almost four decades.

That's why I made this trip to Washington: to remind the Committee that estate tax reform is important to preserve family enterprises like ours. It is also important for good forestry. We just planted some trees on our property a few months ago. I hope my grandchildren and great-grandchildren will be able to watch those trees grow on the Thigpen Tree Farm—and I know millions of forest landowners feel the same way about their own Tree Farms. We applaud estate tax reforms that will make this possible.

Thank you.

[From the Washington Times, Mar. 13, 1995]

DEATH AND TAXES

There are two certainties in life of which Americans are all too well aware: death and taxes. Less well known is the fact that taxes don't stop with death.

Consider the case of Mississippi resident Chester Thigpen, a man who has painstakingly built a reputation for overachievement during his 83 years. The grandson of slaves, he was born on a farm when cotton was king and grew up dreaming that one day he would own land of his own. He bought a little land in 1940 and slowly added to his holdings, raising trees and children along the way with his wife Rosett.

Today he has 850 acres of farm land to his name, five children with college educations financed from timber harvests there and a roomful of honors for his stewardship of the land and his outreach work on behalf of forestry. Already he is in Mississippi's Agriculture and Forestry Museum's Hall of Fame and this year was named the state's Outstanding Tree Farmer. Such achievements may not mean much in a city like Washington, where productivity is something one measures in red ink. But lawmakers might want to consider where they would be without tree byproducts the next time they try to introduce a bill or send a memo.

There is, however, one thing that the Thigpens don't have, and that is the peace of mind that comes with knowing they can pass on their version of the American dream to their children. The federal estate tax, you see, begins taking a progressively larger bite out of any estate worth more than $600,000. Mr. Thigpen's advisers have warned him that his estate may top that figure by as much as $1 million. The projected estate tax bill? Some $345,000.

That's a problem because Mr. Thigpen is effectively "tree poor." Although he is comfortably well off on paper, his wealth is all tied up in the trees. And unless the Thigpens or, in the event of their deaths, their children, clear cut a swath through the farm, they won't have the money to pay off the feds. The only alternative is to sell a lot of the land now, which would leave Mr. Thigpen with substantial capital gains taxes to pay. Or his children could sell it upon their parents' deaths to raise the money, thereby breaking up the family farm.

The latter is particularly painful to Mr. Thigpen, whose holdings include land inherited from his family. "Giving up the tree farm we worked 50 years to create would hurt me and my family," he told members of the House Ways and Means Committee last month. "If the tree farm had to be sold or the timber cut before its time, what would happen to the erosion control programs we put in place, or the wildlife habitat? Who would make certain that the lands stayed open for our neighbors to visit and enjoy? I know my children would. And I hope their children will have an opportunity after them."

Once upon a time, or course, families like the Thigpens didn't have to worry about the likes of estate taxes. They were designed to hit the very wealthiest Americans. But as inflation moved Americans into one higher bracket after another, suddenly they found they too were "rich." Where only one in 60 families paid estate taxes, now one in 20 do.

This week the committee is scheduled to begin marking up tax legislation—including estate-tax changes—as part of the Contract with America. The question is whether lawmakers can see, well, the forest for the trees.●

By Mr. STEVENS (by request):

S. 868. A bill to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEES EMERGENCY LEAVE TRANSFER ACT OF 1995

Mr. STEVENS. Mr. President, the administration has sent to my office a bill to provide additional authority for leave transfer to Federal employees who are adversely affected by disasters or emergencies. I think it is appropriate to raise this at this time, and because it has come in just before we are going into recess, I want to introduce it and take this time to explain it, with the hope that we will be able to move it very rapidly when we get back.

This is a bill that would be called the Federal Employees Emergency Leave Transfer Act of 1995. In the event of a major disaster or emergency, the President would have the authority to direct the Office of Personnel Management to create a special leave transfer program for Federal employees affected by the disaster emergency.

Under current law, Federal employees may donate annual leave to other employees who face medical emergencies. Current law is limited to medical emergencies and requires recipients to exhaust their own leave before using donated leave.

Under this proposal I will introduce today, the emergency leave transfer program would extend to employees who do not face a medical emergency but need extra leave because of other effects of disasters or emergencies, such as a flood that has destroyed an employee's home or an earthquake has affected their lifestyle.

It would allow an agency-approved recipient to use donated leave without having to first exhaust their own leave. It would allow employees in any executive agency to donate leave for transfer to affected employees in the same or in other agencies. It would allow current agency leave banks to donate leave to emergency leave transfer programs. OPM would have the authority to establish appropriate operating requirements for the emergency leave transfer program, including program limits on the amount of leave that could be donated and used under this program.

I want to emphasize that this leave transfer will permit employees to help other employees at no cost to the taxpayer, other than incidental administrative costs, because there is no additional leave provided under this program to any employee beyond that which is already credited to an employee which has been earned by that employee.

I think the aftermath of the Oklahoma disaster showed an overwhelming interest in employees being able to do something to assist fellow employees who are affected by a major disaster or emergency.

I commend OPM for thinking of this concept, and I am pleased to introduce at their request this bill to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies.

I thank my good friend from Utah for permitting me to take this time at this time.

Mr. President, I ask unanimous consent that the bill and a summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 868

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Employees Emergency Leave Transfer Act of 1995".

SEC. 2. (a) Chapter 63 of title 5, United States Code, is amended by adding after subchapter V the following new subchapter:

"Subchapter VI—Leave Transfer in Disasters and Emergencies

"§6391. Authority for leave transfer program in disasters and emergencies

"(a) For the purpose of this section—

"(1) 'employee' means an employee as defined in section 6331(1); and

"(2) 'agency' means an Executive agency.

"(b) In the event of a major disaster or emergency, as declared by the President, that results in severe adverse effects for a substantial number of employees, the President may direct the Office of Personnel Management to establish an emergency leave transfer program under which any employee in any agency may donate unused annual leave for transfer to employees of the same or other agencies who are adversely affected by such disaster or emergency.

"(c) The Office of Personnel Management shall establish appropriate requirements for the operation of the emergency leave transfer program under subsection (b), including appropriate limitations on the donation and use of annual leave under the program. An employee may receive and use leave under the program without regard to any requirement that any annual leave and sick leave to a leave recipient's credit must be exhausted before any transferred annual leave may be used.

"(d) A leave bank established under subchapter IV may, to the extent provided in regulations prescribed by the Office of Personnel Management, donate annual leave to the emergency leave transfer program established under subsection (b).

"(e) Except to the extent that the Office of Personnel Management may prescribe by regulation, nothing in section 7351 shall apply to any solicitation, donation, or acceptance of leave under this section.

"(f) The Office of Personnel Management shall prescribe regulations necessary for the administration of this section.".

(b) The analysis for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"Subchapter VI—Leave Transfer in Disasters and Emergencies

"6391. Authority for leave transfer program in disasters and emergencies.".

SEC. 3. The amendments made by section 2 of this Act shall take effect on the date of enactment of this Act.

SUMMARY OF THE FEDERAL EMPLOYEES EMERGENCY LEAVE TRANSFER ACT OF 1995

In the event of a major disaster or emergency, the President would have authority to direct the Office of Personnel Management (OPM) to create a special leave transfer program for Federal employees affected by the disaster or emergency.

Under current law, Federal employees may donate annual leave to other employees who face medical emergencies.

Current law is limited to medical emergencies, and requires recipients to exhaust their own leave before using donated leave.

Under this proposal, emergency leave transfer program—

Would extend to employees who do not face a medical emergency, but need extra leave because of other effects of disaster or emergency—e.g., flood destroyed employee's home;

Would allow agency-approved recipients to use donated leave without having to first exhaust their own leave;

Would allow employees in any Executive agency to donate leave for transfer to affected employees in the same or other agency; and

Would allow current agency leave banks to donate leave to emergency leave transfer program.

OPM would have authority to establish appropriate operating requirements for the emergency leave transfer program, including appropriate limits on amounts of leave that may be donated and used under program.

Leave transfer permits employees to help other employees, at no cost to the taxpayer (other than incidental administrative costs), since no additional leave is provided beyond what would already be credited.

By Mr. HATFIELD (for himself and Mr. JEFFORDS):

S. 870. A bill to amend the Solid Waste Disposal Act to require a refund value for certain beverage containers, and to provide resources for State pollution prevention and recycling programs, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE INTERSTATE WASTE ACT AMENDMENT ACT OF 1995

• Mr. HATFIELD. Mr. President, during the Senate consideration of the interstate waste bill, I reminded my colleagues that 10 States have achieved great success in dealing with solid waste by implementing some form of beverage container deposit system. My home State of Oregon, for example, has had remarkable success with its own bottle bill for over 20 years. Consequently, I offered the National Beverage Container Reuse and Recycling Act as an amendment to that legislation.

My amendment was ultimately withdrawn, but not before the chairman of the Environment and Public Works Committee, Senator CHAFEE, agreed to hold a hearing in his committee on this issue during the 104th Congress. I am enthused by this opportunity for the bottle bill and am formally introducing this legislation today. Although it will be referred to the Commerce Committee because of precedent, the Environment Committee is also an appropriate forum to consider reducing our solid waste stream. The National Beverage Container Reuse and Recycling Act of 1995 is identical to the bill I introduced in the 103d Congress.

As someone who grew up during the Great Depression, I am constantly reminded of the throw-away ethic that has emerged so prominently in this country. In this regard, Oregon's deposit system serves as a much greater role than merely cleaning up littered highways, saving energy and resources or reducing the waste following into our teeming landfills. The bottle bill acts as a tutor. It is a constant reminder of the conservation ethic that is an essential component of any plan to see this country out of its various crises. Each time a consumer returns a can for deposit, the conservation ethic is reaffirmed, and hopefully the consumer will then re-apply this ethic in other areas.

This legislation will accomplish national objectives to meet our Nation's massive waste management difficulties. A national deposit system will reduce solid waste and litter, save natural resources and energy, and create a much needed partnership between consumers, industry, and local governments for the betterment of our communities.

So often, States serve as laboratories for what later emerges as successful national policies. The State of Oregon and other bottle bill States have proven that deposit programs are an effective method to deal with beverage containers, which make up the single largest component of waste systems. According to the General Accounting Office deposit law States, which account for only 18 percent of the population, re-cycle 65 percent of all glass and 98 percent of all PET plastic nationwide. That means 82 percent of the population is recycling less than 25 percent of our nation's beverage container waste.

As many of my colleagues know, I have a 20-year history on this issue and have been greatly enthused by developments in recent years in promoting the establishment of a national bottle bill. The commitment I received earlier this year for a hearing in the Environment and Public Works Committee is greatly encouraging. Although this bill has historically been referred to the Senate Commerce Committee, in recent years significant actions on this measure have come in the Senate Environment and Public Works Committee and the Energy and Natural Resources Committee.

Senator JEFFORDS offered the bill as an amendment to the Resource Conservation and Recovery Act [RCRA] in the Environment and Public Works Committee during the 102d Congress. Even though this attempt failed by a vote of 6 to 10 it was a monumental step forward. Additionally, during the same Congress a hearing was held in the Senate Energy and Natural Resources Committee on the energy conservation implications of beverage container recycling as outlined in that session's bottle bill, S. 2335.

I regret that I frequently have come to the Senate floor to force the Senate to take action on this matter, but that seems to be the only effective procedure for moving forward on this bill. For example, during the 1992 Presidential campaign candidate Bill Clinton declared his support for a national bottle bill. However, once he took office he and the Congress were surprisingly silent on the issue. Consequently, I was forced to offer the Beverage Container Reuse and Recycling Act as an amendment on the Senate floor.

Mr. President, It is widely acknowledged that recycling is the wave of the future and this legislation will facilitate the recycling of beverage containers. I firmly believe the time has come for Congress to follow the wise lead of these States and encourage deposit systems on a national level. I strongly urge my colleagues to fully examine the benefits of a national beverage container deposit system and to support this bill.

I ask unanimous consent that several letters of support for the bottle bill amendment to the Interstate Waste bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONTAINER RECYCLING INSTITUTE,
Washington, DC, May 12, 1995.

Senator MARK HATFIELD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD, The Container Recycling Institute salutes you for your unyielding support for a national deposit system for the collection of used beverage containers. With return rates of over 85 percent, the ten states which require deposits on beverage containers are doing the "lion's share" of the nation's recycling. It is the most effective recycling and litter reduction system on the books today. Residents of bottle bill states enjoy streets, beaches, parks and playgrounds that are virtually free of beverage container litter.

One-way beverage containers are the epitome of the throw-away society. Every year, over 30 billion beverage containers are either burned or landfilled in the Unites States. This senseless waste represents more than unwisely used landfill space, but also a squandering of the world's natural resources. A recent draft study of deposit laws by the Tellus Institute found that a national bottle bill would save $1.60 cents per person per year in avoided manufacturing emissions from beverage container production. The same study found that we would save $2.78 person per year from avoided litter pick up costs.

Deposit laws shift a major portion of the burden of recycling and litter pick up from state and local governments onto those who produce, sell and consume the product. In other words, the "polluter pays". For too long, the general population has been forced to pay for the social consequences of throw-away packaging. The unclaimed deposits, estimated to be about $1.7 billion per year, would be used by the states to help fund other recycling programs.

Sincerely,

SHEILA COGAN,
Executive Director.

MAY 12, 1995.

Hon. MARK HATFIELD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: I strongly endorse the National Beverage Container Reuse and Recycling Act of 1995. The ten states that have passed container deposit legislation have demonstrated that this system is an effective litter and solid waste reduction mechanism. It has been successfully implemented in both rural and industrial states, providing a convenient recycling opportunity for practically everyone in the states that have passed it.

Several reputable studies have shown that deposit systems are fully compatible with curbside recycling programs. In fact, statistics show that more than half of all the people served by curbside recycling in the U.S. live in states that have deposit/redemption systems. With recent reports showing that municipal solid waste generation in on the rise, we need as many recycling tools as possible to ensure that we meet our recycling targets.

With recycling markets showing unprecedented strength, a national bottle bill will just barely satisfy the markets voracious appetite for recovered PET soft drink bottles. Carpets, shoes, containers, and recyclers are in danger of going out of business if they don't find more supplies of recyclable materials.

So, in the interest of creating jobs, diverting millions of tons of solid waste and virtually ridding the landscape of littered beverage containers, I wholeheartedly lend my support to the Beverage Container Reuse and Recycling Act of 1995.

Sincerely yours,

TINA HOBSON,
President,
Renew America.

RESOURCE RECYCLING,
Portland, OR, May 12, 1995.

Senator MARK HATFIELD,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: As technical editor of Resource Recycling, the nation's most widely distributed magazine dedicated to recycling issues, I endorse the National Beverage Container Reuse and Recycling Act of 1995.

Deposit laws have an impressive track record, both internationally and in the U.S. Sweden's recycling rate for aluminum cans of 90 percent in 1994, the highest in the world, is due to that country's deposit on cans. The ten states that have passed container deposit legislation, including our home state of Oregon, have demonstrated that this system is an effective litter and solid waste reduction mechanism. California recently reported a 75 percent decrease in beverage container litter since 1986. Deposit laws have been successfully implemented in both rural and industrial states, providing a convenient recycling opportunity for practically everyone in the states that have passed it. I can say with confidence that the recycling movement would not be as healthy as it is today were it not for the consistent high return rates of the deposit law states.

Several reputable studies have shown that deposit systems are fully compatible with curbside recycling programs. In fact, statistics show that over half of all people served by curbside recycling collection in the U.S. today, live in states that have deposit or redemption systems. With recent reports showing that municipal solid waste generation is on the rise, we need as many recycling tools as possible to ensure that we meet our recycling targets.

With recycling markets showing unprecedented strength, a national bottle bill will just barely satisfy the market's voracious appetite for recovered PET soft drink bottles. Carpets, containers and textiles are some of the uses for recovered soft drink bottles, and plastic reclaimers are in danger of going out of business for lack of supplies of recyclable materials.

So, in the interest of creating jobs, diverting millions of tons of solid waste into high quality feedstocks for our factories and ridding the landscape of littered beverage containers, I would enthusiastically support the National Beverage Container Reuse and Recycling Act of 1995.

Sincerely,

STEVE APOTHEKER,
Technical Editor.

POLY-ANNA PLASTIC
PRODUCTS, INC.,
Milwaukee, WI, May 15, 1995.
Hon. RUSSELL D. FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR: My hope is that this letter reaches you while there is still a live amendment on the floor for a National Container Deposit (A.K.A. "Bottle Bill.") As a recycler, I promise you that nothing brings in the bottles and cans as a deposit does and never has a market gone begging for that material more than it does today. If a deposit law is written to overcome the problems that were evident in the first group of state bills now in force, we could solve many of the recycling, solid waste, litter and financial problems in one fell swoop. The solution is to have the system based on the California redemption system now in place with some improvements. The key is to let redemption take place at recycling centers that desire it and not in the grocery store that hates it. The second target is to allow the approximate 1.6 Billion dollars in unredeemed deposits (estimate based on national ten cent deposit) to go directly to the cities responsible for administering recycling programs. This money, plus the cans and jugs that they too could redeem for full deposit from the waste stream would solve problem for cities such as DC where programs have just recently been shut down.

I am a board member of the National Recycling Coalition and have authored a position statement on such a bill that will be debated this Friday afternoon in Alexandria at the NRC's spring board meeting. I have studied the issue quite in detail and would be happy to answer any questions you may have either here from my office or while in the DC area this Friday and Saturday at the Holiday Inn Old Town. This is a chance for a great victory for recycling and our environment. I hope you can get behind it.

Thank you.

MARTY FORMAN,
President.

NORTHEASTERN CONNECTICUT REGIONAL RESOURCE RECOVERY AUTHORITY,
Dayville, CT, May 12, 1995.
Senator MARK HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: I wish to lend my support for the National Beverage Container Recycling Act. As a regional recycling coordinator in one of the nation's few bottle bill states I can unequivocally say that deposit legislation has greatly aided our recycling efforts. As a professional in the field of solid waste management the benefits of the National Beverage Container Recycling Act are many and clear:

Bottle Bills effect a far greater recovery rate for beverage containers than curbside recycling programs.

Bottle Bills dramatically reduce beverage container litter, including broken glass.

Deposit legislation results in a much higher grade of scrap.

By effectively capturing PET plastic recyclers are not faced with including light weight material at curbside.

Beverage containers have unique properties; they are one-use containers often consumed away from home (and recycling programs). For much of the rural U.S, expansive and expensive curbside recycling are not practical. Bottle bills help address this fact.

Refillable containers, once the mainstay of the beverage industry, are really only viable with deposits that ensure the containers are returned for refilling.

WINSTON AVERILL,
Regional Recycling Coordinator.•

By Mr. JOHNSTON (for himself and Mr. MURKOWSKI):

S. 871. A bill to provide for the management and disposition of the Hanford Reservation, to provide for environmental management activities at the reservation, and for other purposes; to the Committee on Energy and Natural Resources.

THE HANFORD LAND MANAGEMENT ACT

• Mr. JOHNSTON. Mr. President, earlier this spring the Department of Energy released a report on the estimated cost of cleaning up the Department's nuclear weapons complex. The report provides the first realistic assessment of the cost of the cleanup program since it began in 1989.

The results of this assessment are sobering. The Department concluded that it would cost anywhere between $175 billion and half a trillion dollars to clean up these sites, depending on the baseline case would cost $230 billion over the next 75 years.

Even these figures exclude the cost of cleaning up problems for which no feasible cleanup technology exists, the $23 billion we have already spent, and the $50 to $75 million per year we will spend monitoring and maintaining them after 2070.

The Department's report follows on the heels of the Blush report on the Department of Energy's efforts to cleanup the Hanford Reservation. Last fall, the Committee on Energy and Natural Resources commissioned Steve Blush, a former director of the Department of Energy's nuclear safety office, to evaluate the Hanford cleanup.

The committee asked Mr. Blush to focus on Hanford because it is the largest of the Department's weapons sites and it poses some of the most intractable cleanup problems. Hanford now receives about one quarter of the $6 billion we spend on this program each year. We have already spent $7.5 billion on the Hanford cleanup and are currently spending $1.5 billion per year.

Mr. Blush found that the Hanford cleanup is "floundering in a legal and regulatory morass." His report describes regulatory requirements that are:

> unworkable, disjunctive, lack scientific and technical merit, undermine any sense of accountability for taxpayer dollars, and most importantly, are having an overall negative effect on worker and public health and safety.

The Blush report gives no aid or comfort to those who think all our problems can be solved by abolishing the Department of Energy. The report makes it clear that the responsibility for creating and perpetuating this unworkable system lies with us, the Congress.

We have given the Department of Energy an impossible task. We have told it to meet standards that cannot be attained, to use technologies that do not exist, to meet deadlines that cannot be achieved, to employ workers that are not needed, and to do it all with less money than it requested. To make matters worse, the law now provides for criminal penalties, including jail time, for senior Department officials if they fail to do the impossible.

Mr. President, the Hanford cleanup cannot continue on its present course. The administration has already proposed a $4.4 billion reduction in the overall cleanup program over the next 5 years, over a billion of which is likely to come out of the Hanford cleanup. Lower funding will result in deadlines being missed, which will result in the Department being fined. Fines will have to be paid out of cleanup funds, which will result in more deadlines being missed and more fines being levied. Moreover, senior officials will be forced to leave their posts rather than face criminal sanctions.

If the cleanup program is not reformed, it will, in time, collapse of its own weight to the detriment of all concerned. The only question is how much money will have been wasted before that happens.

The problems besetting the Hanford cleanup cannot be fixed by the Department itself or by Congress through the appropriations process. The Blush report makes clear that "Congress must fundamentally change the underlying legal and regulatory framework. * * *" What is needed is "legislation that redefines the regulatory framework and establishes fiscal responsibility, a more realistic timeframe, better standards, and a more clearly defined mission for the cleanup."

Accordingly, Mr. President, Senator MURKOWSKI and I are today introducing a bill to establish a comprehensive program to clean up the Hanford site. The bill requires the Department of Energy to prepare a comprehensive environmental management plan for Hanford. The plan is to include a future land-use plan for the 560-square-mile site, an assessment of the risks posed by conditions at the site, and new programs for managing radioactive and hazardous substances and cleaning up environmental contamination at the site.

While the reforms made by this bill are necessary, they are not sufficient. Additional legislation will be needed to address conflicts between the new cleanup requirements and the existing jumble of environmental laws, regulations, and agreements that now govern Hanford. In addition, legislation is urgently needed to fix the problem of fines and criminal liability. Senator MURKOWSKI and I will also offer an amendment to the bill to address those matters.

The bill we are introducing today focuses solely on Hanford. That was the site the Blush report examined and, therefore, the site we know most about. Many of the problems at Hanford are systemic to the entire weapons complex. Many of the reforms we are proposing for Hanford can, and probably should be, extended to other sites. My hope is that Hanford might serve as a pilot for the rest of the complex.

Rumors about this bill have already excited considerable fear, consternation, and resentment in the Hanford community. Some of the conditions at Hanford pose serious health and safety risks that the public has every right to have remedied. In addition, the cleanup program is extremely important to the area's economy. A local paper has described the cleanup as bringing a "river of money" into the community. Understandably, residents do not want to see the flow diminished.

I want to assure the people of the Northwest and their able representatives in this body that my purpose in offering this bill is to create a program that works, that is sustainable within the Department of Energy's shrinking budget, that adequately protects the public health and safety and the environment, and that is scientifically sound and achievable.

I urge my colleagues to support me in this effort.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE HANFORD LAND MANAGEMENT ACT

Sec. 1. Short title

Self-explanatory.

Sec. 2. Definitions

Self-explanatory.

Sec. 3. Environmental management plan

Directs the Secretary of Energy to prepare a comprehensive plan governing environmental management activities at Hanford. Environmental management activities include both the management (i.e., treatment, storage, and disposal) of hazardous substances and radioactive materials and environmental cleanup activities. The plan is to include a future land use plan for the site, an assessment of the risks at the site, and programs both for managing hazardous substances and radioactive materials and for cleaning up the site.

Sec. 4. Land use

Requires the Secretary to prepare a comprehensive land use plan for Hanford as part of the environmental management plan. The Secretary is to designate future uses for parcels within the Hanford Reservation after consideration of risks to the public and cleanup workers; the technical feasibility and cost of cleaning up the site for other uses; the importance of the site for other purposes; the views of the Department of the Interior, the Governor of Washington, affected communities, and Indian tribes; and the availability of federal funds.

Implementation of the Secretary's recommendations to release parcels from federal ownership will require subsequent legislation.

Sec. 5. Risk assessment

Requires the Secretary to conduct a comprehensive risk assessment of all major activities, substances, and conditions at Hanford that pose a risk to human health, safety, or the environment. The risk assessment protocol is based upon S. 333, the Risk Management Act of 1995, reported from the Committee on Energy and Natural Resources.

Sec. 6. Materials and waste management

Directs the Secretary to set new standards for the treatment storage, and disposal of hazardous waste and radioactive materials at Hanford. The standards must provide adequate protection to the health and safety of the public and accord with the common defense and security (i.e., the standard applied to civilian nuclear power plants licensed by the Nuclear Regulatory Commission).

In setting these standards, the Secretary must consider reasonably anticipated future land uses, the views of the affected communities and Indian tribes, the availability of cost-effective technology, the risk assessment conducted under section 5, comparable federal and state standards, and the recommendations of the Defense Nuclear Facilities Safety Board.

In addition to the standards, the environmental management plan must include an inventory of hazardous substances and radioactive materials at Hanford and designate the method chosen to manage such substance or material.

In selecting management options, the Secretary must consider risk to the public and workers, cost, the possibility of interim storage pending radioactive decay or technological development, and the views of federal and state regulators and the affected communities and Indian tribes.

Sec. 7. Site restoration

Directs the Secretary to set new standards for cleaning up the site. The standards must provide adequate protection to the health and safety of the public and accord with the common defense and security (i.e., the standards applied to civilian nuclear power plants licensed by the Nuclear Regulatory Commission).

In setting these standards, the Secretary must consider reasonably anticipated future land uses, the views of the affected communities and Indian tribes, the availability of cost-effective technology, the risk assessment conducted under section 5, comparable federal and state standards, and the recommendations of the Defense Nuclear Facilities Safety Board.

In addition to the standards, the environmental management plan must designate the remedial actions chosen to clean up the site.

In selecting remedial actions, the Secretary must consider the effectiveness of the remedy, risk to the public and workers, cost, and the views of the affected communities and Indian tribes (i.e., the factors proposed by the Administration in its Superfund reform bill in 1994). The Secretary must also consider the possibility of interim containment pending radioactive decay and technological development.

Sec. 8. Workforce restructuring

Requires the Secretary to reduce the number of employees at Hanford to the number needed to accomplish authorized activities.

Sec. 9. Authorization of appropriations

Authorizes appropriation of such sums as may be necessary for environmental management activities at Hanford.●

By Mr. BOND (for himself and Mr. LIEBERMAN):

S. 872. A bill to provide for the establishment of a modernized and simplified health information network for Medicare and Medicaid, and for other purposes; to the Committee on Finance.

THE HEALTH INFORMATION MODERNIZATION AND SECURITY ACT

Mr. BOND. Mr. President, I rise today to introduce an old friend—the Health Information Modernization and Security Act. In past years, I had worked with Senator Riegle in developing this legislation. I am now very pleased that Senator LIEBERMAN has been working with me to present this legislation for this Congress. Also, as in past years, we are very fortunate to have the bipartisan support of Congressmen HOBSON and SAWYER from Ohio who will introduce this bill in the other Chamber.

Our health care system today needlessly wastes billions of dollars on red tape and paperwork. This administrative waste effectively adds a 10-percent surcharge to every health insurance and health bill in the country. In a world that is increasingly automated and computerized, health professionals must still largely rely on an antiquated and inefficient paper-based system to file claims with insurers and coordinate benefits.

The bill that I am introducing today is the latest in a project that began 3 years ago with the introduction of the Health Insurance Simplification and Portability Act. That legislation has evolved considerably since then and we have sought the input of hundreds of experts from across the Nation. Last year during the health care reform debate, this effort received broad bipartisan support and was included in nearly every major health care reform bill.

The first and most obvious question is: Why is Federal legislation needed? The answer to that question goes back to 1991 when the Workgroup for Electronic Data Interchange, or WEDI as it is now called, was formed by then Secretary of Health and Human Services, Dr. Louis Sullivan. WEDI was formed to respond to the challenge of reducing administrative costs in the Nation's health care system. WEDI is made up of health insurers, hospital officials, physicians, dentists, nurses, pharmacists, privacy experts, businesses, and technology experts. WEDI has strongly recommended that the Federal Government adopt standards for the electronic data interchange of financial and administrative information to ensure uniformity across State lines.

There is a blizzard of paperwork that is a nightmare for patients, hospitals, doctors and businesses in this country. Everyone agrees that a solution must be found that reduces these costs and the burden they are placing on our health care system and the ability of people to afford it. A study conducted by Lewin-VHI estimated that administrative costs add $135 billion in health costs in the United States. These costs are escalated by the unwieldy inefficient paperwork-blizzard billing system that has evolved in this country.

In other sectors where accurate and timely information is key to production, the investment has been made in information systems. There are good explanations for why health care has been slow to invest in information systems. There are barriers such as so-called quill pen laws that require information to be sent and kept on paper. There is a lack of standards for the data and there is a lack of discipline on the part of insurers to agree unanimously to a common set of data to use for billing purposes. These are just a couple of examples of the barriers to overcome.

In March 1992, I introduced, along with Senator Riegle, the Health Insurance Simplification and Portability Act. The main purpose of that bill was to reduce administrative costs and protect consumers from insurance rip-offs. I am proud to say that it was one of the few bipartisan health bills that were introduced during that Congress. Later in 1992, I introduced the Medical and Health Insurance Information Reform Act which was the Bush administration's proposal for bringing administrative costs under control.

My goal has been to draft legislation to propose what the experts are saying must be done to reduce administrative costs. The steps they recommend would facilitate the development of a viable market in this area and lead to the eventual implementation of electronic solutions to many information problems that exist in health care today.

In determining the proper Federal role, the experts have been telling us is that first they don't want Government to be part of the problem. That should be obvious, but as we all know it many times is easier said than done.

Second, they want the Government to adopt a set of standards and conventions for electronic data interchange for financial and administrative transactions in the health care system. In adopting these standards, the Government should recognize the value of standards that have already been adopted or are in development and not try to reinvent the wheel. Where standards already exist, those are the standards that should be adopted.

And lastly, but most importantly, legislation is needed to protect the privacy and confidentiality of patient data. The importance of this effort must be underscored. We must ensure that access to data that includes patient identifiers is secure.

Under this legislation, the Secretary would adopt national standards for electronic health claims and other financial and administrative transactions. The standards that would be adopted by the Secretary would be those that have been developed by private standards-setting organizations that seek broad consensus and input to their standards. If the Secretary determines, however, that the standards that have been developed by these standard-setting organizations are not practical and would lead to substantially greater administrative costs compared to other alternatives, then the Secretary could adopt other standards that are in use and generally accepted.

Two years after these national standards for electronic transactions are adopted, all health care plans including Medicare and Medicaid would be required to accept health claims electronically or perform any of the standardized transactions electronically with any doctor, pharmacist, dentist, hospital, or any health provider that wants to take advantage of the new electronic standards. Smaller health plans would be given an additional year, for a total of three years, to accept the electronic transactions.

Putting this system of standards in place means that all health providers would be able to send their insurance claims electronically to the universe of payors using the same formats and data. These standards would create an electronic universal claims form. It further means that payors would be able to perform coordination of benefits activities electronically with all other payors. This will help crack down on fraud and dramatically reduce the number of improperly paid claims. This will save consumers billions of dollars each year.

Having a system with these national standards in place will also mean that providers will no longer be forced to wade through the multiple forms and formats and requests for additional data for billing in order to get reimbursed for their services. In addition, health plans would reap large savings from the increased number of claims they would receive electronically. When insurers accept claims on paper an expensive data entry system is in place today to computerize the data from the paper claim.

This bill would also repeal the controversial Medicare and Medicaid Databank. This databank was created in OBRA 93 to collect data at the Health Care Financing Administration to identify cases in which claims were improperly paid by Medicare when they should have been paid by a private insurer. By law, when a Medicare beneficiary has private insurance, the private insurance plan is the primary payor. The databank had proved to be unworkable, but the need still exists. Medicare loses billions of dollars each year by paying claims improperly.

In estimating the amount of savings that would result from this effort, the workgroup for electronic data interchange [WEDI] conducted an extense study and analysis of data to determine the costs of implementation and the net savings possible from moving to electronic data interchange of health data. Using the WEDI data, it is estimated that the changes that would result from this bill would produce a net savings of over $29 billion over a 5-year period to health plans, and providers.

In closing, the Government should play only the minimal role needed to help the market work. Government should not design the solution. If the Government tried to design the solution we would end up with another set of multimillion dollar DOD toilet seats and we would not solve the problems that exist.

In the past I have been told to wait for passage of a comprehensive health care plan to enact this legislation into law. I have agreed with that strategy in the past, but it did not happen and the legislation has died in two previous Congresses. Had we gone ahead in 1992, this system would be in place today. I do still want to see comprehensive health care reform and will await action by Congress to take that important step. I believe this legislation will and should be included in comprehensive reform of the health care system. However, I will ask the committee of jurisdiction and the majority leader to move this legislation as a free standing bill.

This health care information system will lower administrative costs, improve the quality of care and help us to learn what works and what does not work in health care. This system will provide innumerable benefits to our health care system and to the patients who rely on it.

I still agree that we need comprehensive health care reform. I want to see that done. I want this bill to be considered. I believe it will be included in most of the major reform packages coming forward. But I believe that, if no comprehensive legislation passes, we can pass this bill.

If we had gone ahead and passed it in 1992, the 2 or 3 years needed to get the system up and running would have been accomplished and we could have that process in place now.

If it appears that we will not have comprehensive health legislation I will ask the committee of jurisdiction and the majority leader to move this legislation as a freestanding bill. It will lower administrative costs, improve the quality of health care, and help us learn what works and what does not work.

I welcome inquiries of my colleagues. We solicit support. Senator LIEBERMAN and I would be delighted to have other colleagues join with us in this effort.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

SUMMARY OF THE HEALTH INFORMATION MODERNIZATION AND SECURITY ACT

TITLE I—PURPOSE AND REPEAL OF DATABANK

Purpose: the purpose is to improve the Medicare and Medicaid programs and the efficiency and effectiveness of the health care system by encouraging the development of a health information network through the establishment of standards and requirements for electronic transmission of certain health information.

Repeal of databank: Repeals the Medicare and Medicaid Coverage Databank established in OBRA 93 when the Secretary of Health and Human Services provides written notice to Congress that the Medicare and Medicaid Coverage Data Bank is no longer necessary because of the operation of the health information network established pursuant to this Act.

TITLE II—ADMINISTRATIVE SIMPLIFICATION

Adoption of electronic transaction standards: The Secretary adopts standards so that certain common health care administrative transactions may be conducted electronically to reduce the costs of paying and providing health care. These transactions include claims, coordination of benefits, claims attachments, enrollment and disenrollment, eligibility, payment and remittance advice, premium payments, first report of injury, claims status, and referral certification and authorization of services. These standards must be those that have been developed by a private standards setting organization such as the American National Standards Institute.

The Secretary may adopt additional standards if the Secretary determines that the standards developed by private standards setting organizations are impractical and more costly to implement than a standard that is in use and generally accepted. The Secretary is required to publish in the Federal Register the analysis upon which such a determination is made.

The Secretary may adopt different standards for data elements than those developed by a standards setting organization through the use of negotiated rulemaking if a different standard would substantially reduce administrative costs.

The Secretary also adopts standards for unique health identifiers, code sets, electronic signatures and coordination of benefits.

Security standards: The Secretary is required to adopt security standards to protect the confidentiality of health information, to protect against threats or hazards to the security or integrity of the information, and to protect against unauthorized uses or disclosures of health information.

Privacy standards: The Secreatry is required to adopt privacy standards including the rights of individuals with respect to their health information and the procedures for exercising these rights. Privacy standards shall also include standards describing the uses and disclosures which are authorized, and the security of such information.

Health information advisory committee: The Secretary must consult with other appropriate federal agencies in carrying out these duties and must rely on recommendations from the Health Information Advisory Committee. The Secretary is required to publish in the Federal Register the recommendations of the advisory committee regarding adoption of standards.

Timetables for adoption of standards: Initial standards are to be adopted within 18 months of enactment with the exception of standards for claims attachments which are to be adopted within 30 months. The Secretary reviews and modifies these standards as determined appropriate but not more frequently than every 6 months. These modifications must still be those adopted by a private standards-setting organization or follow the procedures outlined earlier.

Requirements for health plans: If anyone desires to conduct any of the standardized financial and administrative transactions with a health plan (which includes government health plans), then the health plan must conduct that standard transaction in a timely manner. A health plan can satisfy this requirement by using a health information network service or "clearinghouse" to translate a transaction into the standardized form.

Timetables for compliance with requirements: Large health plans, as defined by the Secretary, must comply within 24 months of the adoption of a standard. Small health plans must comply within 36 months. Health plans must comply with modification to standards in a timeframe determined appropriate by the Secretary, but not sooner than 180 days.

General penalty for failure to comply with requirements and standards: A penalty of $100 for each violation is imposed. No penalty higher than $25,000 may be imposed during a calendar year for a violation of a specific standard or requirement. Penalties do not apply if it established that the person did not know and would not have known by exercising reasonable diligence. If the failure was due to reasonable cause and not to willful neglect and the failure is corrected within 30 days (or longer as determined by the Secretary), no penalty is applied. A penalty not already waived, may be further reduced if the failure is due to reasonable cause and not to willful neglect and the penalty would be excessive relative to the compliance failure.

Criminal penalties for wrongful disclosure of health information: Any person who knowingly (1) uses or causes a unique identifier to be used for a purpose not authorized by the Secretary, (2) obtains individually identifiable health information in violation of the privacy standards or (3) discloses individually identifiable health information to another person in violation of the privacy standards shall (1) be fined up to $50,000, imprisoned for up to a year, or both, (2) if the offense is committed under false pretenses, fined up to $100,000, imprisoned for up to 5 years, or both; and (3) if the offense is committed with intent to sell transfer, or use individually identifiable health information for commercial advantage, personal gain or malicious harm, fined up to $250,000, imprisoned for up to 10 years, or both.

Effect on State law: Provisions, requirements and standards under this Act supersede contrary provisions of State law including laws that require medical plan records or billing information to be maintained in written rather than electronic form (so-called "quill pen" laws) and provisions which are more stringent than the requirements or standards under the Act. Exceptions: (1) state laws which establish more stringent requirements or standards with respect to privacy of individually identifiable health information (2) state laws which require health providers to transmit financial and administrative health transactions electronically, (3) state laws which provide for the coordination of health benefits which are in effect on the date of enactment, (4) state laws that the Secretary determines are necessary to prevent fraud and abuse. Nothing in this Act preempts or invalidates any state or federal laws for public health reporting of certain health data.

Health information advisory committee: Establishes a Health Information Advisory Committee of 15 members; 3 appointed by the President, 6 appointed by the Speaker of the House of Representatives after consultation with the Minority Leader, and 6 appointed by the President pro tempore of the Senate after consultation with the Minority Leader of the Senate.

Standards for patient medical record information: Not earlier than 4 years, but sooner than 6 years after enactment, the Secretary is required to recommend to Congress a plan for developing and implementing uniform data standards for patient medical record information and the electronic exchange of such information.

Grants for demonstration projects: The Secretary is authorized to make grants for demonstration projects to promote the development and use of electronically integrated clinical information systems and computerized patient medical records.

Mr. LIEBERMAN. Mr. President, I am pleased to join Senator BOND in introducing the Health Information Modernization and Security Act. The bill will reduce the cost and paperwork associated with processing health care transactions by speeding the transition from a paper-based system to a system where claims are processed electronically. We worked together on similar legislation in the last Congress in the context of comprehensive health care reform. I thank Senator BOND for his leadership on the bill.

Mr. President, virtually everyone agrees that simplifying the administrative processes in our health care system will have important benefits. Administrative overhead costs can be cut dramatically by standardizing claims forms and converting as many paper claims as possible to electronic transactions. In a hearing I chaired last year before the Regulation and Government Information Subcommittee of the Government Affairs Committee, Linda Ryan, director of the New York State demonstration project, testified that participating hospitals in New York were saving over $8 a claim by filing electronically.

Even more money could be saved by improving the so-called coordination of benefits process whereby insurers determined who should pay first, and who should cover only the remainder of the bill. This process could be automated and completed electronically. At times, however, it is still done with telephone calls. We need to give our administrative systems a dose of high-technology medicine.

Reducing paperwork burdens and costs for doctors, hospitals, insurance companies, and patients will free up time and money so that more of our health care resources can go to delivering health care. The Government will also benefit, particularly from improved coordination of benefits. Since Medicare is often the second payer, better coordination of benefits will save the Medicare program—and taxpayers that fund it—millions, perhaps billions, of dollars.

Experience counsels caution in building or imposing new information requirements in health care. The legislation we are introducing today imposes minimal burdens on the private and public sectors and will produce substantial savings throughout the health care industry. Under the bill, the Secretary of the Department of Health and Human Services will develop standards, rules and procedures to facilitate the electronic exchange of data.

Health plans will be required to use standard data formats. The Secretary will also establish standards to ensure the security and privacy of medical information.

The bill establishes a Health Information Advisory Committee to provide private sector input to the Secretary in developing standards for electronic claims submittal. The committee will also study the feasibility of adopting uniform data standards for patient medical record information, a challenging objective that, if achieved, will greatly reduce paperwork and improve the information available for health care research. The bill also authorizes the Secretary to provide grants for demonstration projects to promote the development and use of electronically integrated clinical information systems and computerized patient medical records.

Finally, the bill repeals an ineffective and burdensome law Congress passed as part of the 1993 Omnibus Budget Reconciliation Act. That bill established the Medicare data bank to improve coordination of benefits. The law requires employers to annually provide to the Federal Government the names, social security numbers, and dates of coverage for all employees, spouses and dependents receiving health coverage. Last year in a Government Affairs Committee hearing the General Accounting Office testified that the Medicare data bank will not even add significantly to Medicare or Medicaid's ability to collect mistaken payments. The bill we are introducing today will improve Medicare coordination of benefits without imposing an unnecessary burden on employers.

Mr. President, health care information processing is, to be frank, a dry and complicated subject. But by addressing this "below the horizon" issue we can significantly reduce the cost of our health care system and improve its effectiveness. I urge my colleagues to join Senator BOND and I in our effort to do just that by supporting the Health Information Modernization and Security Act.

Mr. ASHCROFT. Mr. President, may I take this opportunity to commend the senior Senator from the State of Missouri for his persistence on a most important matter as it relates to health care of Americans. I know his diligence in this area has resulted from a long time of study and an understanding of medical recordkeeping. I am pleased to have the opportunity to commend him and to thank him for his performance in this respect.

THE CONTRIBUTIONS OF MARK HAYES

Mr. BOND. Mr. President, because of the limitations of time during morning business, I gave only a summary of the statement I had on the Health Information Modernization and Security Act.

There is another very important part of it that I would like to have added to that record. The fact that this measure has been worked on for at least 3, and perhaps 4½ or 5 years by Mark Hayes, a very capable member of my staff.

Mark has worked tirelessly contacting all of the interested parties working with governmental agencies, private standard setting organizations, and people who are concerned about privacy, and all other aspects of the measure. It is due in large part to his dedication, his skill, and his good humor to put up with all of the many, many different variations and different ideas that we were able to produce what I think is a very good measure.

I am very pleased with that measure. But I also note that this is the last day that Mr. Hayes will be working with me on the Small Business Committee staff. And I take this opportunity to express to him my sincere appreciation for his dedicated efforts.

I can say from those who have contacted me who have worked with him that there are many, many people who join with me in expressing appreciation for the great leadership that he has shown.

We shall miss him in the Federal Government. But I know that he will do well in the private sector, and the work that he has done on the Health Information Modernization and Security Act I think will serve the cause of improving and making more efficient the health care delivery system in the United States.

By Mr. PRESSLER:

S. 875. A bill to amend section 202 of the Federal Property and Administrative Services Act of 1949 to exclude certain property in the State of South Dakota; to the Committee on Environment and Public Works.

LAND TRANSFER LEGISLATION

Mr. PRESSLER. Mr. President, today I am introducing a bill to stop the proposed transfer of Federal land in South Dakota to the Standing Rock Sioux Tribe. The bill is simple: It removes any authority for the U.S. Army Corps of Engineers to transfer lands in South Dakota acquired by the U.S. for construction and operation of reservoirs on the mainstem of the Missouri River and transfer them pursuant to Public Law 93-599, or any other law.

BACKGROUND

This issue is not new to the Senate and to the people of South Dakota. In October 1992, Congress passed the Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act. This law called for the transfer of approximately 15,000 acres along Lake Oahe and the Missouri River in South Dakota from the corps to the Standing Rock Sioux Tribe. However, it soon became clear that this proposed transfer was a mistake. The transfer had significant public opposition, beginning with the Governor of South Dakota. It also was learned that the costs to the Federal Government to transfer these lands was significantly more than the actual value of the land itself.

As a result Mr. President, on February 9, 1994, the Senate voted to repeal the proposed land transfer. However, the Senate repeal was amended by the House and the final version signed into bill contained language directing the corps to proceed with the transfer. The House language directed the Corps to pursue these land transfers pursuant to Public Law 93-599—a 1975 Federal law that deals with the disposal of surplus Government lands.

Mr. President, I remind my colleagues that the Senate last year rejected the land transfer language due to the costs involved. Even under the best scenario, the costs of the transfer was more than double than value of the land. Some costs estimates were more than five times the estimated land value. Hardly a wise use of taxpayers' dollars.

LEGISLATION IS NEEDED FOR THE TRANSFER OF LANDS

Mr. President, I have been very hesitant to support Federal land transfers since they were first suggested in 1992. I also am quite troubled with the process being used by the U.S. Army Corps of Engineers. The corps appears to be intent in doing all it can to transfer the land, regardless of what is in the best interests of all South Dakotans. In fact, I believe the corps lacks the statutory authority to transfer the large tract of land near Lake Oahe. This is most troubling since the corps has regulations pending to transfer these lands.

As I stated earlier, Public Law 93-599 deals with the disposal of excess government lands. The corps previously conducted an assessment of excess lands along Lake Oahe and determined that only 386 acres could be deemed excess. Yet, the corps intends to transfer 15,000 acres.

Mr. President, when I learned of the proposed transfer in March of this year I wrote to the Secretary of the Army questioning the legal authority of the corps to transfer Federal land beyond what it deemed to be excess. I asked the Secretary to provide me with a justification of the corps' legal authority to carry out the transfer, prior to the issuance of any regulations.

I was surprised to learn that the corps issued the land transfer regulations on April 10, 1995. It was more than a month after that, on May 17, that I received response to my inquiry to the Secretary of the Army.

The response is very troubling. Essentially, the corps' intends to redefine the regulations to expand what is deemed excess in order for the corps to carry out the transfer. In short, rather than alter the transfer to make it consistent with the law, the corps intends to twist the law so that it is consistent with the transfer.

Mr. President, that is unacceptable. The Army clearly is intent on an ill-advised and illegal transfer of Federal land. The lands under consideration are neither excess land nor conditionally excess lands within the meaning of the law as currently defined. Given this fact, and the clear will of Congress to restrict the corps' land transfer authority, this land transfer must be decided by legislation—not regulation.

STRONG PUBLIC OPPOSITION

Mr. President, plain and simple the proposed land transfer is not in the best interest of South Dakota. As disturbed as I am that the corps is acting beyond its legal authority, I am equally astounded that the corps would take this action without hearing from the State of South Dakota and its citizens. Their concerns must be heard.

What are these concerns? First, South Dakotans are concerned about future access to the land. Sportsmen in the State are concerned that hunting and fishing could be restricted. Others are concerned with possible restrictions on the use of shorelines for recreational activities, such as swimming, boating and picnicking.

Those supporting the transfer state that access will be secured. How can they be so sure? Nothing has been proposed to ensure continued access. The interests of all South Dakotans are not being considered.

In addition, the Governor of South Dakota also has serious concerns with the transfer. In fact, both the Governor and attorney general of South Dakota support the legislation I am introducing today.

Wildlife management is a major concern should corps lands be transferred. That is why the South Dakota Wildlife Federation opposed the transfer. As a recent editorial in the Yankton Press and Dakotan opposing the transfer said "* * * the real public concern is the environment. Environmental management along the Missouri already is damaged by dozens of jurisdictions with different agendas. Imagine the difficulty if the corps needed a few acres back for a bird breeding bank." The editorial concluded the corps ownership of the land offers a systems management concept for the river. This would be lost if the lands were transferred.

In addition, the issue of jurisdiction over land and water in the affected areas needs to be addressed. Jurisdiction on power generation facilities must be spelled out.

DANGEROUS PRECEDENTS ARE BEING SET

Mr. President, should the proposed regulations be carried out, a dangerous precedent clearly would be set that could impact future land transfers. Remember, Congress passed legislation to do the transfer in 1992, and in 1994 passed legislation to restrict the transfer.

By permitting this transfer through a clearly unfair regulatory process, future land transfers could take place throughout the country that are not in the public interest. As a recent editorial in the Watertown Public Opinion stated "The authority for the corps to transfer excess property away from the taxpayers who finance their project is inconceivable, and if allowed to progress will have far-reaching ramifications in other states."

Mr. President, I ask unanimous consent several documents be placed in the RECORD at the end of my remarks.

CONCLUSION

Mr. President, the central issue here is fairness—fairness for all impacted by land transfers. The issue is about doing the right thing for the State of South Dakota and all its citizens.

Do not be misled. The corps' transfer would be precedent setting.

Similar transfers could take place that include land that is part of a county's tax base. Transfer of these lands would remove them from the tax base and may cause financial hardships in counties where budgets are already stretched to the limit.

Mr. President, ultimately what we must put in place is a legislative process that ensures citizen consultation and input on all transfers of Federal land. All citizens—Native American and non-Native American—should have the opportunity to have a fair chance to determine how public land is to be used and administered.

Mr. President, while this bill simply addresses the land transfers in South Dakota along Lake Oahe, I also am preparing legislation to ensure that land currently on a county's tax roll, stays there. Under that proposal, the mere purchase of land, whether it be by the Federal Government, tribe or other entity, should not result in the removal of land from the local tax rolls. If it is the Federal Government, acting on behalf of the tribes, or just the tribes itself, it should require legislation passed by Congress to remove the purchased land from the county tax rolls. Again, the issue is fairness. This is one area that needs to be carefully addressed.

Mr. President, I will save those comments for when that bill is ready. Today I wish to bring the land transfer bill into the public debate. I urge my colleagues to work with me to seek a solution. Today, it is Lake Oahe, SD. Tomorrow, it could in Utah, Arizona, California or elsewhere. Again, the issue is fairness—a fair process is necessary to achieve a fair and just use of the public lands. That is what this legislation is all about.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSFER OF EXCESS PROPERTY TO SECRETARY OF THE INTERIOR FOR THE BENEFIT OF INDIAN TRIBES.

Section 202(a)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(a)(2)) is amended in the first sentence by striking "real property located" and inserting "real property (not including lands in the State of South Dakota that were acquired by the United States for construction and operation of reservoirs on the main stem of the Missouri River) that is located".

OFFICE OF ATTORNEY GENERAL,
Pierre, SD, May 16, 1995.

Hon. LARRY PRESSLER,
U.S. Senate, Russell Senate Office Building, Washington, DC.

Re: Proposed bill "To amend Section 202 of the Federal Property and Administrative Services Act of 1949 to exclude certain property in the State of South Dakota"

DEAR SENATOR PRESSLER: This letter is in relation to the bill which you plan to propose which would have the effect of excluding lands acquired on reservations in South Dakota for the construction and operation of the Missouri River mainstream reservoirs from the operation of 40 U.S.C. §483(a)(2).

I endorse the bill because it would preserve the public use and access of these lands consistent with the ruling of the United States Supreme Court in *South Dakota v. Bourland.*

Respectfully submitted,

MARK BARNETT,
Attorney General.

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY,
Washington DC, May 17, 1995.

Hon. LARRY PRESSLER,
U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: This replies to your letter to the Secretary of the Army, concerning the proposed rule which would authorize excessing of former trust lands at Lakes Sakakawea and Oahe to the General Services Administration (GSA) for ultimate transfer to the Department of the Interior to be held in trust for the Standing Rock Sioux Trade (SRST) and Three Affiliated Tribes (TAT).

Our legal authority for the proposed rule is based on long-standing Federal property law. The Federal Property and Administrative services Act of 1949 (the Act), the law governing all Federal real property transactions, and the Federal Property Management Regulations (FPMR), promulgated by the GSA pursuant thereto, authorize transfers of excess real property between Federal agencies.

The Act provides that each executive agency shall "transfer excess property under its control to other Federal agencies." (Title 40, U.S. Code, section 483(c)) "Excess property" is defined by the Act as "any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof." (Title 40, U.S. Code, section 472(e)).

The statute and the guidelines for utilization of excess real property, contained in the FPMR, make it clear that a Federal agency has much discretion in determining whether "any" property is "not required" for its needs. The guidelines (41 Code of Federal Regulations 101–47.201–2) also make it clear that other interests may be considered in making this determination:

"Each executive agency shall . . . survey real property under its control . . . to identify property which is not needed, underutilized, or not being put to optimum use. When other needs for the property are identified or recognized, the agency shall determine whether continuation of the current use or another Federal or other use would better serve the public interest, considering both the agency's needs and the property's location."

While the corps has promulgated regulations which outline and address corps policy regarding property requirements for civil works projects, it is within the authority of the Chief of Engineers to make exceptions to, waive, or alter those regulations. The proposed rule is such an alteration.

This rule, which was published in the Federal Register on April 10, 1995, would expand the corps' policy regarding excess Federal property at two specific Indian reservations. Under the proposed rule, former trust lands at the Corps projects located within the SRST and TAT reservations would be considered potentially excess to project purposes if the legislatively authorized project purposes could be protected through the retention of appropriate interests in the property or the imposition of conditions. The property would be deemed excess only if three conditions were met. First, individuals who have made substantial capital investments on the property through arrangements with the Corps must be able to recover their investments prior to the excessing. Second, there must be no unreasonable impact on access to public and private land. Third, there must be no unreasonable impact on municipal and rural water supply systems.

The property that is deemed excess to the corps ultimately would be transferred to the Department of the Interior to be held in trust for the SRST and TAT. Implementation of the proposed rule would allow the corps to maintain such property or interests in property as are required for the operation of the project, while at the same time, allow for other productive and compatible uses of the land by the tribes. The Corps believes that implementation of the proposed rule would provide for the optimum use of Federal property in the public interest.

This initiative is consistent with congressional intent expressed in Public Law 103–211. That statute repealed the general land transfer provisions of the Equitable Compensation Act which provided for the return of certain corps project lands to former non-Indian and Indian owners as well as to the tribes. This repeal further provided that the corps should proceed with the Secretary of the Interior to designate excess lands and transfer them ultimately to the Department of Interior to be held in trust for the tribes pursuant to Public law 93–599. Public Law 93–599 is special legislation that recognizes the trust obligations the Department of the Interior has to Indian tribes.

In the corps' view, the proviso contained in Public Law 103–211 is a clear indication that congress wanted the corps to provide for the transfer of lands at Lakes Sakakawea and Oahe to the tribes to the extent the corps can designate property as being excess to corps needs. The Corps has developed a procedure for identifying excess property and, under the rule, would convey only such lands or interests in lands that are not necessary for the project purposes. The Corps is cognizant of the requirements of the original project authorizing legislation, and I assure you that the Corps will retain sufficient interests in the property or impose such conditions as are necessary to protect all legislatively mandated project purposes, including public access for recreation.

Thank you again for your interest in this issue. We trust that this letter addresses your concerns and that it explains why the Corps believes that the proposed rule is consistent with existing law. Their intent is to allow the public 90 days to provide comments, which will be considered carefully before publishing a final rule. I encourage you and your constituents to participate in the rulemaking process, by providing specific comments on the proposed rule.

Sincerely,

JOHN H. ZIRSCHKY,
Acting Assistant Secretary of the Army, (Civil Works)

Land Transfer Angers Sportsmen Group

(By Kevin Woster)

Legislation being developed by U.S. Sen. Tom Daschle could threaten public access on portions of the Missouri River, the director of a state sportsmens group said Wednesday.

But a Daschle spokesman said the senator is committed to maintaining public access to the river while seeing if some surplus lands can be returned to previous owners, including American Indian and non-Indians. The issue will be discussed today beginning at 11 a.m. at the Wrangler Motel conference room in Mobridge.

Roger Pries of Pierre, executive director of the South Dakota Wildlife Federation, is angry over the discussion about returning certain public lands along the northern portion of Lake Oahe to private ownership.

"Something like that would cause a bigger uproar among a lot of sportsmen in South Dakota than trying to give the Black Hills back," Pries said. "Once you give some land back to a few landowners, all the rest are going to want the same thing."

Pries wrote Daschle a letter questioning why he wasn't notified of the Mobridge meeting. He said the proposal "flies in the face of nearly all South Dakota citizens and sportsmen."

Daschle staff member Eric Washburn said Wednesday that no legislation has been introduced. Daschle is working with federal, tribal, state and local officials as well as landowners and the general public to develop a fair proposal, Washburn said.

He said the meeting was advertised in the Mobridge paper and Daschle was hoping for a good turnout and a variety of suggestions.

The land issue arose years ago in a federal effort to return to the Standing Rock Sioux and Three Affiliated tribes of North Dakota certain surplus lands that had been acquired for the Oahe and Garrison reservoirs. The Standing Rock reservation is on the west bank of the Oahe Reservoir in both North Dakota and South Dakota.

Some non-Indian landowners told Daschle they wanted to regain their land and the senator said the issue should be considered, Washburn said.

Daschle's staff is gathering information to help write proposed legislation. In South Dakota, it is intended to be limited to surplus land within the Standing Rock reservation on the west side of the river, Washburn said. "This is not at all intended to set any sort of precedent," he said.

Land Transfer at Lake Oahe Is Bad Decision

South Dakota's congressional delegation can get together on some stuff, but they're having problems agreeing on one that could make a big difference on a number of South Dakota issues.

It appears that a few high-ranking folks inside the U.S. Army Corps of Engineers, and South Dakota's two Democrats in Congress want to turn Corps land along Lake Oahe to the Standing Rock Sioux Tribe.

The single South Dakota Republican in Congress, Sen. Larry Pressler, and a whole bunch of lower-ranked folks in the Corps think it's bad to give the land to anybody.

Some Corps folks see it as a major problem in future management of the Missouri and its reservoirs.

Pressler recently sent out a letter opposing the giveaway of as much as 15,000 acres on grounds ranging from doubts that the transfer is legal to restriction of the land for hunting, fishing, livestock use, irrigation and power generation.

The problem is that under a "politically correct" but legally questionable transfer of land to anybody, it takes some degree of courage to argue against it.

But there are overwhelming reasons why this could create a major environmental and economic problem for South Dakotans and Americans in general. Sen. Pressler only touches on them.

In the first place, the land involved already was bought and paid for by the Corps when the dams were built. Some was bought from tribes, some from private owners. How can the government legally give land to some former owners and not others?

Second, regardless of possible cutoff of public access to these lands, the real "public" concern is environmental. Environmental management along the Missouri already is damaged by dozens of jurisdictions with different agendas. Imagine the difficulty if the Corps needed a few acres back for a bird breeding bank.

Third, in many cases there may be more reason to keep the land than when the dams were built. Erosion is happening. Is it good for fish, wildlife and plants or not? Shouldn't we know?

Elsewhere the government is restricting private land use for environmental reasons. Shouldn't they keep vital land they already control rather than risk confrontation with tribal officials over a fish or bird?

This position should not be seen as anti-tribal ownership. The same argument would be made if a couple of hundred ranchers were involved.

The Missouri and its recreational potential are vital to South Dakota's economic future. We already have plenty of problems promoting that priority with downstream states and with "environmentalist" groups that disagree with each other.

Continuing Corps ownership offers the potential, at least, for a "systems management" concept for the river. And that's the only sensible foreseeable future.

GIVING BACK PURCHASED LAND SETS POOR PRECEDENT

(By Brett Tschetter)

The original boundaries of the Indian reservations along the Missouri River included the land and water to the center of the Missouri River channel. Private ownership was much the same outside of the reservation boundaries.

When the Oahe Daum was formed and Lake Oahe began the fill, the Missouri River disappeared and a new body of water was developed. The new lake flooded land on both sides of the old river and eliminated that land for purposes previously utilized.

These lands were purchased by the United States government and new boundaries were set up. The land that was purchased above the high-water mark was determined to be used in later years for erosion and re-establishment of the habitat loss from the flooding.

The lands that bordered the lake were established as public lands because the government had purchased the land from the previous owners. Access to that land has been open to the public ever since the purchase.

In the case of the Standing Rock Indian Reservation, the tribe and other owners have been paid more than $20 million for the original 56,000 acres taken for the formation of the Oahe Project within the reservation boundaries.

Other tribes and private landowners were paid for the lands that were below the take-line boundaries set up by the Oahe Project.

The take-line boundary was set up on both sides of the river to makr the boundary between public and private land.

In 1975, Congress passed a law that would allow the U.S. Corps of Engineers to declare land within the projects as excess and transfer that land back to the original owner if found kthat the land was not needed for the continuation of the project.

The Corps is currently reviewing the Oahe Project and considering returning the land above the highwater mark to the Standing Rock Sioux Tribe. The land would be turned over to the Department of the Interior and held in trust for the tribe.

This would give the tribe jurisdiction over previously public land and eliminate the public uses established upon the land's purchase.

The precedence of this issue is sure to continue with other land on other reservations and private land on both sides of the river.

Those lands within the Oahe Project will not be the only ones considered. Soon after this action, the land along Lake Sharpe and other Corps of Engineers lands will be under the same scrutiny.

The lands within the take line boundaries are no more excess than water itself. The government has already had to buy more land that has eroded farther than the project originally purchased.

The government still has to solve the mitigation issue and restore 233,000 acres of habitat that was flooded. Where will that land come from if the take land is given back? A 90-day hearing period is currently under way to hear the comments of the public. You can tell the Corps of Engineers your thoughts by writing to: 215 North 17th St., Omaha. NE 68102, Attn: CEMRO-OP-IN (Mike George).

Your rights as a sportsman and as a U.S. citizen will be encroached upon if the Corps decides to return the land that has already been paid for by you and me.

CORPS NEEDS TO RECONSIDER A MORE EQUITABLE TRANSFER OF EXCESS LAND

(By James Madsen)

In February of 1994, Congress repealed portions of the Three Affiliated Tribes and Standing Rock Sioux Tribe Equitable Compensation Act (Public Law 102-575) regarding the return of land at Lake Sakakawea and Lake Oahe. That repeal contained language stating that the U.S. Army Corps of Engineers (Corps) should proceed with the Secretary of the Interior to designate excess land within the Fort Berthold and Standing Rock Sioux Reservation reaches of Lake Sakakawea and Lake Oahe, respectively. The land identified as excess would then be transferred to the Secretary of the Interior to be held in trust for the benefit of the tribe of Indians within whose reservation such excess real property is located, as contemplated in Public Law 93-599.

In what was called an effort to gain a more complete understanding of the public's perception of this transfer, two public meetings were held in June 1994. Both of these meetings were held in remote areas of the two reservations. Based on the comments offered as a result of those meetings, it is apparent that the Corps is again proceeding to identify and transfer these excess properties.

The lands along the Missouri were purchased indiscriminately with federal dollars and without regard to race or nationality of the affected sellers. The attempt to restore ownership to only one segment of the population from which these lands were purchased is an affront to everyone who sacrificed their lands to the Missouri River impoundments.

Whether justified by law, this is clearly a discriminatory and political maneuver which will do more to foster prejudice in South Dakota than the late Gov. Mickelson's Reconciliation Act could have ever dreamed of overcoming.

Values for the relinquishment of hunting and fishing rights were also specifically included in the land purchases. In addition, the Supreme Court decision, South Dakota vs. Bourland, decided June 14, 1993, reaffirmed "that in taking tribal lands for the Oahe Dam and Reservoir project and opening these lands for public use, Congress, through the Flood Control and Cheyenne River Act, eliminated the tribe's power to exclude non-Indians from these lands, and with that the incidental regulatory jurisdiction formerly enjoyed by the tribes."

These facts should have clarified for all time the public's right to the use of these lands. However, the Corps of Engineers has taken the position that they do not exercise authority over fish and wildlife resources nor do they have the authority to delegate wildlife management. This lack of or unwillingness to assume responsibility for the hunting and fishing rights will result in the reversion of those rights with the transferred lands. Argument can be made that this will effectively nullify the Bourland decision, restrict the public's use of land and adjoining water and jeopardize the millions of dollars that the states have invested in their fisheries programs.

We should all question why the Corps of Engineers has taken such rapid steps to comply with Public Law 93-599 while for 35 years has ignored its mitigation promises of the Pick Sloan Act which required 972,000 acres of irrigation development for South Dakota.

The authority for the Corps to transfer excess property away from the taxpayers who finance their projects is inconceivable, and if allowed to progress will have far-reaching ramifications in other states.

We strongly urge everyone who has the desire to impact this decision to take action now. Instead of pitting Dakotan against Dakotan, we suggest that the Corps consider a more equitable transfer to an entity, such as the S.D. Department of Game, Fish and Parks, that will hold the land in trust for all people and will manage the land in the best interests of the public.

By Mr. EXON (for himself and Mr. KERREY):

S. 876. A bill to provide that any payment to a local educational agency by the Department of Defense, that is available to such agency for current expenditures and used for capital expenses, shall not be considered funds available to such agency for purposes of making certain impact aid determinations; to the Committee on Labor and Human Resources.

IMPACT AID LEGISLATION

• Mr. EXON. Mr. President, I introduce legislation that will ensure that Department of Defense supplemental payments are made to heavily impacted school districts like Bellevue, NE without reducing their payments from the Department of Education as is unfortunately happening now. I am pleased to have my colleague, Senator KERREY, as an original cosponsor.

The DOD supplemental payments are used to reduce 1994 impact aid payments being made now. The use of the funds is a new and in my opinion erroneous interpretation by the Department of Education as to the meaning of "all funds available," which is contained in its regulation. The intent of the DOD appropriation was to provide a supplemental, not a substitute, payment to these heavily impacted school districts. The offset which is being implemented by the Department of Education makes no sense.

This legislation clears up any ambiguities.

I am hopeful that this legislation can be considered by the appropriate committee in a timely fashion. The 1994 impact aid payments are needed by these school districts to meet current budget requirements. The only payment for 1995 received so far by these districts has been the hold-harmless payment. In some cash-strapped school districts, funds are being borrowed to meet current payrolls and other obligations. Prompt passage of this legislation will help alleviate the problem for many of these districts and will ensure that the Education Department understands and carries out the will of Congress.•

By Mrs. HUTCHISON:

S. 877. A bill to amend section 353 of the Public Health Service Act to exempt physician office laboratories from the clinical laboratories requirements of that section; to the Committee on Labor and Human Resources.

CLINICAL LABORATORY IMPROVEMENT ACT AMENDMENTS

• Mrs. HUTCHISON. Mr. President, I introduce legislation that will overturn an expensive and unnecessary regulatory burden that contributes significantly to the high cost of health care.

In 1988, Congress passed the Clinical Laboratory Improvement Act, as a reaction to reports about laboratories that inaccurately analyzed PAP smears. CLIA 1988 was intended to address the quality of laboratory test performance. Unfortunately, the Federal regulations that flowed out of the CLIA 1988 legislation do not reflect the intent of the act and have not resulted in any documented improvement in lab results and health care. What these new regs have done is add a huge new paperwork burden on doctors. This unhappy result is a classic case of out-of-control regulations driving up medical costs.

A recent Texas Medical Association study pegs the annual cost of just the paperwork and administrative overhead added by the CLIA at an average of $4,435 per physician. This is in addition to the cost of registration, labor controls, proficiency testing, and inspection or accreditation. At a time when the entire health care industry is under pressure to control health care costs, the CLIA regulations not only subject physicians to increased administrative costs but also decrease the amount of time devoted to patient care.

Dr. McBrayer from the Texas panhandle described his experience with the CLIA inspection process as follows:

> We were written up for such monumental things as the fact that I had not signed the procedure manual for one of our lab machines. Therefore, everything done on that machine, including the training, was out of compliance. The fact that the manufacturer's rep had come and trained the staff was to no avail. Everything was out of compliance because I didn't sign it. It didn't matter that (my lab staff) had learned how to use it. That was irrelevant.

Dr. McBrayer's experience is not unique. CLIA regulations that pile on paperwork and silly penalties do not help the patient or the doctor; they simply create lots of unnecessary busywork for Government regulators.

The CLIA amendments I am introducing will reduce the burdens on physicians who perform laboratory tests in their offices, and thereby free up resources and time to dedicate to patient care. In Texas alone, of the physicians who provided testing services in their offices prior to CLIA, 27 percent have closed their office labs, and another 31 percent have dropped some types of testing, as a direct result of the CLIA 1988 reforms.

Reduced availability of testing labs has measurably affected the health care of a number of rural areas of Texas. Many physicians are concerned about the possible consequences to patients caused by the decreased access to testing or the delay in obtained results. Rather than promoting better health care quality, the regulations promulgated pursuant to the 1988 CLIA legislation have had the perverse result of diminishing quality and increasing the costs of health care delivery.

Mr. President, the CLIA 1995 amendments will not jeopardize the quality of laboratory testing. The CLIA amendments I am introducing today are aimed at ensuring that essential laboratory testing performed by physicians remains a viable diagnostic option for physicians and their patients—without the excessive rules and administratively complex requirements that currently exist. It will roll back health care cost increases caused by overregulation and protect patients in rural areas who are losing access to necessary testing and care.

I hope that all my colleagues will join me in supporting this legislation.•

By Mr. COCHRAN (for himself, Mr. LOTT, Mr. WARNER, Mr. MCCONNELL, Mr. SANTORUM, Mr. ABRAHAM, Mr. D'AMATO, Mr. BOND, Mr. PRESSLER, Mr. DEWINE, Mr. KYL, Mrs. KASSEBAUM, and Mrs. HUTCHISON):

S. 878. A bill to amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America combined benefit fund by certain surplus amounts in the fund, and for other purposes; to the Committee on Finance.

REDUCTION OF MANDATORY PREMIUMS TO THE UMWA COMBINED BENEFITS FUND

Mr. COCHRAN. Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 878

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN REQUIRED PREMIUMS TO COMBINED FUND BY EXCESS SURPLUS IN FUND.

(a) IN GENERAL.—Paragraph (3) of section 9704(e) of the Internal Revenue Code of 1986 (relating to shortfalls and surpluses) is amended to read as follows:

"(3) SHORTFALLS AND SURPLUSES.—

"(A) DETERMINATIONS.—

"(i) IN GENERAL.—Subject to the provisions of clause (iv), the trustees of the Combined Fund shall, as of the close of each plan year beginning on or after October 1, 1993—

"(I) determine any shortfall or surplus in any premium account established under paragraph (1) and, to the maximum extent possible, reduce or eliminate any shortfall in any such account by transferring amounts to it from any surplus in any other such account, and

"(II) determine, after any transfers under subclause (I), the aggregate shortfall or surplus in the Combined Fund, taking into account all receipts of any kind during the plan year from all sources.

"(ii) DETERMINATIONS MADE ON CASH FLOW BASIS.—

"(I) IN GENERAL.—Subject to the provisions of subclause (II) and clause (iii), any determination under clause (i) for any plan year shall be determined under the cash receipts and disbursements method of accounting, taking into account only receipts and disbursements for the plan year.

"(II) CERTAIN PRIOR YEAR SURPLUSES.—For purposes of applying subclause (I) for any plan year, any surplus determined under subparagraph (A)(i)(II) as of the close of the preceding plan year, including any portion used as provided in subparagraph (B), shall be treated as received in the Combined Fund as of the beginning of the plan year.

"(iii) DISREGARD OF TRANSFERRED AMOUNTS.—For purposes of this subparagraph—

"(I) no amount transferred to the Combined Fund under section 9705, and no disbursements made from such amount, shall be taken into account in making any determination under subparagraph (A) for the plan year of the transfer or any subsequent plan year, and

"(II) any amount in a premium account which was transferred to the Combined Fund under section 9705 may not be transferred to another account under clause (i)(I).

"(iv) SPECIAL RULE FOR 1994.—In the case of the plan year ending September 30, 1994, the determinations under subparagraph (A) shall be made for the period beginning February 1, 1993, and ending September 30, 1994.

"(B) TREATMENT OF SURPLUS.—

"(i) NONPREMIUM ADJUSTMENTS.—Any surplus determined under subparagraph (A)(i)(II) for any plan year shall be used first for purposes of the carryover under section 9703(b)(2)(C), but only to the extent the amount of such carryover does not exceed 10 percent of the benefits and administrative costs paid by the Combined Fund during the plan year (determined without regard to benefits paid from transfers under section 9705).

"(ii) PREMIUM ADJUSTMENTS.—The annual premium for any plan year for each assigned operator which is not a 1988 agreement operator shall be reduced by an amount which bears the same ratio to the surplus determined under subparagraph (A)(i)(II) for the preceding plan year (reduced as provided under clause (i)) as—

"(I) such assigned operator's applicable percentage (expressed as a whole number), bears to

"(II) the sum of the applicable percentages (expressed as whole numbers) of all assigned operators which are not 1988 agreement operators.

The reduction in any annual premium under this clause shall be allocated to the premium accounts established under paragraph (1) in the same manner as the annual premium would have been allocated without regard to this clause, and in the case of assigned operators which sought protection under title 11 of the United States Code before October 24, 1992, without regard to section 9706(b)(1)(A).

"(C) SHORTFALLS.—If a shortfall is determined under subparagraph (A)(i)(II) for any plan year, the annual premium for each assigned operator shall be increased by an amount equal to such assigned operator's applicable percentage of the shortfall. Any increase under this subparagraph shall be allocated to each premium account with a shortfall.

"(D) NO AUTHORITY FOR INCREASE.—Nothing in this paragraph shall be construed to allow expenditures for health care benefits in any plan year in excess of the limit under section 9703(b)(2).

"(E) SPECIAL RULE FOR 1995.—In the case of the plan year beginning October 1, 1994, the adjustment under subparagraph (B) shall be made effective as of such date and any assigned operator which receives a reduction in premiums under subparagraph (B) shall be entitled to a credit to the extent it has paid, taking the reduction into account, excessive premiums during plan year."

(b) AMOUNT OF PER BENEFICIARY PREMIUM.—Paragraph (2) of section 9704(b) of the Internal Revenue Code of 1986 (defining per beneficiary premium) is amended—

(1) by striking subparagraph (A) and inserting:

"(A) $2,116.67, plus", and

(2) by striking "the amount determined under subparagraph (A)" in subparagraph (B) and inserting "$2,116.67,".

(c) CONFORMING AMENDMENT.—Clause (ii) of section 9703(b)(2)(A) of the Internal Revenue Code of 1986 is amended by inserting "(without regard to any reduction under section 9704(e)(3)(B)(ii))" after "for the plan year".

SEC. 2. DISCLOSURE REQUIREMENTS.

(a) IN GENERAL.—Section 9704(h) of the Internal Revenue Code of 1986 (relating to information) is amended by adding at the end the following new paragraph:

"(2) INFORMATION TO CONTRIBUTORS.—

"(A) IN GENERAL.—The trustees of the Combined Fund shall, within 30 days of a written request, make available to any person required to make contributions to the Combined Fund or their agent—

"(i) all documents which reflect its financial and operational status, including documents under which it is operated, and

"(ii) all documents prepared at the request of the trustees or staff of the Combined Fund which form the basis for any of its actions or reports, including the eligibility of participants in predecessor plans.

"(B) FEES.—The trustees may charge reasonable fees (not in excess of actual expenses) for providing documents under this paragraph."

(b) CONFORMING AMENDMENT.—Section 9704(h) of the Internal Revenue Code of 1986 is amended by striking "(h) INFORMATION.—The" and inserting:

"(h) INFORMATION.—

"(1) INFORMATION TO SECRETARY.—The".

By Mr. ASHCROFT (for himself and Mr. BROWN):

S.J. Res. 36. A joint resolution proposing an amendment to the Constitution of the United States to allow the States to limit the period of time U.S. Senators and Representatives may serve; to the Committee on the Judiciary.

TERM LIMITS CONSTITUTIONAL AMENDMENT JOINT RESOLUTION

Mr. ASHCROFT. Mr. President, I rise in morning business to submit for passage a joint resolution that relates to Congressional term limits and the potential of States to have term limits and the right of the States to be involved in creating term limits for Members of the U.S. Congress.

On November 29 of last year, the Clinton administration argued before the Supreme Court of the United States that States should not have the right to limit congressional terms. Thus, the executive branch has spoken, and spoken against the right of the states and of the people to limit the number of terms individuals may serve in the U.S. Congress.

Earlier this week, on Tuesday, in a 5–4 decision entitled The State of Arkansas versus Hill, the United States Supreme Court ruled that States do not have the authority to limit the number of terms congressional representatives may serve. The judicial branch has spoken.

Both the executive branch, through the Clinton administration, and the judicial branch, have spoken against the right of States and of the people to limit the terms of individuals who represent States and districts in the U.S. Congress.

There is only one hope for the overwhelming number of people in this country who endorse term limits. If Congress extends them the opportunity to amend the United States Constitution in a way that would allow individual States to limit the terms Members of Congress may serve, then the people will have spoken.

There has been much debate about term limits in this Congress. Earlier in the year, the House of Representatives fell well short of the two-thirds majority required to forward to the people a constitutional amendment on term limits. Of the 290-vote margin required for a constitutional amendment, they only had 227 votes. What would normally be a significant majority vote in the House, was clearly not enough to make sure that States would have the opportunity to vote on a constitutional amendment permitting term limits.

Last January, I introduced a constitutional amendment that would have limited Members of Congress to three terms in the House and two terms in the Senate. Today, as a result of its defeat and of the administration's refusal to recognize the will of the people, I am introducing a different kind of constitutional amendment. An amendment that would simply give States the explicit right to limit congressional terms. It would not mandate that any State limit the nature or extent of the terms of the individuals who represent it in the Congress, but would give the States, if they chose to do so, the right to limit the Members' terms who represent that State.

In the Arkansas case, which was announced earlier this week, Justice Clarence Thomas wrote, "Where the Constitution is silent it raises no bar to action by the States or the people."

I believe that he is correct. Where the Constitution does not speak, the people and their States should have a right. Unfortunately, a majority of Supreme Court Justices did not agree with Justice Thomas. In order to supply them with what they appear to require, I believe we should allow the Constitution a way to shout out "freedom." This is a freedom the American people want and a freedom the American people understand is necessary.

More than 3 out of 4 people in the United States endorse the concept of term limits. They have watched individuals come to Washington and spend time here, captivated by the Beltway logic, the spending habits and the power that exists in this city. The people of America know that the talent pool in America is substantial and there are many who ought to have the opportunity of serving in the U.S. Congress. Furthermore, they know that term limits would make sure that individuals who go to Washington return someday to live under the very laws that they enact.

I believe the people in the various States of this Republic should have the opportunity to limit the terms of those who serve them in the U.S. Congress. In light of the fact that the administration has argued against term limits, the executive branch is not going to support term limits, and because the judicial branch has ruled conclusively now in the United States Supreme Court that the States have no constitutional authority, it is up to those of us who serve in the U.S. Congress to do something to extend to the people their right to speak.

This is the house of the people. This Congress is the place where the voice of the people can, and should, be heard. Let us provide another avenue where the voice of the people regarding this important matter can be heard.

It is my pleasure to announce that today I am proposing a joint resolution to be enacted or passed by a two-thirds vote of each Chamber of Congress, which merely reads:

"SECTION 1. Each State or the people thereof may prescribe the maximum number of terms to which a person may be elected or appointed to the Senate of the United States.

"SECTION 2. Each State or the people thereof may prescribe the maximum number of terms to which a person may be elected to the House of Representatives of the United States.

"SECTION 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.".

Obviously section 3 is simply the ratification clause.

It is a simple amendment to accord to the people of the United States of America a profound right—the right to make sure that the individuals who represent them in this body and in the House of Representatives are people who stay in touch with their needs and concerns, the aspirations, the hopes and the wishes of those who sent them here. The right to limit the terms of Members of the U.S. Senate and the right to limit the terms of those individuals who represent districts in our States in the U.S. House of Representatives.

Because that right has been rejected—argued against by the executive branch, the Clinton administration, and ruled against by the U.S. Supreme Court—we, the Members of the

U.S. Congress, are forced to accord that right to the people. We must at least give them the opportunity to vote on that right by sending to them this joint resolution on the right of States and individuals to limit Members' terms who serve the States and the districts of those States in the U.S. Congress.

It is a profoundly important expression of our confidence in the people of this country to extend to them the right to be involved in making this judgment. I submit this joint resolution today in the hopes that democracy will continue to flourish as people have greater opportunities to be involved.

ADDITIONAL COSPONSORS

S. 768

At the request of Mr. GORTON, the names of the Senator from Idaho [Mr. CRAIG], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 768, a bill to amend the Endangered Species Act of 1973 to reauthorize the act, and for other purposes.

S. 853

At the request of Mr. GORTON, the name of the Senator from Montana [Mr. BAUCUS] was withdrawn as a cosponsor of S. 853, a bill to amend title 28, United States Code, to divide the ninth judicial circuit of the United States into two circuits, and for other purposes.

SENATE JOINT RESOLUTION 21

At the request of Mr. THOMPSON, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of Senate Joint Resolution 21, a joint resolution proposing a constitutional amendment to limit congressional terms.

AMENDMENTS SUBMITTED

THE COMPREHENSIVE TERRORISM PREVENTION ACT OF 1995

LIEBERMAN AMENDMENT NO. 1200

Mr. LIEBERMAN proposed an amendment to amendment No. 1199 proposed by Mr. DOLE to the bill (S. 735) to prevent and punish acts of terrorism, and for other purposes; as follows:

Insert at the appropriate place the following new section:

SEC. . REVISION TO EXISTING AUTHORITY FOR EMERGENCY WIRETAPS.

(a) Section 2518(7)(a)(iii) of title 18, United States Code, is amended by inserting "or domestic terrorism or international terrorism (as those terms are defined in 18 U.S.C. 2331) for offenses described in section 2516 of this title." after "organized crime".

(b) Section 2331 of title 18, United States Code, is amended by inserting the following words after subsection (4)—

"(5) the term 'domestic terrorism' means any activities that involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State and which appear to be intended to intimidate or coerce a civilian population or to influence the policy of a government by intimidation or coercion; or to affect the conduct of a government by assassination or kidnapping.".

(c) Section 2518(7) of title 18 is amended by adding after "Notwithstanding any other provision of this chapter," "but subject to section 2516,".

THE HANFORD LAND MANAGEMENT ACT

JOHNSTON (AND MURKOWSKI) AMENDMENT NO. 1201

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. JOHNSTON (for himself and Mr. MURKOWSKI) submitted an amendment intended to be proposed by them to the bill (S. 871) to provide for the management and disposition of the Hanford Reservation, to provide for environmental management activities at the reservation, and for other purposes; as follows:

After section 7, add the following:

"SEC. 8. COMPLIANCE WITH CERCLA, RCRA, NEPA, AND OTHER LAWS.

"(a) POLICY.—This Act shall govern all land management and environmental management activities at the Hanford Reservation and shall preempt any provision of federal, state, or local law or regulation, or any agreement entered into by the Department of Energy that is inconsistent with this Act.

"(b) PREEMPTION.—No environmental management activity conducted by the Secretary or the employees or contractors of the Secretary at the Hanford Reservation shall be subject to—

"(1) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601–9675);

"(2) the Solid Waste Disposal Act (42 U.S.C. 6901 to 6992k, also known as the Resource Conservation and Recovery Act);

"(3) any state or local law or regulation relating to environmental management activities; or

"(4) the Tri-Party Agreement between the Department, the Environmental Protection Agency, and the Washington State Department of Ecology.

"(c) VOLUNTARY COMPLIANCE.—Notwithstanding subsection (b), the Secretary may, in his discretion, comply with provisions of laws preempted by this section to the extent the Secretary determines appropriate, practicable, and cost-effective. The Secretary shall include a list of any such provisions of law in the environmental management plan submitted to Congress under this Act.

"(d) COMPLIANCE WITH NEPA.—Compliance with the procedures and requirements of this Act shall be deemed adequate consideration of the need for the federal actions specified in the environmental management plan, alternatives to the specified actions, and the environmental impacts thereof for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). Submission of the environmental management plan in accordance with the Act shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act and no further consideration shall be required.

"SEC. 9. LIABILITY.

"(a) CIVIL PENALTIES AND FINES.—The second sentence of section 6001(a) of the Solid Waste Disposal Act (42 U.S.C. 6961(a), relating to civil and administrative penalties and fines) is repealed.

"(b) WAIVER OF SOVEREIGN IMMUNITY.—The third sentence of section 6001(a) of the Solid Waste Disposal Act (42 U.S.C. 6961(a), relating to the waiver of immunity by the United States) is repealed.

"(c) CRIMINAL LIABILITY.—The seventh sentence of section 6001(a) of the Solid Waste Disposal Act (42 U.S.C. 6961(a)) is amended—

"(1) by striking—

'An agent, employee, or officer of the United States shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State solid or hazardous waste law, but no department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any such sanction.'; and

"(2) by inserting the following—

'No department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State solid or hazardous waste law.'.

"(d) CONFORMING AMENDMENTS.—(1) Section 6001(c) of the Solid Waste Disposal Act (42 U.S.C. 6961(c), relating to state use of penalties and fines collected from the United States) is repealed.

"(2) Section 102(c) of the Federal Facility Compliance Act (42 U.S.C. 6961 note, relating to effective dates) is repealed.

"(e) ENVIRONMENTAL DAMAGES.—Notwithstanding section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) or any other provision of law, the United States shall not be liable for any environmental response costs, natural resource loss, or other damages arising out of federal activities at the Hanford Reservation."

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, June 7, 1995, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing will be to examine the historical evolution of the National Environmental Policy Act of 1969, how it is being applied now in several situations, and what options are available to improve Federal decisionmaking consistent with the objectives of that statute.

For further information concerning the hearing, please contact James P. Beirne, senior counsel to the committee, at (202) 224–2564.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, June 15, 1995, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 871, a bill to provide for the management and disposition of the Hanford Reservation, to provide for environmental management activities at the reservation, and for other purposes.

Those wishing to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call David Garman at (202) 224–7933 or Judy Brown at (202) 224–7556.

ADDITIONAL STATEMENTS

DEFENSE BUDGET ISSUES

• Mr. GRASSLEY. Mr. President, the unmatched disbursement problem at the Pentagon has been simmering on a back burner for years.

All of a sudden, it is on the front burner, and it is boiling.

The issue is so bothersome right now because it undermines the credibility of the defense budget numbers and the case for pumping up the defense budget.

There is another article on it in the Washington Post on Tuesday.

This one zeros right in on the main problem: the lack of accountability at the Pentagon.

I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, May 23, 1995]

THE PENTAGON'S ACCOUNTABILITY PROBLEM

(By Coleman McCarthy)

Speaking of welfare abuse—and who isn't—have you heard about the $13 billion the government handed out over the past decade but doesn't know where it went or to whom? Then there's the $6 billion spent in excess of what Congress authorized.

The welfare recipients who have taken this money and run—or lazed about or bought Cadillacs, as it is derisively said of poor people—are in a category of their own. They are military contractors. Their welfare agency is the largest of them all, the Department of Defense, which has a defense against enemies great and small except the one within: fiscal stupidity and indifference.

Some of the details of this welfare abuse were revealed May 16 before the Senate Armed Services subcommittee on readiness. It wasn't much of a hearing: just a half-day of testimony from a Pentagon undersecretary and the head of the General Accounting Office, a few senators and not much in the national media that evening or the next day.

If $19 billion in lost or untracked tax money had been dispensed by the Department of Education on mismanaged reading programs or if this were $19 billion that vaporized in the Medicare or food stamp bureaucracy, no hearing room would have been large enough to hold the media and outraged public, no time limit on hearings would have been imposed and no senator's publicist would have passed up the chance to paper Washington with the boss's deploring of bureaucrats, welfare cheats and, for sure, liberals.

But this was the Pentagon—the Department of Giveaways—and its dollar-mates, military contractors and their rent-a-general execs. Both givers and takers are on permanent dispensations from standards of competence, accountability and honesty that apply elsewhere.

At the hearings, Charles A. Bowsher of the GAO ran through what he called the Pentagon's "serious problem of not being able to properly match disbursements with obligations." Pentagon overpayments, flawed contracts, duplicative business practices, shoddy or no record-keeping and multiple payroll systems have meant that the money might as well have been thrown out of airplanes for all anyone knew where it went.

On such a routine matter as travel, Bowsher reported that the Pentagon has "over 700 processing centers, 1,300 pages of regulations and some 40 steps to get travel approval and reimbursement. The result: DOD spent over 30 percent of each travel dollar on administrative cost. By contrast, companies with the best travel processes have one disbursing center . . . and 10 or fewer process steps. These companies spend as little as 1 percent of their travel dollar on administrative costs."

According to John Hamre, the Pentagon undersecretary and comptroller, each month the Pentagon deals with 2.5 million invoices and 10 million paychecks. He spun: "It isn't that we have wicked people trying to screw up, it's that we have a system that's so error-prone that good people working hard are going to make mistakes."

In the past 18 months, the hard-working good folk at the Pentagon have miscalculated Hamre's paycheck six times.

Because no wicked people are involved in the missing billions, no mention was made of firings, much less possible indictments. On the issue of "problem disbursements," Hamre was the model of managerial thoughtfulness. It is too late or too burdensome to go back and see what or who went awry: "I decided to suspend, on a one-time basis, the requirement to research old transactions." To DOD's contractor buddies, the message, unlike the money, was not lost: Relax, we're good people, you're good people. It was "the system."

Hamre reassured Congress that the era of reform is here: "The department has refined and advanced its blueprint to eliminate its long-standing financial management problems."

Sure. In his 1989 book "The Pentagonists: An Insider's View of Waste, Mismanagement, and Fraud in Defense Spending," A. Ernest Fitzgerald wrote that the military's rote reaction to scandal is to promise reform, pledge self-policing and spout Caspar Weinberger's favorite cliché about the "few bad apples in any barrel." And then go back to writing checks.

Down the hall on the same day from the hearing on the missing billions was another Senate Armed Services panel reaching for its appropriations pen—debating a $60 billion contract to build 30 attack submarines for the Navy. To attack who? Russia.

It was a day of symmetry: one Senate committee looking for phantom money and another pondering a phantom enemy.

Mr. GRASSLEY. Billions of dollars in DOD checks can't be hooked up to authorizing documents, but "no mention is made of firings or possible indictments," the article says.

The Pentagon will promise reform, pledge self-policing, and get right back to writing bad checks.

This is what worries me, Mr. President.

Some of my colleagues would like to give the Pentagon some extra money, so the Pentagon bureaucrats can write more bad checks.

This is the very problem I spoke about on the floor last Friday.

Last Friday I came to the floor to express concern about a new policy being pushed by the Comptroller at the Department of Defense [DOD], Mr. John Hamre.

Mr. Hamre is proposing to write off billions of dollars of unmatchable disbursements.

Unmatchable disbursements are payments which he claims cannot be linked to supporting documentation.

In my mind, Mr. President, the plan would set a dangerous precedent and underscores the continuing lack of effective internal financial controls at the Pentagon.

My speech last Friday merely expressed concerns and raised questions about the new policy.

Well, at the conclusion of my statement, my friend from Arizona, Senator MCCAIN, and my friend from Maine, Senator COHEN, launched an unwarranted attack on what I had said.

I feel as though their criticism was misdirected. It misinterpreted and mischaracterized what I had said.

Unfortunately, I was participating in the Canada-United States Interparliamentary Group meeting in Canada and had to run to catch an airplane.

I was unable to respond to their critical remarks on Friday.

I would like to do that now.

Mr. President, I would now like to clarify for Senator COHEN'S understanding of what I actually said about the IRS. Had his recollection of what I said been clear, he would have known that he and I are in total agreement on the management flaws at IRS.

Senator COHEN seemed to think that I was holding up the IRS as some kind of model accounting bureau for Pentagon bureaucrats to copy.

That was not my point at all. Nothing could be further from the truth.

In fact, I am as frequent a critic of the way the IRS manages the peoples' money as he is.

What I was suggesting in my comments was that the plan to write off billions of dollars of unmatchable disbursements would be an insult to the taxpayers.

This is what I said:

> This money was taken out of the pockets of hard working American taxpayers, and the Pentagon bureaucrats say it is just too much trouble to find out how their money was spent.

> Could you imagine how the IRS would treat a citizen who claimed to have no documentation for $100,000 of income? The IRS would say: We know you got the money. You pay the tax. Period. End of discussion.
>
> We should hold the Pentagon bureaucrats to the same standard that the IRS holds the taxpayers to. The DOD should have to play by the same rules imposed on the taxpayers.
>
> We should tell the Pentagon bureaucrats: We know you received $10 billion in appropriations. Now, how did you spend it? No extra money until we get the answer.

Mr. President, this is the point I was trying to make.

The IRS is relentless and thorough in collecting tax money from the people.

I want the Pentagon bureaucrats to be just as relentless and just as thorough in controlling and accounting for the expenditure of the peoples' money as the IRS is in collecting it.

I would now like to turn to Senator McCAIN's remarks.

I take strong exception to what was said by the Senator from Arizona.

Mr. McCAIN suggested that I "enjoy savaging" the Pentagon for shortcomings and deficiencies but never offer "viable solutions." First of all, I do not remember ever making a critique of DOD's management without offering a solution, contrary to my friend's flippant remark.

On Friday, I made two very specific recommendations for handling the new policy.

I would like to restate those two recommendations. I said:

> We in the Congress should not approve this plan until two stringent conditions are met:
>
> Number 1: Those responsible must be held accountable for what has happened; Heads must roll.
>
> Number 2: A new DOD policy should be put in place that specifies: Effective January 1, 1996, all DOD disbursements must be matched with obligations and supporting accounting records before a payment is made.

Mr. President, as I said on Friday, these two recommendations will help to strengthen and reinforce section 8137 of the fiscal year 1995 DOD Appropriations Act—Public Law 103-335. Senator STEVENS acknowledged my proposed solution in a hearing on this issue May 23 before his Defense Subcommittee.

Section 8137 was a carefully crafted piece of legislation designed to correct the unmatched disbursement problem at the Pentagon.

It was a phased approach I developed in close cooperation with the DOD Comptroller, Mr. Hamre.

Section 8137 specifies that by July 1, 1995, a disbursement in excess of $5 million must be matched with appropriate accounting documents before the payment is made.

Then, under the law, the mandatory matching threshold is lowered to $1 million on October 1, 1995.

My amendment was adopted by the Senate on August 11, 1994.

The next day I received a warm, handwritten thank you note from Mr. Hamre. I would like to read it. I quote:

> I would like to thank you for sponsoring the amendment requiring DOD to match disbursements with accounting records prior to actual disbursement of funds. I especially appreciate your willingness to work with me to adopt your amendment to ensure we could implement it in the least disruptive manner. You will be very proud of the long-term benefit it will produce in our business practices.

Mr. President, to my friend from Arizona, I say: I have been working hard to fix this problem. I do not claim to have the answer but I am searching for it.

And the recommendations I made on Friday are the logical next step to the phased approach contained in section 8137 of the law.

They would lower the threshold to zero, effective January 1, 1996.

Let me also say to my friend from Arizona that my recommendations are fully consistent with current DOD policy.

To back up that point, I would like to quote from Mr. Hamre's letter of May 5, 1995, to Senator GLENN where the plan to write off unmatchable disbursements was first revealed to the public.

I quote from the Hamre letter: "We have adopted a policy that we will not disburse funds until we pre-match them to the accounting records."

That is recommendation No. 2 in Friday's speech.

Mr. President, I say to my friend from Arizona that I have been working diligently to fix the problem.

I have already helped to develop one viable solution and am working on another.

Right now, I am working with the Comptroller General, Chuck Bowsher, to find a more comprehensive solution to the Pentagon's accounting problems.

Mr. President, sometimes in the heat of debate, our arguments and proposed solutions fall on deaf ears.

I would caution my friend from Arizona to listen to the arguments before blindly dismissing them.

Unless that is done, the credibility of one's opposition is lost.

Mr. President, I would like to add one new idea to the discussion.

I do not believe the use of the word "writeoff" accurately describes what DOD is proposing to do.

Normally, the word "writeoff" is used to describe a procedure for canceling from accounts a legitimate business loss.

What Mr. Hamre is proposing to do is write off billions of dollars of unauthorized payments.

A payment that cannot be linked to supporting documentation is an unauthorized payment. It may not be legitimate.

Without documentation, we do not know how the money was used.

That is my concern, Mr. President.

Mr. President, Pentagon bureaucrats have an unblemished record of mismanaging the peoples' money.

Now, is it smart to give a bureaucratic institution like the Pentagon that cannot control and account for the use of public money more public money—as some of my colleagues propose?

DOD should not get any extra money until it cleans up the books.

More money is not the answer. Better management is.•

A TRIBUTE TO COMMAND SGT. MAJ. WILLIAM H. ACEBES ON HIS RETIREMENT FROM THE ARMY

• Mr. NUNN. Mr. President, today I want to congratulate Command Sgt. Maj. William H. Acebes on the occasion of his retirement from the U.S. Army.

Command Sergeant Major Acebes began his Army career 30 years ago when he completed basic training at Fort Polk, LA. I am pleased to note that he completed his advanced individual training in my home State of Georgia, at Fort Gordon. Since then, he has served in virtually every noncommissioned officer leadership position.

Overseas, Command Sergeant Major Acebes has served numerous tours of duty with United States Forces in both Europe and Asia. In Germany he was assigned to the Berlin Brigade and later, to the 1st Battalion, 10th Special Forces Group (Forward) at Bad Toelz. During the Vietnam war, he served with the 173rd Airborne Brigade and was an advisor with the United States Army Military Assistance Command. His most recent overseas assignment was in South Korea, where he was the command sergeant major of the 2nd Infantry Division.

Bill Acebes' stateside assignments have included serving as the first sergeant of Headquarters Company and the command sergeant major of the 1st Battalion (Ranger), 75th Ranger Regiment. Also, he served as the battalion command sergeant major for the 1st Battalion, 64th Armor Regiment, 2d Brigade, 24th Infantry Division, at Fort Stewart, Georgia. Since 1992, he has served as the U.S. Army Infantry Center Command Sergeant Major at Fort Benning, GA.

During his 30-year Army career, Bill Acebes has received numerous awards and decorations in recognition of his exemplary service to the United States. These awards and decorations include the Legion of Merit, the Bronze Star, the Meritorious Service Medal, the Army Commendation Medal, the Army Achievement Medal, and the Vietnam Cross of Gallantry.

I know of no soldier who sought more tough, demanding assignments than Bill Acebes. I also know of no soldier who has spent more time with the infantry—with infantry soldiers and families, than Bill Acebes. Whenever our country called, over a 30-year period, Command Sergeant Major Acebes answered. His leadership and talents will be missed.

Mr. President, I ask our colleagues to join me in thanking Command Sergeant Major William H. Acebes for his distinguished service to the Army and people of the United States.•

COMMERCIAL SPENT NUCLEAR FUEL STORAGE

• Mr. HOLLINGS. Mr. President, I would like to commend the Senator from Alaska [Mr. MURKOWSKI] for the statement yesterday on the need to develop a timely solution for the management of spent nuclear fuel from the Nation's 109 commercial nuclear power plants.

As the new chairman of the Energy Committee, Senator MURKOWSKI has already assumed a leading role in examining America's policy on high-level radioactive waste management and I appreciate the chairman's ongoing commitment to change that policy to ensure that we continue to make progress in a program so vital to the national interest.

Mr. President, the United States has struggled to fashion a workable policy on high-level radioactive waste disposal since the Congress passed the Nuclear Waste Policy Act of 1982.

In 1987, President Ronald Reagan signed amendments to that act to direct the Department of Energy to study Yucca Mountain in Nevada as a likely repository site. A cadre of world-class scientists have been conducting first-of-a-kind experiments at Yucca Mountain to determine if the site is suitable for the ultimate disposition of spent nuclear fuel from civilian nuclear reactors a well as defense high-level radioactive waste.

Electric consumers have committed $11 billion since 1983 to finance these studies, a total that includes $563 million collected from consumers of nuclear electricity generated in South Carolina. Unfortunately, the year 2010 is the earliest possible date that a repository might be ready to accept spent fuel.

In the meantime, nuclear power plants across the country are running out of capacity to store spent fuel. By 1998, 26 plants will have exhausted existing capacity to store spent fuel, including the Oconee and Robinson plants in South Carolina.

In addition to designating Yucca Mountain, the Nuclear Waste Policy Act made the Federal Government responsible for taking title to spent nuclear fuel beginning in 1998.

In order to meet its obligations, therefore, the Federal Government must now develop a temporary storage facility for spent fuel from the Nation's nuclear power plants. In just 3 years DOE is scheduled to assume responsibility for the spent nuclear fuel from commercial nuclear power plants. It must begin planning now to build and operate a facility to fulfill that obligation.

Legislation introduced in both the Senate and House would develop an integrated approach to spent fuel management, including the construction and operation of a single Federal facility to store spent fuel until a permanent solution is available. Legislation in both Chambers identifies the sensible location for such a storage facility—the Nevada test site.

This Federal facility is the most logical location for such an interim site. It borders Yucca Mountain, a remote, unpopulated, and arid location in the Nevada Desert. Moreover, the site is on land that has been dedicated to underground nuclear testing for more than 40 years, and thus appropriately dedicated to a project like this one.

Building a central storage facility at the Nevada test site does not prejudge the question of whether Yucca Mountain is suitable, but there are tremendous advantages to locating it there. Among the most appealing is ease of transportation of the spent fuel from storage facility to repository.

Building a central storage facility that is operating by 1998 and a repository by 2010 will save electric consumers $5 billion over the life cycle of the waste management program. These cost savings will be further enhanced, primarily through ease of transportation, if the storage facility is located near the repository site.

Mr. President, the time has come to address the problems that have plagued the Department of Energy's nuclear waste management program. We can take the first step this year by authorizing and using funds already contributed by electricity consumers to develop a central storage facility in Nevada.•

DESECRATION OF THE U.S. FLAG

• Mr. HEFLIN. Mr. President, I am pleased to submit for the RECORD the memorializing resolutions from the States of Washington, Hawaii, and Oregon calling on the Congress to pass an amendment to the Constitution that protects the United States flag from desecration. I think these resolutions are a wonderful reminder that the movement and support for an amendment to protect the flag begin at the grassroots level. Up to this point, 49 States have passed memorializing resolutions in support of a flag protection amendment. I ask unanimous consent that the texts of these resolutions be printed in the RECORD.

STATE OF WASHINGTON: SENATE JOINT MEMORIAL 8006

Whereas, Although the right of free expression is part of the foundation of the United States Constitution, very carefully drawn limits on expression in specific instances have long been recognized as legitimate means of maintaining public safety and decency, as well as orderliness and productive value of public debate; and

Whereas, Certain actions, although arguably related to one person's free expression, nevertheless raise issues concerning public decency, public peace, and the rights of expression and sacred values of others; and

Whereas, There are symbols of our national soul such as the Washington Monument, the United States Capitol Building, and memorials to our greatest leaders, which are the property of every American and are therefore worthy of protection from desecration and dishonor; and

Whereas, The American Flag to this day is a most honorable and worthy banner of a nation that is thankful for its strengths and committed to curing its faults, and remains the destination of millions of immigrants attracted by the universal power of the American ideal; and

Whereas, The law as interpreted by the United States Supreme Court no longer accords to the Stars and Stripes that reverence, respect, and dignity befitting the banner of that most noble experiment of a nation-state; and

Whereas, It is only fitting that people everywhere should lend their voices to a forceful call for a restoration of the Stars and Stripes to a proper station under law and decency;

Now, therefore, Your Memorialists respectfully pray that the Congress of the United States propose an amendment of the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States; be it

Resolved, That certified copies of this Memorial be immediately transmitted by the secretary of state to the president and the secretary of the United States Senate, to the speaker and the clerk of the United States House of Representatives, and to each member of this state's delegation to the Congress.

STATE OF HAWAII, HOUSE CONCURRENT RESOLUTION 142

Whereas, the flag of the United States is the ultimate symbol of our country and it is the unique fiber that holds together a diverse and different people into a nation we call America and the United States; and

Whereas, as of May, 1994, forty-three states have memorials to the United States Congress urging action to protect the American flag from willful physical desecration and these legislations represent nearly two hundred and twenty nine million Americans, more than ninety percent of our country's population; and

Whereas, although the right of free expression is part of the foundation of the United States Constitution, very carefully drawn limits on expression in specific instances have long been recognized as legitimate means of maintaining public safety and decency, as well as orderliness and productive value of public debate; and

Whereas, certain actions, although arguably related to one person's free expression, nevertheless raise issues concerning public decency, public peace, and the rights of other citizens; and

Whereas, there are symbols of our national soul such as the Washington Monument, the United States Capitol Building, and memorials to our greatest leaders, which are the property of every American and are therefore worthy of protection from desecration and dishonor; and

Whereas, the American Flag is a most honorable and worthy banner of a nation which is thankful for its strengths and committed to curing its faults and remains the destination of millions of immigrants attracted by the universal power of the American ideal; and

Whereas, the law as interpreted by the United States Supreme Court no longer accords to the Stars and Stripes the reverence, respect, and dignity befitting the banner of that most noble experiment of a nation-state; and

Whereas, it is only fitting that people everywhere should lend their voices to a forceful call for restoration to the Stars and Stripes of a proper station under law and decency; and

Whereas, as increasing number of citizens, individuality and collectively, in Hawaii and throughout the nation, have called for action to ban the willful desecration of the American flag; and to ignore the effect of this decision would be an affront to everyone who has been committed to the ideals of our nation in times of war and in times of peace; now, therefore, be it

Resolved by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1995, the Senate concurring, That this body respectfully requests each member of Hawaii's congressional delegation, with the specific purpose of urging the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, providing that Congress and the states shall have the power to prohibit the willful physical desecration of the flag of the United States; and be it further

Resolved, That certified copies of this Concurrent Resolution be transmitted to each member of Hawaii's congressional delegation.

OREGON LEGISLATIVE ASSEMBLY, SENATE JOINT MEMORIAL 1

Whereas although the right of free expression is part of the foundation of the United States Constitution, very carefully drawn limits on expression in specific instances have long been recognized as legitimate means of maintaining public safety and decency, as well as orderliness and productive value of public debate; and

Whereas certain actions, although arguably related to one person's free expression, nevertheless raise issues concerning public decency, public peace, and rights of expression and sacred values of others; and

Whereas there are symbols of our national soul such as the Washington Monument, the United States Capitol and memorials to our greatest leaders that are the property of every American and therefore worthy of protection from desecration and dishonor; and

Whereas the American flag is a most honorable and worthy banner of a nation thankful for its own strengths, committed to curing its faults, and the continued destination of millions of immigrants attracted by the universal power of the American ideal; and

Whereas the law, as interpreted by the United States Supreme Court, no longer accords to the Stars and Stripes that reverence, respect and dignity befitting the banner of that most noble experiment of a nation-state; and

Whereas it is only fitting that people everywhere should lend their voices to a forceful call for restoration to the Stars and Stripes of a proper station under law and decency; now, therefore, be it *Resolved* by the Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to promptly propose an amendment to the United States Constitution specifying that Congress and the several states shall have the power to prohibit the physical desecration of the flag of the United States of America.

(2) A copy of this memorial shall be sent to the President of the United States and to each member of the Oregon Congressional Delegation.•

RUSSIAN SALES OF SUBMARINES TO IRAN AND CHINA

• Mr. D'AMATO. Mr. President, the sale of Russian submarines to Iran and the People's Republic of China have the potential to significantly jeopardize regional stability and pose a grave threat to international trade. The United States must take a firm stand on this issue.

Iran, which borders the Straits of Hormuz, has obtained two and is expected to take delivery of a third Russian *Kilo* class submarine. These submarines, particularly when armed with the wake-homing torpedoes that the Iranian's have tested, are optimized to cut off the passage of merchant shipping through the straits. Roughly 50 percent of the oil in international trade passes through these straits. Any interruption of this supply would result in an international energy crisis, and a sustained interruption would have dramatic economic consequences.

We must ask ourselves, "why are the Iranian's developing this capability?" Could the answer be that they wish to close the straits? Clearly, it is not in our national interest to allow a country which sponsors international terrorism to do this, holding the world's oil supply and the key to the global economy hostage.

The People's Republic of China is also buying modern Russian submarines. For what purpose? Their lawless efforts to seize control of the Spratley Islands already indicate an intent to control the South China Sea. Are these submarines intended to bolster this effort or are they intended to threaten our friends in Taiwan?

As an island nation, Taiwan is desperately dependent on the free passage of shipping. If this were to be threatened or cut off, the Taiwanese economy would flounder. Would we, should we, allow this to happen? I think not. Taiwan is our sixth largest trading partner and, unlike the People's Republic of China, a democratic state.

Since 1776 the United States has supported the freedom of navigation and must continue to do so. Twice in this century a country with a relatively small submarine force caused havoc with the merchant shipping of free nations. This can not happen again.

The United States does not build submarines for foreign nations and neither should the Russians. We must increase our efforts to discourage the Russians from proliferating this, as well as other, dangerous technology and we must vigorously maintain our supremacy in antisubmarine warfare capabilities. Furthermore, we must make it absolutely clear to Iran and the People's Republic of China that the United States can not, and will not, tolerate any action which impacts regional stability by threatening the merchant trade of peaceful nations.•

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

24TH ANNUAL POLISH HERITAGE FESTIVAL

• Mr. BRADLEY. Mr. President, our country is a remarkable mosaic—a mixture of races, languages, ethnicities, and religions—that grows increasingly diverse with each passing year. Nowhere is this incredible diversity more evident than in the State of New Jersey. In New Jersey, schoolchildren come from families that speak 120 different languages at home. These different languages are used in over 1.4 million homes in my State. I have always believed that one of the United States greatest strengths is the diversity of the people that make up its citizenry and I am proud to call the attention of my colleagues to an event in New Jersey that celebrates the importance of the diversity that is a part of America's collective heritage.

On June 4, 1995, the Garden State Arts Center in Holmdel, NJ, will begin its 1995 Spring Heritage Festival Series. This Heritage Festival program will salute some of the different ethnic communities that contribute so greatly to New Jersey's diverse makeup. Highlighting old country customs and culture, the festival programs are an opportunity to express pride in the ethnic backgrounds that are a part of our collective heritage. Additionally, the Spring Heritage Festivals will contribute proceeds from their programs to the Garden State Arts Center's cultural center fund which presents theater productions free-of-charge to New Jersey's school children, seniors, and other deserving residents. The Heritage Festival thus not only pays tribute to the cultural influences from our past, it also makes a significant contribution to our present day cultural activities.

On Sunday, June 4, 1995, the Heritage Festival Series will open with the 24th Annual Polish Heritage Festival. Chaired by Stanley Kostenowcyk, this year's event commemorates the end of World War II and pays tribute to the bravery of American and Polish soldiers in their war efforts. A special commemorative exhibition on the Polish people's involvement in World WAr II will be held in the Robert Meyner Reception Center and will honor the memory of the 6 million Poles that disappeared during this dark period in world history. The festival will also feature food, crafts, music, and traditional Polish folk dancing as well as an outdoor liturgy concelebrated by Rev. Msgr. Joseph Marjanczyk, pastor of Our Lady of Mount Carmel R.C. Church of Bayonne, NJ, and Rev. Eugene Koch, pastor of St. Theresa's R.C. Church in Linden, NJ. Immediately following the outdoor liturgy will be a program featuring many talented Polish artists including: Lenny Gormulka and The Chicago Push; the Jimmy Sturr Orchestra with Carl Buda directing the St. Cecilia's Choir; Raymond Wojcik conducting the Garden State Philharmonic Orchestra; the pianist Jacek Zganiacz; the Hejnal Polish-American Dancers; and Emcee Barry Kaminski. On behalf of all New Jerseyans of Polish descent, a group that numbers over 400,000 people, I offer my congratulations on the occasion of the 24th Polish Heritage Festival.•

SET A GOOD EXAMPLE PROGRAM

• Mr. JOHNSTON. Mr. President, I would like to take this opportunity to recognize two elementary schools from Shreveport, LA, that placed in the top five in the 1994–95 Set a Good Example Contest sponsored by the Concerned Businessmen's Association of America. Westwood Elementary School placed first and Lakeshore Elementary School placed fifth in this competition, which is based on the idea that teaching children common sense values and encouraging them to serve as role models for their peers is a workable solution for preventing juvenile crime, drug abuse, illiteracy, and delinquency. More than 7,500 schools and close to 7 million students have participated in this innovative and visionary program since its creation in 1984.

The Set a Good Example Contest is unique because students design their own program to improve their school environment. The students at Westwood Elementary chose the theme "Westwood Respects All," and decided to strive for a 95-percent improvement in discipline and behavior schoolwide. Lakeshore Elementary students decided on the concept "Tell the Truth," and also emphasized stopping violence both in school and at home. The children from these two Louisiana schools organized several impressive activities to educate themselves and others on the dangers of gangs, drugs, and violence. The initiative and creativity they showed in organizing food drives, encouraging recycling, decorating their schools with antidrug and antiviolence slogans, and improving the environment are worthy of our admiration and commendation.

I am pleased and proud to acknowledge this fine accomplishment by the Westwood and Lakeshore schools. These students, who will be the leaders of tomorrow, have shown dedication to bettering themselves and their environment. If this type of involvement is any indication of the way America's youth will address issues in the future, then we should not worry, for we are headed in the right direction. The bold stand against violence and the endorsement of positive values like honesty and discipline by these students should service as an outstanding example and inspiration for their peers. I salute the students and faculty of the Westwood and Lakeshore elementary schools and hope that the youth of our Nation will follow in your footsteps.•

TRIBUTE TO VICE ADM. THOMAS J. KILCLINE, USN (RETIRED)

• Mr. McCAIN. Mr. President. Today I rise to pay tribute to my longtime friend and mentor, Vice Adm. Thomas J. Kilcline, USN (Retired). We served together in the Navy's legislative affairs office in the late 1970's and over the intervening years I have grown to respect him as an insightful leader, dedicated humanitarian, and sage counselor. On the eve of his retirement from his position as President of the Retired Officers Association, I considered it extremely appropriate to formally recognize him for his more than 50 years of service to this Nation.

Tom Kilcline was born in Detroit, MI, on December 9, 1925. He enlisted in the Navy in 1943, graduated from the U.S. Naval Academy in 1949, and was designated a naval aviator in November 1950, after which he flew with VR-5 until 1953.

Admiral Kilcline attended the Naval Postgraduate School and later Massachusetts Institute of Technology, where he earned a masters degree in aeronautical engineering in 1956.

He then joined Heavy Attack Squadron Nine, serving on the U.S.S. *Saratoga* (CV–60) and U.S.S. *Ranger* (CV–61). In 1959, he was assigned to the staff of the Commander Sixth Fleet. He completed the command and staff course at the Naval War College and in 1962 completed test pilot school. He was later assigned as coordinator of test programs for all attack aircraft at the Naval Air Test Center.

In January 1965, Tom reported to Heavy Attack Squadron Eleven (VAH–11) aboard the U.S.S. *Forrestal* (CV–59). He commanded an RA5C squadron deployed to the Vietnam theater. He returned to the staff of the Commander Naval Air Force, U.S. Atlantic Fleet in August 1967,. and a year later was assigned as operations officer and later executive officer aboard the U.S.S. *Ticonderoga* (CVA–14) during combat operations off Vietnam. He then became program manager for acquisition and support of the RA–5C aircraft, Naval Air Systems Command. In October 1970, he was named Director of Liaison with the House of Representatives under the Navy Office of Legislative Affairs.

From August 1972 until May 1974, Tom was commanding officer, Navy Air Station, Patuxent River, MD. He was then assigned as director of aviation officer distribution, aviation captain detailer and later, Assistant Chief of Naval Personnel, Officer Distribution and Education. In August 1975, he assumed command of Naval Base Subic Bay with duties as Commander in Chief Pacific Representative in the Philippines and Commander U.S. Naval Forces, Philippines. He became Chief, Legislative Affairs in February 1978 and in July 1981, was assigned as Commander Naval Air Forces, U.S. Atlantic Fleet. He retired from the Navy in 1983.

His awards include the Distinguished Service Medal; the Legion of Merit with three gold stars; the Bronze Star; the Air Medal; and awards from the Governments of the Philippines and the Republic of Vietnam.

Following retirement, Admiral Kilcline formed a military and congressional consulting firm which he disestablished when he became the Retired Officers Association president in December 1986.

Through his stewardship, the Retired Officers Association played a pivotal role in convincing Congress to enact several legislative initiatives to maintain readiness and improve the quality of life for all members of the military community—active, reserve, and retired, plus their families and survivors. I will not describe all of his accomplishments, but will briefly focus on a few to illustrate the breadth of his concern for military people of all uniforms.

One particularly noteworthy effort resulted from his unwavering commitment to affordable health care for the military community. In 1988, after assessing the onerous and ill-advised seniors' only surtax, associated with the Medicare Catastrophic Coverage Act, he worked closely with me and other Members of Congress and threw the full resources of his organization behind the successful effort to repeal that act—a feat that has become a case study in grassroots activism. Likewise, under his direction, the Retired Officers Association supported strengthening the underpinning of the Montgomery GI bill and thus provided a solid foundation for our Nation's future leaders by placing the wherewithal for a college education on the horizons of more than 1,000,000 young men and women who otherwise might have been denied that opportunity.

Finally, he was ever mindful of the adverse effects on morale and retention caused by broken commitments and inadequate compensation and forcefully championed the causes of fairness and equity. His leadership efforts to preserve the long-standing commitment to lifetime care in military health care facilities, to fight for retiree cost of living adjustments, and to provide adequate military pay raises are some of his other significant contributions. Most recently, he fought for and won the battle for a transition plan that provides a comprehensive benefits package for those personnel and their families who are forced out of active service as a result of the force structure drawdown that, hopefully, is in its final stages.

It's also most appropriate to recognize Tom's wife of 44 years, the former Dornell Thompson of Pensacola, FL. Dornell has stood steadfastly at his side, championing the cause of military people, particularly their families and survivors, everywhere. For her vital contribution, we owe her a debt of gratitude.

I wish to extend to this great American and dear friend a grateful nation's thanks, our best wishes for a long life, and fair winds and following seas.•

AMERICAN JEWISH COMMITTEE

• Mr. KERRY. Mr. President, I rise today to recognize the American Jewish Committee for its contributions to the ongoing debate on the appropriate role for our Nation in international affairs.

Through a series of advertisements in national and local publications in recent days, the American Jewish Committee has engaged in a worthy education effort to broaden public understanding of, and support for, America's investment in its leadership role in world affairs.

This effort could not be more timely. The budget resolutions that have been adopted in this and the other body in the past week, along with measures approved by the respective authorizing committees to reorganize international affairs functions and sharply reduce foreign aid spending, could profoundly compromise our ability to protect America's vital economic, political, and strategic interests around the world.

Underlying these shortsighted actions, I fear, is the common assumption that the public simply does not and will not support expenditures for international affairs. Indeed, public opinion surveys have consistently shown weak support for foreign aid. But they also have revealed a general and significant misunderstanding of the Nation's international affairs programs—including an overestimation, by a factor of 15 in one recent survey, of the portion of the Federal budget devoted to foreign aid.

That profound misunderstanding of the cost, and I submit the cost-effectiveness, of American engagement in international affairs must be confronted and reversed; it must not be allowed to dictate or excuse a retreat from American leadership.

It is to raise awareness of the value and necessity of America's continued international engagement, and to place the current debate on foreign aid and related programs in the proper context of America's leadership role and the protection of America's interests, that the American Jewish Committee has launched its current public education effort. I commend AJC's message to my colleagues, and hope that it gains the serious attention it so clearly merits.

Mr. President, I ask that the text of the American Jewish Committee's ad, as it appears in the current issues of the Washington Post weekly edition and Roll Call, be printed in the RECORD.

The text follows:

AMERICAN LEADERSHIP IN WORLD AFFAIRS IS EXPENSIVE UNTIL YOU CONSIDER THE ALTERNATIVE

During this century, America has played a proud and unparalleled role in the leadership of formal alliances and informal coalitions to vanquish tyrants, extend human freedom, and craft the rules and institutions of commerce and peace.

The cost of our leadership in world affairs has been high; we honor the profound sacrifices made in the exercise of that leadership. At the same time, we know that, for the realization of our fundamental principles and the welfare of our country, the cost of withdrawal from leadership—or of its assumption by other nations—would have been intolerable. Through two world wars and five decades of post-war conflict between the Soviet bloc and the Western alliance, America's role has been central and irreplaceable. In the uncertainties and conflicts that lie ahead, we foresee no diminution—indeed, a likely extension—of the call for American leadership in international affairs.

It is in the interest of human progress, and the particular interest of our own nation, that America continue to answer that call to leadership. In fact, America's national and international interests are mutually reinforcing. In the developed world, American commitment to free trade in goods and ideas, and to the entrenchment and protection of democracy, strengthens our and our partners' economies, the well-being of our people, and our political and strategic infrastructures. In the developing world, American commitment to human rights and to the relief of human suffering, to the creation and sustenance of democratic institutions, and to defense against extremism, ultranationalism and expansionism, is not only morally compelling but yields alliances, markets and regional security regimes vital to American economic and political interests.

The American Jewish Committee, founded in 1906 in part to spur U.S. action against the oppression of Jews in czarist Russia, has consistently advocated our nation's leadership in world affairs. A participant in the Versailles conference of 1919 and consultant to the American delegation to the San Francisco conference that chartered the United Nations in 1945, the American Jewish Committee has long recognized the singular role of the United States as a defender of freedom, protector of human rights, and proponent of peaceful relations between states.

As Americans, inheritors of the world's longest and most successful experiment in constitutional democracy, we know the provenance of our freedoms—the struggle to found a nation free of religious persecution, intolerance and political oppression; we know, as well, that our nation's struggle for freedom is incomplete and ongoing. As Jews, inheritors of an ancient and noble tradition of laws and culture, whose communities in other lands have been decimated by political and religious decree, we cherish the American ideal of liberty, a beacon of hope to all the world.

For these reasons—America's role and investment in shaping the modern world; the dangers of alternative or absent leadership; the economic, political and strategic benefits of active international engagement with both the developed and developing worlds; and the history, virtue and motivating power of the American ideal—we commend our Government's continued dedication to the projection of American leadership in world affairs. To that end, we urge the following:

Vigorous resistance to neo-isolationist calls for American withdrawal or retreat from international commitments. American economic, political and strategic interests cannot be isolated or insulated from world affairs; their successful engagement in world affairs are America's guarantor of prosperity and peace.

An understanding of the cost-effectiveness of U.S. foreign aid and a strong commitment to maintain it as an efficient instrument of foreign policy. Reduced in real-dollar terms in recent budgets to less than 1 percent of Federal spending—and the lowest, as a percentage of GNP, among major industrialized nations—U.S. foreign aid serves to safeguard America's political and economic interests abroad and spurs the development of new markets, generates American jobs (with 3 out of 4 aid dollars spent at home), and helps ease foreign crises that could escalate into instability and military conflict.

Continued U.S. leadership in efforts to resolve regional conflicts in areas of vital economic, political and strategic interest; to bar the proliferation of weapons of mass destruction; and to combat international terrorism that threatens America, Israel, moderate Arab states, and the values and institutions of modern civilization. America's role in the pursuit of Arab-Israeli reconciliation, and in the development of regional economic and security arrangements to promote Middle East peace, has been, and continues to be, indispensable.

Continued U.S. leadership, active participation, and appropriate investment in multilateral and bilateral institutions, including international lending agencies, trade and health organizations, and the United Nations. These institutions are valuable tools through which the United States, with vital security and economic interests across the globe, seeks global consensus on issues of national importance.

The protection of international human rights as an essential component of U.S. foreign policy, reflecting America's deepest values while advancing its interests in a safer world. Indeed, at the founding conference of the United Nations 50 years ago, it was American Jewish Committee representatives Joseph Proskauer and Jacob Blaustein who argued persuasively that governments which respect human rights in their own countries are less likely to upset regional and global stability.

This message, one of a series on public policy issues, was adopted by the Board of Governors of the American Jewish Committee at its 89th Annual Meeting in Washington, D.C., on May 3, 1995.

The American Jewish Committee, Robert S. Rifkind, President; David A. Harris, Executive Director.•

SENATOR THURMOND RECEIVES HONORARY DEGREE

• Mr. INOUYE. Mr. President, on Saturday, May 20, 1995, Senator STROM THURMOND received the honorary degree of doctor of medical jurisprudence honoris causa during the 16th commencement ceremony of the Uniformed Services University of the Health Sciences [USUHS].

Our Nation's only military medical school recognized the President pro tempore of the U.S. Senate and the chairman of the Senate Armed Services Committee for his "uncompromising commitment to excellence in military service and in particular, to military medicine." Through his vision and efforts, 2,148 USUHS physicians have been commissioned into the uniformed services; and, of those fine, uniformed doctors, over 81 percent remain on active duty in the service of their Nation beyond their initial service obligation.

Senator THURMOND's leadership and foresight played a major role in the conception of USUHS. Through his consistent support and recognition of the importance of pre-war and wartime knowledge of military medical requirements, the Congress established USUHS and the scholarship program [HPSP] as complementary sources of accession for military physicians. In 1972, Public Law 92–426 established the HPSP program to be a flexible source for the quantity of doctors required by the Armed Forces. USUHS was established to provide a corps of military medical officers—presently 14 percent of the total physician force—who would provide continuity and leadership to the medical services.

It was Senator THURMOND's sound and correct judgment that without continuity and leadership, the lessons learned in military medicine from past wars are forgotten and must be relearned at the expense of the fighting forces. Senator THURMOND has continuously understood that it is essential for military medical readiness to maintain enough physicians in the military services to ensure that the lessons learned in military medicine during both combat and peacetime will be safeguarded. Because of his tenacity, the USUHS military medical personnel, faculty, active duty alumni and programs continue to serve as the institutional memory for military medicine.

During four major assaults attempting to close USUHS, Senator THURMOND's fortitude and mettle have provided the steadfastness of purpose to thwart those who do not understand that there is a vast difference between a civilian doctor in the military and a military physician. Senator THURMOND's military physicians have demonstrated immediate deployability and played key roles in numerous military and humanitarian operations at home and abroad, including: Operation Just Cause (Panama); Operations Desert Shield and Desert Storm; Operation Provide Comfort (Kurdish relief); Somalia, Bosnia, Croatia, and Hurricanes Hugo and Andrew relief operations; the 1993 Midwestern flood relief; the operations to restore democracy in Haiti, and in operational planning support provided in response to the 1995 bombing of the Federal building in Oklahoma.

Without a doubt, through the passage of time, the immediate deployability of USUHS physicians to military and humanitarian operations, the extraordinary retention rates of the USUHS graduates, the testimony of military medical combat experts during congressional hearings in March and April of 1994, the exceptional support from both military and civilian medical leadership and associations, the documentation from economic analyses that verifies USUHS is a wise investment for the Federal Government, and the renewed recognition of the need for military medical readiness in support of those whom we send into harm's way, have all combined to illuminate the foresight and leadership of Senator STROM THURMOND. He has truly proven himself to be a visionary for the special needs of military medicine.

I sincerely thank Senator THURMOND for his magnificent service to the Senate and to the Nation and join in the standing ovation of the 2,000 attendees at the USUHS commencement ceremony in recognition of his outstanding leadership.

I ask to have printed in the RECORD the citation conferring the honorary degree upon Senator THURMOND.

SENATOR JAMES STROM THURMOND, DOCTOR OF MEDICAL JURISPRUDENCE HONORIS CAUSA

Senator Thurmond, over 70 years ago you unselfishly answered your nation's call for service. Since that time, your commitment to patriotism and concern for those who serve their nation has won you the undying respect of all Americans. Tens of thousands of soldiers, sailors, airmen, and Marines have benefitted from your uncompromising commitment to excellence in military service and in particular, military medicine. To provide the care to those who serve when called is sometimes more perilous in the legislature than on the battlefield. You are a luminary of health care delivery and support of those who serve. Your vision has been tested and proven from the battlefields of Vietnam, Grenada, Lebanon, Panama, Haiti, Somalia, and the Persian Gulf to the clinics and health centers that serve the American people. Your spirit and humanity, together with your legislative acumen, have left a legacy for this nation which is unmatched and truly enviable. Through your efforts, this University is now a part of that legacy. Doctors, nurses, and scientists are now serving their nation because of your vision and commitment to purpose. Your nation's health care University takes great pride in awarding you the degree of Doctor of Medical Jurisprudence Honoris Causa.•

CONCURRENT RESOLUTION ON THE BUDGET

The text of the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, as agreed to by the Senate on Thursday, May 25, 1995, is as follows:

Resolved, That the resolution from the House of Representatives (H. Con. Res. 67) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002", do pass with the following amendment:

Strike out all after the resolving clause and insert:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1996.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1996, including the appropriate budgetary levels for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1996.

TITLE I—LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Debt increase.
Sec. 103. Social Security.
Sec. 104. Major functional categories.
Sec. 105. Reconciliation.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

Sec. 201. Discretionary spending limits.
Sec. 202. Extension of pay-as-you-go point of order.
Sec. 203. Tax reserve fund in the Senate.
Sec. 204. Budget surplus allowance.
Sec. 205. Scoring of emergency legislation.
Sec. 206. Sale of Government assets.
Sec. 207. Credit reform and guaranteed student loans.
Sec. 208. Extension of Budget Act 60-vote enforcement through 2002.
Sec. 209. Repeal of IRS allowance.
Sec. 210. Exercise of rulemaking powers.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

Sec. 301. Restructuring Government and program terminations.
Sec. 302. Sense of the Senate regarding returning programs to the States.
Sec. 303. Commercialization of Federal activities.
Sec. 304. Nonpartisan Advisory Commission on the CPI.
Sec. 305. Sense of the Congress on a uniform accounting system in the Federal Government and nonpartisan commission on accounting and budgeting.
Sec. 306. Sense of the Congress that 90 percent of the benefits of any tax cuts must go to the middle class.
Sec. 307. Bipartisan Commission on the Solvency of Medicare.
Sec. 308. Sense of the Senate on the distribution of agriculture savings.
Sec. 309. Sense of the Congress regarding protection of children's health.
Sec. 310. Sense of the Senate that lobbying expenses should remain nondeductible.
Sec. 311. Expatriate taxes.
Sec. 312. Sense of the Senate regarding losses of trust funds due to fraud and abuse in the medicare program.

Sec. 313. Sense of the Congress regarding full funding for Decade of the Brain research.
Sec. 314. Consideration of the Independent Budget for Veterans Affairs, Fiscal Year 1996.
Sec. 315. Sense of the Senate regarding the costs of the National Voter Registration Act of 1993.
Sec. 316. Sense of the Senate regarding Presidential Election Campaign Fund.
Sec. 317. Sense of Congress regarding funds to defend against sexual harassment.
Sec. 318. Sense of the Senate regarding financial responsibility to schools affected by Federal activities.
Sec. 319. Sense of the Senate to eliminate the earnings penalty.
Sec. 320. Student loan cuts.
Sec. 321. Sense of the Senate regarding the nutritional health of children.
Sec. 322. Sense of the Senate on maintaining Federal funding for law enforcement.
Sec. 323. Need to enact long term health care reform.
Sec. 324. Sense of the Senate regarding mandatory major assumptions under function 270: Energy.
Sec. 325. Defense overhead.
Sec. 326. Sense of the Senate regarding the essential air service program of the Department of Transportation.
Sec. 327. Sense of the Senate regarding the priority that should be given to renewable energy and energy efficiency research, development, and demonstration activities.
Sec. 328. Foreign Sales Corporations income exclusion.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—(A) For purposes of the enforcement of this resolution—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $1,043,275,000,000.
Fiscal year 1997: $1,083,900,000,000.
Fiscal year 1998: $1,135,450,000,000.
Fiscal year 1999: $1,189,800,000,000.
Fiscal year 2000: $1,248,950,000,000.
Fiscal year 2001: $1,315,750,000,000.
Fiscal year 2002: $1,386,675,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1996: $275,000,000.
Fiscal year 1997: $400,000,000.
Fiscal year 1998: $450,000,000.
Fiscal year 1999: $2,300,000,000.
Fiscal year 2000: $2,750,000,000.
Fiscal year 2001: $1,550,000,000.
Fiscal year 2002: $1,675,000,000.

(iii) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1996: $103,800,000,000.
Fiscal year 1997: $109,000,000,000.
Fiscal year 1998: $114,900,000,000.
Fiscal year 1999: $120,700,000,000.
Fiscal year 2000: $126,900,000,000.
Fiscal year 2001: $133,600,000,000.
Fiscal year 2002: $140,400,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund)—

(i) The recommended levels of Federal revenues are as follows:

Fiscal year 1996: $938,600,000,000.
Fiscal year 1997: $973,800,000,000.
Fiscal year 1998: $1,019,300,000,000.
Fiscal year 1999: $1,067,700,000,000.
Fiscal year 2000: $1,120,500,000,000.
Fiscal year 2001: $1,180,600,000,000.
Fiscal year 2002: $1,244,600,000,000.

(ii) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1996: −$595,000,000.
Fiscal year 1997: −$701,000,000.
Fiscal year 1998: −$793,000,000.
Fiscal year 1999: $902,000,000.
Fiscal year 2000: $1,201,000,000.
Fiscal year 2001: $11,000,000.
Fiscal year 2002: −$6,000,000.

(2) NEW BUDGET AUTHORITY.—(A) For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,269,375,000,000.
Fiscal year 1997: $1,296,400,000,000.
Fiscal year 1998: $1,344,650,000,000.
Fiscal year 1999: $1,387,300,000,000.
Fiscal year 2000: $1,446,350,000,000.
Fiscal year 2001: $1,473,550,000,000.
Fiscal year 2002: $1,519,775,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total new budget authority are as follows:

Fiscal year 1996: $1,171,200,000,000.
Fiscal year 1997: $1,194,800,000,000.
Fiscal year 1998: $1,237,000,000,000.
Fiscal year 1999: $1,272,500,000,000.
Fiscal year 2000: $1,324,400,000,000.
Fiscal year 2001: $1,342,400,000,000.
Fiscal year 2002: $1,377,900,000,000.

(3) BUDGET OUTLAYS.—(A) For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,275,675,000,000.
Fiscal year 1997: $1,293,800,000,000.
Fiscal year 1998: $1,321,250,000,000.
Fiscal year 1999: $1,368,500,000,000.
Fiscal year 2000: $1,423,850,000,000.
Fiscal year 2001: $1,452,550,000,000.
Fiscal year 2002: $1,500,175,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the appropriate levels of total budget outlays are as follows:

Fiscal year 1996: $1,179,200,000,000.
Fiscal year 1997: $1,193,200,000,000.
Fiscal year 1998: $1,214,600,000,000.
Fiscal year 1999: $1,255,500,000,000.
Fiscal year 2000: $1,302,900,000,000.
Fiscal year 2001: $1,322,500,000,000.
Fiscal year 2002: $1,359,500,000,000.

(4) DEFICITS.—(A) For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1996: $232,400,000,000.
Fiscal year 1997: $209,900,000,000.
Fiscal year 1998: $185,800,000,000.
Fiscal year 1999: $178,700,000,000.
Fiscal year 2000: $174,900,000,000.
Fiscal year 2001: $136,800,000,000.
Fiscal year 2002: $113,500,000,000.

(B) For purposes of section 710 of the Social Security Act (excluding the receipts and disbursements of the Hospital Insurance Trust Fund), the amounts of the deficits are as follows:

Fiscal year 1996: $240,600,000,000.
Fiscal year 1997: $219,400,000,000.
Fiscal year 1998: $195,300,000,000.
Fiscal year 1999: $187,800,000,000.
Fiscal year 2000: $182,400,000,000.
Fiscal year 2001: $141,900,000,000.
Fiscal year 2002: $114,900,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1996: $5,201,700,000,000.
Fiscal year 1997: $5,481,000,000,000.
Fiscal year 1998: $5,734,900,000,000.
Fiscal year 1999: $5,980,000,000,000.
Fiscal year 2000: $6,219,000,000,000.
Fiscal year 2001: $6,421,800,000,000.
Fiscal year 2002: $6,599,500,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1996: $37,600,000,000.
Fiscal year 1997: $40,200,000,000.
Fiscal year 1998: $42,300,000,000.
Fiscal year 1999: $45,700,000,000.
Fiscal year 2000: $45,800,000,000.
Fiscal year 2001: $45,800,000,000.
Fiscal year 2002: $46,100,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1996: $193,400,000,000.
Fiscal year 1997: $187,900,000,000.
Fiscal year 1998: $185,300,000,000.
Fiscal year 1999: $183,300,000,000.
Fiscal year 2000: $184,700,000,000.
Fiscal year 2001: $186,100,000,000.
Fiscal year 2002: $187,600,000,000.

SEC. 102. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1996: $298,700,000,000.
Fiscal year 1997: $279,300,000,000.
Fiscal year 1998: $253,900,000,000.
Fiscal year 1999: $245,100,000,000.
Fiscal year 2000: $239,000,000,000.
Fiscal year 2001: $202,800,000,000.
Fiscal year 2002: $177,700,000,000.

SEC. 103. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $374,700,000,000.
Fiscal year 1997: $392,000,000,000.
Fiscal year 1998: $411,400,000,000.
Fiscal year 1999: $430,900,000,000.
Fiscal year 2000: $452,000,000,000.
Fiscal year 2001: $475,200,000,000.
Fiscal year 2002: $498,600,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1996: $299,400,000,000.
Fiscal year 1997: $310,900,000,000.
Fiscal year 1998: $324,600,000,000.
Fiscal year 1999: $338,500,000,000.
Fiscal year 2000: $353,100,000,000.
Fiscal year 2001: $368,100,000,000.
Fiscal year 2002: $383,800,000,000.

SEC. 104. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1996 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1996:

(A) New budget authority, $257,700,000,000.
(B) Outlays, $261,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1997:

(A) New budget authority, $253,400,000,000.

(B) Outlays, $257,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1998:

(A) New budget authority, $259,600,000,000.

(B) Outlays, $254,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 1999:

(A) New budget authority, $266,200,000,000.

(B) Outlays, $259,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2000:

(A) New budget authority, $276,000,000,000.

(B) Outlays, $267,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2001:

(A) New budget authority, $275,900,000,000.

(B) Outlays, $267,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

Fiscal year 2002:

(A) New budget authority, $275,900,000,000.

(B) Outlays, $269,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,700,000,000.

(2) International Affairs (150):

Fiscal year 1996:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1997:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1998:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $14,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 1999:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2000:

(A) New budget authority, $14,100,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2001:

(A) New budget authority, $14,300,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

Fiscal year 2002:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $5,700,000,000.

(D) New primary loan guarantee commitments, $18,300,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1996:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,300,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1996:

(A) New budget authority, $2,900,000,000

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $1,700,000,000.

(B) Outlays, $1,000,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $3,300,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $4,200,000,000.

(B) Outlays, $3,100,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,800,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $4,000,000,000.

(B) Outlays, $2,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1996:

(A) New budget authority, $19,500,000,000.

(B) Outlays, $20,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $18,200,000,000.

(B) Outlays, $20,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $17,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,600,000,000.

(B) Outlays, $18,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $14,900,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1996:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1997:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $10,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1998:

(A) New budget authority, $11,800,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 1999:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $11,600,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2000:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $11,400,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2001:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $11,100,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

Fiscal year 2002:

(A) New budget authority, $10,100,000,000.

(B) Outlays, $9,100,000,000.

(C) New direct loan obligations, $10,900,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1996:

(A) New budget authority, $2,500,000,000.

(B) Outlays, −$7,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1997:

(A) New budget authority, $1,500,000,000.

(B) Outlays, −$5,400,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1998:

(A) New budget authority, $600,000,000.

(B) Outlays, −$7,000,000,000

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 1999:

(A) New budget authority, $100,000,000.

(B) Outlays, −$5,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2000:

(A) New budget authority, $1,700,000,000.

(B) Outlays, −$2,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2001:

(A) New budget authority, $500,000,000.

(B) Outlays, −$3,300,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

Fiscal year 2002:

(A) New budget authority, $200,000,000.

(B) Outlays, −$3,400,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $123,100,000,000.

(8) Transportation (400):

Fiscal year 1996:

(A) New budget authority, $36,500,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $38,800,000,000.

(B) Outlays, $32,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $39,400,000,000.

(B) Outlays, $31,800,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $40,200,000,000.

(B) Outlays, $31,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $41,200,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $41,000,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $40,800,000,000.

(B) Outlays, $31,100,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1996:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $9,800,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1997:

(A) New budget authority, $5,500,000,000.

(B) Outlays, $7,300,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1998:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 1999:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2000:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,200,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2001:

(A) New budget authority, $4,600,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

Fiscal year 2002:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,700,000,000.

(D) New primary loan guarantee commitments, $1,200,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1996:

(A) New budget authority, $48,975,000,000.

(B) Outlays, $52,575,000,000.

(C) New direct loan obligations, $13,600,000,000.

(D) New primary loan guarantee commitments, $16,300,000,000.

Fiscal year 1997:

(A) New budget authority, $48,400,000,000.

(B) Outlays, $49,000,000,000.

(C) New direct loan obligations, $16,300,000,000.

(D) New primary loan guarantee commitments, $15,900,000,000.

Fiscal year 1998:

(A) New budget authority, $48,450,000,000.

(B) Outlays, $48,250,000,000.

(C) New direct loan obligations, $19,100,000,000.

(D) New primary loan guarantee commitments, $15,200,000,000.

Fiscal year 1999:

(A) New budget authority, $48,800,000,000.

(B) Outlays, $48,200,000,000.

(C) New direct loan obligations, $21,800,000,000.

(D) New primary loan guarantee commitments, $14,300,000,000.

Fiscal year 2000:

(A) New budget authority, $49,350,000,000.

(B) Outlays, $48,850,000,000.

(C) New direct loan obligations, $21,900,000,000.

(D) New primary loan guarantee commitments, $15,000,000,000.

Fiscal year 2001:

(A) New budget authority, $48,850,000,000.

(B) Outlays, $48,350,000,000.

(C) New direct loan obligations, $22,000,000,000.

(D) New primary loan guarantee commitments, $15,800,000,000.

Fiscal year 2002:

(A) New budget authority, $49,075,000,000.

(B) Outlays, $48,575,000,000.

(C) New direct loan obligations, $22,200,000,000.

(D) New primary loan guarantee commitments, $16,600,000,000.

(11) Health (550):

Fiscal year 1996:

(A) New budget authority, $121,100,000,000.

(B) Outlays, $121,030,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1997:

(A) New budget authority, $127,600,000,000.

(B) Outlays, $127,420,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1998:

(A) New budget authority, $133,100,000,000.

(B) Outlays, $133,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 1999:

(A) New budget authority, $138,000,000,000.

(B) Outlays, $137,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2000:

(A) New budget authority, $142,100,000,000.

(B) Outlays, $141,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2001:

(A) New budget authority, $146,200,000,000.

(B) Outlays, $146,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

Fiscal year 2002:

(A) New budget authority, $150,600,000,000.

(B) Outlays, $150,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(12) Medicare (570):

Fiscal year 1996:

(A) New budget authority, $171,900,000,000.

(B) Outlays, $169,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $180,500,000,000.

(B) Outlays, $178,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $193,100,000,000.

(B) Outlays, $191,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $207,400,000,000.

(B) Outlays, $204,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $221,400,000,000.

(B) Outlays, $219,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $238,900,000,000.

(B) Outlays, $236,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $258,900,000,000.

(B) Outlays, $256,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(13) For purposes of section 710 of the Social Security Act, Federal Supplementary Medical Insurance Trust Fund:

Fiscal year 1996:

(A) New budget authority, $61,200,000,000.

(B) Outlays, $60,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $66,500,000,000.

(B) Outlays, $65,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $73,700,000,000.

(B) Outlays, $73,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $81,900,000,000.

(B) Outlays, $81,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $90,300,000,000.

(B) Outlays, $89,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $100,400,000,000.

(B) Outlays, $99,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $112,300,000,000.

(B) Outlays, $111,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(14) Income Security (600):

Fiscal year 1996:

(A) New budget authority, $226,300,000,000.

(B) Outlays, $225,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 1997:

(A) New budget authority, $233,700,000,000.

(B) Outlays, $235,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 1998:

(A) New budget authority, $253,000,000,000.

(B) Outlays, $246,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 1999:

(A) New budget authority, $256,000,000,000.

(B) Outlays, $257,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 2000:

(A) New budget authority, $272,600,000,000.

(B) Outlays, $272,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 2001:

(A) New budget authority, $277,500,000,000.

(B) Outlays, $277,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

Fiscal year 2002:

(A) New budget authority, $291,900,000,000.

(B) Outlays, $291,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(15) Social Security (650):

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $8,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,100,000,000.

(B) Outlays, $10,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,800,000,000.

(B) Outlays, $11,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $11,700,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(16) Veterans Benefits and Services (700):

Fiscal year 1996:

(A) New budget authority, $37,400,000,000.

(B) Outlays, $36,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

Fiscal year 1997:

(A) New budget authority, $37,500,000,000.

(B) Outlays, $37,700,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $21,600,000,000.

Fiscal year 1998:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $38,000,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $19,700,000,000.

Fiscal year 1999:

(A) New budget authority, $37,900,000,000.

(B) Outlays, $38,200,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $18,600,000,000.

Fiscal year 2000:

(A) New budget authority, $37,900,000,000.

(B) Outlays, $39,400,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $19,300,000,000.

Fiscal year 2001:

(A) New budget authority, $38,300,000,000.

(B) Outlays, $40,100,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $19,900,000,000.

Fiscal year 2002:

(A) New budget authority, $38,700,000,000.

(B) Outlays, $40,400,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $20,600,000,000.

(17) Administration of Justice (750):

Fiscal year 1996:

(A) New budget authority, $20,000,000,000.

(B) Outlays, $19,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $22,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $22,300,000,000.

(B) Outlays, $23,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $23,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $21,800,000,000.

(B) Outlays, $23,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) General Government (800):

Fiscal year 1996:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,400,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $11,600,000,000.
(B) Outlays, $11,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $11,600,000,000.
(B) Outlays, $11,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(19) Net Interest (900):
Fiscal year 1996:
(A) New budget authority, $297,900,000,000.
(B) Outlays, $297,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $308,900,000,000.
(B) Outlays, $308,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $316,600,000,000.
(B) Outlays, $316,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $327,800,000,000.
(B) Outlays, $327,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $338,600,000,000.
(B) Outlays, $338,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $345,500,000,000.
(B) Outlays, $345,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $353,300,000,000.
(B) Outlays, $353,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(20) For purposes of section 710 of the Social Security Act, Net Interest (900):
Fiscal year 1996:
(A) New budget authority, $308,800,000,000.
(B) Outlays, $308,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, $319,800,000,000.
(B) Outlays, $319,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $326,900,000,000.
(B) Outlays, $326,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $337,100,000,000.
(B) Outlays, $337,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $346,300,000,000.
(B) Outlays, $346,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $351,200,000,000.
(B) Outlays, $351,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $356,400,000,000.
(B) Outlays, $356,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(21) The corresponding levels of gross interest on the public debt are as follows:
Fiscal year 1996: $369,598,000,000.
Fiscal year 1997: $380,164,000,000.
Fiscal year 1998: $388,144,000,000.
Fiscal year 1999: $400,182,000,000.
Fiscal year 2000: $411,444,000,000.
Fiscal year 2001: $421,668,000,000.
Fiscal year 2002: $430,760,000,000.

(22) Allowances (920):
Fiscal year 1996:
(A) New budget authority, -$7,600,000,000.
(B) Outlays, -$6,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, -$7,500,000,000.
(B) Outlays, -$7,580,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, -$6,300,000,000.
(B) Outlays, -$6,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, -$5,800,000,000.
(B) Outlays, -$6,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, -$4,700,000,000.
(B) Outlays, -$5,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, -$4,700,000,000.
(B) Outlays, -$5,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, -$4,700,000,000.
(B) Outlays, -$5,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(23) Undistributed Offsetting Receipts (950):
Fiscal year 1996:
(A) New budget authority, -$33,100,000,000.
(B) Outlays, -$33,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, -$33,800,000,000.
(B) Outlays, -$33,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, -$36,300,000,000.
(B) Outlays, -$36,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, -$37,700,000,000.
(B) Outlays, -$37,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, -$39,700,000,000.
(B) Outlays, -$39,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, -$41,100,000,000.
(B) Outlays, -$41,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, -$42,300,000,000.
(B) Outlays, -$42,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(24) For purposes of section 710 of the Social Security Act, Undistributed Offsetting Receipts (950):
Fiscal year 1996:
(A) New budget authority, -$30,600,000,000.
(B) Outlays, -$30,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1997:
(A) New budget authority, -$31,200,000,000.
(B) Outlays, -$31,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, -$33,600,000,000.
(B) Outlays, -$33,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, -$34,900,000,000.
(B) Outlays, -$34,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, -$36,700,000,000.
(B) Outlays, -$36,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, -$37,900,000,000.
(B) Outlays, -$37,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, -$39,000,000,000.
(B) Outlays, -$39,000,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

SEC. 105. RECONCILIATION.

(a) SENATE COMMITTEES.—Not later than July 14, 1995, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $2,490,000,000 in fiscal year 1996, $27,973,000,000 for the period of fiscal years 1996 through 2000, and $45,804,000,000 for the period of fiscal years 1996 through 2002.

(2) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $21,000,000 in fiscal year 1996, $338,000,000 for the period of fiscal years 1996 through 2000, and $649,000,000 for the period of fiscal years 1996 through 2002.

(3) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction to reduce the deficit $373,000,000 in fiscal year 1996, $5,742,000,000 for the period of fiscal years 1996 through 2000, and $6,690,000,000 for the period of fiscal years 1996 through 2002.

(4) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction to reduce the deficit $2,464,000,000 in fiscal year 1996, $21,937,000,000 for the period of fiscal years 1996 through 2000, and $33,685,000,000 for the period of fiscal years 1996 through 2002.

(5) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $1,771,000,000 in fiscal year 1996, $4,775,000,000 for the period of fiscal years 1996 through 2000, and $5,001,000,000 for the period of fiscal years 1996 through 2002.

(6) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $106,000,000 in fiscal year 1996, $1,290,000,000 for the period of fiscal years 1996 through 2000, and $2,236,000,000 for the period of fiscal years 1996 through 2002.

(7) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $21,657,000,000 in fiscal year 1996, $278,760,000,000 for the period of fiscal years 1996 through 2000, and $519,002,000,000 for the period of fiscal years 1996 through 2002.

(8) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $0 in fiscal year 1996, $0 for the period of fiscal years 1996 through 2000, and $0 for the period of fiscal years 1996 through 2002.

(9) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $118,000,000 in fiscal year 1996, $3,023,000,000 for the period of fiscal years 1996 through 2000, and $6,871,000,000 for the period of fiscal years 1996 through 2002.

(10) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $119,000,000 in fiscal year 1996, $923,000,000 for the period of fiscal years 1996 through 2000, and $1,483,000,000 for the period of fiscal years 1996 through 2002.

(11) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $266,000,000 in fiscal year 1996, $2,990,000,000 for the period of fiscal years 1996 through 2000, and $4,395,000,000 for the period of fiscal years 1996 through 2002.

(12) COMMITTEE ON RULES AND ADMINISTRATION.—The Senate Committee on Rules and Administration shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $2,000,000 in fiscal year 1996, $37,000,000 for the period of fiscal years 1996 through 2000, and $72,000,000 for the period of fiscal years 1996 through 2002.

(13) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending to reduce outlays $301,000,000 in fiscal year 1996, $5,760,000,000 for the period of fiscal years 1996 through 2000, and $10,002,000,000 for the period of fiscal years 1996 through 2002.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1996—

(A) for the defense category $258,379,000,000 in new budget authority and $262,035,000,000 in outlays; and

(B) for the nondefense category $219,441,000,000 in new budget authority and $264,908,000,000 in outlays;

(2) with respect to fiscal year 1997—

(A) for the defense category $254,028,000,000 in new budget authority and $257,695,000,000 in outlays; and

(B) for the nondefense category $212,164,000,000 in new budget authority and $249,248,000,000 in outlays;

(3) with respect to fiscal year 1998—

(A) for the defense category $260,321,000,000 in new budget authority and $255,226,000,000 in outlays; and

(B) for the nondefense category $219,177,000,000 in new budget authority and $244,735,000,000 in outlays;

(4) with respect to fiscal year 1999—

(A) for the defense category $266,906,000,000 in new budget authority and $260,331,000,000 in outlays; and

(B) for the nondefense category $210,509,000,000 in new budget authority and $242,212,000,000 in outlays;

(5) with respect to fiscal year 2000—

(A) for the defense category $276,644,000,000 in new budget authority and $268,468,000,000 in outlays; and

(B) for the nondefense category $215,463,000,000 in new budget authority and $243,078,000,000 in outlays;

(6) with respect to fiscal year 2001—

(A) for the defense category $276,644,000,000 in new budget authority and $268,468,000,000 in outlays; and

(B) for the nondefense category $219,384,000,000 in new budget authority and $248,786,000,000 in outlays; and

(7) with respect to fiscal year 2002—

(A) for the defense category $276,644,000,000 in new budget authority and $270,000,000,000 in outlays; and

(B) for the nondefense category $218,784,000,000 in new budget authority and $248,160,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) any concurrent resolution on the budget for fiscal year 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the sum of the defense and nondefense discretionary spending limits for such fiscal year; or

(B) any appropriations bill or resolution (or amendment, motion, or conference report on such appropriations bill or resolution) for fiscal year 1995, 1996, 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct-spending or receipts legislation (as defined in paragraph (3)) that would increase the deficit for any one of the three applicable time periods (as defined in paragraph (2)) as measured pursuant to paragraph (4).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term "applicable time period" means any one of the three following periods—

(A) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(B) the period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(C) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING OR RECEIPTS LEGISLATION.—For purposes of this subsection, the term "direct-spending or receipts legislation" shall—

(A) except as otherwise provided in this subsection, include all direct-spending legislation *as that term is interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985;*

(B) include—

(i) any bill, joint resolution, amendment, motion, or conference report to which this subsection otherwise applies; and

(ii) the estimated amount of savings in direct-spending programs applicable to that fiscal year resulting from the prior year's sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, if any (except for any amounts sequestered as a result of a net deficit increase in the fiscal year immediately preceding the prior fiscal year); and

(C) exclude—

(i) any concurrent resolution on the budget; and

(ii) full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(4) Baseline.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recent concurrent resolution on the budget, and for years beyond those covered by that concurrent resolution; and

(B) abide by the requirements of subsections (a) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, except that references to "outyears" in that section shall be deemed to apply to any year (other than the budget year) covered by any one of the time periods defined in paragraph (2) of this subsection.

(c) Waiver.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) Appeals.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) Determination of Budget Levels.—For purposes of this section, the levels of new budget authority, outlays, and receipts for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) Conforming Amendment.—Section 23 of House Concurrent Resolution 218 (103d Congress) is repealed.

(g) Sunset.—Subsections (a) through (e) of this section shall expire September 30, 2002.

SEC. 203. TAX RESERVE FUND IN THE SENATE.

(a) In General.—After passage of a conference report on legislation complying with the reconciliation requirements of section 105, revenue and spending aggregates shall be reduced and allocations shall be revised for legislation that reduces revenues within a committee's jurisdiction if such a committee or the committee of conference on such legislation reports such legislation, if, to the extent that the costs of such legislation are not included in this concurrent resolution on the budget, the enactment of such legislation will not increase the deficit in this resolution for—

(1) fiscal year 1996;

(2) the period of fiscal years 1996 through 2000; or

(3) the period of fiscal years 2001 through 2005.

(b) Revised Allocations.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this subsection. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(c) Reporting Revised Allocations.—The appropriate committee shall report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

SEC. 204. BUDGET SURPLUS ALLOWANCE.

(a) Adjustments.—For the purposes of points of order under the Congressional Budget and Impoundment Control Act of 1974 and this concurrent resolution on the budget, the revenue aggregates shall be reduced and other appropriate budgetary aggregates and levels shall be revised to reflect the additional deficit reduction achieved as calculated under subsection (c) for legislation that reduces revenues by providing family tax relief and incentives to stimulate savings, investment, job creation, and economic growth.

(b) Revised Aggregates.—Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate shall submit to the Senate appropriately revised budgetary aggregates and levels by an amount that does not exceed the additional deficit reduction calculated under subsection (d).

(c) CBO Revised Deficit Estimate.—After the enactment of legislation that complies with the reconciliation directives of section 105, the Congressional Budget Office shall provide the Chairman of the Committee on the Budget of the Senate a revised estimate of the deficit for fiscal years 1996 through 2005.

(d) Additional Deficit Reduction.—For purposes of this section, the term "additional deficit reduction" means the amount by which the total deficit levels assumed in this resolution for a fiscal year exceed the revised deficit estimate provided pursuant to subsection (c) for such fiscal year for fiscal years 1996 through 2005.

(e) CBO Certification and Contingencies.—This section shall not apply unless—

(1) legislation has been enacted complying with the reconciliation directives of section 105;

(2) the Director of the Congressional Budget Office has provided the estimate required by subsection (c); and

(3) the revisions made pursuant to this subsection do not cause a budget deficit for fiscal year 2002, 2003, 2004, or 2005.

SEC. 205. SCORING OF EMERGENCY LEGISLATION.

Notwithstanding section 606(d)(2) of the Congressional Budget Act of 1974 and beginning with fiscal year 1996, the determinations under sections 302, 303, and 311 of such Act shall take into account any new budget authority, new entitlement authority, outlays, receipts, or deficit effects as a consequence of the provisions of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 206. SALE OF GOVERNMENT ASSETS.

(a) Sense of the Congress.—It is the sense of the Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1996 budget included $8,000,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sales.

(b) Budgetary Treatment.—For purposes of any concurrent resolution on the budget and the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(c) Definitions.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) Treatment of Loan Assets.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 207. CREDIT REFORM AND GUARANTEED STUDENT LOANS.

For the purposes of allocations and points of order under the Congressional Budget Act of 1974 and this resolution, the cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following cash flows for the estimated life of the loan:

(1) Loan disbursements.

(2) Repayments of principal.

(3) Payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries.

(4) In the case of legislation increasing direct loan commitments for a program in which loan commitments will equal or exceed $5,000,000,000 for the coming fiscal year (or for any prior fiscal year), direct expenses, including—

(A) activities related to credit extension, loan origination, loan servicing, training, program promotion, management of contractors, and payments to contractors, other government entities, and program participants;

(B) collection of delinquent loans; and

(C) writeoff and closeout of loans.

SEC. 208. EXTENSION OF BUDGET ACT 60-VOTE ENFORCEMENT THROUGH 2002.

Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by sections 13112(b) and 13208(b)(3) of the Budget Enforcement Act of 1990), the second sentence of section 904(c) of the Congressional Budget Act of 1974 (except insofar as it relates to section 313 of that Act) and the final sentence of section 904(d) of that Act (except insofar as it relates to section 313 of that Act) shall continue to have effect as rules of the Senate through (but no later than) September 30, 2002.

SEC. 209. REPEAL OF IRS ALLOWANCE.

(a) Section 25 of House Concurrent Resolution 218 (103d Congress, 2d Session) is repealed.

(b) It is the sense of the Senate that the revenue levels contained in the budget resolution should assume passage of the "Taxpayers Bill of Rights 2" and that the Senate should pass the Taxpayers Bill of Rights 2 this Congress.

(c) It is the sense of the Senate that funding for tax compliance efforts should be a top priority and that the assumptions underlying the functional totals in this resolution include the administration's full request for the Internal Revenue Service.

SEC. 210. EXERCISE OF RULEMAKING POWERS.

The Senate adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, and as such they shall be considered as part of the rules of the Senate, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to the Senate) at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

TITLE III—SENSE OF THE CONGRESS AND THE SENATE

SEC. 301. RESTRUCTURING GOVERNMENT AND PROGRAM TERMINATIONS.

(a) FINDINGS.—The Senate finds that to balance the Federal budget in a rational and reasonable manner requires an assessment of national priorities and the appropriate role of the Federal Government in meeting the challenges facing the United States in the 21st century.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that to balance the budget the Congress should—

(1) restructure Federal programs to meet identified national priorities in the most effective and efficient manner so that program dollars get to the intended purpose or recipient;

(2) terminate programs that have largely met their goals, that have outlived their original purpose, or that have been superseded by other programs;

(3) seek to end significant duplication among Federal programs, which results in excessive administrative costs and ill serve the American people; and

(4) eliminate lower priority programs.

SEC. 302. SENSE OF THE SENATE REGARDING RETURNING PROGRAMS TO THE STATES.

(a) FINDINGS.—The Senate finds that—

(1) section 8 of article I of the Constitution grants the Federal Government limited powers and the 10th amendment to the Constitution expressly provides that the powers not delegated to the Federal Government are reserved to the States and the people;

(2) in fiscal year 1993, the Federal Government provided funds to States and localities through 593 categorical programs totaling $206,000,000,000;

(3) in attempting to solve every problem of society, the Federal Government is overburdening the States and its citizens with cumbersome and intrusive laws, programs, regulations, and mandates; and

(4) in administering many Federal programs, the States are often better equipped to determine and respond to the particular needs of the people than the Federal Government.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Federal programs should be reviewed to determine whether they are an appropriate function of the Federal Government and whether they are more appropriately a responsibility of the States consistent with the 10th amendment to the Constitution;

(2) Federal resources should be provided in a manner which rewards work, promotes families, and provides a helping hand during times of crisis;

(3) the Federal Government should seek a new partnership with States that recognizes that "one size fits all" solutions of the past are flawed;

(4) this new partnership should include block grants that provide maximum flexibility to States and localities in terms of the design and structure of programs to ensure the maximum benefit at the least cost to the American taxpayer;

(5) Federal funds must not be used to supplant existing expenditures by individuals, localities, and States;

(6) block grants should not be reduced to revenue sharing;

(7) adequate safeguards should be in place to protect the Federal investment, such as auditing or maintenance of effort provisions; and

(8) the inclusion of Federal goals and principles in block grant programs may be appropriate, as well as essential data collection requirements for evaluation purposes.

SEC. 303. COMMERCIALIZATION OF FEDERAL ACTIVITIES.

(a) FINDINGS.—The Senate finds that—

(1) there are a number of functions being performed by the Federal Government that should not be performed by the Federal Government because they could be more conveniently and efficiently provided by the private sector;

(2) our Founding Fathers wrote a Constitution that created a Federal Government of limited powers and limited responsibility;

(3) the current Federal Government owns one-third of the land of this great Nation, oil fields, hospitals, railroads, Tokyo office buildings, electric companies, 4,900,000 housing units which are owned outright by Housing and Urban Development or are eligible for Housing and Urban Development subsidy payments, and loan portfolios that are larger than most of the financial institutions in the country; and

(4)(A) the Federal Government's encroachment into the private sector is significant, often duplicative, inconsistent with free market principles, and costly for taxpayers;

(B) when the Federal Government monopolizes a service that could be provided by the private sector it usually costs taxpayers 30 percent more; and

(C) one-fourth of the work done by Federal employees competes with the private sector.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Congress should better define privatization and how it can contribute to "right sizing" the Federal Government and at the same time achieve better service, more innovation, and significant deficit reduction;

(2) privatization can take at least four forms: asset sales, contracting out, creating corporate enterprises under strict and clearly defined deadlines designed to achieve full privatization, and eliminating legislative barriers, generically called "private sector lockouts";

(3) provisions of law that prohibit or "lockout" the private sector from competing for providing certain services should be examined and eliminated;

(4) the private sector from Main Street, Wall Street and Academia should be encouraged by the President and the Congress to bring forward their privatization best practices and proposals for privatization;

(5) the Head of each Federal agency and department and the Office of Management and Budget should designate senior level staff persons to develop and evaluate private sector privatization initiatives that should be included in the President's budget;

(6)(A) the Office of Management and Budget should set appropriate privatization goals for each agency; and

(B) no expansions of programs under a department's jurisdiction should be approved by the Office of Management and Budget unless the agency has achieved those privatization goals;

(7) section 257(e) of the Balanced Budget and Emergency Deficit Control Act which prohibits crediting savings from asset sales should be repealed or modified; and

(8) Congress should evaluate privatization processes taking place in other countries to determine what lessons could be learned so that United States could develop a comprehensive privatization policy by the end of the next fiscal year.

SEC. 304. NONPARTISAN ADVISORY COMMISSION ON THE CPI.

(a) FINDINGS.—The Congress finds that—

(1) Congress intended to insulate certain government beneficiaries and taxpayers from the effects of inflation by indexing payments and tax brackets to the Consumer Price Index (CPI);

(2) approximately 30 percent of total Federal outlays and 45 percent of Federal revenues are indexed to reflect changes in the CPI; and

(3) the overwhelming consensus among experts is that the method used to construct the CPI and the current calculation of the CPI both overstate the estimate of the true cost of living.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) a temporary advisory commission should be established to make objective and nonpartisan recommendations concerning the appropriateness and accuracy of the methodology and calculations that determine the CPI;

(2) the Commission should be appointed on a nonpartisan basis, and should be composed of experts in the fields of economics, statistics, or other related professions; and

(3) the Commission should report its recommendations to the Bureau of Labor Statistics and to Congress at the earliest possible date.

SEC. 305. SENSE OF THE CONGRESS ON A UNIFORM ACCOUNTING SYSTEM IN THE FEDERAL GOVERNMENT AND NONPARTISAN COMMISSION ON ACCOUNTING AND BUDGETING.

(a) FINDINGS.—The Congress finds the following:

(1) Much effort has been devoted to strengthening Federal internal accounting controls in the past. Although progress has been made in recent years, there still exists no uniform Federal accounting system for Federal Government entities and institutions.

(2) As a result, Federal financial management continues to be seriously deficient, and Federal financial management and fiscal practices have failed to identify costs, failed to reflect the total liabilities of congressional actions, and failed to accurately report the financial condition of the Federal Government.

(3) Current Federal accounting practices do not adequately report financial problems of the Federal Government or the full cost of programs and activities. The continued use of these practices undermines the Government's ability to provide credible and reliable financial data, contributes to waste and inefficiency, and will not assist in achieving a balanced budget.

(4) Waste and inefficiency in Federal Government undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs.

(5) To rebuild the accountability and credibility of the Federal Government and restore public confidence in the Federal Government, a uniform Federal accounting system, that fully meets the accounting standards and reporting objectives for the Federal Government, must be immediately established so that all assets and liabilities, revenues and expenditures or expenses, and the full cost of programs and activities of the Federal Government can be consistently and accurately recorded, monitored, and uniformly reported throughout all government entities for budgeting and control and management evaluation purposes.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution include the following assumptions:

(1) UNIFORM FEDERAL ACCOUNTING SYSTEM.—(A) A uniform Federal accounting system should be established to consistently compile financial data across the Federal Government, and to make full disclosure of Federal financial data, including the full cost of Federal programs and

activities, to the citizens, the Congress, the President, and agency management.

(B) Beginning with fiscal year 1997, the President should require the heads of agencies to—

(i) implement and maintain a uniform Federal accounting system; and

(ii) provide financial statements;

in accordance with generally accepted accounting principles applied on a consistent basis and established in accordance with proposed Federal accounting standards and interpretations recommended by the Federal Accounting Standards Advisory Board and other applicable law.

(2) NONPARTISAN ADVISORY COMMISSION ON ACCOUNTING AND BUDGETING.—(A) A temporary advisory commission should be established to make objective and nonpartisan recommendations for the appropriate treatment of capital expenditures under a uniform Federal accounting system that is consistent with generally accepted accounting principles.

(B) The Commission should be appointed on a nonpartisan basis, and should be composed of public and private experts in the fields of finance, economics, accounting, and other related professions.

(C) The Commission should report to the President and the Congress by August 1, 1995, on its recommendations, and should include in its report a detailed plan for implementing such recommendations.

SEC. 306. SENSE OF THE CONGRESS THAT 90 PERCENT OF THE BENEFITS OF ANY TAX CUTS MUST GO TO THE MIDDLE CLASS.

(a) FINDINGS.—The Congress finds that—

(1) the incomes of middle-class families have stagnated since the early 1980's, with family incomes growing more slowly between 1979 and 1989 than in any other business cycle since World War II; and

(2) according to the Department of the Treasury, in 1996, approximately 90 percent of American families will have incomes less than $100,000.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that if the 1996 Concurrent Budget Resolution includes any cut in taxes, approximately 90 percent of the benefits of these tax cuts must go to working families with incomes less than $100,000.

SEC. 307. BIPARTISAN COMMISSION ON THE SOLVENCY OF MEDICARE.

(a) FINDINGS.—Congress finds that—

(1) the Health Insurance for the Aged Act, which created the medicare program, was enacted on July 30, 1965, and, therefore, the medicare program will celebrate its 30-year anniversary on July 30, 1995;

(2) on April 3, 1995, the Trustees of medicare submitted their 1995 Annual Report on the Status of the Medicare Program to the Congress;

(3) the Trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(4) the Trustees of medicare have concluded that "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range";

(5) the Public Trustees of medicare have concluded that "the Supplementary Medical Insurance Trust Fund shows a rate of growth of costs which is clearly unsustainable";

(6) the Trustees of medicare have recommended "legislation to reestablish the Quadrennial Advisory Council that will help lead to effective solutions to the problems of the program";

(7) the Bipartisan Commission on Entitlement and Tax Reform concluded that, absent long-term changes in medicare, projected medicare outlays will increase from about 4 percent of the payroll tax base today to over 15 percent of the payroll tax base by the year 2030;

(8) the Bipartisan Commission on Entitlement and Tax Reform recommended, by a vote of 30 to 1, that spending and revenues available for medicare must be brought into long-term balance;

(9) the Public Trustees of medicare have concluded that "We had hoped for several years that comprehensive health reform would include meaningful medicare reforms. However, with the results of the last Congress, it is now clear that medicare reform needs to be addressed urgently as a distinct legislative initiative"; and

(10) the Public Trustees of medicare "strongly recommend that the crisis presented by the financial condition of the medicare trust funds be urgently addressed on a comprehensive basis, including a review of the programs's financing methods, benefit provisions, and delivery mechanisms.".

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) a special bipartisan commission should be established immediately to make recommendations concerning the most appropriate response to the short-term solvency and long-term sustainability issues facing medicare;

(2) the commission should report to Congress its recommendations on the appropriate response to the short-term solvency of medicare by July 10, 1995, in order that the committees of jurisdiction may consider those recommendations in fashioning an appropriate congressional response; and

(3) the commission should report its recommendations to respond to the Public Trustees' call to make medicare's financial condition sustainable over the long term to Congress by February 1, 1996.

SEC. 308. SENSE OF THE SENATE ON THE DISTRIBUTION OF AGRICULTURE SAVINGS.

It is the sense of the Senate that, in response to the reconciliation instructions in section 105 of this resolution, the Senate Committee on Agriculture, Nutrition, and Forestry should provide that no more than 20 percent of the savings be achieved in commodity programs.

SEC. 309. SENSE OF THE CONGRESS REGARDING PROTECTION OF CHILDREN'S HEALTH.

(a) FINDINGS.—The Congress finds that—

(1) Today's children and the next generation are the prime beneficiaries of the benefits of attaining a balanced Federal budget. Without a balanced budget, today's children must bear the increasing burden of the Federal debt. Continued deficit spending would doom future generations to slower economic growth and lower living standards.

(2) The health of children is essential to the future economic and social well-being of the Nation.

(3) Medicaid covers one in four children and one in three births. Nearly 60 percent of children covered by medicaid are from working families.

(4) While children represent one-half of all people eligible for medicaid, they account for less than 25 percent of medicaid expenditures.

(5) Medicaid provides a broad range of services essential for the health of a significant portion of the Nation's children with disabilities.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the health care needs of low-income pregnant women and children should be a top priority;

(2) careful study must be made of the impact of medicaid reform proposals on children's health and on vital sources of care including children's hospitals and community and migrant health centers; and

(3) medicaid reform legislation which would allow greater State flexibility in the delivery of care and in the control of the rate of growth in costs of the program should also encourage States to place a priority on coverage for pregnant women and children.

SEC. 310. SENSE OF THE SENATE THAT LOBBYING EXPENSES SHOULD REMAIN NONDEDUCTIBLE.

(a) FINDINGS.—The Senate finds that ordinary Americans generally are not allowed to deduct the costs of communicating with their elected representatives.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that lobbying expenses should not be tax deductible.

SEC. 311. EXPATRIATE TAXES.

It is the sense of the Senate that—

(1) Congress should revise the Internal Revenue Code to ensure that very wealthy individuals are not able to reduce or avoid their United States income, estate, or gift tax liability by relinquishing their United States citizenship; and

(2) the increased revenues resulting from the revision should be used to reduce the deficit.

SEC. 312. SENSE OF THE SENATE REGARDING LOSSES OF TRUST FUNDS DUE TO FRAUD AND ABUSE IN THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate finds that—

(1) the General Accounting Office estimates that as much as $100,000,000,000 are wasted each year in the health care system due to fraud and abuse;

(2) outlays for the medicare program under title XVIII of the Social Security Act during fiscal year 1994 were $161,100,000,000, and the General Accounting Office estimates that up to 10 percent of those outlays were wasted because of fraud and abuse;

(3) medicare beneficiaries incur higher out-of-pocket costs and copayments due to inflated billings resulting from fraudulent and abusive practices perpetrated against the medicare program; and

(4) funds lost because of fraud and abuse are contributing to the financial crises of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, as identified by the Boards of Trustees of such trust funds in their 1995 annual reports.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as the Committee on Finance of the Senate and, if established, the Bipartisan Commission on the Solvency of Medicare recommended under section 307, address the long-term solvency of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), high priority should be given to proposals which identify, eliminate, and recover funds expended from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund due to fraud and abuse in such program. In addition, the Senate assumes that funds recovered from enhanced anti-fraud and abuse efforts be used to fund health care anti-fraud and abuse enforcement efforts, reimbursements to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund for losses due to fraud and abuse, and deficit reduction.

SEC. 313. SENSE OF THE CONGRESS REGARDING FULL FUNDING FOR DECADE OF THE BRAIN RESEARCH.

(a) FINDINGS.—The Congress finds that—

(1) long-term health care costs associated with diseases and disorders of the brain have a substantial impact on Federal expenditures for medicaid and medicare, and on the earning potential of the Nation;

(2) to highlight the impact of brain diseases and disorders on the economy and well being of the Nation the Congress has declared the 1990's the Decade of the Brain;

(3) meaningful research has been initiated as part of the Decade of the Brain;

(4) if fully funded this research could provide important new medical breakthroughs; and

(5) these breakthroughs could result in a significant reduction in costs to the Federal Government.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that in furtherance of the goals of the Decade of the Brain the appropriate committees should seek to ensure that full funding is provided for research on brain diseases and disorders in each of the fiscal years to which this resolution applies.

SEC. 314. CONSIDERATION OF THE INDEPENDENT BUDGET FOR VETERANS AFFAIRS, FISCAL YEAR 1996.

(a) FINDINGS.—Congress finds as follows:

(1) Whereas over 26,000,000 veterans are eligible for veterans health care;

(2) Whereas the Veterans Health Administration of the Department of Veterans Affairs operates the largest Federal medical care delivery system in the United States, providing for the medical care needs of our Nation's veterans;

(3) Whereas the veterans' service organizations have provided a plan, known as the Independent Budget for Veterans Affairs, to reform the veterans' health care delivery system to adapt it to the modern health care environment and improve its ability to meet the health care needs of veterans in a cost-effective manner;

(4) Whereas current budget proposals assume a change in the definition of service-connected veterans;

(5) Whereas proposals contained within the Independent Budget may provide improved service to veterans;

(6) Whereas current budget proposals may not have fully considered the measures proposed by the veterans' service organizations in the Independent Budget.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the reforms and proposals contained within the Independent Budget for Veterans Affairs, Fiscal Year 1996 should be given careful consideration in an effort to ensure the Nation's commitment to its veterans.

SEC. 315. SENSE OF THE SENATE REGARDING THE COSTS OF THE NATIONAL VOTER REGISTRATION ACT OF 1993.

It is the sense of the Senate that within the assumptions under budget function 800 funds will be spent for reimbursement to the States for the costs of implementing the National Voter Registration Act of 1993.

SEC. 316. SENSE OF THE SENATE REGARDING PRESIDENTIAL ELECTION CAMPAIGN FUND.

It is the sense of the Senate that the assumptions underlying function 800 include the following: That payments to presidential campaigns from the Presidential Election Campaign Fund, as authorized by the Federal Election Campaign Act of 1974, should not be used to pay for or augment damage awards or settlements arising from a civil or criminal action, or the threat thereof, related to sexual harassment.

SEC. 317. SENSE OF CONGRESS REGARDING FUNDS TO DEFEND AGAINST SEXUAL HARASSMENT.

It is the sense of Congress that no Member of Congress or the Executive Branch may use campaign funds or privately donated funds to defend against sexual harassment lawsuits.

SEC. 318. SENSE OF THE SENATE REGARDING FINANCIAL RESPONSIBILITY TO SCHOOLS AFFECTED BY FEDERAL ACTIVITIES.

(a) FINDINGS.—The Senate finds as follows:

(1) In order to fulfill its responsibility to communities that were adversely affected by Federal activities, the Congress established the Impact Aid program in 1950.

(2) The Impact Aid program is intended to ease the burden on local school districts for educating children who live on Federal property. Since Federal property is exempt from local property taxes, such districts are denied the primary source of revenue used to finance elementary and secondary education. Most Impact Aid payments are made for students whose parents are in the uniformed services, or for students who reside on Indian lands or in federally subsidized low-rent housing projects. Over 1,600 local educational agencies enrolling over 17,000,000 children are provided assistance under the Impact Aid program.

(3) The Impact Aid program is one of the few Federal education programs where funds are sent directly to the school district. Such funds go directly into the general fund and may be used as the local educational agency decides.

(4) The Impact Aid program covers less than half of what it costs to educate each federally connected student in some school districts, requiring local school districts or States to provide the remainder.

(5) Added to the burden described in paragraph (4) is the fact that some States do not rely upon an income tax for State funding of education. In these cases, the loss of property tax revenue makes State and local education funding even more difficult to obtain.

(6) Given the serious budget constraints facing State and local governments it is critical that the Federal Government continue to fulfill its responsibility to the federally impacted school districts in our Nation's States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that in the assumptions for the overall accounts it is assumed that the Federal Government has a financial responsibility to schools in our Nation's communities which are adversely affected by Federal activities and that funding for such responsibilities should not be reduced or eliminated.

SEC. 319. SENSE OF THE SENATE TO ELIMINATE THE EARNINGS PENALTY.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include that the increased revenues resulting from the revision of the expatriate tax loophole should be used to eliminate the earnings penalty imposed on low and middle income senior citizens receiving social security.

SEC. 320. STUDENT LOAN CUTS.

(a) FINDINGS.—The Senate finds that—

(1) in the 20th century, educational increases in the workforce accounted for 30 percent of the growth in our Nation's wealth, and advances in knowledge accounted for 55 percent of such growth;

(2) the Federal Government provides 75 percent of all college financial aid;

(3) the Federal student loan program was created to make college accessible and affordable for the middle class;

(4) increased fees and interest costs discourage college participation by making higher education more expensive, and more of a risk, for students and their families;

(5) full-time students already work an average of 25 hours per week, taking time away from their studies; and

(6) student indebtedness is already increasing rapidly, and any reduction of the in-school interest subsidy will increase the indebtedness burden on students and families.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume the Labor and Human Resources Committee, in seeking to achieve mandatory savings, should do their best to not increase the cost of borrowing for students participating in the Robert T. Stafford Federal Student Loan Program.

SEC. 321. SENSE OF THE SENATE REGARDING THE NUTRITIONAL HEALTH OF CHILDREN.

(a) FINDINGS.—Congress finds that—

(1) Federal nutrition programs, such as the school lunch program, the school breakfast program, the special supplemental nutrition program for women, infants, and children (referred to in this section as "WIC"), the child and adult care food program, and others, are important to the health and well-being of children;

(2) participation in Federal nutrition programs is voluntary on the part of States, and the programs are administered and operated by every State;

(3) a major factor that led to the creation of the school lunch program was that a number of the recruits for the United States armed forces in World War II failed physical examinations due to problems related to inadequate nutrition;

(4)(A) WIC has proven to be extremely valuable in promoting the health of newborn babies and children; and

(B) each dollar invested in the prenatal component of WIC has been shown to save up to $3.50 in medicaid costs related to medical problems that arise in the first 90 days after the birth of an infant;

(5) the requirement that infant formula be purchased under a competitive bidding system under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) saved $1,000,000,000 in fiscal year 1994 and enabled States to allow 1,600,000 women, infants, and children to participate in WIC at no additional cost to taxpayers; and

(6) a balanced Federal budget will provide economic benefits to children alive today and to future generations of Americans.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumptions that—

(1) schools should continue to serve lunches that meet minimum nutritional requirements based on tested nutritional research;

(2) the content of WIC food packages for infants, children, and pregnant and postpartum women should continue to be based on scientific evidence;

(3) the competitive bidding system for infant formula under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) should be maintained;

(4) foods of minimum nutritional value should not be sold in competition with school lunches in the school cafeterias during lunch hours;

(5) some reductions in nutrition program spending can be made without compromising the nutritional well-being of program recipients;

(6) in complying with the reconciliation instructions in section 6 of this resolution, the Committee on Agriculture, Nutrition, and Forestry of the Senate should take this section into account; and

(7) Congress should continue to move toward fully funding the WIC program.

SEC. 322. SENSE OF THE SENATE ON MAINTAINING FEDERAL FUNDING FOR LAW ENFORCEMENT.

(a) FINDINGS.—The Senate finds that—

(1) Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security;

(2) law enforcement officers deserve our appreciation and support;

(3) law enforcement officers and agencies are under increasing attacks, both to their physical safety and to their reputations;

(4) on April 7, 1995, the Senate passed S.J. Res. 32 in which the Senate recognizes the debt of gratitude the Nation owes to the men and women who daily serve the American people as law enforcement officers and the integrity, honesty, dedication, and sacrifice of our Federal, State, and local law enforcement officers;

(5) the Nation's sense of domestic tranquility has been shaken by explosions at the World

Trade Center in New York and the Murrah Federal Building in Oklahoma City and by the fear of violent crime in our cities, towns, and rural areas across the Nation;

(6) Federal, State, and local law enforcement efforts need increased financial commitment from the Federal Government and not the reduction of such commitment to law enforcement if law enforcement officers are to carry out their efforts to combat violent crime; and

(7) on April 5, 1995, and May 18, 1995, the House of Representatives has nonetheless voted to reduce $5,000,000,000 from the Violent Crime Reduction Trust Fund in order to provide for tax cuts in both H. R. 1215 and H. Con. Res. 67.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts should be maintained and funding for the Violent Crime Reduction Trust Fund should not be reduced by $5,000,000,000 as the bill and resolution passed by the House of Representatives would require.

SEC. 323. NEED TO ENACT LONG TERM HEALTH CARE REFORM.

It is the sense of the Senate that the One Hundred Fourth Congress should enact fundamental long-term health care reform that emphasizes cost-effective, consumer oriented, and consumer-directed home and community-based care that builds upon existing family supports and achieves deficit reduction by helping elderly and disabled individuals remain in their own homes and communities.

SEC. 324. SENSE OF THE SENATE REGARDING MANDATORY MAJOR ASSUMPTIONS UNDER FUNCTION 270: ENERGY.

It is the sense of the Senate that within the mandatory major assumptions under budget function 270, none of the power marketing administrations within the 48 contiguous States will be sold, and any savings that were assumed would be realized from the sale of those power marketing administrations will be realized through cost reductions in other programs within the Department of Energy.

SEC. 325. DEFENSE OVERHEAD.

(a) FINDINGS.—The Senate finds that—

(1) the major discretionary assumptions in this concurrent budget resolution include 15 percent reduction in overhead for programs of nondefense agencies that remain funded in the budget and whose funding is not interconnected with receipts dedicated to a program;

(2) the Committee Report (104–82) on this concurrent budget resolution states that "this assumption would not reduce funding for the programmatic activities of agencies.".

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Committees on Armed Services and Appropriations should make a reduction of at least three percent in overhead for fiscal year 1996 programs of defense agencies, and should do so in a manner so as not to reduce funding for the programmatic activities of these agencies.

SEC. 326. SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) FINDINGS.—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive, to the maximum extent possible, a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

SEC. 327. SENSE OF THE SENATE REGARDING THE PRIORITY THAT SHOULD BE GIVEN TO RENEWABLE ENERGY AND ENERGY EFFICIENCY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.

(a) FINDINGS.—Congress finds that—

(1) section 1202 of the Energy Policy Act of 1992 (106 Stat. 2956), which passed the Senate 93 to 3 and was signed into law by President Bush in 1992, amended section 6 of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (42 U.S.C. 12005) to direct the Secretary of Energy to conduct a 5-year program to commercialize renewable energy and energy efficiency technologies;

(2) poll after poll shows that the American people overwhelmingly believe that renewable energy and energy efficiency technologies should be the highest priority of Federal research, development, and demonstration activities;

(3) renewable technologies (such as wind, photovoltaic, solar thermal, geothermal, and biomass technology) have made significant progress toward increased reliability and decreased cost;

(4) energy efficient technologies in the building, industrial, transportation, and utility sectors have saved more than 3 trillion dollars for industries, consumers, and the Federal Government over the past 20 years while creating jobs, improving the competitiveness of the economy, making housing more affordable, and reducing the emissions of environmentally damaging pollutants;

(5) the renewable energy and energy efficiency technology programs feature private sector cost shares that are among the highest of Federal energy research and development programs;

(6) according to the Energy Information Administration, the United States currently imports more than 50 percent of its oil, representing $46,000,000,000, or approximately 40 percent, of the $116,000,000,000 total United States merchandise deficit in 1993; and

(7) renewable energy and energy efficiency technologies represent potential inroads for American companies into export markets for energy products and services estimated at least $225,000,000,000 over the next 25 years.

(b) SENSE OF SENATE.—It is the sense of the Senate that the assumptions underlying the functional totals in this resolution include the assumption that renewable energy and energy efficiency technology research, development, and demonstration activities should be given priority among the Federal energy research programs.

SEC. 328. FOREIGN SALES CORPORATIONS INCOME EXCLUSION.

The assumption underlying the functional totals include that it is the sense of the Senate that cuts in student loan benefits should be minimized, and that the current exclusion of income of Foreign Sales Corporations should be eliminated.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair.

(The remarks of Mr. BOND pertaining to the introduction of S. 872 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE PRESIDING OFFICER. The Senator from Missouri is recognized.

MR. ASHCROFT. I thank the Chair.

(The remarks of Mr. Ashcroft pertaining to the introduction of Senate Joint Resolution 36 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ASHCROFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BOND). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LES ASPIN: A PUBLIC SERVANT AND A FRIEND

Mr. DASCHLE. Mr. President, last Sunday the Nation lost one of its foremost leaders on military and defense policies, and I lost a good friend, with the passing of Les Aspin.

I came to know and appreciate Les Aspin when we served together in the House of Representatives, and he and Junket, his huge, hairy sheep dog, shared an office down the hall from me in the Cannon House Office Building.

I came to know and appreciate Les as a good and decent man who was never too busy to stop and exchange a joke with you.

I also came to admire and respect him as a dedicated, selfless public servant. At the time of his death, he had spent more than 3 decades in public service as a Member of the House of Representatives, as chairman of the House Armed Services Committee, as a chief adviser on military policy to the Clinton-Gore campaign, as Secretary of Defense, and as the head of the Foreign Intelligence Advisory Board.

No person could have been better prepared for these important and demanding positions. Les Aspin brought to them the best of education, including an undergraduate degree from Yale, a master's degree from Oxford University, and a Ph.D. in economics from MIT.

And he had the best of training, as he had worked on the staffs of Senator William Proxmire, Dr. Walter Heller when he chaired the Council of Economic Advisers, and Secretary of Defense Robert McNamara.

Not only was Les well educated and well versed in public policy, he was a person who cared deeply for his country and its citizens.

Les Aspin may well be most remembered for his brief, but stormy tenure as the Secretary of Defense. To those who were surprised by his controversial tenure in this position, I can only say that I am surprised that they were surprised.

Les Aspin has always been controversial—he was never afraid to take a position—at times, a lonely, unpopular decision. He was elected to Congress as a critic of the Vietnam war, but backed President Reagan's military buildup and the decision to go to war against Iraq.

As chairman of the House Armed Services Committee, Les Aspin was a one-man think tank, as he always seemed on the cutting edge of defense issues. An AP reporter dubbed him a "strategic intellectual." He was as comfortable in dealing with foreign policy and defense issues as he was in reviewing Pentagon procurement practices. And he had that incredible and marvelous ability to present the most complicated and difficult public policy issues in simple and easily understood ways.

Congressman Aspin was a logical choice to reshape the Pentagon and U.S. military in the post-cold-war era. When President-elect Clinton nominated him for the position of Secretary of Defense, the Washington Post noted that it seemed that Mr. Aspin had "spent most of his professional life preparing for the defense secretary's job." The Washington Times remarked that he had "devoted nearly every waking hour as a student, professional, and politician to thinking about weapons and soldiers."

Everyone knew that the adjustments to the post-Soviet world would be difficult and controversial—and they were. Secretary Aspin did not shrink from these challenges. He welcomed them. His time as head of the Pentagon was a time of shifting international commitments, and new challenges posed by the disintegration of the Soviet Union. This included the painful downsizing of the military and the review and revision of the Pentagon's budget and procurement procedures.

It was a time for the reshaping of a military that for a half-century had been designed to fight global war, and would now be remolded for world peace, keeping missions and for international humanitarian expeditions.

Mr. President, the accolades and eulogies now being delivered in honor of Les Aspin, are well deserved and well earned. The United States is indeed indebted to Congressman and Secretary Aspin for his years of public service, for his legislative achievements, and for his tremendous contributions to the defense of our great and free country.

But I will always remember him as my good and decent friend down the hall, with that huge hairy dog, who was never too busy to stop and share a laugh with you.

Mr. President, my wife Linda and I extend to the family of Les Aspin our most heartfelt condolences. We share their grief and their loss.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO JIM KETCHUM

Mr. DOLE. Mr. President, 25 years ago, we created the Office of Curator of the U.S. Senate. And since that time, that job has been filled by just one man—Jim Ketchum.

Jim has now announced his retirement, and it is entirely fitting that a resolution we adopted earlier this week designated him as curator emeritus of the Senate.

After working in the Office of the White House Curator for many years, Jim came to the Senate in 1970, when he accepted an invitation to organize the Office of Senate Curator.

For the past quarter century, Jim has devoted his career to preserving the works of art in the Senate and the history and traditions of this institution.

Jim was the driving force behind the restoration of the old Senate and old Supreme Court Chambers, the President's room, and countless other important Senate treasures.

Painting and documents have been recovered and preserved due to Jim's tireless efforts. He has helped us all better understand this institution and the Capitol through exhibitions, lectures, publications, and other educational programs.

I know Jim is especially proud of the exhibit, "a necessary fence * * *: The Senate's first century," which opened in the summer of 1989 in celebration of the Senate's bicentennial.

Jim has also made an important contribution to protecting the dignity of this institution by helping to develop legislation prohibiting abuse of the Senate seal.

Finally, one cannot mention Jim without remembering his efforts on behalf of the State of the Union dinners. I am just one of many Senators who has enjoyed one of Jim's trademark chicken pies.

Mr. President, for all that he has done for this institution, Jim has truly earned the designation as "curator emeritus."

I know all Senators will join me in thanking Jim for his extraordinary efforts in preserving the history and traditions of this institution, and in extending our best wishes to him, as he and his wife, Barbara, head to their farmhouse in Pennsylvania.

TRIBUTE TO GERALD HACKETT

Mr. DOLE. Mr. President, earlier this week, the Senate adopted a resolution expressing our appreciation for the outstanding service of Gerald Hackett, our Senate executive clerk, who will retire from the Senate effective June 30, 1995.

I now want to add my personal thanks for his many 33 years of dedication to the Senate—nearly 29 of those as Senate executive clerk.

As Members know, the executive clerk assists the Senate with its constitutional duty to consider nominations and treaties under its advise and consent authority. The office's many responsibilities include managing original documents, maintaining records, transmitting copies of Presidential messages, compiling the executive calendar, and preparing all resolutions of confirmation for nominations and resolutions of ratification for treaties.

Gerry has dedicated his Senate service not only to these duties, but also to improving the operation of the executive clerk's office.

He was instrumental in the computerization of the treaty and nomination processes. Moreover, under his direction, publishing the executive journal is now done on-line, with a substantial savings of tax dollars.

I know all Senators agree with me in saying that Gerry has always acted with the best interests of the Senate in mind, and in wishing him and his wife, Mary Ellen, best wishes for a long, healthy, and happy retirement.

TRIBUTE TO FRED BROOMFIELD

Mr. DOLE. Mr. President, earlier this week, the Senate adopted a resolution paying tribute to Fred Broomfield, a member of the Department of Office Services in the Office of the Secretary of the Senate, who will retire July 15, 1995.

Fred has worked in the Office of the Secretary for over 19 years. Among his numerous responsibilities is to deliver to our offices the many many important documents necessary for the legislative process.

In fulfilling those duties, Fred has ably carried out a tradition that dates back to the very beginning of the Senate. Just 2 days after the first Senate convened in 1789, the Members elected their first Secretary and chose their first messenger. And if I am not mistaken, the first message was delivered to Senator THURMOND.

Fred is well known in the Secretary's office as a loyal, reliable, and hard working civil servant. He will be missed by all of us.

I know all Senators will join with me in thanking Fred, his wife Hilda, and his five children for his dedicated and distinguished service, and in extending our best wishes for a long and healthy retirement.

THANKING RUSSELL KING

Mr. DOLE. Mr. President, in my role as Senate majority leader, I also serve as a member of the Joint Leadership Commission for our program for America's young people, the Congressional Award.

As such, it is my responsibility, from time to time, to appoint individuals to serve on the Congressional Award Foundation's board of directors, which works with us to implement the program nationwide.

Several years ago, when we were reorganizing the volunteer board, I asked Russell King, a senior vice president of Freeport-McMoran, if he would be willing to serve, and to make this program a truly national opportunity. He agreed, and has since become the foundation's treasurer, and two-term chairman, where he has presided over the exciting growth of the program.

As Russ ends his tenure as chairman, I extend the appreciation of the Senate to him for his tireless devotion to the Congressional Award, and for his commitment to America's youth. We are fortunate that he will remain on the board, and will continue to work with us as this outstanding program grows throughout the country.

The PRESIDING OFFICER (Mr. STEVENS). The Senator from Maine

MARGARET CHASE SMITH

Mr. COHEN. Mr. President, recently Senator Margaret Chase Smith suffered a severe stroke and is now in critical condition at her home in Maine. I just want to take a few moments to express my deep regret over this recent turn of events and to spend a few moments talking about Senator Margaret Chase Smith.

I think as the Senator from Alaska knows, and virtually all the Members of this Chamber know, Senator Smith served with distinction in the Senate from 1949 to 1973 in the seat I now occupy. Directly before that she served four terms in the U.S. House of Representatives.

Many in this Chamber know of this wonderful woman's accomplishments. She was the first woman to have her name placed in nomination for President by a major political party; she cast an impressive 2,941 consecutive roll call votes; she delivered her famous Declaration of Conscious speech in 1950 criticizing Senator Joseph McCarthy and his stormtrooper tactics in exposing suspected communists.

During her Declaration of Conscience speech, Senator Smith remarked that Senator McCarthy's investigation was playing on Americans' worst fears and was chipping away at the soul of the country. She said the Senator and his supporters were parceling away individual freedoms and liberties in the name of a fight that history has proved to be wrongheaded. In that speech, she noted,

> Those of us who shout the loudest about Americanism in making character assassinations are all too frequently those who, by our own words and acts, ignore some of the basic principles of Americanism—The right to criticize; the right to hold unpopular beliefs; the right to protest; the right of independent thought. The exercise of these rights should not cost one single American citizen his reputation or his right to a livelihood nor should he be in danger of losing his reputation or livelihood merely because he happens to know someone who holds unpopular beliefs.

To understand the significance of the speech, and the courage of the woman who delivered it, we must remember the times during which it was delivered. These were days when it would have been easy to join the crowd—days when many were barking at every shadow, challenging and accusing anyone who disagreed with popular opinion as being disloyal. It was a phenomenon we have not seen since in American politics. It was not simply a group or a movement or a passing fad—it was a tidal wave of hatred and suspicion that engulfed many of the supposedly thoughtful politicians of the day.

There have been many occasions when I also invoke the name of Joan Benoit. Joan Benoit, who hails from Maine, was the great marathon runner. Many of us can recall that moment when she broke out in that marathon, and she began so fast she moved away out ahead of the crowd and every one of the commentators said, "She can never maintain that pace. She will fall behind."

To the astonishment of virtually everyone who watched that historic event, she not only maintained the pace but she continued it throughout the entire marathon race.

Throughout her career, Margaret Chase Smith has set her own pace, charted her own course, ignored her critics and never looked back at those who followed far behind her leadership. She has known the glory and loneliness, I should say, of the long distance runner.

When thinking of Senator Smith, I am reminded of an ancient proverb that says, "When drinking water, don't forget those who dug the well."

Americans are, by nature, a forward-looking people. But, as the proverb suggests, we should also pay tribute to those who have gone before us, those who have paved the way for us and for future generations. We should remember those who have dug the well. Margaret Chase Smith dug the well for me and for many Maine politicians.

Senator Smith has also remained politically active following her retirement from the Senate. With the Senator's support, the Margaret Chase Smith Center for Public Policy was created in 1989 to serve as a nonpartisan public service organization at the University of Maine. Through the center, university students and other scholars study public policy and work to improve the quality of dialog on policy issues. It has greatly enhanced the study of politics at the University of Maine, and it is a fine testament to the impact that Senator Smith had on Maine and the country.

In America, every person stands equal before the law, but in politics, the aristocracy of talent is supreme. Maine can rightfully take pride in the fact that Margaret Chase Smith has stood at the top of that aristocracy.

I thank the Chair and Senator DOLE for yielding this time.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

SENATOR MARGARET CHASE SMITH

Mr. DOLE. I thank the distinguished Senator from Maine. Having had the honor and privilege, as did the Presiding Officer, of serving with Senator Margaret Chase Smith, I can certainly appreciate his remarks. I can almost see her seated at that desk, with a rose—there was a rose there every morning on her desk. We certainly wish her well.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, it had been our hope that we could have appointed conferees today on four major pieces of legislation: Medicare select, regulation reform, product liability, and line-item veto. But for a number of reasons we are not able to do that today. We hope to be able to be in a position to appoint conferees in all four of those measures when we return on Monday, June 5. At least we will make the effort. If there is objection at that time, the objection will be noted.

We have done all the nominations on the calendar with one exception, because I had requests from some of my colleagues that we make certain we did that before recess. They have been done.

I would say it will be my intention now, when we come back on Monday, to stay with the terrorism bill at least through Monday to see what happens. I apologize to Senators PRESSLER and HOLLINGS because we thought we would go to the telecommunications bill that day, but we did lose a day yesterday with the votes. In the last 2 days we had 50-some votes. We might have been able to finish the terrorism bill this week. So we will make an effort on Monday, June 5, and maybe up through noon on Tuesday, and at that point we will see what the situation is, how many amendments are remaining, whether or not we can have time agreements. But it is still my hope to go to the telecommunications bill early the week we are back.

ORDERS FOR MONDAY, JUNE 5, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate reconvenes at 10 a.m. on Monday, June 5, 1995, that following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day; there then be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak for up to 5 minutes each.

I further ask consent at the hour of 11 o'clock the Senate resume consideration of S. 735, the antiterrorism bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I should have said at the outset, this has been cleared by the Democratic leader.

PROGRAM

Mr. DOLE. So I would say for the information of all Senators, when the Senate is reconvened following the Memorial Day recess, we will resume consideration of the antiterrorism bill. Under the previous consent agreement, amendments are limited to the bill. Therefore Senators should be aware that rollcall votes can be anticipated on Monday. However, we will have no rollcall votes until—they will not begin before 5 o'clock on Monday, June 5. Both Senators BIDEN and HATCH have indicated to both leaders, Democratic and Republican leaders, that they will have amendments. There will be votes. And that they will be prepared at 11 o'clock on Monday, June 5, to move forward as rapidly as possible on the antiterrorism bill.

ADJOURNMENT UNTIL MONDAY, JUNE 5, 1995, AT 10 A.M.

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the provisions of House Concurrent Resolution 72.

There being no objection, the Senate, at 2:20 p.m., adjourned until Monday, June 5, 1995, at 10 a.m.

SENATE—*Monday, June 5, 1995*

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, Your loving kindness draws us to You. Your faithfulness opens our hearts before You, and Your omniscience motivates us to seek wisdom from You. We know that it is in a relationship of complete trust in You that revelation of Your will is released. You have called the women and men of this Senate to give dynamic leadership in a troubled, contentious, strife-filled world. National problems pile up and international issues intensify. Especially, we ask for Your guidance in the continuing discussion and vote on the antiterrorism legislation and for direction for the extent of our Nation's involvement in the crises in Bosnia. Grant the Senators a special gift of sagacity and strength.

May we all press on to the challenges of this week with the grateful memory of the decisive and visionary leadership of Margaret Chase Smith. Thank you, Father, for her life and courage. We seek to live this day with the same measure of devotion to You and commitment to excellence that she exemplified. So, today we will attempt great things for You and humbly receive great power from You. In Your holy name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. BURNS. Mr. President, the leader time has been reserved this morning, and there will be a period of morning business until the hour of 11 a.m., with Senators allowed to speak for up to 5 minutes each.

At the hour of 11 a.m., the Senate will resume consideration of S. 735, the antiterrorism bill. The majority leader has announced there will be no rollcall votes prior to 5 p.m. today.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for morning business with Senators permitted to speak therein.

The Senator from North Dakota is recognized.

AMERICAN TROOPS IN BOSNIA

Mr. DORGAN. Mr. President, this morning I want to talk briefly about two subjects in morning business.

The first is the issue of Bosnia. I believe that President Clinton has made the right decision in the last couple of days with respect to the introduction of American troops into Bosnia. I know there was discussion by the White House and others about the potential of committing American troops under certain circumstances, particularly if United Nations peacekeepers need to redeploy within Bosnia. However, in the last few days the administration has been saying that they have no intention of introducing American troops into Bosnia under that circumstance.

Frankly, I think the moving of United States troops to Bosnia would be a very serious mistake. It is true that the war in Bosnia is an international tragedy. It is also true, I think, that sending American troops to Bosnia will do very little, if anything, to resolve that tragedy. This country's support of the efforts by the United Nations in Bosnia has been significant. It has included flyovers and logistical support and other things. We should continue that kind of support. But I think the support should not include the sending of American troops to Bosnia. I believe it poses enormous risks to our troops and our country with the potential of very few gains for Bosnia.

We should expect, I think, that the Europeans, through NATO, will play a significant role in responding to the issue of Bosnia. It is not as if this issue does not matter and it is not as if our country should be isolationist. We are not isolationist, and what is happening in Bosnia does matter. But under the term of internationalism, it ought not be suggested that this country must send troops everywhere in the world.

Bosnia is in the European neighborhood. We have spent a great deal of money and offered a great deal of support over the years to NATO. It seems to me that under the aegis of NATO and in the European Community we should be able to expect a substantial commitment from the Europeans to try to resolve the issue of the current role in Bosnia. I notice that is essentially what is now happening. The European countries are committing more and are getting involved in a more aggressive way to respond to this, and I appreciate that because I think that is the way this needs to be resolved.

I most especially do not think it is wise or appropriate to send United States troops to the ground in Bosnia. I think a couple of centuries of history in the Balkans ought to tell us that foreign powers attempting to achieve certain goals in that region of the world have generally paid a terrible cost and with none of their goals achieved.

So, Mr. President, I think the President of the United States has made the right decision in the last couple of days. I support that decision, and I hope that will remain the decision of the administration as the months go by.

I do hope and pray for the sake of the people in that region that somehow and some way this war can be stopped. As I have said, I think the United States has participated and will participate in an appropriate way to the logistics and equipment, overflights, and other approaches under the aegis of the United Nations.

I think war is a tragedy always, but in this circumstance—I have been to what was formerly the country of Yugoslavia. I recall, in fact, when I was there, there was a forest fire in the country. I recall the people of that region coming together, as people do in crisis situations, and working together to try to respond to a natural disaster.

It occurred to me that people of the then Yugoslavia are very much like the people I grew up with in North Dakota, like the people of the United States—good, wonderful, hard-working people. Yet that society has split apart, and we see in that former Yugoslavia now unspeakable horrors of war visited upon so many families and innocent people. I hope and pray that one day there will be peace in that region.

HELP FOR THE FAMILY FARMERS

Mr. DORGAN. Mr. President, last week, when the Senate was not in session and we had no votes, I was in North Dakota. In part of my visit to North Dakota, I visited my home county of Hettinger County, a relatively small county in southwestern North Dakota. It is down in ranching country, and there are also small farms. They raise a substantial amount of wheat.

I was reminded of the circumstances of rural America again. My home county lost 20 percent of its population in

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the 1980's, and it lost another 11 percent of its population in the first half of the 1990's. The fact is that rural counties—and, yes, Hettinger County, ND—is shrinking like a prune.

The farm bill that we have in this country to try to help family farmers is not working. At least it is not working to keep family farmers on the farm and make a decent living doing so. We are losing ground in rural America.

It is a paradox that our cities are more crowded and exhibit all of the problems of overcrowding at the same time that my home county, and virtually every rural county throughout the Farm Belt, is losing population.

We are told that this is a global economy and that there are these dislocations. In a global economy, we are told, there are some winners and there are some losers, and rural areas are losers. I do not understand why a global economy means that the big get bigger and the rich get richer and the rest somehow get hurt; the small do not make it. I do not understand that. That is not an economy that makes sense to me. That is not an economy that equates reward with effort.

It seems to me that we ought to have an economy that rewards less speculation and rewards more real production. Yet, the economy does not seem to do that. It is a high time these days on Wall Street, as all of us know, but it is hard times on Main Street of Hettinger County and small towns trying to make a go of it.

We have in a global economy the spectacle of American jobs going overseas, and those jobs that are left here are jobs paying less with fewer benefits. It is, we are told, a function of the global economy, the economy of economic realities.

Well, it is not an economic reality which I am prepared to accept. I do not think the people of the Farm Belt are prepared to accept it either.

We learned long ago in this country that just like the wagon trains that forged west, you do not move ahead by leaving some behind. That was a good lesson from the wagon trains because it is the only way they could survive, and it is still a good lesson for our country today. We cannot, as a country, move ahead while leaving some behind.

I think that as we discuss this year the construction of a new 5-year farm bill, we ought to think about that, what works to give family farmers in America a decent opportunity to make a living so that we do not see this exodus of the family farm to the major cities where overcrowding already exists.

Well, the farm bill will be written now in the next 60 or 80 days, and the question is: What will it be? If it is like the last two farm bills, it will be the same but less of it. So it will be less of the same. So you take something that simply does not work and say let us do less of it. It is a concept that does not make much sense to me.

The farm bill ought to be a farm bill that cares about family farmers and, if it does not, we ought not to have a farm bill at all; we do not need it. The U.S. Department of Agriculture was founded under Abraham Lincoln in the 1860's with nine employees. That behemoth now has over 100,000 employees. In the last 15 years, we had about a 25-percent decrease in farm population—that is, the number of people living on farms—and about a 28-percent increase in the number of people running the farm program. It not only does not work, it is so frightfully complicated that nobody in this country fully understands it.

So why do we not do it differently and construct a new farm program that has as its preamble one central tenet, which is that we have a farm program in this country to try to give an opportunity to family-size farms to make a living.

Why is that necessary? Well, corporate agrifactories can farm successfully because they have the economic strength to withstand two risks that farmers face. The first is the risk that you may not get a crop. You might have excessive rain or hail or insects. You might plant a crop and get nothing.

The second risk is, if you get the crop, you may not get a price, because, in the meantime, international grain prices for wheat or barley may have plummeted, and so you have a crop but no price. Those two risks are risks that the big agrifactories can stomach and can overcome, but family-size farms do not have the financial strength to do so.

So if we want in this country family farms producing our food, then we must have some kind of a farm program. It is that simple.

Now, should the farm program be one that rewards the big folks at the expense of the little folks? I do not think so. We have had a fundamental disconnection in the kind of farm program that we have had in this country.

We have believed that we can control the supply of grain and therefore increase price. In order to do that, you want all of the farmers in the country in the farm program, which means you especially want the big farmers. If you get the big farmers in the farm program, you spend most of your money on the big farmers. So most of the money for the farm program has gone to the big farmers.

The fact is that we have not controlled supply and we have not affected price. Why? Because we plant less in this country and Canada plants more, Argentina plants more, the French plant more. So, it is a fundamentally flawed strategy.

We should decide now to disconnect from it and not do any of that. We should decide that the farm program ought to be a mechanism by which we will provide decent prices to the output of a family-size farm.

In the current farm program there is a circumstance where the Prince of Liechtenstein was paid farm program benefits to a farm in Texas. Does anybody think the Prince of Liechtenstein is a Texas farmer? Of course not.

We had a bunch of Texans, a farmer coalition, so they could farm in Montana. They plowed a bunch of ground and seeded it by helicopter. They were not farming the land. They were farming the farm program, so they could get $20,000, $40,000, or $50,000 payments each.

We have a national newsman in this country that everyone probably has read about recently—who I assume lives in Washington, DC—gets $90,000 under the wool and mohair program. I bet that newsman does not live with the sheep most of the year. He is living in Washington, DC, or New York City. It seems to me the farm program ought to be targeted to family-size farms.

Now what I propose is a new approach, and I hope the Senate Agriculture Committee will look at it. I think it will do the right thing and save the Government money. I propose we structure farm program price benefits or farm program price supports or the safety net for farm programs, so that the strongest price goes to the first increment of production.

We say if a farmer raises 20,000 bushels of wheat, we provide a price of $4.50 a bushel. We hope the farmer gets money from the marketplace, but if not, we provide $4.50 for the bushel for the first 20,000 bushels of wheat, and that is all the money we have. We are sorry. If they want to farm the whole county, God bless you, they have every right to farm the whole county, but the Federal Government does not have to be the financial partner beyond the first 20,000 bushels. If a farmer wants to farm beyond that level, they are on their own.

That ought to be the case in all farm programs.

In the dairy program, I have never understood, for example, why there is need to support a dairy operation in California that milks 3,500 cows every day. I do not know if anybody here has milked a cow. I have milked a cow, but if you milk 3,500 cows a day and get a price support under every gallon of milk you pull from the cows, that just does not make sense.

It seems to me if we have price supports for milk, we say we might provide a decent price support for the milk from 80 cows. That is hard work for a farmer running a farm. However, if a farmer wants to buy the 81st cow, guess what? When they sit on the milk stool, do a little milking, those farmers would be milking on their own risk.

I think that is what we ought to do with the farm program. If we are not willing to recognize that the farm program is one that is designed to try to help the family farmers stay on the farm—and those are important things to care about from social and economic policy reasons—if that is not the purpose of it, I say we should get rid of the farm program.

We do not need to provide a stimulant for corporate agrifactories to plow. They will plow. Corporations will plow the whole country. As soon as they have plowed the whole country and cornered the supply of food, guess what? Go to the grocery store and see what the price of food will be. The corporations of this country will darn sure make certain that consumers would be paying well above the cost of production for food.

Of course, now we do not do that. We go to the store and buy a box of elbow macaroni. Let us see how that relates to the price of durum wheat. Somebody out on a farm raises durum wheat and he grinds it into semolina flour, and the semolina flour is produced into elbow macaroni.

I can show when the price of durum wheat goes down 2 bucks a bushel, the price of elbow macaroni goes up. I can show when the price of wheat goes down the price of cereal goes up. I can show that the snap, crackle, and pop in Rice Krispies often brings more to the people that produce the snap and the crackle, than the person that produces the rice.

It is the same with puffed wheat. The puffer gets more than the wheat. It is the same with corn flakes. The flaker gets more than the person that rides the tractor and raises the corn.

That is the way things have worked. It is not right.

We have an opportunity this year to write a farm program that produces the right result. Now for social and economic reasons, this country ought to care about who produces its foodstuffs. It ought to care about the Farm Belt. It ought to care about preserving a network of family farmers. For that reason, we ought to have a safety net—not for a set of golden arches or for the largest agrifactories—but, a safety net for family farmers.

We can do that. We can do it in a responsible and reasonable way—and we can save the taxpayers' money at the same time—if we simply decide the current farm program is not working and we construct a new farm program, a better farm program, one that gives some hope to family farmers for a change.

It is interesting that with all the discussion around this town about reform and reinventing, the odds are that unless things change in the next 60 or 80 days, we will see the same old tired, failed policies with respect to agriculture.

I hope that the proposal that I am making this year—the legislative proposal for targeting farm program support prices to family-sized farms—and the roles by others that try to really substantially reform the farm program will this year give us a change. It does not make sense to do less of the same, when the same does not work.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UNBALANCED BUDGET

Mr. PRESSLER. Mr. President, I have just returned from my State of South Dakota, where I listened to the farmers, small businessmen, students, wives, and citizens of South Dakota for 9 days. I found many were thanking me for voting for the balanced budget resolution, the Domenici-Dole budget that passed the U.S. Senate about 2 weeks ago. The people of our country want change. They want us to do something about the huge deficit that has been built up and they feel we have taken the first step. The message I heard loud and clear was, "Please take the second and third steps now."

For the first time since I have been in the Senate, this body passed a real budget that will move us toward a balanced budget in the year 2002. But even with a balanced budget in 2002, we will still have a huge deficit. In some of my high school graduation speeches, I predicted they will have to pay a tax surcharge on their income taxes for most of their lives to help pay down the Federal deficit, or at least pay interest on it.

I know the dullest story in the world probably is the Federal deficit, but cattlemen are aware that our budget that we passed here, if we stick to it, will result in lower interest rates. It will also result in a stable dollar so that there can be international trade. Senior citizens understand that the cuts in Medicare are merely a cut in the rate of increase. Medicare has been increasing at a 10-percent increase. This budget allows about a 7-percent increase, and it provides for streamlining, doing away with fraud and abuse, and other steps within Medicare and Medicaid so they can still provide solid service.

Even the Democrats' study predicted that Medicare would go bankrupt by the year 2000 unless something is done. I find it very strange that many are criticizing the Domenici-Dole budget but they did not provide an alternative here on the Senate floor. There was the alternative of President Clinton which every Member of this Chamber voted against.

I do not mean to be partisan, but I would say I am very proud and I have found my constituents thankful that Congress has finally started to address the budgetary deficit problem. There is also a strong feeling among senior citizens that to keep our currency solvent, our dollar stable, and to avoid inflation is worth a great deal to them. This budget will start to do that if we stick to it.

So the message I got from my constituents was, "Thank you for the vote on the balanced budget that went through the Senate." But they are a little nervous about us. They say, "You are on second base. Keep going." So that is the message I bring back from my constituents. I think it is an important one to our Nation, because it is our No. 1 domestic problem, the unbalanced budget.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—H.R. 1045

The PRESIDING OFFICER. The clerk will read H.R. 1045 for a second time.

The legislative clerk read as follows:

A bill (H.R. 1045) to amend the Goals 2000 Educate America Act, to eliminate the National Education Standards and Improvement Council, and for other purposes.

Mr. BINGAMAN. Mr. President, I object to proceeding at this time to the bill.

The PRESIDING OFFICER. The bill will be placed on the calendar.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 20 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CUTS IN CIVILIAN RESEARCH AND DEVELOPMENT

Mr. BINGAMAN. Mr. President, 2 weeks ago the Senate passed a budget resolution designed to eliminate the Federal deficit over the next 7 years. The House passed its version of that budget the week before.

While there are some major differences in those budgets, particularly on tax cuts and defense spending and domestic discretionary spending, there is one common feature, and that is a proposed drastic cut in Federal support for civilian research and development. That is across Government.

There has been very little attention paid to this part of the budget balancing effort so far. The public attention has been concentrated on Medicare, Medicaid, education, and tax cuts for the wealthy. But this issue, these drastic cuts in Federal support for civilian research and development, may be the place where the Republican budgets that have been passed through the two Houses will do the most damage to our Nation's future well-being and prosperity.

Overall, civilian research and development spending will be cut 30 to 40 percent by the year 2002 to a four-decade low as a percentage of our economy. Some agencies, such as the National Science Foundation, perhaps the National Institutes of Health, may be cut only at the inflation rate during the next 7 years, but all others—that is, NASA, the Department of Energy, the Department of Commerce, EPA—all appear to be slated for much deeper reductions.

For those who are not familiar with the budget process here—I am sure there are some who are watching who may not be—let me explain why we cannot be more specific about the effect of these budgets at this point. The budget resolutions that are still being considered in conference make many assumptions about Federal programs. The only binding assumption which came out of what we did here in the Senate and in the House is the assumption that affects civilian-applied research with regard to the domestic discretionary spending cap. In fiscal year 1995, this current year, that cap is $257 billion for total domestic discretionary spending. Under the Senate version of the budget in 2002, it will be $234 billion, or a 10-percent reduction. That is a 10-percent reduction coupled with 7 years of no inflationary adjustment. Under the House version, the domestic discretionary spending total in 2002 is even lower. In the House version, it will be $229 billion.

If civilian research is treated on average like all other programs in this larger category, this domestic discretionary spending category, which I would assume is really the best case that we could hope for, if that were to be the case, then that research and development funding would be cut 30 percent in real terms. If other programs, such as highway funding, law enforcement, and veterans programs are protected from cuts when funding is finally allocated by the Appropriations Committees, the cuts in research and development could reach 40 percent in real terms.

Mr. President, I am tempted to ask what the research community in this country has done or failed to do to deserve this type of treatment at this stage in our Nation's history. The research community won the cold war for us. They put men on the moon, they revolutionized medicine, they invented computers, they pioneered electronics and semiconductor devices. They invented a myriad of new materials that have fundamentally changed our lives.

This is just as Vannevar Bush, who was one of the giants in the post-World War II generation in science, predicted in his report, "Science: The Endless Frontier," about half a century ago. Bush had the wisdom to know nearly 50 years ago that new scientific and technological fields would emerge that he could not yet imagine —semiconductor electronics, for example, or molecular biology and the material sciences, just to name three. Bush had the vision to see that Federal investments in science and technology could transform our lives and contribute to our health and the standard of living and the security of all Americans.

Federal investment in civilian research and development did not cause the Federal deficit. In fact, it is quite the opposite.

Mr. President, here is a chart that I want to direct my colleagues' attention to. It shows civilian research and development as a percentage of gross domestic product during the 40-year period from 1961 through the year 2001 or 2002. In 1969, which is the last Federal budget that we had that was in balance, Federal civilian research spending was .76 percent of gross domestic product, about in this range. With the sole exception of the Bush administration, it has trended lower for the last quarter of a century. In 1995, it is estimated at about .46 percent of gross domestic product, the same as it was in 1992.

In the year 2002, under this budget resolution that passed both the House and now a different one in the Senate, but the same in this regard, in the year 2002, it will be about .27 percent under these Republican budgets. That assumes the best case, as I mentioned earlier; that is, that research is treated on averages the same as other domestic discretionary programs.

It is not just that our civilian research investments have not caused our current deficit. More importantly, there is almost universal recognition that these investments have paid for themselves many times over by the growth that they have contributed to our economy. It is not an accident that American industries, from aerospace to agriculture to electronics to pharmaceuticals, enjoy world leadership. Federal civilian research investments are truly investments in the Nation's future. Mr. President, in my view, it is folly to be cutting them to this extent over the next 7 years as we enter this new century.

The cuts in Federal support for civilian research will almost surely not be made up in the private sector. The Wall Street Journal on May 22 reported on deep cuts being made by AT&T, by General Electric, by IBM, Kodak, Texaco, and Xerox in their research budgets. The reason: Private-sector firms have an ever narrower focus and an ever greater unwillingness to invest in long-term research projects, the benefits of which are uncertain, and usually the benefits of which are not capturable by any single firm alone.

The governments of our major economic rivals, Japan and Germany, recognize the importance of civilian research investments. Let me show you another chart, Mr. President. This chart compares the three countries in 1992. It shows that in 1992, the German Government invested .9 percent of gross domestic product that year in civilian research, over in the right. The Japanese Government invested .5 percent, directly and indirectly. Neither country shows any sign that it is joining us in planning to slash investment in research spending. It is quite the opposite. They and the other industrial countries around the world are seeking to emulate the successful American model of the last half century in science and technology, just as we seem bent on abandoning that model.

Our research universities, our Federal laboratories, and our investments in small business research and innovation are the envy of the world. Under the Republican budgets, we risk losing a generation of research and of young researchers, since the best students will be diverted to other professions by the grim job prospects awaiting them in research careers.

Mr. President, it is worthwhile to ask how we got ourselves into this fix, and how we can get out of it. That is something I believe will be discussed here in the coming months as we talk about these budgets.

What we have seen over the last 2 years is the almost complete fracturing of bipartisan consensus which was forged during the Reagan and Bush administrations on the appropriate Federal role in civilian research and development. The consensus was that the Federal role should stop at precompetitive development activity, which should be conducted on a cost-shared basis, with industry putting up at least half the money. One test of the precompetitive nature of the research was whether some of our industry's intense rivals, such as Intel and Motorola, in the case of Sematech, which most of us are familiar with, could collaborate in a single effort. Everyone agreed that the Federal role should not include helping individual firms to get specific products to the commercial marketplace.

Indeed, the very term, "precompetitive development," was first coined by President Bush in a speech that he gave to the American Electronics Association in February of 1990. He was seeking to distinguish the technology policy that he was pursuing in his administration from the industrial policies of his predecessors in the 1970's—for example, the Clinch River Breeder Reactor, supersonic transport, and the Synfuels Corporation.

President Bush spoke proudly during the 1992 campaign of his efforts to expand civilian applied research through a series of new, high payoff investments in critical technologies:

A high performance computing and communications initiative; an initiative to improve the manufacturing and performance of materials; an expanded program in biotechnology research; the establishment of the U.S. advanced battery consortium, which was to be funded for 4 years; a significant increase in our aeronautics research budgets; and the establishment of seven regional manufacturing technology centers for the distribution of modern manufacture of tools and know-how.

This notion of what the appropriate role of the Federal Government in research is and is not was supported in numerous pieces of legislation passed since 1980 with bipartisan sponsorship and with the blessing of the Reagan and the Bush administrations. The vast majority of that legislation passed this body unanimously.

Indeed, the American bipartisan consensus of 1992 on the appropriate role of Government in civilian research and development was incorporated in late 1993 into the Uruguay round subsidies code, and it is now the world norm that governments can fund the full cost of basic research, they can fund up to 75 percent of the cost of applied research that is relevant to industry and up to 50 percent of the cost of precompetitive development. They can do all of that without risking trade sanctions. Any development subsidies beyond that precompetitive stage are fully sanctionable, as they should be.

Unfortunately, by late 1993, this bipartisan consensus that I have referred to had been fractured. As President Clinton and Vice President GORE pursued a science and technology policy almost identical to President Bush's and did so with real commitment, which I commend them for, our debate suddenly reverted to the sort of bumper sticker level which we had mistakenly thought was behind us. Charges of industrial policy, charges of picking winners and losers were affixed to a broad range of civilian research programs.

By early this year, the bumper sticker pejorative had become corporate welfare. That is a phrase which, unfortunately, was popularized earlier this year when Secretary of Labor Bob Reich used it to refer to tax incentives, tax subsidies of various kinds.

Republican leaders argued, mistakenly, that Federal support for research in areas from aeronautics to computers to health to energy to agriculture and the environment was somehow illegitimate, either because it was corporate welfare or it represented some type of industrial policy. It was merely seen as a duplication of private sector efforts.

As David Sanger, who has reported on these issues for many years, pointed out in an article in the business section of the New York Times on May 23—this is a quote from his article:

> Such arguments underscore the sharp difference in the way technology and trade policy is dealt with in Washington and in the capitals of its major economic competitors, where trade is considered national security and "picking winners and losers" is a phrase with no political resonance.

Mr. President, the overall budget prospects facing civilian research in this country in the years ahead demonstrate just how high a political resonance this issue seems to have taken on today, at least in some parts of the political spectrum.

I do not believe this course we have charted for ourselves in these budget resolutions makes sense for the Nation, and as my colleagues know I led an effort during the debate on the budget to make spending on research, technology and related trade promotion and trade law enforcement programs a high priority in the allocation of funds for the next 7 years. The amendment would have put the Senate on record in favor of maintaining the overall fiscal year 1995 level for these programs. It would have conceded that there would be no inflationary adjustment during that period. But it would at least have tried to keep in place existing funding. It would have put the Senate on record against any net tax cuts unless we could first achieve that goal.

The amendment did not seek to allocate funds within any of the various civilian research agencies. That would have been left, as it should be, to the authorizing and appropriating committees.

By the year 2002, even under the amendment I offered, Federal civilian research and development investments would be at a four-decade low as a percentage either of Federal spending or of gross domestic product.

Mr. President, this first chart I put up before makes that point very dramatically. It shows that we would have the lowest level of spending, the lowest percentage of spending of our gross domestic product on civilian research we have had in four decades.

It would not have fixed the problem of sustaining our investments at the level that our economic competitors will be investing. Even if the amendment had been adopted, in 2002 we would still be spending slightly more than half of what the Japanese Government spends and about a third of what the German Government spends as a percentage of gross domestic product.

Unfortunately, this very modest effort was defeated here on the Senate floor by a vote of 53 to 47, with all Republicans except Senator JEFFORDS voting in opposition and all Democrats voting in favor.

I also supported a comprehensive fair-share budget, which was a substitute offered by my colleague, Senator CONRAD, that would have balanced the budget while preserving funds for domestic discretionary programs. The fair-share budget provided $36 billion in additional discretionary funds in 2002 for research, education, and other priorities by limiting the growth of tax loopholes for wealthy corporations and individuals. That also failed on a 60-to-39 vote, largely along party lines.

Almost a century ago, in 1899, the head of the Patent Office, Charles Duell, is purported to have proposed to close up shop at the Patent Office because, in his opinion, "everything that can be invented has been invented." A half century later, Vannevar Bush laid out his starkly different vision for the Federal role in science and technology.

Now, as we prepare to enter the 21st century, we face a choice between those two competing visions. Because I believe that the scientific and the technological frontier is still endless, just as it was 50 years ago, and because I do not want to risk condemning our children and grandchildren to a less prosperous and less healthy and less secure future, I intend to continue fighting for Federal research investments even as we continue working toward a budget resolution.

I hope we can restore the bipartisan support for these programs that was there until very recently, and I hope we can do so before serious damage is done to the programs. I am afraid this is going to take not just months but perhaps even years.

Mr. President, I appreciate the chance to speak. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THE LATE JAMES C. SELF

Mr. THURMOND. Mr. President, this month in Greenwood, SC, a terrible, sudden loss has been suffered by the entire community. On May 4, James C. "Jim" Self—successful businessman, committed public servant, concerned community leader, and dedicated family man—was tragically killed in a traffic accident which no one could have anticipated.

Respected for his position as chairman of the board of Greenwood Mills Inc., Mr. Self was born and raised in

Greenwood and went on to earn a bachelor of arts degree from Clemson University and a masters of business administration from the University of South Carolina. Throughout his life, Mr. Self established a well deserved reputation as a civic leader whose activities included service on the Greenwood board of Bankers Trust, the State board of NCNB, and the boards of Benedict College, Junior Achievement, and the Greenwood YMCA. In addition, Mr. Self served on the Governor's Review Board under John West, for which he was awarded the South Carolina Order of the Palmetto. He was also a member of the First Baptist Church of Greenwood.

Let us make certain that we remember with respect and admiration the substantial contributions this outstanding citizen made to his family, his community, and the State of South Carolina.

Mr. President, I know I speak for all those who knew Jim Self when I say that he will be missed greatly. My deepest sympathies go out to his wife—Linda Coleman Self—and children—Linda Elizabeth Self, James C. Self III, and Furman Coleman Self—and the entire Self family, including his distinguished father—Mr. James C. Self—for the tremendous loss they have suffered.

TRIBUTE TO FORMER SENATOR MARGARET CHASE SMITH

Mr. THURMOND. Mr. President, during my tenure as a Member of this distinguished body, I have had the pleasure of serving with many individuals of impressive character and ability. Few, however, possessed the unwavering commitment to principle and public service demonstrated by Senator Margaret Chase Smith, who passed away this week at her home in Skowhegan. I would like to offer her family and friends my deepest condolences for their loss, a loss suffered by our entire Nation.

After an accomplished career of 8 years in the House of Representatives, Mrs. Smith was first elected to the Senate in 1948 and served four consecutive terms. A political leader of national stature, her substantial talents earned her a prominent role in Republican Presidential contests.

Mrs. Smith brought grace and wisdom to this Chamber as a dedicated representative of the people. An intrepid spirit characterized her work as a member of the Senate Armed Services Committee, on which I had the pleasure of serving with her. At all times, the safety and prosperity of the Nation were her sole objectives, and she worked to ensure that the United States was always prepared to defend liberty against any enemy.

When our Nation was gripped in turmoil, Mrs. Smith was quick to supply raging debates with needed perspective and calming insights. She personified the very best qualities that define the American character and applied those commendable attributes to all of her work as a Member of this institution.

Mr. President, I am confident I speak for all of us who knew Margaret Chase Smith when I say that she will be greatly missed. Her legacy is a standard of public service toward which every Member of the U.S. Senate should strive, and my sympathies go out to all those touched by her warmth and intelligence.

TRIBUTE TO THE LATE JAMES BOYD "JIM" KLUTTZ

Mr. THURMOND. Mr. President, James Boyd "Jim" Kluttz passed away last month at his home in Laurens, SC, and I would like to offer his family and many friends my deepest condolences for their heavy loss.

A dedicated reporter, Mr. Kluttz served as editor emeritus of the Laurens County Advertiser following his retirement from the paper in 1981. His tenure with the paper began in 1966, and Mr. Kluttz photographed and reported upon the people and places of Laurens County for the next 15 years. His colleagues described his love and commitment to the people of Laurens as follows: "(Mr. Kluttz') was the kind of journalism that reflects the heart and soul of a community and all that is good in it * * * and, in many ways, he was the soul and conscience of our community." Clearly, Mr. Kluttz practiced the kind of journalism that, unfortunately, is now all too rare.

Mr. President, I know I speak for all those who knew Jim Kluttz when I say that he will be missed greatly. My heartfelt condolences go out to his wife, Alma Wyatt Kluttz, his two sons, James Thomas Kluttz and John Boyd Kluttz, his daughter, Laura Anne K. Smith, and their families for the loss they have suffered.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES!

Mr. HELMS. Mr. President, more than 3 years ago, I began daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

As of the close of business Friday, June 2, the exact Federal debt stood at $4,902,882,032,835.06, meaning that on a per capita basis, every man, woman, and child in America owes $18,611.42 as his or her share of the Federal debt.

It is important to note, Mr. President, that the Senate had an opportunity to implement a balanced budget amendment to the Constitution. The Senate failed by one-vote in its first opportunity to bring the Federal debt under control.

There will be another opportunity in the months ahead.

Mr. DOLE. What is the pending business?

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

COMPREHENSIVE TERRORISM PREVENTION ACT

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

A bill (S. 735) to prevent and punish acts of terrorism, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hatch Amendment No. 1199, in the nature of a substitute.

AMENDMENT NO. 1199

Mr. DOLE. Mr. President, let me say to my colleagues that we hope to complete action on this bill very quickly, and I am asking my colleagues on each side—I think there are 67 amendments on the Democratic side, 30-some on the Republican side—to see if we cannot limit the number of amendments. We will also file cloture today and try to get consent to vote on that cloture motion tomorrow in an effort to expedite this bill.

Immediately after the tragic events in Oklahoma City, I wrote to President Clinton expressing my hope that we could put aside partisanship and develop an antiterrorism plan all Americans could support. Just as partisan politics stopped at the water's edge during World War II, it has always been my view that partisan politics should stop at "evil's edge" in our war against terrorism.

During the past several weeks, I have had the opportunity to discuss this issue directly with the President. Our staffs have shared ideas. We have introduced our own legislative plans. And Senator HATCH, chairman of the Judiciary Committee, has had several important hearings. The proposal now before the Senate is a culmination of all these efforts: Democrats, Republicans, the President, staff input. This is a bipartisan plan. It reflects many Republican ideas, and it contains many of the initiatives endorsed and sought by President Clinton himself—prohibitions on fundraising for foreign terrorist organizations; the Alien Terrorist Removal Act, which is designed to deport alien terrorists in a prompt manner without disclosing vital national security information; and increased funding for the Federal Bureau of Investigation and other law enforcement agencies.

Now, last week we brought this up before the recess first, I think, for the record. So we had this almost filibuster on the budget with tons of amendments that took, I do not know how many, 10, 20 hours to vote on the amendments. That lost us 24 hours in the process. By design? I do not know, but it happened and we wasted a lot of time.

I told the President I wanted to pass this bill on the Senate side before the Memorial Day recess, and we did bring it up. And then we were flooded with amendments, again maybe by design and maybe not. But the President is the leader of the Democratic Party. He said last week, "There are too many amendments (to the Senate bill) that threaten too much delay."

I happen to agree with the President on that, but I have not seen any evidence of any active engagement by the White House in the legislative process on the other side of the aisle. The last count was, as I said, 67, 69.

The bottom line is that words of complaint will not be enough. Complaining about delay may make for good politics, but what we need from the President is not words but leadership. I want to fulfill the President's request. I want to pass the antiterrorism bill promptly, without delay. But if we are going to accomplish this goal, the President will have to move off the sidelines and get into the game, as we need his help. It is not enough to make the speeches, not enough to make the radio addresses, not enough to say whatever. We ought to pass it. But particularly in the U.S. Senate, where any group of Senators can slow things down—and we have had almost a record performance this year by my colleagues on the other side—this happens to be a bill that is not partisan. It is bipartisan. It is something that the President claims credit for. It seems to me it would be in his interest to have somebody up here trying to make certain that we pass the bill.

If we do not complete action by the close of business tomorrow, I will have no other choice but to withdraw the antiterrorism bill and move on to other legislative business. If we can get consent to vote on cloture tomorrow, we will find out how many people really want this bill, or whether this bill will become a Christmas tree where everybody has a political agenda and they want to put it on the antiterrorism bill. I believe that would be a grave mistake. We have a full plate here in the Senate. We have telecommunications, and I promised both Senators PRESSLER and HOLLINGS for the last 2 or 3 weeks that we would like to finish that this week. We have welfare reform and regulatory reform, just to name a few. All of these will take some time.

We do not have time to get bogged down for 3 weeks on a very important bill with amendments that are not important at all, for the most part, and just making statements or having votes when the amendments could be accepted. I have heard that many of the amendments will be accepted. Let us not waste 20 or 30 minutes on rollcall votes on 15 or 20 amendments that can be accepted. It seems to me that if our colleagues want to pass this bill, accepting it is just as good as having a vote, and we can save a lot of time.

We will be in late tonight, and votes will start at 5 o'clock. It is not in the interests of the American people to delay. We can always return to the antiterrorism bill, and this might be something to do during the August recess if we cannot get it done now. We are going to be here for part of August, no doubt about it. Maybe this will be a priority during the first 2 or 3 weeks during what might have been the August recess.

Mr. President, of all the antiterrorist proposals under consideration, habeas corpus bears perhaps most directly on the tragic events in Oklahoma City. If we really want justice that is "swift, certain, and severe," as President Clinton urged, then we must stop the endless appeals and endless delays that have done so much to weaken public confidence of our system of criminal justice.

According to Princeton Prof. John Diiulio, more than 330,000 Americans were murdered during the 16 years between 1977 and 1993. Yet, during the same period, only 2,716 people were placed on death row and only 226 convicted killers have actually been executed. In America, today there is clearly a big disconnect between crime and punish.

Our habeas corpus reform proposal seeks to bridge this gap by imposing a 1-year filing deadline on all death row inmates, State or Federal. It limits convicted killers in State or Federal court to one habeas petition. That is one bite at the apple. In contrast, under current law, there is virtually no limit to the number of petitions a convicted killer may file. It requires the Federal courts, once a petition is filed, to complete judicial action within a specified period of time.

In fact, if the Federal Government prosecutes the Oklahoma City case and the death penalty is sought and imposed, the execution of the sentence could take as little as 1 year if these reforms are enacted into law. Otherwise, it might take 5, 10, 15 years. It seems to me it is a step that ought to be taken, a step the President talked about on "60 Minutes." Somebody said he wanted habeas corpus reform. Habeas corpus reform is an essential component of any serious antiterrorism plan. The relatives of some of the victims of the Oklahoma City bombing have traveled all the way to Washington today to make this very point. In fact, I think there is a press conference going on as I speak. They want Congress to act on these reforms and act now. That is the view also shared by a bipartisan group of State attorneys general, including Drew Edmondson, the Democratic attorney general of Oklahoma.

In a recent letter to President Clinton, these attorneys general write:

> Expedited consideration of [habeas corpus reform] legislation in the context of the antiterrorism bill is entirely appropriate. Unless habeas corpus reform is enacted, capital sentences for such acts of senseless violence will face endless legal obstacles. This will undermine the credibility of the sanctions and the expression of our level of opprobrium as a Nation for acts of terrorism.

Despite his positive comments about habeas reform in a "60 Minutes" interview, President Clinton has written me urging me to exclude habeas corpus reform. One day he is for it, and the next day he says exclude it. Do not bring it in now because it might upset some of the liberals on the other side of the aisle.

The President has publicly chided Members of the Senate for refusing to endorse his "emergency wiretap" proposal; yet, strangely enough, the President himself refuses to endorse the one proposal that will bear most directly on the Oklahoma City tragedy—and that is habeas corpus reform.

Finally, Mr. President, the American people deserve the straight story, and the straight story is that America is not an impregnable fortress. No legislation, no matter how well-intentioned, no matter how well-conceived, can guarantee absolute security. We can take every possible precaution. We can pass tough laws. But in a free society there will always be risks—a fact of life vividly demonstrated by the recent breaches of White House security.

I want to thank my distinguished colleague from Utah, Senator HATCH, for his leadership in developing an antiterrorism plan. During the past several weeks, he has provided the intellectual glue that has kept this effort together. I also thank my distinguished colleagues from Oklahoma, Senators NICKLES and INHOFE, for their input and for their role in developing this antiterrorism plan. We all know this has been a very difficult time for them and their constituents. So we are especially appreciative of their invaluable help.

I had a conversation with Senator BIDEN from Delaware before we went out for the recess. I believe he wants to complete action on this bill as quickly as possible. I think with his cooperation, and with some help from the White House and with help on this side on Republican amendments, we can wrap this bill up. There is no reason we could not finish it today, or certainly by tomorrow.

I ask unanimous consent that a letter I sent to President Clinton last Thursday be printed in the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. The letter suggests that the President should help us out on this bill. He could call his Democratic colleagues, maybe have a White House meeting, and see if we cannot complete action on this bill. The House has not acted. But that does not mean we cannot act. We can act first for a change.

I say to my colleagues, let us expect a number of votes. I do not see the managers here, but I think they are in a press conference with some family members of the victims of the Oklahoma City tragedy. I say, again, if the amendments can be accepted and if there is no problem with the amendments, let us not have votes like that at 7, or 8, or 9 o'clock tonight.

With all the good will I can muster, I believe this is an important bill, important for the American people, important for the victims' families and those involved in Oklahoma City. Also, it is important that we get it done. I am certainly willing to work with the President in an effort to do that by the close of business tomorrow.

EXHIBIT 1

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, June 1, 1995.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As you may know, the Senate is currently scheduled to resume consideration of the anti-terrorism bill when we return on Monday, June 5. Under a unanimous consent agreement adopted last Friday, a total of 99 amendments to the bill are in order (32 Republican amendments and 67 Democratic amendments).

I am now in the process of urging my Republican colleagues not to offer any unnecessary or unrelated amendments. Hopefully, these efforts will pay off and we will be able to reduce the number of Republican amendments to a manageable level. During the remainder of this week, it is my hope that you will exert similar pressure on the Democrats in the Senate, particularly in light of your complaint yesterday that "there are too many amendments that threaten too much delay."

Mr. President, if you really want Congress to pass the anti-terrorism bill as promptly as possible, words will not be enough. Your active involvement in discouraging Democratic Senators from offering unnecessary and unrelated amendments is absolutely essential.

I hope you would also call upon Congress to pass meaningful habeas corpus reform as part of the anti-terrorism proposal now pending before the Senate. Of all the anti-terrorism initiatives under consideration, it is perhaps habeas corpus reform that bears most directly on the tragic events in Oklahoma City. In fact, if the federal government prosecutes the Oklahoma City case and the death penalty is sought and imposed, the execution of the sentence could take as little as one year if the reforms in the pending legislation are enacted into law.

Not surprisingly, a bipartisan group of State Attorneys General, including Drew Edmondson, the Democratic Attorney General of Oklahoma, has written that "expedited consideration of [habeas corpus reform] legislation in the context of the anti-terrorism bill is entirely appropriate. Unless habeas corpus reform is enacted, capital sentences for such acts of senseless violence will face endless legal obstacles. This will undermine the credibility of the sanctions, and the expression of our level of opprobrium as a nation for acts of terrorism."

Finally, I was struck by how your radio address last Saturday characterized the anti-terrorism legislation now pending before the Senate. The address described the legislation in very personal terms, as "my proposal," "my anti-terrorism bill," "the legislation I proposed." With all due respect, Mr. President, this legislation is a bipartisan product, incorporating many initiatives proposed by Republicans and Democrats alike. The simple fact is that the anti-terrorism plan now before the Senate does not belong to any one party or any one political figure. It belongs to the American people.

Sincerely,

BOB DOLE.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute amendment to S. 735, the anti-terrorism bill.

Bob Dole, Orrin G. Hatch, John Ashcroft, Slade Gorton, Craig Thomas, Strom Thurmond, Spencer Abraham, Alfonse D'Amato, Trent Lott, Larry E. Craig, Dan Coats, Rick Santorum, Bob Smith, Don Nickles, Rod Grams, R.F. Bennett.

Mr. DOLE. Mr. President, let me indicate I will be speaking with the Democratic leader to see if we cannot have a vote on this tomorrow. I did not file the motion on the Friday before we went out because I thought at that point there would be a lot of progress made during the recess. I am not certain what progress has been made, but this is just the final attempt on the part of the majority leader to try to pass this bill.

We will find out how many people really want to pass the antiterrorism bill when it comes to a cloture vote. There will be other bills this year to offer amendments on. This is not the last train to come through the Senate. I hope we can pass a good bill, and I hope the House follows suit very quickly and that we get it to the President in the next week or so.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I have just come from a press conference where a significant number of the victims of the Oklahoma City bombing appeared. It was a very moving experience for me to hear these people talk about their loved ones who were killed in the bombing and to meet some of them who were actually maimed and harmed during the bombing.

At that particular press conference were Diane Leonard, whose husband, Don, a Secret Service agent was killed in the bombing; Glenn Seidl, who lost his wife, Kathy; Kay Ice, who lost a brother, Paul, a Customs agent; Mike Reyes, who lost his father and was injured himself; Jason Smith, who lost his mother, Linda McKinney; Dan McKinney, Linda's husband; Gary Bland, who lost his wife, Shelly; Suzanne Britten, who lost her fiance, Richard Allen; Earl Adams, who lost a nephew, Scott Williams; Alice Maroney Dennison, who lost her father, who gave me this ribbon and pinned it on me personally, representing the tragedy, or I should say tragedies that occurred in the Oklahoma City bombing.

I very proudly will wear this ribbon and will keep it after this debate, as well. And I want to thank Alice Maroney Dennison for thinking of me and being kind enough to give me these ribbons, representing various aspects of the Oklahoma City bombing.

Beverly Rankin was also a survivor who lost many friends in the bombing.

Mr. and Mrs. Lee Chancellor were there, as well, and of course he is a strong force in one of the national organizations trying to get some finality in the habeas corpus laws.

I have to say I was very impressed by these victims of this bombing. They stood there and told their stories and begged the U.S. Senate and the Congress as a whole to get this bill through and to keep the true habeas corpus provisions in the bill as they are currently written.

The habeas corpus provisions of this bill happen to be the only part of the bill and really, the only thing we can do, to make up to those who have lost family members and those who have been hurt and maimed, as a result of the Oklahoma City bombing. It is the one reform Congress can pass which will affect this case.

It is the one thing we can do something about. We can stop these incessant, frivolous appeals, that cost the taxpayers hundreds of millions of dollars—billions over the extended period of time—in frivolous litigation, that keeps these people alive for 5, 10, usually an average of almost 10 years, sometimes as long as 18 to 20 years. Some of them die in prison before the final judgments are carried out.

The reason that the far left in this country is fighting habeas corpus reform is because they hate the death penalty. They feel they cannot win the battle over public opinion so they have adopted a strategy to make death penalty litigation so costly and so protracted that capital punishment is eliminated de facto. Now, I have to admit that I believe the death penalty is proper, but I hate it, too. I wish we never had to use it. I wish there would be no heinous murderers in our society. But there are occasions where it is appropriate and just. It is a deterrent, as much as the opponents of the death penalty argue against it.

However, I would suggest that instead of throwing up frivolous appeal after frivolous appeal and allowing this system to distort and disrupt our society and putting these victims and their families through frivolous appeal after frivolous appeal, I would suggest that if they hate the death penalty, argue the issue straight up, argue against the death penalty. Make their philosophical points. Fight it throughout society if they want to, but do not make a mockery of justice by keeping a system alive that literally is thwarting justice.

The fact of the matter is some have argued that habeas reform applied to the State is not germane to this debate. These individuals, including my distinguished colleague and friend from Delaware, contend that a reform of the political overview of State convictions is meaningless in the context of the debate we are having. They are willing to admit that some revision of the collateral review may be in order, but they contend that reform of Federal collateral review of cases tried in State court is unnecessary. This position is simply incorrect.

I would like to read from a letter written by Robert H. Macy, district attorney of Oklahoma City, and a Democrat. By the way, at this meeting today, representatives from the attorney general for the State of Oklahoma, a Democrat, were there, and one came up to me afterward—Richard Winnery—and said, "Thank you for what you are doing." Drew Edmondson has been one of our strongest supporters as a Democrat of habeas corpus reform, and there are a number of other Democrat attorney generals, and I might say many prosecutors who are Democrats throughout the country, who agree with what we are doing here.

Robert H. Macy, as district attorney of Oklahoma City and a Democrat, said:

> Immediately following the trial or trials in Federal court, I shall, working in cooperation with the United States Department of Justice and the Federal law enforcement agencies investigating the bombing of the Alfred P. Murrah Building, prosecute in Oklahoma State court the cowards responsible for murdering innocent people in the areas surrounding the Federal building. And I shall seek the death penalty. We must never forget that this bombing took several lives and injured dozens of persons in the neighborhoods and businesses near the building. The State of Oklahoma has an overwhelming, compelling interest to seek and obtain the maximum penalty allowable by law for the senseless and cowardly killings.

That is a statement of Robert H. Macy, the district attorney for Oklahoma City, a Democrat.

In our reaction to the destruction of the Federal buildings in Oklahoma City, we may overlook the fact that the bomb also caused the death of people not inside the building at the time, that were not inside the building itself, or even on Federal property. The State of Oklahoma, not the Federal Government, will thus prosecute those responsible for the bombing that killed people outside of the Alfred P. Murrah Building.

In those instances, Federal jurisdiction may not obtain and it will thus be necessary to prosecute the killers under State law, as well as Federal, court.

A failure to enact a complete, meaningful, reform of habeas corpus proceedings may enable the individuals in this case, provided they are apprehended and duly convicted, to frustrate the demands of justice. The blood of the innocent men and women are on the hands of the evil cowards who committed this terrible tragedy. Justice must be, as President Clinton declared, "swift, certain, and severe."

Moreover, failure to enact meaningful, comprehensive, habeas reform will permit other killers who have terrorized their communities to continue to frustrate our judicial system in this country. If we adopt this view, we will create a schism between State and Federal capital law. In other words, murderers tried in Federal court will face imposition of their final penalty more swiftly than persons tried for capital crimes in State courts—that is, if we adopt the amendments that apparently are going to be put forth by the ranking minority member on this committee. So, in other words, if we adopt any amendment that changes the habeas corpus reform bill within this bill that would provide that it applies only to Federal courts, that will create a schism between State and Federal capital law.

Murderers tried in Federal court will face imposition of their final penalty more swiftly than persons tried for capital crimes in State cases. Why should we adopt such a piecemeal approach to reform, one that will leave such a gap between State and Federal cases? It simply makes no sense to reform habeas proceedings for cases tried in Federal court but leave the current disastrous system in place for cases tried in State court.

As of January 1, 1995, there were some 2,976 inmates on death row. Yet, only 38 prisoners were executed last year, and the States have executed only 263 criminals since 1973.

Yet, keep in mind, 2,976, almost 3,000, are sitting there on death row. Many more have died while in prison from natural causes, and some even from unnatural causes, while waiting for imposition of their penalty, because of frivolous habeas corpus appeals.

I might add, some of them have committed further murders while the delays have occurred, murders that would not have been committed had sentences been carried out.

Abuse of the habeas process features strongly in the extraordinary delay between the sentence and the carrying out of that sentence. In my home State of Utah, for example, convicted murderer William Andrews, with his partner, murdered a number of people in the hi-fi murder case, but only after they had tortured them by ramming pencils through their ears and pouring drain cleaner down their throats, destroying their vocal boxes and their esophageal areas.

There, the imposition of a constitutionally imposed death sentence for over 18 years. The State had to put up millions of dollars in precious criminal justice resources to litigate his meritless claims. His guilt was never in question. He was not an innocent person seeking freedom from an illegal punishment. Rather, he simply wanted to frustrate the imposition of punishment his heinous crimes warranted.

This abuse of habeas corpus litigation, particularly in those cases involving lawfully imposed death sentences, has taken a dreadful toll on victims' families, seriously eroded the public's confidence in our criminal justice system, and drained State criminal justice resources. This is simply not a just system.

Justice demands that lawfully imposed sentences be carried out. Justice demands that we now adopt meaningful habeas corpus reform. Justice demands that we not permit those who would perpetuate the current system to steer us from our course. We must do as the victims, families, and friends of those who have asked us to do: enact meaningful, comprehensive, habeas reform now.

Mr. President, the Senate is in session today debating the specific topic of habeas corpus reform, as well as other aspects of this antiterrorism bill. I have been devoting my time to habeas corpus reform because of, and in honor of, the witnesses, the victims, and the families of victims who appeared here today.

I notice the distinguished Senator from California is here. Does the Senator desire to take the floor and speak?

Mrs. FEINSTEIN. In response to the Senator, I would like to send an amendment to the desk. I was going to do it at 11:30.

Mr. HATCH. That will be fine. I will hold off on any further comments on this until after the distinguished Senator has a chance to present her amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 1202 TO AMENDMENT NO. 1199

(Purpose: To amend the bill to authorize requirements for tagging of explosive materials and other purposes)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], proposes an amendment (No. 1202) to amendment No. 1199.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 152, strike line 6 through line 17 on page 153, and insert the following:

SEC. ___. STUDY AND REQUIREMENTS FOR TAGGING OF EXPLOSIVE MATERIALS, AND STUDY AND RECOMMENDATIONS FOR RENDERING EXPLOSIVE COMPONENTS INERT AND IMPOSING CONTROLS ON PRECURSORS OF EXPLOSIVES.

(a) the Secretary of the Treasury shall conduct a study and make recommendations concerning—

(1) the tagging of explosive materials for purposes of detection and identification;

(2) whether common chemicals used to manufacture explosive materials can be rendered inert and whether it is feasible to require it; and

(3) whether controls can be imposed on certain precursor chemicals used to manufacture explosive materials and whether it is feasible to require it.

In conducting the study, the Secretary shall consult with other Federal, State and local officials with expertise in this area and such other individuals as shall be deemed necessary. Such study shall be completed within twelve months after the enactment of this Act and shall be submitted to the Congress and made available to the public. Such study may include, if appropriate, recommendations for legislation.

(b) There are authorized to be appropriated for the study and recommendations contained in paragraph (a) such sums as may be necessary.

(c) Section 842, of title 18, United States Code, is amended by inserting after subsection (k), a new subsection (l) which reads as follows:

"(l) It shall be unlawful for any person to manufacture, import, ship, transport, receive, possess, transfer, or distribute any explosive material that does not contain a tracer element as prescribed by the Secretary pursuant to regulation, knowing or having reasonable cause to believe that the explosive material does not contain the required tracer element.".

(d) Section 844, of title 18, United States Code, is amended by inserting after "(a) through (i)" the phrase "and (l)".

(e) Section 846, of title 18, United States Code, is amended by designating the present section as "(a)" and by adding a new subsection (b) reading as follows: "(b) to facilitate the enforcement of this chapter the Secretary shall, within 18 months after the enactment of this Act, promulgate regulations for the addition of tracer elements to explosive materials manufactured in or imported into the United States. Tracer elements to be added to explosive materials under provisions of this subsection shall be of such character and in such quantity as the Secretary may authorize or require, and such as will not substantially impair the quality of the explosive materials for their intended lawful use, safety of these explosives, or have a substantially adverse effect on the environment.".

(f) The penalties provided herein, shall not take effect until ninety days after the date of promulgation of the regulations provided for herein.

Mrs. FEINSTEIN. Mr. President, the amendment I am offering today is an amendment to require the use of taggants. Now, what is a taggant? A taggant is a tiny, microscopic, color-coded plastic or ceramic piece which can be mixed with explosive materials to allow law enforcement agencies to trace a batch of explosives like we currently do with car serial numbers. In other words, it might be possible, therefore, to identify the place of purchase of these explosives and therefore to, quite possibly, trace the purchaser.

Why is this important? It is important because we have seen in this Nation a rising incidence of bombs. In my own State in the last few years, there have been about 500 bomb incidents. The Department of Justice tells us that about 80 percent of these result in an actual detonation. Consequently, there has been major loss of life from bombing incidents. I think this was brought home to every American by the incident in Oklahoma City.

It is a complicated amendment because it is actually two parts. First, it requires the Secretary of the Treasury to do a study within 12 months, and then within 18 months to implement the results of that study or put into place a system by which taggants can be included in across-the-counter explosives. The affected explosives would include dynamite, water gels, slurries, emulsions, and black powder.

Second, it would require a study on the use of diffusers in another body of agents used in explosives, and those are common chemicals such as the ammonium nitrate fertilizer that was used in the Oklahoma City bombing—common chemicals, these kinds of chemicals, as well as pool chemicals that can be utilized. This part of the amendment would only require a study, however, as to how these chemicals can be made inert or diffused or nonexplosive. The amendment also has language so that it will not impair the effectiveness, the safety, nor the environmental impact of the explosive materials which are covered.

This past Friday in Los Angeles, I met with members of the Los Angeles County bomb squad, the Orange County bomb squad, Bureau of Alcohol, Tobacco and Firearms bombs experts, and FBI experts, and virtually everyone in the room supported the use of taggants as a possible viable law enforcement tool.

Taggants have been available for use in the United States and elsewhere for some 20 years but, frankly, special-interest groups have prevented their use. The current bill only provides that a study be done on the feasibility of using these taggants. There is no deadline. This means that 16 years of delay that has already taken place could be followed by another 16-year period of delay. My amendment includes two real deadlines. First, the report must be done in 12 months; and, second, after 18 months, the use of taggants would be required.

I think the potential effectiveness of taggants was highlighted by a study conducted in the late 1970's when ATF seeded a very small portion of explosives, 10,000 pounds, with taggants. Despite this relatively small sample, these taggants actually helped solve a bombing in Maryland. In other words, by seeding just 10,000 pounds of explosives with taggants, they actually got leads to one bombing which led to the conviction of the individual responsible.

If we had required taggants years before, we could have had crucial evidence in about 17 percent of the bombs cases that occurred between the years of 1987 and 1993. People will say taggants do not work or should not work. They will say they should not be included. But I will tell my colleagues that Switzerland for some time has incorporated taggants into explosives, and it has resulted in the conviction of many who have perpetrated bombings.

I should say that, although ammonium nitrate was used along with diesel fuel, the people I have spoken to also believe there had to have been another accelerator included in that explosive batch of materials, and that accelerator most probably could have been tagged with a taggant.

I believe the amendment before my colleagues is well thought out, Mr. President, and I believe it can and should be supported by both sides of this Chamber.

I thank the Chair and yield the floor.

Mr. President, I suggest the absence of a quorum. And I also retain the remainder of my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I would like to add my support of the Comprehensive Terrorism Prevention Act of 1995, which is the bill before us.

For many years, it seemed to many Americans that the United States was immune to terrorism, that somehow it could not reach our shores. Perhaps it is because we are surrounded by oceans on the west and the east, by friendly neighbors to the north and to the south. We may have fooled ourselves into a false sense of security, somehow thinking that we live on an island and that no terrorist would reach us.

We were long ago disabused of any such notion about our safety abroad. The hijackings and hostage takings of the 1970's and 1980's taught all Americans that we could be the victims of foreign terrorists who were prepared to use violence to advance their causes. We have expended much time, effort, and money to improve the safety of our airlines and our Embassies and to ensure the cooperation of other governments in combating terrorism. But for many, home seemed a refuge, a haven from the political violence that has plagued so many other parts of our world. But we can no longer comfort ourselves with such illusions—and illusions they are. What was once unthinkable here in America is today a reality. Terrorism can strike us here at home. It can strike with massive deadly force, and it poses a most fundamental threat to our freedoms—the right to life, liberty, and the pursuit of happiness. So that is why we must act, and that is why we must take action on this bill today.

In the wake of Oklahoma City, there is a new imperative—a bipartisan consensus on the need for tough, comprehensive antiterrorism legislation that can move through the legislative process and become law quickly. So I would like to commend the distinguished majority and minority leaders, as well as the Senator from Utah and the Senator from Delaware, who are the distinguished chairman and ranking member of the Judiciary Committee, for acting expeditiously to bring this bill to the floor.

The purposes of the legislation are clear: To make it more difficult to carry out acts of terrorism, to toughen the penalties for committing or abetting acts of terrorism, and to strengthen the hands of our law enforcement authorities to prevent and respond to acts of terrorism.

Terrorists do not wait to get caught. It is our job to give our law enforcement agencies the authority and ability to seek out terrorists before they act. We must find them before they find us. It is that simple and that important.

I believe that terrorism, the ultimate act of cowardice, actually threatens our life, our way of life, and jeopardizes our most fundamental liberties. With all that at stake, it is important that we act today.

One of the most important sections of this bill, in my view, is a section that toughens restrictions on access to explosives, and increases the penalties for possessing stolen explosives, for transferring explosives with knowledge that they will be used to commit a crime, for conspiracies involving explosives, and for using explosives to commit a crime. These provisions are long overdue and well-considered. Oklahoma City taught us what the people of Beirut and London, Tel Aviv and Buenos Aires have known for far too long: Bombs kill. That is their sole purpose—to blow up buildings and kill people. We should be doing everything possible to make it harder for terrorists to get their hands on explosives.

I have a very personal interest in the issue of bombs. You see, Mr. President, I myself was the target of a terrorist bombing less than 20 years ago. An extremist group, the New World Liberation Front, tried to blow up my home, and failed only because the type of explosive they used does not detonate when the temperature drops below freezing and San Francisco experienced a rare frost that night. I was lucky, but so many others have not been.

The proliferation of bombmaking materials has reached astounding proportions. According to the Bureau of Alcohol, Tobacco and Firearms, from 1983 to 1993 bombings in the United States more than tripled, from 910 to 2,980. The Department of Justice now puts out an annual Bomb Summary each year—who ever thought such a thing would be necessary?—and in 1993 summary, we learn that the 2,980 bombing incidents, 541 of which were in California, caused 49 deaths and 1,323 injuries nationwide. Whether or not all of these bombing incidents can be classified as terrorist attacks, these appalling statistics clearly demonstrate the need to restrict access to bombmaking materials.

Indeed, Mr. President, the problem is not merely with bombmaking materials. In my opinion, there is altogether too much information too readily available on how to conduct terrorist attacks. Books and manuals, some of them posted on the Internet, teach everything one could want to know about picking locks, stealing chemicals, building bombs—all the skills you need to be a successful terrorist. Later, I intend to offer an amendment that will strengthen this legislation by making it a crime to teach or disseminate bombmaking information with knowledge that it will be used in a crime.

Mr. President, another extremely important section of this bill deals with the problem of aliens who are members of terrorist organizations. It should be clear, that the risks of allowing alien terrorists to work their way through ordinary deportation hearings, which are often lengthy and slow-moving, are unacceptable. Yet, this is the case under current law. In terrorist cases, our law enforcement authorities must be granted expedited procedures for deportation.

I am pleased that the pending legislation provides for a special "terrorism court," composed of U.S. district court judges appointed by the Chief Justice of the Supreme Court, that would be able to deport expeditiously alien terrorists without risking the disclosure of national security information and techniques. In the rare cases where evidence against an alien is highly classified, a summary of the evidence will be provided to the alien. In addition, the pending legislation would make membership in a terrorist organization a sufficient basis for exclusion from the United States.

The point of this provision, is that when the Government has reliable information regarding terrorist activities of specific aliens, we cannot afford to wait until they commit crimes to deport them. The special court will hear evidence, and if it makes a compelling case that the alien is a member of a terrorist organization, the alien will be deported. I am confident that we can trust a panel of five Federal judges, appointed by the Chief Justice of the United States, to fairly weigh the evidence disclosed. And importantly, there is provision to not fully disclose sensitive information that could lead to the deaths of Americans and others. Such disclosures should not be necessary just to deport someone dangerous.

Mr. President, one of the most serious problems we face is that international terrorist groups use the open environment of the United States to raise funds for their terrorist activities. The President has already delineated a list of organizations—such as Hamas and Hizbullah, and Jewish extremist groups like Kach and Kahane Chai—that raise funds in the United States for terrorist activities that undermine the Middle East peace process. The legislation before us will help put an end to that, by making it illegal to raise funds for any activity conducted by an organization deemed by the Secretary of State to be engaged in terrorist activities.

Some have raised the objection that certain groups, that may conduct terrorist operations, also run humanitarian or social service operations, like schools and clinics. But I simply do not accept that so-called humanitarian works by terrorist groups can be kept separate from their other operations. I think the money will ultimately go to bombs and bullets, rather than babies, or, because money is fungible, it will free up other funds to be used on terrorist activities.

Mr. President, we have all witnessed over the years the harm done to U.S. citizens and U.S. interests by international terrorism. The bombings of United States Embassies, the slaughter of 241 U.S. marines in Beirut, the hijacking of American airliners, the bombing of Pan Am flight 103 over Lockerbie, Scotland, the holding of American hostages. All of these images are deeply imprinted on our national psyche.

These incidents, and the hundreds of others like them, aimed at Americans and non-Americans alike, pose one of the greatest threats today to international stability and security. Terrorism, as we have seen in Tel Aviv, Jerusalem, and Hebron, can wreak havoc on the Middle East peace process. It undermines moderate regimes, such as Egypt, and exacerbates social tensions. It disrupts the lives of ordinary people, the flow of commerce, and the policies of affected governments.

The State Department's Patterns of Global Terrorism report tells us that in 1994, there were 321 international terrorist attacks, over one-fifth of which were anti-U.S. attacks. And although this figure represents a 23-year low, it still means that there was an average of nearly one terrorist attack per day in 1994. All told, these attacks killed 314 people and left another 663 wounded.

In the face of this problem, the United States should demand, and has every right to expect, full cooperation from all friendly governments in the battle to combat international terrorism. Cooperation today is by and large quite good, although some nations are not as cooperative as we would like. The pending legislation would increase the incentive for other governments to cooperate in our antiterrorist efforts by prohibiting U.S. assistance to countries that provide aid or military equipment to terrorist states. The seven state sponsors of terrorism—Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria—do not deserve such assistance until they can justifiably be removed from the list of state-sponsors.

The bill would also expand the type of assistance that we can provide our allies under the Anti-Terrorism Assistance Program. With the expansion of such programs, and the increased incentive for other countries to cooperate with us, the United States can help forge even greater international consensus on combating terrorism.

But again, Mr. President, the primary lesson of the World Trade Center and Oklahoma City bombings is that from now on we face the possibility of a serious terrorist problem here at home. In addition to international terrorist groups that may set up cells in the United States, there is a growing danger of armed extremist groups of Americans, who hold antigovernment views, using violence to pursue their agenda. We have all heard the inflammatory statements of some members of militia and other right-wing extremist groups attacking religious or ethnic groups, predicting violent revolution against the Government, or slandering Federal law enforcement officers, who risk their lives to protect the very freedoms that allow the extremists to make their outrageous statements. But we have been warned. When heavily armed people with the ability to make bombs make threats, we ignore them at our peril.

For that reason, Mr. President, perhaps the most important provisions of this legislation are those that strengthen the ability of Federal law enforcement officers to monitor extremist and potential terrorist groups. These provisions grant Federal law enforcement agencies enhanced access to credit, telephone, financial, and certain commercial records in counterterrorism cases. It will no longer be required to have evidence of criminal activity, but it will allow officers to investigate groups whom they suspect may be engaging in criminal activity.

The effect of these changes in law will effectively be to untie the hands of our law enforcement officials. Currently our agents are unable to be proactive—they are only able to react to criminal activity, and launch an investigation of suspect individuals or groups after there is credible evidence of wrongdoing. These changes will allow our law enforcement officials to take steps to stop terrorist attacks before they happen. By investigating, monitoring, and infiltrating groups that may be involved in terrorism before a crime is committed, our agents can actually help prevent terrorist acts, and perhaps prevent the kind of horror we all witnessed last month.

Passive investigation by the FBI of any group with terrorist potential is absolutely necessary in this day and age. As FBI Director Louis Freeh testified before the Judiciary Committee earlier this month, we "can't afford" even one terrorist nuclear incident. Infiltration and court-ordered surveillance are critical to preventing that doomsday scenario from becoming a reality at some point in time. As long as the FBI and police do not encourage illegal conduct or otherwise entrap group members, we simply have to have the information that good surveillance—and only good surveillance—can provide.

I want very much to make a few comments on the habeas corpus provisions. I suspect that these provisions are often complicated, that they are not always well known. But I believe very strongly in the provisions of this bill. As President Clinton recently said—and I could not agree more—"swift punishment, including the death penalty, where appropriate, is critical in efforts to combat terrorism." I strongly believe that the death penalty can act as a deterrent to the most violent of crimes and is an appropriate punishment for those who knowingly take another life.

There has been a lot of discussion as to whether the death penalty is or is not a deterrent. But I remember well in the 1960's when I was sentencing a woman convicted of robbery in the first degree and I remember looking at her commitment sheet and I saw that she carried a weapon that was unloaded into a grocery store robbery. I asked her the question: "Why was your gun unloaded?" She said to me: "So I would not panic, kill somebody, and get the death penalty." That was firsthand testimony directly to me that the death penalty in place in California in the sixties was in fact a deterrent.

But the deterrent impact of the death penalty is weakened when it cannot be imposed swiftly after a verdict has been reached in a fair trial. As the Senate Judiciary Committee heard at its hearing on habeas reform last March, the extraordinary delay in carrying out capital sentences is in effect a form of terrorism against the survivors of murder victims, traumatizing them year after year by preventing justice from being carried out.

Let no one doubt, Mr. President, that habeas reform should and must be an integral part of this legislation.

Indeed, I spoke a few days ago with Oklahoma Attorney General Drew Edmondson, and a number of surviving family members of the men and women who lost their lives in Oklahoma City in that blast. It was a moving conversation and one that I will not forget. In sum, each of the survivors with whom I spoke, as well as the attorney general, urged the swift adoption of the habeas proposals in this legislation. Each conveyed to me that justice will not fully have been done until those responsible for the bombing have been tried, convicted, and the death penalty imposed and swiftly carried out.

As Alice Maroney Dennison, the daughter of Mickey B. Maroney, a special agent with the Secret Service, said to me: "I'm 27 years old and they took my father. I cannot be 47 when this man goes to death. That's not fair."

Mr. President, Alice Maroney Dennison's plea, and indeed the voices of all of the family members of Oklahoma City's victims, a number of whom just about a half-hour ago held a press conference in front of this Capitol, must be heard, and their loved ones must not have died in vain.

Mr. President, it is time for meaningful habeas corpus reform. This bill contains it. Let no one doubt that comprehensive reform is critical, and particularly in capital cases.

Much has been said about the case of Robert Alton Harris in California, a vicious murderer, and what he did when he was out of prison in San Diego. He went to a drive-in. He wanted to take a car. There were two 16-year-old boys in the car eating hamburgers. He took the car with the boys in it. He took the youngsters to a remote location. He killed one. The other dropped to his knees crying and begging for help, and he killed the second. Then he ate their hamburgers and went on to commit other robberies.

This man actually filed no fewer than 6 Federal habeas petitions and another 10 such petitions in State court before he was ultimately executed 14 years later for his crime. In all, Harris and his attorneys were able to engineer 14 years' delay of his capital sentence. It was 14 years of unresolved grief for the survivors of his victims.

In California today there are currently 410 convicted criminals on death row. On June 7, the longest serving member of California's death row population, Andrew E. Robertson, will mark the 17th year of his incarceration. He has managed to delay his capital sentence by filing habeas petitions for 17 years.

In California, since 1978, when the people of the State voted to put back into place the death penalty, 18 prisoners on death row have died of natural causes or committed suicide. Only 2 have been executed. Only 2 have had their sentence carried out, while 18 have either committed suicide or died of natural causes, all of them delaying their sentence.

Another case deserves attention as well. Clarence Ray Allen committed murder in 1974. He was convicted and sentenced to life in prison in 1977. From within prison he ordered the murder of the witnesses to the first murder. In September 1980, his assassin shotgunned to death three people and gravely wounded a fourth.

Six years later, the California Supreme Court affirmed his conviction and death penalty. During the next 2 years, it considered and denied a State habeas corpus petition in which a prison inmate is permitted to attack his sentence on factors outside the appellate record.

The U.S. Supreme Court declined review. On September 2, 1988, a Federal district judge issued a stay of execution. Over 6 years later that stay remains in effect, and the case is still mired in the district court. Unfortunately, this is a typical case. This points out a need for the habeas corpus reform in the bill before the Senate today.

In fact, according to Attorney General Dan Lungren's testimony before the Senate Judiciary Committee in March of this year, there are "currently 410 inmates on death row in California. We have had 2 executions occur since 1992, the only 2 in the last 27 years. The number of capital cases pending on Federal habeas corpus has more than doubled since 1991," when he first testified here on this issue.

In 4 years, the number of Federal habeas corpus cases on death row in California has doubled. Mr. President, since the death penalty was reinstated in California, as I said, many more prisoners on death row have died of natural causes and suicide than of a carrying out of their sentence.

This problem is not unique to California. According to the Administrative Office of the U.S. Courts, during the year ending September 30, 1994, there were 11,918 prisoner petitions for habeas corpus review in the U.S. district courts alone. That is the reason habeas corpus reform has been a high priority of the Judiciary Committee. We should do it right and not merely pass a bill labeled with the term "habeas reform" for the sake of passing legislation.

That is why all 58 California district attorneys opposed the habeas provisions included in Senate bill 1607, the crime bill as originally introduced in 1993, and legislation introduced that year, Senate bill 1657.

I am very pleased to say that the habeas provisions included in the bill currently under consideration by the Senate are identical to those included in the Habeas Corpus Reform Act, Senate bill 623, legislation strongly supported by the attorneys general of California and Oklahoma and which, I believe, strikes an appropriate balance between the need to assure due process of those both convicted in capital and noncapital crimes and the need of any rational judicial system to bring cases to closure.

Most importantly, Mr. President, this bill provides habeas petitioners with one bite of the apple. It assures that no one convicted of a capital crime will be barred from seeking habeas relief in Federal court. In my view, it appropriately limits second and subsequent habeas appeals to narrow and appropriate circumstances.

Furthermore, the bill requires States which provide for counsel that habeas appeals must be filed within 6 months of when a State prisoner's conviction becomes final, or in States where standard for the adequacy of counsel are not adopted, such appeals must be filed within 1 year. So there is an incentive that if there is an adequacy of counsel standard in your State, there is 1 year from which the habeas petition must be filed.

Time limits are also imposed upon courts. The bill requires that Federal courts must act promptly on habeas appeals and establishes a mechanism by which courts of appeals will screen habeas petitions before they are permitted to go to a Federal district court for resolution.

Finally, unlike the crime bill proposals that I and the Nation's law enforcement officials opposed 2 years ago, the bill does not dictate to the States precisely what counsel competency standards are adopted, but rather it properly provides States with an incentive to formulate their own plans by making expedited timetables I have just described available for States to do so.

I believe there are two things that are an effective deterrent to crime. One of them is the speed of the trial. The other is the certainty of punishment. The habeas corpus reforms in this bill will make much more certain the certainty of punishment. I am very pleased to support them. I am very pleased to give my commendation to the committee chairman, the Senator from Utah, and to support this bill.

I think this is an important moment for our country and for this Congress. We have an opportunity to take bold action which will go a long way toward increasing the security of our citizens. This comprehensive package of antiterrorist legislation is an important step also in the recovery for the people of Oklahoma City, the people of the State of Oklahoma, and the people of the United States. For while the wounds of that day will never fully heal, today we begin to act to help prevent future sorrows and to help the American people be reassured that their rights to life, liberty, and the pursuit of happiness will not be threatened by the menace of terrorism, whether from foreign shores or our own.

I yield the floor.

Mr. HATCH. Mr. President, I thank the distinguished Senator from California for her cogent remarks on habeas corpus reform. She is one of the leaders in this body in trying to reform these laws, and I want to personally compliment her for them.

I appreciate the support that she is bringing to this debate. It means a lot to me personally, as one who has fought for years to try to get the habeas corpus bill through. This is the time when I think we have to stand up and do it. I thank her and I appreciate the leadership she has provided.

Presently, there are 100 amendments, under our unanimous consent agreement, to this bill. Mr. President, 68 of these amendments are Democrat amendments and 32 amendments are

Republican. Most of the Republican amendments, I believe, will not be offered. So it is really coming down to the 68 amendments that our friends on the other side have.

We have the Feinstein taggant amendment pending, but I want to urge my Democrat colleagues to come to the floor and offer their amendments. We will stack them for votes beginning at 6 o'clock tonight. I believe we also can dispense with several GOP amendments, including the two Pressler amendments, the Smith amendment, a Brown amendment, and perhaps an Abraham amendment today, if we can. I would like to do that.

Having said that, I would like to spend a few minutes chatting about the amendment of the distinguished Senator from California which is currently pending.

I have to rise in opposition to that amendment, but I first want to emphasize that the bill under consideration, S. 735, already contains a requirement for a study of the feasibility of "tagging" all explosives for tracing purposes.

Trace tagging, unlike "identification" taggants, are actual chips mixed in with the explosive. This is certainly an area that merits further serious study. We have authorized, in the bill, the Departments of Treasury and Justice to undertake exactly such a study.

Our bill also includes a provision which requires plastic explosives to be tagged with a detectable agent, thus helping to ensure that these devises can be detected before they are used in sabotage.

A detection taggant is a chemical odorant added to the explosive which enables security devises to detect the explosive. This particular provision fulfills our obligations under an international convention requiring such legislation.

The amendment under consideration, however, goes much further. In addition to providing a study of tracing taggants, it also gives regulatory authority to the Bureau of Alcohol, Tobacco and Firearms to implement the results of the study without congressional review. The amendment thus presupposes that the study will conclude that the use of tracing taggants is feasible, and the amendment criminalizes the failure to include these agents in the manufacturer of explosives.

Thus, the Feinstein amendment would require the placement of so-called traceable taggants—that is, microscopic bits of plastic coded to link explosives to a particular manufacturer—in all explosives before the study of whether this is feasible or safe is concluded, or even conducted for that matter. This is hardly the type of impartiality and objectiveness the American people would want in a study of this sort.

Indeed, even if the study reasonably concluded that use of such agents was practical, cost effective, and would aid law enforcement, opponents of the inclusion of such agents would have the perfect argument that the results of the study were preordained and thus unreliable.

Even the Bureau of Alcohol, Tobacco and Firearms, the agency which would have regulatory authority, has conceded that more study is needed before implementing procedures and regulations. The BATF's division chief for arson and explosives recently stated:

> It would be important for us to at least assess the state of the technology and the research and the development that has been done in the last 15 years. We need to get ourselves up to speed.

Moreover, this amendment would impose a requirement for regulation without regard to the need for unbiased study of this issue, or for the legitimate safety concerns raised by the use of these taggants.

A 1980 report by the Office of Technology Assessment found substantial evidence that placing these "tracing" taggants in explosives seriously affects the stability of the explosive materials. Thus, these taggants could increase the risk of injury or death. Tagging explosives may raise other very important issues, such as contamination of evidence, saturation of tagging agents in places where explosives are used for legitimate uses, and negative effects on small business.

Given these very important and wide-ranging concerns, it is imperative that the Congress, not the BATF, have the ability to make these important decisions regarding tracing taggants once a study is completed. Requiring the use of taggants before a thorough study of the effectiveness and safety implications of their use is conducted places the cart before the horse.

The bill now before the Senate provides for a comprehensive study of this issue. Congress should commission and review the study before enacting criminal penalties based on the assumed outcome.

I understand the distinguished Senator is very sincere in her amendment and is trying to do what is right here. But I hope the points I have raised will persuade colleagues on both sides of the aisle that we ought to approach this with a study first and then see where we go from there and have congressional action with regard to taggants after we have a thorough-going study because of the safety and other concerns involved in tagging various explosives.

It is not just safety; it is effectiveness of the explosives as well. But safety is something that is more important to me. I really believe we ought to do this the right way. Of course, hopefully, do it in a way that ultimately will be pleasing to our friend from California, who is very sincere about her amendment and has the highest of motivations in bringing it here. But I hope I have made the case we really should not accept this amendment at this time.

I am prepared to move to table the amendment with the understanding the vote will occur after 6 p.m. today.

Mrs. FEINSTEIN. I wonder if the Senator would permit me to respond to his statement prior to tabling?

Mr. HATCH. Sure.

Mrs. FEINSTEIN. I appreciate that very much.

Mr. President, if I might just very briefly respond? Taggants have been studied. I am holding up one of these studies entitled "Taggants In Explosives." The date is April 1980. The studying office is the Office of Technology Assessment. You can see the thickness of the study.

On the issue of safety, what the Office found:

> In no case did the addition of encapsulated taggants significantly increase the sensitivity of the explosive materials to the test conditions. No evidence of any decreased stability or other significant changes was found in any of the tests with dynamite, gels, slurries or black powder.

That is essentially the world that would be affected by taggants. The taggants would affect, really, these areas. In my amendment we do provide for a study, but what we say is at some point you have to say enough of studying and make a decision and go ahead. Twelve more months of study and then it is implementation, where taggants can be used with safety, with no increase in the volatility of the explosive matter, and where they could lead to being able to trace suspects in bombings.

There have been two constituencies opposed to taggants. Let us be brutally frank. One of them is, once again, our friends in the National Rifle Association. And the second is the explosives industry. The explosives industry says taggants would add cost to us.

In fact, the cost of using taggants in dynamite, water gels, slurries, emulsions, and cast boosters, as quoted are, per pound, $1.42; $1.47; $1.45, and $7.41 respectively. That is a minimal cost to be able to trace back where an explosive might be used in a bomb that can blow up as many as 168 people at one time.

The National Rifle Association has once again opposed the use of taggants. I cannot figure out the reason for the life of me, but I suppose it is because we surround this area with a certain kind of anonymity. I think if ever we have seen the need to increase transparency in sales of explosives we saw it at the World Trade Center and we saw it once again in Oklahoma City.

My amendment would also permit the study, and a study only, of chemical fertilizers that are used, like ammonium nitrate, to see if these fertilizers can be made inert. There are countries, for example, that add lime to ammonium sulfate and prevent it from exploding. Should we do that? I think we ought to study it. The amendment in the bill, the original, includes no study in the area of chemical fertilizers and chemical components which are increasingly used as bomb materials in this country.

In response to my distinguished chairman, I would only say there is a time to study and there is a time to stop studying and take action. This issue has been studied in 1980. In my amendment it will be studied for another year. But then we will move ahead in the areas I have just mentioned: dynamite, water gels, slurries, emulsions, and black powder. All of these areas can be successfully tagged. The state of the art is there to do it. Switzerland has done it for a number of years. Other countries are doing it and there is no reason why we should not as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, there are a couple of letters I have received, mailed to the Honorable CHRISTOPHER J. DODD and the Honorable JOE LIEBERMAN. This is from Unimin Corp. in New Canaan, CT, a corporation or business right in the middle of their State. I will just read the letter to Senator DODD. I ask unanimous consent both letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNIMIN CORP.,
New Canaan, CT, May 24, 1995.
Hon. CHRISTOPHER J. DODD,
U.S. Senate, Washington, DC.

DEAR SENATOR DODD: I am writing on behalf of Unimin Corporation to express Unimin's opposition to S. 761 (proposed by the Clinton Administration and introduced by Senators Daschle and Biden) which authorizes the Treasury Department (BATF) to promulgate regulations requiring the use of identification "taggants" in explosives manufactured in or imported into the United States. This legislation could devastate our business.

Unimin is the world leader in the mining, production and sale of high purity silica powders used both domestically and abroad in the production of semi-conductors. In the initial stage of Unimin's silica purification process, explosives are used to extract the silica-containing ore from the earth.

In order to meet the stringent purity requirements of our semi-conductor industry customers, Unimin has gone to great expense using the most advanced technology in the industry to remove nearly all forms of contaminants from our silica products. Unimin has reduced the metal contaminants to levels below 1 part per million. The slightest impurity in our materials can result in costly losses to our customers because they result in defective silicon chips. High purity silica is the hallmark of our international business success and leadership. We produce the world's purest natural silica powder. As a result we are the leading supplier of this essential semi-conductor product to producers in each of the U.S., Europe and Japan.

This proposed legislation would force Unimin to introduce contaminants (the taggants to be included in the explosives we use) into our product, and could make our product unsuitable for their intended use—the production of semi-conductors. This legislation would give our foreign competitors (who will not have their products contaminated by taggants from explosives used in silica mines abroad) an enormous opportunity to get our customers in the U.S. and overseas to drop their U.S. supplier, Unimin.

Unimin Corporation urges that you oppose this legislation. While everyone seeks to deter terrorism, further study and thorough consideration should be given to this important issue before any action is taken which will have unintended, far-reaching and commercially injurious consequences to Unimin's world leadership in the high purity silica market. There must be some way to meet the objectives of this legislation without requiring a company which depends entirely on the purity of its product to introduce contaminant taggants into our production stream.

Unimin urges you to support S. 735, sponsored by Senators Dole and Hatch, which proposes a study of detection and identification taggants for non-plastic explosives.

Unimin looks forward to your support in this issue.

Very truly yours,
JOSEPH C. SHAPIRO,
Senior Vice President/Legal and Regulatory Affairs.

UNIMIN CORP.,
New Canaan, CT, May 24, 1995.
Hon. JOE LIEBERMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LIEBERMAN: I am writing on behalf of Unimin Corporation to express Unimin's opposition to S. 761 (proposed by the Clinton Administration and introduced by Senators Daschle and Biden) which authorizes the Treasury Department (BATF) to promulgate regulations requiring the use of identification "taggants" in explosives manufactured in or imported into the United States. This legislation could devastate our business.

Unimin is the world leader in the mining, production and sale of high purity silica powders used both domestically and abroad in the production of semi-conductors. In the initial stage of Unimin's silica purification process, explosives are used to extract the silica-containing ore from the earth.

In order to meet the stringent purity requirements of our semi-conductor industry customers, Unimin has gone to great expense using the most advanced technology in the industry to remove nearly all forms of contaminants from our silica products. Unimin has reduced the metal contaminants to levels below 1 part per million. The slightest impurity in our materials can result in costly losses to our customers because they result in defective silicon chips. High purity silica is the hallmark of our international business success and leadership. We produce the world's purest natural silica powder. As a result we are the leading supplier of this essential semi-conductor product to producers in each of the U.S., Europe and Japan.

This proposed legislation would force Unimin to introduce contaminants (the taggants to be included in the explosives we use) into our product, and could make our product unsuitable for their intended use—the production of semi-conductors. This legislation would give our foreign competitors (who will not have their products contaminated by taggants from explosives used in silica mines abroad) an enormous opportunity to get our customers in the U.S. and overseas to drop their U.S. supplier, Unimin.

Unimin Corporation urges that you oppose this legislation. While everyone seeks to deter terrorism, further study and thorough consideration should be given to this important issue before any action is taken which will have unintended, far-reaching and commercially injurious consequences to Unimin's world leadership in the high purity silica market. There must be some way to meet the objectives of this legislation without requiring a company which depends entirely on the purity of its product to introduce contaminant taggants into our production stream.

Unimin urges you to support S. 735, sponsored by Senators Dole and Hatch, which proposes a study of detection and identification taggants for non-plastic explosives.

Unimin looks forward to your support in this issue.

Very truly yours,
JOSEPH C. SHAPIRO,
Senior Vice President/Legal and Regulatory Affairs.

Mr. HATCH (reading the letter):

DEAR SENATOR DODD: I am writing on behalf of Unimin Corporation to express Unimin's opposition to S. 761 (proposed by the Clinton Administration and introduced by Senators Daschle and Biden) which authorizes the Treasury Department (BATF) to promulgate regulations requiring the use of identification "taggants" in explosives manufactured in or imported into the United States. This legislation could devastate our business.

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> Very truly yours,
>
> UNIMIN CORPORATION.
> JOSEPH C. SHAPIRO,
> *Senior Vice President/Legal and Regulatory Affairs.*

That is just one illustration of perhaps many illustrations that indicates we are not as sure of what we are doing in this area as we should be.

I am concerned about the effectiveness of explosives. More importantly, I am concerned about the safety of explosives. But this raises another issue, and that is whether putting taggants into explosives that are utilized in some of our industries might destroy those industries in this country at a high cost to our society. And I would say the silica chip industry is a very important industry in this country.

Senator FEINSTEIN's amendment requires the Secretary of Treasury to promulgate regulations requiring the placement of trace elements which "will not substantially impair the safety of the explosive."

I would like to ask my colleague one question. Where do we draw the line, and what is a substantial or unsubstantial impairment of safety?

Does not the Feinstein amendment require the placement of taggants where doing so may very well impair safety? At least, that is what I have been led to believe.

I would be happy to yield for a response.

Mrs. FEINSTEIN. Mr. President, if the Senator will yield for a moment, the amendment very specifically says so that safety would not be impaired; in other words, in the study that would be done in the ensuing 12 months that there not be an adverse environmental impact, not impair the stability of the explosive materials, and that safety not be impaired.

Those are the three criteria in the amendment.

Mr. HATCH. The study that the distinguished Senator from California has cited was conducted, I believe, back in 1980. I am a member of the Technology Assessment Board. That study itself found substantial evidence that placing taggants in explosives seriously affects the stability of the explosive material. I am reading what it says here on page 29, in their detailed findings.

> The tests so far conducted are only a small fraction of the total number of tests that must be performed before it can conclusively be determined whether taggants are compatible with commercial explosives and gun powders. Even if the current question of the stability of smokeless powder in boosters is resolved, it is not possible to generalize from the results of the limited tests . . . so far completed.

And they conclude that the testing has not demonstrated that taggants can be safely added to explosives.

Thousands of people come into contact with explosives every day during the manufacture, storage, transportation, and use of explosives. Accidents involving explosives can have extremely severe consequences to these thousands of people. Therefore, safety must be demonstrated, and a carefully administered qualification program for analysis, safety, testing, and manufacturing procedures, control, and experience is necessary before a new explosive or an explosive with a significant exchange in composition can be considered safe.

In addition, each type of explosive product requires individual evaluation and testing, the type of qualification program considered necessary before safety can be demonstrated as shown in table 12 and discussed in detail in chapter 4. A particularly important aspect of that qualification testing is the effect of long-term storage.

It goes on. The point is that recently, the ATF itself asked for further studies recognizing that technologies had changed substantially since the original study was conducted. It is pretty apparent that I and those on my side of this issue do not oppose taggants per se. Rather, we oppose granting regulatory authority to an agency before an updated study can be done which may solve some of these very important issues.

Even though the distinguished Senator requires a study, as do we, she requires without further congressional approval that taggants be placed automatically at a certain time. It makes no sense to grant regulatory authority before an updated study is conducted. Indeed, I think that this legislation proposed by Senator FEINSTEIN would seriously undermine our confidence in the studies that have occurred thus far and our confidence in explosives in general.

So there is a lot of use of explosives in our society—legitimate, honest, decent use. The Unimin letter is a perfect illustration of perhaps thousands of businesses or companies or people who might be affected by this. We should not compromise the integrity or the objectivity of the study conducted by OTA.

So I, therefore, oppose this amendment, and with the Senator's permission, I move to table the amendment and ask for the yeas and nays, with the understanding that it will not be voted upon until after 6 o'clock tonight.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, I ask unanimous consent that the Feinstein amendment No. 1202 be laid aside, and at 6 p.m., we have a vote on my motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, this is a very special day to Oklahoma. We have a very distinguished group of people from Oklahoma who are at this very moment visiting with various Senators who oppose the idea of habeas reform. I cannot think of any stronger message that we can take to these people than from those who are the survivors and those who have families lost in the tragic explosion in Oklahoma.

I just came back from my 76th town hall meeting out in Oklahoma. I think I probably have more of those than any other Member of this body. A question always comes up when I have these meetings. They say something to the effect, "Why is it that people in Washington are more concerned about the criminals than they are the victims?" I try to explain to them—and I know that this is rather controversial to say, but I really believe it in my own heart, Mr. President—that at least prior to this new Congress coming in, the majority of people in both of these bodies did not honestly in their own hearts believe that punishment is a deterrent to crime.

It is one that I look at, and it seems very logical that when you take a tragedy such as we experienced in Oklahoma, when the perpetrators of that crime were preparing this explosion and what they were going to do, the bombing and the attack on the Federal building in Oklahoma City, this is not something that they did just overnight. This is something they planned—not for days, not for weeks, but maybe even, we feel, for several months.

During the time that something like this is happening, those individuals who are making the plans to detonate a bomb that will murder many, many people have to be thinking what is the worst thing, what is the downside of this, what is the worst thing that can happen to me if I get caught? The worst thing that can happen, as they look at it, might be to sit around in some air-conditioned prison cell watching color TV, eating three good meals a day for 10 years, 15 years, 20 years. And I suggest to you, Mr. President, that is not much of a deterrent.

I think particularly some of the people from maybe the Middle Eastern cultures, and others, people who are trained terrorists—most of them—do not think they are going to be around for 10 years, anyway. Here in America, it takes an average of 9½ years between conviction and execution. I suggest that takes away all of the deterrent value.

This happens because we have things built into our system. I am sure that they were put in there in the sense of trying to be fair to everyone, and to make sure no chances are taken that someone might be executed who was not actually the one who committed the crime. But they sit in there through appeal after appeal after appeal.

Roger Dale Stafford, in the spring of 1978, murdered a Sergeant Lorenz, then he murdered his wife, then he murdered Sergeant Lorenz' small son. Then he turned around and drove 60 miles to Oklahoma City, where he went into the Sirloin Stockade Restaurant. He rounded up six employees at gunpoint, bound them, took them into a refrigerator, and murdered them execution style.

That was in 1978. Roger Dale Stafford is now still in McAlester in our State prison in Oklahoma. By the way, he is now over 100 pounds more than he was when he went in, so you know they are feeding him pretty well. He has been sitting in his cell for 17 years and probably living better than he lived before anyway. And I suggest to you that is not just an inhumane thing to do to the families of those victims of his murders, but it is no deterrent for other people who may be tempted to do the same thing.

What is interesting about this is that the attorney who is so successful in getting all of these appeals and all these delays in the ultimate execution which still has not taken place of the guy who did kill those nine people back in Oklahoma in 1978, that attorney is a very competent and capable attorney named Steven Jones from Enid, OK. I happen to know him personally. I suggest to you that Steven Jones is also the attorney for Timothy McVeigh, one who is held right now as possibly one who is responsible for the tragedy in Oklahoma City.

So today we have a number of people who are here from Oklahoma. We have Diane Leonard, whose husband Don, a Secret Service agent, was killed in the bombing in Oklahoma City. We have Glenn Seidl, who lost his wife, Kathy, in the bombing. I talked to Kay Ice just a few minutes ago, who lost her brother, Paul. He was a customs agent; Mike Reyes, who lost his father and was injured himself in the explosion. I believe he is the one who actually fell four stories and was able to survive. But he lost his father; Jason Smith, who lost his mother, Linda; Dan McKinney. That is Linda's husband. He was here today; Gary Bland, who lost his wife, Sally; Suzanne Britten, who lost her fiance.

It is very significant that we understand what these people are doing today. We had a news conference at 10:30, and we stood down there in front of the Senate and they described the types of deaths that their loved ones had been subjected to, how there was no longer any facial characteristics left; they could not really identify them as they normally would; and being exposed to this, they are going through all this for one reason. That is, they know the way to deter this type of thing from happening again is to have swift justice.

We had a President who came out and said we want swift and sure justice. I call upon the President right now to stand up before these Oklahomans who are up here today and say, yes, I support Senator HATCH's habeas reform as in the bill. Frankly, as a Senator from Oklahoma, I am going to support the Kyl amendment for a stronger habeas bill. It is very moderate and very fair, but it is a habeas reform that will not allow these things to go year after year after year, 10 years, 15 years and 20 years, where all deterrent value is lost.

So, Mr. President, I hope that those Senators who are being visited right now by Diane Leonard, and by Glenn Seidl, and by Kay Ice and Mike Reyes and Jason Smith and Dan McKinney and Gary Bland and Suzanne Britten will stop and realize that they have an opportunity to preclude something like this from happening again, allow the message that will go out to all who might be considering such an act that in America we are not going to allow someone to sit around for 8 years or 10 years or 20 years before an execution takes place. We will in fact have swift justice.

Maybe, Mr. President, I am old fashioned, but I really believe in my heart that punishment is a deterrent to crime, and sitting around for 10 years is not cruel punishment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRIST). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1203 TO AMENDMENT NO. 1199

(Purpose: To make technical changes in section 102 of the Dole-Hatch substitute)

Mr. HATCH. Mr. President, I send an amendment to the desk for and on behalf of Mr. SMITH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. SMITH, proposes an amendment numbered 1203 to amendment No. 1199.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 6, strike "25 years," and insert the following:

"25 years; *Provided, however*, That the damages to property that were caused, or would have been caused if any object of the conspiracy had been accomplished, must exceed, or must be reasonably estimated to exceed, $25,000.

On page 7, at the end of line 17, add the following:

"*Provided, however*, That the damages to property must exceed $25,000;"

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I have just sent up the amendment for and on behalf of Senator SMITH. This is an amendment of a technical nature. This amendment simply places a dollar floor on cases that can be brought in Federal court in acts of terrorism. This amendment will prevent Federal courts from having to try minor cases in Federal court. For example, we would not want a case involving a mere broken window or a smashed door to be tried in Federal court.

So this amendment basically says, "* * * 25 years; provided, however, that the damages to property that were caused, or would have been caused if any object of the conspiracy had been accomplished, must exceed, or must reasonably be estimated to exceed, $25,000." So that is basically what this amendment does.

This amendment makes a great deal of sense in the context of this debate so I would urge my colleagues to support this Smith amendment.

Mr. President, I ask unanimous consent that the Smith amendment be set aside so that I can call up a Pressler amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1204 TO AMENDMENT NO. 1199

(Purpose: To designate the Federal building at 1314 LeMay Boulevard, Ellsworth Air Force Base, SD, as the "Cartney Koch McRaven Child Development Center")

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. PRESSLER, proposes an amendment numbered 1204 to amendment No. 1199.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. —. DESIGNATION OF CARTNEY KOCH MCRAVEN CHILD DEVELOPMENT CENTER.

(a) DESIGNATION.—

(1) IN GENERAL.—The Federal building at 1314 LeMay Boulevard, Ellsworth Air Force Base, South Dakota, shall be known and designated as the "Cartney Koch McRaven Child Development Center".

(2) REPLACEMENT BUILDING.—If, after the date of enactment of this Act, a new Federal building is built at the location described in paragraph (1) to replace the building described in the paragraph, the new Federal building shall be known and designated as the "Cartney Koch McRaven Child Development Center".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to a Federal building referred to in subsection (a) shall be deemed to be a reference to the "Cartney Koch McRaven Child Development Center".

Mr. PRESSLER. Mr. President, I am proud to offer this amendment along with my South Dakota colleague, Senator DASCHLE, to S. 735, the Comprehensive Terrorism Prevention Act, to designate the child development center at Ellsworth Air Force Base in South Dakota as the Cartney Koch McRaven Child Development Center.

It was just slightly more than a month ago that terrorist thugs bombed the Alfred P. Murrah Federal Building in Oklahoma City. Among the victims inside was Cartney Koch McRaven. Stationed at Tinker Air Force Base and having just been married the previous weekend, Cartney was in the Murrah Federal Building to register her new married name on Federal documents. Tragically, her life was cut short by the savagery of domestic terrorism.

It is only fitting that we honor Cartney at Ellsworth Air Force Base. Spearfish was her home. And she chose to begin her adult life by joining the Air Force and serving her country. And serve she did, with honor, with devotion, with dignity.

It is even more fitting that her name appear on the child development center at Ellsworth. A1c Cartney Koch McRaven served in Haiti, where the stark poverty had an enormous impact on her. Cartney's heart went out to the children of Haiti. She devoted her time in Haiti to an orphanage, offering a warm smile and a kind, loving word to young faces. The mission of our Armed Forces in Haiti was to ensure peace and offer hope to the people of Haiti—young and old. Cartney took her mission to heart.

Even her family honored Cartney's commitment to young people by urging that donations be made in Cartney's memory to the orphanage in Haiti.

But we do more than honor a person. We honor the values she personified and practiced in her daily life. The values of service, of duty, of compassion and caring for the underprivileged young—values that are at the core of South Dakota and of America.

It is my hope that by passing this amendment and the underlying bill, Cartney Koch McRaven forever will be remembered as a symbol of these core values and an inspiration to the young people in South Dakota and America to honor and serve their family, community, and country.

I urge my colleagues to support the amendment.

Mr. HATCH. Mr. President, I am offering this amendment on behalf of my colleague, Senator PRESSLER, the distinguished Senator from South Dakota. This amendment would designate the child development center at Ellsworth Air Force Base in South Dakota as the "Cartney Koch McRaven Child Development Center."

This amendment intends to honor the dedication and service of a young Air Force airman from South Dakota who was killed in the Oklahoma City bombing. U.S. Airman First Class Cartney Koch McRaven, a South Dakota native stationed at Tinker Air Force Base outside Oklahoma City, was among those killed in the April 19, 1995 bombing.

Last year, while serving in Haiti, Cartney devoted her free time to an orphanage. Her family asked that in lieu of flowers, donations be made to the orphanage in Haiti. This amendment seeks to honor her memory by designating the child development center at Ellsworth Air Force Base the "Cartney Koch McRaven Child Development Center."

I believe we can get unanimous consent on this amendment honoring this young Air Force airman. My colleague from Delaware is not here to comment on this amendment, so I ask unanimous consent that the amendment now be set aside so that we can call up another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1205 TO AMENDMENT NO. 1199

(Purpose: To amend title 18 of the United States Code regarding false identification documents.)

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. PRESSLER, proposes an amendment numbered 1205 to amendment No. 1199.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . FALSE IDENTIFICATION OF DOCUMENTS.

(a) MINIMUM NUMBER OF DOCUMENTS FOR CERTAIN OFFENSE.—Section 1028 of title 18, United States Code, is amended—

(1) in subsection (a)(3), by striking "five" and inserting "3"; and

(2) in subsection (b)(1)(B), by striking "five" and inserting "3".

(b) REQUIRED VERIFICATION OF MAILED IDENTIFICATION DOCUMENTS.—

(1) IN GENERAL.—Chapter 83 of title 18, United States Code, is amended by adding at the end the following:

"§1739. Verification of identification documents

"(a) Whoever knowingly sends through the mails any unverified identification document purporting to be that of the individual named in the document, when in fact the identity of the individual is not as the document purports, shall be fined under this title or imprisoned not more than 1 year, or both.

"(b) As used in this section—

"(1) the term 'unverified', with respect to an identification document, means that the sender has not personally viewed a certification or other written communication confirming the identity of the individual in the document from—

"(A) a governmental entity within the United States or any of its territories or possessions; or

"(B) a duly licensed physician, hospital, or medical clinic within the United States;

"(2) the term 'identification document' means a car, certificate, or paper intended to be used primarily to identify an individual; and

"(3) the term 'identity' means personal characteristics of an individual, including age and nationality.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 83 of title 18, United States Code, is amended by adding at the end the following new item:

"1739. Verification of identification documents.".

(c) CONFORMING AMENDMENT.—Section 3001(a) of title 39, United States Code, is amended by striking "or 1738" and inserting "1738, or 1739".

Mr. PRESSLER. Mr. President, I rise to explain the false ID amendment I have proposed to S. 735, the Comprehensive Terrorism Prevention Act.

According to several national news sources, Timothy McVeigh, the primary suspect in the Oklahoma City bombing, allegedly used a false South Dakota driver's license to rent the Ryder truck which exploded outside the Alfred P. Murrah Federal building on April 19 of this year. Again, the driver's license used by McVeigh was a fake. Timothy McVeigh is not a resident of South Dakota, nor do I believe he ever has been a resident of my State. My understanding is the fake license contained his picture, but a different name. To add insult to injury, the birthdate listed on the license was April 19, the same date as the bombing. This example illustrates how easily a terrorist can obtain an authentic-looking driver's license, and operate in our society under an assumed name.

It is not clear at this point exactly how McVeigh obtained the false South Dakota driver's license. However, the sad fact is, false identification documents [ID's] are easy and cheap to obtain given the advanced state of computer technology today. Counterfeiting a driver's license is child's play for sophisticated computer users. Modern color printers can produce stunningly accurate reproductions of driver's licenses, Social Security cards, and other ID's. Even anticounterfeiting measures, such as holographic images and magnetic strips, are being duplicated with relative ease.

A vast underground industry has emerged to meet the growing demand for false ID's from underage drinkers. Just last week, two young men who were students at George Washington University here in Washington, DC, plead guilty to operating a sophisticated fake driver's license operation. They sold the fake licenses to college students for $65 each. They even gave a discount for ordering 10 or more fake ID's. I ask that a news article describing that operation be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. Most States have laws against the use of false ID's to purchase alcohol, but those laws only target the underage drinker. Nothing prohibits anyone from mailing false ID's from another State. Tough Federal action is needed to really make a difference. Congress needs to crack down on the suppliers—those in the industry of producing and distributing false ID's.

Last year, and again this year, I introduced legislation designed to deal with this situation. The amendment I have offered today is similar to this legislation. It seeks to target and punish those in the business of producing and distributing false identification documents nationally.

Anyone convicted of distributing false ID's under this provision would face a prison sentence of up to 1 year, a fine, or both. The amendment also would reduce from five to three the number of false ID's that must be in a person's possession to trigger penalties under Federal law.

These two changes are needed if we are to make a dent in the volume of false ID's being offered and sold throughout our country. I urge my colleagues to support the amendment.

EXHIBIT 1

[From the Washington Post, June 2, 1995]

TWO PLEAD GUILTY TO SELLING FAKE DRIVER'S LICENSES

(By Toni Locy)

A student and a former student at George Washington University pleaded guilty in U.S. District Court yesterday to running a sophisticated fake driver's license operation, using computers to make nearly perfect copies to sell to underage students in several states so they could buy liquor.

Prosecutor Joseph B. Valder described Ronald Stewart Johnson, 20, as the mastermind of the scheme and Said C. Kiwan, 19, as the legman who drummed up business and made deliveries for the illegal enterprise. They sold the licenses for $65 each or at a discount of $55 each for 10, making about $8,000 in less than six months.

Valder said Johnson, as a high school student in Durham, N.C., discovered the wonders of computers and learned how to alter valid driver's licenses. He said Johnson used scanning equipment to enter a driver's license into a computer and shading and texture devices to make changes.

In 1994, Kiwan and Johnson, who were friends when their families lived in Rio de Janeiro when they were both 10, became reacquainted and began selling the licenses to make money, Valder said.

Though the prosecutor and defense attorneys lauded their cooperation with authorities after they were caught, U.S. District Judge Ricardo Urbina rejected a request by Kiwan's attorney to forgo the normal procedures and sentence him immediately.

Attorney Thomas Abbenante said GWU officials will decide next week whether to expel Kiwan, as they have done with Johnson. If Kiwan's case is resolved, Abbenante said, he has a chance to remain in school.

But Urbina refused to give Kiwan such a consideration. "This is an episode in his life that carries the potential of two years of incarceration. I would not want to send you the wrong message by having you walk in here, plead guilty . . . and walk out with probation that you may not deserve," the judge told Kiwan, who is a citizen of England and Lebanon.

"You are a privileged young man with lots of education, lots of advantages in life, with no need for money, and yet you engaged in this enterprise, which probably resulted in a lot of young people getting booze and possibly driving under the influence," Urbina said. "If ill consequences develop because of it, then that is your problem. You are here because you committed a crime, and you have to deal with the consequences, whatever they are."

Kiwan pleaded guilty to two misdemeanor counts for sending fake driver's licenses to a student at Vanderbilt University, in Nashville, and to a high school student in Durham. Johnson, who was born in Brazil but is a U.S. citizen, pleaded guilty to a felony charge of unlawful production of false identification. He faces up to five years in prison.

Mr. HATCH. Mr. President, I also believe this is another technical amendment that probably will be accepted by unanimous consent. I think many of the Republican amendments are of this nature. I do not believe this amendment needs to delay the debate on this matter.

What this amendment does is that it is similar to S. 507, the False Identification Act of 1995, which has the support of Senators GRASSLEY and DASCHLE. It would make the following two changes in our current law:

First, it would reduce from five to three the number of false identification documents—that is, ID's—that must be in a person's possession to trigger penalties under Federal law.

Second, it would require a prison sentence of up to 1 year, a fine, or both, for anybody convicted of distributing false ID's through the mail.

The amendment seeks to target and punish those producing and distributing false identification documents nationally. According to new sources, Timothy McVeigh used a false identification to rent the Ryder truck used in the Oklahoma City bombing. This illustrates how a terrorist can obtain an authentic-looking driver's license and operate in our society under an assumed name.

False ID's are obtained far too easily and cheaply today. Counterfeiting a driver's license is child's play for sophisticated computer users. Modern color printers can produce stunningly accurate reproductions of driver's licenses, Social Security cards, and other identification documents.

Even anticounterfeit measures such as holographic images and magnetic strips are being duplicated with relative ease. A vast underground industry has emerged to meet the growing demand for false ID's for underaged drinkers. Most States have laws against the use of false ID's to purchase alcohol, but they only target the underaged drinker. Nothing prohibits mailing false ID's from another State.

Tougher Federal action is needed to really make a difference. Congress needs to crack down on the suppliers, those in the industry producing and distributing false ID's.

I ask unanimous consent that the Pressler amendment be set aside so that another amendment can be offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1206 TO AMENDMENT NO. 1199

(Purpose: To authorize assistance to foreign nations to procure explosives detection equipment)

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. SPECTER, proposes an amendment numbered 1206 to amendment No. 1199.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, between lines 18 and 19 insert the following:

"(b) ASSISTANCE TO FOREIGN COUNTRIES TO PROCURE EXPLOSIVES DETECTION DEVICES AND OTHER SOPHISTICATED COUNTERTERRORISM TECHNOLOGY.—Subject to section 575(b), up to $10,000,000 in assistance in any fiscal year may be provided to procure explosives detection devices or other sophisticated counterterrorism technology to any country facing an imminent danger of terrorist attacks that threaten the national interests of the United States or put United States nationals at risk.".

On page 22, line 19, strike "(b)" and insert "(c)".

Mr. HATCH. Mr. President, this amendment I have sent to the desk on behalf of Senator SPECTER simply authorizes assistance to foreign countries to procure explosives detection devices and other sophisticated counterterrorism technology.

I believe that, in time, we can unanimously accept this amendment. That is why I have sent it to the desk. I compliment Senator SPECTER for his work on this amendment. I also compliment Senator PRESSLER for the work on his two amendments and Senator SMITH for the work on his amendment, all of which are before the Senate.

I ask unanimous consent that this Specter amendment be set aside so we can call up another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, referring to the current debate on the taggants amendment of Senator FEINSTEIN, Senator SIMPSON has asked me to get a letter into the RECORD from ARCO Coal Co. This is a letter to the Honorable ALAN K. SIMPSON dated June 5, 1995.

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 5, 1995.

Hon. ALAN K. SIMPSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMPSON: I understand that the Senate will be discussing S. 735 as early as June 6. As noted in earlier correspondence we support the concept of the bill. However, we have learned that Senator Feinstein will probably be introducing an amendment that broadens the scope of the bill to include such explosive agents as ammonium nitrate with fuel oil (ANFO). I am writing to urge you to resist this amendment as unnecessary and very costly. Following is most of the letter that was previously sent to your attention, and believe that it explains the problems with the Feinstein amendment.

In the wake of the tragedy in Oklahoma City, I have learned of Senate legislation that has been introduced to address the issue of domestic terrorism (S.735). ARCO Coal Company supports legislation that reduces or eliminates these horrific acts, but urges against any over reaction that would adversely impact the legal and responsible use of explosive materials, including ANFO.

Before discussing the proposed legislation in more detail, let me first explain the importance of this issue to the coal industry in Wyoming. Thunder Basin Coal Company (TBCC) is our subsidiary in Wyoming, operating the Black Thunder (BTM) and Coal Creek Mines. In order to mine efficiently, safely and cost effectively, the overburden and coal is "shot" with an ANFO/emulsion blend. Blasting operations at BTM safely and legally consume about 75 to 85 million pounds of ANFO on an annual basis (with plans to increase the usage to nearly 100 million pounds annually). The ammonium nitrate prill is manufactured at the fertilizer plant near Cheyenne, Wyoming and is transported to the mine by Wyoming trucking companies.

In reading about the proposed legislation we concur with the requirement for a "detection agent" (or taggant) in "plastic explosives". However, we oppose any broader requirements that explosive material, which would include ANFO, to contain "taggants" or "tracer elements" (to be defined by regulation). We have several key concerns with requiring taggants in ANFO, including:

1. Safety—manufacturers of the explosives used by the mining industry have raised the concern that the introduction of taggants will raise safety concerns. For example, the manufacturers are concerned that the introduction of the taggant into an explosives mixture can have an adverse effect on the friction and impact sensitivity and/or the stability properties of the explosives. The Wyoming coal mining industry is among the safest, if not the safest, in the entire world. This admirable safety record has not come about by accident, but rather through careful implementation of safety awareness and programs. We cannot compromise the safety of our employees.

2. Cost—a 1993 study by the Institute of Makers of Explosives (IME) conservatively estimated that taggants in ANFO would cost an additional 47 cents per pound. As previously noted, BTM anticipates using 75 to 85 million pounds of ANFO annually. Using the IME study, TBCC's costs would conservatively rise by $35 to $40 million annually on a product that is currently being used in a safe, legal and regulated manner. In a market that is highly competitive, costs have to be controlled.

We hope that you will support Title VIII provisions in S. 735 and will resist any efforts to expand the scope of the bill to include ANFO. This will help ensure that any new legislative and/or regulatory program meets its specified purpose without compromising safety or punishing industries using the product in a safe and legal fashion. We would also be glad to help you in any manner you desire with regard to this issue.

Sincerely,

GREG SCHAEFER.

Mr. HATCH. Gregg Schaefer is director of Government issues and analysis for the ARCO Coal Co.

Mr. President, as I said before, there are presently 100 amendments under the unanimous consent. We have five up. Sixty-eight of those are Democrat amendments; we have one of those up. Thirty-two amendments are Republican; four of those are up. Most of those 32 amendments, I believe, will not be offered.

I am hoping that Senators will get to the floor and offer their amendments so that we can stack these votes after 6 o'clock p.m. and move ahead with this very important bill.

I am wearing this ribbon in honor of the people who died, and their families who have survived, the Oklahoma City bombing. It has great significance to me because one of the survivor's daughters pinned it on me earlier this morning. I wear it with honor and with consideration for what these good people suffered and what they are going through currently.

We know that this bill is critical. The President has expressed dissatisfaction with the Congress because we did not pass an antiterrorist bill by Memorial Day. We are only a little time later than Memorial Day—one week. I believe we can, if we can get the cooperation of our friends on both sides of the aisle, I believe we can pass this bill by tomorrow evening or at some reasonable time this week.

I hope that Senators who have amendments will get over here to the floor and offer them. We will stack those amendments until after 6 o'clock tonight, and if necessary, tomorrow. I would like to debate them now and utilize this time so that we can move ahead on this very important bill.

Regarding a vast majority of this bill, I think a vast majority of Senators will agree with. I believe a vast majority of this bill, if not most all of it, the President agrees with.

It is a bill that should not have any real controversy except in some isolated areas, and of course on the habeas corpus reform provisions.

There are people who sincerely believe that we should have no habeas corpus rights in this society. There will be an amendment offered, perhaps later today or tomorrow, that will severely curtail habeas corpus appeals, if it is passed.

Then there are others who believe we ought to continue the same system we have now which allows for multiple frivolous appeals, one appeal after another, all the way up to the State courts, and then all the way up to the Federal courts, or vice versa. I do not think very many people in this country would agree with either of those extreme points of view.

Habeas corpus is a statutory right that was established for the purpose of protecting the rights of the accused.

Our habeas corpus provision, the Specter-Hatch bill, will protect those rights, but it will put an end to the frivolous appeals that make a mockery out of our system of justice.

I hope that our fellow Senators will get over here and bring their amendments to the floor so that we can move ahead and get this bill done within a reasonable time, please our President, and certainly do so in memorialization of the suffering that these folks from Oklahoma City are undergoing and in memorialization of those who have died, because we have not done enough to resolve terrorist problems in our society.

I am not sure that any piece of legislation is going to absolutely protect people from terrorist activities. Of course, no legislation can be crafted to do that. But this legislation will put teeth in our criminal laws, our Federal criminal laws, to bring people to justice who might commit terrorist activities and might deter those who are considering participating in terrorist activities in our society.

I am hopeful we can move ahead here today. I am prepared to stay as long as we have to and to debate any issue that any Member cares to bring to the floor. I hope those who have the remaining 67 amendments on the Democrat side and the remaining 28 amendments on the Republican side will get to the floor and move ahead on this matter.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I am very concerned that we are sitting here just wasting time while there have been complaints about not moving ahead on the terrorism bill. So we are moving ahead. We are here to go. Frankly, the only real controversial issue that I can see of any real consequence on this bill happens to be the habeas corpus, Specter-Hatch bill. I am hoping that those who have amendments on that habeas corpus reform bill will bring them to the floor and debate them and let us get them out of the way. If they win, they win. If they lose, they lose. The fact is let us get out here and use this time and not waste it. Thus far, we have had four Republican amendments, one Democrat amendment. The Democrat amendment is scheduled for a vote at 6 o'clock.

AMENDMENT NO. 1207 TO AMENDMENT NO. 1199

Purpose: To extend U.S. sanctions against Iran to all countries designated as "terrorist countries" by the Secretary of State)

Mr. HATCH. Mr. President, I send another Republican amendment to the desk and ask for its immediate consideration. I send this up for and on behalf of Senator BROWN from Colorado.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for Mr. BROWN, proposes an amendment numbered 1207 to amendment No. 1199.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the Dole-Hatch substitute, add the following new section—

"SEC. . SANCTIONS AGAINST TERRORIST COUNTRIES.

(a) PROHIBITION.—In conjunction with a determination by the Secretary of State that a nation is a state sponsor of international terrorism pursuant to 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), the Secretary of State, in consultation with the Secretary of Commerce, shall issue regulations prohibiting the following—

(1) The importation into the United States, or the financing of such importation, of any goods or services originating in a terrorist country, other than publications or materials imported for news publications or news broadcast dissemination;

(2) Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)), the exportation from the United States to a terrorist country, the government of a terrorist country, or to any entity controlled by the government of a terrorist country, or the financing of such exportation, of any goods, technology (including technical data or other information subject to the Export Administration Act Regulations, 15 CFR Parts 768–799(1994)) or services;

(3) The reexportation to such terrorist country, its government, or to any entity owned or controlled by the government of the terrorist country, or any goods or technology (including technical data or other information) exported from the United States, the exportation of which is subject to export license application requirements under any U.S. regulations in effect immediately prior to the enactment of this Act, unless, for goods, they have been (i) substantially transformed outside the U.S., or (ii) incorporated into another product outside the United States and constitute less than 10 percent by value of that product exported from a third country;

(4) except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)), any transaction, including purchase, sale, transportation, swap, financing, or brokering transactions, or United States person relating to goods or services originating from a terrorist country or owned or controlled by the government of a terrorist country;

(5) Any new investment by a United States person in a terrorist country or in property (including entities) owned or controlled by the government of a terrorist country;

(6) The approval or facilitation by a United States person or entry into or performance by an entity owned or controlled by a United States person of a transaction or contract:

(A) prohibited as to United States persons by subsection (3), (4) or (5) or

(B) relating to the financing of activities prohibited as to United States persons by those subsections, or of a guaranty of another person's performance of such transaction or contract; and

(7) Any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in this section.

(b) DEFINITIONS.—For the purposes of this section:

(1) the term "person" means an individual or entity;

(2) the term "entity" means a partnership, association, trust, joint venture, corporation, or other organization;

(3) the term "United States person" means any U.S. citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States;

(4) the term "terrorist country" means a country the government of which the Secretary of State has determined is a terrorist government for the purposes of 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), or 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) and includes the territory of the country and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the government of the terrorist country claims sovereignty, sovereign rights, or jurisdiction, provided that the government of the terrorist country exercises partial or total de facto control over the area or derives a benefit from the economic activity in the area pursuant to international arrangements; and

(5) the term "new investment" means—

(A) a commitment or contribution of funds or other assets, or

(B) a loan or other extension of credit.

(6) the term "appropriate committees of Congress" means—

(A) the Banking and Financial Services Committee, the Ways and Means Committee and the International Relations Committee of the House of Representatives;

(B) the Banking, Housing and Urban Affairs Committee, the Finance Committee and the Foreign Relations Committee of the Senate.

(c) EXPORT/RE-EXPORT.—The Secretary of the Treasury may not authorize the exportation or reexportation to a terrorist country, the government of a terrorist country, or an entity owned or controlled by the government of a terrorist country of any goods, technology, or services subject to export license application requirements of another agency of the United States government, if authorization of the exportation or reexportation by that agency would be prohibited by law.

(d) RIGHTS AND BENEFITS.—Nothing contained in this section shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

(e) WAIVER.—The President may waive the prohibitions described in subsection (a) of this section for a country for successive 180 day periods if—

(1) the President determines that national security interests or humanitarian reasons justify a waiver; and

(2) at least 15 days before the waiver takes effect, the President consults with appropriate committees of Congress regarding the proposed waiver and submits a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate containing—

(A) the name of the recipient country;

(B) a description of the national security interests or humanitarian reasons which require a waiver;

(c) the type and amount of and the justification for the assistance to be provided pursuant to the waiver; and

(D) the period of time during which such waiver will be effective.

The waiver authority granted in this subsection may not be used to provide any assistance which is also prohibited by section 40 of the Arms Control Export Control Act."

Mr. HATCH. Mr. President, I rise to offer this amendment for and on behalf of the distinguished Senator from Colorado, [Mr. BROWN].

This amendment will extend the sanctions currently imposed against Iran to all countries designated as terrorist countries by the Secretary of State. Thus, under Senator BROWN's proposed amendment, all countries deemed to engage in terrorist activities and designated as supporting international terrorism will be punished to the same degree that Iran is.

Now, this is a controversial amendment. I hope that those who are opposed to it will come to the floor and be prepared to debate it if they so desire. If not, we will put it in line following the stacked amendments where either it will be accepted by unanimous consent or voted upon one way or the other. Senator BROWN has permitted me to put that amendment into the RECORD at this point.

Now, that makes five Republican amendments. I think it is safe to assume that Senator DOLE probably is not going to call up his two. I am not going to call up my two. And so that is at least 9 or 10 Republican amendments disposed of, and I do not believe most of the others will be brought forward either.

Major difficulties are going to be over the question of habeas corpus reform. And I hope that those who have amendments to that will bring them up here today and let us debate them and go ahead. If there are any other amendments that can be brought to the floor at this time, we sure would like to encourage our colleagues to do so so we can dispose of as many of them today as we possibly can.

I ask unanimous consent that the Brown amendment be set aside so that another amendment can be called up by any Senator who desires to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, again I encourage my colleagues to get here and bring up their amendments. So far, we have five Republican amendments up, and two Democrat amendments. I believe that Senator DOLE will forgo his two. I intend to forgo my two, unless we have to use those. I have been informed by Senator GRAMM's staffer that he will forgo his two. That is six more.

We are moving through this pretty well today. But I would like to get as many amendments as can be agreed to or debated over a short term today as quickly as possible. Of course, we would be happy to take any habeas corpus amendments that there are.

As I have been standing here, some people have called in and wondered about the ribbons I am wearing on my lapel that were kindly placed there by one of the family members who lost a member of their family.

I think it is important, as we discuss this matter, that we recall why in the world we are here. There are 167 victims of the Oklahoma City bombing. This morning, along with Senator INHOFE and Senator NICKLES, I met with the families of some of the victims of that tragedy. So they presented me with this ribbon I am wearing. Let me just explain its significance. It has four ribbons, or four strands. The blue strand right here represents the State of Oklahoma. The white strand represents hope. The yellow strand represents those who were missing in the wake of the bombing. The purple strand represents those killed. Just to make that point a little more dramatically, this chart represents the victims of the Oklahoma City bombing.

I ask unanimous consent that all of those names be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE MURDERED VICTIMS OF OKLAHOMA CITY

Lucio Aleman, Jr., 33.
Teresa Alexander, 33.
Ted Allen, 48.
Richard Allen, 46.
Baylee Almon, 1.
Diane E. Hollingsworth Althouse, 44.
Pamela Argo, 36.
Saundra Avery, 34.
Peter Avillanoza, 57.
Calvin Battle, 65.
Peola Battle, 51.
Danielle Bell, 1½.
Oleta Biddy, 54.
Shelly Turner Bland, 25.
Andrea Blanton, 33.
Olen B. Bloomer, 61.
Army Sgt. 1st Class Lola Rene Bolden, 40.
James E. Boles, 51.
Mark A. Bolte, 27.
Cassandra Booker, 25.
Carol Bowers, 53.
Peachlyn Bradley, 3.
Woodrow Brady, 41.
Cynthia Campbell Brown, 26.
Paul G. Broxterman, 43.
Gabreon Bruce, 4 months.
Kimberly Ruth Burgess, 29.
David N. Burkett, 47.
Donald E. Burns, 62.
Karen Gist Carr, 32.
Michael J. Carrillo, 44.
Rona Chafey, 35.
Zackary Chavez, 3.
Robert Chipman, 51.
Kimberly K. Clark, 39.
Margaret L. Clark, 42.
Anthony C. Cooper II, 2.
Antonio A. Cooper, Jr., 6 months.
Dana L. Brown Cooper, 24.
Harley Cottingham, Jr., 46.
Kim R. Cousins, 33.
Elijah Coverdale, 2.
Aaron Coverdale, 5.
Jaci Coyne, 14 months.
Katherine Cregan, 60.
Richard Cummins, 56.
Steven Curry, 44.
Brenda Daniels, 42.
Sgt. Benjamin L. Davis, 29.
Diane Lynn Day, 38.
Peter DeMaster, 44.
Castine Deveroux, 48.
Sheila Driver, 28.
Tylor Eaves, 8 months.
Ashley Eckles, 4.
Susan Ferrell, 37.
Carrol "Chip" Fields, 49.
Katherine Ann Finley, 44.
Judy J. Fisher, 45.
Linda Florence, 43.
Donald Fritzler, 64.
Mary Anne Fritzler, 57.
Tevin Garrett, 1.
Laura Jane Garrison, 62.
Jamie Genzer, 32.
Margaret Goodson, 55.
Kevin Lee Gottshall, 6 months.
Ethel Louise Griffin, 55.
Colleen Guiles, 58.
Marine Capt. Randolph Guzman, 28.
Cheryl Hammons, 44.
Ronald Harding, 55.
Thomas Hawthorne, 52.
Doris Adele Higginbottom, 44.
Anita C. Hightower, 27.
Thompson E. "Gene" Hodges, 54.
Peggy Louise Holland, 37.
Linda Coleen Housley, 53.
George M. Howard, 46.
Wanda Howell, 34.
Robbin A. Huff, 37.
Charles Hurlburt, 73.
Anna Jean Hurlburt, 67.
Paul D. Ice, 42.
Christi Y. Jenkins, 32.
Domonique London Johnson, 2.
Norma Jean Johnson, 62.
Raymond L. Johnson, 59.
Larry J. Jones, 46.
Blake R. Kennedy, 1½.
Carole Khalil, 50.
Valerie Koelsch, 33.
Carolyn A. Kreymborg, 57.
Teresa L. Lauderdale, 41.
Catherine Leinen, 47.
Carrie Lenz, 26.
Donald R. Leonard, 50.
Airman 1st Class Lakesha R. Levy, 21.
Rheta Long, 60.
Michael Loudenslager, 48.
Aurelia "Donna" Luster, 43.
Robert Luster, 45.
Mickey Maroney, 50.
James K. Martin, 34.
Gilberto Martinez, 35.
Tresia Mathes-Worton, 28.
James Anthony McCarthy, 53.
Kenneth McCullough, 36.
Betsy J. McGonnell, 47.
Linda G. McKinney, 48.
Airman 1st Class Cartney J. McRaven, 19.
Claude Medearis, 41.
Claudette Meek, 44.

Frankie Ann Merrell, 23.
Derwin Miller, 27.
Eula Leigh Mitchell, 64.
John C. Moss III, 51.
Patricia Mix, 47.
Jerry Lee Parker, 45.
Jill Randolph, 27.
Michelle Ann Reeder, 33.
Terry Smith Rees, 41.
Mary Leasure Rentie, 39.
Antonio Reyes, 55.
Kathryn Ridley, 24.
Trudy Rigney, 31.
Claudine Ritter, 48.
Christy Rosas, 22.
Sonja Sanders, 27.
Lanny L. Scroggins, 46.
Kathy L. Seidl, 39.
Leora L. Sells, 57.
Karan D. Shephard, 27.
Chase Smith, 3.
Colton Smith, 2.
Army Sgt. 1st Class Victoria Sohn, 36.
John T. Stewart, 51.
Dolores M. Stratton, 51.
Emilio Tapia, 49.
Victoria Texter, 37.
Charlotte A. Thomas, 43.
Michael Thompson, 47.
Virginia Thompson, 56.
Kayla M. Titsworth, 3.
Ricky L. Tomlin, 46.
LaRue Treanor, 56.
Luther Treanor, 61.
Larry L. Turner, 43.
Jules A. Valdez, 51.
John K. VanEss, 67.
Johnny A. Wade, 42.
David J. Walker, 54.
Robert N. Walker, 52.
Wanda L. Watkins, 49.
Michael Weaver, 45.
Julie Welch, 23.
Robert Westberry, 57.
Alan Whicher, 40.
Jo Ann Whittenberg, 35.
Frances A. Williams, 48.
Scott Williams, 24.
William Stephen Williams, 42.
Clarence Wilson, 49.
Sharon L. Wood-Chestnut, 47.
Ronota A. Woodbridge, 31.

KILLED IN RESCUE EFFORT

Rebecca Anderson, 37.

Mr. HATCH. These were folks who were working for our country or standing in the street at the time. Many of them have been heroes for years, and they are all heroes today. These ribbons I am wearing represent these people of the State of Oklahoma—those missing and those killed.

These people are crying out for us to get this bill passed and to do what should be done. There were a number of children who were killed. I would just like to read their names into the RECORD:

Almon, Baylee, 1; Bell, Danielle, 1½; Bradley, Peachlyn, 3; Bruce, Gabreon, 4 months; Chavez, Zackary, 3; Cooper, Anthony C., II, 2; Cooper, Antonio A., Jr., 6 months; Coverdale, Elijan, 2; Coverdale, Aaron, 5; Coyne, Jaci, 14 months; Eaves, Tylor, 8 months; Eckles, Ashley, 4; Garrett, Tevin, 1; Gottshall, Kevin Lee, 6 months; Johnson, Domonique London, 2; Kennedy, Blake R., 1½; Smith, Chase, 3; Smith, Colton, 2; and Titsworth, Kayla M., 3.

These people are crying out in having been killed. These children and their families are crying out for us to do what should be done here. I intend to see that it is done.

Let us get our amendments here and get this bill done. If it can be improved, fine. The people who have amendments, we would like to get them here.

Baylee Almon turned 1 year old on Tuesday, April 18, 1995. That day her family threw her a birthday party. Her aunts, uncles, and cousins—along with her 22-year-old, single mother Aren—celebrated what was to be her first of many birthdays. Horribly, however, her lifeless body was pulled from the rubble of the Alfred Murrah building in Oklahoma City less than 24 hours later.

By now, we are too familiar with the unforgettable image of Baylee being carried away from the wreckage by firefighter Capt. Chris Fields. This image of Baylee's lifeless body being tenderly cradled by a firefighter was called by Governor Frank Keating "a metaphor for what's happened here." Baylee was 1 of 19 children murdered by the terrorist bomb blast on April 19, 1995.

When some suggest that our decision to include habeas corpus reform in this bill is unrelated to the murder of children like Baylee or that our efforts are politically motivated, we mock the memory of Baylee Almon. Habeas corpus policies and procedures directly and forcefully impact victims. Our debate about habeas reform has traditionally focused on such issues as the rights of petitioning prisoners, federalism, and competency of counsel. But, for those who have buried murder victims, the continued, protracted appeals mean something else. John Collins, the father of a 19-year-old young woman who was brutally murdered in 1985, may have put it best when he testified before the Judiciary Committee in 1991:

> Extended habeas corpus proceedings mean no closure to our grief, no end to our mental and emotional suffering, no end to nightmares, and no relief from the leaden weights that remain lodged in our hearts. It means we continue to bleed.

Due to our current system of habeas corpus litigation, April 19, will not be the end of the victimization of those who died in Oklahoma City. Long after the media stops covering the tragedy and elected officials stop meeting with the victims, those responsible for this cowardly act will probably be flaunting justice unless we act to pass habeas reform. The families of those who died will agonize for many, many years to come unless we act to pass true, meaningful habeas corpus reform.

For too long, the interests of the convicted murdered have outweighted the interests of the families of murder victims. For too long, habeas corpus has been viewed as a tangential issue to the more alluring issues of gun control and enhanced mandatory penalties. What is ironic is that for many of my colleagues on the other side of the aisle, it never seems to be the right time to pass habeas corpus reform.

The time has come to return some balance in the criminal justice system and nowhere is this more urgently needed than in the capital litigation area. We must recognize that the true concerns of justice, in the final analysis, must lie with those who support society and genuinely strive to uphold its law and not those who tear away at society, mock its laws, and murder innocent children like Baylee.

I am concerned about it, and I just think it is time to act. We should quit playing around with these problems. We have a chance of making a difference right now.

Let me just take a second here and read a letter from a woman who was at the press conference this morning. This is dated June 4, 1995.

> Re: Dole-Specter-Hatch bill S. 735.
>
> My husband of 34 years and the father of our three children, Tim, 24, Todd 22, and Kristi, 19, was a Director of Housing and Urban Development in Oklahoma City. We had only been in Oklahoma for 4 months, had purchased our home only 3 weeks before he was killed on April 19. Our lives were literally "blown" apart. He was a wonderful husband, father, son, brother, and human being, kind and caring to everyone and truly a person who believed in observing the laws of our land and also never forgetting how blessed we as Americans are to be Americans and to enjoy the many wonderful freedoms and opportunities available to us when we abide by our laws.
>
> That is what I am asking for now: Swift and severe punishment of those responsible for this horrible act. Our President assured the people of Oklahoma and America this would be done. There should not be more consideration for the criminals than the victims. Under our Constitution, the rights of criminals have to be protected in deciding if they are guilty or innocent, but so do the rights of the victims need to be protected. Protecting criminals' rights does not give them the right of 20 years of appeals.
>
> I am certain that if any one of you were in my shoes, (and I sincerely hope you never are) you would want nothing less than the death penalty—now—not years from now.
>
> I pray with all my heart you will do whatever is necessary to enact legislation that will not allow continuous appeals. Joyce McCarthy, widow of James A. McCarthy, Edmond, OK.

That letter says it more poignantly than anything I could say. It is time to do habeas corpus reform. We tried for years. We did pass this bill through the Senate on the Hatch amendment a number of years ago. It passed overwhelmingly. There is no reason not to face this issue today.

Now, I have to say that I do believe that there are those who very sincerely oppose habeas corpus reform in this body. I think they are a distinct minority, and I think they oppose it mainly because they oppose the death penalty. They are deathly afraid that maybe somebody will be executed who was innocent.

They have no information to back them up on that. These cases are very carefully tried. Any person accused of murder and sentenced to death after this bill is enacted will have every one of that person's constitutional rights and privileges and liberties protected. We will still protect the civil liberties of the people. But the game is over on multiple frivolous vehicles. They have one trip up and it is extensive through the State court, and one through the Federal courts. Unless they can show new evidence, or the Supreme Court has made a case retroactive in nature, then that is the end of the appeals.

That is as it should be. It is time to face this problem. Is time to stand up and do what has to be done. There is a lot more to be said about it.

I was moved this morning in meeting these families and these people who lost their loved ones in Oklahoma City. I am proud to wear a set of ribbons which represents the State of Oklahoma, those who are missing and those who are dead, as a result of this terrible, horrific bomb.

I hope we can move ahead on this bill. We made some headway here today, but I would like to make a lot more before the day is over.

I yield the floor.

Mr. BIDEN. Mr. President, the majority leader today opened the session by criticizing the President and criticizing the Democrats for what he says are a flood of amendments that are holding up this bill. He said that if the Senate is not finished by tomorrow, we will pull the bill and go on to further matters.

Let me point out that in all the years that I have been here—and the Senator from Utah has been over here a few years less than I have—one of the things delaying action on the bill today is we are coming off of a recess of a week and half and the Members are not back in town yet. That is one of the reasons there is delay.

Let me first say, contrary to the majority leader's representations, we are not trying to delay this bill. Indeed, on the very same day we received the final version of the Republican bill—and we had started off, by the way, with the President's bill. The President introduced a bill, or had 3 Members introduce the bill on his behalf.

Senators KOHL, SPECTER, and myself met with the President at the White House. This was a bipartisan group, including the Republican leadership. We were under the impression that the President's bill would be the bill from which we worked.

The Republicans, as is their right, introduced their own bill. One of the problems is that we did not see that bill until toward the middle of the afternoon the day that we went out of here, I think, or maybe the day before we went out. People had not had a chance to read the bill.

Notwithstanding that, the very same day we received the bill, we agreed to a finite list of amendments. We did not wait around. Once we calmed everyone's concerns—we heard about terrorism, civil liberties, new actions, and everyone from folks who view the interests of the NRA as paramount, to folks who view the interests of the civil liberties community as paramount—everyone wanted to make sure they knew what was in that bill.

Notwithstanding that, we ended up with a finite list of amendments which we have now. No doubt that list would have been shorter from the beginning had the Democrats had any reasonable opportunity to review the Republican bill before it was brought to the floor.

Now, having worked hard over the recess, our staffs having worked hard, primarily, we have limited the number of amendments we need to offer from our side of the aisle, and effectively cut the list by more than half.

There is no evidence of any intent to delay the bill. And while talk of delay and the need for cloture motions may be good politics, it has nothing to do with the reality of the work before the Senate. The reality is that we are addressing an important topic that deserves serious—not token, but serious—consideration by this body.

That is, the threat of terrorism from both at home and abroad. That threat is real. Bombings at the World Trade Center 2 years ago and in Oklahoma City 2 months ago are proof positive of the need to strengthen our responses to this threat.

Does not this threat deserve more than 2 days of the Senate's time? It seems to me that while we all want to move forward, we should also want to make sure that we do the job right. The President has sent two strong terrorism proposals to the Congress this year in responding to two terrible bombings on American soil. His proposals contain many needed reforms to enable law enforcement to better investigate and prosecute terrorist acts.

The Judiciary Committee and its Terrorism Subcommittee held a number of extensive hearings on the President's proposal over the last 6 weeks. Many issues have been discussed, debated, and drafted into legislative language. The Republicans have put a bill together, drawn in large measure from the administration's proposal, and much of which is supported by both sides of the aisle.

Unfortunately, the Republicans fail to include in their bills several proposals to give law enforcement modest but needed new authority to fight terrorism in the areas of wiretaps, taggants, and military assistance in cases of biological and chemical terrorist acts, just to name three.

There will be amendments to address these subjects, and the amendments are needed to make this bill a truly effective tool to fighting terrorism. Several of the amendments have been identified, and several of them have already been offered.

The suggestion that they are meant to delay this bill is an obvious attempt to shift focus from the fact that Republicans oppose strengthening the hand of law enforcement against terrorists, the way the President's proposal is opposed to any attempt to delay.

In addition, the Republicans included several provisions in their bill that some of Members believe are ill-drafted and are inappropriate as part of this bill. We have several amendments to modify these provisions, but this is a Republican bill.

Again, the amendments are identified and they have not and will not be offered to delay. They will be shortly offered. They will be voted on. They are not vehicles for delay.

Moreover, I note that the Republicans have identified a number of amendments as well. As I understood from the list before we went out last week, the Republican Members of the Republican Party suggested they had 32 amendments—32 amendments. Now, maybe some of those were in response to what they anticipate to be amendments from Democrats. Democrats have amendments that were put forward in anticipation of what they thought the Republicans were doing. Much of this, I think, will fall away.

Putting this in perspective, if there is delay going on—and there is not delay going on—32 out of 40-some amendments or 70, whatever the number was that were listed last week, are Republican amendments.

In all the talk of delay by Democrats over habeas corpus reform, the unanimous-consent agreement under which we are operating identifies 4 Democrat amendments on habeas corpus and 4 Republican amendments on habeas corpus.

We have all been around here long enough to know Senators do not agree to a unanimous consent agreement limiting the number of amendments that can be offered on a subject that is allegedly the reason for the delay on the bill.

There are four amendments offered by Democrats, four amendments offered by Republicans. I am sure we can get time agreements on all those amendments at some point along the way when they are proposed. That is it.

I might add, by the way, if my Republican friends had wanted to move on this terrorism bill quickly, all they had to do was leave habeas corpus off this. It would not have attracted all these other amendments. We could have put it on their crime bill. They have a crime bill they want to push. We have plenty of time for that, instead of dealing with this issue.

It is true that delay on death penalties being imposed could have a perverse effect, once we identify and convict the people responsible for the bombing in Oklahoma City. That is prospective, way down the road.

We will have Democrats—not me, but other Democrats—who will stand up here on the floor and argue that because we have not done more to deal with the ability of people to get explosives, because we have not dealt more restrictively with the people and the ability of people to get ahold of weapons, because we cannot deal with certain bullets that can penetrate vests, that kill police officers, because they have not done that, they hamper our ability to deal with terrorist acts. That is true.

I plead with my Democrat and Republican friends, keep that stuff off this bill. Move forward on the essential elements of what the President said and what we all agree is needed to enable the FBI and the law enforcement agencies, federally, to be able to have the manpower as well as additional legal authority to both infiltrate, identify, arrest, prevent—hopefully—prevent future terrorist acts, whether they are domestic or foreign inspired.

That is not where we are. No matter how much it made sense to do it that way, it does not make a lot of sense for me to spend much more time talking about it other than to put in perspective what has happened here. We could have finished this bill a long time ago.

The fact of the matter is that a clear decision was made to take a very important part of the Republican crime bill, their essential elimination of Federal habeas corpus, and drop it on this bill.

We could probably settle this whole habeas corpus matter very quickly, the Senator from Utah and I. The only effect habeas corpus can possibly have in this bill is Federal habeas corpus. We have an amendment to limit their proposal to Federal habeas corpus cases. Let us go ahead and do that and drop all Federal habeas corpus amendments, vote on that one.

That is the only thing that is arguably related to Oklahoma City. Nothing else has anything to do with Oklahoma City, zero, zero. Nothing else has anything to do with this legislation. This is Federal legislation dealing with terrorist acts. That is Federal court. That is Federal prosecutors. That is a Federal conviction. So let us deal with Federal habeas corpus, not State habeas corpus.

This is a sham. I think we should change habeas corpus. I have been trying to change habeas corpus, differently than my friend from Utah has, for the last 8 years. We have battled over it, and it is a legitimate and serious, intellectual, political, and criminal justice issue but it has not a darned thing to do with this. So if we want to end all the delay—and there is no delay in terms other than time consuming on each of the amendments—let us just have the debate on that issue. That applies to this legislation. None of the rest does.

The point I want to make here, and I am probably overmaking it, is that there is no delay. There is no delay. We have agreed to the amendment. We have limited the number of amendments that can be brought up. We could further eliminate a lot of those amendments, I am sure, if we could agree on focusing on international and domestic terrorism and we could move on. But one thing for certain, this issue warrants serious consideration—serious consideration. I note the Republicans do not think their 32 amendments are frivolous. Now I doubt any of these amendments, Democrat or Republican, are designed as delaying tactics. I expect we can work many of them out and we can proceed on the rest. But I believe very strongly that our job involves offering relevant amendments to make the bill better and debating them fully and reasonably. Again, terrorism is not a trivial matter, as we all know. The issue is as vital as it is complicated.

Let me just give one example how complicated it is. I will bet that 90 percent of the American people would have guessed that when JOE LIEBERMAN, Senator LIEBERMAN of Connecticut, and I brought an amendment to the floor at the request of the President last week that said we want to give the FBI the same power to use wiretapping devices and wiretapping under the circumstances that we presently allow them to investigate organized crime to organized terrorist threats, I will bet 90 percent of the American people would have thought everybody in this floor would vote for that—especially the Republicans. They talk about law and order all the time, like Democrats do these days. And what happened? We voted on it and it lost. I offer that as a simple example of what is so complicated about this issue. People are beginning to understand when we deal with people's constitutional rights and the fourth amendment that maybe it is better to err on the side of being very cautious in the power we give the police.

I have always been one to be very cautious. But I thought, since we had the ability to do to organized crime what was proposed by Senator LIEBERMAN and in the President's bill, we ought to be able to do that with terrorists. But, guess what, an overwhelming majority of my Republicans friends did not think that made sense. I do not criticize them for that point of view. I just offer it to point out how complicated it is. I bet they have trouble explaining that back home. I do not suggest that their action was wrong or had any motivation other than they have a heightened sense of concern about the use of wiretaps. I respect that.

But guess what, this is not as simple as the majority leader makes it sound. If it were simple, that would have passed like a hot knife through butter here. But it did not. If we could understand how a majority of Republicans do not think we should be able to go after terrorists like we do the mob, then we ought to be able to understand that this is a complicated issue. It is important to get the bill right. Again, terrorism is not a trivial matter. It is vital, as vital as it is complicated. And we have to give law enforcement the tools it needs, even while we maintain protecting our constitutional rights.

Now, look, just to give an example, we are going to have an amendment here shortly that is another wiretap amendment. I will give this as just one example. That wiretap amendment, if it passes, will allow the Attorney General, the Federal Government, to be able to do roving wiretaps. That is the second amendment. That says, if you go to a judge and say, "Judge, we have probable cause to believe John Doe is committing or committed a felony under the existing title 18 of the United States Code that allows us to ask for a wiretap and we want to tap John Doe's phone," if the court concludes there is probable cause, then in fact what we do is we go along and we say: All right, the judge says that he will allow a wiretap. Generally what happens is you get a wiretap for a specific phone in John Doe's office or John Doe's home. But lots of times what has happened is that John Doe may figure he may be being tapped because he knows he is doing something wrong. He knows he is trying to avoid detection. So he may walk to the corner phone booth and use the corner phone booth all the time. Or he may go use the phone in his sister's home.

Right now the current authority for what are known as roving or multipoint wiretaps, or wiretap orders—a provision was proposed by the President, but not included in the Republican substitute, that would allow this kind of multipoint order, multipoint wiretap to be used. Multipoint wiretaps allow law enforcement officers to obtain a judicial order to intercept the communications of a particular person, not just for one specific phone as with most wiretap orders, but on any phone that a person may use.

A recent prosecution will help illustrate how the multipoint wiretaps work. In this particular case involving one of the world's biggest international drug traffickers, agents determined that a courier was contacting his bosses by using a number of randomly chosen public phones around his home, public phones outside his home. A multipoint wiretap was obtained and up to 25 phones were identified to prepare for the chance that the target would use one of these phones. Any time he used one of those phones the agents were able to initiate a wiretap. Interceptions obtained in this way led to 53 Federal indictments and 19 tons of cocaine that were seized.

The wiretap on his phone would not have yielded much at all, but they identified all the phones around this guy's neighborhood because they watched him. They watched the pattern. He would walk out of his house and go to a telephone and use that phone. The next time he would use one two streets down from his home, and then four streets, and across the street, and in the drug store across the street. So they got an order for a multipoint wiretap. And they were right. They got the order through a judge.

Under the current law the Government can get a multipoint wiretap order only if it can show that the defendant is intending to thwart surveillance, usually by switching from phone to phone. The amendment the President wants, and Senator LIEBERMAN will propose on his behalf, would allow a multipoint wiretap where the defendant's conduct has the effect of thwarting surveillance regardless of whether or not the Government can prove the defendant's intent. Keep in mind they already have a guy they identified as the subject of a legitimate wiretap in his own home. And there is probable cause to believe this guy is doing something bad that exists as a crime under the law that you can get a wiretap for.

Mr. HATCH. Will the Senator yield on that point?

Mr. BIDEN. I will be happy to.

Mr. HATCH. Actually, I think the amendment the Senator is talking about is a good amendment. We have some on our side who have some troubles with it, but I probably am going to support this amendment because, let us be honest about it, all they are saying is they are going to follow the criminal. That is all this amendment means. The President is right on this, in my opinion, in that sense.

The original amendment written in the President's bill is not as good as this one, as I understand. We have even worked with my colleague on the language on it. I am going to talk to our side and see if there is some way we can get them to accept that amendment. But there are people who are so afraid of the Government right now—polls show somewhere around 40 percent of the people are afraid of their Government. That is pathetic. And part of the reason is because of what happened in Waco, because of what happened at Ruby Ridge, and a whole variety of other reasons, because the Federal Government has been too intrusive in all of our lives.

But I think the distinguished Senator from Delaware and I, working together, might be able to get this done because I think he makes a tremendous point. So did the President. With what the President wants to do, the problem was the roving ban semantically had implications that frightened people even more. But all the distinguished Senator from Delaware, as I understand it, is trying to do for and on behalf of the President and others is say that, if you have a criminal who is going from phone to phone, you can follow the criminal. I personally do not see anything wrong with that. I see some great value in doing exactly that.

Once again, I give the Senator from Delaware credit for being one of the astute leaders in criminal law. We agree on a lot more than we disagree on. Frankly, where we disagree—and there are acceptable and good arguments on both sides. I appreciate the way he is approaching this. I want to read the language. But I personally feel pretty strongly that this amendment ought to be supported by both sides. I did not mean to take so much of the time.

Mr. BIDEN. That is fine. Mr. President, I am delighted for the intervention. As I said at the outset of my discussion of this, the chairman was occupied with the staff for a moment. At the time, I said that I was confident he and I could work this out. I am confident we can work out most of this. The reason I raise this is an illustration of the larger point I am making; that is, there is no attempt to delay anything here. This provision was not included in the Republican bill. I think it is a very important provision.

Mr. HATCH. Will the Senator yield?

Mr. BIDEN. Yes.

Mr. HATCH. I do not think there is any attempt on the part of my friend and colleague from Delaware to delay. But by his own comments today he indicated that if we could get right off the habeas problem, we would not have the problems, we probably would not have 68 Democrat amendments. My personal belief is that we have to face that problem one way or the other.

The distinguished Senator from Delaware has some well-intentioned amendments in this area. I have to fight against them. But at least he is willing to face this issue. It is always easier to take controversial matters and not deal with them. But in this case, I think we have to do it. It is the only thing that really will make a difference with regard to Oklahoma City.

I call my colleague's attention, because of his comments earlier in the day where he said, if we did Federal habeas, that is all that needs to be done here. I call his attention to Robert H. Mason's letter dated May 24, 1995. He is district attorney for Oklahoma County, the district in which this occurred, where he points out that if you did just Federal habeas, it would not solve the problem because there were people who were not Federal workers, who were not in the building at the time, who were also killed and maimed. He intends to bring prosecutions in the State courts and to have swift justice in those cases also, which would require full habeas corpus reform like we have.

I respect my colleague. He knows that. We have been together on too many occasions. We have fought battles together, and we have fought them against each other. There are very few people who understand these criminal law ramifications as well as my friend from Delaware. But I would really urge him to help us on this habeas corpus reform because I really believe it is something that has to be faced, it is something we need to do, and I think we can do it the way it is written in a way that protects the civil liberties and rights of those who are accused.

I apologize for again interrupting and taking time.

Mr. BIDEN. Not at all. Mr. President, I welcome—not interruptions—I welcome this colloquy and conversation. I know that there is an understanding that there will be no votes until 5 o'clock. So the likelihood of anybody other than the most stalwart of the Members of the Senate—I see the distinguished Senator from West Virginia and the distinguished Senator from North Carolina here—other than a few, there are going to be a lot of folks making their way back from the west coast and the Midwest on airplanes. So the likelihood of anything happening of consequence between now and the time that it was announced there would be a vote is de minimis. So I welcome the discussion.

Let me just again, not by way of argumentation but illustration of the confusion surrounding the legislation—understandable confusion. Even if the Republican bill had not been introduced, had the President's bill been introduced and nothing else, there would be confusion surrounding it. I do not mean this in a pejorative way.

The letter from the district attorney, as I understand it, from Oklahoma County, the county in which Oklahoma City is—I have not read it yet, but the fact of his rationale of why they need full habeas corpus, to have State habeas corpus included, is because there were non-Federal workers killed—understandably, he misunderstands the bill. It does not matter who is killed in the building. It is a Federal crime. That is what we are establishing. It is a Federal crime. A foreign national could be killed in the building, anyone, under current law, killed in a Federal building that is blown up, it is a Federal crime. It is also a State crime as well. It can be a State crime as well. But it is a Federal crime.

So the point raised by the distinguished—again, I am not criticizing the district attorney or the prosecutor in that county. I doubt whether he has had a chance to review the existing Federal law. But at any rate, the larger point here is this: I am ready, willing, anxious and, hopefully will be able to demonstrate, "able" to debate this habeas corpus issue. The reason why I did not want habeas corpus introduced into this issue is because I did not want to also get into a debate on guns in this issue. I did not want to debate militia and NRA and ACLU and all of these things.

Look, I am fearful that, although things have calmed down a little bit, if you listen to the rhetoric from Democrats and Republicans on these issues, you would assume that everyone who joined a militia—by the way, we should not use that phrase. They are not militia. There is no militia under the Constitution. But anyone who joins these groups who organize themselves and call themselves militia, on the one hand you have everybody making them patriots; on the other hand, all a bunch of thugs, depending on who speaks to it. The same with the NRA—the NRA puts out an ill-advised letter, and all of sudden everyone in the NRA is a "thug", a "bum." The vast majority of NRA members in my State, the overwhelming number of NRA members are honest, decent citizens. They join the NRA because that is the outfit that taught them how to use a gun when they were a Boy Scout, how to fire their first rifle, took them to the firing range.

I am going to oppose the amendment of Senator LAUTENBERG. I support the use of that $25 million in funds allowing ammunition to be made available to teach people how to learn to use weapons. That is a healthy thing. That is not a bad thing. Half of the people who join the NRA in my State join for the insurance that is offered by the NRA. The NRA, the members of the NRA, are good, God-fearing people; some of them probably good atheists; they are good everything. The fact they join the NRA is not because it is a bad organization.

But what is going to happen here before this debate is over is we start talking about guns. They are either all going to be superpatriots or they are all going to be a bunch of thugs. I think that is a useless debate to have now when what the President says he needs, we all know he needs, is he needs more agents. He needs more money. He needs more authority.

So to finish the point—and I will be happy to yield—before I finish my statement, my reluctance about getting into a debate on habeas corpus is that we who have been around here even a year all know that is what we refer to in the jargon as a "hot-button issue." Once you mention habeas corpus, you bring out everything, left and right and center. It engages almost a religious debate. It takes on proportions like striker replacement. I mean it brings out everyone's deeply-held feelings.

I predicted as soon as habeas corpus was put on this bill that there would be 1, 2, 5, 10 amendments on guns. I suspect my friends would acknowledge that, if the Democrats had decided to introduce a terrorism bill that was loaded up with gun amendments, they would say, "Wait a minute. What are you doing that for? You are just trying to delay action on this thing. Are you just trying to raise everyone's hackles? Are you just trying to get into sort of a debate that has nothing to do with the added responsibility and authority that the President wants and has?"

That is the only point I am making about habeas corpus. But it is done. The reason I even mentioned it now is to explain what I think has been already demonstrated by the short colloquy we have had thus far that Senator DOLE is wrong. This has nothing to do with the intent to delay.

The introduction of habeas complicated—did not delay—complicated action on this bill. Deletion of more intrusive authority on the part of the FBI complicated what already was a difficult debate requiring additional amendments. Additions of some legislation I support, and some I do not relative to firearms complicated consideration of this core legislation.

That is the only broad point I wish to make. That does not add up to delay. That adds up to an additional consumption of time out of necessity. It is necessary to use more time to resolve those complicated problems.

I daresay that if, in fact, my Republican colleagues thought that any one of these gun amendments was likely to pass, there would be, as there was in the past, extended debate. Just like I worried and thought—but is not going to happen now—that, if they raised habeas corpus, there would be extended debate. Neither is going to happen. I presume the reason it is not going to happen is because they have the votes. It always makes things go quicker when you have the votes. I remember the good old days when we used to have the votes. We do not have the votes anymore, my team. So we understand the likely outcome on most of this.

But this is not an attempt to delay. That is the only point I wish to make again to my distinguished friend, the Republican leader from Kansas, who on the Sunday talk show—I think it was Meet the Press, I am not certain which one it was—and today directly stated that this was a Democratic effort to delay.

The other side of this is that I am going to have, as we say, "clean hands" in this matter. The administration is putting pressure on the Republican leader asking, "Why did you not get my bill?" Why did you not get it done? Why do we not have this done? I think part of that also is done for political reasons.

And so I just hope that we in this body, once folks fly back into town here and we start debating on the amendments, can agree where we can agree, as the Senator from Utah and I at least think we can agree on the so-called multipoint wiretapping that the President wants made available to him, or made available to Federal agencies, and I hope we can even go back and revisit the, I think, ill-advised vote defeating the Lieberman amendment on wiretapping because I think once people took a closer look at it and took off our sort of political blinders here, they would see what was being asked for had nothing to do with anything other than what we now allow under our law and have to deal with the Mafia. Why should the terrorist organizations have any more protection than the Mafia? I do not understand that. And I do not think, in fairness to those who voted against it, they fully understood what the amendment meant.

Again, terrorism is no trivial matter. If it takes a week, then it is time well spent, in my view, to arrive at a serious, significant piece of legislation that gives additional tools to the Government without infringing upon any of the civil liberties of the American people and diminishes the prospects that domestic or foreign terrorists will be able to succeed in repeating what was done at the World Trade Center and what was done in Oklahoma City.

So I do not consider this a waste of time. The telecommunications bill is an important bill, but I imagine, if you said to the American people, we can do one of two things for you: We can pass a bill that will enhance and make better the way in which the telecommunications industry functions in America and we can do that right away, or we can pass a bill that significantly strengthens the United States ability to deal with terrorists and to prevent terrorist acts, which do you want? My guess is they would pick—I do not know what they would pick. I would pick doing something about terrorism.

So in my view, even if it takes the remainder of the week to work our way through these amendments—and I predict it will not, but even if it did, it would not be wrong nor unreasonable. The goal here is we must get the best possible bill that we can. We owe no less to the American people. We owe no less to the people in Oklahoma City. We owe no less to ourselves. We owe more, much more, to the memory of those who have lost their lives at the hands of a madman or mad men and women in the unthinkable moment of insanity that we witnessed now well over a month ago.

And so I look forward, once we have a quorum assembled here in Washington—and again, I am not being critical of anyone who is not here now. If you represent the State of Utah or the State of California or the State of Washington and you went home over the recess, it is difficult to get back here early in the day and still meet your commitments without leaving a day earlier.

And so I am confident we can move with some dispatch once we get underway. I just plead with my colleagues on both sides of the aisle and on both sides of the various issues that will be raised here that we should not make the same mistake the authors of the NRA letter made. They figured out they made a mistake and they retracted what they said. We are going to have a tendency, as this debate heats up, to say some fairly outrageous things, some of which may even be true. But I do not think this is the circumstance under which we should do it.

I say to the Presiding Officer, I really do believe that we owe it to the people who have been victimized thus far by a foreign and a domestic terrorist act to act with dispatch, in a slightly dispassionate way, to come up with hard-nosed, serious efforts to enable the Federal Government to legitimately fulfill its primary role of protecting the American people under these circumstances from these kinds of actions. So I will try my best to follow my own advice as this debate goes forward and suggest that to vilify any organization, right or left, to vilify individuals will not get us very far. What we should be doing is vindicating, vindicating those who have already suffered greatly in an attempt to make sure that we do not have to stand on the floor of the Senate again and deal with a similar circumstance.

The President has basically asked for two things. The first thing he said was give me more people. Give me more FBI agents. Give me more people to do this job. We should do that. We should do that, A, because he is right and, B, because even those who might want to point out that the last President and this President cut people for a while, they did not add as rapidly as they should have—well, for whatever the reason, let us not argue about that. He wants more people. We should give him more people—him and whomever follow-on Presidents will be.

Second, he said I need some additional authority. The authority I would like to have as the chief law enforcement officer for the United States of America, as the Chief Executive to give to the law enforcement agencies in this country the ability to do some things other nations have done with great success, that have diminished the ability to make these god-awful bombs, give the authority to tag the elements of these explosives so that when they blow up, you can identify from whence they came, where they were purchased and, hopefully, who purchased them to solve the crime. They are called taggants. We will debate that. There are legitimate reasons to debate it. But I think it is a legitimate request on the part of the President.

The President also says I need some additional authority to deal with this new emerging problem of terrorism on American soil, and it is authority that I want expanded for wiretapping in certain circumstances under which they are expanded. I think he should be given that authority, or at least we should debate it and make that decision as a body.

I think we should focus on the expanded authority he says he needs, and we should focus on the expanded resources he is requesting, and do our job for the American people and do it, as I said, hopefully—hopefully—by demonstrating to them that we can do something of consequence that is not rooted in political motivation, something of consequence on which we can agree. And, my Lord, if we cannot agree as a body, Democrats and Republicans, that we should give more authority to deal with terrorists in this country, then I am not sure on what we are likely to agree.

So I look forward to a reasoned, a serious, and hopefully an unemotional debate on these issues, and a resolution in the near term so that we can send to the President of the United States, after a conference with the House, a piece of legislation that is worthy of his signature.

I thank the Senate for listening, and I see that Senator EXON and others are in the Chamber. I would be happy to yield the floor for the time being.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I congratulate the managers of this bill, the Senator from Delaware and the Senator from Utah, both very good friends of mine. I have the utmost faith and confidence in their abilities. I recognize they do not always agree. But I believe that under the leadership of these two individuals, who have been foremost in the Judiciary Committee for a long, long time, we certainly should be able to come up with some workable arrangement to dispose of the terrorist bill which the President sent us.

As I brought out when we last met here 10 days ago, when the majority leader and the minority leader were debating the fact of how fast we could move this bill ahead—we were going to take it up today, and the majority leader said he wanted to complete work on it on Tuesday—for the life of me, I do not know why Tuesday is such a magical date. I simply say there were supposedly some 50 or 60 amendments that were going to be offered, or proposed to be offered by Members on both sides of the aisle. We also remember that in the last week we met here, we had some 55 or 60 amendments to the budget bill. We finally got down to work and completed our deliberations and had our votes in a matter of, I believe, 3 days.

As important as I think the budget debate was, as important as I think the ever-increasing deficit is, as alarmed as I am about the ever-increasing national debt and the cost to the taxpayers for the interest on that national debt, I do not believe there is anything more important to the people of United States of America today than terrorism.

Terrorism is not like the balanced budget that I hoped we could get to a few years ago down the road. It is with us today. It was demonstrated in Oklahoma City very vividly most recently. I would simply like to ask my colleagues, if I could get their attention, to explain to this Senator why is it that we cannot make some kind of a good-faith effort by the two leaders of the Judiciary Committee, supported by the majority leader and the minority leader, to come to some kind of an understanding about how many amendments we are going to have, and about how long that is going to take. I would think that if we would try to stay away from the filibuster and eventually limit debate to 15 minutes a side for most of these amendments, clearly that would give us an opportunity, in this Senator's opinion, to come forth and let the Senate express its will by majority vote on this tremendously important amendment that has to do with terrorism. And I assure all of my colleagues—and they know it full well—that terrorism is unfortunately alive and well in America today. I believe that the people of the United States expect us to stand up and do something about it, not in a foot race fashion, but in an expedited process of some kind, to have everyone have a chance, as is customary in the Senate, to work their will and maybe offer amendments.

This Senator has no amendments to the bill. That cuts us down to 99 other Senators that may have amendments. I simply say to the managers that this Senator wishes to cooperate with them, and if they would put out an appeal and if the majority leader and minority leader would join in that, I would think that maybe we can focus on this important piece of legislation that the President has set up. We do not have to approve it exactly like the President wanted it. We can change it dramatically in any fashion we see fit by a majority vote here.

I simply feel if we can put out this appeal, certainly the majority party, the Republicans, have demonstrated that they march basically in lockstep on most of these matters. The Republicans, it seems to me, have the majority and have the responsibility to either vote up or down on any amendments that could be offered from either side. I am simply appealing for some expeditious action on this tremendously important piece of legislation. If we have to take until Tuesday, Wednesday, Thursday, Friday, or even into next week, and if that is necessary, I do not think there is anything more important right now than this bill that is before us.

I salute the President for addressing terrorism. A failure of respect for law and order is rampant in our society today. Certainly, the police, the prosecutors, the judicial system we depend on to handle these matters for us, need strengthening, they need additional tools. I believe that the bill suggested to us by the President of the United States goes a long way into helping these people that need help today with the ever-increasing threat of terrorism.

So I simply pose a question for the managers of the bill. At their first opportunity, I ask them to respond as to whether there have been efforts made and are efforts being made now before the vote—as I understand it, there is a vote scheduled for 6 p.m. this evening. I would certainly be willing to remain here until midnight or 2 or 3 o'clock in the morning to take up or debate the reason or lack thereof of many of the amendments that I understand are to be offered.

I hope that we will not do what the majority leader had indicated over the weekend—that he would pull the bill down on Tuesday—tomorrow—unless we complete action. I feel, though, that the majority leader is not irresponsible in asking for some time agreements, some way to limit the number of amendments that I think could be constructively moved forward, if it is the will of the majority of this body.

I have posed a question, and I will await the response of the managers of the bill at their first opportunity.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I have listened to my distinguished colleague from Delaware and my distinguished colleague from Nebraska, and I appreciate both of their remarks.

With all due respect, I have to point out to my distinguished friend from Delaware that most all of the language in this bill was found in the substitute and it came from S. 3, introduced the first day of this session and S. 390, introduced several months ago. We have had several hearings in the full committee and two in the subcommittee. Thus, the language in this bill is well known.

Second, of the 32 Republican amendments, 12 have either been offered or have gone away. I suspect most of the others will as well. I fully expect that many of the remaining Republican amendments will also disappear in short order, once we move pretty quickly here.

What I find troubling, however, is the suggestion that habeas corpus should be dropped from the bill. The President—a Democrat, I might add—called for habeas corpus reform in his "60 Minutes" interview. His instincts were right. He knows this is the time to try to get habeas corpus reform and that it will make some difference to the victims and survivors of the Oklahoma City incident. In fact, it is the only thing we can do in this bill that will really make any difference to them. They have called for this.

As I wear this ribbon in their honor symbolizing the four strands—Oklahoma, hope, those who could not be found, and those who are dead—I have to say that I feel very deeply that we need to do this.

So in addition to the President, who has called for habeas corpus reform—but, of course, he has been riddled by those on the liberal side of his fence for having called for it, and has thus been somewhat muted ever since. I might mention there are other Democrats that are very strong for this habeas corpus provision of the bill. The Democratic attorney general of the State of Oklahoma is one of our strongest supporters. He has called for habeas corpus reform in the form this bill has it. The Democratic district attorney of Oklahoma, Robert H. Macy, has called for habeas corpus reform. Add to this a bipartisan letter from the State attorneys general and the State district attorneys.

Mr. President, they also have called for habeas corpus reform. You have a pretty good idea that this is a bipartisan appeal. It is a bipartisan reform.

I just wish that my distinguished friend from Delaware had been with me 2 weeks ago when I talked to these survivors and victims and family members. Just this morning, I have met those people whose lives have been shattered by the Oklahoma City bombing. Interestingly enough, they have all called for habeas corpus reform in the form that this bill has it.

I think it is important that we continue to fight for this aspect of the bill. It is about time. We have argued about it for years. We have a chance of debating it at this particular time, and we should do so.

I have to say that I was also interested in Senator BIDEN's comments that these are Federal crimes. Well, I am not so sure they are with regard to the State citizens who were not Federal employees who were outside of the building at the time. This bill will not apply retroactively and could not be applied retroactively. So those murderers are going to have to be prosecuted in State court. If there is no habeas corpus reform applying to the State courts, we will continue to live with the long, incessant delays and appeals that have gummed up this system for years.

If we just enact a law that expands Federal jurisdiction over only Federal employees, that would not cover those nonfederal employees who were killed outside of the building. It could not be applied to those cases against the Oklahoma killers. To do so would be a clear violation. If we tried to apply Federal law to this, it would be a clear violation of the constitutional provision of the ex post facto laws. That is the way it appears to me.

This body needs to understand that habeas corpus reform, both State and Federal, is the only thing we can enact that will directly affect the Oklahoma case.

I might mention, also, that rather than exploiting the devastation of Oklahoma City, I believe that we are protecting the families of the victims from additional unwarranted victimization.

Comprehensive habeas corpus reform, as I have said before, is the only legislation Congress can pass as part of a terrorism bill that will have a direct affect on the Oklahoma City bombing. It is the one thing Congress can pass to ensure President Clinton's promise that swift justice will be kept.

President Clinton, recognizing this fact during his April 23, 1995, "60 Minutes" appearance, showed that he understood this. His instincts were right when, in response to a question about whether those responsible would actually be executed without the adoption of habeas reform, he said:

> It may not . . . happen but the Congress has the opportunity this year to reform the habeas corpus proceedings, and I hope they will do so.

The claim that habeas corpus reform is tangential or unrelated to fighting terrorism is ludicrous. Indeed, habeas corpus reform has far more to do with combating terrorism than many of the proposals contained in the administration's own antiterrorism package, such as the proposals to enhancing FBI access to telephone billing records, and to loosen standards for use of wiretaps in felony cases.

Although most capital cases are State cases and the State of Oklahoma could still prosecute this case, our habeas reform proposal would apply to Federal death penalty cases as well. It would directly affect the Government's prosecution of the Oklahoma bombing case.

Indeed, several people were killed just outside the Oklahoma Federal building. The terrorists who destroyed the Federal building could thus be tried in State court for the murder of those citizens.

The district attorney for Oklahoma City and Oklahoma County is planning those prosecutions. The progress of this bill demonstrates the relationship of habeas reform to the terrorist bombing.

No. 1, it would place a 1-year limit for the filing of a habeas petition on all death row inmates, State and Federal inmates. No. 2, it would limit condemned killers convicted in State and Federal courts to one habeas corpus petition where, under current law, there is currently no limit to the number of petitions he or she may file. No. 3, it requires the Federal courts, once a petition is filed, to complete the judicial action within a required specified time period.

Clearly, by passing these provisions, we ensure that those responsible for killing scores of U.S. citizens will be given the swift penalty that we in society exact upon them.

Now, one last thing. One reason we brought habeas corpus reform here is not just because it is the right thing to do. It is the right thing to do with regard to keeping off gun amendments. We have asked people on our side to not get involved in any gun fights today. If there has to be a gun fight, we should do it over the crime bill that we will bring up in the future. We should keep this bill clean and decent. I would caution my colleagues on the other side, we should not try to make this a gun issue.

There is no reason to get into that debate, when we are trying to pass basically what the President has said he must have, what the Justice Department has said it must have, what the FBI Director has said he must have; that is, legislation that could really give some teeth to law enforcement in the area of antiterrorist activities.

I think we should concentrate on that goal. We should not get involved in extraneous debates. We ought to pass this bill as quickly and as promptly as we can. If we have to fight it out over habeas corpus reform, we should do it.

I think the distinguished Senator from Delaware has 67 amendments on that. Fine, bring them up. We will fight them out and see what happens. I can live with almost anything if we can get a bill passed that will really make a difference in not only all of our lives, but the people specifically in Oklahoma City whose lives have been devastated by what happened there. I think passing this bill will be as good a memorialization for those who have died as anything we in the U.S. Congress can do.

I cannot imagine why any Member would fight this bill when we have worked our guts out to work with our President, to work with the Justice Department, the FBI, and others. And this will beef up law enforcement as it should be beefed up, not only from the law enforceability standpoint, but from a law enforcement personnel standpoint. It is long overdue. I agree with the distinguished Senator from Delaware.

In the last 2 years, the FBI and other law enforcement agencies have been cut back rather than beefed up. Now the President realizes that we have to change course and beef them up. There is about $1.8 billion in this bill that will take care of strengthening our law enforcement with regard to antiterrorist activities and other activities that are long overdue, in my eyes.

I have been complaining about this for quite a while. I have to admit, I think during the Reagan and Bush years, we could have done a better job of beefing up the FBI and other law enforcement agencies ourselves. Now is the time to face these issues. I think we should do so.

We have a number of stacked amendments. The bill is currently open for any other amendments that any Member might file. I hope that our colleagues will bring their amendments to the floor and debate them. We still have 2½ hours before we begin voting. I would like to resolve as many of them as we can, and stack as many amendments as we can for voting.

I am hopeful that we can get colleagues to withdraw amendments that really do not belong on this bill, and to reduce the number of amendments we can have so that we can pass this bill by tomorrow evening, if we can, or at least within a relatively short time.

I understand the majority leader's pressures. There are all kinds of important pieces of legislation that must be brought before the U.S. Senate over the next few weeks and months. He has not had the time to devote excessively to any particular bill. This is one bill that has to pass. We will pass it. I hope that all Members will cooperate in the process.

I hope our Senators will bring their amendments to the floor and we can move from there. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I came to the floor this afternoon to stand in support of the Dole-Hatch substitute to Senate bill 735 that deals with necessary and appropriate redefining of our laws in relation to terrorist activities or terrorist type activities in this country. But in coming to the floor this afternoon to speak, I also wanted to speak very briefly on the amendment that is pending and will be voted on this afternoon offered by the Senator from California on the issue of taggants.

The legislation before us deals with taggants, and the question is then, if it does and does so appropriately, why will the Senator from California offer something that is considerably different? Is it a new idea? Not at all. In fact, it is really quite an old idea that the Congress has looked into before over the years to attempt to identify or cause to be identified explosive material so that when they are inappropriately used or misused they can be identified and traced. To my knowledge no one in this country has objection to that concept. But the word "concept" is what is key in this debate.

It is a concept. And there have been studies produced that would argue that, while it is well intended, it may be at least at this point in time scientifically and technologically impossible to get to the point of putting in explosive materials, that are so designed to develop to do certain things, an identifiable marker that would still cause them to perform as they were tested and manufactured to perform. In fact, the concern is that it might cause them to perform in an inappropriate way and cause harm to the individual who was using them in a legitimate, legal, and responsible fashion.

That is, of course, exactly what the Senate bill 735 substitute recognizes when it proposes that we study this issue and try to bring the community of science and technology together to see whether in fact we can produce an identifiable marker, if you will, within an explosive material that tags it, that identifies it, and that would allow it to be used.

There was something else said by the Senator from California this morning, that at least frustrated me, which was her very open and direct statement that the NRA opposed it, the National Rifle Association. I thought it was important that the record be straight, that, in fact, the record be factual.

The NRA does not oppose this provision of Senate bill 735. What the NRA, as a responsible representative of a variety of people who use gunpowders for legitimate reasons, is suggesting is that, if you do not do it right and you do it wrong, you could cause damage to a lot of innocent people and produce unaffordable costs that do not make a lot of sense.

Let me read to you on the record testimony given before the Judiciary Committee in April of 2 years ago on this issue. Point one proves that is an old idea whose time may not have come yet because we do not have the science and technology to allow it to come; and, second, the NRA never did nor does it now have an official position on the issue.

Let me quote from that testimony.

"The National Rifle Association does not take an official position concerning the licensing, manufacture and restrictions placed upon commercial high explosives, for that is not an area within our field of interest. However, we would be derelict in our responsibilities to America's gun owners and as citizens if we did not point out to this committee"—meaning the Judiciary Committee of the Senate—"the basic flaws and fallacies of the taggants technology."

"An important point that must be made to the committee is that tagging explosives is not a new idea. In fact, the Congress studied and rejected the concepts involving identification and detection taggants in the latter 1970's and early 1980's. The premise behind that experience has been restricted in the aftermath of the bombing"—this was the World Trade Center hearings that emanated out of that horrible explosion—"that law enforcement officers should be assisted in their investigation of tagging explosives. But the facilitation that was to be realized is not available."

In other words, the technology, the availability of the science to do what might be the right thing to do simply does not exist. I ask unanimous consent that the entirety of that testimony be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF THE INSTITUTE FOR LEGISLATIVE ACTION OF THE NATIONAL RIFLE ASSOCIATION

SUBMITTED TO THE JUDICIARY COMMITTEE OF THE U.S. SENATE, APRIL 22, 1993

The Institute for Legislative Action of the National Rifle Association (NRA) would like to thank the Senate Judiciary Committee for the opportunity to submit testimony regarding the issue of explosives tagging.

It may surprise the Committee to see the NRA testify on what many consider purely an explosives matter. The fact is, however, that tagging affects not only explosives, but also propellant powders used by the over three million members of the National Rifle Association and millions of sportsmen throughout the country.

Current legislative proposals would affect all powder, whether it be blackpowder used by antique and reproduction firearms enthusiasts, or smokeless powder used in modern firearms ammunition and by shooters who reload their own ammunition. While section 845 (a)(5) of Chapter 40 exempts commercial sporting grade blackpowder in quantities of fifty pounds or less, all sporting grade blackpowder would have to be tagged, since blackpowder is manufactured in larger quantity lots. If propellant powders are going to be covered in any legislative mandate that requires taggants be utilized, then this becomes more than an explosives control matter. It is a matter of concern to all gunowners.

Explosives tagging to register individual lots of explosives is an idea that sounds wonderful, but like so many wonderful-sounding ideas, it will not work. From a practical perspective, explosives taggants simply will have no significant effect upon terrorist bombers. The only major effect of such a proposal will be to increase the paperwork required by manufacturers and dealers in explosives and propellants; increase the control exercised by BATF over their activities; and to significantly increase the cost to taxpayers and consumers.

The National Rifle Association does not take an official position concerning the licensing, manufacture, and restrictions placed upon commercial high explosives, for that is not an area within our field of interest. However, we would be derelict in our responsibilities to America's gun owners and as citizens if we did not point out to this Committee the basic flaws and fallacies of taggants technology.

An important point that must be made to the Committee is that tagging explosives is not a new idea. In fact, the Congress studied and rejected the concepts involving identification and detection taggants in the latter 1970s and early 1980s. The premise behind that experience has been resurrected in the aftermath of the bombing of the World Trade Center—that law enforcement officials could be assisted in their investigations by tagging explosives. But the facilitation that was to be realized is now available to BATF and other law enforcement agencies without the use of taggants.

Identification taggants were first proposed as a means of pinpointing exactly what type of explosive had been used in a bombing. Detection taggants were intended to provide a means of "sniffing" explosives that may be contained in a package prior to detonation. But technology has surpassed those premises. We now possess, and the federal government now uses, machinery that can detect, or "sniff" the nitrates in explosives. Additionally, other technologies allow law enforcement officials to "sniff" a bomb scene and determine what explosives were employed.

If it be the intent of Congress to place additional controls upon commercial explosives, so be it; but Congress should realize that explosives used in terrorist bombings are not necessarily commercial explosives. Any objective analysis would have to conclude, as they have in the past, that terrorist bombings are quite unlikely to be significantly affected by any proposed new requirements of this nature. Let us examine the facts surrounding the incident that served as an impetus for these hearings, the bombing of the World Trade Center in New York City, and what is perhaps the greatest fallacy behind proposal of explosives tagging—that investigations would have been facilitated by the inclusion of taggants in explosives materials.

According to the New York Times, the bomb was constructed using urea, nitric acid, and sulfuric acid, all chemicals that are "inexpensive and widely available at chemical companies, laboratory supply stores or even garden centers. They can be bought in bulk for less than $210 a ton." (March 11, 1993) Yet there has been no suggestion by BATF or any other government agency to place taggants in these products, or more importantly, in prilled ammonium nitrate for the simple reason that there is no difference between commercial ammonium nitrate used for blasting and the far greater amounts of ammonium nitrate used as a fertilizer. The fact is that there are no components of the bomb used in the World Trade Center bombing that would have been detected or identified had this proposal been in force.

One of the most easily made explosive devices is the mixing of ammonium nitrate, or fertilizer, with a fuel oil, even though it is currently prohibited by law. The resulting explosive, commonly known as ANFO, would require a high explosive booster charge, and that booster charge, if obtained commercially, would be tagged under this concept. But, ammonium nitrate may be illegally mixed with a fuel which is itself an explosive, such as gasoline, or nitromethane, the choice among high performance race car drivers as a "speed fuel", both of which are technically classified as explosives in standard reference books. If ammonium nitrate and gasoline are combined, the result is a powerful and easily detonated explosive—an explosive that does not require a tagged booster charge. In fact, ammonium nitrate and gasoline may be easily and reliably detonated by a booster charge consisting of the same ammonium nitrate/gasoline ingredients inserted in a pipe or similar container and initiated by nothing more exotic than a conventional firecracker.

An explosive consists merely of an oxidizer, which may either be a chemical which during burning produces large amounts of oxygen, or simply oxygen in the air, combined with a fuel. As a case in point, a standard U.S. Army manual lists as a special charge for use in flattening large buildings an explosive which every Member of the Committee has in his home—household flour. The flour is the fuel; oxygen in the air is the oxidizer. Even blackpowder can be manufactured with relative ease using common ingredients in any kitchen in the country. Additional "recipes" can be found in other widely available pamphlets and brochures.

The reason that it is difficult, if not altogether impossible, to control terrorist bombers by controlling commercial explosives is that the terrorist bomber is not limited to the use of commercial explosives. It is certain that most, if not all, terrorist groups have the ability to make extremely damaging explosives, while easily circumventing the provisions of any technologically feasible legislation. There is no reason to assume that taggants in smokeless and blackpowder would have any effect in controlling terrorist attacks. Information concerning explosives is readily available—and access to that information is impossible to control.

There are five basic problems confronting the terrorist bomber: he needs (1) a material which is easy to acquire, (2) safe to prepare, (3) not easily detectable in case of search by police, (4) capable of being detonated after he is well clear of the area, and (5) capable of highly explosive effect. One type of bomb which easily meets these criteria consists of nothing but a container of butane, such as used to fuel home workshop torches, gas lights and similar devices, or even a small container used for filling butane cigarette lighters, and an ordinary candle.

A bomber can, with relatively complete impunity, carry those ingredients almost anywhere. And upon obtaining egress to his chosen target site, he can enter an interior restroom or storeroom and quickly produce a time bomb by lighting the candle in one corner of the room, then venting the butane bottle in another corner. The gas-air ratio is so broad, that an explosion is certain to result when the gas reaches the candle's flame. If such a bomb were placed in a central room without windows, thereby confining the explosive force, a large building could be destroyed. In effect, this type of gas bomb duplicates the horrendous damage caused by an explosion of leaking natural gas, with which all of us are familiar.

Certainly, a bomb of sorts may be fashioned using either smokeless or blackpowder propellant. However, to make an effective bomb with these substances is far more difficult and requires a more sophisticated knowledge of the intricacies of explosive mechanics. Anyone possessing such knowledge could, with equal ease, make a cheaper, far more efficient, bomb from a myriad of other substances.

According to the BATF, black and smokeless powders each comprised 16 percent of criminal bombings in 1991. More than fifteen years ago, in BATF's own testimony before the Subcommittee on Criminal Laws and Procedures of this Committee on September 12, 1977, Mr. Atley Peterson stated, "because they (black and smokeless powders) produce a low-order explosion, loss of life, injuries and property damage are small."

Using BATF's statistics, it seems apparent that black and smokeless powder are not a major part of the bombing problem. And, looking again to the issue of the relative ease and rudimentary knowledge required to make "kitchen counter" blackpowder, it is unlikely that all incidents involve commercially manufactured sporting grade blackpowder. Undoubtedly, many blackpowder incidents could be traced to homemade powder or non-sporting grade powder such as fireworks or blasting powder, or even kitchen matches, when simply cutting off the heads. Interestingly enough, much blasting grade blackpowder is manufactured for military use. Military explosives were in the past exempt from legislative measures, although there are frequent reports of military explosive thefts.

An important aspect of this concept is its feasibility. According to the report "Taggants in Explosives" (OTA-ISC-116), produced as a result of the Congressional interest in taggants in the latter 1970s, no reliable method for tagging smokeless powder has been developed, and blackpowder tagging has only been tested with regard to its effects on the grade of blackpowder used for blasting. There is no documented evidence that a single round of tagged powder has been fired from a muzzle-loading firearm. A problem with the compatibility of smokeless powder and taggants was also identified, calling into question the safety of taggants for the thousands of handloaders using powder in ½, 1 or 2 lb. cans and the millions of people owning modern ammunition for their firearms.

An estimated five million pounds of smokeless and blackpowder propellants are sold to shooters each year, representing perhaps six million individual cans of powder. Giving BATF every conceivable benefit of the doubt, we are talking about a negligible amount of legally manufactured and obtained smokeless and blackpowder being involved in an "explosives incident" in which tagging might be of some benefit to the investigators.

The FY 1991 arrest figures for explosives incidents as provided by BATF is 177, and the number of actual and attempted explosives incentives was 1,965, giving an arrest rate of 9%. A 1978 BATF cost/benefit analysis projects a 1.5 fold increase in arrests if tagging is mandated, then arrest rates would go to 13.5%—a 4.5% increase. Out of the 589 black and smokeless powder devices recorded in 1991, current arrests must total 53 cases. Tagging would, according to BATF projections, increase this to 80 total arrests. This is an increase of only 27 cases a year.

The same study estimated that the then annual taxpayer cost of identification tagging at $10 million dollars, and detection tagging at $9.4 million dollars. Using Bureau of Labor Statistics calculations of the Consumer Price Index to account for inflation, the same estimates today would be $22.65 million and $21.29 million respectively. Using these figures, taxpayers would pay $43.94 million dollars just to arrest 27 more persons. With a projected $22.65 million dollar annual cost, again from the fifteen year old estimations and accounting for inflation, to be absorbed by ammunition and powder consumers, the estimated total cost of the program would be some $66.59 million. For that additional taxpayer and consumer burden, the projected 27 additional arrests would cost an average of $2.5 million dollars each. In fact, BATF's own cost/benefit analysis indicated that this program cannot be justified. BATF stated in the 1970s, with reference to the detection tagging program, "at present it is impossible to estimate the effectiveness of tagged or untagged detection with any degree of accuracy. Within this large uncertainty, both tagged and untagged detection appear to be, at best, of borderline economic viability."

The BATF-commissioned study succinctly stated that, "Ideally, the problem of control would be greatly simplified if every ounce of explosive, legally manufactured and legally used, could be completely accounted for." But, the study's determination in favor of identification tagging is based upon mere hypothesis, nothing more. Quite simply, BATF does not know if taggants would be effective in apprehending or deterring bombers.

Even ignoring the concerns now before this Committee—the illegal manufacture and use of explosives—the sheer burden of tracing every ounce of legal explosives to the purchaser, and the minutely detailed records which would have to be kept by the manufacturers, distributors, wholesalers and retailers is staggering. If propellant powders are tagged, this will drastically increase, and in many cases duplicate, the paperwork and records already being kept by federal firearms licensees. And how are we to trace explosives beyond the first non-dealer purchase?

In the past, BATF has stated that ammunition recordkeeping was a waste of resources, as ammunition tracing has never solved a crime—the volume of records is just too large. If propellant powders are tagged, every packaged quantity, no matter how small, whether one can of black or smokeless powder, or one box of ammunition, would have to be referenced to manufacturer and lot number. But this recordkeeping would simply do no good at all. One numbered lot of powder can yield several thousand individual cans of powder and literally thousands of boxes of ammunition. Even with detailed records, tracing the end user would be like looking for the proverbial "needle in a haystack."

Obviously, what the Congress and the American people really want is a means to apprehend and punish those who use explosives in an illegal fashion. It is assumed that this threat of punishment will serve as an effective deterrent, thereby decreasing the number of bombings. Yet, in view of the flimsy evidence presented by the supporters of the tagging program in the past, Congress is considering an unknown quantity, which will have a questionable impact on bombings and an undetermined ballistic effect on propellant powders, not to mention the suspect safety of taggants on handlers and end users. In fact, the only thing that seems sure about this program is that if black and smokeless powder are tagged, it will impose a mammoth recordkeeping burden on small businessmen and drive up the cost of supplies for sportsmen. As usual, the terrorist will blithely ignore the law and the criminal circumvent it—for they are, by definition, people who disobey the law. The law-abiding citizen will once again be the only one affected by the implementation of this concept. That is why the National Rifle Association oppose the concept of tagging, specifically propellant powders, and urges the Committee to reject this concept as ill-conceived. The benefits of doing otherwise are dubious at best, but the costs, in dollars and to the small businessman handler are all too real.

We thank you for the opportunity to submit testimony to this Committee.

Mr. CRAIG. Mr. President, so why the amendment? Why not stay with the substitute bill? If this Congress wants to get the industry that manufactures explosives to a point in science and technology where we could identify the explosive itself, why not pursue it in the way that Senate bill 735 suggested? Or is there another reason to pursue it in a way that the Senator from California has pursued it; that is, do it now and study it later? That is a bit of a strange way to approach something that, if done wrong or if caused by Government and forced to be done without the proper basis of understanding to be done wrong, could create the kind of damage that could occur if this were the case.

So let us today vote to table the amendment of the Senator from California and stay with the substitute bill which does recognize the importance of developing the science and technology for taggants. I support that. And I hope we can get there.

But the record now shows that the National Rifle Association does not oppose taggants, and it never has. It most assuredly supports the science and the technology that could lead us to that. What it is officially on the record as opposing is the amendment of the Senator from California because it simply believes it is too premature. It might well be risky to the science and the technology involved.

This Senate I think in a responsible way wants to do it right. The right way is the Senate bill that has been appropriately heard with the appropriate technology, or the record for technology built into it.

With that in mind, I hope as we vote this afternoon on the tabling motion that we would support the committee and the chairman, and the text of Senate bill 735.

I yield the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. CRAIG assumed the chair.)

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1207 TO AMENDMENT NO. 1199

Mr. BROWN. Mr. President, earlier today, the distinguished Senator from Utah was kind enough to propose for me an amendment to the bill. That particular amendment was designed to extend the sanctions that we now have in place against Iran to all countries designated as terrorist countries by our Secretary of State.

Let me add that it is not my intention with this legislation to restrict the President or the Secretary of State. And included in the amendment is a very extensive waiver provision so that while we would have on our books a provision for adding these sanctions against other countries that have been designated as terrorist countries, it would not necessarily require the implementation of these sanctions, but it would require the waiver of them in the event a terrorist country is so designated. That waiver is quite broad and gives the President a great deal of discretion. The President, if he so determines for national security interests or even humanitarian reasons, may waive the action. But what it does do, Mr. President, it gives some consistency to our action. It puts countries that would contemplate using state terrorism on notice that this country is serious, that there are sanctions, that those sanctions are broad and significant, as in the sanctions the President has applied against Iran.

It also will put them on notice that while these sanctions come with being designated a terrorist country, it is possible, if they work with our President and with the Secretary of State, they can work their way out of it.

Mr. President, I think this is an important amendment because what it says is we are going to be consistent. If a country chooses to adopt these kinds of terrorist policies, we ought to at least make sure that when we designate a nation as a terrorist country there are some sanctions involved.

The final version of the amendment differs slightly from the provision that was introduced earlier today. The waiver provision, to be specific, is different in the final version of the amendment. It simply makes clear that there are very wide discretions on the part of the President. And I would ask unanimous consent that the final version of the Brown amendment be entered into the RECORD at this point and substituted for the original amendment.

Mr. BIDEN. Mr. President, reserving the right to object, does the Senator have a copy of that so I can take a quick look at it?

Mr. BROWN. I do. I would be glad to——

Mr. BIDEN. I would like to suggest maybe we could have a short quorum call. I do not want to object. I do not think I will object, but if the Senator would allow——

Mr. BROWN. Mr. President, I will withhold my unanimous consent request until the distinguished Senator from Delaware has had an opportunity to review the amendment, and I would at this point note the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1209 TO AMENDMENT NO. 1199

(Purpose: To prohibit the distribution of information on the making of explosive materials with intent or knowledge that such information will be used for a criminal purpose)

Mrs. FEINSTEIN. Mr. President, I would like to send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN] proposes an amendment numbered 1209 to amendment No. 1199:

At the appropriate place in the amendment, insert the following section:

SEC. ——. PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVE MATERIALS FOR A CRIMINAL PURPOSE.

(a) Section 842 of title 18, United States Code, is amended by adding at the end the following new section:

"(1) It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends, or knows that such explosive materials or information will likely be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce."

(b) Section 844 of title 18, United States Code, is amended by designating section (a) as subsection (a)(1) and by adding the following new subsection:

"(a)(2) Any person who violates subsection (1) of section 842 of this chapter shall be fined under this title or imprisoned not more than twenty years, or both."

Mr. BIDEN. Will the Senator yield for 30 seconds?

Mrs. FEINSTEIN. Yes.

Mr. BIDEN. Mr. President, I had asked that a quorum call be put into effect to determine whether or not I could agree with the unanimous consent request by the Senator from Colorado. I would just ask the Senator from California, when we conclude that, if I would be able to interrupt her to allow the Senator from Colorado to amend his amendment.

I do not seek that now, but I would like that so the Senator from Colorado does not think I have put this off for a couple hours.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I am happy to, or I am happy to wait. I am trying to use the time usefully.

Mr. BIDEN. I would encourage the Senator to proceed. I would ask her permission, when we work this out, whether I could interrupt her at that point.

Mrs. FEINSTEIN. Absolutely. I would be delighted. I thank the Senator.

Mr. BIDEN. I thank the Chair and I thank the Senator.

Mrs. FEINSTEIN. Mr. President, I rise today to offer an amendment to address what I believe is a rather surprising problem in our society, and that is the distribution of bombmaking information for criminal purposes. This amendment is simple, and I think this cartoon in USA Today really describes what the situation is.

Here is a youngster sitting in front of his computer learning how to put together a bomb. Here is the mother on the phone saying, "History, astronomy, science, Bobby is learning so much on the internet."

This amendment would prohibit the teaching of how to make a bomb if a person intends or knows that the bomb will be used for a criminal purpose. Additionally, the amendment would prohibit the distribution of information on how to put together a bomb if a person intends or knows that the bomb will be used for a criminal purpose.

The penalty for violation of this law would be a maximum of 20 years in prison, a fine of $250,000, or both.

Now, you might ask, how is that possible? How would anybody do this? I think the next chart I will put up will show clearly how it is possible and what people today are doing.

Let me show you this. This is from the internet, entitled "Stuff You Are Not Supposed to Know About." It advertises the Terrorist Handbook. It says,

> Whether you are planning to blow up the World Trade Center, or merely explode a few

> small devices on the White House lawn, the Terrorist Handbook is an invaluable guide to having a good time. Where else can you get such wonderful ideas about how to use up all that extra ammonium triiodide left over from last year's revolution?

Well, that is just part of it. What that then leads to is a whole series of recipes on how to put together a bomb aimed at killing, injuring, or destroying property. The handbook goes on to give a step-by-step instruction on what to do. Let me quote from a section on acquiring chemicals:

> The best place to steal chemicals is a college. Many State schools have all of their chemicals out on the shelves in the labs and more in their chemical stockrooms. Evening is the best time to enter a lab building, as there are the least number of people in the building. Of course, if none of these methods are successful, there is always section 2.11.

And it then tells how to pick a lock to get into the chem lab. It tells how to dress to look like a student. It tells where the shelves are that the chemicals are on. The handbook lists various explosive recipes, using black powders, nitroglycerin, dynamite, TNT, and ammonium nitrate. It provides explicit instructions for making pipe bombs, book bombs, light bulb bombs, glass container bombs and phone bombs, just to name a few.

Now, I have heard people say, oh, but the Encyclopedia Britannica has eight pages on explosives, and nobody criticizes that. Well, I have read the eight pages on explosives, and it does not say how to make a toilet paper roll booby trap. What legitimate purpose is there for a toilet paper roll booby trap other than to kill somebody? You do not blast out the stump of a tree. You do not need it for mining. You need it for no civilian or military purpose other than to kill. Or a vacuum cleaner booby trap. Again, no civilian or military purpose, no blasting out of tree trunks, no mining use. A traffic cone booby trap. A video alarm booby trap. A washing powder box booby trap. How to develop this thing in a bottle or a box of soap powder.

Light bulb bombs. The Terrorist Handbook describes, "an automatic reaction to walking into a dark room is to turn on the light. This can be fatal if a light bulb bomb has been placed in the overhead light socket. A light bulb bomb is surprisingly easy to make. It also comes with its own initiator, an electric ignition system." And then it goes into detailed instructions and diagrams of how to put one together.

I am not going to repeat those on the floor of the U.S. Senate. But I can assure you that the Terrorist Handbook provides these step-by-step instructions.

One of the more appalling descriptions of bombmaking involves a baby food bomb. The following information was taken from the bulletin board, computer bulletin board off the internet. Baby food bombs. "These simple, powerful bombs are not very well known, even though all of the material can be easily obtained by anyone, including minors. These things are so"—and then there is a four-letter word—"powerful, that they can destroy a car. Here is how they work."

Then it tells how they work. It says,

> Go to the Sports Authority or Herman's sports shop and buy shotgun shells. At the Sports Authority that I go to, you can actually buy shotgun shells without a parent or adult. They do not keep it behind a little glass counter or anything like that. It is $2.96 for 25 shells.

The computer bulletin board posting then provides instructions on how to assemble and detonate the bomb. It concludes with these words:

> If the explosion doesn't get them, the glass will. If the glass doesn't get them, then the nails will.

I do not think our first amendment, or the framers of the Constitution, want to protect the freedom of speech for criminal purposes. Clearly, these bombs are there for one reason and one reason only and that is a criminal purpose.

Let me give you another example that came through on April 23 of this year on the internet.

> Are you interested in receiving information detailing the components and materials needed to construct a bomb identical to the one used in Oklahoma? The information specifically details the construction, deployment and detonation of high-powered explosives. It also includes complete details of the bomb used in Oklahoma City, how it was used and it could have been better.

Another examples comes from April 25 on the internet. I will quote it:

> I want to make bombs and kill evil Zionist people in the Government. Teach me, give me test files. Feed my wisdom, O Great One.

That was April 25 on the internet.

The forward to the book "Death by Deception: Advanced Improvised Booby Traps" states:

> Terrorists, IEDs [improvised explosive devices] come in many shapes and forms, but these bombs, mines, and booby traps all have one thing in common: they will cripple or kill you if you happen to be in the wrong place at the wrong time.
>
> In this sequel to his best-selling book "Deathtrap," Jo Jo Gonzales reveals more improvised booby-trap designs. Discover how these death-dealing devices can be constructed from such outwardly innocuous objects as computer modems, hand-held radios, toilet-paper dispensers, shower heads, talking teddy bears, and traffic cones. Detailed instructions, schematic diagrams, and typical deployment techniques for dozens of such contraptions are provided.

Now, none of this is for use in any constructive civilian or military project. All of them are used for criminal purposes.

Other titles of books that teach people how to make bombs include: "The Guerrilla's Arsenal: Advanced Techniques for Making Explosives and Time-Delay Bombs"; "The Advanced Anarchist Arsenal: Recipes for Improvised Incendiaries and Explosives."

Well, there are those who would say this is just a simple first amendment exploration. Do not worry about it. People are just curious.

Well, let me tell you that on Friday, Orange County bomb squad Sgt. Charlie Stump told me that a 14-year-old was in his garage making a pipe bomb with an 11- and 12-year-old watching him do it. The information to make this pipe bomb came from the Improvised Munitions Black Book, which can be obtained in any gunshop through the Paladin Press mail order outlets. So this youngster blew himself up, and right next to him was the handbook that he used.

Another example. In Mission Viejo, a 20-year-old junior college student went into the so-called survivalist movement and accidentally set off his own bomb and killed himself. Again, the manual was sitting right next to him.

So, according to the sergeant, these books tell you in vivid detail how to make bombs, how to kill people, how to destroy cars, how to destroy trains—whatever type of destruction you want to do, these books will tell you how to do it.

The purpose of this amendment is to say that if you know or intend this will be used in a criminal way, you have committed a Federal criminal offense by putting out this information.

Other examples include the following:

One of the 1993 World Trade Center bombers was arrested with manuals in hand.

In 1989, four Bethesda teenage boys were killed when a homemade pipe bomb subsequently went off. They were following instructions from another manual.

In 1987, a California teenager blew himself up with homemade bombs. The "Improvised Munitions Black Book" was found nearby.

Enough is enough. Common sense should tell us that the first amendment does not give someone the right to teach others how to kill people. The right to free speech in the first amendment is not absolute, and there are several well-known exceptions to the first amendment which limit free speech.

These include obscenity; child pornography; clear and present dangers; commercial speech; defamation; speech harmful to children; time, place, and manner restrictions; incidental restrictions; and radio and television broadcasting.

I do not for 1 minute believe that anyone writing the Constitution of the United States some 200 years ago wanted to see the first amendment used to directly aid one in how to learn to injure and kill others.

I believe that the distribution of information on bombmaking, if we know that information will be used for a criminal purpose, should be illegal.

At a recent hearing of the Judiciary Committee, I asked FBI Director Louis

Freeh if anyone has a first amendment right to teach someone how to build a bomb in this country. He replied that it is a very important debate that very few people have reviewed. He suggested that it is a question that should be taken up by Congress. That is what we are doing this very day.

My amendment is specifically aimed at preventing and punishing the distribution of material that will be used to commit serious crimes external to the distribution itself, and only when there is intent or knowledge that the information will be used for a criminal purpose.

In other words, it is not aimed at suppressing contents per se, or fashioned as a prior restraint. Its purpose is addressing the facilitation of unlawful criminal conduct.

Now, we will talk for a moment about current law. There currently is a Federal law on the books that is similar to my proposed amendment. Title 18, section 231(a)(1) of the Criminal Code states:

> Whoever teaches or demonstrates to any other person the use, application, or making of any firearm or explosive or incendiary device . . . knowing or having reason to know or intending that the same will be unlawfully employed for use in, or in furtherance of, a civil disorder . . . shall be fined under this title or imprisoned not more than 5 years, or both.

At least 18 States have similar bombmaking laws on the books, including Arkansas, California, Colorado, Connecticut, Georgia, Illinois, Louisiana, Michigan, Missouri, Nebraska, New Jersey, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, and Virginia.

I know that concerns have been raised by some civil libertarians and others about the constitutionality of my amendment, because it in essence takes this section which I have just read of the code and says if you, additionally, distribute that information with the knowledge or intent that it will be used for a criminal act, then you are guilty of a Federal violation.

So if you read information that is within a terrorist handbook, where the beginning page of the handbook says, "Whether you are planning to blow up the World Trade Center, or merely explode a few small devices on the White House lawn, this is the information you should have," that clearly sets, in my view, the purpose and intent of providing the information.

The current law, section 231 of title 18, has already been used to prosecute several criminals. It has been constitutionally upheld by the courts. In the United States versus Featherston, 1972, the Fifth Circuit Court of Appeals held that the statute "is not unconstitutionally vague" and affirmed the convictions of two defendants who were prosecuted under the law.

The fifth circuit wrote:

> . . . the statute does not cover mere inadvertent conduct. It requires those prosecuted to have acted with intent or knowledge that the information disseminated would be used in the furtherance of a civil disorder.

I know, though, that the true test of the amendment's constitutionality will be if and when it comes before the courts. And, I welcome that opportunity.

The last time the Supreme Court directly dealt with the issue of freedom of speech restrictions was over 20 years ago, in Brandenburg versus Ohio, 1969. As I understand it, this case involved a Ku Klux Klan leader's right to advocate destruction of property and other violence as a means of obtaining political reform. I think it may be time, especially in light of Oklahoma City and the World Trade Center bombings, for the Supreme Court to deal with this issue again.

In today's day and age, when violent crimes, bombings, and terrorist attacks are becoming too frequent—2,900 bombings a year, 541 in California alone in the year 1993—and when technology allows for the distribution of bombmaking material over computers to millions of people across the country in a matter of seconds, I believe that some restrictions on speech are appropriate.

Specifically, I believe that restricting the availability of bombmaking information for criminal purposes, if there is intent or knowledge that the information will be used for a criminal purpose, is both appropriate and required in today's day and age.

As Wisconsin District Judge Robert Warren wrote in the Progressive case dealing with the publication of information on how to build an atomic bomb:

> What is involved here is information dealing with the most destructive weapon in the history of mankind, information of sufficient destructive potential to nullify the right to free speech and to endanger the right to life itself . . . . While it may be true in the long run, as Patrick Henry instructs us, that one would prefer death to life without liberty, nonetheless, in the short run, one cannot enjoy the freedom of speech or the freedom of the press unless one first enjoys the freedom to live.

I could not agree more with Judge Warren.

Enough is enough. I do not believe the first amendment gives anyone the right to teach someone how to kill other people or provide certain information that will be used to commit a crime. Even our most precious rights must pass the test of common sense.

I thank you, Mr. President. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I rise to speak to the Feinstein amendment and suggest that what the Senator from California has raised here, paraphrasing director Freeh, is a debate that we should be having.

I do not think there are many people, and I do not think there are any people here in this body, who would suggest that the examples the Senator has given are examples we should not be concerned with. As evidenced by the Senator's comments, she also is mindful that although there are exceptions to the first amendment they are few, and we should, in drafting legislation, keep the first amendment in mind.

It is in that regard that I rise to discuss very briefly, the case of the United States versus Featherston, the fifth circuit case that the Senator mentioned. In that case, the court upheld a conviction of two leaders of a militia group who showed their followers how to make explosives. The purpose of the demonstration they put on was to prepare the group for the coming revolution.

Now, the statute at issue makes it a crime to teach someone how to make a bomb, knowing, intending or having reason to know that the bomb will be unlawfully used in a civil disorder as defined as a public act of violence involving three or more people.

In upholding the statute's constitutionality, however, the court read the language in the statute more narrowly than the language appears on its face. The court found the statute requires—this is the fifth circuit speaking—that those prosecuted have acted with "intent or knowledge" that the information would be used to further a civil disorder.

Now, the Senator has adjusted the language in her amendment in order to strike a much broader intent standard that she had originally proposed. The original language she had said, "a person intends, knows or reasonably should know that such explosive material or information will be used. . . ." She has amended that to say that if the person "intends or knows"—let me get the exact language here. I beg the Chair's pardon. The language now reads, "intends or knows that such explosive material or information will likely be used for. . . ."

I would respectfully suggest that language does not meet the fifth circuit standard requiring intent or knowledge.

I see the Senator is understandably occupied at the moment with the chairman of the committee, discussing this amendment, but at an appropriate point I am going to ask the Senator whether she would be willing to further amend her language to comport with what at least I believe the fifth circuit's minimal requirements are, and that is to say that if the person "intends or knows that such explosive material or information will be used." Put it another way, drop the word "likely."

Mrs. FEINSTEIN. May I respond?

Mr. BIDEN. Please.

Mrs. FEINSTEIN. The answer to the question is yes. I was just talking to the committee chairman, the floor manager on this subject.

Mr. BIDEN. I compliment the Senator for that.

Mrs. FEINSTEIN. I will be happy to.

Mr. BIDEN. I suggest that would put it in line with what she intends and what the court found.

Mrs. FEINSTEIN. Mr. President, may I move to amend?

Mr. HATCH. May I ask the Senator to withhold for 1 minute?

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I appreciate the Senator's willingness to take out the prior notification and the word "likely" in her response to the distinguished Senator from Delaware. But if she would also modify and take out "or knows," in other words if such person "intends" and take out "or knows." I will tell her why that is important.

There are a lot of explosives manufacturers and personnel who do teach others how to make explosives and how to use them legitimately, for legitimate purposes, mining and others. There are a lot of slurry manufacturers in my State. In fact, the chief for slurry underground explosives happens to be the founder of the IRECO Chemical Corp. in my home State. If you put "or knows" in there, what we are concerned about is if they teach a university class or teach other people in their business or teach other people, in seminars, about how to do slurry explosives or some other type of explosives, they could, under this provision, be indicted or prosecuted.

I really believe the distinguished Senator does a great favor if she says that the person "intends that such explosive materials or information will be used for. . . ." I think that is the fair way to do it. It is one way of alleviating these difficult legal questions that really make it very difficult for people who are in the explosives business to even talk about the business.

If the Senator could do that, I will be willing to accept this amendment.

Mrs. FEINSTEIN. If I may respond, and perhaps the Senator from Delaware, because I think this is a useful discussion. I would like to respond to the Senator from Utah.

What concerns me is somebody writes a terrorist handbook. We have that case. And they tell somebody how to steal; how, in detail, to put together, let us say, a light bulb bomb.

You come to them and say, "You violated a criminal law."

They say, "I did not intend this to be used for crime."

Then the comeback is, "You should know it is going to be used for crime because that is the only purpose for a light bulb bomb. It is the only purpose for a toilet paper bomb, for a candy box bomb."

Mr. BIDEN. Will the Senator yield?

Mrs. FEINSTEIN. I will right away, in just 1 second.

What the Senator from Utah is saying is the explosive company that makes the explosive does not intend—that is clear—that it be used for criminal purposes. I agree. The intention of this is not to get at the explosive company. The intention is to get at the person who misuses or mispackages, and who does it all for the purposes of committing a criminal act.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, if I may—and I thank the Senator for her invitation for me to speak to this as well—we have three slightly different points of view here. Let me make clear what I would like to see avoided and what I would like to see accomplished. Using specific examples and hypotheticals is not always the best way to do it, but it seems to be the only way I have available to me to do it at this moment.

None of us wants to have the publishers of World Book Encyclopedia indicted because they, in their World Book, tell you how you can make a bomb. You can go to a public library and you can find out how to build a nuclear device. It is a lot more complicated than building a light bulb bomb, but you can find that out.

The purpose, the knowledge or intention of the publisher of World Book Encyclopedia or any other publication is in all probability not the same purpose as that of the publisher of the Terrorist Handbook. But for the purpose of Lady Justice, blindfolded, weighing her scales, it is hard to tell the difference sometimes, other than looking at the person or the organization that is publishing the material, to determine their intent. And we do not want courts getting into that kind of business. I do not think the presiding officer wants that to happen, nor do I, nor do I think anyone does, although I sure would like to be able to capture those folks who issued that handbook.

So the Senator has narrowed her language, I think appropriately, to say "know or intends."

Let me tell you why I think "know" makes sense to be in there. If, for example, that gruesome example that the Senator gave from the internet, where somebody puts on a bulletin board how to make a terrorist device, a bomb, and then someone writes back and says, "O Great One," I am paraphrasing, "I want to kill Zionists in the Government. Tell me more. Feed me." Or whatever the terminology was.

The original publication of that information on the bulletin board on the internet may or may not meet the standard of having known the information was going to be used for a criminal purpose, or may or may not meet the standard of having intended that it be used. But it seems to me it is pretty clear that when that idiot writes back or punches in his code and name and says, "O Great One, I want to kill people, tell me more," if the original person who put the information up on the bulletin board said, "All right, Swami, here it comes. If you really want to get Zionists, here is how to do it," it seems to me at that point the person knows that the information he or she is disseminating is intended for a criminal purpose.

The Senator from California said there are some stores, some retail outlets that sell the handbook. Or you can write away to get the handbook. If I walk in to you and you are selling the handbook, you have the handbook and I say, "Ma'am, I would like to buy a handbook that would teach me how to—do you see the cop down there in the corner? I want to put a pipe bomb in that trash can where he stands every morning from 8:30 to 9. I want to blow that SOB up."

And you say, "I have just the thing for you," and you walk over and you hand him the handbook, it seems to me you knew the information that is available to you to do something terrible, kill that policeman standing at the corner. It would be awfully hard to prove, though, that, if you sold that handbook to me, you intended for me to kill that policeman. You could know I was going to use it to kill someone without having intended for me to kill someone. Are you with me?

So my concern is, if it gets even narrowed further to say only "intends the information to be used in a criminal enterprise or criminal act," then it is so narrow that you are not going to catch in that net people who I think we should catch.

I have been, for the last 23 years, always listed as one of the two or three or four people most protective of the first amendment. You know, all these rating organizations that rate us whether we are conservative, liberal, good, bad, or indifferent? I am always, along with Senator LEAHY and a few others, listed here as one of the staunchest defenders of the first amendment.

So I am not looking to broaden the net the Senator wishes to cast. But it seems to me if you narrow it so much so that you only use the word "intend," you do not get the circumstance where I know that the information I have at my disposal as to how to build a light bulb bomb or any other kind of bomb, I know why you are seeking the information. You have told me. You tell me, "I want to know how to make a bomb out of Gerber's baby peaches. I want to know how to do that. Teach me, oh Great One." You say, "I've got just the answer for you. Here is how you do it."

It seems to me that does fall beyond the purview of first amendment protection. It seems to me it is narrow enough and specific enough that it warrants to be made unlawful. And it seems to me that it is not at all inconsistent with what the fifth circuit and other courts have said relative to the standard required on the part of the person disseminating the information.

So in truth, you might also be able to get that very person on a conspiracy charge. You might not even need this statute. My friend, who is truly—we use this phrase too frequently around here, and it does not always apply, but in this case it does. My friend, who is learned in the law could stand and say, "Well, all right, Joe. I am not trying to eliminate the ability to nail the person who is knowingly participating in an unlawful activity. We can already do that under a conspiracy statute." Practically, that is true. But I would argue that including the word "knows" as well as "intends" here does no damage to the first amendment, and makes the case if not easier, equally as able to be pursued as a conspiracy theory would be. This is more direct.

So my friend from Utah and I have been, the first 15 years of our working together, not always on the same side of these civil liberties arguments. And it is truly—I mean this sincerely—a pleasure to be on the same side of these arguments with him these days. I do not by that in any way imply a change in his motivation at all. I think things have changed, and as the troubles in society, the maturation process, has taken place, and we all are seeing different applications of old principles to new problems. So I am not being facetious when I say I welcome it. But I respectfully disagree with him here.

I will not object to the Senator from California taking out the word "knows." But I would suggest that her test, her intended purpose, is best served by saying if the person intends or knows that such explosive material or information will be used for or in furtherance of an activity that constitutes a criminal, a Federal criminal offense, or a criminal purpose affecting interstate commerce, I think keeping only two words "intends" or "knows" is totally appropriate, and I would support that.

But it is obviously her amendment. If she is persuaded by the reasoning of the Senator from Utah, I will not object to it.

I thank the Chair. I yield the floor.

Mrs. FEINSTEIN. If I may, Mr. President, I would like to amend the amendment by removing the word "likely." So that the amendment reads:

Information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends and knows that such explosive materials or information will be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce.

The PRESIDING OFFICER. Will the Senator send her modification to the desk?

Is there objection to the modification?

Mr. HATCH. May I see the modification?

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. If I could have the attention of the distinguished Senator from California, the way she has written it is different than the way she read it. It says if the person "intends or knows." But if the Senator will read it "intends and knows," I will go along with it.

Mrs. FEINSTEIN. I meant "or." I beg your pardon.

Mr. HATCH. Could the Senator change the "or" to an "and"?

Mrs. FEINSTEIN. I did not mean to. Did I?

Mr. HATCH. Yes.

Mrs. FEINSTEIN. I will change it to "intends or knows."

Mr. HATCH. If I can just respond to the distinguished Senator from California, I would prefer "intends and knows" rather than "intends or knows" because I believe that can lead to some mischief in the criminal law. On the other hand, this was a narrow interpretation. I agree with the distinguished Senator from Delaware. I am not sure that you can catch them on a conspiracy statute in this area. I do not remember the law with regard to the explosives. But whether that is so or not, as I understand it, the word likely will be stricken in the amendment.

Mrs. FEINSTEIN. That is correct.

Mr. HATCH. Then I am prepared to accept the amendment.

Mr. BIDEN. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. Is there objection?

Mr. BIDEN. Reserving the right to object, is the language "and" or is it "or"? If it is "or," I have no objection.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. HATCH. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No. 1209), as modified, is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVE MATERIALS FOR A CRIMINAL PURPOSE.

(a) Section 842 of title 18, United States Code, is amended by adding at the end the following new section:

"(l) It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends or knows, that such explosive materials or information will be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce."

(b) Section 844 of title 18, United States Code, is amended by designating section (a) as subsection (a)(1) and by adding the following new subsection:

"(a)(2) Any person who violates subsection (l) of section 842 of this chapter shall be fined under this title or imprisoned not more than twenty years, or both."

Mr. HATCH. Mr. President, with that modification, I am prepared to accept the amendment, if the distinguished Senator from Delaware is likewise.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. For clarification purposes, and I think I will accept it, I want to read the entire amendment. It will take me one moment. It says:

Section (a) reads, "Section 842 of title 18, United States Code, is amended by adding at the end the following new section:

Subsection 1.

It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends or knows that such explosive material or information will be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce.

Subsection B.

Section 844 of title 18, United States Code, is amended by designating section (a) as subsection (a)(1), and by adding the following new subsection:

(a)(1), any person who violates subsection (1) of section 842 of this chapter shall be fined under this title or imprisoned not more than 20 years, or both.

That is the end of the amendment. Is that correct?

Mrs. FEINSTEIN. The "1" is an "l". It is a lower case.

Mr. BIDEN. I beg your pardon. In the last paragraph?

Mrs. FEINSTEIN. In the first paragraph and the last.

Mr. BIDEN. I beg your pardon. It is "l", and not "1."

So it will read, the following new section "l", "It shall be unlawful for any person to teach or demonstrate the making of explosive material or to distribute by any means information pertaining to", et cetera. Then at the bottom paragraph, it reads "Any person who violates subsection l of this section." Then that is how it reads, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIDEN. Mr. President, I am sorry to do this to you. But also in the third paragraph, it reads:

Section (a) as subsection (a)(l) and by adding the following new subsection.

So, in other words, the three places where I thought it was a "1" it is not a "1." It is an "l."

So that being the case, that is the only correction of me, not of the amendment, I have no objection. We accept the amendment as well.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1209), as modified, was agreed to.

Mr. BIDEN. Mr. President, let me say that the Senator from California never ceases to amaze me. I say that with genuine respect. When she zeroed in on this problem when Senator KENNEDY came to the hearing and presented a 60-, 70-, 80-page document—I forget how long it was—of information that the staff had pulled off the Internet for him on how to do these things, one of the things that I admire most about her is her incredible common sense.

I remember her sitting there looking at us and saying, "You mean you can do this? I mean, why are we allowing this?" All of us who were supposedly hopefully good lawyers all looked and said, "First amendment problem, Senator." And we all did say that. We all knew because of our reverence for the first amendment. Those of us who are conservative, liberal, and moderate alike all said, "First amendment problem." We all kind of went on to other things.

As she always does, she went back to her office, and I am sure she turned to that able staff member next to her and said, "Wait a minute, there has to be a way to do this. There has to be an answer to this." As usual, her instinct is almost always right. And when I have dealt with her, it has been unerring. Not being a lawyer, she went out and got some fine lawyers and said, "How can I write this thing because I, DIANNE FEINSTEIN, don't want to amend the first amendment either, but I do want to deal with this foolishness."

She did it. I compliment her. And remind me, if I ever forget, never to underestimate her. She always gets it done. We are all better for it. I again congratulate her.

We have no other amendment on the floor at the moment. What I would like to do, unless someone wishes to bring up an amendment, I would like to because I was not here when the Senator from California spoke on her first amendment, the taggants amendment, and I would like to take a moment.

AMENDMENT NO. 1202

If anyone has any other thing to bring up, I would be happy to yield. I rise at this moment to support the amendment of my friend from California on taggants, if I may, because we are going to be voting on that I think around 6 o'clock.

One area we did not address in the legislation before us was the issue of taggants. The President wanted to see it addressed, and I did as well and spoke very briefly with my friend from California and encouraged her to move the amendment on taggants.

I feel it is very important in the battle against terrorism to enhance our ability to identify, following detonation, the source or origin of the explosives used in an act of violence against our fellow Americans. Key Federal law enforcement officials recognize that to provide for enhanced tracing capabilities is a logical and, I would argue, overdue response. The administration included a tracing provision in their antiterrorism proposal, and it was section 803 of S. 761.

Now, I want to make it clear to those of our colleagues who may be listening in their offices, I am not inadvertently substituting the word "tracing" for "taggant" because that is what this is all about. We want to be able to trace the manufacturer of the material used, not for purposes of prosecuting the manufacturer, unless the manufacturer violated the law intentionally in to whom they sold the material, but in order to be able to trace the person who purchased the material which would enhance our ability to find out who detonated the bomb.

The provision authorizes the Secretary of Treasury to promulgate regulations requiring taggants to be added to explosive materials. Now, the Republican bill, however, omits this key provision. Instead, the Republican bill calls for no action, only more study. I would also note that not only does the Republican bill choose study over action but, even worse, their bill calls on the Justice Department to study this issue.

Now, we all know that jurisdiction over these issues and the real expertise related thereto is in the Treasury Department. Let us not duplicate effort. Let us not duplicate bureaucracy. Let us think of the taxpayers, not the pet peeves of some special interest group because they do not like the Treasury Department. The Treasury Department is the outfit that has been dealing with this issue and explosives for time immemorial. The Justice Department is not. It does not have the expertise. So I would suggest that is not the place we should look.

Now, taggants are tiny plastic, as they are referred, sandwiches with different color stripes that are added to explosives during the manufacturing process. Because these taggants are left after the explosion, they can be used to identify the source of an explosion. And that is the source of the material—where it was purchased. In other words, these identifiers, these little plastic sandwiches, as they are called, different colored stripes are put into the explosive when it is being manufactured, legitimately manufactured. We are not talking about some back-room operation. These are legitimate explosives. These are legitimate materials made by legitimate companies for legitimate purposes. You add at the time of their manufacture these little colored strips so that when the explosion goes off, you are able to go into the area where the explosion took place and by use of detection means find these taggants.

These taggants—this is my phrase; I have never heard anyone else use this—are a little bit like that little bar code on the bottom of everything you buy in the grocery store. The checker just runs it through a scanner. They can identify what stock it was, what date it was made, where it came from, what part of the store it was in, how much it cost.

It is the same principle here. We want to be able to essentially run the residue of that explosive material through a scanner, in effect. And you are able to say OK, the material used in this bomb was manufactured at such and such a time, such and such a batch, et cetera, and work your way back with the intention of not going after the manufacturer but going after the person who purchased it.

Now, it may be the person legitimately purchased it, and we find out it was purchased for a construction operation and it was put in, properly stored in a locked vault and that you find out the vault was not broken into but that on the job it turned out a couple pieces were missing. Well, then you have the investigative tool to narrow it down. Maybe then you look at the people who took the explosive out and were legitimately working on the job. Maybe it turns out to be one of them. It was not them. They may say, well, it was only 20 minutes it was not here. And there was a guy wearing a red cap that came by. It is investigative work. It merely gives, but significantly gives, an opportunity to law enforcement agencies to begin to trace, backtrack, until hopefully you find the person who was the person who purchased and used this material.

Now, to use a practical example of how even small pieces of evidence are vital, consider that the vehicle identification number on the exploded remains of a rental truck that was used to blow up the Federal Building in Oklahoma City was the critical piece of evidence that gave Federal law enforcement a critical lead on the bombing suspects.

There was a taggant in effect on that vehicle in an ID number on it. Where would we be if we had not required an ID number on that vehicle? We would be nowhere. You would not have been able to go back to find out from where that vehicle was rented, who walked in and rented it, what they looked like, what their description was and then trace it back to the guy who gets arrested almost incidentally on a highway going out of Oklahoma City the day of the bombing.

Very important material, a tiny little thing. You would say, well, wait a minute. That truck was blown to smithereens. This just goes to show you the investigative capability of the people there. The axle—I believe it was an axle—on which this identification number existed was found. They knew to go and look at that ID number.

Once they found it, they could begin the tracing process. In fact, it was the employees of the rental agency they traced this back to who provided much of the information necessary to create the composite sketch of the suspect initially known as John Doe 1, whom we now know as Timothy McVeigh.

Now, taggants work much in the same way. The taggants would give an indication where the explosives were purchased. Not only does that lead law enforcement to a sales clerk who might have provided a description of the terrorist, but this information may also be key, and perhaps the only physical evidence that a prosecutor can use, to nail the defendant to the crime. If there were taggants in the explosives that were used, you would be able to do the same thing—and they were recovered. You might be able to go back and find where the material that blew up the—and that was fertilizer added with some chemicals and the like. You may be able to go back and find out where that fertilizer was sold and you may find the very same thing. The clerk says I remember selling that fertilizer to the following person, and you do a composite sketch. Again, it is a strong piece of evidence.

Now, my colleagues on the other side of the aisle will argue that we should study this issue more closely. But that means only one thing: More needless delay. The potential effect of taggants has been highlighted in a study that was conducted in the late 1970's when the ATF seeded a very small portion of explosives, 10,000 pounds, with taggants.

We had this debate, I might add, when I first came to the Senate in the 1970's, and we were told, no, it may be a destabilizing element in the manufacture of the material; it may be used for purposes on the part of law enforcement to do bad things, et cetera. But we agreed that Alcohol, Tobacco, and Firearms could do an experiment. So they went to a manufacturing site, and they tagged 10,000 pounds of explosives. They put in one of these little colored strips, these sandwiches.

Now, despite this relatively small amount—and that probably represented less than—I will not even guess—one one-hundredth percent of all the explosives sold that year. It was infinitesimally small in this little experiment compared to the universe of all explosives sold that year. For example, my staff is telling me 4 billion pounds of explosives are sold per year—4 billion pounds. This was 10,000 pounds that was tagged as an experiment. Now, notwithstanding that, that one experiment back in 1978—and the Senator from California knows this—was very instrumental and effective in helping solve a bombing incident in the State of Maryland. Now, the idea that we did this one experiment—and it was just pure luck, I suspect, that that 10,000 pounds was purchased. But what happened was there was a car bombing, and but for the fact that the explosive used was part of that 10,000-pound batch that was the only batch out of four billion pounds sold that year, the perpetrator of the act was unlucky enough to purchase something from that batch. And that was the thing that led to the identification and conviction of that individual, with little or no possibility of their ever having found him but for the taggants.

I suggest that the study by the Office of Technology Assessment on taggants is also a key source of the safety and efficacy of taggants. There was this experiment and the study by the Office of Technology Assessment. The Office of Technology Assessment found that "identification taggants would facilitate the investigation of almost all significant criminal bombings in which commercial explosives were used."

Now, safety tests performed by the Office of Technology Assessment found taggants to be compatible with the explosives covered by this amendment. By compatible, I mean they did not diminish the efficacy of the explosives, No. 1. So it blew up just as big as it would have blown up without the taggant. It did not diminish its capacity.

Second, it did nothing to destabilize the explosive. It made it no more or less dangerous to deal with that explosive. One of the arguments we will hear used is that if you add these taggants, they will have the effect of destabilizing this explosive material, making it more dangerous to handle. There is no evidence of that, according to the Office of Technology Assessment.

Third, they also found that it did not, in any way, affect the manufacturer of that material. That is, placing the taggants in the material as it is manufactured did not diminish safety in the production of that material.

For 15 years, law enforcement in Switzerland have recognized taggants as an important piece of the puzzle in solving crimes involving illegally used explosives. Under this amendment, the Secretary of the Treasury will determine how we can best utilize this technology. Then we will move forward and use the taggants after that assessment has been made by the Secretary of the Treasury. And that is key. We should move forward in this area now, and we should do so without further delay.

Now, a study on common and precursor chemicals, another aspect of the amendment I want to touch on briefly, is the requirement that the Secretary of the Treasury study and make recommendations regarding: First, the ability and feasibility of rendering inert those common chemicals used to manufacture explosive materials and, second, the ability to impose controls on those precursor chemicals used to manufacture explosive materials.

Let me make it clear, this is a separate issue. There are two issues here that the Senator from California has pursued that were in the President's legislation. One, this notion of, in effect, seeding an explosive with a color-stripped material so that when the explosive goes off, you can find the material and trace back the place where it was manufactured and sold. That is the taggant.

Now, there is a second issue, and that is chemicals which are sold—I will use this phrase—over the counter. These are chemicals you can go and buy, but they can be used for destructive purposes, although their intention is for constructive purposes. Fertilizer is to help things grow, not kill things or kill people.

Now, I said this before, and I say it to my friend from California here. I was at a conference with a group of U.S. Senators, Congresspersons, and officials from the United Nations the day this god-awful explosion in Oklahoma occurred, and we literally interrupted the conference. One of the conferees was Gen. Michael Rose, a general in the British Army, who was the UNPROFOR Commander of Forces in Bosnia up until about 3 months ago. General Rose and I were sitting next to one another discussing the situation in Bosnia. What happened was that we adjourned when we heard this horrible news and went to the nearest television. The first scene all of us saw—a dozen of us Congressmen, Senators and generals—was a visual image of the Federal building and the confusion surrounding it. You could see how the Federal building was not only blown up, but it looked like it was cut away in the front. I was sitting next to General Rose. I could not hear what was on the television in this hotel lobby. We just saw the picture. He looked at me and he said, "That bomb is a fertilizer bomb. That is what destroyed that building." My staffer reminded me that he looked and he said, "That is an ANFO bomb." I wondered, what in the devil is he talking about? How does he know this? All we can see is this picture on television. He had not heard any more about this than I did. We just walked out of this conference. He went on to explain to me how when ammonium nitrate is added to fertilizer in a certain formula and way, it produces an explosion whose fingerprints or characteristics are like the one we saw. I was amazed. I was complimenting him, because about 3 minutes later a reporter comes on and says, "We have just learned that this was a fertilizer bomb." I did not know how he knew this. He went on to explain to us that it was his experience when he was a commander in Northern Ireland with the use of fertilizer bombs by the IRA. He went on to point out that England had changed the law relative to the sale of fertilizer to Ireland and the type of fertilizer and the amount of nitrate that could be in the fertilizer, and he went on and on about it. And he said something fascinating. He said that it has had three interesting effects. First, the environment is cleaner. There is not as much nitrates left over in the environment when it is applied to the soil. The water is cleaner and the bombs are fewer.

So that is when I became interested in how do you take these materials that seem to me to be totally innocent in terms of the ability to cause damage and render them inert—inert in the sense that they can only do the thing for which they were manufactured, which is to help things grow, as opposed to kill people. One of the ways to do that is to look at it and study it and make recommendations regarding the feasibility of adding materials to the manufacture of these chemicals and precursor chemicals that will not diminish the effectiveness of the chemical but render them incapable of generating the explosion.

The purpose of this provision is very simple, and it should be clear to every American in the wake of the Oklahoma City tragedy. What has become evident in the past weeks is that in America today, nearly anyone, as our friend from California has pointed out, can acquire the ingredients, all of which have other legitimate uses, and build a bomb.

The bomb in Oklahoma was a mixture of ammonium nitrate fertilizer and diesel fuel. Ammonium nitrate can be purchased at almost any garden supply or hardware store, and when mixed with a fuel, it can be classified as a high explosive. One way to desensitize ammonium nitrate while still preserving its effectiveness for its intended use would be to mix a nonexplosive chemical such as lime, calcium carbonate, into the product, to render it inefficient for use as an explosive.

Now, I think it makes overwhelming sense to suggest that a feasibility study be done and recommendations made as to whether or not, for example, lime can be added to ammonium nitrate, allowing the fertilizer to be as potent as it was before for the purposes of encouraging growth in the soil, yet rendering it incapable of being used as a bomb when mixed with a fuel supply. This type of desensitizing is currently employed in England, as I said.

Let me be clear, all this amendment does with regard to this point, all it does is require the Secretary to study the feasibility of such a policy being implemented in the United States.

It is an unfortunate reality that individuals would take seemingly harmless—I might add, legal—products and devices and turn them into weapons capable of exacting the devastation and loss of life that we all saw in Oklahoma City. However unfortunate that may be, it is a reality nonetheless. The amendment of my friend from California is an effort to curtail the availability of products which can be used in this manner.

Mr. President, I would like to make as a concluding point that I understand negotiations between Senator FEINSTEIN and other interested parties on the other side are proceeding. Of course, I hope these discussions will be successful, but I strongly urge that the Senator from California not relent on the two essential aspects of her amendment.

One, the taggants be able to be placed, by recommendation from the Secretary of Treasury, in explosives; and, two, that the study be undertaken that would determine whether there are ways that we can feasibly render inert the destructive capability of otherwise totally constructive precursor chemicals.

I see the Senator from California is on the floor and seeking recognition. I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from California.

Mrs. FEINSTEIN. Mr. President, I want to thank the Senator from Delaware for that very eloquent exposition on taggants.

I must say that it never ceases to amaze me, because outside people are saying they are for legislation to begin to tag explosives where safe and not adding to the volatility. Yet once again, I must tell the Senator, the lobbying of those special interests is starting up again to, one by one, move Senators off of this legislation.

This led me to get a little bit of the history of taggants before this body. While the Senator has been here for a long time, I am a relative newcomer, 2½ years, and I did not realize this issue has been raised now for 22 years before this body. It might be interesting to go back into a little bit of the history.

It actually began in 1973 when Congress asked ATF to look into possible methods of fighting terrorists in criminal bombings. That year, ATF and the FAA established an ad hoc committee on explosives seeding. That same year, ATF formed an inner agency advisory committee on explosives tagging.

Also in 1973, the Law Enforcement Assistance Administration, which we knew as LEAA, sponsored a study by Lawrence Livermore Lab, managed by Aerospace Corporation, to study the feasibility of identification tagging of explosives.

Several companies, including 3M and Westinghouse, began taggant development. By 1976, this was far enough advanced to be the subject of the pilot tagging program developed by aerospace under the contract with the Bureau of Mines. The results seemed positive, in 1977, with the Omnibus Antiterrorism Act.

Mr. President, was the Senator here in 1977?

Mr. BIDEN. Mr. President, yes, I was here. I was also here in 1973, unfortunately. I have been here, and I have been interested in this issue since then. That is why I am so happy the Senator is pushing it.

Mrs. FEINSTEIN. Mr. President, it is interesting to see, because in 1977 Senators Abe Ribicoff and Jake Javits presented language mandating the introduction of explosive tagging over a period of time.

During consideration of the bill, the National Rifle Association—who somebody has just said is for taggants—opposed the inclusion in the program of black and smokeless powders used by some hunters to hand-load antique rifles. The National Rifle Association was successful at the committee level at deleting the requirement that these powders be tagged.

Nonetheless, the requirement that other types of explosives be tagged was left intact. The bill never reached the Senate floor.

In the 96th Congress, the antiterrorism legislation was reintroduced with provisions for gradually phasing in identification tagging over a 2½-year period. The legislation was considered in the House by the Aviation Subcommittee of the Commerce Committee.

It was supported by the Airline Pilots Association and the Airline Transport Association. The House Members and Glenn Anderson, the subcommittee chair, wanted to wait for action on the subject in the Senate before taking the issue up in the House.

The Senate Governmental Affairs Committee marked it up on May 7, 1979. The only controversial aspect of this Omnibus Antiterrorism Act, Senate bill 333, was explosive tagging. Again, the NRA and the Institute of Makers of Explosives lobbied hard to kill the entire program and made wild accusations about the cost, safety, utility, and burdensomeness of taggants.

So the principal supporters, Ribicoff and Javits, and the principal opponent, who was Senator STEVENS at the time, agreed to postpone committee consideration pending an examination of taggants by the congressional Office of Technology Assessments.

That was the report I held up this morning. OTA was not to conduct original research, but rather was supposed to review existing data and report its findings back to the Governmental Affairs Committee no later than August 6, 1979.

OTA went out. They established a staff drawn from science foundations, Lawrence Livermore Lab, to carry out the proposal. They also formed an advisory committee composed of representatives from the law enforcement community, the explosives industry, and the gun lobby to provide input. It is my understanding that one of the explosive industry members was later indicted for selling explosive materials to Libyan terrorists.

Despite the efforts on the part of OTA to comply with the August 6 deadline, it soon became apparent that the deadline could not be met. So a new deadline was set for Thanksgiving. In the interim, American hostages were seized in Iran and the Senate decided to postpone consideration of the underlying bill until the situation was clarified.

This gave OTA more time to develop its report, which was finally released on April 28, 1980. That is the report I mentioned this morning.

At this point, the National Rifle Association, I am told, hired lobbyists to lobby against the bill. I am told that the people hired were paid more than $250,000 for the effort to defeat this. They were successful in getting several trade associations in the construction industry, including the Crushed Stone Association, to launch campaigns against the bill on the theory that taggants would increase the cost of explosives by more than 100 percent. In fact, the estimate is less than 10 percent. I read those figures into the RECORD this morning.

By the date of the markup, it became clear that the Javits-Ribicoff approach would not win. Senator GLENN offered a compromise. That did not go ahead. The committee vote was 8–7 in favor of an Eagleton motion, who was an opponent of taggants. And on and on and on it goes.

Now here we are with a massive incident in the United States—two of them—the World Trade Center and the building in Oklahoma City. And now, today, this afternoon, the phones are heating up. Senators that I thought would be for this are calling. They are now getting the agriculture communities involved, saying they do not want a study. Just the study on ammonium nitrate, the fertilizer that blew up the building and killed 168 people, we were being told we should not study it.

I cannot believe it. It is unbelievable to me that anyone could oppose a study to see if fertilizers can be made inert so they will not detonate it.

Mr. BIDEN. Mr. President, will the Senator yield for a moment?

Mrs. FEINSTEIN. I will yield.

Mr. BIDEN. I do not mean yield to the issue, but yield temporarily on the floor.

Let me ask the Senator somewhat of a rhetorical question. She points out accurately, my recollection, because I was here during the entirety of what she spoke of. From my perspective, her historical analysis is accurate. I remember at the time being dumbfounded, quite frankly, that the chemical industry, a large chemical industry in Delaware, and others would not push hard for these actions to be taken. I mean, I just assumed, naively, that this would be something everybody would be for.

There is one argument that can be made in opposition to what we are trying to do and I think we should state it. That OTA study, Office of Technology Assessment study, said that there was only one possible exception to the circumstance under which adding a taggant might diminish the safety, and that was with regard to smokeless powder.

The Senator pointed out that back as early as 1973, the NRA pointed out that they were concerned about people who were muzzle loading antique guns and using smokeless powder to put them in a position to be able to use the guns. Probably we could have settled that matter then but it turned out that, whether the NRA was concerned about that or not—and I will not make a judgment about that—it ended up being the initial device used, the wedge used to block anything from happening.

It is my understanding from my discussions with the White House, with the Justice Department, my staff and others, that when I introduced the President's bill, when Senators KOHL and SPECTER and I introduced the President's bill containing this provision, that we did not intend—the White House did not intend, the Justice Department did not intend—to include within the definition of explosive, smokeless powder. The ATF indicates that they do not include that in their definition of explosives. And I would think that—I would like to ask the Senator whether this is not her understanding as well, that we would be willing to make it very clear in the record that our definition—your definition of explosives does not include smokeless powder.

Mrs. FEINSTEIN. I would be prepared to do that, Senator. It is my understanding this affects gels, slurries, dynamite, emulsions and cast boosters, and black powder. But it does not include smokeless powder.

Mr. BIDEN. As further evidence that we are not just arriving at this as a means of a compromise, it was never our intention to include smokeless powder. I would read from, as further evidence of that although we did not make it absolutely clear, I would read page 2 of the amendment, subsection (e), the bottom, second-to-the-last-line of the page.

> Tracer elements to be added to explosive materials under provisions of this subsection shall be of such character and in such quantity as the Secretary may authorize or require, and such as will not substantially impair the quality of the explosive material for their intended lawful use, adversely affect the safety of the explosives, or have substantially adverse effects on the environment.

So we thought that we were dealing with this red herring by having the section requiring that the decision would have to be made that the tracer elements, the taggants, would not adversely affect the safety of the explosives.

Since OTA indicated that there was a possibility of that with regard to smokeless powder, we did not intend that to be covered. But I would suggest—I know my friend from California who is leading this effort has probably had some discussions already with the majority staff and others about this. I hope we can reach a resolution on it. And I sincerely hope, coming from a State where agriculture is our single largest industry in terms of dollars and effect on the economy, and where fertilizers are used a good deal—hope no one would be fearful of explaining to the agricultural community that they supported a study to determine this. I cannot imagine the farmers in my State, very conservative, hard-working folks, would be opposed to a study being conducted to determine whether or not ammonium nitrate could have an element added to it that would not in any way diminish its efficacy on the land but would diminish its efficacy as an explosive component.

I might point out—I might ask it, actually, in terms of a question. Is it the sponsor's intention that this merely be a study relative to means to render inert these components, precursors that can be used as bombs? And that if the study concludes that the only way it could be done would be to diminish the capacity of ammonium nitrate to do its job on the field, that we would not move forward? This is merely a study, is it not?

Mrs. FEINSTEIN. The Senator from Delaware is 100 percent correct.

I might say, coming from a State that has a $18 billion agricultural industry, I called up to see if we have had any phone calls at all from Agriculture, Farm Bureau, anybody else. The answer is no.

I would hazard a guess, knowing the agricultural community of California, that they would not object to a study. So I think this is probably a very targeted lobbying drive at the present time.

Mr. BIDEN. Mr. President, I hope we follow the advice of the Senator. We know this is the right thing to do. We know this is the right thing to do.

We know it is, as a minimum, worthy of scientific study to determine whether this can be done with efficacy. And we also know—I do not fully understand, frankly—we also know there are certain interests that do not want that to happen. Because they are fearful—the only thing I can conclude, Senator, is they are fearful that the study will come forward and say, "Guess what? You can do this without in any way diminishing the effectiveness of fertilizers used for agriculture."

Because, obviously, if the study is going to come back and say you cannot do this without diminishing significantly the capacity of the fertilizer to function, that cannot worry them because if that is the case we are not going to do it. There is no way that would get done here.

So I always am confused by this response. I was confused in 1973 about why people responded the way they did. I hope we will not let interests that I do not fully understand sidetrack even a study. I might point out, by the way, with regard to taggants, originally the people who are now opposing the Senator's language and the President's language were opposed to even a study before. Now they are for a study. I hope we can just bypass—not have to go through another 10 years before we get to the point where they see their way clear, suggesting we can even look at a study.

Mrs. FEINSTEIN. If the Senator will yield?

Mr. BIDEN. I will be happy to.

Mrs. FEINSTEIN. I have here an amended amendment that may solve the problem. There are some technical amendments which I can read. But the one that deals right now with the situation that my colleague is referring to, smokeless or black powder would be as follows.

> At the end of subsection (c)(1) insert the following:
>
> For purposes of this subsection, explosive material does not include smokeless or black powder manufactured for uses set forth in section 845(a)(4)(5) of this chapter.

Which is "Small Arms Ammunition and Components Thereof." That is the exception, just for small arms ammunition and components thereof.

Mr. BIDEN. I say to the Senator from California that is probably broader than we have to make it, but I would agree with her that that is worth doing to allay the concerns and fears of our friends who think somehow there is some nefarious objective here that is not obvious on its face.

The Senator from——

Mrs. FEINSTEIN. If the Senator will yield? We believe it is already exempted. This is a restatement of that.

Mr. BIDEN. Again, I would have no objection. But I suggest the Senator withhold modifying that because the Senator from Utah was required—he has been on the floor the whole day. He said he had to leave for 15 minutes. And would I not take any action in his absence. So I suggest, and maybe the Senator's staff has already done this, make that language available to Senator HATCH's staff. Hopefully he can agree to that.

But I ask her to withhold modifying her amendment which would require unanimous consent until he returns to the floor and has had a chance to look at it.

Mr. President, while the Senator from California is doing that, I will repeat that in both instances, in the instance of requiring tracers and studying the capability of rendering products which do not have a destructive purpose but are able to be used for destructive purposes, to render them inert—that is incapable of being used for destructive purposes—that in both instances we are very concerned about safety. We do not want at any point here, in attempting to create, eliminate, diminish the possibility of one bad thing happening, to raise safety concerns. So for those explosives with potential—and I want to stress potential—safety concerns, the Secretary of Treasury can account for those concerns by establishing regulations. The point of this amendment is to improve the safety of Americans. But it will not be done by risking the safety of manufacturers or people who lawfully use explosives. This amendment accounts for those concerns and addresses the underlying concern with illicit use of explosives.

I stress again the action just suggested by the Senator from California is further evidence of the fact that we are in no way suggesting an amendment that would diminish the safety of anyone, the manufacturer or the person who lawfully uses those materials. I further note as it relates to precursor chemicals, we are not in any way suggesting that any change be made prior to a full-blown study. And the purpose of that study is to determine whether or not we can be assured that we can render these precursor chemicals inert, without affecting their ability to be used effectively as designed for the purpose for which they are manufactured in the first instance.

So I hope that when we get to this amendment that no one will be dissuaded from voting for it. And I say to representatives of the NRA who are listening that it is not our intention in any way to make anything unsafe for hunters, to in any way diminish or limit any right of any gun owner in America, to in any way put any gun owner in America in any jeopardy whatsoever. This is not a slippery slope. This is not the camel's nose under the tent. This is not all those other things that are always stated when in fact we do anything at all that impacts in any way upon firearms, ammunition, or explosive material.

There is no subagenda here. It is very simple. We want to track down the bad guys who use explosives the wrong way for criminal purposes, and we want to take that material that is sold over the counter for purposes totally unrelated to criminal activity or for explosive capability and determine whether or not, after scientists study the issue, we can safely render that explosive capability inert, render it incapable being used in an explosive compound, and in doing so in no way diminish the purpose, the efficacy of the material for which it was manufactured in the first place.

Mr. KENNEDY. I urge the Senate to support the Feinstein amendment to require that explosives be manufactured with identifying chemical markers.

These markers, called taggants, are an essential tool for law enforcement officials in the difficult effort to apprehend terrorists who use bombs. The President has asked us to include this provision in the pending bill, and we should comply with his request.

Explosives are the weapon of choice for any criminal who wishes to kill and maim human beings indiscriminately. Nothing demonstrates this more starkly than the tragedy in Oklahoma City, in which 168 people were killed by a bomb in a parked truck outside the building. The perpetrators of this atrocious crime caused more death and destruction with an explosive device than they could ever have accomplished with even the most lethal firearm.

But Oklahoma City is just the tip of the iceberg. Because of their destructive capacity, explosive devices have been used repeatedly to perpetrate terrorist acts:

On February 26, 1993, Islamic extremists used a 1,200-pound bomb to devastate several levels of one of the World Trade Center Buildings in New York City. Six people were killed, and over a thousand were injured.

Explosives caused seven airline crashes between 1982 and 1989, including Pan Am flight 103, in which 270 people, many of them Americans, were killed over Lockerbie, Scotland. Seven Americans also died in a 1989 plane crash in Africa caused by an explosive device.

In 1993, bomb attacks occurred in every one of the 50 States, as well as in the District of Columbia, Guam, and Puerto Rico. In Massachusetts, there were 16 illegal explosive incidents that year, and 11 of those bombs detonated before authorities could disable them. In the decade between 1984 and 1993, Massachusetts had a total of 141 bombings and 27 attempted bombings. Four people were killed, and 28 were injured during that period.

Nationwide, 632 people were killed by bombs between 1989 and 1991.

Of course, bombings are not always intended to result in largescale destruction. Explosives are sometimes employed in criminal attacks against specific individuals, as in the case of the assassination of Federal Judge Robert Vance several years ago. And since 1978, the so-called Unabomber has killed 3 and injured 23 people with deadly letter bombs delivered through the mail to his victims' homes and offices. In 1993 alone, the postal service detected 10 bombs in apparently unrelated incidents.

The perpetrators of these crimes often evade capture and conviction, in part because of the difficulty that law enforcement officials face in tracing the origin of explosive devices and components. As the Office of Technology Assessment has noted, "bombings are particularly difficult crimes for law enforcement agencies to handle as the bomber is not usually near the scene of the crime, the physical evidence is destroyed or damaged by the detonation, and the materials necessary to fabricate even a quite catastrophic bomb are easily obtainable."

But cutting-edge technology offers two ways to assist law enforcement in the difficult task of apprehending terrorists. First, there are means to detect explosives when they pass through airports and other secure areas. And second, explosives can be manufactured with chemical taggants that help investigators trace the source of the material after the explosion has occurred.

The pending bill advances the first of these two technologies by requiring that explosives be manufactured with detection agents that will trigger detection devices at security checkpoints. This requirement implements an international convention, and I commend the chairman of the Judiciary Committee for including this provision in his substitute.

But the pending bill does not include the second of these two technologies, and the Feinstein amendment would include it. It would give the Secretary of the Treasury needed authority to require manufacturers of explosive materials to include taggants in their products. Experts within Federal law enforcement say that the technology is feasible and appropriate, and President Clinton has asked Congress to give the Treasury Department this enhanced authority.

The use of taggants has proved to be a highly effective law enforcement tool in Switzerland, where the government has already implemented the requirement we are now debating. Swiss law enforcement agencies credit taggants with helping them to identify the source of the explosive in 566 bombing incidents over a 10-year period. The Swiss were able to apprehend a greater number of bombing suspects over this period by taking advantage of this new technology.

This amendment provides law enforcement with a needed technique to trace the origin of bombs and arrest and convict the criminals who use them.

I commend the Senator from California for her amendment and I urge its adoption.

Mr. LEVIN. Mr. President, I support the Feinstein amendment to require the tagging of explosive materials to help law enforcement officials investigate and prevent terrorist bombings.

The Hatch substitute amendment contains a very narrow provision that would require the use of taggants in only one narrow category of explosive materials—plastic explosives. This is a mistake. I am convinced that we have the technology available today to introduce taggants in a wide range of explosive materials.

In fact, the Congressional Research Service has informed me that Switzerland had required the inclusion of taggants in explosive materials since at least 1980, when that country's regulation on explosives was enacted. That law provides, in relevant part:

> [Each] explosive must contain a tagging substance that permits the reliable tracing of the origin [of the explosive] even after the explosion. The tagging substance requires the approval of the Central Office [of the Federal Prosecutor] which must consider changing circumstances.

The New York Times recently reported that a Minneapolis company is already in the business of manufacturing taggants, which it sells primarily to Switzerland. According to the New York Times, the Swiss police have used these taggants to trace explosives in more than 500 bombings and explosives seizure cases over the last 12 years.

Mr. President, the technology needed to introduce taggants into explosive materials is neither new nor experimental. We have had the technology available to us for more than 15 years. As long ago as 1980, the Senate Governmental Affairs Committee considered a provision to require the use of taggants as part of the Omnibus Antiterrorism Act. Unfortunately, the provision was dropped in committee, by an 8 to 7 vote.

At that time, Assistant Secretary of the Treasury Richard Davis testified that technology was already available or would soon be available to tag a wide range of explosive materials. Mr. Davis provided the following timetable: Black powder, October 1979; smokeless powder, July 1981; dynamites, water gels and slurries, June 1979; fuse and detonating cord, November 1979; detonators, June 1981, label method, October 1981 (double plug method).

In fact, the use of taggants during the testing and research period preceding action on the bill produced an arrest and conviction in Maryland. As Senators Javits and Percy explained in the committee report:

> In a May 1979 bombing in Spring Point, Maryland in which one man was killed and another injured, investigators searched through the debris and found the explosive used contained taggants as part of a pilot program. The taggants led police to a West Virginia explosives retailer, where they developed a list of suspects. One of those suspects knew the victim, providing a direct link in the chain of evidence. In December 1979, a Baltimore jury convicted James McFillin as being guilty of manslaughter. It was the first time a court had admitted the taggants as evidence. So, there should be no question in anyone's mind that taggants work.

Mr. President, the opponents of this amendment claim that more study is needed before taggants can be used. That is a needless delay. Taggants have been tested in this country and—even in the limited test—led to an arrest and conviction. They have been required in Switzerland for more than 12 years, and have proved helpful in hundreds of bombing and explosives cases over that period.

Taggants are a proven technology which can significantly assist law enforcement officials in detecting and deterring terrorist acts. We should not repeat the mistake we made when we deferred action on this provision in 1980. We should act now, by adopting the Feinstein amendment.

Mr. BIDEN. I note that no one else is seeking recognition. The hour of 6 o'clock is approaching.

Parliamentary inquiry: Is there a time set for the first vote at this moment?

The PRESIDING OFFICER. Yes. By unanimous consent, the time has been set for 6 o'clock.

Mr. BIDEN. The first vote will be on what issue, Mr. President?

The PRESIDING OFFICER. The motion to table the amendment No. 1202.

Mr. BIDEN. Amendment 1202 is the taggant amendment of the Senator from California.

The PRESIDING OFFICER. The amendment of the Senator from California.

Mr. BIDEN. I thank the Chair.

Again, I sincerely hope we do not have to wait for another bombing, another horrendous loss of life, even another day before this body will act on an issue that we have debated and discussed since 1973, the first year that I came here. There is no hidden purpose in this amendment, none whatsoever.

For the life of me, I cannot understand how anyone would be against this amendment.

I yield the floor at this time.

Mrs. FEINSTEIN. If I may, Mr. President, say to the Senator from Delaware, we are prepared to move a modification to the amendment. We require unanimous consent to be able to do so. I am hopeful that will be forthcoming.

Mr. BIDEN. Mr. President, the majority staff tells me that they are checking with Senator HATCH, who is just off the floor, occupied in another matter at the moment. Also, there is a need in order to get unanimous consent to amend the Senator's amendment. There are two other individuals I am told on the Republican side who are being asked to check off. If we are not able to get them prior to 6 o'clock, I will ask unanimous consent the vote be postponed for 5 minutes. I will not do that now. Hopefully we will find that out—to give us an opportunity to determine whether or not there will be agreement. I hope there will be no disagreement on the Senator's amendment because it makes crystal clear we are not intending to deal with small arms, we are not intending to deal with those folks who are the stated reason for concern on the part of those who are opposing this amendment.

Mrs. FEINSTEIN. If I might include in the Record at this time perhaps, if the Senator will yield, the Federal Register, volume 60, No. 80, Department of the Treasury. This is a listing of those explosive materials that we are dealing with precisely. So that will be in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

COMMERCE IN EXPLOSIVES; LIST OF EXPLOSIVE MATERIALS

Pursuant to the provisions of Section 841(d) of Title 18, United States Code, and 27 CFR 55.23, the Director, Bureau of Alcohol, Tobacco and Firearms, must publish and revise at least annually in the Federal Register a list of explosives determined to be within the coverage of 18 U.S.C. Chapter 40, Importation, Manufacture, Distribution and Storage of Explosive Materials. This chapter covers not only explosives, but also blasting agents and detonators, all of which are defined as explosive materials in section 841(c) of Title 18, United States Code. Accordingly, the following is the 1995 List of Explosive Materials subject to regulation under 18 U.S.C. Chapter 40, which includes both the list of explosives (including detonators) required to be published in the Federal Register and blasting agents. The list is intended to also include any and all mixtures containing any of the materials in the list. Materials constituting blasting agents are marked by an asterisk. While the list is comprehensive, it is not all inclusive. The fact that an explosive material may not be on the list does not mean that it is not within the coverage of the law if it otherwise meets the statutory definitions in section 841 of Title 18, United States Code. Explosive materials are listed alphabetically by their common names followed by chemical names and synonyms in brackets. This revised list supersedes the List of Explosive Materials dated January 7, 1994, (59 FR 1056) and will be effective as of the date of publication in the Federal Register.

Acetylides of heavy metals.
Aluminum containing polymeric propellant.
Aluminum ophorite explosive.
Amatex.
Amatol.
Ammonal.
Ammonium nitrate explosive mixtures (cap sensitive).
*Ammonium nitrate explosive mixtures (non cap sensitive)
Aromatic nitro-compound explosive mixtures.
Ammonium perchlorate explosive mixtures.
Ammonium perchlorate composite propellant:
Ammonium picrate [picrate of ammonia, Explosive D].
Ammonium salt lattice with isomorphously substituted inorganic salts.
*ANFO [ammonium nitrate-fuel oil].
Baratol.
Baronol.
BEAF [1,2-bis(2,2-difluoro-2-nitroacetoxyethane)].
Black powder.
Black powder based explosive mixtures.
*Blasting agents, nitro-carbo-nitrates, including non cap sensitive slurry and water-gel explosives.
Blasting caps.
Blasting gelatin.
Blasting powder.
BTNEC [(bis (trinitroethyl) carbonate].
Bulk salutes.
BTNEN [(bis (trinitroethyl) nitramine].
BTTN (1,2,4 butanetriol trinitrate.
Butyl tetryl.
Calcium nitrate explosive mixtures.
Cellulose hexanitrate explosive mixture.
Chlorate explosive mixtures.
Composition A and variations.
Composition B and variations.
Composition C and variations.
Copper acetylide.
Cyanuric triazide.
Cyclotrimethylenetrinitramine [RDX].
Cyclotetramethylenetetranitramine [HMX].
Cyclonite [RDX].
Cyclotol.
DATB [diaminotrinitrobenzene].
DDNP [diazodinitrophenol].
DEGDN [diethyleneglycol dinitrate].
Detonating cord.
Detonators.
Dimethylol dimethyl methane dinitrate composition.
Dinitroethyleneurea.
Dinitroglycerine [glycerol dinitrate].
Dinitrophenol.
Dinitrophenolates.
Dinitrophenyl hydrazine.
Dinitroresorcinol.
Dinitrotoluene-sodium nitrate explosive mixtures.
DIPAM.
Dipicryl sulfone.
Dipicrylamine.
Display fireworks.
DNDP [dinitropentano nitrile].
DNPA [2,2-dinitropropyl acrylate].
Dynamite.
EDDN [ethylene diamine dinitrate].
EDNA.
Ednatol.
EDNP [ethyl 4,4-dinitropeotanoate].
Erythritol tetranitrate explosives.
Esters of nitro-substituted alcohols.
EGDN [ethylene glycol dinitrate].
Ethyl-tetryl.
Explosive conitrates.
Explosive gelatins.
Explosive mixtures containing oxygen releasing inorganic salts and hydrocarbons.
Explosive mixtures containing oxygen releasing inorganic salts and nitro bodies.
Explosive mixtures containing oxygen releasing inorganic salts and water insoluble fuels.
Explosive mixtures containing oxygen releasing inorganic salts and water soluble fuels.
Explosive mixtures containing sensitized nitromethane.
Explosive mixtures containing tetranitromethane (nitroform).
Explosive nitro compounds of aromatic hydrocarbons.
Explosive organic nitrate mixtures.
Explosive liquids.
Explosive powders.
Flash powder.
Fulminate of mercury.
Fulminate of silver.
Fulminating gold.
Fulminating mercury.
Fulminating platinum.
Fulminating silver.
Gelatinized nitrocellulose.
Gem-dinitro aliphatic explosive mixtures.
Guanyl nitrosamino guanyl tetrazene.
Guanyl nitrosamino guanylidene hydrazine.
Guncotton.
Heavy metal azides.
Hexanite.
Hexanitrodiphenylamine.
Hexanitrostilbene.
Hexogen (RDX).
Hexogene or octogene and a nitrated N-methylaniline.
Hexolites.
HMX [cyclo-1,3,5,7-tetramethylene 2,4,6,8-tetranitramine; Octogen]. Hydrazinium nitrate/hydrazine/aluminum explosive system.
Hydrazoic acid.
Igniter cord.
Igniters.
Initiating tube systems.
KDNBF [potassium dinitrobenzo-furoxane].
Lead azide.
Lead mannite.
Lead mononitroresorcinate.
Lead picrate.
Lead salts, explosive.
Lead styphnate [styphnate of lead, lead trinitroresorcinate].
Liquid nitrated polyol and trimethylolethane.
Liquid oxygen explosives.
Magnesium ophorite explosives.
Mannitol hexanitrate.
MDNP [methyl 4,4-dinitropentanoate].
MEAN [monoethanolamine nitrate].
Mercuric fulminate.
Mercury occalate.
Mercury tartrate.
Metriol trinitrate.
Minol-Z [40% TNT, 40% ammonium nitrate, 20% aluminum].
MMAN [monomethylamine nitrate]; methylamine nitrate.
Mononitrotoluene-nitroglycerin mixture.
Monopropellants.
NIBTN [nitroisobutametriol trinitrate].
Nitrate sensitized with gelled nitroparaffin.
Nitrated carbohydrate explosive.
Nitrated glucoside explosive.
Nitrated polyhydric alcohol explosives.
Nitrates of soda explosive mixtures.
Nitric acid and a nitro aromatic compound explosive.
Nitric acid and carboxylic fuel explosive.
Nitric acid explosive mixtures.
Nitro aromatic explosive mixtures.
Nitro compounds of furane explosive mixtures.
Nitrocellulose explosive.
Nitroderivative of urea explosive mixture.
Nitrogelatin explosive.
Nitrogen trichloride.
Nitrogen tri-iodide.
Nitroglycerine [NG, RNG, nitro, glyceryl trinitrate, trinitroglycerine].
Nitroglycide.
Nitroglycol (ethylene glycol dinitrate, EGDN).
Nitroguanidine explosives.
Nitroparaffins Explosive Grade and ammonium nitrate mixtures.
Nitronium perchlorate propellant mixtures.
Nitrostarch.
Nitro-substituted carboxylic acids.
Nitrourea.
Octogen [HMX].
Octol [75 percent HMX, 25 percent TNT].
Organic amine nitrates.
Organic nitramines.
PBX [RDX and plasticizer].
Pellet powder.

Penthrinite composition.
Pentolite.
Perchlorate explosive mixtures.
Peroxide based explosive mixtures.
PETN [nitropentaerythrite, pentaerythrite tetranitrate, pentaerythritol tetranitrate].
Picramic acid and its salts.
Picrainide.
Picrate of potassium explosive mixture.
Picratol.
Picric acid (manufactured as an explosive).
Picryl chloride.
Picryl fluoride.
PLX [95% nitromethane, 5% ethylenediamine].
Polynitro aliphatic compounds.
Polyolpolynitrate-nitrocellulose explosive gels.
Potassium chlorate and lead sulfocyanate explosive.
Potassium nitrate explosive mixtures.
Potassium nitroaminotetrazole.
Pyrotechnic compositions.
PYX (2,8-bis(picrylamino))-3,5-dinitropyridine.
RDX [cyclonite, hexogen, T4, cyclo-1,3,5,-trimethylene-2,4,5,-trinitramine;
hexahydro-1,3,5-trinitro S-triazine].
Safety fuse.
Salutes, (bulk).
Salts of organic amino sulfonic acid explosive mixture.
Silver acetylide.
Silver azide.
Silver fulminate.
Silver oxalate explosive mixtures.
Silver styphnate.
Silver tartrate explosive mixtures.
Silver tetrazene.
Slurried explosive mixtures of water, inorganic oxidizing salt, gelling agent fuel and sensitizer (cap sensitive).
Smokeless powder.
Sodstol.
Sodium amatol.
Sodium azide explosive mixture.
Sodium dinitro-ortho-cresolate.
Sodium nitrate-potassium nitrate explosive mixture.
Sodium picramate.
Special fireworks.
Squibs.
Styphnic acid explosives.
Tacot (tetranitro-2-3,5,6-dibenzo-1,3a,4,6a-tetrazapentalene).
TATB (triaminotrinitrobenzene).
TEGDN [triethylene glycol dinitrate].
Tetrazene [tetracene, tetrazine,] (5-tetrazolyl)-4-guanyl tetrazene hydrate).
Tetranitrocarbazole.
Tetryl [2,4,6 tetranitro-N-methylaniline].
Tetrytol.
Thickened inorganic oxidizer, salt slurried explosive mixture.
TMETN (trimethylolethane trinitrate).
TNEF [trinitroethyl formal].
TNEOC [trinitroethylothocarbonate].
TNEOF [trinitroethylothoformate].
TNT [trinitrotoluene, trotyl, trilte, triton].
Torpax.
Tridite.
Trimethylol ethyl methane trinitrate composition.
Trimethylolthane trinitrate-nitrocellulose.
Trimonite.
Trinitroanisole.
Trinitrobenzene.
Trinitrobenzoic acid.
Trinitrocresol.
Trinitro-meta-cresol.
Trinitronaphthalene.
Trinitrophenetol.
Trinitrophloroglucinol.
Trinitroresorcinol.
Tritonal.
Urea nitrate
Water bearing explosives having salts of oxidizing acids and nitrogen bases, sulfates, or sulfamates (cap sensitive).
Water-in-oil emulsion explosive compositions.
Xanthamonas hydrophilic colloid explosive mixture.

Mr. BIDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1202, AS MODIFIED

Mr. HATCH. Mr. President, it is my understanding, and I ask the Senator from California if she desires to modify her amendment.

Mrs. FEINSTEIN. I do.

Mr. HATCH. I have no objection to modifying the amendment.

Mrs. FEINSTEIN. May I proceed to do so?

Mr. HATCH. That would be fine.

Mrs. FEINSTEIN. Is the Senator from Delaware present?

Mr. BIDEN. I have no objection.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. Is there objection to the modification to the amendment?

Without objection, the amendment is so modified.

The amendment (No. 1202), as modified, is as follows:

On page 152, strike line 6 through line 17 on page 153, and insert the following:

SEC. . STUDY AND REQUIREMENTS FOR TAGGING OF EXPLOSIVE MATERIALS, AND STUDY AND RECOMMENDATIONS FOR RENDERING EXPLOSIVE COMPONENTS INERT AND IMPOSING CONTROLS ON PRECURSORS OF EXPLOSIVES.

(a) the Secretary of the Treasury shall conduct a study and make recommendations concerning—

(1) the tagging of explosive materials for purposes of detection and identification;

(2) whether common chemicals used to manufacture explosive materials can be rendered inert and whether it is feasible to require it; and

(3) whether controls can be imposed on certain precursor chemicals used to manufacture explosive materials and whether it is feasible and cost-effective to require it.

In conducting the study, the Secretary shall consult with other Federal, State and local officials with expertise in this area and such other individuals as shall be deemed necessary. Such study shall be completed within twelve months after the enactment of this Act and shall be submitted to the Congress and made available to the public. Such study may include, if appropriate, recommendations for legisation.

(b) There are authorized to be appropriated for the study and recommendations contained in paragraph (a) such sums as may be necessary.

(c) Section 842 of title 18, United States Code, is amended by inserting after subsection (k), a new subsection (1) which reads as follows:

"(1) It shall be unlawful for any person to manufacture, import, ship, transport, receive, possess, transfer, or distribute any explosive material that does not contain a tracer element as prescribed by the Secretary pursuant to regulation, knowing or having reasonable cause to believe that the explosive material does not contain the required tracer element.".

"(2) For purposes of this subsection, explosive material does not include smokeless or black powder manufactured for uses set forth in section 845(a)(4)(5) of this chapter."

(d) Section 844, of title 18, United States Code, is amended by inserting after "(a) through (i)" the phrase "and (1).".

(e) Section 846 of title 18, United States Code, is amended by designating the present section as "(a)," and by adding a new subsection (b) reading as follows: "(b) to facilitate the enforcement of this chapter the Secretary shall, within 6 months after submission of the study required by subsection (a), promulgate regulations for the addition of tracer elements to explosive materials manufactured in or imported into the United States. Tracer elements to be added to explosive materials under provisions of this subsection shall be of such character and in such quantity as the Secretary may authorize or require, and such as will not substantially impair the quality of the explosive materials for their intended lawful use, adversely affect the safety of these explosives, or have a substantially adverse effect on the environment.".

(f) The penalties provided herein shall not take effect until ninety days after the date of promulgation of the regulations provided for herein.

Mr. BIDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. HATCH. I ask unanimous consent that my motion to table the modified Feinstein amendment be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask for the yeas and nays on the Feinstein amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 1202, AS MODIFIED

The PRESIDING OFFICER. The question occurs on agreeing to amendment 1202, as modified, offered by the Senator from California [Mrs. FEINSTEIN]. The yeas and nays have been ordered. The clerk will call the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr.

FAIRCLOTH], the Senator from Texas [Mr. GRAMM], the Senator from Oregon, [Mr. HATFIELD], the Senator from Vermont [Mr. JEFFORDS], the Senator from Indiana [Mr. LUGAR], and the Senator from Arkansas [Mr. MURKOWSKI] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Nebraska [Mr. KERREY], the Senator from Vermont [Mr. LEAHY], and the Senator from Washington [Mr. MURRAY] are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey, [Mr. BRADLEY] and the Senator from Vermont [Mr. LEAHY] would each vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 90, nays 0, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—90

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Lott
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NOT VOTING—10

Bradley
Faircloth
Gramm
Hatfield
Jeffords
Kerrey
Leahy
Lugar
Murkowski
Murray

So the amendment (No. 1202), as modified, was agreed to.

Mr. BIDEN. Mr. President, I move to lay that motion on the table.

Mr. HATCH. Mr. President, I move to reconsider the vote.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1207 WITHDRAWN

Mr. BROWN. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 1207) was withdrawn.

Mr. HATCH. Mr. President, I understand we can accept a few of the amendments. Senator DOLE has informed Members that is the last vote of the day.

Mr. BIDEN. Mr. President, we are trying to clear additional amendments.

We are prepared to accept the Pressler amendment, renaming a Federal building in his State. We are seeing whether we can clear additional amendments.

While I have the floor, let me ask, the Senator from California, Senator BOXER, was prepared to go with her amendment tonight, but since that was the last vote, I would like to ask whether or not the chairman would object to her being the first amendment tomorrow?

Mr. HATCH. I have no objection to that. Why do we not schedule that right before the caucus meetings tomorrow?

Mrs. BOXER. Mr. President, that is perfect.

Mr. BIDEN. Mr. President, I would be prepared to move Senator PRESSLER's amendment regarding renaming the Federal building, if that is appropriate.

The PRESIDING OFFICER. There are two Pressler amendments.

Mr. BIDEN. Mr. President, I was referring to the Pressler amendment renaming a Federal building. It is amendment numbered 1204. However, I have just been informed by the chairman of the committee of jurisdiction that he would like an opportunity to look at that. Therefore, I withdraw my request to act on Pressler amendment numbered 1204.

What I am saying is we do not have an amendment to clear at the moment.

Mr. HATCH. Mr. President, I do not have any authority to set a vote on the Boxer amendment. I think we have to look at the amendment and go from there. Hopefully, that can be the first vote, if we can work it out.

The PRESIDING OFFICER. The Chair would observe that the pending amendment is No. 1206, offered by the Senator from Utah on behalf of Senator SPECTER.

Mr. HATCH. As I understand it, maybe we can accept that amendment if it is permissible on the part of the minority.

Mr. BIDEN. Mr. President, there are two committee members that have a hold on this amendment. I am not sure it will not be able to be accepted, but I cannot clear it at this moment.

AMENDMENT NO. 1204

Mr. BIDEN. Mr. President, the Senator who had objected to moving to consider Pressler amendment numbered 1204 has now withdrawn his objection.

We, on the Democratic side, are prepared to accept Pressler amendment numbered 1204.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1204) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote.

Mr. BIDEN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I wonder if the distinguished Senator from Delaware is prepared to accept the Smith amendment, which appears to be a technical amendment.

Mr. BIDEN. Mr. President, at this moment, we are trying to clear the Smith amendment and several others. I am not in a position to clear any amendment at this moment. We are running that down right now.

If the Senator could withhold for a few minutes.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the managers have been accepting some of these amendments. I would like to get some idea of how many are left.

We started off this morning with 99, and I do not know whether we are down to 90, 85, 25, or 10. There will be a cloture vote. If we cannot get consent to vote tomorrow, it will be early on Wednesday morning.

One way or the other, we are going to dispose of this bill. If people are not willing to offer their amendments, we cannot work them out—it is only 6:30 and we thought we would be here late tonight. Obviously, no one wants to stay.

The President says he wants the bill passed. But this is all he says, "I want the bill passed." We need some action. Tomorrow we will have a full day. We are not going to dispose of the 99 amendments tomorrow or 85 or 75 amendments. We would be prepared to exchange lists. We have been able to eliminate many of ours. If the Democrats are willing to give what they have, we will know if we have a chance of completing this tomorrow. If not, I would like to move to the telecommunications bill.

We have accepted four or five minor amendments. That is about all we have gotten today. I am glad we accepted those rather than have 95–0 votes. Some of our colleagues returned today thinking there would be multiple votes. I obviously cannot manufacture votes, unless we just have Sergeant-at-Arms votes. I am not trying to punish anybody. We need to finish this bill, the President says so. Everybody says so.

How many amendments do we have left: 80? 50? 60? 100?

Mr. BIDEN. Mr. President, I say to the majority leader, I think we have about 20 amendments left. I expect that by midday tomorrow we will have fewer than that left.

I might point out to the majority leader that two of the four amendments accepted, when we met last, there was no possibility of them being accepted. They were two of the six major amendments that the Democratic side felt were essential to be included in the Republican core bill.

Although we did accept them and they turned out to be overwhelming votes—taggants—when I spoke this time before we adjourned, I said the taggant amendment and the amendment that the Senator from California had regarding the distribution of material on how to build explosive devices were two of the most contentious amendments, and they were so advertised at the time. They had been worked out through the cooperation of Senator HATCH and the Republican side. So I do not want the Senator, the leader, to think we have only been dealing with those things, with the easiest things on the list. The big items left on the list are some gun-related amendments and the habeas corpus amendments. We are ready to go at those starting first thing in the morning. I imagine we will be joined, for example, by the Senator from New Jersey, who has an amendment on doing away with the $25 million program the Defense Department makes available for ammunition for target practice. He is willing to agree to a half-hour on that amendment. I do not think we are going to take very much time on the remaining very controversial amendments.

I cannot say to the Senator what one or two people on either side may do based on what the final outcome of the habeas corpus vote is, or a gun vote is. I do not know. But I think disposing of the amendments will go relatively quickly and I think we will be able to get time agreements on almost all of them.

Several Senators addressed the Chair.

Mr. DOLE. Mr. President, let me just reply. We understand we have maybe five amendments. The Senator is saying he has, still, 20 on that side?

Mr. BIDEN. I ask my staff how many amendments we have on the Democratic side left?

I am told we have 15 to 20. We can give a closer estimate, but I suspect at least a third of those amendments are place holders that are not likely to be moved at all. But one thing for sure, the list is decreasing, not increasing.

I was asked by the Democratic leader if we thought we could finish this bill by tomorrow night. I believe we can finish it by tomorrow night, at least the amendments by tomorrow night. Hopefully we will not move into Wednesday on this legislation. I certainly want to move it. Thus far I have seen cooperation on both sides to move contentious amendments.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, let me commend the ranking member and chairman on the work they have done on the last couple of legislative days we have been on this bill. This is really just the second day we have been on the bill. As everyone recalls, this is not a piece of legislation that went through committee. We did not have the opportunity to review any of it in a committee. So even though the issue was subject to hearings, there was no specific hearing on this particular bill. We only had the opportunity to see it about a day prior to the time we recessed. Everyone now has, clearly, read the bill and had the opportunity to study it. So as a result, I think some of the amendments that were anticipated may no longer be required.

But this is not a simple bill. This is not a small matter. This is a far-reaching piece of legislation that deserves our consideration. I think, given that, it is all the more remarkable that perhaps in a period of the next 48 hours, maybe less than that, substantially less than that, we will be able to complete our work.

Senators have legitimate concerns that have to be addressed in the form of amendments. They will be addressed. They are cooperating on our side. As the ranking member said, I think there is a reasonable expectation we can bring that list down even more. People are cooperating, and I think together we can work this thing through and be finished certainly within the next couple of days at the latest.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank the Democratic leader. I hope that is an accurate assessment. We would like to finish the bill tomorrow night and start on telecommunications on Wednesday. I made promises, in effect, to Senators PRESSLER and HOLLINGS that we would take it up. I am not certain we will even have five amendments offered. This is a bill the President wants very much. It would seem to me, on the other side, if they have 20 amendments, maybe they would be willing to forgo offering all those on this bill unless they relate to this bill or toughen this bill or somehow strengthen this bill.

It is important legislation, there is no question about it. Nobody knows how important it is any more than the Presiding Officer, Senator INHOFE, and Senator NICKLES, from Oklahoma. We want to look back on it a year from now and say we did the right thing, we just did not do something in the emotion of the moment that might infringe on somebody's constitutional rights a year from now or 10 years from now.

But I think there is basic agreement. As I just listen to the two managers here it seems to me Senator BIDEN and Senator HATCH have a pretty good grip on what they would like to accomplish. Hopefully we will work together tomorrow. Maybe we can get it done tomorrow night, late.

We did not quite get it done on Memorial Day but at least we made the effort. There is no way you can complete it with 97 amendments out there, 67 on that side and 30-some on this side. So we have it down to a total of 20. Maybe some of those are not—I do not say they are not serious amendments—maybe what we call around here, place holders.

It seems to me if we start fairly early tomorrow morning we can complete action on the bill tomorrow night.

Mr. BIDEN. I hope so.

Mr. DOLE. Is that possible?

Mr. BIDEN. Mr. President, I think that is true. Again, I do not think we are going to have trouble finishing the amendments. I think the outcome of the amendments may affect what one or two people on your side or one or two people on my side might end up doing. But my guess there as well is if we finish these amendments we will go to final passage and there will not be much in the way of that. But I cannot make a promise to the leader on that.

Mr. DOLE. Is there anything else to do this evening? Any other amendments that can be dealt with?

Mr. HATCH. I think it is better for us this evening to work on what we are going to do tomorrow, come in early and do our very best to finish this by tomorrow night. I really appreciate the good will on the part of the minority here to work with us and get this done. But I would like to finish it by tomorrow night if we can. If it means getting into the habeas amendments pretty early tomorrow, it means getting into the difficult amendments.

Hopefully, once we resolve those one way or the other, we can move ahead to final passage.

Mrs. BOXER. Will the Senator yield for a question? Shall the Senator be here prepared at 9:45 to offer the amendment? Can we perhaps incorporate that into a unanimous consent so we can make sure it is the business at hand?

Mr. BIDEN. Mr. President, I ask unanimous consent the first amendment tomorrow be the amendment of the Senator from California, Senator BOXER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. I thank my colleague.

Mr. HATCH. I suggest to my distinguished colleague from California, if she will work with us on the amendment it might not be as difficult as it might be. So I would like to chat with her and see what we can do.

Mrs. BOXER. I will be glad to do that.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENDED USE OF MEDICARE SELECTED POLICIES

Mr. LOTT. Mr. President, I ask that the Chair lay before the Senate a message from the House on H.R. 483, the Medicare select bill.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 483) to amend title XVIII of the Social Security Act to permit Medicare select policies to be offered in all States, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. LOTT. Mr. President, I move the Senate insist on the Senate amendment and agree to a conference on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. PACKWOOD, Mr. DOLE, and Mr. MOYNIHAN conferees on the part of the Senate.

Mr. LOTT. Mr. President, I would like to note that this has been cleared with the leadership on the other side of the aisle. I do have a unanimous-consent request now.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time and placed on the calendar:

H.R. 1045. An Act to amend the Goals 2000: Educate America Act to eliminate the National Education Standards and Improvement Council, and for other purposes.

REPORTS OF COMMITTEE

The following reports of committee were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs: Special report entitled "Fourth Interim Report on United States Government Efforts to Combat Fraud and Abuse in the Insurance Industry: Problems in Blue Cross/Blue Shield Plans in West Virginia, Maryland, Washington, DC, New York, and Federal Contracts" (Rept. 104–92).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Robert F. Rider, of Delaware, to be a Governor of the United States Postal Service for the term expiring December 8, 2004.

(The above nomination was reported with the recommendation that he be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DASCHLE:

S. 879. A bill to amend the Wild and Scenic Rivers Act to limit acquisition of land on the 39-mile headwaters segment of the Missouri River, Nebraska and South Dakota, designated as recreational river, to acquisition from willing sellers; to the Committee on Energy and Natural Resources.

By Mrs. HUTCHISON:

S. 880. A bill to enhance fairness in compensating owners of patents used by the United States; to the Committee on the Judiciary.

By Mr. PRYOR (for himself and Mr. GRASSLEY):

S. 881. A bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes; to the Committee on Finance.

By Mr. PRESSLER (for himself and Mr. DASCHLE):

S. 882. A bill to designate the Federal building at 1314 LeMay Boulevard, Ellsworth Air Force Base, South Dakota, as the "Cartney Koch McRaven Child Development Center," and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself and Mr. INHOFE):

S. Res. 128. A resolution prohibiting the use of United States Ground Forces in Bosnia-Hercegovina; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HUTCHISON:

S. 880. A bill to enhance fairness in compensating owners of patents used by the United States; to the Committee on the Judiciary.

LEGISLATION ENHANCING FAIRNESS IN THE COMPENSATION OF PATENT OWNERS

Mrs. HUTCHISON. Mr. President, I am introducing a bill today to provide fairness to our Nation's inventors. As the law is now written, inventors whose patents are taken for use by the Federal Government have only one recourse to obtain compensation—they are compelled by statute to bring a lawsuit against the Government. Under court interpretations, they are forced to bear all costs of the lawsuit, even when they win their case. This bill would permit patent holders whose claims are upheld to be reimbursed, as well, for their reasonable costs.

In 1982, when the U.S. Claims Court was created, the Congress made significant improvements in the existing law concerning claims against the Government. It did not, however, give consideration to the fairness of the existing statutes that require payment of compensation to persons whose patent rights are taken for national defense or other purposes. The Congress simply carried over the existing provisions of section 1498(a) of title 28, requiring "reasonable and entire compensation" for the taking of patent rights. Those provisions—fair on the surface—dated from the time of World War I. In the years since World War I, however, the statutory language has been applied by the courts in a manner that produces a serious inequity.

The problem arises most frequently in cases involving an inventor whose rights have been infringed by a defense contractor. In such a case, the statute provides that the inventor's only remedy is an action in the U.S. Claims Court against the Government—the beneficiary of the defense contractor's infringement—on the theory that, indirectly, the Government has taken the patent rights for public use.

The Government is authorized to take private property, for the benefit of the public, under the power of "eminent domain." It may do so, however, only upon paying the "just compensation" required by the fifth amendment to the Constitution. The principle applies to the taking of intellectual property—like patents—as well as tangible property. Statutory application of this principle to the taking of patent rights is found in the part of section 1498(a) of Title 28 that provides:

> Whenever an invention . . . covered by a patent . . . is used . . . by . . . the United States without a license of the owner . . ., the owner's remedy shall be by action against the United States in the United States Claims Court for the recovery of his reasonable and entire compensation for such use. . . .

It might logically be supposed that the constitutional requirements of "just compensation" and the statutory requirements of "reasonable and entire compensation" would assure that an inventor will not suffer a loss when the Government takes his invention for public use. Unfortunately, logic and practice do not always keep pace with one another. The inventor does suffer loss—the costs of his lawsuit—and that loss can be significant.

The current situation may be summarized as follows: In order to obtain any compensation at all under section 1498, an inventor must initiate a lawsuit against the Government. After succeeding in such a suit, he becomes entitled to receive "reasonable and entire compensation." But the inventor then finds that, under current court interpretations, he cannot recover any of the expenses, including the witnesses' travel costs and reasonable attorneys' fees, that he incurred as a result of having to pursue the civil action. The expenses are, in effect, deducted from that sum established to be fair compensation. In short, Government requires the victim of its taking to sue to recover his losses, forces him personally to bear all his costs in undertaking the suit, and leaves him with compensation that represents less than the true value of the property taken. This result is less than "just" and certainly is less than "reasonable and entire."

The courts have generally taken the position that if Congress had intended to include reimbursement of reasonable costs and attorneys' fees within the term "reasonable and entire compensation" it should have said so specifically.

That is what this bill does—it says so specifically. It would authorize expressly the recovery of reasonable costs by an inventor who is forced by statute to litigate against the Government in order to obtain compensation. It would permit the inventor to recover all his reasonable costs—including witnesses' fees and travel costs, attorneys' fees, charges by accountants and other experts, costs of employee time in reviewing records and otherwise preparing for the suit, court costs, and all related expenditures incurred as a result of bringing the lawsuit. The costs in each case would be scrutinized by the Claims Courts to assure that they were reasonable, of course, but to the extent they were reasonable they could be recovered.

This problem should have been corrected long ago—when it first became apparent that court interpretations would not permit inventors to obtain a complete recovery. To continue this inequity would be a serious disservice to some of our most productive inventors, and to some of our best companies in important industries. We need to be fair with those inventors and companies in order to encourage innovation and make our country more competitive. This bill would help assure the necessary fairness.

By Mr. PRYOR (for himself and Mr. GRASSLEY):

S. 881. A bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes; to the Committee on Finance.

CHURCH RETIREMENT BENEFITS SIMPLIFICATION ACT

Mr. PRYOR. Mr. President, I am pleased to introduce today the Church Retirement Benefits Simplification Act of 1995, legislation which I also introduced and held hearings on in the 101st, 102d, and 103d Congresses. This act provides much needed clarification of the rules that apply to church retirement and welfare benefit plans and brings consistency to those rules. In addition, the act resolves significant problems churches face in administering their retirement and welfare benefit programs under current law.

In developing this important legislation, we have worked closely with leaders of the pension boards of 30 mainline Protestant and Jewish denominations and a Catholic religious order. The employee benefit programs of these mainline denominations and order are among the oldest programs in our country. Several date from the 1700's, and their median age is in excess of 50 years. These programs provide retirement and welfare benefits for several hundred thousand clergy and lay workers employed by thousands of churches and church ministry organizations serving the spiritual needs of literally millions of members.

Church retirement benefits programs began in recognition of a denomination's mission to care for its church workers in their advanced years. Several church retirement and welfare benefit programs were initially formed to provide relief and benefits for retired, disabled, or impoverished ministers and families as particular cases of need were identified. As time passed, church denomination began to provide for the retirement needs of their ministers and lay workers on a current and systematic basis. Today, church retirement and welfare benefit programs provide benefits for ministers and lay workers employed in all forms of pastoral, healing, teaching, and preaching ministries and missions, including, among others, local churches, seminaries, old-age homes, orphanages, mission societies, hospitals, universities, church camps and day care centers.

Mr. President, the goal of the act is to clarify the rules that apply to church employee benefit plans. Under current law, these rules are generally lengthy and complex and are, for the most part, designed for for-profit, commercial employers. Most denominations are composed of thousands of work units, each having only a few employees, and the budgets of these work units are marginal at best. These organizations rely almost completely on contributions from the offering plate to support their missions, including the salaries and retirement and welfare benefits of their ministers and lay workers. Unlike for-profit business entities, churches cannot pass operating costs on to customers by raising prices.

Churches are also much more loosely structured than most for-profit business organizations, and many denominations cannot impose requirements on their constituent parts. For example, hierarchically organized denominations may be able to control the provision of employee benefits to ministers and lay workers, while in congregational denominations, such control is typically more difficult.

In addition, churches are tax-exempt and, unlike for-profit business organizations, have no need for tax deductions. Churches and church ministry organizations therefore lack the incentive of for-profit employers to maximize either the amount of the employer's tax deduction or the amount of income which the highly compensated employees who control a for-profit business can shelter from current taxation through plan contributions and tax-free fringe or welfare benefits.

Mr. President, retirement and employee benefit tax laws do not always take the difference between churches and for-profit employers into account, with the result that churches have had to divert a significant amount of time and resources from their religious mission and ministries in attempting to identify and comply with rules that in many instances are unworkable or simply not needed for church employee benefit plans.

If the act becomes law, the reduction in administrative burdens and consequent savings in related costs now imposed on churches and church ministry organizations will outweigh any possible gain from an employee benefits policy perspective. Unlike the for-profit sector where cost savings result in a better bottom line for shareholders, savings in the church sector will find their way into missions and ministries that help people who need help.

A 1993 study by Independent Sector, a national membership organization composed of over 600 tax-exempt organizations and corporate philanthropy departments, indicated that approximately half the funds contributed to churches is used in service to others. Religious congregations are the primary voluntary service providers for neighborhoods. Ninety-two percent of religious congregations have one or more programs in human services. Three-fifths of religious congregations offer family counseling, and more than one-third—almost 40 percent—give means or shelter to the poor. Some 74 percent donate for international relief or missionary activity, and almost 90 percent sponsor hospices, health programs, hospitals, or provide for the disabled, retarded, or people in crises. The Independent Sector study indicated that in 1991 religious congregations made $6.6 billion in direct grants to other groups and gave $15.9 billion for education, human services and health programs. These figures are well beyond the giving of all U.S. foundations and corporations combined.

It is my view that the Congress should do everything possible to ensure that churches can continue to maximize their contributions toward these important missions and ministries, rather than paying for costs of complying with rules that are unworkable or not needed for church employee benefit plans.

The cornerstone of the act is a recodification of the rules applicable to church retirement plans so that all of such rules in the Internal Revenue Code are identified, simplified, and separated from the rules that apply to for-profit employers. Retirement plan issues unique to churches will thus not be inadvertently affected when Congress is considering future Code changes which are applicable to for-profit employers but not appropriate for churches.

The act would also ensure that church retirement plans, whether described in the new proposed section 401A—applicable only to those church section 401(a) plans that affirmatively decide to be subject to it—or section 403(b), are subject to the same coverage and related rules. In 1986, Congress determined that the section 403(b) plans of churches and so-called qualified church controlled organizations should not be subjected to coverage and related rules. The act would extend this same relief to church section 401(a) plans and would also eliminate the troublesome qualified church controlled organization approach in favor of a provision that only subjects church-related hospitals and universities to applicable coverage and related rules. The act, consistent with the law that now applies to church section 401(a) plans, would also clarify that the coverage rules that will apply to the section 403(b) programs of church-related hospitals and universities are those that were applicable prior to the enactment of the Employee Retirement Income Security Act of 1974.

The act also would resolve a number of other problems many church pension boards face under current law. For example, under present law there is a question as to whether self-employed ministers and chaplains who work for nonchurch employers are able to participate in their denominations' retirement and welfare benefit programs. The act would make it clear that such ministers may participate in such programs.

The act would also:

Make it clear that the portion of a retired minister's pension which is treated as parsonage allowance is not subject to Self Employment Contribution Act, or SECA, taxes;

For the first time, subject church plans to definite, objective vesting schedules;

Solve several church employer aggregation problems;

Provide relief that will result in better retirement income for foreign missionaries;

Simplify the required distribution rules that apply to church retirement plans;

Eliminate an unworkable requirement under the so-called section 403(b) catchup contribution rules; and

Make relief granted under section 457 consistent with coverage relief proposed for church retirement and welfare benefit plans.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Church Retirement Benefits Simplification Act of 1995".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. NEW QUALIFICATION PROVISION FOR CHURCH PLANS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by adding after section 401 the following new section:

"SEC. 401A. QUALIFIED CHURCH PLAN.

"(a) GENERAL RULE.—For purposes of all Federal laws, including this title, a qualified church plan shall be treated as satisfying the requirements of section 401(a), and all references in (or pertaining to) this title and such laws to a plan described in section 401(a) shall include a qualified church plan. Except as otherwise provided in this section, no paragraph of section 401(a) shall apply to a qualified church plan.

"(b) DEFINITION OF QUALIFIED CHURCH PLAN.—A plan is a qualified church plan if such plan meets the following requirements:

"(1) CHURCH PLAN REQUIREMENT.—The plan is a church plan (within the meaning of section 414(e)), and the election provided by section 410(d) has not been made with respect to such plan.

"(2) EMPLOYEE CONTRIBUTIONS ARE NONFORFEITABLE.—An employee's rights in the employee's accrued benefit derived from the employee's own contributions are nonforfeitable.

"(3) VESTING REQUIREMENTS.—The plan satisfies the requirements of subparagraph (A) or (B).

"(A) 10-YEAR VESTING.—A plan satisfies the requirements of this paragraph if an employee who has at least 10 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

"(B) 5- TO 15-YEAR VESTING.—A plan satisfies the requirements of this paragraph if an employee who has completed at least 5 years of service has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions which is not less than the percentage determined under the following table:

"Years of service	Nonforfeitable percentage
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100.

"(C) YEARS OF SERVICE.—For purposes of this paragraph, an employee's years of service shall be determined in accordance with any reasonable method selected by the plan administrator.

"(4) FUNDING REQUIREMENTS.—The plan meets the funding requirements of section 401(a)(7) as in effect on September 1, 1974.

"(5) ADDITIONAL REQUIREMENTS.—

"(A) The plan meets the requirements of paragraphs (1), (2), (8), (9), (16), (17), (25), (27), and (30) of section 401(a).

"(B) If the plan includes employees of an organization which is not a church, the plan meets the requirements of sections 401(a)(3) and 401(a)(6) (as in effect on September 1, 1974) and sections 401(a)(4), 401(a)(5), and 401(m).

For purposes of subparagraph (B), the plan administrator may elect to treat the portion of the plan maintained by any organization (or organizations) described in subparagraph (B) as a separate plan (or plans).

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) CHURCH.—For purposes of this section, the term 'church' means a church or a convention or association of churches, including an organization described in section 414(e)(3)(A) and an organization described in section 414(e)(3)(B)(ii), other than—

"(A) an organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training), or

"(B) an organization described in section 170(b)(1)(A)(iii)—

"(i) which provides community service for inpatient medical care of the sick or injured (including obstetrical care); and

"(ii) not more than 50 percent of the total patient days of which during any year are customarily assignable to the categories of chronic convalescent and rest, drug and alcoholic, epileptic, mentally deficient, mental, nervous and mental, and tuberculosis, and care for the aged.

"(2) SATISFACTION OF TRUST PROVISION.—A plan shall not fail to be described in this section merely because such plan is funded through an organization described in section 414(e)(3)(A) if—

"(A) such organization is subject to fiduciary requirements under applicable State law;

"(B) such organization is separately incorporated from the church or convention or association of churches which controls it or with which it is associated;

"(C) the assets which equitably belong to the plan are separately accounted for; and

"(D) under the plan, at any time prior to the satisfaction of all liabilities with respect to participants and their beneficiaries, such assets cannot be used for, or diverted to, purposes other than for the exclusive benefit of participants and their beneficiaries (except that this paragraph shall not be construed to preclude the use of plan assets to defray the reasonable costs associated with administering the plan and informing employees and employers of the availability of the plan).

"(3) CERTAIN SECTIONS APPLY.—Section 401 (b), (c), and (h) shall apply to a qualified church plan.

"(4) FAILURE OF ONE ORGANIZATION MAINTAINING PLAN NOT TO DISQUALIFY PLAN.—If one or more organizations maintaining a church plan fail to satisfy the requirements of subsection (b), such plan shall not be treated as failing to satisfy the requirements of this section with respect to other organizations maintaining such plan.

"(5) CERTAIN EMPLOYEES NOT CONSIDERED HIGHLY COMPENSATED AND EXCLUDED EMPLOYEES.—For purposes of this section, no employee shall be considered an officer, person whose principal duties consist in supervising the work of other employees, or highly compensated employee if such employee during the year or the preceding year received compensation from the employer of less than $50,000. For purposes of this section, there shall be excluded from consideration employees described in section 410(b)(3)(A). The Secretary shall adjust the $50,000 amount under this paragraph at the same time and in the same manner as under section 415(d).

"(6) TIME FOR DETERMINATION OF APPLICABLE LAW.—Except where otherwise specified, the determination of whether a plan meets the requirements of subsection (b) shall be made in accordance with the provisions of this title as in effect immediately following enactment of the Church Retirement Benefits Simplification Act of 1995."

(b) EFFECT ON EXISTING PLANS.—A church plan (within the meaning of section 414(e) of the Internal Revenue Code of 1986) which is otherwise subject to the applicable requirements of section 401(a) of such Code and which has not made the election provided by section 410(d) of such Code shall not be subject to section 401A of such Code, and shall remain subject to the applicable requirements of section 401(a) of such Code, unless the board of directors or trustees of an organization described in section 414(e)(3)(A) of such Code, or other appropriate governing body responsible for maintaining the plan, adopts a resolution under which the church plan is made subject to section 401A of such Code.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall be effective for years beginning after December 31, 1994, except that the provisions of section 401A(b)(3) of the Internal Revenue Code of 1986 shall be effective for years beginning after December 31, 1996. No regulation or ruling under section 401(a) of such Code issued after December 31, 1994, shall apply to a qualified church plan described in section 401A of such Code unless such regulation or ruling is specifically made applicable by its terms to qualified church plans.

(2) PRIOR YEARS.—A church plan (within the meaning of section 414(e) of such Code) shall not be deemed to have failed to satisfy the applicable requirements of section 401(a) of such Code for any year beginning prior to January 1, 1995.

SEC. 3. RETIREMENT INCOME ACCOUNTS OF CHURCHES.

(a) IN GENERAL.—Section 403(b)(9) is amended to read as follows:

"(9) RETIREMENT INCOME ACCOUNTS PROVIDED BY CHURCHES, ETC.—

"(A) AMOUNTS PAID TREATED AS CONTRIBUTIONS.—For purposes of this title—

"(i) a retirement income account shall be treated as an annuity contract described in this subsection, and

"(ii) amounts paid by an employer described in paragraph (1)(A) or by a church or a convention or association of churches, including an organization described in section 414(e)(3)(A) or 414(e)(3)(B)(ii), to a retirement income account shall be treated as amounts contributed by the employer for an annuity contract for the employee on whose behalf such account is maintained.

"(B) RETIREMENT INCOME ACCOUNT.—For purposes of this paragraph, the term 'retirement income account' means a program established or maintained by a church, a convention or association of churches, including an organization described in section 414(e)(3)(A), to provide benefits under this subsection for an employee described in paragraph (1) or an individual described in paragraph (13)(F), or their beneficiaries."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall be effective for years beginning after December 31, 1994.

(2) PRIOR YEARS.—A church plan (within the meaning of section 414(e)) shall not be deemed to have failed to satisfy the applicable requirements of section 403(b) for any year beginning prior to January 1, 1995.

SEC. 4. CONTRACTS PURCHASED BY A CHURCH.

(a) CLARIFICATION OF APPLICABLE NONDISCRIMINATION REQUIREMENTS.—Subparagraph (D) of section 403(b)(1) is amended to read as follows:

"(D) except in the case of a contract purchased by a church, such contract is purchased under a plan which meets the nondiscrimination requirements of paragraph (12)(A), and".

(b) CERTAIN COVERAGE RULES APPLY.—Subparagraph (B) of section 403(b)(12) is amended to read as follows:

"(B) CERTAIN REQUIREMENTS.—If a contract purchased by a church is purchased under a church plan (within the meaning of section 414(e)) by—

"(i) an organization described in section 170(b)(1)(A)(ii) above the secondary school level (other than a school for religious training), or

"(ii) an organization described in section 170(b)(1)(A)(iii)—

"(I) which provides community service for inpatient medical care of the sick or injured (including obstetrical care), and

"(II) no more than 50 percent of the total patient days of which during any year are customarily assignable to the categories of chronic convalescent and rest, drug and alcoholic, epileptic, mentally deficient, mental, nervous and mental, and tuberculosis, and care for the aged,

the plan meets the requirements of sections 401(a)(3) and 401(a)(6), as in effect on September 1, 1974, and sections 401(a)(4), 401(a)(5), 401(a)(17), and 401(m).

For purposes of this subparagraph, the plan administrator may elect to treat the portion of the plan maintained by any organization (or organizations) described in this subparagraph as a separate plan (or plans)."

(c) SPECIAL RULES FOR CHURCHES.—Section 403(b) is amended by adding the following new paragraph at the end thereof:

"(13) DEFINITIONS AND SPECIAL RULES.—

"(A) CONTRACT PURCHASED BY A CHURCH.—For purposes of this subsection, the term 'contract purchased by a church' includes an annuity described in section 403(b)(1), a custodial account described in section 403(b)(7), and a retirement income account described in section 403(b)(9).

"(B) CHURCH.—For purposes of this subsection, the term 'church' means a church or a convention or association of churches, including an organization described in section 414(e)(3)(A) or section 414(e)(3)(B)(ii).

"(C) VESTING.—In the case of a contract purchased by a church under a church plan (within the meaning of section 414(e))—

"(i) sections 403(b)(1)(C) and 403(b)(6) shall not apply;

"(ii) such contract is not described in this subsection unless an employee's rights in the employee's accrued benefit under such contract which is attributable to contributions made pursuant to a salary reduction agreement are nonforfeitable; and

"(iii) such contract is not described in this subsection unless the plan satisfies the requirements of either of the following:

"(I) The plan provides that an employee who has at least 10 years of service has a nonforfeitable right to 100 percent of the employee's accrued benefit derived from employer contributions.

"(II) The plan provides that an employee who has completed at least 5 years of service has a nonforfeitable right to a percentage of the employee's accrued benefit derived from employer contributions which percentage is not less than the percentage determined under the following table:

"Years of service	Nonforfeitable percentage
5	25
6	30
7	35
8	40
9	45
10	50
11	60
12	70
13	80
14	90
15 or more	100.

For purposes of clause (iii), an employee's years of service shall be determined in accordance with any reasonable method selected by the plan administrator.

"(D) FAILURE OF ONE ORGANIZATION MAINTAINING PLAN NOT TO DISQUALIFY PLAN.—In the case of a contract purchased by a church under a church plan (within the meaning of section 414(e)), if one or more organizations maintaining the church plan fails to satisfy the requirements of this section, such plan shall not be treated as failing to satisfy the requirements of this section with respect to other organizations maintaining such plan.

"(E) CERTAIN EMPLOYEES NOT CONSIDERED HIGHLY COMPENSATED AND EXCLUDED EMPLOYEES.—For purposes of this subsection, no employee for whom a contract is purchased by a church shall be considered an officer, person whose principal duties consist in supervising the work of other employees, or highly compensated employee if such employee during the year or the preceding year received compensation from the employer of less than $50,000. For purposes of this subsection, there shall be excluded employees described in section 410(b)(3)(A). The Secretary shall adjust the $50,000 amount under this subparagraph at the same time and in the same manner as under section 415(d).

"(F) CERTAIN MINISTERS MAY PARTICIPATE.—For purposes of this subsection—

"(i) IN GENERAL.—The term 'employee' shall include a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry who is a self-employed individual (within the meaning of section 401(c)(1)(B)) or any duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry who is employed by an organization other than an organization described in section 501(c)(3).

"(ii) TREATMENT AS EMPLOYER AND EMPLOYEE.—A self-employed minister described in clause (i) shall be treated as his or her own employer which is an organization described in section 501(c)(3) and which is exempt from tax under section 501(a). Such an employee who is employed by an organization other than an organization described in section 501(c)(3) shall be treated as employed by an organization described in section 501(c)(3) and which is exempt from tax under section 501(a).

"(iii) COMPENSATION.—In determining the compensation of a self-employed minister described in clause (i), the earned income (within the meaning of section 401(c)(2)) of such minister shall be substituted for 'the amount of compensation which is received from the employer' under paragraph (3).

In determining the years of service of a self-employed minister described in clause (i), the years (and portions of years) in which such minister was a self-employed individual (within the meaning of section 401(c)(1)(B)) shall be included for purposes of paragraph (4).

"(G) TIME FOR DETERMINATION OF APPLICABLE LAW.—Except where otherwise specified, the determination of whether a contract purchased by a church meets the requirements of this subsection shall be made in accordance with the provisions of this title as in effect immediately following enactment of the Church Retirement Benefits Simplification Act of 1993."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall be effective for years beginning after December 31, 1994, except that the provisions of section 403(b)(13)(C)(iii) of the Internal Revenue Code of 1986 shall be effective for years beginning after December 31, 1996. No regulation or ruling issued under section 401(a) or 403(b) of such Code after December 31, 1994, shall apply to a contract purchased by a church unless such regulation or ruling is specifically made applicable by its terms to such contracts. For purposes of applying the exclusion allowance of section 403(b)(2) of such Code and the limitations of section 415 of such Code, any contribution made after December 31, 1996, which is forfeitable pursuant to section 403(b)(13)(C) of such Code shall be treated as an amount contributed to the contract in the year for which such contribution is made and not in the year the contribution becomes nonforfeitable.

(2) PRIOR YEARS.—A church plan (within the meaning of section 414(e) of such Code) shall not be deemed to have failed to satisfy the applicable requirements of section 403(b) of such Code for any year beginning prior to January 1, 1995.

SEC. 5. CHANGE IN DISTRIBUTION REQUIREMENT FOR RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Subparagraph (A) of section 403(b)(11) is amended by inserting "or, in the case of a retirement income account described in paragraph (9), within the meaning of section 401(k)(2)" after "section 72(m)(7)".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning after December 31, 1988.

SEC. 6. REQUIRED BEGINNING DATE FOR DISTRIBUTIONS UNDER CHURCH PLANS.

(a) IN GENERAL.—Subparagraph (C) of section 401(a)(9) is amended by striking the last sentence and inserting the following new sentence: "For purposes of this subparagraph, the term 'church plan' has the meaning given such term by section 414(e)."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as if included in the provision of the Tax Reform Act of 1986 to which such amendment relates.

SEC. 7. PARTICIPATION OF MINISTERS IN CHURCH PLANS.

(a) IN GENERAL.—Section 414 is amended by adding the following new subsection:

"(u) SPECIAL RULES FOR MINISTERS.—Notwithstanding any other provision of this title, if a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry participates in a church plan (within the meaning of section 414(e)), then—

"(1) such minister shall be excluded from consideration for purposes of applying sections 401(a)(3), 401(a)(4), and 401(a)(5), as in effect on September 1, 1974, and sections 401(a)(4), 401(a)(5), 401(a)(26), 401(k)(3), 401(m), 403(b)(1)(D) (including section 403(b)(12)), and 410 to any stock bonus, pension, profit-sharing, or annuity plan (including an annuity described in section 403(b) or a retirement income account described in section 403(b)(9)) described in this part. For purposes of this part, the church plan in which such minister participates shall be treated as a plan or contract meeting the requirements of section 401(a), 401A, or 403(b) (including section 403(b)(9)) with respect to such minister's participation; and

"(2) such minister shall be excluded from consideration for purposes of applying an applicable section to any plan providing benefits described in an applicable section.

For purposes of paragraph (2), the term 'applicable section' means section 79(d), section 105(h), paragraphs (1), (2), and (3) of section 120(c), section 125(b), section 127(b)(2), and paragraphs (2), (3), and (8) of section 129(d)."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1995.

SEC. 8. CERTAIN RULES AGGREGATING EMPLOYEES NOT TO APPLY TO CHURCHES, ETC.

(a) IN GENERAL.—Section 414 is amended by adding the following new subsection:

"(v) CERTAIN RULES AGGREGATING EMPLOYEES NOT TO APPLY TO CHURCHES, ETC.—

"(1) IN GENERAL.—If the election provided by paragraph (3) is made, for purposes of sections 401(a)(3), 401(a)(4), and 401(a)(5), as in effect on September 1, 1974, and sections 401(a)(4), 401(a)(5), 401(a)(17), 401(a)(26), 401(h), 401(m), 410(b), 411(d)(1), and 416, subsections (b), (c), (m), (o), and (t) of this section shall not apply to treat the employees of church-related organizations as employed by a single employer, except in the case of employees of church-related organizations which are not exempt from tax under section 501(a) and which have a common, immediate parent.

"(2) DEFINITION OF CHURCH-RELATED ORGANIZATION.—For purposes of this subsection, the term 'church-related organization' means a church or a convention or association of churches, an organization described in section 414(e)(3)(A), an organization described in section 414(e)(3)(B)(ii), or an organization the employees of which would be aggregated with the employees of such organizations but for the election provided by paragraph (3).

"(3) ELECTION TO DISAGGREGATE.—The provisions of this subsection shall apply if a church-related organization makes an election for itself and other church-related organizations (in such form and manner as the Secretary may by regulations prescribe) on or before the last day of the first plan year beginning on or after January 1, 1998."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as if included in the provisions of Public Law 93-406, Public Law 98-369, and Public Law 99-514 to which such amendment relates.

SEC. 9. SELF-EMPLOYED MINISTERS TREATED AS EMPLOYEES FOR PURPOSES OF CERTAIN WELFARE BENEFIT PLANS AND RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Section 7701(a)(20) is amended to read as follows:

"(20) EMPLOYEE.—For the purpose of applying the provisions of section 79 with respect to group-term life insurance purchased for employees, for the purpose of applying the provisions of sections 104, 105, and 106 with respect to accident or health insurance or accident or health plans, for the purpose of applying the provisions of section 101(b) with respect to employees' death benefits, for the purpose of applying the provisions of subtitle A with respect to contributions to or under a stock bonus, pension, profit-sharing, or annuity plan, and with respect to distributions under such a plan, or by a trust forming part of such a plan, and for purposes of applying section 125 with respect to cafeteria plans, the term 'employee' shall include a duly ordained, commissioned, or licensed minister of a church in the exercise of his or her ministry who is a self-employed individual (within the meaning of section 401(c)(1)(B)) or a full-time life insurance salesman who is considered an employee for the purpose of chapter 21, or in the case of services performed before January 1, 1951, who would be considered an employee if his services were performed during 1951."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1994.

SEC. 10. DEDUCTIONS FOR CONTRIBUTIONS BY CERTAIN MINISTERS TO RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Section 404(a) is amended by adding the following new paragraph:

"(10) CONTRIBUTIONS BY CERTAIN MINISTERS TO RETIREMENT INCOME ACCOUNTS.—In case contributions are made by a minister described in section 403(b)(13)(F) to a retirement income account described in section 403(b)(9) and not by a person other than such minister, such contributions shall be treated as made to a trust which is exempt from tax under section 501(a) which is part of a plan which is described in section 401(a) and shall be deductible under this subsection to the extent such contributions do not exceed the exclusion allowance of such minister, determined under section 403(b)(2)."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning after December 31, 1994.

SEC. 11. MODIFICATION FOR CHURCH PLANS OF RULES FOR PLANS MAINTAINED BY MORE THAN ONE EMPLOYER.

(a) IN GENERAL.—Section 413(c) is amended by adding the following new paragraph:

"(8) CHURCH PLANS MAINTAINED BY MORE THAN ONE EMPLOYER.—A church plan (within the meaning of section 414(e)) maintained by more than one employer, and with respect to which the election provided by section 410(d) has not been made, which commingles assets solely for purposes of investment and pooling for mortality experience to provide to participants annuities computed with reference to the balance in the participants' accounts when such accounts become payable shall not be treated as a single plan maintained by more than one employer under this subsection. The rules provided by this paragraph shall apply for purposes of applying section 403(b)(12) to such church plan."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1994.

SEC. 12. SECTION 457 NOT TO APPLY TO DEFERRED COMPENSATION OF A CHURCH.

(a) IN GENERAL.—Paragraph (13) of section 457(e) is amended to read as follows:

"(13) SPECIAL RULE FOR CHURCHES.—The term 'eligible employer' shall not include a church (within the meaning of section 401A(c)(1))."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1978.

SEC. 13. CHURCH PLAN MODIFICATION TO SEPARATE ACCOUNT REQUIREMENT OF SECTION 401(h).

(a) EXCEPTION TO SEPARATE ACCOUNT REQUIREMENT.—Section 401(h) is amended by adding the following new sentence at the end thereof: "Notwithstanding the preceding sentence, in the case of a pension or annuity plan that is a church plan (within the meaning of section 414(e)) which is maintained by more than one employer, paragraph (6) shall not apply to an employee who is a key employee for purposes of section 416 solely because such employee is described in section 416(i)(1)(A)(i) (relating to officers having an annual compensation greater than 150 percent of the amount in effect under section 415(c)(1)(A))."

(b) APPLICATION OF SECTION 415(l).—Section 415(l)(1) is amended to read as follows:

"(1) IN GENERAL.—For purposes of this section, the following shall be treated as an annual addition to a defined contribution plan for purposes of subsection (c):

"(A) Contributions allocated to any individual medical account which is part of a pension or annuity plan.

"(B) The actuarially determined amount of prefunding for the insurance value of benefits which are—

"(i) described in section 401(h);

"(ii) paid under a pension or annuity plan that is a church plan (within the meaning of section 414(e));

"(iii) paid under a plan maintained by more than one employer; and

"(iv) payable solely to an employee who is a key employee for purposes of section 415 solely because such employee is described in section 416(i)(1)(A)(i) (relating to officers having an annual compensation greater than 150 percent of the amount in effect under section 415(c)(1)(A)), his spouse, or his dependents.

Subparagraph (B) of section (c)(1) shall not apply to any amount treated as an annual addition under the preceding sentence."

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after March 31, 1984.

SEC. 14. RULE RELATING TO INVESTMENT IN CONTRACT NOT TO APPLY TO FOREIGN MISSIONARIES.

(a) IN GENERAL.—The last sentence of section 72(f) is amended to read as follows: "The preceding sentence shall not apply to amounts which were contributed by the employer, as determined under regulations prescribed by the Secretary, to provide pension or annuity credits, to the extent such credits are attributable to services performed before January 1, 1963, and are provided pursuant to pension or annuity plan provisions in existence on March 12, 1962, and on that date applicable to such services, or to provide pension or annuity credits for foreign missionaries (within the meaning of section 403(b)(2)(D)(iii))."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1994.

SEC. 15. REPEAL OF ELECTIVE DEFERRAL CATCH-UP LIMITATION FOR RETIREMENT INCOME ACCOUNTS.

(a) IN GENERAL.—Clause (iii) of section 402(g)(8)(A) is amended to read as follows:

"(iii) except in the case of elective deferrals under a retirement income account described in section 403(b)(9), the excess of $5,000 multiplied by the number of years of service of the employee with the qualified organization over the employer contributions described in paragraph (3) made by the organization on behalf of such employee for prior taxable years (determined in the manner prescribed by the Secretary)."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as if included in the provision of the Tax Reform Act of 1986 to which such amendment relates.

SEC. 16. CHURCH PLANS MAY ANNUITIZE BENEFITS.

(a) IN GENERAL.—A retirement income account described in section 403(b)(9) of the Internal Revenue Code of 1986, a church plan (within the meaning of section 414(e) of such Code) that is a plan described in section 401(a) or 401A of such Code, or an account which consists of qualifed voluntary employee contributions described in section 219(e)(2) of such Code (as in effect before the date of the enactment of the Tax Reform Act of 1986) and earnings thereon, shall not fail to be described in such sections merely because it pays benefits to participants (and their beneficiaries) from a pool of assets administered or funded by an organization described in section 414(e)(3)(A) of such Code, rather than through the purchase of annuities from an insurance company.

(b) EFFECTIVE DATE.—This provision shall be effective for years beginning before, on, or after December 31, 1994.

SEC. 17. CHURCH PLANS MAY INCREASE BENEFIT PAYMENTS.

(a) IN GENERAL.—A retirement income account described in section 403(b)(9) of the Internal Revenue Code of 1986, a church plan (within the meaning of section 414(e) of such Code) that is a plan described in section 401(a) or 401A of such Code, or an account which consists of qualified voluntary employee contributions described in section 219(e)(2) of such Code (as in effect before the date of the enactment of the Tax Reform Act of 1986) and earnings thereon, shall not fail to be described in such sections merely because it provides benefit payments to participants (and their beneficiaries)—

(1) to take into account the investment performance of the underlying assets or favorable interest or mortality experience, or

(2) that increase in an amount not in excess of 5 percent per year.

(b) EFFECTIVE DATE.—This provision shall be effective for years beginning before, on, or after December 31, 1994.

SEC. 18. RULES APPLICABLE TO SELF-INSURED MEDICAL REIMBURSEMENT PLANS NOT TO APPLY TO PLANS OF CHURCHES.

(a) IN GENERAL.—Section 105(h) is amended by adding the following new paragraph:

"(11) PLANS OF CHURCHES.—This subsection shall not apply to a plan maintained by a church (within the meaning of section 401A(c)(1))."

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective for years beginning before, on, or after December 31, 1994.

SEC. 19. RETIREMENT BENEFITS OF MINISTERS NOT SUBJECT TO TAX ON NET EARNINGS FROM SELF-EMPLOYMENT.

(a) IN GENERAL.—Section 1402(a)(8) (defining net earning from self-employment) is amended by inserting ", but shall not include in such net earning from self-employment any retirement benefit received by such individual from a church plan (as defined in section 414(e))" before the semicolon at the end.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning before, on, or after December 31, 1994.

By Mr. PRESSLER (for himself and Mr. DASCHLE):

S. 882. A bill to designate the Federal building at 1314 LeMay Boulevard, Ellsworth Air Force Base, SD, as the "Cartney Koch McRaven Child Development Center", and for other purposes; to the Committee on Environment and Public Works.

CARTNEY KOCH MCRAVEN CHILD DEVELOPMENT CENTER

Mr. PRESSLER. Mr. President, I am proud to introduce legislation today along with my South Dakota colleague, Senator DASCHLE to designate the child development center at Ellsworth Air Force Base in South Dakota as the Cartney Koch McRaven Child Development Center.

It was just slightly more than a month ago that terrorist thugs bombed the Alfred P. Murrah Federal Building in Oklahoma City. Among the victims inside was Cartney Koch McRaven. Stationed at Tinker Air Force Base and having just been married the previous weekend, Cartney was in the Murrah Federal Building to register her new married name on Federal documents. Tragically, her life was cut short by the savagery of domestic terrorism.

It is only fitting that we honor Cartney at Ellsworth Air Force Base. Spearfish was her home. And she chose to begin her adult life by joining the Air Force and serving her country. And serve she did, with honor, with devotion, with dignity.

It is even more fitting that her name appear on the child development center at Ellsworth. Airman First Class Cartney Koch McRaven served in Haiti, where the stark poverty had an enormous impact on her. Cartney's heart went out to the children of Haiti. She devoted her time in Haiti to an orphanage, offering a warm smile and a kind, loving word to young faces. The mission of our Armed Forces in Haiti was to ensure peace and offer hope to the people of Haiti—young and old. Cartney took her mission to heart.

Even her family honored Cartney's commitment to young people by urging that donations be made in Cartney's memory to the orphanage in Haiti.

But we do more than honor a person. We honor the values she personified and practiced in her daily life. The values of service, of duty, of compassion and caring for the underprivileged young—values that are at the core of South Dakota and of America.

It is my hope that by passing this legislation, Cartney Koch McRaven forever will be remembered as a symbol of these core values and an inspiration to the young people in South Dakota and America to honor and serve their family, community, and country.

Mr. President, I ask unanimous consent that the text of this legislation introduced today by myself and Senator Daschle appear in the appropriate place in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF CARTNEY KOCH MCRAVEN CHILD DEVELOPMENT CENTER.

(a) IN GENERAL.—The Federal building at 1314 LeMay Boulevard, Ellsworth Air Force Base, South Dakota, shall be known and designated as the "Cartney Koch McRaven Child Development Center".

(b) REPLACEMENT BUILDING.—If, after the date of enactment of this Act, a new Federal building is built at the location described in subsection (a) to replace the building described in the subsection, the new Federal building shall be known and designated as the "Cartney Koch McRaven Child Development Center".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to a Federal building referred to in section 1 shall be deemed to be a reference to the "Cartney Koch McRaven Child Development Center".

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. REID, the names of the Senator from New Mexico [Mr. DOMENICI] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 44, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

S. 254

At the request of Mr. LOTT, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 254, a bill to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the U.S. merchant marine during World War II.

S. 327

At the request of Mr. HATCH, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 327, a bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

S. 397

At the request of Mr. MCCAIN, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 397, a bill to benefit crime victims by improving enforcement of sentences imposing fines and special assessments, and for other purposes.

S. 426

At the request of Mr. SARBANES, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Colorado [Mr. CAMPBELL], the Senator from Wisconsin [Mr. KOHL], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from New Mexico [Mr. BINGAMAN], the Senator from New York [Mr. MOYNIHAN], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 426, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia, and for other purposes.

S. 579

At the request of Mr. BREAUX, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 579, a bill to amend the JOBS program in title IV of the Social Security Act to provide for a job placement voucher program, and for other purposes.

S. 628

At the request of Mr. KYL, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 628, a bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

S. 667

At the request of Mr. BRYAN, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 667, a bill to amend the Securities Exchange Act of 1934 in order to reform the conduct of private securities litigation, to provide for financial fraud detection and disclosure, and for other purposes.

S. 770

At the request of Mr. DOLE, the names of the Senator from Virginia [Mr. ROBB] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

S. 830

At the request of Mr. SPECTER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 830, a bill to amend title 18, United States Code, with respect to fraud and false statements.

S. 867

At the request of Mr. COCHRAN, the names of the Senator from Oklahoma [Mr. INHOFE], the Senator from North Carolina [Mr. HELMS], and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 867, a bill to amend the Internal Revenue Code of 1986 to revise the estate and gift tax in order to preserve American family enterprises, and for other purposes.

S. 878

At the request of Mr. COCHRAN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 878, a bill to amend the Internal Revenue Code of 1986 to reduce mandatory premiums to the United Mine Workers of America Combined Benefit Fund by certain surplus amounts in the fund, and for other purposes.

SENATE JOINT RESOLUTION 31

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Joint Resolution 31, a joint resolution proposing an amendment to the Constitution of the United States to grant Congress and the States the power to prohibit the physical desecration of the flag of the United States.

SENATE JOINT RESOLUTION 34

At the request of Mr. SMITH, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution prohibiting funds for diplomatic relations and most-favored-nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam war, as determined on the basis of all information available to the United States Government, and for other purposes.

SENATE CONCURRENT RESOLUTION 3

At the request of Mr. SIMON, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of Senate Concurrent Resolution 3, a concurrent resolution relative to Taiwan and the United Nations.

SENATE RESOLUTION 128—RELATIVE TO BOSNIA-HERCEGOVINA

Mr. SPECTER (for himself and Mr. INHOFE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 128

Whereas Article I, Section 8 of the United States Constitution provides that Congress shall have the sole power to declare war;

Whereas the Senate adopted S. Res. 330 on August 11, 1992, which stated that it was the sense of the Senate that no United States military personnel shall be introduced into combat or potential combat situations without clearly defined objectives and sufficient resources to achieve those objectives: Now, therefore, be it

Resolved, That the President is not authorized to use the United States Ground Forces in Bosnia-Hercegovina unless—

(1) the use of United States ground forces in Bosnia-Hercegovina is authorized in advance by Congress; or

(2) the deployment of forces of the United States ground forces into Bosnia-Hercegovina is vital to the national security interests of the United States (including the protection of American citizens in Bosnia-Hercegovina), there is not sufficient time to seek and receive Congressional authorization, and the President reports as soon as practicable to Congress after the initiation of the deployment, but in no case later than 48 hours after the initiation of the deployment.

Mr. SPECTER. Mr. President, I have sought recognition to submit a resolution which would prohibit the President from using ground forces in Bosnia without prior consent of the Congress because, in my view, there is ample time for the Congress of the United States to deliberate on this matter and to make a decision. And such a resolution, I submit, is necessary as a constitutional matter to preserve the constitutional prerogatives of the Congress and really to stop further erosion by the executive branch.

The events of the past week in Bosnia and Herzegovina have been very, very disturbing, as they have been for the better part of 2 to 3 years now. As I have said on the floor of the U.S. Senate in the past, it is my view that the mission of the U.N. peacekeepers was realistically Mission Impossible because there was no peace to keep. In the past I have supported the resolutions and the amendments on the floor of the U.S. Senate to lift the arms embargo so that the Bosnian Moslems could defend themselves in accordance with article 51 of the U.N. Charter.

We have had the position taken by the President in a speech last week at the Air Force Academy where he has said that U.S. forces would be used to relocate U.N. peacekeepers, sent on a temporary basis. But we know, as a practical matter, what happens when there is temporary action taken.

There has been consistent analysis of the terrain in Bosnia, and fighting of a ground war there is on absolute marsh and swamp, and we are realistically unable to undertake that without assurances that it is to be done on a limited basis.

It is my view that, before there ought to be an entry by the United States of our own ground forces, we ought to have an exit plan as well; that, realistically viewed, the United States does not have vital national interests at stake there on this state of the record; that before even consideration ought to be given there ought to be a comprehensive plan; and that there ought to be a detailed statement as to what the European participation would be because it is much more in their interest than ours. These matters ought to be submitted—Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will come to order.

Mr. SPECTER. There ought to be a comprehensive plan, we ought to know exactly what has happened, and the matter ought to be deliberated upon and voted upon by the Congress of the United States.

We have seen an erosion of constitutional authority of the U.S. Congress as the sole agent which is authorized to involve the United States in war. We fought a war in Korea without constitutional authorization. We fought a war in Vietnam without constitutional authorization. And these matters ought to come to the Congress unless there is an emergency, and on the face of the resolution which I have proposed the President could use the deployment of forces if there is a situation "vital to the national security interests of the United States, including the protection of American citizens in Bosnia and Herzegovina where there is not sufficient time to seek and receive congressional authorization," and then the President report as soon as practical to the Congress of the United States.

When the use of force was authorized in the Gulf, that was done only after the matter was brought to the floor of the U.S. Congress, the U.S. Senate. We had extensive debate going on on this floor on January 10, 11, and 12, 1991 when there was a resolution passed by the Senate authorizing the use of force by a 52-to-47 vote, and a similar resolution of authorization was passed by the House of Representatives.

But until and unless the Congress makes that decision reflecting the will of the American people, it is my view that there ought not to be the use of ground forces in Bosnia.

AMENDMENTS SUBMITTED

COMPREHENSIVE TERRORISM PREVENTION ACT

FEINSTEIN AMENDMENT NO. 1202

Mrs. FEINSTEIN proposed an amendment to amendment No. 1199, proposed by Mr. DOLE, to the bill (S. 735) to prevent and punish acts of terrorism, and for other purposes; as follows:

On page 152, strike line 6 through line 17 on page 153, and insert the following:

SEC. . STUDY AND REQUIREMENTS FOR TAGGING OF EXPLOSIVE MATERIALS, AND STUDY AND RECOMMENDATIONS FOR RENDERING EXPLOSIVE COMPONENTS INERT AND IMPOSING CONTROLS ON PRECURSORS OF EXPLOSIVES.

(a) the Secretary of the Treasury shall conduct a study and make recommendations concerning—

(1) the tagging of explosive materials for purposes of detection and identification;

(2) whether common chemicals used to manufacture explosive materials can be rendered inert and whether it is feasible to require it; and

(3) whether controls can be imposed on certain precursor chemicals used to manufacture explosive materials and whether it is feasible to require it.

In conducting the study, the Secretary shall consult with other Federal, State and local officials with expertise in this area and such other individuals as shall be deemed necessary. Such study shall be completed within twelve months after the enactment of this Act and shall be submitted to the Congress and made available to the public. Such study may include, if appropriate, recommendations for legislation.

(b) There are authorized to be appropriated for the study and recommendations contained in paragraph (a) such sum as may be necessary.

(c) Section 842, of title 18, United States Code, is amended by inserting after subsection (k), a new subsection (l) which reads as follows:

"(l) It shall be unlawful for any person to manufacture, import, ship, transport, receive, possess, transfer, or distribute any explosive material that does not contain a tracer element as prescribed by the Secretary pursuant to regulation, knowing or having reasonable cause to believe that the explosive material does not contain the required tracer element.".

(d) Section 844, of title 18, United States Code, is amended by inserting after "(a) through (i)" the phrase "and (l)".

(e) Section 846, of title 18, United States Code, is amended by designating the present section as "(a)," and by adding a new subsection (b) reading as follows: "(b) to facilitate the enforcement of this chapter the Secretary shall, within 18 months after the enactment of this Act, promulgate regulations for the addition of tracer elements to explosive materials manufactured in or imported into the United States. Tracer elements to be added to explosive materials under provisions of this subsection shall be of such character and in such quantity as the Secretary may authorize or require, and such as will not substantially impair the quality of the explosive materials for their intended lawful use, safety of these explosives, or have a substantially adverse effect on the environment.".

(f) The penalties provided herein, shall not take effect until ninety days after the date of promulgation of the regulations provided for herein.

SMITH AMENDMENT NO. 1203

Mr. HATCH (for Mr. SMITH) proposed an amendment to amendment No. 1199 proposed by Mr. DOLE, to the bill, S. 735, supra; as follows:

On page 12, line 6, strike "25 years." and insert the following: "25 years; provided, however, that the damages to property that were caused, or would have been caused if any object of the conspiracy had been accomplished, must exceed, or must be reasonably estimated to exceed, $25,000."

On page 7, at the end of line 17, add the following: "provided, however, that the damages to property must exceed $25,000;"

PRESSLER (AND DASCHLE) AMENDMENTS NOS. 1204–1205

Mr. HATCH (for Mr. PRESSLER for himself and Mr. DASCHLE) proposed two amendments to amendment no. 1199 proposed by Mr. DOLE, to the bill, S. 735, supra; as follows:

AMENDMENT NO. 1204

At the appropriate place, insert the following:

SEC. . DESIGNATION OF CARTNEY KOCH MCRAVEN CHILD DEVELOPMENT CENTER.

(a) DESIGNATION.—

(1) IN GENERAL.—The Federal building at 1314 LeMay Boulevard, Ellsworth Air Force Base, South Dakota, shall be known and designated as the "Cartney Koch McRaven Child Development Center".

(2) REPLACEMENT BUILDING.—If, after the date of enactment of this Act, a new Federal building is built at the location described in paragraph (1) to replace the building decribed in the paragraph, the new Federal building shall be known and designated as the "Cartney Koch McRaven Child Development Center".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to a Federal building referred to in subsection (a) shall be deemed to be a reference to the "Cartney Koch McRaven Child Development Center".

AMENDMENT NO. 1205

At the appropriate place, insert the following:

SEC. . FALSE IDENTIFICATION OF DOCUMENTS.

(a) MINIMUM NUMBER OF DOCUMENTS FOR CERTAIN OFFENSE.—Section 1028 of title 18, United States Code, is amended—

(1) in subsection (a)(3), by striking "five" and inserting "3"; and

(2) in subsection (b)(1)(B), by striking "five" and inserting "3".

(b) REQUIRED VERIFICATION OF MAILED IDENTIFICATION DOCUMENTS.—

(1) IN GENERAL.—Chapter 83 of title 18, United States Code, is amended by adding at the end the following:

§1739. Verification of identification documents

"(a) Whoever knowingly sends through the mails any unverified information document purporting to be that of the individual named in the document, when in fact the identify of the individual is not as the document purports, shall be fined under this title or imprisoned not more than 1 year, or both.

"(b) As used in this section—

"(1) the term 'unverified', with respect to an identification document, means that the sender has not personally viewed a certification or other written communication confirming the identity of the individual in the document from—

"(A) a governmental entity within the United States or any of its territories or possessions; or

"(B) a duly licensed physician, hospital, or medical clinic within the United States;

"(2) the term 'identification document' means a card, certificate, or paper intended to be used primarily to identify an individual; and

"(3) the term 'identity' means personal characteristics of an individual, including age and nationality."

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 83 of title 18, United States Code, is amended by adding at the end the following new item:

"1739. Verification of identification documents.".

(c) CONFORMING AMENDMENT.—Section 3001(a) of title 39, United States Code, is amended by striking "or 1738" and inserting "1738, or 1739".

SPECTER AMENDMENT NO. 1206

Mr. HATCH (for Mr. SPECTER) proposed an amendment to amendment No. 1199 proposed by Mr. DOLE, to the bill, S. 735, supra; as follows:

On page 22, between lines 18 and 19 insert the following:

"(b) ASSISTANCE TO FOREIGN COUNTRIES TO PROCURE EXPLOSIVES DETECTION DEVICES AND OTHER SOPHISTICATED COUNTERTERRORISM TECHNOLOGY.—Subject to section 575(b), up to $10,000,000 in assistance in any fiscal year may be provided to procure explosives detection devices or other sophisticated counterterrorism technology to any country facing an imminent danger of terrorist attacks that threaten the national interests of the United States or put United States nationals at risk.".

On page 22, line 19, strike "(b)" and insert "(c)".

BROWN AMENDMENT NO. 1207

Mr. HATCH (for Mr. BROWN) proposed an amendment to amendment no. 1199 proposed by Mr. DOLE, to the bill, S. 735, supra; as follows:

At the appropriate place in the Hatch substitute, add the following new section—

"SEC. . SANCTIONS AGAINST TERRORIST COUNTRIES.

(a) PROHIBITION.—In conjunction with a determination by the Secretary of State that a nation is a state sponsor of international terrorism pursuant to 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)) or 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), the Secretary of State, in consultation with the Secretary of Commerce, shall issue regulations prohibiting the following—

(1) The importation into the United States, or the financing of such importation, of any goods or services originating in a terrorist country, other than publications or materials imported for news publications or news broadcast dissemination;

(2) Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702 (b)), the exportation from the United States to a terrorist country, the government of a terrorist country, or to any entity controlled by the government of a terrorist country, or the financing of such exportation, of any goods, technology (including technical data or other information subject to the Export Administration Act Regulations, 15 CFR Parts 768–799(1994)) or services;

(3) The reexportation to such terrorist country, its government, or to any entity owned or controlled by the government of the terrorist country, or any goods or technology (including technical data or other information) exported from the United States, the exportation of which is subject to export license application requirements under any U.S. regulations in effect immediately prior to the enactment of this Act, unless, for goods, they have been (i) substantially transformed outside the U.S., or (ii) incorporated into another product outside the United States and constitutes less than 10 percent by value of that product exported from a third country;

(4) except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)), any transaction, including purchase, sale, transportation, swap, financing, or brokering transactions, or United States person relating to goods or services originating from a terrorist country or owned or controlled by the government of a terrorist country;

(5) Any new investment by a United States person in a terrorist country or in property (including entities) owned or controlled by the government of a terrorist country;

(6) The approval or facilitation by a United States person or entry into or performance by an entity owned or controlled by a United States person of a transaction or contract:

(A) prohibited as to United States persons by subsection (3), (4) or (5) or

(B) relating to the financing of activities prohibited as to United States persons by those subsections, or of a guaranty of another person's performance of such transaction or contract; and

(7) Any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempting to violate, any of the prohibitions set forth in this section.

(b) DEFINITIONS.—For the purposes of this section:

(1) the term "person" means an individual or entity;

(2) the term "entity" means a partnership, association, trust, joint venture, corporation, or other organization;

(3) the term "United States person" means any U.S. citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States;

(4) the term "terrorist country" means a country the government of which the Secretary of State has determined is a terrorist government for the purposes of 69(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), or 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) and includes the territory of the country and any other territory or marine area, including the exclusive economic zone and continental shelf, over which the government of the terrorist country claims sovereignty, sovereign rights, or jurisdiction, provided that the government of the terrorist country exercises partial or total de facto control over the area or derives a benefit from the economic activity in the area pursuant to international arrangements; and

(5) the term "new investment" means—

(A) a commitment or contribution of funds or other assets, or

(B) a loan or other extension of credit;

(6) the term "appropriate committees of Congress" means—

(A) the Banking and Financial Services Committee, the Ways and Means Committee and the International Relations Committee of the House of Representatives;

(B) the Banking, Housing, and Urban Affairs Committee, the Finance Committee and the Foreign Relations Committee of the Senate.

(c) EXPORT/RE-EXPORT.—The Secretary of the Treasury may not authorize the exportation or reexportation to a terrorist country, the government of a terrorist country, or an entity owned or controlled by the government of a terrorist country or any goods, technology, or services subject to export license application requirements of another agency of the United States Government, if authorization of the exportation or re-exportation by that agency would be prohibited by law.

(d) RIGHTS AND BENEFITS.—Nothing contained in this section shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

(e) WAIVER.—The President may waive the prohibitions described in subsection (a) of this section for a country for successive 180 day periods if—

(1) the President determines that national security interests or humanitarian reasons justify a waiver; and

(2) at least 15 days before the waiver takes effect, the President consults with appropriate committees of Congress regarding the proposed waiver and submits a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate containing—

(A) the name of the recipient country;

(B) a description of the national security interests or humanitarian reasons which require a waiver;

(C) the type and amount of and the justification for the assistance to be provided pursuant to the waiver; and

(D) the period of time during which such waiver will be effective.

The waiver authority granted in this subsection may not be used to provide any assistance which is also prohibited by section 40 of the Arms Control Export Control Act."

KERREY (AND OTHERS) AMENDMENT NO. 1208

(Ordered to lie on the table.)

Mr. KERREY (for himself, Mr. D'AMATO and Ms. MIKULSKI) submitted an amendment intended to be proposed by them to amendment No. 1199, proposed by Mr. DOLE, to the bill, S. 735, supra; as follows:

At the appropriate place in the pending substitute amendment No. 1199, insert the following:

SEC. . AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF THE TREASURY.

(a) IN GENERAL. There are authorized to be appropriated for the activities of the Bureau of Alcohol, Tobacco and Firearms, to augment counter-terrorism efforts—

(1) $20,000,000 for fiscal year 1996;
(2) $20,000,000 for fiscal year 1997;
(3) $20,000,000 for fiscal year 1998;
(4) $20,000,000 for fiscal year 1999; and
(5) $20,000,000 for fiscal year 2000.

(b) IN GENERAL. There are authorized to be appropriated for the activities of the United States Secret Service, to augment White House security and expand Presidential protection activities—

(1) $62,000,000 for fiscal year 1996;
(2) $25,000,000 for fiscal year 1997;
(3) $25,000,000 for fiscal year 1998;
(4) $25,000,000 for fiscal year 1999; and
(5) $25,000,000 for fiscal year 2000.

FEINSTEIN AMENDMENT NO. 1209

Mrs. FEINSTEIN proposed an amendment to amendment No. 1199, proposed by Mr. DOLE, to the bill, S. 735, supra; as follows:

At the appropriate place in the amendment, insert the following new section:

SEC. . PROHIBITION ON DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVE MATERIALS FOR A CRIMINAL PURPOSE.

(a) Section 842 of title 18, United States Code, is amended by adding at the end the following new section:

"(l) It shall be unlawful for any person to teach or demonstrate the making of explosive materials, or to distribute by any means information pertaining to, in whole or in part, the manufacture of explosive materials, if the person intends, or knows that such explosive materials or information will likely be used for, or in furtherance of, an activity that constitutes a Federal criminal offense or a criminal purpose affecting interstate commerce."

(b) Section 844 of title 18, United States Code, is amended by designating section (a) as subsection (a)(1) and by adding the following new subsection:

"(a)(2) Any person who violates subsection (l) of section 842 of this chapter shall be fined under this title or imprisoned not more than twenty years, or both."

NOTICE OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding a hearing on Thursday, June 8, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building on S. 436, a bill to improve the economic conditions and supply of housing in native American communities by creating the Native American Financial Services Organization, and for other purposes.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

ADDITIONAL STATEMENTS

TRIBUTE TO COL. RAYMOND W. O'KEEFE, U.S. ARMY

• Ms. SNOWE. Mr. President, today I would like to congratulate Col. Raymond W. O'Keefe, a native son of Maine, who retired from the U.S. Army on June 1, 1995, after a distinguished career of faithful service to our Nation spanning 26 years. Throughout those 26 years of service, Ray O'Keefe exemplified the true spirit of the United States cavalryman: "honor was his guide, resourcefulness his strength, and a passion for duty was his chief characteristic."

Colonel O'Keefe was commissioned through the Reserve Officers' Training Corps as a second lieutenant in the Regular Army following his graduation from the University of Maine at Orono in June 1969. Over the course of his career, Colonel O'Keefe served in a variety of challenging troop and staff assignments in the United States, Germany, Korea, and Vietnam. Following completion of the Armor Officer's Basic Course at Fort Knox, then-Lieutenant O'Keefe reported for duty with the 1st Squadron, 17th Cavalry, assigned to the elite 82d Airborne Division, at Fort Bragg, NC. Lieutenant O'Keefe practiced his craft and honed his skills while serving in a variety of positions at the troop level.

He arrived in Pleiku, in the Central Highlands of Vietnam, in December of 1971, and assumed command of D Troop, 17th Cavalry. the Ia Drang Valley, site of one of the first large battles of the war, was only thirty miles distant. One of the last major fights of the war, the Easter Offensive in March, 1972, involved this same area, and Ray O'Keefe was there.

His next assignment brought him to a post well-known in the annals of cavalry lore—Fort Riley, KS—the birthplace of the famous 7th Cavalry Regiment. Already an experienced combat veteran, Ray served with distinction as a troop commander and operations officer with the 1st Squadron, 4th Cavalry, refining his skills, coaching, and teaching the cavalrymen and officers entrusted to his care.

Obviously, Ray O'Keefe stood out from his peers, for as an armor officer he was selected to attend Infantry Officers Advanced Course at the U.S. Army Infantry School. Selection to an advanced course of another branch is an indication that an officer has mastered his basic branch skills and is being groomed for positions of much greater responsibility. His follow-on assignment as a staff plans officer with the Joint Personnel Staff at Headquarters, 8th U.S. Army, in Yong San, Korea, underscored the high regard in which he was held by his superiors. The assignment provided Ray valuable experience working with senior officers and those of the other Services and would serve him well in future assignments.

Following promotion to major ahead of his peers, and with a Master of Science degree in Educational Administration in hand, Ray O'Keefe returned to New England. Assigned as the Assistant Professor of Military Science at the University of New Hampshire, he excelled as an instructor of young men and women. Those entrusted with attracting and developing our Army's future leaders have a particularly important responsibility. Ray O'Keefe truly understood this responsibility and more than met the challenge.

As a field grade officer, Ray continued with his service in a series of increasingly challenging assignments, this time in Germany. The cold war was at its height, and deterrence was the keystone of our defense policy. Trained and ready, Army forces provided NATO's first line of defense in Europe against the Warsaw Pact. Serving 1 year as executive officer of the 4th Battalion, 64th Armor, in

Aschaffenburg, followed by almost 3 years on the Operations and Plans staff of the 3rd Infantry Division in Wurzburg, then-Major O'Keefe was instrumental in successfully bringing the M1 Abrams main battle tank to the division. Personally selected by the commanding general as chief of training for the division, Ray soon became the recognized expert in Europe on fielding and training for the M1 tank.

Battalion command is a challenge reserved for only the Army's most capable and most promising officers. In June of 1984, then-Lieutenant Colonel O'Keefe's demonstrated performance and potential resulted in his selection to command the 3rd Squadron, 7th Cavalry, a unit rich tradition. From its battalion colors fly streamers emblazoned with names we associate with gallantry, courage, sacrifice: Little Big Horn, Leyte, Korea. Equipped with tanks, helicopters, armored personnel carriers, and artillery, the division cavalry squadron is perhaps one of the most lethal fighting organizations within the Army and one of the most challenging to effectively command. Its mission was one of the cold war's most difficult and sensitive—patrolling the border between freedom and tyranny in Europe. Under Ray O'Keefe's expert hand, the troopers of the 3rd Squadron patrolled the intra-German border 24 hours a day, 7 days a week. Tough, realistic training and competent, confident leadership were rewarded in 1985 when the 3rd Squadron captured the prestigious Flynn Cup, awarded to the best border squadron in the VII Corps. Through sustained superior performance, Ray O'Keefe proved he had what it took to command and care for 1,200 soldiers and their families.

The Joint Staff provided Ray O'Keefe another opportunity to excel. Assigned as Chief of the Operations, Training, and Exercise Branch in the National Military Command Center, he played a key role in every world crisis for almost 2 years. Colonel O'Keefe developed and wrote the required operational concept for what was to become the automated Crisis Management System, now the heart of the Joint Chiefs of Staff crisis management response. The impact of this contribution to our Nation cannot be overstated.

Colonel O'Keefe culminated his service as Chief, Congressional Activities Division, Office of the Chief of Staff, U.S. Army. In this capacity, Ray once again set the standard preparing senior Army leadership for their personal interactions with Congress, including confirmations, congressional testimony, and meetings with Members of Congress. Ray also supervised preparation and publication of the Army's annual Posture Statement and Focus periodical. Both General Sullivan and Secretary West have come to rely on Ray O'Keefe's sound judgment, keen insight, and sage advice. In this assignment, as in all the others throughout his career, Ray has been in the vanguard working to ensure that America's Army maintains, the warrior's edge.

Col. Raymond W. O'Keefe is indeed the quintessential leader. His selfless service, commitment to excellence, and caring professionalism have continually provided inspiration to those with whom he has served. This exceptional officer truly personifies those traits of courage, competency, and integrity that our Nation has come to expect from our Army officers. When he was needed, he was there. He has served our Nation well, and our heartfelt appreciation and best wishes for continued success go with him.•

THE BUDGET RESOLUTION FOR FISCAL YEAR 1996

• Mrs. MURRAY. Mr. President, I was forced to cast my vote against the budget resolution for the upcoming fiscal year.

As a member of the Budget Committee, I take seriously my responsibilities to form and oversee our Nation's budget. Accordingly, I believe the budget resolution is one of the most important documents produced by the Congress each year.

This resolution is critical legislation because it sets our Nation's priorities. It steers our economic policies. And, it carries weight with the American people.

I believe this process should be used to give the American people hope. The American people deserve a sound budget, which reflects their spending priorities. And, they deserve economic security in youth as well as in older years.

Unfortunately, Mr. President, this budget fulfills none of these requirements. It is truly the worst of slash and burn politics. It is misguided economic policy. It robs our constituents of hope and our children of their future.

Mr. President, our colleagues offered a number of amendments which would have gone a long way to improve this bill.

I must say, Mr. President, I was pleased that a strong bipartisan coalition of Senators supported a sense of the Senate measure I offered on impact aid. Impact aid is critical educational assistance for our federally impacted school districts. I hope my amendment will ensure that the Federal Government lives up to its responsibilities to our Nation's schoolchildren who live on Federal property. That is the minimum we owe the children of our women and men in uniform, and I am pleased the distinguished chairman of the Budget Committee, Mr. DOMENICI, accepted my amendment as part of his resolution.

Unfortunately, many other amendments which would have improved this bill failed to pass on largely party-line votes.

I was pleased to support a substitute budget proposed by my friend, the Senator from North Dakota, Mr. CONRAD. His proposal—the fair share plan—reached balance, closed loopholes, excluded Social Security, but smoothed the glidepath of reduced spending. It is my sincere belief that the budget proposed by Senator CONRAD would have been a better starting point than the one put forth by my Republican colleagues. The Conrad plan was not perfect, but it would have been better for our children, our elderly, the environment, and the most vulnerable members of our society.

My friends, the distinguished junior Senator from South Carolina, Senator HOLLINGS, and the Senator from Iowa, Mr. HARKIN, offered a wise amendment which aimed at restoring the draconian cuts to education. I was pleased to speak in favor of this amendment, and an truly sorry that our Republican friends were unable to join colleagues on this side of the aisle in restoring some hope for our children's future.

Similarly, my Budget Committee colleague, the Senator from New Jersey, Mr. LAUTENBERG, and my friend from West Virginia, Mr. ROCKEFELLER, offered an important amendment to restore some of the nasty cuts to the Medicare and Medicaid Programs. This amendment would have given some much-needed security to our elderly. It would have also loosened the squeeze on the middle class—average Americans like me, who are caught between elderly, frail parents, and kids at home.

I was honored to join two of my distinguished colleagues from the Finance Committee, Senator BRADLEY and Senator BREAUX to roll back the tax increase on our country's working families. This budget plan raises the taxes on families earning less than $28,000 per year. I think nearly everyone in this country would agree it is inherently unfair to raise taxes on the lower middle class and give a break to the wealthiest among us. Unfortunately, this amendment was rejected on party lines. That is a tragic and sad mistake.

Time and again, some of our colleagues attempted to restore common sense to this budget, but we were caught up in the partisanship of this body. One of the worst examples of this came with the defeat of the Murray amendment. My amendment simply would have protected kids from Medicaid cuts. Despite the defeat of my amendment which would have put the Senate on record that children should not be left without insurance, I will continue to fight for the interests of children in this Nation as the Medicaid system is reformed by this Congress.

Lastly, I was very disappointed that an amendment offered by my colleague from Delaware, Senator ROTH, was defeated. The Senator from Delaware correctly called attention to the risks to our environment if oil exploration were to be extended in the Arctic National Wildlife Refuge. This amendment was important for the future of our Nation's environment, and its defeat is shortsighted and ill-advised.

Mr. President, without these amendments, without this safety net for our children, without protections of our environment, and without other safeguards for our most vulnerable citizens, this resolution is fatally flawed. And, I cannot support this draconian and risky budget plan.●

TRIBUTE TO DR. HIRAM C. POLK, JR.

● Mr. MCCONNELL. Mr. President, I rise today to honor Dr. Hiram C. Polk, Jr., Hiram is chairman of surgery at the University of Louisville, and this week he will be inducted into the Royal College of Surgeons of Edinburgh, Scotland as an honorary fellow.

The Royal College of Surgeons is the oldest surgical college in the world and is also the most renowned. The induction as an honorary fellow is the highest honor awarded by the college. This tribute is unquestionably one that Hiram should be proud of, because the college only gives out five or six awards in one year to the best surgeons around the world.

Hiram was also asked to deliver the Lister lecture at the college's annual meeting in Aberdeen, Scotland on May 26, 1995, making him the first American to give the Lister lecture. Hiram is also one of only 13 people to ever deliver the lecture. He joins an impressive list of past lecturers which include two Nobel Prize winners. His speech will focus on his work to understand and control infection after trauma, research he has worked extensively on at the University of Louisville for more than a decade.

Hiram received his medical degree from Harvard University in 1960, and 11 years later he accepted a position at the University of Louisville. At the age of 35, Hiram was named chairman of surgery at the university, making him one of the youngest surgery department chairmen in the Nation.

His research on surgery infection began in 1969, and he says it still has a long way to go. He best describes his work in a recent article from the Courier Journal, "you keep hoping for a breakthrough. But in fact * * * you're crawling your way up the Washington Monument one step at a time." And you can bet, Hiram will continue his research on surgical infections for years to come.

Mr. President, I commend Dr. Hiram C. Polk, Jr., for his outstanding service to the University of Louisville and to the entire medical community. I ask my colleagues to join me in recognizing the hard work of this outstanding Kentuckian and to congratulate him on his induction as an honorary fellow into the Royal College of Surgeons.●

THE BALANCED BUDGET RESOLUTION

● Ms. MIKULSKI. Mr. President, unfortunately I was unable to vote on the balanced budget resolution and several pending amendments. I was the commencement speaker for the 1995 graduating class of Johns Hopkins University in Baltimore from which my niece and nephew were also graduating.

However, had I been here to vote I would have voted against the resolution because I believe it hurts too many Americans. It hurts our seniors and it hurts our students.

Everything this country has fought for is being attacked in this budget, Medicare, Medicaid, long-term care, veterans health care, and education.

We must have a call to arms to save lives and save people.

Mr. President, during consideration of the budget resolution, Senator CONRAD offered an amendment which would have achieved a balanced budget by 2004.

I support Senator CONRAD's approach to balancing the budget because I believe that it represents a far more equitable approach to balancing the budget than the budget resolution which passed the Senate.

Mr. President, I support the Conrad amendment because it balances the budget without counting the Social Security trust fund surplus. I have stated in the past that I cannot support a balanced budget that does not protect Social Security. A promise made must be a promise kept.

We cannot jeopardize the retirement benefits of the G.I. Joe generation—the generation that fought and saved civilization. We owe it to our veterans and their families to ensure a safe and secure future.

In addition, I support the Conrad amendment because it fully funds education and restores some of the cuts to veterans programs, infrastructure investments, and technology programs, while still achieving a balanced budget.

Mr. President, I also want to express my strong support for an amendment offered by my colleague, Senator KENNEDY, to restore funding for college aid.

The Republican budget resolution would cut $30 million in Federal aid to college students over the next 7 years. This is the largest education cut in U.S. history.

This is unacceptable. Education must be a No. 1 priority. It is with me and it should also be a priority in this budget.

Senator KENNEDY's amendment would have helped to restore college student aid funds. This amendment did not pass, but yet it is extremely important when half of all college students receive Federal financial aid.

However, I am pleased that the Snowe amendment which was adopted will restore $9.4 billion over 7 years to student loans. I support this amendment because I know what it will mean to Maryland's students.

Our undergraduate students borrow the maximum of $17,125 just to be able to afford a college education, access to increased opportunities and to achieve the American dream.

The cost of college has skyrocketed and our students need our support through Federal financial aid programs or through innovative initiatives like National Service. We cannot turn our back on them now.

Mr. President, in this budget, we are given cuts, not compassion. As an appropriator, I know firsthand what these cuts mean. These are not numbers. These are not statistics. These are not line items. They are issues people care about.

Balancing the budget should not be about rhetoric or about scoring political points. Balancing the budget should be about honoring the contributions of the G.I. Joe generation, the generation who worked hard, played by the rules, and served our country well. It is for those who are fighting for the future generations of Americans.

Mr. President, the Senate still has a long way to go this year and a lot of work to do on this Nation's budget. This resolution is not the final word and I look forward to setting this Nation's priorities straight and fighting for the generations to come.●

THE TERCENTENNIAL ANNIVERSARY OF GLOUCESTER TOWNSHIP, NJ

● Mr. BRADLEY. Mr. President, today I wish to commemorate the 300th anniversary of the founding of Gloucester Township. Three hundred years after its incorporation, Gloucester Township has grown from a small farming community along the banks of what is now Timber Creek into one of New Jersey's premier residential communities.

On June 1, 1995, residents of Gloucester Township celebrated their 300th year with a ceremony consisting of a reenactment of the 1695 Proclamation of Incorporation. After the ceremony, the tercentenary committee presented a hand-sewn quilt consisting of 33 panels which traces the township's unique history and highlights the area's historic sites. The quilt, lovingly crafted by over 20 volunteers, took hundreds of hours to complete and is a fitting tribute to a special community. Like the memorial quilt, Gloucester Township is a creation of the sum of its parts, incorporating many small, distinct communities—each with their own histories and special characteristics—to add color and form to the township.

When the mayor and town council of Gloucester donned their colonial-era garb to reenact the Incorporation Proclamation, they payed tribute to an area of New Jersey that is rich in history. The community of Chews Landing, which predates New Jersey's statehood by years, is still sprinkled with old, historic homes many built during the days when George Washington and James Madison were subscribers to the St. John's Episcopal Church in Chews Landing. Other colorful figures in American history who have roots in Gloucester Township include: Lt. Aaron Chew, a local war hero; Abraham Clark, George Reed, and Charles Campbell, signers of the Declaration of Independence; F. Muhlenberg, a member of the Continental Congress and first Speaker of the House; William Patterson, former Governor of New Jersey; and Elias Boudinot, a member of the New Jersey Continental Congress and Director of the first U.S. Mint. Blenheim, home to the cemetery that is still known today as Wallin's Graveyard, was home to Charity Chew Powell and her husband Richard who lost 17 of their 20 sons in the American Revolution and other of our country's early wars.

Gloucester Township is not only rich in history, it is also blessed with attributes that make the area such a wonderful place to live and raise a family. An outstanding school system, beautiful parks, an active little league, and a diverse population create an environment where the bonds of community can thrive. Approximately 56,000 inhabitants strong, Gloucester Township is no longer a small town on the banks of a creek. Still, the small-town belief that fellow residents are actually friends and family, still flourishes and has allowed Gloucester's different communities to live harmoniously as their community has grown. Today, when the fragile ecology of our social environment is as threatened as that of our natural environment, I am delighted to have the opportunity to pay tribute to the inhabitants of Gloucester Township and the lessons they offer in community and modern living.

Mr. President, I congratulate Gloucester Township once again, on their tercentennial anniversary.●

SOCIAL COMPACT'S 1995 OUTSTANDING COMMUNITY INVESTMENT AWARD

● Mr. LEVIN. Mr. President, I would like to recognize the Sturgis Neighborhood Program [SNP] and the Sturgis Federal Savings Bank as recipients of the Social Compact's 1995 Outstanding Community Investment Award. The Social Compact is an ecumenical coalition of hundreds of CEOs from all types of financial services institutions and neighborhood self-help organizations who have joined forces to promote proven, effective strategies for strengthening America's vulnerable neighborhoods.

The partnership achievement of the Sturgis Neighborhood Program and the Sturgis Federal Savings Bank is rebuilding community hope and pride by stabilizing lower income neighborhoods and families through the rehabilitation of affordable rental housing. Since its inception, the SNP has rehabilitated five single family homes and more are on the way. Tenant families are employed, receive family development guidance, and participate in maintenance education programs. Families also participate in a Goal Setting Plan which guides them toward being self-sufficient, productive members of the community.

The Sturgis Federal Savings Bank was the first institution to support SNP's mission and played a vital role in its initial success. With the assistance of Sturgis Federal, SNP received grants and subsidies which allowed the organization to successfully renovate the completed five units of affordable rental housing. It is my honor to congratulate the Sturgis Neighborhood Program and the Sturgis Federal Savings Bank. I join the Social Compact in thanking them for their contributions to the Sturgis community.●

RAYMOND KELLY'S COMMENCEMENT SPEECH TO MARIST COLLEGE

● Mr. MOYNIHAN. Mr. President, on May 20, 1995, Raymond W. Kelly, the esteemed former police commissioner of New York City, gave a moving commencement speech at Marist College in Poughkeepsie, NY. Senators will recall that, in addition to his service as the head of the Nation's largest police force, Commissioner Kelly recently returned from a very demanding assignment as director of the International Police Monitors in Haiti.

In his speech, Commissioner Kelly urged the Class of 1995 to be, and I quote, "America's new idealists. * * * America needs new, energetic voices to counter the current wisdom that says all government is suspect. The class of '95 should be that voice."

In recognition of Commissioner Kelly's public service, Marist College awarded him an honorary Doctorate of Humane Letters. His fine commencement address truly deserves the attention of the Senate, and I ask that the text of the speech be printed in the RECORD.

The speech follows:

REMARKS BY RAYMOND W. KELLY

President Murray, Brother Paul, Chairman Dyson, friends, family, and members of the class of 1995. I want to express my appreciation to Marist College and its board of trustees for conferring this honorary degree on me. And I want to express my congratulations to the class of '95 who earned your degrees the hard way. This honor permits me to share with the class of '95 the soaring reputation of this great institution; a reputation which has spread far beyond the confines of the Hudson Valley, across America and beyond, to some unexpected corners of the world.

What Brother Paul Ambrose and the original Marist fraternity planted with their sweat and broad shoulders has blossomed beyond even their inspired dreams. It has blossomed because the secular community who followed in their footsteps kept the faith and worked hard. The result is this beautiful campus, a crown jewel on the Hudson River.

But Marist College is far more than that. It has preserved what other institutions have lost, or are still trying to achieve: namely, a faculty that teaches, an administration that leads, and a board of trustees that governs. The result—and I know this first hand—are graduates who leave Marist College ready to take on the world, in all of its complexity, and even its dangers.

Last fall, when President Clinton asked me to go to Haiti to direct the international police monitors, he put at my disposal over twelve hundred police professionals from around the world. In addition, I had United States Army and Marine Corps personnel reporting to me. Our job was to stop human rights abuses by a notorious Haitian police and military, and to establish an interim public security force. We did all that, and more.

I was honored to lead the effort, but I certainly could not do it alone. With a large and highly skilled group from which to choose, I needed three individuals for key positions. I had neither the time nor the inclination to check their college credentials. I just went on my instincts that came with 30 years of judging leadership in the New York City Police Department and the United States Marine Corps.

And today, I want the Marist College class of 1995 to meet the three individuals who I asked to go in harms way to lead Haiti out of the hell created by a brutal dictatorship. They are (and I'd like them to stand):

United States Marine Corps Major Samuel Delgado, military liaison for Haiti's second largest city, and Marist College graduate, class of 1977.

United States Marine Corps Major Mario Labpaix, interpreter and military liaison for Haiti's largest city, and Marist College graduate, class of 1978.

And former assistant commissioner of the New York City Police Department, Paul J. Browne, the deputy director of the international police monitors in Haiti, and Marist College graduate, class of 1971.

They are three reasons who our mission in Haiti was a success. And if the President of the United States called again tomorrow and asked me for three good men, I'd call Delgado, Lapaix and Browne. And if the President of the United States called tomorrow and asked me for three hundred good men and women, I'd call the Marist College placement office.

Professor Lavin described it as an "uncanny coincidence." But I'm not so sure. It should be no surprise that the tenets of ethics and of public service rooted in the Marist tradition and carried forward in its classrooms emerge in its graduates, just when the world needs them most.

I urge the class of 95 to hold fast to those tenets, and to make ethical conduct and service to your fellow human beings the hallmarks of whatever careers await you. America, and the world, sorely need both. America and the world also need people who will stand on principle. And, uphold in their daily lives the values that this institution believes in.

My advice to the class of 95 is: Tell the truth, be loyal to your friends, but not blind to their failings, and set a standard of ethical conduct for yourselves and to be true to it no matter what.

Whatever perceived advantage in your personal or public life is sacrificed by doing the right thing is not worth attaining if it means compromising what you believe in.

One other thing: I have never made a career decision based on money, and I have never regretted it. I can see all of you with loan payments cringing. But I mean it. Simply put, money is overrated. America has plenty of money and plenty of money makers, what it needs is idealists.

I urge class of 95 to be Ameria's new idealists.

Somewhere between Dallas, Vietnam and Watergate, our idealism was shattered. Idealism was the great casuality of my generation. It need not be yours.

America needs new, energetic voices to counter the current wisdom that says all government is suspect. The class of 95 should be that voice.

America needs a conscience that counters the lie that the poor are responsible for their own plight. The class of 95 should be that conscience.

America needs the confidence to refute the proposition that self interest should come before all other interests. The class of 95 should have that confidence.

There is also a disturbing manifesto of government mistrust abroad in the land. It is embraced by a radical fringe that is not prepared to die for its cause but ready to kill for it. But it is not embraced by the radicals alone. It is espoused by newcomers to leadership who say they are drawn to government for the principal purpose of dismantling it. It has also given rise to a new mean-spiritedness and a new cynicism; one that casts a cold eye on the plight of the poor and the aspirations of minorities and immigrants. And it has given rise to a new isolationism which would confine American foreign policy to the dark parameters of narrow self interest.

All of this suspicious introspection is unbecoming of the American character.

Americans are, by nature, generous and optimistic and we need to reclaim our heritage. You need to reclaim it.

I was recently told about a retired General Electric employee who had immigrated to the United States from the Ukraine during World War Two. He came, by way of Russia, by way of Germany, by way of France. He was a refugee. Along the way he met American soldiers, the first Americans he had ever seen. He said the Americans were fundamentally different from him and from everyone he had ever known.

The Americans were full of hope. They were full of optimism and idealism. They laughed easily and looked to the future. He knew no one like them. They were unencumbered by the old European notions of family position, of wealth, of status. They were free of the elitism that held so many people back. He said he saw the Americans as "a new tribe," completely and irresistibly different from his experience, and he desperately wanted to be a member of the tribe.

That was 50 years ago. But the world still sees Americans in much the same way. In Haiti, we were welcomed as liberators by the poorest people in the Western Hemisphere. The graffiti on the walls in Port-Au-Prince said: "Americans, please stay in Haiti for 50 years."

American self-interest was served in Haiti, certainly as it applied to curtaining the flow of illegal immigration into the United States. But we also went to Haiti because it was the right thing to do. We put our might were our mouth was. We fed the hungry. We saved lives. We routed the bullies, and rescued fellow human beings from despots. We restored democracy. We treated some of the poorest people in the world with great dignity, which was a completely new experience for them.

We need to practice that charity at home, and not be afraid to remain engaged abroad. America needs you to do that. America needs optimists. It needs idealists. America needs the class of 95 to be engaged in the world.

If your country asks you to serve, say yes. If it doesn't ask, volunteer.

We need to have the kind of faith in ourselves that the world has in America.

We need Americans who believe, as President Kennedy did, that "Here on Earth, God's work must truly be our own."●

CONGRATULATING SYRACUSE UNIVERSITY 1995 NCAA LACROSSE CHAMPIONS

● Mr. D'AMATO. Mr. President, I rise toady to pay tribute to our Nation's 1995 NCAA Men's Lacrosse Champions, the Orangemen of Syracuse University. I am particularly proud both as a New Yorker and as an alumnus of both the university and its law school.

Last Monday, before a crowd of over 26,000, the Orange bested the Maryland Terrapins—who enjoyed a home field advantage—by a score of 13-9 to win the collegiate title. This victory was a fitting tribute to the memory of the late Roy Simmons, Sr.—the father of SU Coach Roy Simmons, Jr., and the legend of Syracuse lacrosse—to whom the Orangemen had dedicated their season. The victory for Syracuse marks the sixth time that the Orange have won the national championship and a record 13th straight trip to the final four.

The young men of the Syracuse University lacrosse team have a lot to be proud of in this victory. It is the crowning achievement in this arduous sport demonstrating that a commitment to teamwork and excellence do pay off. This is especially true among the upperclassmen who could have rested on their 1993 championship laurels. By example, their hard work to get back on top will be carried on by SU teams for years to come. A tradition of winning has been maintained, and it is a tradition that I believe future Syracuse teams will sustain.

We can all be proud of the accomplishment of these young men. They have risen to claim top honors in this demanding sport without sacrificing their academic standards. Mr. President, once again, I salute our Nation's NCAA Lacrosse Champions, the Syracuse University Orangemen.●

THE EVERYBODY WINS PROGRAM

● Mr. SIMON. Mr. President, this spring on Capitol Hill an exiting literacy program began with the help of Senators and Senate staff. The children at Brent Elementary School are now being read to once a week during their lunch hours by volunteers in the Everybody Wins Program. Everybody Wins is a successful literacy program which matches up professionals with at-risk, inner-city school children as reading partners.

During each power lunch session, the reading partners select a book and read aloud together—an activity that the Commission on Reading calls the single most important activity for building a child's eventual success in reading.

Dr. Frances Plummer, the principal of Brent Elementary School, has been instrumental in making this program a success. Dr. Plummer, a native Washingtonian, attended the D.C. schools, from kindergarten through receiving her B.S. degree from D.C. Teachers College. She then went on to earn a masters degree and doctorate of education from George Washington University. Her career has included being a teacher and assistant principal in the Washington D.C. public schools before going on to become the principal of the Brent Elementary School.

Dr. Plummer's philosophy is "Teach each child at your school as you would want your own child taught." I, along with my colleagues who are participating in the program would like to commend Dr. Plummer's patience, hard work, and a lifetime of dedication to the children that she serves.●

ORDERS FOR TUESDAY, JUNE 6, 1995

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 a.m., on Tuesday, June 6, 1995, that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and that Senator SNOWE be immediately recognized to speak for up to 30 minutes; further, that at the hour of 9:45 a.m, the Senate immediately resume consideration of S. 735, the antiterrorism bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate stand in recess between the hours of 12:30 and 2:15 on Tuesday for the weekly policy luncheons to meet; further that Senators have until the hour of 12:30 on Tuesday to file first-degree amendments to S. 735, the antiterrorism bill, in order to comply with rule XXII of the Standing Rules of the Senate.

The PRESIDING OFFICER. Without objection, it is to ordered.

SCHEDULE

Mr. LOTT. For the information of all Senators, a cloture motion was filed on the antiterrorism bill earlier today by the leader. Therefore, Members should be aware that if they have an amendment on the list they must file the amendment by 12:30 tomorrow, that is Tuesday, to qualify under rule XXII. Senators should be aware that rollcall votes are possible prior to the policy luncheon recess.

ORDER FOR RECESS

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that Senator SPECTER be recognized when he comes in shortly for his remarks, and following that, that the Senate stand in recess under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the submission of Senate Resolution 128 are located in today's RECORD under "Submission of Concurrent and Senate Joint Resolutions.")

Mr. SPECTER. I thank the Chair. I yield the floor.

RECESS UNTIL 9:15 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9:15 a.m., Tuesday, June 6.

Thereupon, the Senate, at 6:58 p.m., recessed until tomorrow, Tuesday, June 6, 1995, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate June 5, 1995:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

TRACEY D. CONWELL, OF TEXAS, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1996, VICE FAY S. HOWELL, TERM EXPIRED.

SECURITIES INVESTOR PROTECTION CORPORATION

ALBERT JAMES DWOSKIN, OF VIRGINIA, TO BE A DIRECTOR OF THE SECURITIES INVESTOR PROTECTION CORPORATION FOR A TERM EXPIRING DECEMBER 31, 1998. (REAPPOINTMENT.)

DEPARTMENT OF STATE

DAVID L. HOBBS, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE CO-OPERATIVE REPUBLIC OF GUYANA.

WILLIAM J. HUGHES, OF NEW JERSEY, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PANAMA.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. CARL E. MUNDY, JR. [redacted]

IN THE AIR FORCE

THE FOLLOWING CADETS, U.S. MILITARY ACADEMY, FOR APPOINTMENT AS SECOND LIEUTENANT IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 531 AND 541, TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

To be second lieutenant

ANN M. BROSIER [redacted]
ANTHONY M. DELUCA [redacted]
TODD D. HARRINGTON [redacted]
JOEL M. JENSEN [redacted]
DARYL S. KIRKLAND [redacted]
ROBERT H. LEE [redacted]
MARVIN T. MERCIER [redacted]
ABDIEL E. PEART [redacted]
SHAD A. REED [redacted]
AUGUST J. ROLLING [redacted]
ADAM D. WALLEN [redacted]
BRIAN R. WARNER [redacted]

IN THE NAVY

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

LINE OF THE NAVY

To be lieutenant commander

ARMSTRONG, MARK A. [redacted]
BROWN, ROBERT C. [redacted]
BRUBAKER, STEVEN H. [redacted]
CARTER, STUART A. [redacted]
CASEY, KEVIN C. [redacted]
CLARKSON, JEFFREY D. [redacted]
DALY, WILLIAM J. [redacted]
DANHAKL, JAMES R. [redacted]
DAVIS, JEFFREY A [redacted]
DEOSS, DISTER L., JR [redacted]
DESMET, PAUL F. [redacted]
DUBOIS, BRUCE A. [redacted]
ENKEMA, PHILIP B., JR [redacted]
FARNUM, PHILLIP H [redacted]
FERNANDEZ, PELAYO F. [redacted]
FETEN, DAVID J. [redacted]
GOSSETT, DEAN H. [redacted]
GRAYBEAL, JAMES W. [redacted]
HANNES, KEVIN L. [redacted]
HELWIG, MICHAEL S. [redacted]
HULLINGER, PHILLIP G [redacted]
JOY, CRAIG M. [redacted]
KIYAK, GEORGE C. [redacted]
LONG, DARRYL J. [redacted]
LOONEY, ANNEMARIE D. [redacted]
LUCERO, LISA M. [redacted]
LYCAN, PAUL D. [redacted]
LYNCH, KAREN A. [redacted]
MELONIDES, JOHN S. [redacted]
MIGLIORE, ANTHONY M. [redacted]
MILLS, THOMAS A. [redacted]
NEWSTROM, ERIC P. [redacted]
NUNEZ, GERALD A. [redacted]
O' CARROLL, ROSEMARIE [redacted]
PETTY, ROY S. [redacted]
REVELLE, DAVID M. [redacted]
SCHMEISER, STEPHEN A [redacted]
STANTON, ROBERT J. [redacted]
STEER, THOMAS J. [redacted]
SUMMERS, TOMMY L [redacted]
TANAKA, CLEMENT [redacted]
TEXLEY, THOMAS E. [redacted]
ULATOWSKI, VALERIE A. [redacted]
VALENZUELA, JOSEPH J. [redacted]
VULCAN, LELAND C. [redacted]
WARREN, THOMAS W., JR. [redacted]
ZEIDERS, GLENN W. II [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL CORPS

To be captain

BOONE, JOHN L. [redacted]
CRAIG, BARBARA R. [redacted]
GOLDFARB, THEODORE G. [redacted]
LANDON, CHARLES W. [redacted]
MCDEVITT, EDWARD R. [redacted]
REVILLE, ROGER D. [redacted]
SHEN, VINCENT S. [redacted]
SMITH, RONALD E. [redacted]
WEAR, DEBORAH J. [redacted]

To be commander

ADAMS, CHARLES F., JR. [redacted]
ADKISON, DAVID P. [redacted]
ALBRECHT, DANIEL [redacted]
BEATTIE, MARK A. [redacted]
BONDESSON, JEFFERY D [redacted]
BOSSIAN, JOHN L., JR [redacted]
BRANN, OSCAR S [redacted]
BRUCKNER, JAMES D. [redacted]
BUSCH, WILLIAM T. [redacted]
CANAVAN, LYDIA [redacted]
CHRISTOPHER, ARNOLD R. [redacted]
CLAYTON, JOHN P. [redacted]
COOK, DAVID H. [redacted]
CROWLEY, SUSAN [redacted]
CURTIS, JERR [redacted]
DANIEL, JOHN C. [redacted]
DATO, PAUL [redacted]
DEFEO, JOSEPH W., JR [redacted]
DELAHANTY, KEVIN [redacted]
DESIMONE, JEFFREY M. [redacted]
DEVINE, ROSS S. [redacted]
DOWGIN, THOMAS A. [redacted]
DUNSEATH, RODNEY A. [redacted]
ECKLUND, KIRK T. [redacted]
FENTON, LESLIE H. [redacted]
FISHER, WESTBY G. [redacted]
FOREMAN, RILEY D. [redacted]
FRAZIER, HAROLD A., II, [redacted]
FRECHEN, KATHLEEN A. [redacted]
GILPIN, ALBERT T. [redacted]
GOBER, JOHN D [redacted]
GOETTING, ANTHONY [redacted]
GORMAN, JOHN [redacted]
GREENSMITH, JAMES E. [redacted]
HAGER, STEVEN J. [redacted]
HAINES, GREGORY A. [redacted]
HALL, WILLIAM J. [redacted]
HIGGINS, DAVID L. [redacted]
HIGHTOWER, RANDALL D. [redacted]
HOWARD, WHITNEY H. [redacted]
IMMERMAN, KATHERINE L. [redacted]
JERCINOVICH, IGOR A. [redacted]
KALLGREN, DIANE L [redacted]
KEEFE, MICHAEL A. [redacted]
KELLEY, LAURENCE R. [redacted]
KERSCH, THOMAS J [redacted]
KHALFAYAN, ELIAS E. [redacted]
KILLIAN, THOMAS J. [redacted]
KOELLER, KELLY K. [redacted]
MCNEILL, DOUGLAS H. [redacted]
MCSHARRY, ROGER J., JR. [redacted]
MILLER, RICHARD C [redacted]
MITCHELL, MARC E. [redacted]
MOSHMAN, GORDON S. [redacted]
MULL, NATHAN H., IV [redacted]
MURPHY, GERALD S., JR. [redacted]
NEWTON, THOMAS A., [redacted]
NITA, NIPONT N. [redacted]
PERREN, RICHARD S. [redacted]
PFAFF, JOHN K [redacted]
PIACQUADIO, KATHLEEN M. [redacted]
PONTIER, PAUL J [redacted]
PORTER, KEVIN R. [redacted]
POSTMA, GREGORY N. [redacted]
ROBERTS, JAMES L. [redacted]
ROBINSON, DOUGLAS H. [redacted]
ROLFE, ALAN E. [redacted]
ROSS, DANIEL G. [redacted]
SAMPLE, KENNETH M. [redacted]
SAMSON, JOSE [redacted]
SCACCIA, DAVID F. [redacted]
SCHLEICH, CARL T. [redacted]
SCHMIDT, CHRISTOPHER P. [redacted]
SHARKEY, PETER F. [redacted]
SLATEN, DOUGLAS D. [redacted]
SPAK, ERIC W. [redacted]
STROH, DAVID J. [redacted]
SWANN, LISA A. [redacted]
SWEENEY, FRANCIS M. [redacted]
TOMESCU, ELVIRA [redacted]
TUTTLE, KENNETH W. [redacted]
WALLACE, ROBERT D. [redacted]
WOODWORTH, JAMES M. [redacted]
WYMER, ROBERT A. [redacted]
YAGEL, SCOTT L. [redacted]
YOSHIHASHI, ANN K. [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

SUPPLY CORPS

To be lieutenant commander

HANSON, KEVIN T.M. [redacted]
TUFTS, ROBERT K. [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE CHAPLAIN CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CHAPLAIN CORPS

To be captain

ANDERSON, JAMES W. [redacted]
LINEHAN, STEPHEN J. [redacted]

To be commander

BRIMHALL, BARRY W. [redacted]
MAC NEW, JAMES J. [redacted]
SIMPSON, BRIAN L. [redacted]
SOUTIERE, RONALD A. [redacted]
YAGESH, RICHARD C. [redacted]

To be lieutenant commander

ADAMS, GEORGE E. [redacted]
ANDERSON, BRUCE M. [redacted]
BARRETT, MILES J. [redacted]
BLACK, JON R. [redacted]
BOCHONOK, SANDRA L. [redacted]
BROWN, RONDALL [redacted]
CALHOUN, ANDREW, III [redacted]
CARTER, JOHN K., JR. [redacted]
CRADDOCK, RONALD D. [redacted]
CROMER, DAVID C. [redacted]
DANG, CHIN V. [redacted]
DAWSON, PASCHAL L., III [redacted]
DELIS, ROBERT D. [redacted]
DORY, MICHAEL E. [redacted]
DUNHAM, LARRY C. [redacted]
DUNN, DOYLE W. [redacted]
ERESTAIN, ALFONSO E. [redacted]
FAUNTLEROY, WILLIAM K. [redacted]
FELDER, GERALD W. [redacted]
FIX, DONALD P. [redacted]
FRANKLIN, JOHN V. [redacted]
GOODWIN, MELODY H. [redacted]
GORDY, JOHN C., III [redacted]
HARKNESS, FURNISS B., JR. [redacted]
HOGAN, TIMOTHY D. [redacted]
HOLLOWAY, DAVID L. [redacted]
HOLMES, WAYNE P. [redacted]
HUNTER, CHARLOTTE E. [redacted]
INGRAM, JAMES A. [redacted]
INMAN, RICHARD W. [redacted]
JOHNSON, PATRICK D. [redacted]
KEANE, ROBERT L. [redacted]
KLARER, MICHAEL E. [redacted]
KOCZAK, MARK W. [redacted]
KREKELBERG, ANNE M. [redacted]
LEONARD, KIM A. [redacted]
MC ALEXANDER, KALAS K. [redacted]
MC CORMICK, PATRICK J. [redacted]
MC GUIRE, DEBRA E. [redacted]
MEEHAN, DIANA L. [redacted]
MORENO, JAIRO [redacted]
NELSON, TERRY E.E [redacted]
ORTIZ, RUBEN A. [redacted]
OVERTURF, TIMOTHY L. [redacted]
PARISI, MICHAEL J. [redacted]
POWERS, ROY S. [redacted]
RAMIREZ, ABEL [redacted]
SEILER, JEFFREY H. [redacted]
SEYB, STOCKTON K.M. [redacted]
SPALDING, MARY H. [redacted]
STEWART, GARY P. [redacted]
TOKAR, PETER, JR. [redacted]
VEITCH, DONALD P. [redacted]
WAKEFIELD, TIMOTHY E. [redacted]
WEEDEN, GARY P. [redacted]
WILLIAMS, CHRISTOPHER J. [redacted]
WILLIAMS, ROBERT T. [redacted]
WILLIAMS, WILLIE [redacted]
WOIENSKI, RICHARD [redacted]
WRIGHT, MICHAEL A. [redacted]
YORTON, MARK B. [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICER, TO BE APPOINTED IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CIVIL ENGINEER CORPS

To be lieutenant commander

GEORGES, DAVID R. [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MEDICAL SERVICE CORPS

To be commander

BELLENKES, ANDREW H. [redacted]

To be lieutenant commander

ALKOSHNAW, KAREN M. [redacted]
BYE, EDWARD S. [redacted]
CARLSON, NEAL A. [redacted]
DELARA, EUGENE M. [redacted]
EKENNAKALU, CHIDIEBERE [redacted]
EVANS, PAMELA J. [redacted]
FINCH, MICHAEL L. [redacted]
FISHER, STUART B. [redacted]
FRANTZEN, THOMAS A. [redacted]
GALLAND, ROLAND M. [redacted]
HOWARD, CRAIG M. [redacted]
HUERTAS, VICTOR M. [redacted]
KATO, KAREN S. [redacted]
LINDBERG, AMY D. [redacted]
LINNVILLE, STEVEN E. [redacted]
LUCART, ANN L. [redacted]
MAHONE, ERNEST M. [redacted]
MARIONI, MARIA L. [redacted]
MERRITT, JANELLE A. [redacted]
MONAHAN, MARK C. [redacted]
PARADISO, CATHERINE A.S. [redacted]
PIERCE, ROBERT H., JR. [redacted]
PRESLEY, STEVEN M. [redacted]
PRIBOTH, TERESA L. [redacted]
RODRIGUEZ, AMILCAR [redacted]
SMITH, ELEANOR J. [redacted]
THORNTON, STEPHEN A. [redacted]
VILLAMORA, ALFONSO B. [redacted]
WALTER, PENNY E. [redacted]

THE FOLLOWING-NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED IN THE NURSE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

NURSE CORPS

To be lieutenant commander

BALLANTYNE, KATHRYN A. [redacted]
BOGLE, MARCIA C. [redacted]
BOWENS, SHIRLEY M. [redacted]
CELLI, MARIAN L. [redacted]
DAVIDSON, TINA A. [redacted]
DEMCHAK, MICHELE G. [redacted]
DIONNE, SUSAN E. [redacted]
DULL, NANCY G. [redacted]
FALLS, DEANNA L. [redacted]
FINES, DENISE M. [redacted]
FISCHER, ROBERT A. [redacted]
HERNANDEZ, REBECCA [redacted]
HOFFMAN, CATHARINE M. [redacted]
HUGHES, LINDIA G. [redacted]
ISAACSON, KIMBERLY K. [redacted]
KELLEY, PATRICIA A.W. [redacted]
KUECK, LYNNE R. [redacted]
LALLY, ANNE M. [redacted]
LARSEN, MARK S. [redacted]
MAC KELLAR, JENNIFER T. [redacted]
MC DERMOTT, BARBARA A. [redacted]
MC KEON, KATHLEEN A. [redacted]
NASH, LINDA L. [redacted]
OLSON, RONALD L. [redacted]
PARADIS, ROSEMARIE J. [redacted]
PARODI, VIVIENNE A. [redacted]
PFEFFER, DEBORA A. [redacted]
PHILLIPS, RAYMOND E. [redacted]
SABATINOS, JAMES F. [redacted]
SCRUTON, SCOTT D. [redacted]
STEVENS, ROSS R.P. [redacted]
SULLIVAN, MARY T. [redacted]
SWINEHART, SUSAN L. [redacted]
TAYLOR, BEVERLY A. [redacted]
TAYLOR, NANCY B. [redacted]
TURNER, CATHERINE E. [redacted]
WARREN, MARY K. [redacted]
WILLIAMS, RUTH A. [redacted]
WRIGHT, DOROTHY B. [redacted]

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 6, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 7

9:30 a.m.

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Service and the Selective Service System.
SD–192

Energy and Natural Resources
Oversight and Investigations Subcommittee
To hold oversight hearings to examine the historical evolution of the National Environmental Policy Act of 1969 (P.L. 91–190).
SD–366

Finance
To hold hearings to examine certain small business issues, including estate tax proposals and expensing of business equipment proposals.
SD–215

10:00 a.m.

Armed Services
To hold hearings on the situation in Bosnia.
SD–106

Banking, Housing, and Urban Affairs
To hold hearings on the nominations of Martin Neil Baily, of Maryland, to be a Member of the Council of Economic Advisers, Charles L. Marinaccio, of the District of Columbia, Deborah Dudley Branson, of Texas, Marianne C. Spraggins, of New York, and Albert James Dwoskin, of Virginia, each to be a Director of the Securities Investor Protection Corporation, Steve M. Hays, of Tennessee, to be a Member of the Board of Directors of the National Institute of Building Sciences, and Tony Scallon, of Minnesota, and Sheila Anne Smith, of Illinois, each to be a Member of the Board of Directors of the National Consumer Cooperative Bank.
SD–538

Foreign Relations
Business meeting, to resume markup of proposed legislation to authorize reduced levels of appropriations for foreign assistance programs for fiscal years 1996 and 1997.
SD–419

Governmental Affairs
To hold hearings to examine overlap and duplication of functions in the Federal Government.
SD–342

Judiciary
Youth Violence Subcommittee
To hold hearings to examine issues relating to welfare, illegitimacy and juvenile violence.
SD–226

2:00 p.m.

Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

JUNE 8

9:30 a.m.

Finance
To hold hearings to examine the earned income tax credit.
SD–215

Labor and Human Resources
To hold hearings on S. 673, authorizing funds for fiscal years 1996 through 1998 to establish a youth development grant program.
SD–430

Indian Affairs
To hold hearings on S. 436, to improve the economic conditions and supply of housing in Native American communities by creating the Native American Financial Services Organization.
SR–485

10:00 a.m.

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for military construction programs.
SD–192

Foreign Relations
To hold hearings on the situation in Bosnia.
SD–419

Veterans' Affairs
To hold hearings to examine recent court decisions affecting Department of Veterans Affairs regulations regarding veterans' benefits.
SR–418

12:30 p.m.

Commission on Security and Cooperation in Europe
To hold hearings on the current crisis in Bosnia.
340 Cannon Building

2:00 p.m.

Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings to review the Forest Service reinvention proposal and the proposed National Forest planning regulations.
SD–366

Judiciary
Immigration Subcommittee
Business meeting, to consider pending calendar business.
SD–226

Conferees
On H. Con. Res. 67, setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.
SH–216

JUNE 12

9:30 a.m.

Joint Economic
To hold hearings to examine certain issues relating to capitalism in the 21st century.
SD–106

JUNE 13

9:30 a.m.

Agriculture, Nutrition, and Forestry
To resume hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.
SR–328A

Commerce, Science, and Transportation
To hold hearings on the nomination of Robert L. Gross, of the District of Columbia, to be Inspector General, National Aeronautics and Space Administration.
SR–253

Energy and Natural Resources
To hold hearings on S. 755, to provide for the privatization of the United States Enrichment Corporation.
SD–366

10:00 a.m.

Finance
Social Security and Family Policy Subcommittee
To hold hearings to examine the financial and business practices of the American Association of Retired Persons.
SD–215

Foreign Relations
To hold hearings on numerous treaties relating to conventions and protocols on avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital.
SD–419

10:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on issues relating to NASA's mission to Earth program.
SR–253

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

2:30 p.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on health programs.
SD–192

JUNE 14

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

JUNE 15

9:30 a.m.
Agriculture, Nutrition, and Forestry
Production and Price Competitiveness Subcommittee
To hold hearings on proposed legislation to strengthen and improve United States agricultural programs, focusing on commodity policy.
SR–328A

Energy and Natural Resources
To hold hearings on S. 871, to provide for the management and disposition of the Hanford Reservation, and to provide for environmental management activities at the Reservation.
SD–366

JUNE 19

2:00 p.m.
Governmental Affairs
Post Office and Civil Service Subcommittee
To resume hearings on proposals to reform the Federal pension system.
SD–342

JUNE 20

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on counternarcotic programs.
SD–192

JUNE 22

9:30 a.m.
Indian Affairs
To hold joint hearings with the House Committee on Resources Subcommittee on Native American and Insular Affairs on S. 487, to amend the Indian Gaming Regulatory Act.
SD–G50

JUNE 27

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on ballistic missiles.
SD–192

JUNE 28

9:30 a.m.
Indian Affairs
To hold hearings on S. 814, to provide for the reorganization of the Bureau of Indian Affairs.
SR–485

JULY 13

9:30 a.m.
Indian Affairs
To hold hearings on S. 479, to provide for administrative procedures to extend Federal recognition to certain Indian groups.
SR–485